Integrated Annual Report 2025

ITALTILE LIMITED

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ITALTILE at a glance

A PROUDLY SOUTH AFRICAN MANUFACTURER, FRANCHISOR AND RETAILER OF TILES, BATHROOMWARE AND OTHER RELATED HOME-FINISHING PRODUCTS

Founded in 1969, Italtile Limited is a proudly South African manufacturer, franchisor and retailer of tiles, bathroomware and other related home-finishing products. The Group's retail brands are CTM, Italtile and TopT represented by 210 stores in South Africa and the rest of Africa.

We are a B-BBEE Level 2 contributor. Our qualifying and recognised spend on the B-BBEE scorecard was R87 million.

The retail operation is strategically supported by a vertically integrated supply chain.

Our manufacturers are Ceramic Industries ("Ceramics") comprising seven factories in South Africa and one in Australia, and Ezee Tile with six factories in South Africa and three in the rest of Africa.

We have installed capacity to manufacture 52 million m^2 of tiles and two million pieces of sanitaryware annually.

Our import businesses are International Tap Distributors, Cedar Point and Distribution Centre, with facilities in KZN, Gauteng and the Western Cape.

Our total system-wide turnover for the period was R11,3 billion, and our market capitalisation is in excess of R13 billion.

Our property portfolio is valued in excess of R3,9 billion.

Our tile factories rank among the most energy efficient in the world. We generated 8 906 MWh of solar power for the period. We target continued reduction of our carbon footprint through extensive Group-wide initiatives.

We partner with 26 franchisees and have 3 283 employees (including those employed by franchisees).

About our report

Reporting scope and boundary

This Integrated Annual Report ("IAR") provides information relating to Italtile's strategy and business model, operating context, material risks and opportunities, governance, sustainability and operational performance for the period 1 July 2024 to 30 June 2025.

We also consider the risks, opportunities and outcomes of our business activities on the various stakeholders who are affected by what we do. These stakeholders and their interests are described on pages 71 to 73.

In addition, we have published annual financial statements ("AFS"). The reporting process for all our reports has been guided by the principles and requirements contained in IFRS® Accounting Standards ("IFRS Accounting Standards"), the IIRC's International <IR> Framework, the Global Reporting Initiative Standards, the King IV™* Report on Corporate Governance for South Africa 2016 ("King IV"), the Listings Requirements of the JSE Limited ("JSE"), and the Companies Act (No 71 of 2008) as amended ("Companies Act")

Reporting element	Assurance status and provider
IAR	Reviewed by the directors and management but has not been externally assured.
Financial information	All summarised financial information is extracted from the annual financial statements, audited by PricewaterhouseCoopers Inc., who expressed an unmodified audit opinion thereon.
Selected non-financial performance metrics	Accredited service providers and agencies have verified selected non-financial performance metrics contained in the report, including our carbon footprint and the Broad-Based Black Economic Empowerment ("B-BBEE") rating.
All other non-financial performance information	Management has verified the processes for measuring all other non-financial information.

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Our approach to materiality

This report provides information that we believe is of material interest to current and prospective investors, and to any other stakeholder who wishes to make an informed assessment of Italtile's ability to generate value over the short, medium and long term. We have sought to ensure that all the information in this report relates to matters that have a material bearing on value creation at Italtile. Understanding our business and our business model (pages 20 to 21) forms the basis for appreciating how Italtile creates value, and identifying those issues impacting value. Our ability to create value is determined by the quality of our response to our operating context (page 70), the priority risks and opportunities facing our business (page 74), and the material interests of our key stakeholders (page 71). Making an informed assessment of the quality of our response requires an appreciation of our strategy (page 32), our performance (pages 34 to 61), the Italtile Limited Board of directors ("Board") (page 6), and our governance practices (page 110).

About the forward looking information contained in this report

This report contains certain forward looking statements which relate to the possible future performance and financial position of the Group. All forward looking statements are solely based on the views and considerations of the directors. These statements involve risk and uncertainty as they relate to events and depend on circumstances that may or may not occur in the future. The Group does not undertake to update or revise any of these forward looking statements publicly, whether to reflect new information, future events or otherwise. These forward looking statements have not been reviewed or reported on by the Group's external auditor.

The Group neither accepts any responsibility for any loss arising from the use of information contained in this report, nor undertakes to publicly update or revise any of its forward looking statements.

Statement of responsibility for the IAR

The Board acknowledges its responsibility to ensure the integrity of this IAR, and has applied its collective mind in the preparation thereof. In the Board's opinion, the report addresses all material issues and fairly presents the Group's integrated performance.

On behalf of the Board

L Ravazzotti Langenhoven
Chairperson

L A Foxcroft
Chief Executive Officer

22 September 2025

Our business overview

ITALTILE LIMITED

Retail stores

Situated on high-visibility sites and online, our comprehensive offerings position them as one-stop solution destinations, with ranges including ceramic and porcelain wall and floor tiles, sanitaryware, bathroom furniture, taps, fittings, laminate and vinyl flooring, lighting, home-finishing products and tools.

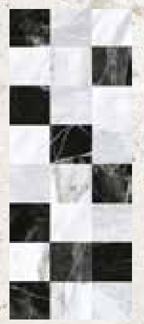
ITALTILE LIVE BEAUTIFULLY

CTM Big savings. More style.

top TILES

Integrated supply chain

Retail operations are supported by an integrated supply chain comprising:



Manufacturing operations

Ceramic Industries – manufacturer of glazed porcelain floor tiles, ceramic wall and floor tiles, vitreous china sanitaryware and acrylic baths and shower trays.

Ezee Tile – manufacturer of grout, tile adhesives and related products.

CERAMIC INDUSTRIES Tiles & Bathroomware *Creators of style*

EZEE TILE ADHESIVES AFRICA'S PREFERRED TILING SOLUTIONS

Import operations

International Tap Distributors – importer and distributor of brassware and accessories.

Cedar Point Trading – importer and distributor of laminate and vinyl flooring, bathroom furniture, shower enclosures, accessories, sanitaryware, décor and other home-finishing products.

Distribution Centre – importer of product and provider of logistics and warehousing.

ITD INTERNATIONAL TAP DISTRIBUTORS EXPERIENCE WATER'S INSPIRATION

CEDAR POINT TRADING

Support services

Information technology ("IT"), e-commerce, human capital ("HC"), finance/administration, marketing and internal audit.

Property investment portfolio

Underpins the retail operation by locating stores on high profile, easily accessible sites and maintaining and upgrading premises to ensure an optimum shopping environment. Manufacturing operations comprise well-maintained state-of-the-art factories supplied with raw materials sourced from productive quarries in close proximity to the factories.

Associate investment

elk easylife kitchens

Easylife Kitchens ("ELK") – a leading installer and manufacturer of kitchen, bathroom, vanity, built-in-cupboards, bar and storage design. The Group owns a 30% stake in ELK. The investment is in line with the Group's goal to provide customers with complete specialist solutions in home-finishing.

Financial highlights

System-wide turnover
↓ 2% **R11,3 billion**
2024: R11,5 billion

Ordinary dividend per share
↑ 2% **50,0 cents**
2024: 49,0 cents

Trading profit
← → **R2,1 billion**
2024: R2,1 billion

Special dividend per share
↑ 26% **98,0 cents**
2024: 78,0 cents

Earnings per share
↑ 3% **125,6 cents**
2024: 122,1 cents

Total dividend per share
↑ 17% **148,0 cents**
2024: 127,0 cents

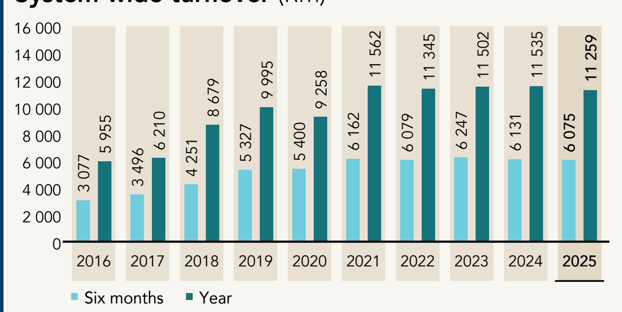
Headline earnings per share
↑ 2% **125,1 cents**
2024: 123,0 cents

Net asset value per share
← → **705,0 cents**
2024: 707,5 cents

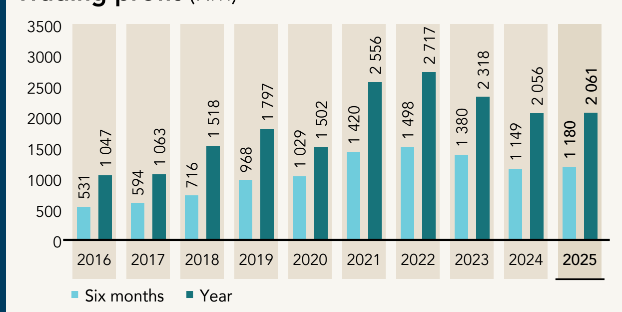
Store network
↑ 1% **210**
2024: 208

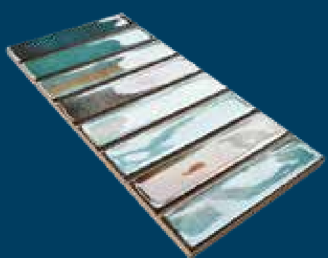
Cash and cash equivalents
↑ 18% **R2,2 billion**
2024: R1,8 billion

System-wide turnover (Rm)



Trading profit (Rm)





This is Italtile

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FOR MORE THAN A DECADE, THANKS TO STRONG SUPPLIER PARTNERSHIPS, WE HAVE CURATED extraordinary ranges OF LUXURY TILES, TAPS, SANWARE AND ACCESSORIES

Founder-led businesses, by their nature, are entrepreneurial and innovative, have clarity of vision, an aversion to bureaucracy, a predisposition for action and a keen cash focus. These tenets have proved invaluable as we navigate the weak consumer demand and intense competition across the business.

Kateka Lodge, Klif Grey and Klif Dark Matt Glazed Porcelain Tiles

Our Board of directors

Luciana Ravazzotti Langenhoven ***(56)***

Chairperson

Appointed: 2018

Luciana has 36 years of experience with the Group, having worked in various roles in the South African business. She was also involved in the establishment of the Group's Ceramic Industries' Centaurus factory in Australia. Luciana is a non-executive director on the board of Centaurus Pty Ltd in Australia (appointed in 2000) and Chairman of Ceramic Industries (Pty) Ltd (appointed to the board in 2006).

Luciana was appointed as non-executive Chairperson of Italtile Ltd with effect from 1 July 2023.

Board Committee membership ⋆ C

Giovanni Ravazzotti ***(82)***

Non-executive director and founding member

Founder, in 1969, of the Italtile Group.

Board Committee membership

Lance Foxcroft ***(53)***

Chief Executive Officer

Appointed: 2022

BSc Eng (Physical Metallurgy) Cum Laude, BSc Hons IT

Lance served as CEO-designate from 1 July 2021 and was appointed CEO on 1 January 2022. He was formerly CEO of Ceramic Industries. Lance joined Ceramic in 2003 and held a range of senior management positions in the business prior to his appointment as CEO in 2014.

Board Committee membership ⋆ ⋆

Susan du Toit ***(52)***

Lead independent non-executive director

Appointed: 2009

CA(SA), MCom (Financial Management)

Susan is a Chartered Accountant (SA) and has held a number of positions within Ernst & Young ("EY") culminating in the position as lead audit partner on a number of entities listed on the JSE. Susan also held the position of team leader for a group of audit partners at EY. Susan currently serves as Chairperson of the board of Eureka DIY Solutions (Pty) Ltd.

Board Committee membership

Jan Potgieter ***(56)***

Non-executive director

Appointed: 2014

BCompt (Hons), CA(SA), Advanced Management Programme (INSEAD)

Jan served as CEO of Italtile from 2016 to 2021, prior to which he held the position of Chief Operating Officer ("COO") from 2014. He retired from his executive role in December 2021. He is a Chartered Accountant (SA) and has extensive senior-level experience in the retail and supply chain sectors, having served as CEO and formerly Financial Director of Massdiscounters (a division of Massmart). He also served as a business manager at Clover SA and spent eight years at SABMiller in senior financial roles. Jan currently serves as a non-executive director on the boards of The Foschini Group Limited and Motus Holdings Limited.

Board Committee membership

Board Committee key:

- Audit and Risk
- Social and Ethics
- Remuneration
- Nominations
- C Chairperson
- ⋆ By invitation

Brand
Pretorius
(77)

Independent non-executive director

Appointed: 2011

MCom Business Economics

Brand is a well-known and respected businessman in South Africa, particularly in the motor industry where he held the position of Managing Director for Toyota SA for eight years and that of CEO of McCarthy Limited from 1999 to his retirement in 2011. Brand currently serves as a non-executive director on the board of InvoTech. Two honorary doctorate degrees in marketing and leadership respectively were awarded to Brand by leading South African universities.

Board Committee membership

Brandon
Wood
(43)

Chief Operating Officer

Appointed: 2013

BAcc, CA(SA)

Brandon is a Chartered Accountant (SA) and prior to joining the Group, was an audit manager at EY. He joined Italtile in 2010 as Group Financial Manager and was appointed as CFO in 2013, a position in which he served for five years. From 2018, Brandon served as Executive Director: Commercial and Supply Chain and Executive Director: Retail, prior to being reappointed as CFO in 2020. Brandon was appointed as Chief Operating Officer on 1 July 2024.

Board Committee membership * * *

Lamar
Booysen
(38)

Chief Financial Officer

Appointed: 2024

BCom (Accounting) Cum Laude; CA(SA)

Lamar is a Chartered Accountant (SA). He joined the Group as Finance Executive in 2023. Prior to that, he held senior financial positions in the telecommunications industry, most recently at a JSE-listed company. Lamar completed his articles at PricewaterhouseCoopers Inc. in 2013.

Lamar was appointed as Chief Financial Officer on 1 July 2024.

Board Committee membership * * *

Lushane
Prezens
(48)

Independent non-executive director

Appointed: 2021

BBusSc, CA(SA)

Lushane is a Chartered Accountant (SA) having completed her articles at PricewaterhouseCoopers Inc. She has 18 years of experience in investment banking, specifically in mergers and acquisitions and capital raisings at Morgan Stanley, J.P.Morgan and Fidelis Partners. She currently has her own advisory and consulting business.

Board Committee membership C

Alex
Motshwanetsi
Mathole
(53)

Independent non-executive director

Appointed: 2022

B.Iuris, LLB, PhD

Alex holds a doctorate in private law from UCT and was admitted as an attorney in 1997. She has extensive experience in legal, governance, conduct and regulatory risk management. She is currently the CEO and founder of Justings (Pty) Ltd, a business that provides regulatory and conduct risk management advisory services. From 2014 to 2021, Alex was Conduct and Regulatory Risk Management Executive for the FirstRand group. Prior to that, she was Regulatory and Corporate Affairs Group Executive at Tiger Brands Limited. She has also served as executive director and General Counsel for Siemens in Africa, and as an independent non-executive board member for Pick n Pay Stores Limited until August 2020.

Board Committee membership C C

Mamedupi
Matsipa
(44)

Independent non-executive director

Appointed: 2025

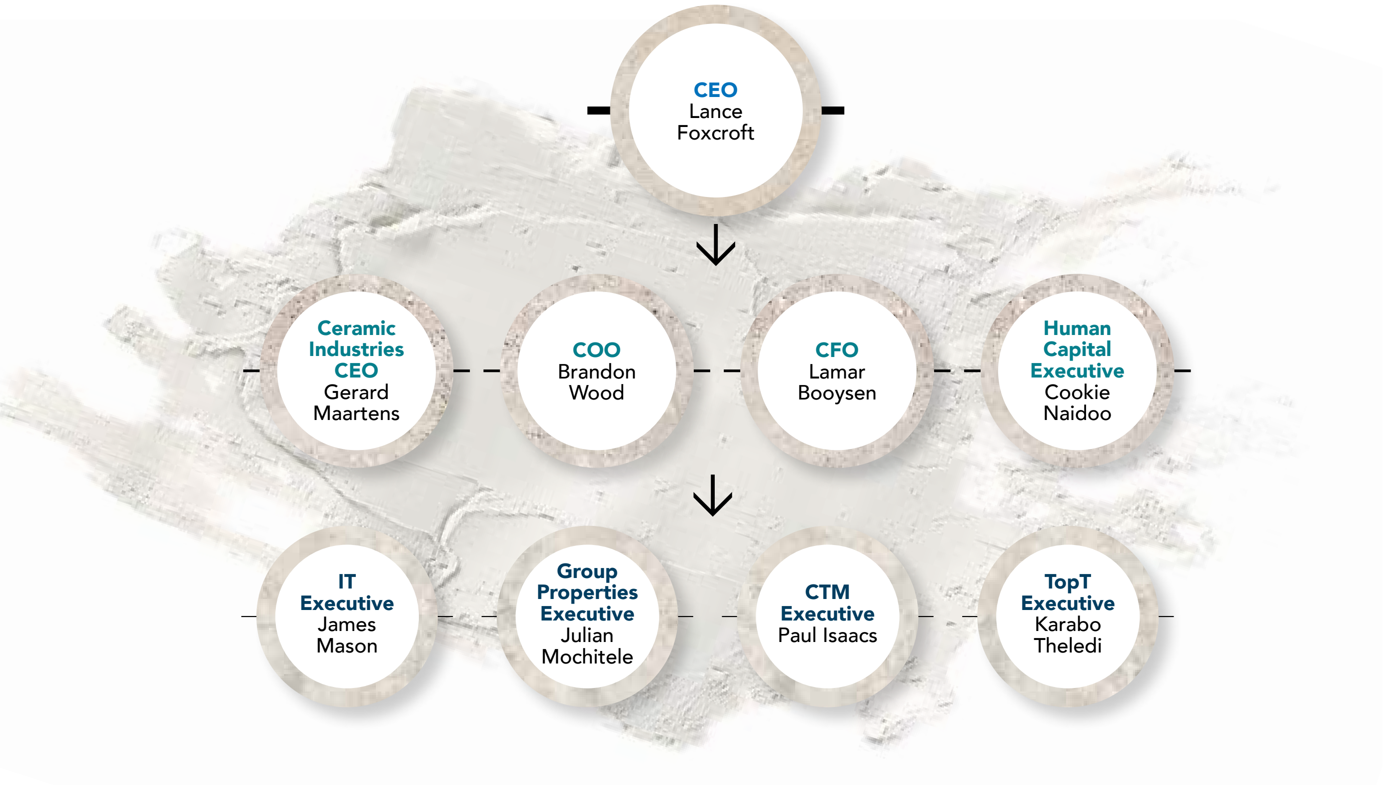
PGDip (Tax Law), MBA (Distinction), BCom Honours (Information Systems), BCom (Accounting and Information Systems)

As a former CEO of a private equity fund manager, together with over 20 years' experience in private equity, investment banking and information systems, she brings a wealth of experience and expertise in driving value through governance and execution excellence. Mamedupi has served as a non-executive director on boards spanning the energy, telecoms, healthcare, industrial and insurance sectors. She currently serves as a non-executive director on the boards of Absa financial services, Absa Life, Absa insurance company and Novasun Products.

Our executive leadership

Ceramic Industries Gerard Maartens **Joined the Group:** 2012		*BA Business Management; Mechanical Engineering Certificate; Information Technology Certificate; Senior Management Development Certificate*	**Designation** Ceramic Industries CEO
CTM Paul Isaacs **Joined the Group:** 1996		*Senior Management Development Programme Certificate; Financial Management course; MBA; Investment Management, UCT.*	**Designation** CTM Executive
TopT Karabo Theledi **Joined the Group:** 2018		*BCom (Economics); Postgraduate Diploma in Project Management; MBA*	**Designation** TopT Executive

Italtile Group Executive Committee



Property Portfolio Julian Mochitele **Joined the Group:** 2015		*BTech (Finance and Auditing)* **Designation** Group Properties Executive
Information Services James Mason **Joined the Group:** 2012		*Diploma IT; Diploma in Programme Management Development; Postgraduate in Business Management; MBA* **Designation** IT Executive
Management Services: Human Capital Cookie Naidoo **Joined the Group:** 2018		*Honours degree (Major in Financial Management and HR) and Diploma in Strategic HR* **Designation** Human Capital Executive

Our purpose

ITALTILE IS A SOUTH AFRICAN GROUP INVESTED IN A PORTFOLIO OF DIFFERENTIATED, COMPLEMENTARY, focused retail FORMATS AND MANUFACTURING FACILITIES PRIORITISING OPERATIONAL EXCELLENCE

The Group actively seeks opportunities to vertically integrate the supply chain to improve price competitiveness for our customers.

Collaboration throughout the organisation and our culture of continuous improvement in performance will drive market share gains.

Strategic clarity, principle-driven, ethical leadership, cost-effective technology, and customer and staff-centred partnerships form the essence of who we are.

We deliver superior return on funds employed to our shareholders.

We fight for the right of our customers to have a beautiful home.

Our mission and definition of victory

- To be **Africa's leading retailer of tiles, sanitaryware and ancillary products**
- To **grow market share**
- To be an **employer of choice**
- To **build our leadership and succession pipeline**
- To be viewed by our suppliers as ethical and **tough but fair**
- To be recognised as **compassionate and caring through meaningful measurable CSI initiatives**
- To be **innovative** and **strive for continuous improvement**
- To capitalise on the ever-accelerating pace of **technological innovation for the benefit of customers and shareholders**
- To **progress** the imperative of **transformation**
- To be a **globally competitive manufacturer of tiles, baths and sanitaryware**
- To be our **customers' number one choice** in the merchandise categories we plan to own
- To remain a **cash positive business** and maintain a dividend cover of two-and-a-half times
- To **ensure quality of earnings** by driving free cash flow
- To grow the business sustainably, while **minimising our impact on the natural environment**

Our values and beliefs

Our values

- FAIRNESS
- INTEGRITY
- HONESTY
- HUMAN DIGNITY (respect and caring)
- EMPOWERMENT
- EXCELLENCE
- PARTNERSHIP
- SERVANT LEADERSHIP

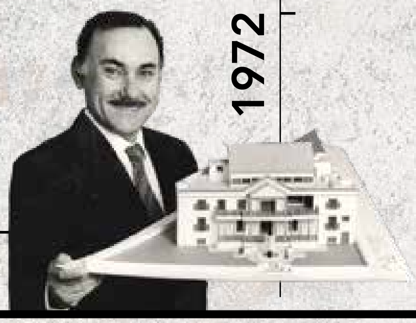
Beliefs that are core to our culture

- High work ethic
- The drive to develop business partnerships
- Customer centricity
- Hands-on involvement in the business
- Leadership by example
- Entrepreneurial flair
- Accountability for actions and performance
- Performance driven
- Transparency in communication and actions with stakeholders
- Empathy
- Principle-based
- Transformation

Our timeline and milestones

1969

Italtile founded by Giovanni Ravazzotti in Alberton



1971

Italtile's first **Cape Town** store opened.

Italtile's first **Durban** store opened.

1972

Italtile's first **Johannesburg** store opened.

1976

Samca Floor tile factory opened.

1981

Samca introduced single-firing monocotura tiles using the clay dry-milling process.

Italtile moved into new premises in Alberton.

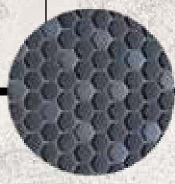
1983

Launch of the first **cash-and-carry concept CTM store** in Roodepoort.

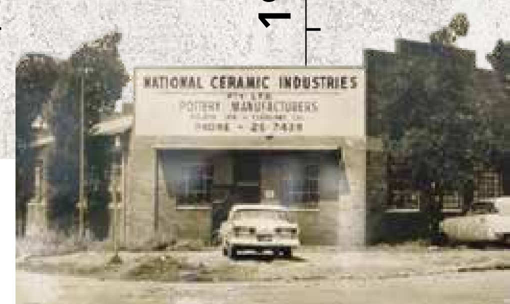
The second store opened in Stikland, Cape Town.

1986

Acquisition of **Betta Sanitaryware** from a consortium of banks.



1988



Acquisition of **NCI Ceramics.**

Italtile listed on the Johannesburg Stock Exchange.

1989

Italtile moved head office to Randburg.

Samca Wall tile factory opened.

1991

The management information system was upgraded and all Italtile Centres were linked by computer.

1992

Formation of **Ceramic Industries (Pty) Ltd.**

Ceramic Industries listed on the JSE.

Established CTM Franchising division.

1993

The roll out of stores continued with the launch of the boutique store in **Tokai.**

1994

The launch of the **CTM Mastertile Club**.

Italtile transferred its JSE listing from the building and construction sector to the **retail sector.**

1995

CTM Roodepoort became the first store to turn over R1 million.

The entire organisation participated for its first full year in the staff profit share scheme.

1996

Acquisition of **Vitro Tile Factory.**

VITRO

CTM **Pretoria** became the first store to achieve a turnover of **R2 million.**

CTM began its successful TV advertising campaign with **Bob and Nige.**

2000

Italtile moved head office to its current location in **Bryanston.**

Commencement of trading in Australia.

Introduction of high-pressure casting at **Betta.**

SAP introduced to CTM Strijdom Park.

Our timeline and milestones continued

2001

Closure of NCI Tiles – production moved to **Vitro** factory.

2002

R1 billion system-wide turnover reached.

Pegasus factory opened.

2003

Introduction of **CTM joint-venture** ("JV") model.

Italtile displayed its passion for tiles with the 1,1 m x 2,2 m replica of Botticelli's Primavera which was made using kaolin clay and fired as a single tile in a roller kiln.

2004

Acquisition of controlling interest in **International Tap Distributors (Pty) Ltd**.

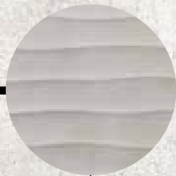
Acquisition of controlling interest in Early Works (Pty) Ltd.

Centaurus factory opened.

2005

Formation of **Penates Logistics** (Pty) Ltd.

2006



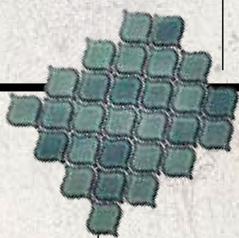
Acquisition of **Sphinx**. Ceramic Industries and support centre moved to the Clay Quarry.

Penates built the **International Tap Distributors** ("ITD") robotic warehouse, showrooms and the Forum Auditorium.

2007

Expansion of **Pegasus and Centaurus** to double production volumes.

2008



Expansion of **Betta.**

Aquarius factory opened.

Italtile launched the **TopT brand**.

2009

Italtile acquired a minority stake in **Ezee Tile**.

Penates built the Tiling Training Academy in Boksburg.

Italtile Commercial division is established.

Cedar Point Trading formed.

2010

Italtile appointed an **Environment Officer** to work with the Properties division to reduce the Group's carbon footprint.

2012

Italtile acquired **20% of Ceramic Industries.**

Ceramic delisted from the JSE.

CTM's internet shopping facility upgraded to **a fully functional operating online trading store.**

2013

Retail stores in Australia sold to management.

2014

Italtile introduced the equity-settled staff share scheme.

2015

System-wide turnover reached the **R5 billion** milestone.

2016

The store properties in Australia sold.

New-generation stores for Italtile and CTM opened.

Gryphon tile factory opened.

Italtile Foundation Trust established.

2018

Establishment of **Ceramic and Italtile Foundation**.

Acquisition of a controlling stake in **Ceramic Industries** and **Ezee Tile**

2019

Italtile celebrated **50-year** anniversary.

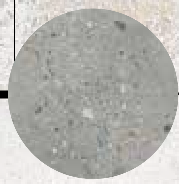
2020

EcoTec environmentally friendly tiles launched.

Acquisition of a 25,1% stake in **Easylife Kitchens.**

2021

R290 million profit share earned by staff.



2022

Samca+ floor tile factory launched.

2023

Ezee Tile commissioned flagship plant in **Vulcania, Gauteng**.

Italtile introduced **new staff share scheme.**

Our Group structure

ITALTILE LIMITED — 100% → Italtile Ceramics (Pty) Ltd

100%	F B Ashman (Pty) Ltd
100%	Allmuss Properties (Pty) Ltd
49%	Magaeng Properties (Pty) Ltd
100%	Allmuss Properties Botswana (Pty) Ltd
100%	Emerald Sky Trading 736 (Pty) Ltd
100%	Allmuss Lesotho (Pty) Ltd
100%	Allmuss Properties Namibia (Pty) Ltd
100%	Allmuss Properties Kenya Limited
100%	Allmuss Properties Uganda (Pty) Ltd
90%	Penates Logistics (Pty) Ltd
50%	Magnolia Ridge Properties 291 (Pty) Ltd
100%	Allmuss Properties Tanzania Limited
100%	Allmuss Properties Rwanda (Pty) Ltd
100%	Allmuss Properties Zambia Limited

90%	International Tap Distributors (Pty) Ltd
100%	Cedar Point Trading 326 (Pty) Ltd
100%	Italtile Foreign Holdings (Pty) Ltd
30%	SER-EXPORT S.L.R

100%	CTM Kenya Limited
100%	Italtile Zambia Limited
55%	Italtile Retail (Pty) Ltd
100%	Italtile Retail Botswana (Pty) Ltd
100%	Orban Investments 375 (Pty) Ltd
95%	TopT Ceramics (Pty) Ltd
100%	CTM Lesotho (Pty) Ltd
100%	Braintree (Pty) Ltd
100%	Braintree Tanzania Limited

99%	Ceramic Industries (Pty) Ltd
99%	Ceramic Holdings (Pty) Ltd
97%	National Ceramic Industries Australia (Pty) Ltd
100%	Namoi Valley Quarry (Pty) Ltd
100%	Sphinx Acrylic Bathroomware (Pty) Ltd
100%	National Ceramic Industries South Africa (Pty) Ltd
74%	Aquarella Investments 389 (Pty) Ltd
43%	PiViCal Panels (Pty) Ltd
100%	Ezee Tile Adhesive Manufacturers (Pty) Ltd
70%	Ezee Tile Kenya Limited
50%	Ezee Zim (Pvt) Ltd
49%	Ezee Tile Adhesives Zambia Limited
55%	Silica Quartz (Pty) Ltd
30%	Easylife Kitchens Management (Pty) Ltd

Segment key:

Property Investments | Support services | Retail | Manufacturing

Note: shaded blocks indicate companies incorporated outside of South Africa.

What sets us apart

TODAY, WE ARE LEADERS IN THE SPECIALIST FIELD OF PREMIUM-QUALITY PORCELAIN AND CERAMIC TILES, AND HAVE FORGED unique partnerships WITH THE WORLD'S MOST INNOVATIVE AND SUSTAINABLE MANUFACTURERS AND SUPPLIERS

We have a **strategic portfolio** of **strong retail** brands that appeal to customers across the **income spectrum**.

A sustained investment in **improving** and **innovating** the shopping experience and ensuring the offering remains **attractive** to traditional customers and new, emerging homeowners.

Extensive **property portfolio** which comprises **high-profile**, **well-maintained**, **inspirational stores**, **state-of-the-art factories** and **productive quarries**.

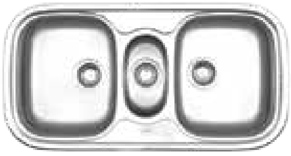
We recognise that our **people** are **key** to our **competitive advantage** and hence **investment** in them is **paramount**.

Concerted **focus** on **developing** and **employing industry-leading technology** in both our retail offering and manufacturing operations.

With a **reward** and **empowerment** ethos which **incentivises personnel** to participate in the **profitability** of the business.

We have a flat, **low-cost** organisational structure comprising strong teams and **unique individuals** intimately involved in the operations.

And an integrated supply chain which underpins our policy of **'right product at the right time, place and price'**.



With a long-standing **reputation** as the **industry trendsetter** and **fashion** authority.

And a **customer-centric philosophy** which ensures all our activities are centred on **keeping them top of mind**.

And most of all, strong partnerships with employees, **equity partners** and **entrepreneurial franchisees**.

Retail footprint

Retail footprint

210* Total network of stores

96* TopT stores

99* CTM stores

15* Italtile Retail stores

** Includes webstores.*

South Africa stores

Limpopo	Mpumalanga	Gauteng	North West	Kwazulu-Natal	Free State and Northern Cape	Eastern and Southern Cape	Western Cape
1 Italtile store	1 Italtile store	6 Italtile stores	6 CTM stores	1 Italtile store	6 CTM stores	1 Italtile store	3 Italtile stores
9 CTM stores	7 CTM stores	19 CTM stores	10 TopT stores	9 CTM stores	7 TopT stores	7 CTM stores	10 CTM stores
20 TopT stores	12 TopT stores	20 TopT stores		13 TopT stores		11 TopT stores	2 TopT stores

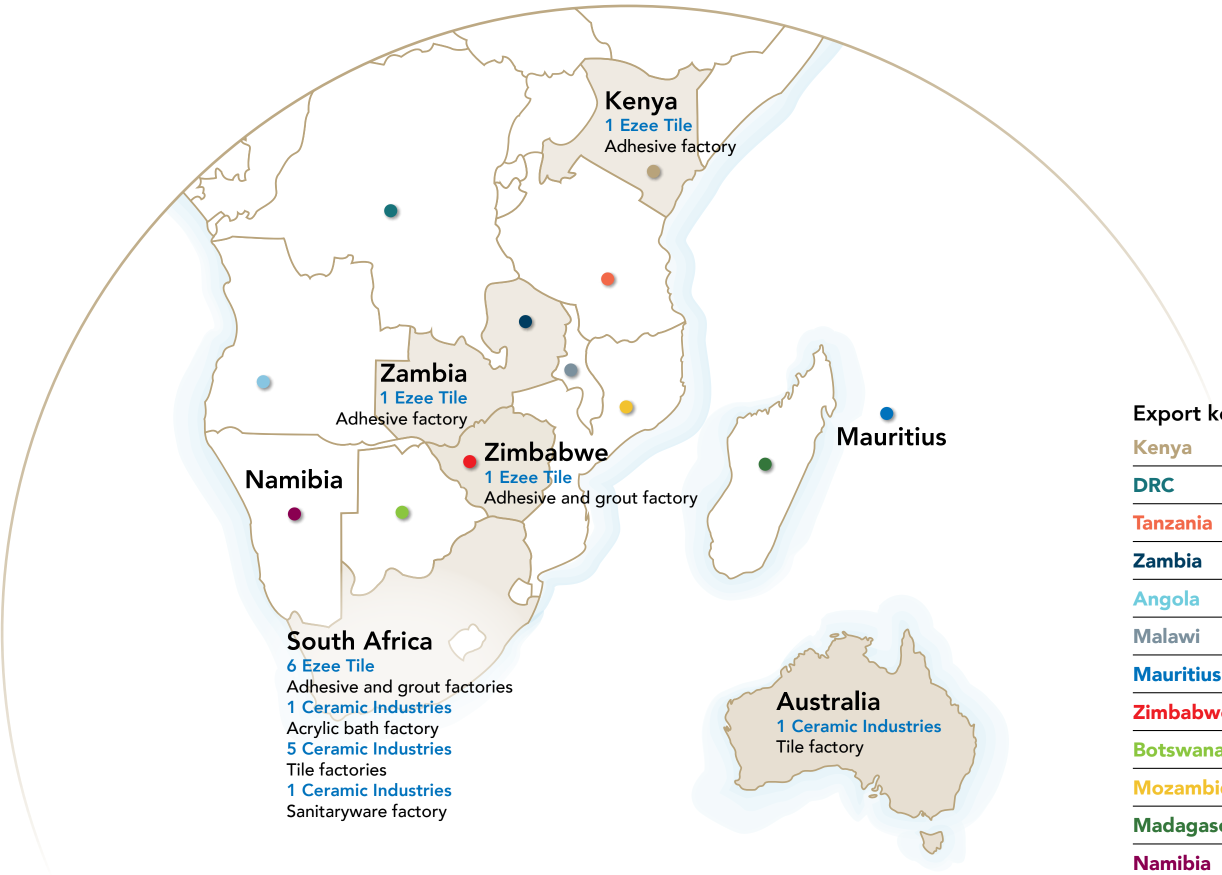
Rest of Africa stores

KENYA	TANZANIA	ZAMBIA	BOTSWANA	NAMIBIA	LESOTHO
Eldoret Kisumu Thika Nairobi Mwanza Mombasa Diani Nakuru	Mwanza Arusha Dar es Salaam	Lusaka	Palapye Francistown Gaborone	Oshakati Windhoek Swakopmund	Maseru

Manufacturing and export footprint

Manufacturing factories

- **17** Total factories
- **9** Ezee Tile adhesive and grout factories
- **1** Ceramic Industries acrylic bath factory
- **1** Ceramic Industries sanitaryware factory
- **6** Ceramic Industries tile factories



Export key:

- Kenya
- DRC
- Tanzania
- Zambia
- Angola
- Malawi
- Mauritius
- Zimbabwe
- Botswana
- Mozambique
- Madagascar
- Namibia

THE GROUP EXPORTS TILES, SANITARYWARE, GROUT, PAINT AND ADHESIVES TO VARIOUS SUB-SAHARA TERRITORIES

Manufacturing factories

AUSTRALIA	KENYA	ZAMBIA	ZIMBABWE	SOUTH AFRICA
Rutherford NSW	Mombasa	Lusaka	Harare	Mokopane Krugersdorp Hammanskraal Johannesburg Vereeniging Durban Gqeberha Cape Town

Creating value through our business model

OUR BUSINESS MODEL SUPPORTS DELIVERY OF OUR STRATEGY AND IS SHAPED BY OUR PURPOSE, MISSION, VALUES AND BELIEFS

Inputs

Through effective and sound management of our capitals, we create sustainable value.

Human capital

- Our workforce, partners and franchisees
- Skills and training
- Ethics
- Transformation
- Health and safety
- Values and culture

Financial capital

- Cash generated from operations
- Strategic direction
- Risk management

Intellectual capital

- Trademarks and brands
- Product research and development
- Knowledge, experience and practices
- People, HR and governance systems

Social capital

- Our customers
- Corporate social investment
- Our brands and reputation
- Regulatory and governmental authorities

Manufactured capital

- Production and research facilities
- Procurement and supply chain

Natural capital

- Natural resources (land, air and water)
- Projects to reduce carbon footprint

Activities and drivers of revenue

A key strength of the Group is our integrated business model.

Franchising

Bearer of Group trademarks and franchisor of retail brands

16%*

2024: 16%

Properties

Well-maintained and strategically positioned rental yielding properties

17%*

2024: 15%

Supply and support services

Distributors of imported tiles, brassware, accessories, tiling tools, wooden flooring, cabinets, décor and shower enclosures. Provider of various Group services including IT, HC and marketing

15%*

2024: 16%

Manufacturers

Manufacturer and supplier of tiles, sanitaryware, bathware, grout, adhesive, paint and related products

25%*

2024: 28%

Retail

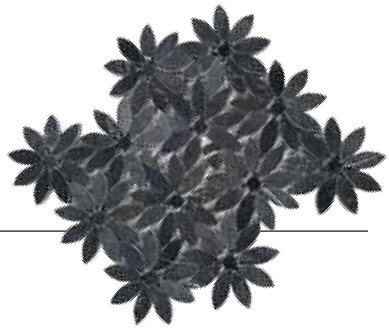
Retailers of tiles, wooden flooring, brassware, bathroomware, hardware, accessories and other home-finishing products

26%*

2024: 25%

* *Contribution to Group profit before tax.*

Ethical and sound governance and corporate social responsibility underpin our business model



Outcomes

Outputs

System-wide turnover
R11,3 billion
Capitals affected:

Cash balance
R2,2 billion
Capitals affected:

Paid to employees
R1,1 billion
Capitals affected:

Training and bursary spend
R20,4 million
Capitals affected:

Total taxation paid
R462 million
Capitals affected:

Production volumes (pieces of sanitaryware)
2 million
Capitals affected:

Production volumes (square metres of tiles)
52 million
Capitals affected:

Solar power generation at stores
8 906 MWh
Capitals affected:

Royalty income from franchises
R133 million
Capitals affected:

Profit after tax
R 1 542 billion
Capitals affected:

Employees
2 646
Capitals affected:

Franchised stores
72
Capitals affected:

Positive customer sentiment scores
Capitals affected:

Capital expenditure
R234 million
Capitals affected:

Production volumes (bags of adhesive)
14,3 million
Capitals affected:

Group CSI and Foundation spend
R86 million
Capitals affected:

Improved manufacturing energy efficiencies
Capitals affected:

Total dividends paid
R1 619 million
Capitals affected:

ITALTILE LIMITED

A world-class socially responsible franchisor, manufacturer and retailer of tiles, sanitaryware, bathware and other related home-finishing products.

The strength of our brands

ITALTILE
LIVE BEAUTIFULLY

"Live Beautifully"

To live beautifully means to live your best life. And since the day we opened our doors for business in 1969, it has been our passion and privilege to deliver a unique brand of service and a luxury experience to our customers that brings home the best: the very best from the world of décor innovation and inspiration, international trends, mindful and sustainable eco-chic living, the very best professional design advice, and the very best quality and value for money. It's the Italtile Way, and nobody does it better.

TIVOLI TAPS

World Leading Service
GUARANTEED AFTER SALES SERVICE WITHIN 24 HOURS

Tivoli Taps – beautifully designed and manufactured since 1959. All products are manufactured by robotic machinery according to the highest European standards. Tivoli Taps products carry a 15-year manufacturing guarantee.

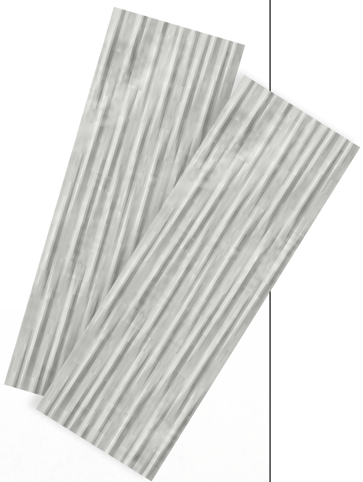
15 YEAR GUARANTEE

TIVOLI
• PURE ITALIAN CRAFTSMANSHIP •

ECO CERAMICA

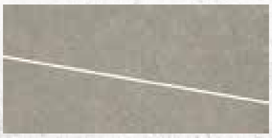
Eco Ceramica, established in 2009, currently distributes to 120 countries globally. Employing latest market technology, the business manufactures and supplies stylish red body, white body, porcelain and polished tiles. Eco Ceramica is part of the bigger Parmesa Industrial Group, the leading European producer of ceramics and fifth largest in the world.

ecoceramic cerámica



ATLAS CONCORDE

Since 1969, Atlas Concorde has established itself as one of the leading brands in the global ceramic tile landscape. Atlas Concorde is a global partner in international design thanks to its superior ceramic solutions that are innovative in both style and technology. Our extensive range of porcelain surfaces for interiors, exteriors, and ceramic decorative tiles meets all the needs of designers and end-users all over the world.



atlas concorde

CERAMICA SANT'AGOSTINO

Ceramica Sant'Agostino was established in 1964 near Ferrara. The factory, still managed by the founder's family, continues to develop its research for innovative products and processes. Ceramica Sant'Agostino's ceramic and porcelain tiles are 100% manufactured in Italy and comprise a wide range of high-level products, designed to satisfy the market's evolving technical and stylistic requirements.

ceramica SANT'AGOSTINO

LAUFEN

SaphirKeramik

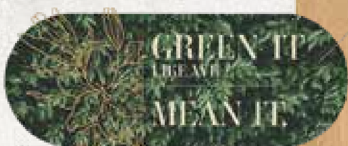
Laufen Bathrooms, established in 1892, is a traditional Swiss brand reflecting a symbiosis of design, quality and functionality. What makes Laufen products unique at first glance is that their Swiss design unites two major design trends: emotional Italian design from the south and the northern tradition of design precision and clarity. Laufen products including washbasins, bath tubs, toilets and bidets are exclusive to Italtile in South Africa.

LAUFEN

LIVEGREEN

LIVEGREEN

Italtile strives to be green at heart and to that end, we hold ourselves and our suppliers accountable to an eco-standard we call LiveGreen. Green enough isn't green enough. We believe that to 'live beautifully' doesn't just mean to surround oneself with gorgeous things. It means treading carefully, making responsible choices, even looking for a second life and upcycling options. Italtile beauty is more than just skin deep.



CTM
Big savings. More style.

"Big Savings. More Style."

Launched in 1983, CTM is a household name in Southern Africa, enjoying strong brand affinity based on its reputation for a high-quality year-round value offering. Represented by 99 stores in Southern and East Africa, CTM is the largest specialist tile and bathroom retailer in the country.

TIVOLI
• WORLD LEADING STYLE •

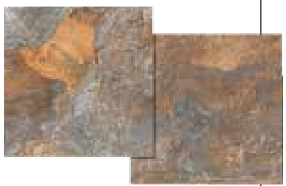
TIVOLI TAPS

Tivoli taps, with their new improved design, are renowned for their style, quality and technology. All Tivoli taps carry a 15-year guarantee and a 24-hour after-sales service promise.

KILIMANJARO

KILIMANJARO
Capture the African Landscape

Kilimanjaro tiles are made in South Africa for African conditions and are exceptionally strong and durable. Imitating natural stone, these beautiful tiles are suitable for indoor and outdoor. The Kilimanjaro range is exclusive to CTM.



TREVI
COLLECTIONS

TREVI

Trevi is an aspirational range of modern, minimalist bathroom furniture and sanitaryware designed to enable discerning homeowners the opportunity to personalise their unique bathroom creations. Individual items including wall-hung and floorstanding cabinets can be combined and adapted to suit any bathroom size and layout.

ELF

ELF LAMINATES
The Feel Good Floor

Elf is a range of high-quality laminate floors, meticulously selected from leading German and other European factories. Elf's authentic-look wood floors are cool in summer and warm in winter. This trusted brand offers a class-leading guarantee, backed by CTM, nationwide.

amalfi
tap into style

AMALFI

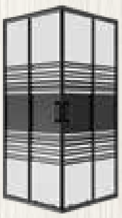
Amalfi taps are specifically designed for the customer who seeks quality products at an affordable price. The Amalfi brand is exclusive to CTM and carries a 10-year guarantee.

STONEWALL

Stonewall is the modern contemporary designer expression of timeless natural stone. Easy to install tile sheets enable homeowners to replicate their favourite stone-look with confidence and ease.

TECHNOLOGY IN STYLE
CRYSTALTECH
SHOWERS

CRYSTALTECH SHOWERS



Crystaltech Showers are manufactured from specially treated, tempered glass that ensures stylish but safe showering. This range of framed, frameless and corner shower enclosures affords homeowners a variety of options to match the perfect cubicle with their specific bathroom space.

PRO GRIP

This specifically customised range of tile adhesives is a brand leader in the industry, based on its quality, performance and good value. Pro Grip is manufactured exclusively for Italtile Retail and CTM.

PRO GRIP
IT NEVER LETS GO

ORIGINS NATURE'S TOUCH

Origins Nature's Touch is an on trend, innovative range of ceramic tiles that mirror the look and feel of real wooden flooring. The tiles are manufactured in a variety of sizes and colours, all mimicking the hues of natural wood. The Origins range is exclusive to CTM.

NU VINYL

NUVINYL
NEXT GENERATION FLOORS

Nu Vinyl flooring is ideally suited for use throughout the house. The insulating elastic surface absorbs noise, is warm to the touch, effective in damp areas and gentle on the body's joints, making it a desirable floor covering in bedrooms, bathrooms, kitchens and living rooms.

The strength of our brands continued

"Every price a low price"

TopT is a one-stop home-finishing supplier of good quality, affordable merchandise and the low-cost leader in its entry-level market segment. TopT has 96 stores situated in underserviced rural areas and outlying markets.

DELIVERING A unique brand OF SERVICE AND A LUXURY EXPERIENCE TO OUR CUSTOMERS

TUFF

The Tuff range comprises class-leading adhesives and paints that are innovatively packaged and specifically engineered to provide real value for the entry-level market. This brand is exclusive to TopT stores.

DIVA

The Diva brand is an exclusive range of good-quality taps designed and priced specifically for TopT stores in South Africa. Available in both conventional and single lever styles, there is a range to suit all tastes.

HOMEGROWN

Homemakers are proud to use the high-quality Homegrown range of paints; available in four variants. This indoor, outdoor and rooftop paint is stylish and user-friendly.

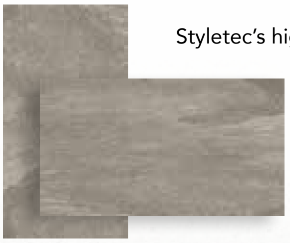
CERAMIC INDUSTRIES
Tiles & Bathroomware
Creators of style

Established in 1976, Ceramic Industries is a leader in the design, manufacture and distribution of ceramic tiles and bathroomware. The Group comprises five tile factories, one bathroomware factory and one acrylic bath factory, all based in South Africa, and a tile factory in Australia.

QUADRATEC

The Quadratec range comprises large format, high-definition ceramic tiles whose design draws inspiration from nature – while striving to preserve it – through eco-sensitive manufacturing principles. Quadratec is produced in Ceramic Industries' world-class Continua-tech facility in South Africa.

STYLETEC



Styletec's high-quality, high-tech and highly stylish tiles are produced using superior manufacturing techniques and inkjet printing for defined designs in an extensive array of options. The wide range enables customers to perfectly match their taste with their lifestyle.

MEGATEC

A NEW DIMENSION IN STYLE

Megatec's contemporary design provides an excellent choice for replicating the beauty of natural stone and the modern edge of screeded floors. The large-format tiles reduce grout lines and afford a clean generous canvas with an unbroken look.

BETTA

The Betta Sanitaryware factory is recognised for its world-leading quality and design. One of the largest and most automated of its kind in the world, this facility utilises high-pressure casting methods for enhanced quality and consistency. It offers a wide range of products, from basic pans to stylish wall-hung toilets, and continually renews its range to focus on the latest trends. All products are made from durable, glossy vitreous china.

EZEE TILE ADHESIVES
AFRICA'S PREFERRED TILING SOLUTIONS

Manufacturer of cement-based adhesives, grouts and related products. The business comprises manufacturing facilities in Johannesburg, Durban, Gqeberha, Cape Town, Bloemfontein, Mokopane, Mombasa, Lusaka and Harare.

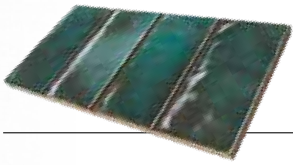
EZEE TILE

The Ezee Tile brand is represented by a range of tile adhesives and grouts as well as related products designed to make tiling easier and provide a professional finish for any home-improvement or building project.

Strategic review

The goal in our stores is to ensure every customer – each deserving of a beautiful home – has a great shopping experience. In offering quality products that our customers can afford, we hope to inspire them with fashion that elevates their home or business to a place that delights them at every opportunity.

In this section:
28 Chairperson's statement
32 Strategic focus areas



WELCOMING EVERY CUSTOMER – EACH ONE DESERVING OF A BEAUTIFUL HOME – INTO OUR inspiring ambience AND ENCOURAGING THEM THROUGH BRANDS THAT WILL ELEVATE THEIR OWN SURROUNDINGS INTO A DELIGHTFUL SPACE

We aim to provide an unrivalled shopping experience, together with the support customers require in the process of undertaking a project – from the initial stages until after the construction is complete. We strive to add value through various points of differentiation through low prices, trusted quality, product service experts and meaningful warranties.

Vogue Esmeralda Forest Haya tiles, dark Cavallino basin mixer and ITD Zola Black Round Shower Head and CTM Nu-Vinyl Sycamore Vinyl Flooring Click System

Chairperson's statement

THIS PAST YEAR HAS BEEN BOTH HUMBLING AND INSPIRING, AS WE CONTINUED TO NAVIGATE South Africa's evolving LANDSCAPE WITH RESILIENCE, PURPOSE AND A RENEWED COMMITMENT TO THE VALUES WE ARE WORKING TO ENTRENCH

Looking ahead, we expect market conditions to remain challenging, **requiring continued focus, agility and resolve across all areas of the organisation**.

As I complete my second year as Chairperson, I am proud of the adaptability and shared purpose that continue to define our organisation. This year has brought both challenges and opportunities and, through it all, our people have remained the driving force behind our progress. It has been a year that reminded us of the importance of listening, learning and leading with empathy. I would also like to extend my sincere thanks to Giovanni Ravazzotti, my father, for his continued guidance and leadership at all levels of the organisation – his enduring support remains a source of strength and wisdom. Together, we have sharpened our strategic focus and laid stronger foundations for sustainable growth – anchored in a vision that reflects who we are and where we are headed.

Results

The Group performance was impacted by the subdued global and local macro-economic environment, intense competition, deflationary pricing and weak demand. Revenue was lower than the previous financial year while trading profit remained stable, offset by increased sales and improved market share in Italtile Retail and Ezee Tile. The manufacturing division was negatively impacted by the excess capacity in the industry and the decline in average selling prices. The business responded to the challenging trading conditions by reducing costs, unlocking efficiencies, launching new ranges, improving synergies across the vertically integrated supply chain and investing in skills training and development.

Italtile Group's total turnover decreased by 2% to R11,3 billion and trading profit at R2,1 billion was similar to the prior financial year. Cash generation continued to be strong resulting in cash reserves of R2,2 billion. Headline earnings per share and earnings per share rose 2% and 3% respectively and the total dividend, including the special dividend, increased significantly by 17% to 148,0 cents per share.

In the year ahead, we will continue to prioritise the aspects of the business we can control, such as improving our competitiveness, containing costs, optimising operations, emphasising leadership and growth of our people, differentiating our offering from competitors and maintaining market share.

Board focus

The Board's deliberations during the year focused on the following key issues:

- Investment decisions – balancing the need to keep abreast of industry developments and remaining competitive against containing capital expenditure when faced with weak demand. The Board previously approved the trial project using a coal-fired Hot Air Generator, but agreed with management to delay the project until 2026. The Board considers all opportunities to increase shareholder value and makes decisions on the best use of the Group's resources.
- Capex and project approvals including, among others, the Hot Air Generator ("HAG") project, based on projected returns and delivery of substantial benefits, at a cost of R11 million; and an offtake agreement with Botala Energy in Botswana to supply coal bed methane gas for Betta from mid-2028.
- Strategic considerations such as the continued oversupply of capacity and product in the market that has resulted in intensified

Luciana Ravazzotti Langenhoven
Chairperson

competition, aggressive price wars and margin pressure; finding solutions to the stock build-up across the business; the importance of operational efficiency and strong leadership to drive improvements; the imperative to improve efficiencies and focus on the aspects that differentiate the business, while ensuring that the Company has the talent and skills to remain competitive in the face of aggressive competition; opportunities for further cost reductions; the opportunity to improve customer satisfaction and employee engagement through embedding a culture of exceptional customer service, reinforcing the importance of knowledgeable, engaged and customer-centric staff; and the focus on collaboration and planning across operations, suppliers, webstore and internal departments to ensure complete alignment and a seamless experience for customers; ways to simplify the corporate structure, including the merger of wholly owned trading and property companies in foreign jurisdictions, and the merger of Cedar Point into Italtile Ceramics.

- Oversight of the new incentive awards and the vesting of allocations; and of the achievement by the Group of a Level 2 B-BBEE rating.
- Various reviews, including the strategic review in February 2025; review of executive KPIs and contracts with the priority to finalise clawback provisions; the legal compliance review during which no material findings were noted; and the assessment of the internal control environment which remains robust.
- Support for gaining government's support in levelling the playing fields in our industry.

Environment, social and governance ("ESG")

The Group is committed to achieving the United Nations' Sustainable Development Goals to realise a better and more sustainable future for all. The Company has designed an inclusive ESG strategy, focusing on our commitment to addressing ESG matters in all aspects of our business.

Environment

As a responsible business, we acknowledge our duty to safeguard the planet for future generations. Our environmental sustainability framework includes metrics, targets and reporting. A range of initiatives were implemented to reduce the Group's environmental impact. Please refer to pages 87 to 95 in this report.

Social

Our socio-economic development (SED) projects are aligned with the Group's purpose and mission, Company strategy and material issues, and are a combination of structured strategic and *ad hoc* projects that arise from community needs in the areas in which we conduct our business.

Chairperson's statement continued

Transformation

As a responsible and enthusiastic corporate citizen, we sell local products manufactured by local people, thereby supporting job creation. Our spend on socio-economic development this year was over 1% of net profit after tax. The CSI report on pages 103 to 109 and the Foundation report on pages 96 to 102 detail our support for a variety of programmes and initiatives to support local communities.

Our Proudly South African policies and practices focus on promoting the sustainability of our business, the communities in which we operate and the broader economy. By selling local products manufactured by local people, we support job creation and facilitate skills transfer.

Governance

In preparing this IAR, we referred to the JSE's Sustainability and Climate Disclosure Guidance documents as a benchmark for the business's reporting standards. The Board is satisfied that disclosures regarding governance, strategy, management, metrics, targets and performance, as recommended by the guidelines, have largely been adopted in this report.

Board composition and succession planning

Building leadership depth and a strong succession pipeline have always been key strategic priorities in our business. Throughout this IAR, there are references to our investments in human capital to ensure that we have the best possible operating structure and the most competent teams.

As you will read in the CEO's report, each of the business units has focused on skills and development training so as to differentiate the Group from its competitors based on customer service, advice, flair and after-sales service. Our exceptional management team comprising our CEO, Lance Foxcroft, COO, Brandon Wood and CFO Lamar Booysen lead by example and inspire their teams to aspire to higher standards on a daily basis.

Ms Nkateko Khoza resigned as an independent non-executive director, Chairperson of the Social and Ethics Committee and member of the Audit and Risk Committee, with effect from 11 June 2025. We are grateful for her excellent contribution to the Board and thank Ms Khoza for her years of service. We wish her success as she focuses on growing Dzana Investments and its associated interests.

Ms Alex Motshwanetsi Mathole, currently an independent non-executive director of the Board and member of the Social and Ethics Committee, has been appointed as Chairperson of this Committee from 13 June 2025. Mr Brand Pretorius, currently an independent non-executive director of the Board, has been appointed as a member of the Committee, from 13 June 2025. The Committee now comprises Ms Alex Motshwanetsi Mathole (Chairperson), Mr Lance Foxcroft and Mr Brand Pretorius.

Ms Mamedupi Matsipa was appointed to the Board on 22 August 2025. She is a strategic investment professional with over 20 years' experience in private equity, investment banking and information systems and brings expertise in driving value through governance and execution excellence. As a trusted adviser and non-executive director on boards spanning the energy, telecoms, healthcare, industrial and insurance sectors, Ms Matsipa will be a valued addition to our Board and is warmly welcomed.

Staff share scheme

Our equity-settled staff share scheme is designed to incentivise employees and franchisees, who have been employed by the Group for three uninterrupted years, to participate in the growth and profitability of the business. Most of our employees elect to receive the payout rather than shares, as the amounts can be life-changing – and even more so in the current difficult environment.

As part of the scheme, 2,5 million of the Group's shares were held by qualifying staff members at 30 June 2025 (2024: 3,2 million). The first allotment of shares in the scheme, granted in 2023, vested on 31 March 2025. A total of 253 employees qualified for the vesting, 250 of whom elected to have the shares disposed of on their behalf to receive the net value of the awards in cash with the balance electing to retain the shares.

Dividend and dividend policy

The Group's dividend cover remains at two-and-a-half times. The Board is satisfied that this level affords rewarding returns for shareholders, while remaining prudent in a challenging trading environment, allowing for capital investment if and when value-adding opportunities arise.

The Board has declared a final gross ordinary cash dividend of 22,0 cents per ordinary share. This, together with the interim gross ordinary cash dividend of 28,0 cents per share, produces a total gross ordinary cash dividend declared for the year of 50,0 cents per share. Given the Group's strong cash generation and cash reserves being in excess of operational requirements, the Board has declared a special cash dividend of 98,0 cents per share (2024: 78,0 cents per share).

Capital allocation

Net cash reserves increased by 18% to R2,2 billion this year. As we expect cash generation to remain strong in the year ahead, our capital allocation strategy will continue to be based on a blended programme comprising capital expenditure and returns to shareholders. Forecast capex for the year ahead is at R300 million, including the coal syngas trial programme at Gryphon. Having concluded our major expansionary projects and in the light of current excess production capacity in the market, capex is lower than prior years and mostly confined to maintenance rather than expansion. We will continue to assess and implement a range of options for allocation of cash reserves, share buy-backs and special dividends.

Outlook

Strong competition in the industry is set to continue for the foreseeable future, although further consolidation is likely. While economic forecasts are not encouraging, we believe that within our business there are prospects for growth. Our dedicated teams, differentiated offering, competitive advantages and the benefits of our vertical integration, added to a focus on internal efficiencies will position us to capitalise on opportunities as they arise.

Appreciation

Firstly, may I thank our institutional and private shareholders for their long-standing commitment to and support of Italtile through the volatile environment. Their constructive engagements are insightful and valued.

Secondly, my appreciation goes to our business partners and advisers who continue to contribute to the success of this business.

I value all the people in our business who are committed to our goal of being Africa's best retailer of tiles, sanitaryware and complementary products. Our store operators and franchisees have shown resilience and determination despite the challenging operating environment.

I would like to pay tribute to our executive management team for their expertise, dedication, drive and hard work; and to my fellow Board members for their diverse knowledge, counsel and strategic insights. Together we continue to ensure the long-term sustainability of the business.

Finally, to Mr R, our former Chairman and founder, I express my gratitude for his continued guidance, support and wisdom. His legacy to Italtile continues to inspire, encourage and motivate me personally and all our employees who respect and work with him.

Luciana Ravazzotti Langenhoven
Chairperson

Strategic focus areas

Strategy and key imperatives

Strategic clarity is key to the Group's goal to deliver sustainable value for all stakeholders.

The Group's **five-year strategy is developed and implemented through an effective decision-making framework and is reviewed annually in terms of its relevance to evolving external and internal conditions.** The Board is responsible for setting clear strategic direction, while management is held accountable for delivering measurable results.

STRATEGIC PRIORITY 1

Operational excellence

Imperative	Progress achieved in 2025
Grow sales volumes and improve manufacturing efficiency	Tile volumes sold through our retail network improved, however, sales volumes at Ceramic decreased. Reduction of variable costs within the manufacturing division.
Cost leadership and productivity improvements	Various cost leadership and productivity initiatives showed improvements, however, targets were not achieved.

STRATEGIC PRIORITY 2

Fashion leadership and customer experience

Imperative	Progress achieved in 2025
Maintain investment in our strong brands and new product development	Procurement of equipment to expand range offering from Gryphon underway and rectifying line at Vitro successfully commissioned. Introduced new products across several merchandise categories. Our priority is to remain market leaders in product range, as well as improve marketing initiatives to ensure customers are aware of our value and fashion offering. Launched CTM's pivotal customer satisfaction programme, CTM Xperience, to further enable and inspire employees to deliver exceptional customer service.

STRATEGIC PRIORITY 3

Leadership effectiveness and preservation of corporate culture

Imperative	Progress achieved in 2025
Introduce outcomes-based training programmes that are better aligned to meet the Group's personnel requirements and enhance the state of readiness of candidates to fulfil successful leadership roles	Our store operator programmes for each brand continue to improve their effectiveness in developing future leaders. Further investment resulted in good progress in improving the competence and strength of our human capital support function to facilitate our growth targets.
Instil high-performance culture	Entrenched culture of setting, measuring and performance monitoring of KPIs.
Leadership effectiveness	Good progress made on rebuild of management teams at Ceramic.
Optimise employee engagement	The engagement score improved, remaining at a high level. We are satisfied given the prevailing low levels of confidence in the country at present and the Group's weaker results.

STRATEGIC PRIORITY 4 →

Omnichannel

Imperative	Progress achieved in 2025
Grow the contribution of the webstores and ensure that Italtile remains at the forefront of technological innovation for the benefit of customers	Pleasing growth in online sales supported by development of omnichannel model and leading webstore experiences. Significant progress in increasing quantity and quality of content. Adapted digital experience to improve content for mobile devices, incorporating AI to improve quality of imaging and customer search.

STRATEGIC PRIORITY 5 →

Organic growth

Imperative	Progress achieved in 2025
Expand retail footprint and close non-performing stores	Four stores closed and six stores opened during the year.
Expand manufacturing footprint	Unlikely given the oversupply in the market.
Explore new international geographies	On hold until investment conditions improve in global markets, and core South African operations improve.

STRATEGIC PRIORITY 6 →

Energy security and transition to renewable resources

Imperative	Progress achieved in 2025
Migrate to electricity generated by renewables	Increase of 10,8% in the use of solar generated electricity in the year, with self-generation of 8,9 MW for the year. Energy wheeling opportunities are being explored.
Alternative gas supply	Immediate threat to natural gas supply has been delayed following Sasol's announcement of extended supply to June 2028. We continue to monitor and will review the trial project using a coal-fired HAG in 2026. We continue to monitor and will review the previously approved project to invest in and convert a production line to use a coal-based synthetic gas solution and to test this technology in our process.

STRATEGIC PRIORITY 7 →

Acquisitions

Imperative	Progress achieved in 2025
Investigate acquisitions of businesses with complementary products which have attractive returns on capital	No suitable acquisition targets were identified in the year under review and it is unlikely that the Group will actively pursue this imperative in the short to medium term.

Performance review

Strengthening the leadership pipeline and embedding the culture of accountability, ownership and results-focus remained a priority during the year. Our culture centres on small, effective and highly motivated close-knit teams that operate with shared goals within the vertically integrated business.

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WE HAVE SOUND ASSETS, COMPETENT, ENGAGED AND MOTIVATED TEAMS, ROBUST ICONIC BRANDS, industry-leading TECHNOLOGY AND PRODUCTS, AND THE COMPETITIVE ADVANTAGE OF A VERTICALLY INTEGRATED SUPPLY CHAIN

We are confident that if we execute retail excellence disciplines better at every customer touchpoint and continue to optimise efficiencies in our business, we will build further momentum to deliver increased sales and profit growth, and gain market share. We will focus on improving customer experience, operating efficiencies and logistics and developing and growing our teams' core competencies in sales and operating excellence.

Yorkwood Brown Matt Glazed Rectified Porcelain Tile with Latte Glazed Porcelain Bevelled Subway Mosaic and Franke Nouveau Kitchen Sink

Chief Executive Officer's report

CUSTOMERS HAVE REWARDED OUR FOCUS ON DELIVERING AN EXCEPTIONAL CUSTOMER EXPERIENCE across many touchpoints ENSURING VOLUME GROWTH ON TILE SALES AND INCREASED MARKET SHARE DESPITE THE CHALLENGING TRADING CONDITIONS

Customers remain loyal to our trusted brands, searching out the value of big savings, reliable quality, leading fashion and customer service when choosing where to spend their hard-earned savings.

Our **resilient**, **skilled** and **motivated** teams remain our **competitive advantage** and ensure we are well placed to capitalise on opportunities when the building sector recovers and **trading conditions improve**.

Structural excess capacity in both manufacturing and retail is fuelling an increasingly competitive market with deflation in tile prices and aggressive competition for market share. In this challenging environment, our primary focus was on improving the Group's competitive position to retain our industry leadership through our trusted retail brands and quality retail and manufacturing assets. Customer satisfaction at every touchpoint remains our retail focus and we will continue to extract value through an unrelenting drive for efficiencies and cost leadership. It is essential we strive to be the lowest cost producer of tiles, sanware and adhesive products through improved operational efficiencies and investment in development of our teams and technology.

Operating environment

Global and local economy

In the changing global environment, over-capacity and subdued demand have exerted pressure on tile manufacturers worldwide. As many seek to find alternative markets, tariffs have been applied in local markets and dumping has increased in those without tariffs, resulting in increased competition in domestic markets. Reduced shipping and freight costs, mainly from India, and a stable exchange rate has improved the viability of imports.

In the context of South Africa's subdued economy, consumer confidence and spend in the building and construction sector remained muted. This was tempered in the first half of the financial year, when consumer sentiment and confidence turned more positive mainly due to a stable political environment following elections and increased disposable income as a result of the two-pot pension fund reforms.

Growth achieved toward the end of 2024 stalled as global and South African macro-economic conditions deteriorated in 2025. Almost no GDP growth, low construction industry confidence index levels and worsening sentiment in the residential sector meant weak demand and low activity levels in the sector.

The local political environment and consumer confidence deteriorated as a result of instability in the GNU, uncertainty around VAT increases and the delayed release of the South African budget. Deteriorating global macro-economic conditions arising from trade uncertainty, changed tariffs and geopolitical conflict further weighed on the local economy. Concerns expressed by management regarding sustainability of the improvement in the last quarter of 2024 were well-founded as consumer confidence dipped resulting in only 0,1% growth in GDP for Q1 2025. Weak consumption resulted in consumer price inflation remaining low at 3% year-on-year for June 2025. Manufacturing production has fallen significantly, with six consecutive months of contraction. Significant progress seems to have been made in reducing load shedding.

The value of building plans approved in South Africa dropped by 20,8% year-on-year in April 2025. Permits for non-residential buildings declined a significant 42,5% year-on-year in April 2025, the sharpest decline of the year (permits issued declined 17,3% in

Lance Foxcroft
Chief Executive Officer

March) while, similarly, permits for residential buildings declined 19,5% year-on-year in April 2025. While approvals for additions and alterations rose by 2%, these movements have been volatile.

Competitive landscape

Intense competition in the tile manufacturing and retail segments has continued unabated during the financial year. Newly commissioned capacity in Zambia, Zimbabwe and Mozambique has led to excess capacity and production, which now far exceeds consumer demand within the Southern African Development Community ("SADC") region. Product dumping and over-stocking by most retailers, wholesalers and manufacturers continued to drive price deflation, with resulting margin pressure. This over-capacity has resulted in some consolidation and, in June 2025, Johnson Tiles South Africa ceased operations. As a result of the closure of this 110-year old business, regional tile manufacturing capacity reduced by five million square metres per annum, leaving only two local producers. The adhesive industry, which has no regulated standards on its products, has seen a proliferation of adhesive producers offering inferior, low-priced products.

The introduction of tariffs on imports by Zambia and Zimbabwe to protect their local production has affected the ability of local producers to export product into these countries, resulting in loss of market share in these export markets. The establishment of major new manufacturing facilities in neighbouring countries due to their investor-friendly environments, highlights South Africa's difficult and relatively unsupportive investment climate for manufacturers.

Continued proliferation of new tile retailers, including regional retail chains extending their footprint, continues to place margins under pressure and will influence sustainable retail. Shifts in the local economy mirror what we have seen in the US and Europe, where retailers are downsizing their footprint to boost efficiency. Quality space in rural areas remains difficult to source. We will continue to strive for the right stores in the right locations rather than just for more stores.

The profusion of informal retailers being supplied by the new manufacturing competitors, especially in the rural areas, has increased competition for our TopT brand. Our strategy has been to continue to build on our established strengths in this market and continue to expand the TopT footprint. TopT has a strong reputation as a conveniently located community-centred brand, offering a wide range of complementary home-finishing products and a high level of quality assurance and customer service in the entry-level market. The Group's strong buying power affords customers bigger ranges at better prices with guaranteed quality and after-sales service.

Our strategy has been to continue to build on our established strengths in this market and continue to expand the TopT footprint.

Our response to defend market share has been to leverage our world-class technology to enhance quality and product innovation, to drive operational efficiencies to offset the impact of deflationary pricing, to bolster the Company as a selling organisation and to focus on exceptional customer experience. We have prioritised being more efficient at every customer satisfaction touchpoint: fashion, presentation, range, value, service and quality.

Chief Executive Officer's report continued

Consumer trends

In our experience, consumers have continued to be price-conscious and constrained by tight budgets while searching for trusted quality and good value. Customers are increasingly using digital platforms and social media channels to research products and prices, followed by visits to stores to personally view and handle our products. Social media has played a part in influencing shoppers to expect a quality shopping experience. Our aim is to ensure that shoppers have a range of convenient options – from conducting their entire transaction online, to a blend of online and in-store interactions. Our market-leading webstore offers an incomparable, seamless sales experience. The improvement in our unique visitor and transaction statistics is a pleasing endorsement of our investment in this trading platform with its innovative user interface. As industry leaders, our significantly improved online content continues to inspire purchasing decisions as we provide guidance, insights and advice to DIY customers. Our online store enables service to new locations while still delivering with our omnichannel from existing brick-and-mortar stores.

Another consumer trend is the transparency and affordability of delivery solutions for the "last mile" to customer homes or building sites. We have seen continued innovation in both mobile solutions and transport management systems, both at retailers and third-party logistics solution providers. While a new "last mile" solution was launched this year, we aim to use synergies in Group logistics to reduce the cost of delivery to customers and improve the delivery experience. In response, we have leveraged our vertically integrated business model through which our Manufacturing division directly services Group stores and third-party customers, taking advantage of our transport and vendor-managed inventory and logistics systems and processes.

New developments continue in response to demographic shifts as retailers push deeper into rural towns and townships. Price-sensitive customers often weigh transport costs as a significant factor alongside product quality and price. While some of these areas remain underserved, trading densities are lower and sustainability of specialist retail more difficult. We continue to push to deliver the same quality and shopping experience in these areas, and customers are supporting us. Retailers are shifting expansion from large malls to towns outside the main cities and to strip malls, with continued demand for convenience retail. We may see more stores overall, but these stores will be smaller. We will continue to invest in research to identify opportunities for new stores closer to customers. In TopT's market, this is relevant for customers in the entry-level market seeking a convenient, affordable shopping experience in their local community, obviating unnecessary transport costs.

Consumer preferences continue to trend to larger format tiles. We continue to import a leading range of larger format and specialised finished product for customers who prefer a unique and different product. Our investment in rectification technology at Vitro and Gryphon was complemented by our product development team creating a range of larger format rectified products, as well as the launch of polished porcelain tiles to compete with growing imports from competitors. Customer preference has shifted from gloss tiles to polished tiles and we have responded to this trend by investing in extending polishing capability at the Gryphon factory, which is expected to be commissioned by calendar year-end.

The trend in payment options is towards increasing variety, with a strong emphasis on digital and mobile solutions, convenience, and security. Consumers are actively seeking more choices and are driving the adoption of alternative payment methods such as Buy Now Pay Later ("BNPL") digital wallets and real-time payments. We have increased the payment solutions we offer across the Group and are continually researching new offerings.

Results and performance

The Group's results are reviewed in detail in the CFO's report on page 56.

In my commentary, I have highlighted the key numbers that provide context for my discussion on performance and our strategic response.

System-wide turnover for the year decreased 2% driven by a small increase in retail revenue but a decline in revenue in supply chain businesses and Ceramics.

Retail sales improved by 1% and we retained our market share despite the challenging trading environment. The number of sales transactions increased by 1,3% while basket size decreased by 0,7% as price-sensitive customers bought down. Retail margins continued to be under pressure and declined by 0,7%, with an 0,2% increase in selling price inflation. Retail profits for the period increased by 1%.

Our East African operations delivered a good performance due to the stronger regional economy, strategic trading enhancements and an improved product range, after being negatively impacted last year by difficult trading conditions and socio-political unrest in the region. We continue to bed down relatively new stores and assess opportunities to open new stores in Kenya. Botswana's margins have been impacted by independents dumping products from Zambia. A new CTM franchise will open in Eswatini after closure of the financial year following a period of over a year with no store in this country.

Our webstore continued its strong performance and increased traffic and sales, underpinned by improved digital content offering an innovative online experience and personalised sales expertise.

Our goal in our stores is to ensure that every customer has an exceptional shopping experience. In offering high-quality and affordable products, we hope to inspire our customers with fashion that elevates their home or business to a place that delights and excites them. We provide an unrivalled shopping experience, together with valuable after-sales support as we strive to add value through various points of differentiation, low prices, trusted quality, meaningful warranties and product service experts.

In the Manufacturing division, sales declined by 5% while improvement of margin at Ezee Tile supported a profit increase of 2%. Trading conditions in Ceramics' market continued to deteriorate mainly due to the excess manufacturing capacity in the Southern African region. Despite pressure from inferior quality entry-level imports in the sanware division, strong sales growth supported double-digit improvement in profit from Betta Sanitaryware.

Reduced margins weighed heavily on the performance of the tile division, with a 5% reduction in tile volume sold and, despite moving to larger formats, a decline of 2,1% in average selling prices per square metres for tiles. Export sales decreased significantly as tariffs were imposed in our two biggest export markets, Zambia and Zimbabwe. As the Zimbabwe tariffs only took effect late in the year, they are expected to negatively impact year-on-year sales in FY2026.

The Ceramic team responded to the reduced volumes by lowering costs and improving efficiencies with assistance from our supply partners. Despite these efforts to control costs, like-for-like margin value decreased. The rejection by NERSA of a historic price increase by Sasol Gas allowed a once-off release of a R45 million provision, positively affected Ceramic's results.

Group operating costs reduced 2,8% year-on-year. Cost leadership is a core discipline, driven hard by management in all our operations.

Ezee Tile achieved a small increase in revenue but significant improvement in margins, following the further efficiencies in the Vulcania factory and regional factory upgrades. Performance of the Silica Quartz sand mining and processing businesses was disappointing and an Ezee Tile management priority will be to improve efficiencies and unlock value from this acquisition.

In the integrated supply chain, revenue from our import businesses, Cedar Point, International Tap Distributors ("ITD") and Distribution Centre ("DC") decreased 2,9% due to substitution of imported tiles with product from SADC suppliers. DC unlocked efficiencies through in-sourcing warehouse operations in Durban, better stock turn and improved freight, and successfully completed the operational integration of Cedar Point Durban into the DC warehouse resulting in cost savings. Cedar Point grew sales through improved product availability and rationalised ranges, enabling faster introduction of new, fashionable products. ITD grew sales volumes from retail stores and maintained margin despite a decrease in average selling price and ongoing exchange rate volatility. Late in the financial year, we implemented a change in the Tivoli brand's strategic direction to ensure that the brand remains relevant.

Group operating costs reduced 2,8% year-on-year. Cost leadership is a core discipline, driven hard by management in all our operations. The priority focus was on containing logistics and property costs. Net finance costs improved as a result of targeted management of our credit facility.

Group trading profit for the full year was similar to prior year at R2 061 million. With a 1% decrease in weighted number of shares, EPS increased 3% on the prior year.

Total inventory holdings decreased 3% to R1 228 million as a result of focus on improving system-wide stock turns. Projects to further improve logistics to reduce lead times and improve stock turn are expected to deliver further inventory reduction despite plans to open additional stores. The Group continues to benefit from its integrated supply chain with 86% of total procurement sourced from local manufacturers and suppliers. Optimal product mix and range were supported by business optimisation.

Capital expenditure ("capex") of R234 million (2024: R597 million) was incurred during the year on the retail property portfolio and factory upgrade projects, comprising investment in expanding production capabilities in our tile manufacturing business and ongoing capex to enhance the retail property portfolio.

At 30 June 2025, the Group's cash balance increased by 18% to R2,2 billion (2024: R1,8 billion). Material cash outflows for the year include:

- capital expenditure of R234 million (2024: R597 million);
- tax payments of R462 million (2024: R543 million); and
- total dividend payments of R1 619 million (2024: R606 million).

The outflows were partially offset by cash proceeds of R64 million from the sale of property, plant and equipment (2024: R76 million). The Group's net asset value per share at 30 June 2025 was 705,0 cents (2024: 707,5 cents).

Performance scorecard and strategic responses

At the end of FY2024, strategic objectives were identified that required the execution of operational excellence across our retail and manufacturing assets to drive improvement in the business. These objectives are linked to the executive directors' performance and remuneration targets, as discussed on page 127 of the Remuneration report. The progress against these objectives is outlined below.

Reshape Ceramic to the changing environment

Optimise operational efficiency to retain market share

During the year, trading conditions in Ceramic's market continued to deteriorate mainly due to the excess manufacturing capacity in the industry.

Utilisation of Ceramic's installed tile capacity reduced to 66% for the year (56% for the last quarter). Production on one kiln at each of the Samca Wall, Pegasus and Vitro factories was mothballed to right-size capacity until market conditions and demand improves. Short stoppages of a kiln at each of Gryphon, Samca Plus and Pegasus were required to manage inventory.

Progress has been made in strengthening and developing the management team and senior factory operators.

Manufacturing product development

Quality improved as our product development team introduced a new product offering and launched additional fashionable products. We continued our investment into rectification technology at Vitro and Gryphon and will launch a range of polished porcelain tiles to compete with the growing imports from competitors in the surrounding countries. We continually update our technology to ensure that we remain relevant and have quality products to compete. However, market share continued to decline due to predatory pricing and dumping in the local tile market.

Ensure gas and energy security

Mitigate the risk to supply of natural gas and safeguard business continuity

While the immediate threat to natural gas supply has been delayed following Sasol's announcement to extend supply to June 2028, we continue to monitor the situation and will review the trial project using a coal-fired HAG in 2026. We have planned one pilot project for the next financial year to convert spray driers with the aim of bedding down the technology.

We will continue to monitor developments in supply and pricing of piped natural gas, liquid natural gas, trucked natural gas, methane rich gas, biogas and synthetic gas from coal to assess options for affordable gas supply.

Improve performance at CTM and grow tile sales volumes

We are disappointed that sales, profit and margins at CTM decreased, reflecting constrained consumer disposable income. Tile sales remained flat year-on-year. We undertook a number of interventions as part of our turnaround strategy. Strengthening our operators and operations teams is an ongoing process, which has involved substantial focus on recruitment and training.

CTM's pivotal customer satisfaction programme, CTM Xperience, aims to enable and inspire our employees to deliver exceptional

Chief Executive Officer's report continued

service to delight and satisfy our customers. The programme is in its early stages but has already resulted in a higher net promoter score and improved Google ratings. This is a continuous process to entrench our customer service culture and we believe there is more value to be extracted.

It is management's conviction that by becoming a better selling organisation, we will grow sales when consumer discretionary spend and sentiment improve. A programme was designed with an initial six-week sales skills clinic focused on strengthening our teams' interaction with customers and enhancing their ability to provide support in the customer experience. This project continues into FY2026 as we bed down transfer and practice of selling skills as part of our retail culture.

Continued investment in digital experience and online sales

Pleasing growth in online sales was supported by development of our omnichannel model and leading webstore experiences. Significant progress was achieved in increasing the quantity and quality of content to enhance customer experience, and adapt the digital experience specifically for mobile device users, incorporating AI to improve imaging quality, content and search options. Our highly trained online sales team provides a differentiated shopping experience and personalised service that consistently receives exceptional customer reviews. Adoption of the BNPL payment option surprised on the upside and we will continue to explore effective and affordable payment alternatives.

Grow TopT tile sales by improving execution in-store and expanding the TopT geographical footprint

Despite more independent and informal wholesalers opening during the year, TopT posted a good performance as volumes sold increased 3%, bolstered by the record sales month in December 2024 driven by cash withdrawals from the two-pot pension fund changes. The business continued to improve its home-finishing offering, particularly in bathroom and vinyl wall products. During the period, we opened four new stores in Umzimkhulu, Manguzi, Sekororo and Schoemansdal.

After a period of financial and operational mentorship, we are proud that one of our empowered partners has become a master franchisee in Southern KZN.

Improve market share at Ezee Tile

Ezee Tile's products are not only well priced but are recognised in the market for their superior performance and consistent quality. During the year, the business targeted increased market share in the specifications and projects segment. With the new factory at Vulcania maturing in production systems, improved best practice was extended into the smaller regional factories. Logistics and stock management across the Ezee Tile operations were improved to reduce inventory and decrease lead times.

As part of achieving optimal performance, we recruited employees with critical skills and continued upskilling staff through training and development. We have also made good strides in entrenching the Group culture across all branches, leading to improved disciplines and housekeeping standards.

Ezee Tile's products are not only well priced but are recognised in the market for their superior performance and consistent quality.

Vertical integration logistics

Reducing inventory and improving end-to-end logistics were key priorities for the year and involved planning, co-ordination, further integration of drop off points, and "last mile" delivery.

Vendor managed inventory ("VMI") benefits include reducing stockholding at stores and moving the right product once, to the right place, just-in-time. Ceramics has implemented VMI and now uses it to supply all sanware and fast-moving tile products into the Group's stores. Ezee Tile implemented a warehouse management system ("WMS") in Vulcania and VMI driven from Vulcania to improve stock turn and stockholding in branches. The consolidation of the DC and Cedar Point into one facility in Durban has improved efficiencies and our logistics competency, leading to reduced stockholdings, lower costs and better forecasting.

Strengthen our human capital

Developing our teams, building competencies, securing talent, strengthening the leadership pipeline and embedding the culture of accountability, ownership and results-focus remained a priority during the year. Continued investment resulted in good progress in improving the competence and strength of our human capital support function to facilitate our growth targets. Our culture centres on small, effective and highly motivated close-knit teams that operate with shared goals within the vertically integrated business.

Consolidation of payroll, communication and administrative processes has been reviewed and several projects to ensure long-term efficiencies across the Group will be completed in the new financial year. We continue to embed our culture of productivity, efficiency and customer focus. An employee communication platform will be launched to ensure transparent and effective communication while providing access to the platform to internal services and information.

Our store operator programmes for each brand continue to evolve to improve their effectiveness in developing future leaders. Retail excellence and sales training are core disciplines with our sales staff being comprehensively coached, providing a succession pipeline for store operators.

Operational review – overview

The detailed performance of our business units is discussed in the Review of Operations report on page 44.

Associate investment: Easylife Kitchens ("ELK")

The Group holds a 30% stake in ELK, which is a leading manufacturer of kitchen, bathroom, vanity, built-in cupboards, bar and storage design, in line with our intention to provide customers with complete specialist home-finishing solutions. ELK reported improved sales and profits for the year and continued to grow its footprint, including on some of our multi-node retail sites, which affords synergies for both parties.

Prospects

We expect continued headwinds to subdue growth, margins and profitability in the year ahead. We believe that a rigid focus on the controllable aspects of our business will position us to capitalise on opportunities when the trading environment improves. Our priorities will be to strengthen leadership through personal development frameworks, invest in our brands and product development, optimise operational efficiencies, improve productivity, control costs, reinforce the Group as a selling organisation, reduce inventory and grow market share. As part of our continual review of our asset base, we may consider disposals of assets that do not meet our risk, return and growth criteria.

Organic growth will continue to be driven by capitalising on our leading brand positions in South Africa and our growing brand strength in East Africa. Our strategic initiatives will ensure we invest in our new product development programmes, excellent customer service and our brand portfolio. Group synergy will be leveraged within our portfolio of complementary businesses.

Management will continue to engage the authorities to gain the government's support for a level playing field in our market against product dumped from neighbouring countries. While the latest tariffs imposed by the USA do not directly impact our business, they could have wide-ranging and devastating consequences for South Africa, crippling the economy if billions of Rand are lost in export revenue. The impact on certain regions that are dependent on exports could indirectly affect demand for our products in those areas. We will continue to monitor the situation and ensure that we are agile and ready to respond if necessary.

We anticipate introducing AI projects, which have demonstrable return on investment, to enhance our competitive ability in customer service, logistics and inventory management.

The emphasis on strong human capital management will be continued in the new year as we prioritise strong leadership, effective training programmes and excellence in attracting, recruiting, developing and retaining talent in alignment with our high-performance culture.

Retail

Italtile Retail will continue to focus on trend-setting, market-leading product with exceptional display to inspire customers to create outstanding personalised homes. Italtile retail's staff expertise is renowned for its advice and flair when partnering with each customer to ensure the customer dream is understood and translated into a successful project.

Development of advanced selling skills for experienced retail consultants in conjunction with ongoing interior design training continue to differentiate the business on service, quality and product fashion, and to drive sales and profit growth. In conjunction with a focus on higher productivity, we aim to grow webstore volumes and contribution from bathroomware sales, and improve commercial market share.

CTM will continue to focus on growth in market share through improving the people pipeline, especially in the operations team, and strengthening the skills of our team members, to ensure that customer centricity is embedded in the retail experience. Logistics remains a key focus to improve customer experience, increase in-stocks to fulfil our promise to customers, improve system-wide stock turns, reduce costs and delight customers with improved last-mile delivery.

CTM launched a new brand campaign in July 2025 centred around the three dynamic CTM homemakers: Carla, Tito and Mario. They embody CTM's value proposition: Big Savings. More Style. The aim is to connect with customers in a real and memorable way. This campaign is designed to appeal to a wide audience using multiple marketing channels. Through the campaign, we aim to differentiate CTM from competitors by blending a powerful legacy with a bold, clear value proposition and services.

TopT will continue to grow its geographical footprint and open stores conveniently located close to its customers. Engagement with local communities is core to TopT's DNA and we are investigating a loyalty programme. Marketing campaigns continue to be important as TopT brand recognition improves. We will focus on growing tile sales by improving our range and offering, and increases in bathroomware's contribution to sales are expected given various initiatives underway. As "King of Combos", TopT continues to pioneer packaged solutions for its customers. A strategic review has led to a change in paint supply partner and growth is expected in this merchandise category.

Manufacturing and Supply Chain

We expect the highly competitive environment to continue to be a challenge to Ceramic's performance. Ceramic will install and commission a new polishing and rectification line at Gryphon and has commissioned a new rectification line at Centaurus (Australia), as well as launching two new large format rectified tile ranges from the new line at Vitro. A new body formulation will be developed at Pegasus to produce suitable substitute tiles no longer available after closure of Johnson Tiles South Africa.

We plan to develop and launch a new super white glaze for vitreous sanitaryware, and design, build and commission a new demoulding drier.

Ceramic will continue to drive improvements in yield, productivity and cost reduction with specific focus on waste reduction to mitigate high input cost inflation and continued selling price deflation. We plan to transform Ceramic into a better selling organisation, moving customer facing employees from being order takers to agile salespeople in the face of stiff competition to defend and grow market share. The business will remain under pressure while product continues to be dumped in the country.

Ezee Tile's priorities include the building of a new factory in Mokopane and the Durban property renovation. We will focus on operational efficiencies and profitability, turning around performance at the Silica Quartz sand quarry and performance in Ezee Tile Zambia. We intend to continue the entrenchment of Group culture, with the goal of cost savings and higher profitability. Benefits of the newly implemented warehouse management and logistics solutions should be realised in the year ahead. A further goal is to increase market share through growth in the independent retailers and launch of additional products for the construction market, as well as optimising sales in integrated Group stores.

ITD's imperative is retail sales volume growth through gains in market share. In line with our Tivoli brand strategic direction, we will drive the execution of the 24-hour after-sales service promise to become the benchmark in South Africa in customer care. While we intend to maintain pricing, we will continue to focus on margin improvement through enhanced procurement and improved product range. In pursuit of profit growth, the priority will be higher productivity, intensified cost containment, inventory management and range rationalisation.

Chief Executive Officer's report continued

Opportunities exist to extract benefits from the vertically integrated supply chain and focus will be on improving stock turns, reducing transportation costs, extracting synergies between incoming and outgoing logistics of all business units, and improving productivity.

ESG

Our goal for the year was to reduce the Group's carbon footprint and the consumption of non-renewable resources. This was achieved by increasing the use of solar energy, harvesting rainwater, recycling water and waste management. Properties are constructed and renovated with energy-efficient and environmentally sensitive practices and materials.

We continue to improve our offering in products manufactured with lower carbon footprints and lower resource consumption.

Technology has helped operations to meet targets, cutting the consumption of non-renewable resources and re-using, recovering and recycling where possible. Ceramic factories continue to rank among the most energy efficient in the world. Rehabilitation of our raw material quarries is conducted concurrently during use.

Social impact is another important factor in our business. Our Proudly South African ethic is a key theme in our stores and communication campaigns as we further our support for the economy by selling high-quality products made by local people, creating employment, training and skills development.

We continued our CSI initiatives, contributing R25,5 million towards community programmes covering education, sport, health and conservation. A further R27 million was spent on skills development and bursaries. A key component of these initiatives is that they are consequential, measurable and sustainable.

The Group's commitment to transforming the business from within is based on management's continuous focus on a range of meaningful interventions to develop future talent.

We will continue to ensure high standards of corporate governance and responsibility.

Outlook

The challenging global and South African macro-economic environment experienced in the first half of 2025 is expected to continue throughout the next financial year amid global uncertainty and geopolitical conflict. The trading environment is expected to remain challenging in the short to medium-term as intense competition persists due to the imbalance between excess supply and weak demand. South Africa has one of the least manufacturing-friendly economies, with an onerous regulatory environment, deteriorating infrastructure, uncertain energy supply and spiralling municipal costs. This unstable environment is detrimental to manufacturing growth and is leading to the acceleration of de-industrialisation. South Africa persists in allowing unequal playing fields due to uncontrolled dumping of product in the country, which, coupled with import tariffs imposed by neighbouring countries, worsens the trading environment and places margins under pressure.

In the longer term, it is our view that there will be further consolidation in our industry and rationalisation of capacity. As an industry leader, we are ready to take advantage of opportunities in the market.

We have sound assets, competent, engaged and motivated teams, robust iconic brands, industry-leading technology and products, and the competitive advantage of a vertically integrated supply chain. Productivity and efficiency are critical in an environment where sales and GDP growth are limited amid fierce and growing competition. It is our intention to remain a low-cost manufacturer and highly efficient in our supply and retail businesses.

We are confident that if we execute retail excellence disciplines better at every customer touchpoint and continue to reduce inefficiencies in our business, we will build further momentum to deliver increased sales, profit growth and gain market share. We will focus on improving customer experience, operating efficiencies and logistics and develop and grow our teams' core competencies in sales and operating excellence.

Directorate

Ms Nkateko Khoza resigned as an independent non-executive director. I would like to thank Ms Khoza for her contributions and insights over the past seven years and wish her well in her future endeavours.

Ms Mamedupi Matsipa was appointed to the Board as an independent non-executive director on 22 August 2025. Ms Matsipa will be a valued addition to our Board and is warmly welcomed.

Appreciation

I would like to express my appreciation to our team for a resilient performance and their dedication to achieving an unparalleled shopping experience for our customers during a challenging year. Their loyalty and enthusiasm in ensuring our business remains relevant, competitive and sustainable is highly valued.

Our Chairperson, Luciana Ravazzotti Langenhoven, continued to support management and share her passion and flair for the business. We are inspired by her presence and insights. We continue to benefit from the wise counsel of our founder and former Chairman, Giovanni Ravazzotti, and are privileged to gain from his experience earned over more than 50 years in the industry. I would also like to convey my appreciation to our Board members for their wisdom, guidance and endorsement of our strategy.

My fellow executives, Brandon Wood, COO, and Lamar Booysen, CFO, provide valuable debate, collaboration and encouragement for which I am most grateful.

L A Foxcroft
Chief Executive Officer

Review of operations

ITALTILE
LIVE BEAUTIFULLY

Retail brands

Overview and performance matrix

ITALTILE RETAIL

Nature of business

Leading retailer of exclusive fashionable ranges of tiles, bathroomware and related products.

Strategic positioning	Target market	Footprint
Live beautifully.	• LSM 8 – 10. • Discerning consumers in the upper-middle and premium-end segment and commercial projects market.	**15 stores** (2024: 16) including one webstore National commercial division focused on projects **0 stores opened** (2024: 1) **0 stores revamped** (2024: 1) **1 store closed end FY2025** (2024:0)

Key performance indicators	Trends 2025	Trends 2024
Sales	↑	←→
Average basket growth	←→	←→
Average selling price	↓	↑
Margins	←→	←→
Net profit	↑	↓
Stock turn	↑	↑
Average store inventory	↑	↓

Key differentiators

- Trendsetter and leading buyer of exclusive high-quality fashionable international and local products.
- Widely recognised as the industry front-runner in environmentally sensitive products.
- Well-established specialist expertise and nationwide network.

2024/25 priorities	Scorecard
• Continue procurement of quality, fashionable product.	✔
• Improve market share, specifically in the commercial projects market.	✘
• Establish and grow the new Gqeberha store.	✔
• Develop management depth for future growth.	✔
• Improve stock turn and enhance stock management.	✔

2024/25 major achievements

- Hot stock (previously 'toxic stock') further reduced.
- Group-wide stock turn increased to 4x as at end June 2025.
- Two new, high-calibre store managers developed, and integrated into the business.
- Increased productivity per head by 6%.
- Transport model fully self-sustainable.
- Introduction of competitive and comprehensive slab range.
- Retained margin in a highly strained and competitive market, predominantly through better buying.

2025/26 priorities and prospects

- Roll out advanced selling skills training for experienced retail consultants in conjunction with ongoing interior design training.
- Increase productivity per employee by 5%.
- Drive sales and net profit growth.
- Continue to differentiate in the market through service, quality and fashion.
- Further reduce hot stock by 10%, and improve stock turn.
- Develop a minimum of two new, high-calibre store managers.
- Grow tile sales revenue and/or volume.
- Grow Bathshop contribution.
- Webstore growth.
- Grow commercial market share.
- Further drive logistics/product management via analytics.
- Cost leadership, i.e. reduction at every opportunity.

Retail brands

Overview and performance matrix

CTM

Nature of business

Leading specialist retailer of tiles, laminate and vinyl flooring, taps, sanitaryware, shower enclosures, bathroom furniture and accessories.

Strategic positioning	Target market	Footprint
Big savings. More style.	• LSM 5 – 8. • Middle-income DIY customers and small builders.	**74 stores** (2024: 74) in South Africa and **25** (2024: 25) in the rest of Africa **Corporate: 65*** (2024: 66) **Franchised: 34** (2024: 33) **2 stores opened** (2024: 1) 1 in Malelane and 1 webstore in Namibia **2 closed** (2024: 3) in Dobsonville and Maun * *Includes 5 webstores. (2024: 4)*

Key performance indicators	Trends 2025	Trends 2024
Sales	↓	↓
Average basket growth	↓	↑
Average selling price	↓	↑
Margins	↓	↓
Net profit	↓	↓
Stock turn	↓	↓
Average store inventory	↑	↓

Key differentiators

- Local and international buying power.
- Quality products with strong fashion component.
- Integrated supply chain ensuring consistent availability of stock.
- Outstanding customer experience in brick-and-mortar and online stores.
- Strong brand heritage and consumer trust.

2024/25 priorities	Scorecard
• Develop our people and depth of talent across the business.	✔
• Maintain our employee engagement score to ensure good performance of our teams.	✔
• Grow market share by prioritising our customer-centric retail excellence disciplines to delight our customers with an unparalleled shopping experience.	✘
• Continue to focus on the product offering aligned to our market segments.	✔
• Improve operational efficiencies and consistent in-stock levels of business-critical products.	✔

2024/25 major achievements

- Maintained our employee engagement score to ensure our teams continue to perform well.
- Improved operational efficiencies and consistent in-stock levels of business-critical products.
- Improved the product offering aligned to our market segments.
- East Africa achieved turnover and profit growth despite difficult trading conditions. Our quality-value messaging was communicated better in the market, and in-stock levels, ranges and pricing ladders improved.
- Launched CTM's pivotal customer satisfaction programme, CTM Xperience, to enable and inspire employees to deliver exceptional customer service.

2025/26 priorities and prospects

- Fully satisfy customers through CTM Xperience initiative as measured through NPS and Google review scores.
- Improve people pipeline in stores and strengthen the skills of our team members.
- Entrench development of sales skills in the CTM culture.
- Grow tile volumes and gain market share.

Review of operations continued

Retail brands

Overview and performance matrix

TopT

Nature of business

Retailer of home-finishing products including tiles, paint, ceiling décor, taps, sanitaryware, laminate flooring, window blinds, tile adhesives and accessories.

Strategic positioning	Target market	Footprint
Every price a LOW price.	• LSM 4 – 7. • Entry-level value offering strategically situated in underserviced rural areas and outlying markets in close proximity to urban townships.	**96* stores** (2024: 93*) in South Africa. **Corporate: 59*** (2024: 53*) **Franchised: 37** (2024: 40) **4 stores opened** (2024: 2) **1 store closed** (2024: 2) **2 stores relocated** (2024: 3) ** Includes one webstore*

Key performance indicators	Trends 2025	Trends 2024
Sales	↑	↑
Average basket growth	↑	↑
Average selling price	↑	↑
Margins	↓	↑
Net profit	↑	←→
Stock turn	↑	↓
Average store inventory	↓	↑

Key differentiators

- Low-cost model.
- Flexible, opportunistic home-finishing product range.
- Affordability and availability of stock and accessibility to market.
- Strong community relationships and local marketing.

2024/25 priorities	Scorecard
• Gain market share in our segment.	✔
• Open five new stores and close non-performing stores.	✘
• Improve core range and business-critical in-stock levels.	✔
• Continue to build the leadership pipeline at regional and store operator levels.	✔
• Grow contribution of sanitaryware sales to total sales.	✔
• Roll out the new look-and-feel in targeted merchandise categories.	✘
• Adopt a bespoke community project in each store to enhance our strong local community relationships and build customer goodwill.	✔

2024/25 major achievements

- Building a store leadership pipeline through our Trainee Manager Programme.
- Appointed the TopT 2IC.
- Despite the extremely competitive market, sales and volume grew by 3%.
- Bathroom Boulevard sales increased year-on-year. The project to increase allocation of prime retail space for these products was rolled out nationally.

2025/26 priorities and prospects

- Improve store leadership pipeline.
- Expand customer payment method options.
- Continue to grow tile volume sales.
- Regain lost paint market share through our new partnership with O'Grady's.
- Grow the Bathroom Boulevard sales contribution in all stores.
- Open new stores.

Supply chain – manufacturers

Overview and performance matrix

CERAMIC INDUSTRIES

Nature of business

Manufacturer of tiles (South Africa and Australia) and bathroomware (South Africa).

Strategic positioning	Target market
Preferred supplier of tiles and bathroomware in South Africa.	• Retailers and wholesalers of fashionable and affordable tiles and bathroomware in South Africa, Australia and selected export markets.

	South Africa		Australia	
Key performance indicators	Trends 2025	Trends 2024	Trends 2025	Trends 2024
Sales	↓	↓	↓	↓
Production volumes	↓	↓	↓	↔
Average selling price	↓	↓	↓	↑
Margins	↓	↓	↓	↓
Net profit	↓	↓	↓	↓
Closing inventory	↓	↑	↑	↔

Key differentiators

- Leader in design and fashion, creating desirable products.
- Low-cost manufacturing ensures affordable products.
- Local supply ensures an understanding of customer requirements and a short, reliable supply chain. This supports our 'always in stock' policy, with consistent supply of fashionable well-priced product.
- Complementary products for bathroom and complete home-tiling solutions.
- Ceramic's factories rank among the most energy efficient in the world. Ceramic's low-carbon footprint EcoTec tile range is recognised as a leader in the manufacture of ecologically-sensitive products.

TILE DIVISION

South Africa: Samca Wall (monoporosa wall tiles); Samca+ (hardbody rectified floor tiles); Pegasus (ceramic floor tiles); Vitro (extruded fully vitrified tiles); and Gryphon (glazed porcelain tiles).
Australia: Centaurus (A-glazed porcelain tiles).

2024/25 priorities	Scorecard
• Improve product quality and customer service to defend and grow market share. *Quality improved to an all-time high with new product offering meeting customer specifications, however market share continued to decline due to predatory pricing and dumping in the local tile market.*	✔
• Continue to improve efficiencies, including reducing waste across all factories, to mitigate against high input cost inflation and continued selling price deflation. *Yields improved at every tile plant, with variable and fixed costs trending down. Reduced capacity utilisation and overhead recoveries reduced margin.*	✔
• Improve productivity. *Headcount reduction and improved machine availability improved productivity, but low market demand resulted in the shutdown of kilns.*	↔
• Resolve the threat to PNG supply and safeguard business continuity. *Gas supply is secured until 2028, with work being done to ensure an alternate gas supply and reduce demand for PNG.*	↔
• Strengthen the sales and commercial team. *New commercial manager and sales representatives were appointed, with more appointments being finalised.*	↔

Review of operations continued

CERAMIC INDUSTRIES
Tiles & Bathroomware
Creators of style

Supply chain – manufacturers

Overview and performance matrix

CERAMIC INDUSTRIES

TILE DIVISION continued

2024/25 major achievements

- Reduced quality credits across the Group, to the lowest in CI's 50-year history.
- Reduced variable cost of clay, glaze and packaging by double digits.
- Successfully produced and launched new 0,5% water absorption, 9mm, true-sized 600x600 porcelain product from Gryphon.
- Successfully produced and launched a new rectified, large format tile range from Vitro.
- Successfully launched 7mm Samca+ product, which now contributes 20% of volume sales.
- Increased the tile division average A-grade yield by >5%.
- Reduced mining cost per bulk cube by 18%.

2025/26 priorities and prospects

- Install and commission a new polishing and rectification line at Gryphon.
- Install and commission a new rectification line at Centaurus (Australia).
- Strengthen the sales and commercial team.
- Launch two new large-format rectified tile ranges from Vitro.
- Continue to improve the quality of the product and the customer service to defend and grow market share.
- Continue to improve efficiencies, including reducing waste across all factories, to mitigate against high input cost inflation and continued selling price deflation.
- Improve productivity.

BATHROOMWARE DIVISION

Betta Sanitaryware (Betta) and Betta Baths.

Key performance indicators	Trends 2025	Trends 2024
Sales	↑	←→
Production volumes	↑	↓
Average selling price	↑	↓
Margins	↑	↓
Net profit	↑	↓
Closing inventory	←→	↓

2024/25 priorities	Scorecard
• Improve products and customer service to defend and grow market share.	✔
• Improve efficiencies, including the reduction of waste and an increase in yields.	✔
• Drive cost rationalisation initiatives to recover margin.	✔
• Improve productivity.	✔

2024/25 major achievements

- Installed and commissioned free-standing bath manufacturing capacity.
- Reduced lead time of seamless and casted baths from eight weeks to two weeks.
- Reduced lead times of one-piece baths from 15 weeks to four weeks.
- Produced all-time record volumes out of Betta Sanitaryware.
- Rolled throughput yield improved by 8% at Betta.
- Betta productivity increased significantly, reducing lead times and delivered cost.
- Successfully implemented VMI for Group stores, for sanitaryware and bath factories.

2025/26 priorities and prospects

- Ancillary components sourced from third parties, to be manufactured internally, reducing the manufacturing costs of free-standing baths.
- Cross-training of the core Betta Baths team, to reduce overall headcount by 20% reducing fixed overheads.
- Maintain lead times of free-standing baths at two weeks.
- Develop and launch new super white glaze for vitreous sanitaryware.
- Design, build and commission new demoulding drier to reduce demoulding and green scrap by >5%.
- Produce and sell 3 000 more closed rim suits per month.
- Continue to improve efficiencies, including reducing waste, to mitigate high input cost inflation.

Supply chain – manufacturers

Overview and performance matrix

EZEE TILE

Nature of business

Manufacturer of cement-based adhesives, grouts, gammazene and related products. Comprises nine manufacturing facilities in Johannesburg, Durban, Gqeberha, Cape Town, Bloemfontein, Mokopane, Mombasa, Lusaka and Harare.

Strategic positioning	Target market
Africa's preferred tiling solutions. Industry leader in Africa.	• Primarily the Group's retail networks: Italtile Retail, CTM and TopT, as well as select open-market customers including speciality tile retailers and big-box hardware stores.

Key performance indicators	Trends 2025	Trends 2024
Sales	↑	↑
Average selling price	↑	↑
Margins	↑	↑
Net profit	↑	↑
Stock turn	↑	↑
Closing inventory	↓	↓

Key differentiators

- High-quality product supported by extensive quality testing and product development.
- A national footprint of manufacturing plants which underpins Ezee Tile's 'always in stock' policy with consistent supply of products.
- Strong strategic partnerships with key raw material suppliers who provide access to latest technologies to improve quality while reducing costs.
- Largest producer status affords economies of scale.

2024/25 priorities	Scorecard
• Realise efficiencies in the new Vulcania factory. – *Vulcania operation has been stabilised and significant progress made on efficiency improvements.*	✔
• Recruit critical skills and continue upskilling staff. – *Recruitment of key skills – internal sales, procurement, warehouse, maintenance, technical, sales and finance – completed with upskilling and multiskilling of staff achieved. Further development and training needs remain.*	✔
• Entrench core elements of Group culture into the business. – *Ezee Tile has progressed well with the entrenchment of the Group culture into all branches as is evident from the improved discipline and improved housekeeping standards.*	✔
• Complete the sand quarry purchase to secure long-term supply for the Vulcania factory. – *Sand quarry purchase has been completed and sand supply secured. Operational efficiencies and profitability of the sand quarry will be the primary focus.*	✔
• Complete integration into the Group's transport management service ("TMS") to improve on-time-in-full ("OTIF") deliveries and reduce costs. – *Not only has TMS been successfully implemented across the entire SA group, but we have also started the 4PL transport optimisation system in Vulcania as well as implemented the VMS in Vulcania.*	✔
• Capitalise on opportunities to continue to build market share in the specifications market and with independent/open-market customers. – *Although the market conditions have been extremely challenging, some progress has been made in reacquisition of the lost independent market share. Significant progress still to be made.*	✔

Review of operations continued

EZEE TILE ADHESIVES
AFRICA'S PREFERRED TILING SOLUTIONS

Supply chain – manufacturers

Overview and performance matrix

EZEE TILE

2024/25 major achievements	2025/26 priorities and prospects
• Completed Vulcania factory commissioning, stabilised production and completed major upgrades on adhesive production line. • Improved process efficiency and supply stability throughout the Group. • Completed regional factory renovations and upgrades. • Achieved significant improvement in Group profitability. • Implemented WMS in Vulcania and VMS driven from Vulcania to improve stock turn and stock holding in branches.	• Achieve Group HSE targets with DIFR below 1. • Complete Mokopane new factory project as well as Durban renovation and expansion project. • Focus on operational efficiencies and profitability of sand quarry. • Continue entrenchment of Group culture, improvement in housekeeping, efficiencies and general factory improvements. • Complete cost-reduction programme to yield savings and improve profitability. • Grow Ezee Tile market share through growth in independent and construction markets, as well as optimising sales in integrated Group stores. • Roll out WMS to all branches. • Continue to build strong and highly efficient teams in all branches.

ITD | INTERNATIONAL TAP DISTRIBUTORS
EXPERIENCE WATER'S INSPIRATION

Supply chain – importers

Overview and performance matrix

INTERNATIONAL TAP DISTRIBUTORS (ITD)

Nature of business

Importer and distributor of brassware and accessories.

Strategic positioning	Target market
Experience water's inspiration.	• Italtile Retail, CTM and TopT store networks.

Key performance indicators	Trends 2025	Trends 2024
Sales	←→	←→
Average selling price	↓	↑
Margins	↑	↑
Net profit	↓	↑
Stock turn	↓	↑
Closing inventory	↑	↑

Key differentiators

- Key component of the Group's vertically integrated supply chain.
- Long-standing relationships with international suppliers and extensive import experience.
- Efficient, state-of-the-art robotic warehouse facility.
- Leading product quality in South Africa, including the Tivoli range.

2024/25 priorities	Scorecard
• Grow sales volumes through market share gains, to offset constrained consumer spend.	✔
• Grow sales in the commercial projects segment to achieve meaningful and sustainable turnover improvement.	✘
• Capitalise on stable supply lead times to drive improvement in retail stock turn.	✔
• Manage margins in the context of volatile local currency and cost inflation.	✔

2024/25 major achievements

- Grew sales volumes out of Retail stores.
- Maintained margin despite a decrease in average selling price and ongoing exchange rate volatility.
- Implemented Tivoli strategic direction change to ensure that the brand remains strong in South Africa.

2025/26 priorities and prospects

- Retail sales volume growth through gains in market share is imperative in the context of continued constrained consumer spending and subdued investment sentiment.
- Drive the execution of the 24-hour after-sales service promise to become the benchmark in South Africa in customer care.
- Maintain pricing but continue to drive improvement in margin without increasing pricing to the market through improved procurement efficiency and effectiveness and improved range offering.
- Focus on improved productivity across the business and intensified cost-containment measures to achieve profit growth targets.
- Drive improvement in ITD and system-wide stock turns through ongoing improvement of inventory management and range rationalisation.

Review of operations continued

Supply chain – importers

Overview and performance matrix

CEDAR POINT

Nature of business

Importer and distributor of laminate and vinyl flooring, bathroom furniture, shower enclosures, sanitaryware, décor and other home-finishing products.

Strategic positioning	Target market
Where service is the point. Ensure competitiveness of the Group's retail stores by consistently supplying quality, fashionable home-improvement products at attractive prices.	• Italtile Retail, CTM and TopT store networks.

Key performance indicators	Trends 2025	Trends 2024
Sales	↑	←→
Average selling price	↑	↑
Margins	←→	↑
Net profit	↑	←→
Stock turn	←→	↓
Closing inventory	↓	↑

Key differentiators

- An integral component of the Group's supply chain across merchandise categories.
- Strong relationships with international and local stakeholders.
- Buying power derived from Group volumes and common-site synergies.
- Efficient warehousing and consolidated deliveries.

2024/25 priorities	Scorecard
• Grow sales.	✔
• Revise product merchandise categories and introduce new fashion.	✔
• Improve stock turns and reduce inventory.	✔
• Improve visibility of all imported stock from manufacture to the customer.	✔

2024/25 major achievements

- Rationalised ranges with retail brands to enable faster introduction of new, fashionable products.
- Significantly reduced slow-moving and obsolete ("toxic") stock.
- Merged Italtile DC and Cedar Point Durban operations, resulting in favourable cost savings.
- Improved inventory control and stock forecasting accuracy.

2025/26 priorities and prospects

- Grow sales volumes through the store network.
- Improve stock turns and reduce system-wide inventory.
- Improve store SKU in-stocks through continued enhancement of stock demand forecasting and planning with the retail network.
- Improve productivity in the distribution operation to pass on better pricing to the stores.
- Entrench customer-first culture.

Supply chain – importers

Overview and performance matrix

DISTRIBUTION CENTRE

Nature of business

Procures stock for the Group and is one of the largest importers of tiles in South Africa.

Provides warehousing, distribution and logistics services to the Group.

Target market

- The Group's retail store networks and integrated suppliers.

Key performance indicators	Trends 2025	Trends 2024
Sales	↓	↑
Average selling price	↓	↓
Margins	↓	←→
Net profit	↓	↑
Stock turn	↑	↑
Closing inventory	↑	↓

Key differentiators

- Long-standing relationships with international suppliers and transport agents.
- Extensive multi-decade import experience.
- Bulk warehousing and efficient operations integrated into the Group's TMS.
- Strong financial position facilitates optimal investment in inventory.

2024/25 priorities	Scorecard
Continue to improve sales through stores by procuring fashionable product at attractive prices. – *This is determined by the brand leaders*	✗
Improve on time in full and retail in-stocks. – *This is determined by the brand leaders*	✗
Further improve the average vehicle utilisation rate on the TMS. – *This has been achieved through better planning*	✓
Continue to achieve savings on freight cost. – *This has been achieved through communication with different agents to compare pricing and select the optimal choice for our needs*	✓

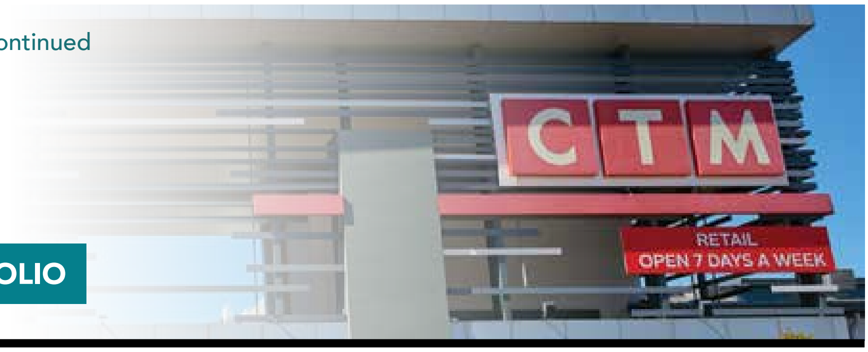
2024/25 major achievements

- Improved stock turn.
- Successfully completed transition of Cedar Point Durban into the DC warehouse.
- Improved productivity and reduced costs by in-sourcing warehouse operations.

2025/26 priorities and prospects

- Improve stock turn.
- Manage stock ageing to reduce slow-moving stock.
- Source competitive ocean freight and logistics rates.

Review of operations continued



Support services

Overview and performance matrix

PROPERTY INVESTMENT PORTFOLIO

Retail properties

- This portfolio affords strategic advantage to the retail brand operations by ensuring stores are well located, well presented and maintained, and contribute to an inspirational shopping experience.
- The portfolio is continuously evaluated and enhanced to ensure optimal returns.

Manufacturing properties

- The Group's manufacturing operations comprise well-maintained state-of-the-art factories that are supplied with high-quality raw materials sourced from productive quarries in close proximity to the plants.

Environmental sustainability

- The Group's sustainability agenda is promoted through the use of cost-effective, energy-efficient practices in the construction of new buildings and the renovation of older buildings. Optimal use of natural light, solar technology, new-generation lighting, water-saving taps, rain water harvesting, boreholes and environmentally sensitive building materials is prioritised.
- Our Ceramics' factories use the latest technology in their operations and rank among the most energy efficient in the world.
- The majority of Ceramics' clay requirements is supplied by its own quarries. The quarries have adequate reserves to meet medium to long-term requirements. Raw material quarries are rehabilitated concurrently and once end-of-productive-life is reached.

Target market

- Italtile Retail, CTM and TopT store networks.

Key statistics	**2025**	2024
Total number of stores	**203***	202*
– Italtile Retail	**14***	15*
– CTM	**94***	95*
– TopT	**95***	92*
– ELK	**10***	9*
Retail property capex incurred		
(new and refurbishments)	**R64 million**	R115 million
Portfolio changes		
– Properties acquired	**0**	0
– Properties sold	**5**	3
New stores opened		
– Italtile Retail	**0**	1
– CTM	**1***	1
– TopT	**4**	2
– ELK#	**1#**	3#
Stores closed		
– Italtile Retail	**1**	0
– TopT	**1**	2
– CTM	**2**	3

** Excludes webstores.*
 # Lease in Group-owned property.

Support services

Overview and performance matrix

PROPERTY INVESTMENT PORTFOLIO

2024/25 priorities	Scorecard
• Increase returns by optimising store size and input costs; relocating non-performing stores; and ensuring keen negotiations on rental renewals.	✔
• Sell non-profitable/non-viable sites.	✔
• Drive green initiatives to ensure environmental sustainability and reduced dependency on municipal services through our programmes to implement solar and battery backup, rain water harvesting and boreholes.	✔
• Continue to source and develop new sites.	✘
• Continue to support the Group's expansion programme by incorporating ELK offerings into our existing properties.	✔

2024/25 major achievements	2025/26 priorities and prospects
• One CTM and three TopT stores were moved to better-located sites, reflected by the improved sales reported subsequent to them moving. • Four TopT stores were opened to serve untapped markets and gain more market share. • Good progress was made on the goal to sell non-profitable/non-viable sites, with the sale of five sites. • In response to increased water interruptions, increased roll-out of smart meter installations to measure and track usage.	• Improve returns on the property portfolio in Southern and East Africa. • Sell non-profitable/non-viable sites. • Review opportunities to convert expensive leased sites to owned properties for high-performing TopT stores in proven markets (the target is three to five stores). • Significant curtailment of capital and operational costs. • Increase photovoltaic ("PV") systems or wheeling arrangements in regions with high electricity bills.

Chief Financial Officer's report

IT IS MY PRIVILEGE TO REPORT ON THE GROUP'S RESULTS FOR THE 2025 FINANCIAL YEAR.

South Africa's ECONOMY REMAINED WEAK THROUGHOUT THE FINANCIAL YEAR,

with low GDP growth and few signs of recovery in domestic demand for goods and services.

Consumer confidence levels have been low, underpinned by worsening sentiment in the residential sector due to the reduction in activity. In this **challenging environment,** we have **focused on remaining competitive** and **managing the aspects of our business which we can control**.

The analysis below for the year ended 30 June 2025 focuses on the key elements of the Group's financial performance and statement of financial position, which management believes to be important for the understanding of the Group's performance. The review should be read together with the annual financial statements on pages 132 to 196. All comparisons are against the 2024 financial year unless stated otherwise.

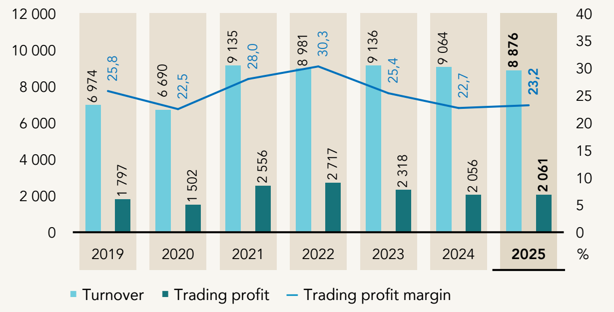
Financial results

Group financial results summary

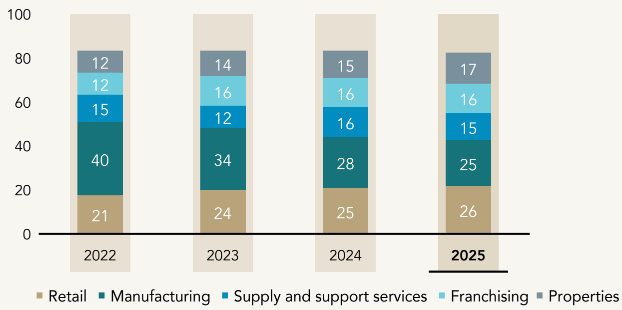
	2025	% change from 2024	2024
Group and franchise results			
Turnover (Rm)			
– by Group-owned stores and entities	**8 876**	(2)	9 064
– by franchise-owned stores	**2 383**	(4)	2 471
System-wide turnover (Rm)	**11 259**	(2)	11 535
Number of stores*	**210**	1	208
Group results			
Turnover (Rm)	**8 876**	(2)	9 064
Trading profit (Rm)	**2 061**	0	2 056
Total assets (Rm)	**10 552**	(1)	10 634
Cash and cash equivalents (Rm)	**2 169**	18	1 844
Number of shares in issue ('000)	**1 321 654**	–	1 321 654
Headline earnings per share (cents)	**125,1**	2	123,0
Ordinary dividends declared per share (cents)	**50,0**	2	49,0
Special dividends declared per share (cents)	**98,0**	26	78,0
Net asset value per share (cents)	**705,0**	(0)	707,5
Number of employees	**2 646**	4	2 554

Lamar Booysen
Chief Financial Officer

Turnover, trading profit and trading profit margin (Rm)



Profit contribution per segment (%)



Turnover

System-wide turnover for the financial year decreased by 2% versus the prior year with key factors being difficult macro-economic conditions for businesses and consumers, increased competition (retail and manufacturing) and internal inefficiencies.

Consolidated turnover of R8 876 million was 2% lower than the prior year (2024: R9 064 million) – a decline from the flat turnover recorded at half year.

Retail

Gross retail store turnover increased by 0,4% versus the prior year, while on a like-for-like basis increased by 1,3%. Overall average selling prices rose by 0,2% in the retail businesses with increases in volumes being noted for all merchandise categories except for décor, sanitaryware and wooden flooring, which decreased by 1,3%, 3,1% and 14,9% respectively.

Sales from Company-owned stores increased 2,3% for the year to date while franchise stores sales decreased 3,6%. A contributing factor was the conversion of the TopT Mopani region's stores to Company-owned stores at the beginning of the financial year. Excluding this impact, and other changes in the store mix, sales from Company-owned stores grew 0,7% while those of franchise stores' decreased 0,7%.

Supply chain – import businesses

Sales by the Supply Chain businesses, (Cedar Point, ITD and DC), were 2,9% lower, collectively. During the prior year, price increases were passed on due to exchange rate fluctuations, higher shipping costs (which decreased from the end of the previous calendar year) and increased pricing from suppliers. These increases were delayed as long as possible to support competitive pricing at the retail level and were staggered, having a mixed impact on margins from a timing perspective. The decline in the average selling price was also impacted by changes in the sales basket mix, e.g., the move to lower-priced products as customers shopped down.

Supply chain – manufacturing

Manufacturing sales (aggregation of Ceramic Industries, Ezee Tile and PiViCal Panels) decreased by 5,1% to R4,7 billion, as volumes remained under pressure at Ceramics, which faced increased competition in the market as tiles from factories in Southern Africa continued to penetrate the local and export markets.

Due to improved production and deliveries from the Ezee Tile plants, coupled with the impact of price increases, Ezee Tile grew sales by 4,0%.

Gross margin

On a consolidated level, the gross margin achieved for the year remained flat at 40,6%.

The Manufacturing businesses collectively recorded a gross margin percentage decrease of 1,4% from the prior year-end, which had a significant impact on the overall Group gross margin. The biggest contributing factors that have impacted the gross margin are low factory yields and production volumes. Tile volumes in particular have come under pressure due to the competitive factors detailed above.

The Supply Chain businesses' gross margin percentages increased collectively by 0,2%. These businesses benefitted from a stronger Rand and lower shipping costs, which decreased from the end of the previous calendar year. This was offset by a change in sales mix with customers shopping down in retail stores and a higher purchase price introduced by suppliers.

Chief Financial Officer's report continued

The Manufacturing and Supply Chain businesses continued to limit and delay price increases, in some cases offering price reductions on tiles to retailers, to support competitive retail prices, resulting in retail margins decreasing by 0,7% on the prior year-end.

At a Group level, inventory provision income statement releases of R13 million compared to R20 million further contributed to the reduced achieved gross margin percentages detailed above. In addition, changes in the store mix (movements in sales volumes between Company-owned and franchised stores) resulted in mix changes in the intercompany sales elimination on consolidation, which may increase/decrease the margin depending on the nature of store sales mix change.

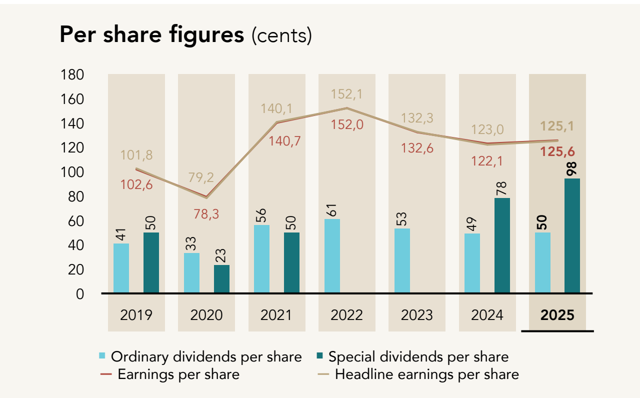
Other operating income

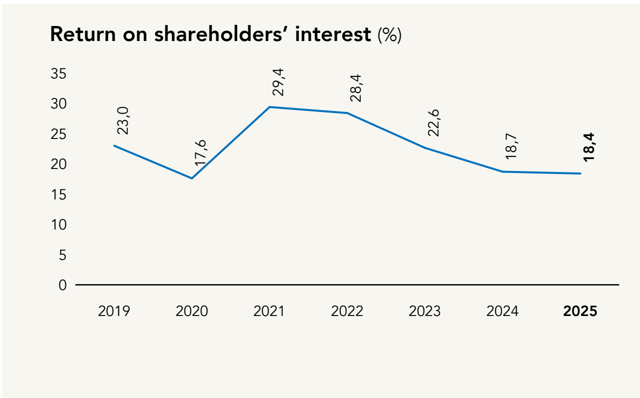
Other operating income comprises various income received from franchised stores (rental, royalties, and IT and other service fees). The income was flat as an increase in franchise agreement renewal income was offset by a decrease in clawback income year-on-year.

Operating expenses

Operating expenses dropped by 2,8% on the prior year (the decrease is similar on a like-for-like basis). Notable movements for the prior year were recorded on the following expense items:

- manpower costs (including share-based payments and profit share) included in operating expenses increased by 0,8%, mainly as a result of annual salary increases, net of decreases in profit share offsetting the increase. On a like-for-like basis, manpower costs included in operating expenses increased by 0,6%. The focus on productivity assisted with maintaining costs, although some opportunity to improve still exists;
- manpower costs including profit share related to the Manufacturing businesses (included in the cost of sales line) decreased 8,3%; excluding profit share and share-based payment expenses, a decrease of 6,7% was recorded. This was attributable to a reduction in headcount and profit share at Ceramics net of a deliberate investment in the leadership pipeline (including filling vacancies);
- JV profit share decreased 20,4% year-on-year, due to a change in the JV store mix;
- net distribution costs of Ceramics and Ezee Tile (included in operating expenses) decreased by 6,2%, resulting from lower fuel prices and a decrease in Ceramic's sales volumes. Similarly, net distribution costs in the retail and supply chain businesses decreased by 4,1%. Total net distribution costs for the Group were 5,9% lower;
- property costs included in operating expenses (excluding IFRS 16) rose by 3,8% on a like-for-like basis;
- depreciation and impairments (excluding IFRS 16) included in operating expenses increased by 1,4% as certain assets were moved out of WIP with depreciation commencing. Depreciation included in cost of sales (Manufacturing businesses) increased by 5,0% as a result of capital expenditure in the prior year. Return on recent capital spend has thus not been adequate. The total depreciation charge (including IFRS 16) across all businesses increased by 4,3%;
- information technology costs were 3,1% higher with a strategic decision made to move in-store scanners from a capex to an operating expense model, with savings realised on a net basis coupled with various cost savings;
- total donations (by the Foundation Trust and Group companies) decreased by 18,6%;
- stock control costs dropped substantially by 19,2% in retail stores and distribution businesses. Count variance costs decreased by 5,9%, largely due to count variances on the closure of U-Light of R5,8 million in the prior year. Stock count controls need improvement in the retail stores particularly following a concerning increase in incidents of theft by employees. Sample and display costs decreased by 4,4% to R15 million; and
- travel and related expenses reduced by 19,5% predominantly due to a decrease in local and overseas travel coupled with lower fuel prices.





Trading profit

Trading profit was flat primarily due to decreases in gross profit net of savings in operating costs as detailed on the previous page.

Finance income

Finance income increased by 4%, which is largely attributable to an increase in the average cash holdings for the year coupled with a R2 million fair value gain on the Italtile and Ceramic Foundation's investments, which are held at fair value through profit and loss.

Finance costs

Finance costs decreased due to the early settlement of the R500 million Nedbank loan coupled with the new drawdown facilities being only partially drawn for most of the third and fourth quarters.

Taxation

The taxation expense decreased by 3% from the prior year. The lower effective tax rate is attributable to the increase in non-taxable dividend income resulting from higher average cash balances throughout the year.

Non-controlling interest

Earnings from non-controlling interests increased as a result of the rise in profits of businesses with minority partners.

Earnings per share

Earnings per share ("EPS") and headline earnings per share ("HEPS") increased to 125,6 cents and 125,1 cents respectively. The slight disparity between EPS and HEPS is attributable to after-tax profits of R7 million earned on assets sold.

A 1% decrease in the weighted number of shares from 1 198 million to 1 190 million (as a result of own share purchases during the previous year) resulted in the slightly higher increase in EPS compared to the decrease in attributable profits after tax.

Property, plant and equipment

Capital expenditure of R234 million was incurred on property, plant and equipment, with significant capital spend being as follows:

- miscellaneous Ezee Tile: R37 million;
- Vitro rectification line and associated capex: R45 million;
- Pegasus press 2 rebuild: R10 million;
- Australia rectification project: R32 million;
- other Ceramic's factory upgrades and capex: R33 million;
- retail buildings (extensions and renovations): R29 million; and
- retail store revamps: R35 million.

Inventory

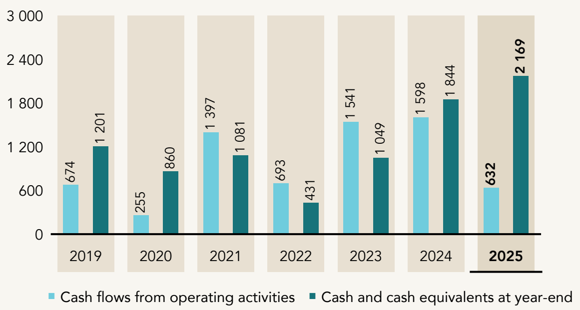
The Group's inventory balance net of provisions and including goods on the water decreased to R1 228 million from R1 271 million at 30 June 2024 (a decrease of 3%). On a gross basis, prior to provisions and including the goods in transit balance (R36 million at 30 June 2025 versus R33 million at 30 June 2024), total inventory holdings of R1 408 million reduced by 4,1% (2024: R1 469 million).

This decrease is predominantly attributable to a reduction in the excessive investment in stock at Cedar Point and lower stock at Ceramics.

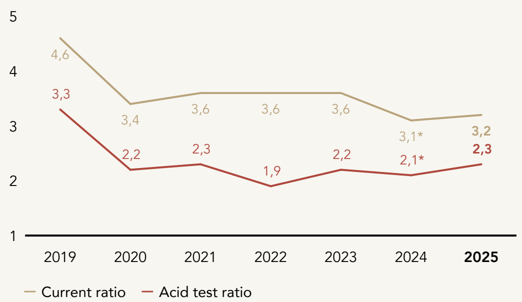
Total inventory provisions decreased from the prior financial year end to R122 million (2024 year end: R144 million), mainly due to a lower value of finished goods at Ceramics.

The 12-month average financial stock turn has shown improvement in some businesses as a result of decreased average inventory holdings. However, this was partially offset by lower stock turn at Ceramics, resulting in an increase in Group stock turn of 3,6% to 6,5 times from 6,7 times.

Cash flows (Rm)



Liquidity ratios (times)



* *Excluding interest-bearing loan of R500 million.*

Chief Financial Officer's report continued

Cash and cash equivalents

The Group's cash balance rose to R2 169 million from R1 844 million, with cash generated by operations offset by the following outflows during the year:

- capital expenditure of R234 million;
- dividend payments of R1 619 million; and
- income tax payments of R462 million.

Trade and other receivables

The 5% decrease in net trade and other receivables is attributable to a decrease in prepayments, which was increased further by timing differences on receipt of payments from debtors. Overall, there has been no noticeable deterioration in the average collection period on trade receivable balances.

The doubtful debt provision decreased to R65 million (2024: R69 million) as the provision was utilised to write off historic debts considered irrecoverable (for which provisions had been raised historically).

During the preparation of the Group's 2025 annual financial statements, and in the process of providing enhanced disclosure through further disaggregation of the credit risk note for trade receivables, the Group identified a matter relating to intercompany consolidation entries dating back to preceding financial years. This resulted in an understatement of both trade and other receivables and trade and other payables amounting to R190,5 million in each of the preceding years. The matter has been rectified in the current year's financial statements.

Trade and other payables

The 2% decrease in net trade and other payables is attributable to timing differences on payments and stock purchases.

Provisions

The 2% increase in the provision balance is attributable to an increase in the rehabilitation provision of R12 million raised for the rehabilitation of the Silica Quartz sand mine acquired by the Group, net of a decrease of R8 million in the profit share provision.

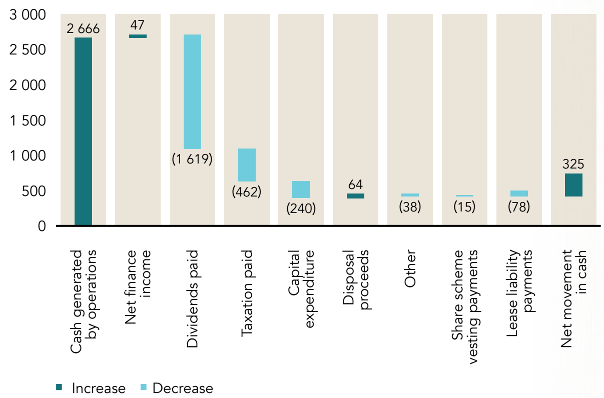
Events after reporting date

Other than the dividend declaration, the directors are not aware of any matters or circumstances arising since the end of the reporting period that will significantly affect the financial position at 30 June 2025 or the results of its operations or cash flow.

Internal control environment

The general control environment remains robust and I have no knowledge of any fraud or suspected fraud, which could have a material effect on the results of the Group.

Cash flows waterfall (Rm)



Information technology

Our Information Technology ("IT") department provides critical and value-adding support across the Group to ensure optimal operational efficiencies and an exceptional customer experience. IT's role is integral to the business and the strategic projects that underpin our business model. We rely on IT for technological expertise in the fields of data and information security, data analytics, process improvements, automation, operational efficiencies and, more recently, testing the use of AI, all of which are fundamental to the IT projects undertaken.

During the 2025 financial year, we continued our relentless focus on the security of our systems, the research and adoption of innovative ways to maintain our competitive advantage, extract savings and introduce new skills and expertise.

Outlook

We foresee a similar challenging economic and trading environment in the financial year ahead – including a highly competitive landscape, excess capacity and low demand as consumers continue to experience constrained circumstances. Our focus will remain on improving efficiencies across all aspects of the business, providing exceptional product ranges and an unrivalled customer shopping experience, as we defend our market leadership position.

Appreciation

I would like to extend my sincere appreciation to:

- our shareholders for the constructive engagements and support;
- our customers for their continued loyalty to our business and brands;
- our management and staff for their determination and commitment to delivering a world-class shopping experience and manufacturing process;
- our finance teams for producing sound financial information and reports;
- our CEO, Lance Foxcroft, for his leadership and guidance;
- our COO, Brandon Wood, for his mentorship and support;
- our non-executive directors for their sound counsel;
- Mr Ravazzotti for his inspirational leadership and unrelenting pursuit of excellence; and
- our Chairperson, Luciana Ravazzotti Langenhoven, who shares our vision and commitment to continual development of our exceptional Company.

L Booysen
Chief Financial Officer

Value added statement

	Group			
	2025 Rm	%	2024 Rm	%
Turnover and other income	**9 298**		9 483	
Net cost of goods and services	**(3 911)**		(4 996)	
	5 387		4 487	
Income from investments and interest received	**125**		120	
Value added	**5 262**		4 367	
Value distributed and retained				
Employees				
– Salaries, incentives and benefits	**1 078**	20	1 163	27
Providers of capital	**1 695**	32	693	16
– Outside equity holders	**54**	1	43	1
– Finance costs	**76**	1	87	2
– Ordinary and special dividend	**1 565**	30	563	13
Taxation	**462**	9	543	12
Reinvested in Group activities	**2 027**	39	1 968	45
– Depreciation	**533**	10	506	12
– Retained income	**1 494**	28	1 462	33
	5 262	100	4 367	100

The Group spent a net amount of

R3 991 million

2024: R4 996 million

during the year purchasing raw materials and inventory as well as other products and services from suppliers. This in turn creates opportunities for suppliers to employ more staff to keep pace with the Group's demands.

The Group paid

R1 078 million

2024: R1 163 million

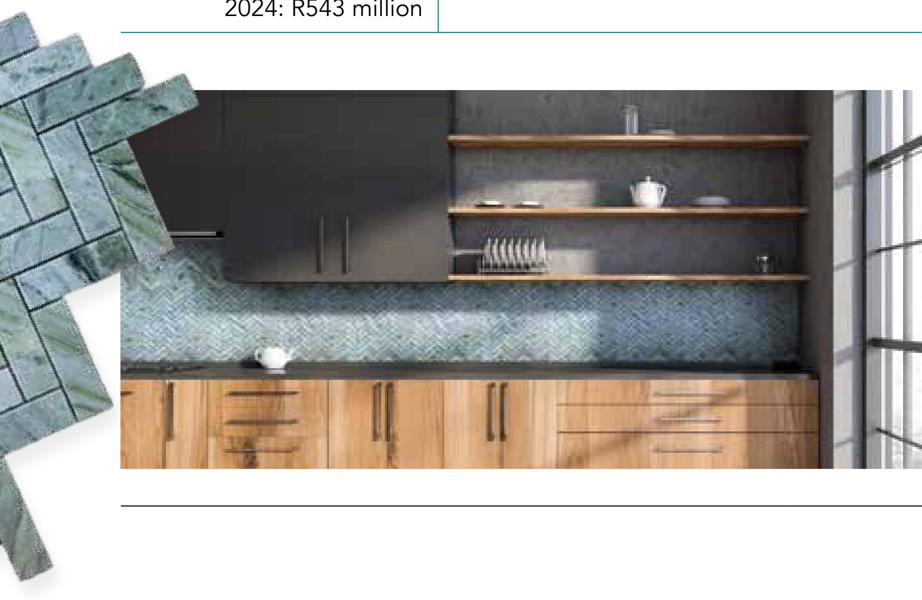
during the year to employees in the form of salaries, incentives and benefits. These employees in turn supported their families, contributing to the economic activity of their communities and the economy overall.

The Group paid

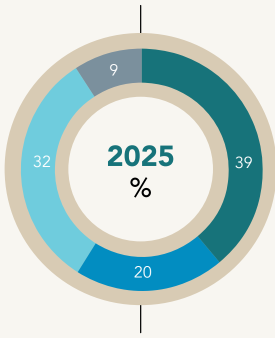
R462 million

2024: R543 million

in taxation, for the ultimate benefit of all citizens in the territories in which we operate.



Value distributed and retained (%)

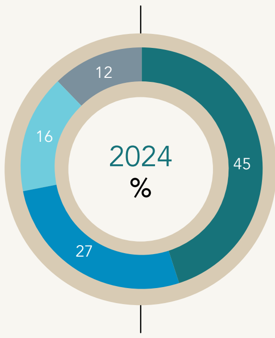


Reinvested in Group activities: 39
(2024: 45)

Employees: 20
(2024: 27)

Providers of capital: 32
(2024: 16)

Taxation: 9
(2024: 12)



Sustainability

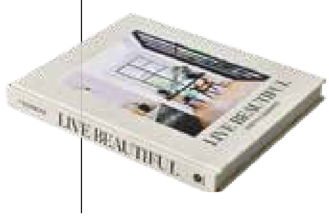
Sustainability is embedded as a core value in the Italtile business. We address the primary concerns, queries and areas of interest raised by our stakeholders during the year.

In this section:

64 Chief Executive Officer's letter to stakeholders
68 Social and Ethics Committee report
70 The environment in which we operate
71 Our stakeholders
74 Strategic management of material risks
80 Human resources and training
83 Transformation report
87 Environmental report
96 Italtile and Ceramic Foundation Trust report
103 Corporate social investment report

Our sustainability agenda is reinforced by our practices, properties, technology and product offering, designed and managed to facilitate sustainability

The high-performance ethos embedded in our organisation will ensure its sustainability and value to stakeholders. Our commitment to customers and employees will continue to inspire better products, more satisfied customers and more loyal employees. We will regularly measure and report on our progress toward these sustainability goals.



DripArt Verdigris Rectified Matt Glazed Porcelain Wall Tiles

Chief Executive Officer's letter to stakeholders

Dear stakeholder

Sustainability is embedded as a core value in the Italtile business and we have an ESG sustainability strategy, which is underpinned by a range of KPIs designed to improve alignment and focus across the business to achieve our ESG ambitions

Addressing stakeholders' interests and concerns

In the report on page 71, we identify our stakeholders and outline our engagements with them. We recognise that all these groups are influenced and impacted by our strategies, policies and practices. Our management team has a well-established open-door policy in terms of being accessible to our key stakeholders and we strive to communicate with them regularly, transparently and with integrity.

This report addresses the primary queries and areas of interest raised by our stakeholders during the year. I have broadly categorised their most frequently asked questions into competitive landscape and operations, energy supply, sustainability, BEE, culture and governance. In the second half of this report, I outline our continued ESG journey and our commitment to creating sustainable value for all our stakeholders.

Competitive landscape and operations

Q The intense competition in the industry has continued. The over-capacity and weak demand have resulted in a significant imbalance between supply and demand which has negatively impacted Italtile's performance over the past few years. How are you ensuring the long-term sustainability of the Company for the benefit of all your stakeholders?

A Over the past four years, new factories have been established in Zambia, Zimbabwe, Tanzania and Mozambique (in addition to local capacity coming on-stream). Two of the new Southern African competitors, (both headquartered in Foshan, China), are among the largest global producers, each with numerous operations.

Unlike South Africa, many of our neighbouring countries offer attractive investor-friendly environments and incentives for manufacturers, which has encouraged foreign investors. As global market demand has slowed, dumping of product in South Africa has increased and Africa is perceived as a good growth prospect. While these manufacturers are producing in SADC countries, they are exempt from duties when they export to South Africa. Conversely, South African companies producing tiles are subject to tariffs when exporting to Zambia and Zimbabwe. Management will continue to engage the South African authorities to gain the government's support for a level playing field in our market.

Currently, production capacity in Southern Africa is roughly 155 million m^2 per annum after Johnson Tiles ceased production of 5 million m^2 per annum. In contrast, demand is approximately 80 million m^2 per annum. The average market capacity utilisation is estimated to be just above 50%. Our response has involved rationalisation of capacity through the medium-term closure of some kilns until market conditions and demand improve, and short temporary stoppages at some kilns to manage inventory. For the past financial year, Ceramic's factories utilised 66% of installed capacity.

Predatory and deflationary pricing has resulted from the regional excess capacity and large stockholdings, with competitors sacrificing margin to gain market share. We expect further consolidation in the market and rationalisation of production capacity.

Our strategic objective is to ensure that our operations are lean, efficient, innovative, cost-competitive and flexible. This requires a strong focus on optimising our operational processes and ensuring that we have strong leadership and expertise in the business to be able to remain a low-cost producer.

Ceramics has invested in rectification capabilities at Vitro, Samca Plus and NCIA to be able to convert opportunities as trends in sales of rectified product continues. We continue to introduce new and fashionable product ranges. Continual updating of our technology ensures that we remain relevant and have quality products to compete.

We have invested in restructuring and improving the capacity of our HC division aimed at enhancing our ability to attract, recruit, develop and retain high-performing employees.

We will continue to ensure that we excel on our points of differentiation which include leading fashion, wide-range, guaranteed quality, exceptional customer experience, stock availability, expert advice, omnichannel sales and leading systems through our vertically integrated operating model. We anticipate introducing AI projects to enhance our competitive ability in customer service, logistics and inventory management.

Energy supply

Q Security of gas supply remains an issue. What measures are you taking to protect your energy supply to ensure sustainability of your manufacturing facilities?

A Sasol is South Africa's key supplier of piped natural gas and has announced that it will no longer supply the market due to the diminishing volume of its source in Mozambique. Since the initial announcement in August 2023, Sasol has extended the deadline to June 2028. While this extension is welcomed, approximately 70% of Ceramic's total energy requirements are supplied by piped natural gas, and hence securing sustainable supply of viably priced energy remains a key management priority. We are in discussions with Sasol to supply methane rich gas ("MRG") until June 2030. MRG is similar to natural gas and we will need minimal equipment adjustment for this transition.

While gas is our preferred choice of fuel, in the event that viably priced natural gas is not available, the Board has approved a cautious phased approach to converting to synthetic coal gas. We will review the trial project using a coal-fired HAG in 2026. We have planned one pilot project for the next financial year to convert spray driers with the aim of bedding down the technology.

We continue to engage with key industry players and remain hopeful that a sustainable natural gas solution will be found that is suitable for the country, the industry and Italtile.

Chief Executive Officer's letter to stakeholders continued

Sustainability

Q What do you do to ensure the sustainability of resources?

A Targets have been set throughout the business to reduce intensity of resource use. This includes reducing the consumption of electricity, gas, fuel, water, packaging and paper. We continue to invest in new technology where appropriate to improve efficiencies as well as raise awareness in our operations and communities of the need to preserve our resources.

We continue to invest directly or through power purchase agreements in renewable energy to displace some of our use of electricity produced through consumption of fossil fuels.

Our retail stores pride themselves on selling products produced in a responsible manner with three quarters of our products being locally produced in highly efficient factories which negates the need for international transport and shipping. Further, our stores constantly look for product with a lower carbon footprint in the production process. Our innovative market-leading products, such as cold start taps, reduced flush capacity toilets, superior insulated baths and low VOC adhesives, enable our customers to use less resources.

Culture

Q Explain more about the culture you are embedding in Italtile and how it impacts all stakeholders.

A Fostering a strong ethical culture is fundamental to building trust and supporting sustainable value creation for our stakeholders. Our unwavering commitment to integrity and accountability is rooted in our ethical framework, driven from the Board Social and Ethics Committee throughout all our business units. Our Code of Ethics provides guidance to our Board, management, employees and franchisees in all interactions, but particularly with customers, investors and our communities.

It is our intention for this culture to permeate every aspect of our operations, including ensuring that we provide an exceptional service experience for our customers, promote a diverse and inclusive workforce, deliver regular and meaningful investor disclosure, and engage proactively with local communities.

We have focused on being more efficient at every customer satisfaction touchpoint: fashion, presentation, range, value, service and quality, ensuring that our customers have an unrivalled experience every time they visit our stores.

Our human capital strategy prioritises leadership and skills development as well as mentorship of franchisees. An internal communication platform will be launched in the new financial year to ensure transparent and effective employee communication. We have regular meetings with our investor community to ensure clear understanding of our strategy, operational environment and ongoing performance.

We are committed to making a positive impact in the communities close to our operations, not only through our corporate social investment programmes but also through our Foundation.

Governance

Q Is composition of the Board a concern as two directors have been on the Board for longer than nine years?

A The Board's view on director independence is assessed in accordance with the King Code on Corporate Governance as required by the JSE Listings Requirements. In summary, the Code indicates that independence involves the "exercise of objective, unfettered judgement", and "the absence of an interest, position, association or relationship which, when judged from the perspective of a reasonable and informed third party, is likely to influence unduly or cause bias in decision making". The Italtile Nominations Committee believes that our independent directors satisfy these criteria. Any directors who have been in office for longer than nine years, resign and stand for re-election annually.

The Code also states that the Board should annually assess non-executive directors serving for longer than nine years. If the Board concludes that these directors exercise objective judgement and there is nothing likely to influence or cause biased decision making, they may continue to hold Board positions.

When the Nominations Committee annually reviews the composition of the Board in preparation for the AGM, the independence of those directors who have served for more than nine years is assessed. At the meeting, the decision on the independence is considered without their involvement. The confirmation of the independence is reported to the Board.

Following the most recent annual assessment, the Nominations Committee is satisfied that the two directors exercise objective, unfettered judgement and that they are independent. The Board believes that our non-executive directors with a long tenure have a deep understanding of the business and continually make valued contributions to Board deliberations. Neither of the two directors with more than nine years of service chair any of the Board committees.

While the Board is led by a non-executive Chairperson, Ms S M du Toit continues to serve as lead independent non-executive director. The Board evaluates its composition each year to ensure an appropriate mix of skills, experience, and professional and industry knowledge to meet the Company's strategic objectives. Demographic representation is also a consideration.

The Board is confident that there is an appropriate balance of power and authority on the Board to ensure that no one director has unfettered powers of decision making and that the division of responsibilities maintains this balance. No director has an automatic right to a position on the Board and all directors are required to be elected by the shareholders at an annual general meeting on a rotational basis. The basis on which directors have been classified in terms of their independence is set out on pages 6 and 7.

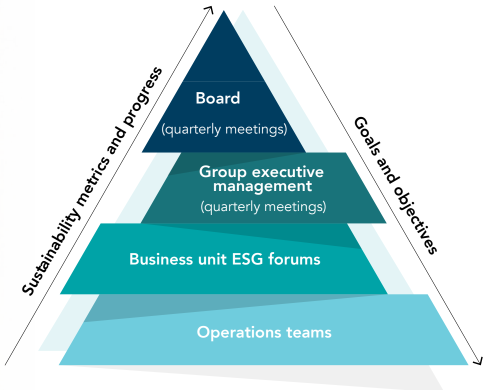
Our ESG journey

Commitment to the key United Nations Sustainable Development Goals ("SDGs")

Although not a signatory to the United Nations Global Compact, we have identified SDGs 2 to 15 and SDG 17 as being those to which we believe we can contribute the most and on which we have the most impact. These SDGs focus on promoting sustainability by eliminating extreme poverty, protecting the planet and ensuring prosperity for all. These SDGs are of vital importance to driving economic growth, addressing social and economic inequality and promoting short, medium and long-term sustainability. Our contribution to these SDGs is largely determined by the evolving landscape in our operating markets, as well as the interests and issues raised by our stakeholders.

ESG accountability structure

The Board is accountable for ensuring key sustainability policies, including that the Codes of Conduct and Business and Ethics policy are communicated, understood and complied with by all Group businesses, employees and associates. The Social and Ethics Committee oversees ESG matters on behalf of the Board. Responsibility for promoting and implementing ESG policies is delegated to business unit senior management.



Communicating our ESG messages

Stakeholders

We aim to provide a transparent and consistent message on our performance, our plans to create value and our ESG progress, and we engage with stakeholders to ensure our strategies remain relevant and are cognisant of their changing needs and interests.

We welcome feedback from stakeholders, which can be directed to our Citizenship Manager at: KupsamyM@italtile.co.za

Social and Ethics Committee report

The Social and Ethics Committee ("the Committee") is pleased to present its report for the financial year ended 30 June 2025.

It is a privilege to have the opportunity to serve as the Chairperson of the Social and Ethics Committee. Ms Nkateko Khoza stepped down as Chairperson of the Committee effective from 11 June 2025, and I wish to express my appreciation for her leadership and valuable contribution in steering the Committee over the years.

In this report, the Committee, together with the executive management team, provides feedback on behalf of both Italtile Retail and Ceramics with respect to their performance in relation to social and ethics, as well as the Group's ESG imperatives.

The 2025 financial year saw a particular focus on customer relations, energy, water and waste management initiatives, as well as health and safety in our factories. Our commitment to developing our staff and ensuring the wellness of our employees continues.

The Committee is a sub-committee of the Board and is constituted of two non-executive directors and the relevant executive management representatives. The Committee met three times this year and has ensured that our deliverables are in line with our revised Charter as required by the Companies Act. The CEO, CFO, Group Company Secretary and Citizenship Manager continue to focus on the Group's overall compliance and reporting.

Roles and responsibilities

The Committee's roles and responsibilities cover all statutory duties under the Companies Act and King IV, addressing the following:

- monitoring enterprise-wide social responsibility and ethics management processes;
- monitoring the Company's activities with regard to matters relating to social and economic development and good corporate citizenship, including the Company's promotion of equality, prevention of unfair discrimination, reduction of corruption and contribution to the development of the communities in which its activities are predominantly conducted or within which its products or services are predominantly marketed;
- recording of sponsorship, donations and charitable giving;
- monitoring the environment and health and public safety spheres, with specific reference to the impact of the Company's activities and its products or services;
- monitoring consumer relationships, including the Company's advertising, public relations and compliance with consumer protection laws;
- monitoring labour and employment legislation, including the Company's standing in terms of the International Labour Organisation Protocol on decent work and working conditions, including children's rights issues, employee safety and health, fairness of remuneration and employee and organisational ethics management;
- monitoring the Company's guidelines for interaction with its stakeholders and ensuring that interactions are guided by the Constitution and Bill of Rights and the Company's ethics standards;
- determining clearly articulated ethical standards and ensuring that the Company takes measures to achieve adherence to these in all aspects of the business, thus achieving a sustainable ethical corporate culture within the Company;
- providing effective leadership based on an ethical foundation and ensuring that the Company is, and is seen to be, a responsible corporate citizen;
- monitoring the Company's compliance with the 10 Principles of the UN Global Compact, which address Human Rights (Principles 1 and 2), Labour Standards (Principles 3 to 6), Environment (Principles 7 to 9), and Anti-Corruption (Principle 10);
- ensuring that employee dignity is protected, that remuneration is appropriate, and providing assurance to stakeholders that the Company is in favour of the International Labour Organization Protocol on decent work and working conditions; and
- overseeing that the Company's core purpose, values, strategy and conduct are aligned with it being a responsible corporate citizen.

Environmental reporting – sustainable development strategy and UN Global Compact compliance

During the 2025 financial year, the sustainable development principles and their impact on the retail and manufacturing divisions remained top of mind for the Group as we continued to adhere to relevant UN SDGs and Global Compact principles within our business.

Greenhouse gas emissions and carbon tax

The Group collected and processed the data required to calculate and submit our National Greenhouse Gas ("GHG") emissions reporting and carbon tax obligations to the Department of Forestry, Fisheries and the Environment at the end of March 2025. The overall observation was that in 2024, the Group reported lower total GHG emissions than in 2023. The decrease of 18,07% seen for the carbon tax liability in 2024 was attributed to lower GHG emissions and the carbon credit allocation.

Ceramics' tile factories use natural gas in the manufacturing process. During the 2024 calendar year there was a significant 10,13% reduction in fuel usage compared to calendar year 2023. This equates to a 10,19% reduction in GHG emissions and a 9,52% reduction in carbon tax emissions (tCO_2e).

Ezee Tile also recorded a decrease in fuel usage of 29% and an increase in GHG emissions (tCO_2) of 28%, as a result of the inclusion of data for Silica Quartz for the full-year 2024.

Water and waste management and solar initiatives

Boreholes have been installed on 42% of Company-owned properties, in line with our strategy to expand our overall water management initiatives to reduce water consumption and limit our reliance on municipal water in light of the country's water challenges.

In terms of waste management, in the 2025 financial year 89% of CTM stores in Gauteng and 100% of Italtile Retail stores recycled cardboard and plastic. In addition, Ceramics provided training for all CTM and TopT stores on pallet recycling and implemented a project to collect all pallets for reuse. A total of 15 610 pallets were collected and 31 000 kg of cardboard were recycled.

On the energy front, 17,63% of the total energy consumed by our retail stores was supplied by solar technology, installed at 49 sites including one totally off-grid store. Furthermore, eight stores have hybrid battery energy storage systems.

For completeness, ESG content has been integrated into the employee induction and training programme across the Group. In addition, Ceramics' factories conduct training on environmental compliance, as part of the Company's workplace skills plans. This training content covers the handling of hazardous chemicals at Betta Baths and Vitro, a waste management toolbox talk at Vitro, and air quality, water conservation and housekeeping toolbox talks at all factories.

Staff development, training and employment equity

Our employment equity focus remains on increasing and aligning our recruitment process to the employment equity plans and sector targets, goals and objectives through holding managers accountable for achieving these targets by:

- focusing on building our artisan pipeline through the millwright training programme;
- developing and implementing specific learnerships and formal qualifications for Ceramics;
- increasing the retail pipeline through the graduate learnership intake;
- building the store operator pipeline through the annual Future Leaders Programme for CTM;
- building the future succession pipeline through the annual TopT Trainee Manager programme;
- building the junior management pipeline through the national bursary programme, CTM's future leaders programme and TopT's Trainee Manager programme; and
- focusing on coaching and mentoring to ensure successful retention and succession planning.

Staff wellness and safety

Our employee wellness and assistance programmes conducted through the Ask Nelson and Stratum Primary Healthcare programmes are well-received by our staff. Given the prevailing challenging economic environment, our employees receive stress management support and guidance on an ongoing basis via site visits, as well as online platforms, which afford greater reach and more regular access. Ceramics has experienced a 71% participation uptake during our planned wellness days, and we continue to undertake periodic medical and occupational wellness surveys.

Our 2025 results show an improvement in our Disabling Injury Frequency Rates ("DIFR"), largely underpinned by the downward trend at Ceramics and Ezee Tile. Our Group target is to maintain the rate as close to zero as possible; we are pleased that the Group's DIFR rate is currently at 1,02%, compared to the 2024 rate of 1,16, owing to a concerted effort by management to adhere to consistent safety protocols, training and standard operating procedures.

The Group's annual health and safety audits were completed in 2025. A 94% rating achieved by the retail business verifies that we display a "mature and resilient culture" – a clear indication that our workforce and management teams are committed to a culture of continuous improvement, managing and resolving risks, enforcing security protocols and implementing ongoing safety and compliance training. Ceramics achieved 89%, displaying a proactive culture and Ezee Tile achieved 81%. It is imperative that we make further improvements in training and compliance in the year ahead in order to progress these divisions from being classified as having a "proactive culture" to a "mature culture", in line with the retail business.

B-BBEE status

The Group has retained its Level 2 rating.

Legislative compliance

A high-level Group risk compliance review was completed by our legal advisory team and no material findings were noted.

Engagement with stakeholders and consumer relations

In line with the JSE Listings Requirements, our key stakeholders were once again engaged regarding the Company's performance, governance, compliance, ethical standards and conduct during the past financial year. Our CEO has effectively and consistently communicated openly with shareholders, investors, financial media, analysts and the general public. He has ensured that the Company's investment proposition is communicated accurately and honestly and his disclosure around all areas of concern was transparent. These engagements are supported by the audited and validated financial and legislated reports.

Our marketing, public relations and customer complaints-handling are consistently being improved and updated and we strive to ensure speedy customer complaint turnaround and feedback. We continue to use and improve on various traditional, digital, social and online platforms to communicate and provide information and feedback to our customers, suppliers and service providers.

Accountability of the Committee

The Committee is accountable to the Board and provides feedback to the Board on its meetings. The Committee makes the recommendations to the Board that it deems appropriate in any area within the ambit of its terms of reference where action or improvement is required.

Authority

The Committee conducts its affairs in compliance with its Charter and has reasonable access to the Company's records, facilities and any other resources necessary to discharge its duties and responsibilities. The Committee is authorised to take such independent professional advice as it considers necessary, the costs of which shall be for the account of the Company. Save for its duties provided for in the Companies Act, the Committee shall have no executive powers with regard to its findings and recommendations.

Conclusion

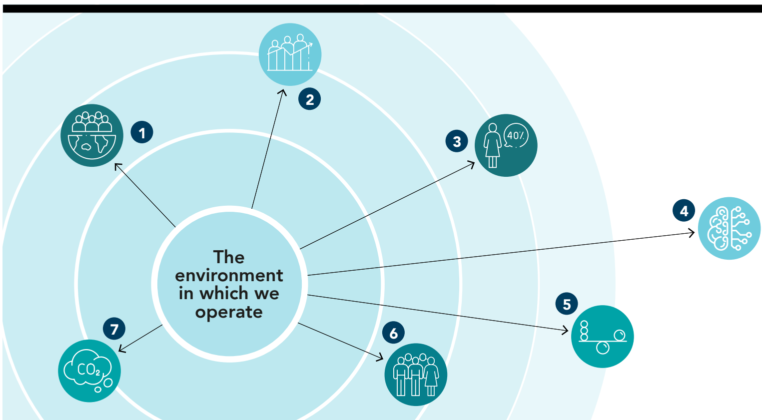
The Committee is satisfied that the Group has maintained an acceptable balance between its financial performance and its social, environmental, governance and employment responsibilities.

Based on all available detailed reporting and registers, the Committee deems that it has, in all material respects, achieved its objectives for the financial year ended 30 June 2025.

A M Mathole
Social and Ethics Committee Chairperson

The environment in which we operate

The general context in which we operate impacts our ability to achieve our strategic goal to create sustainable value for all stakeholders.



This report outlines emerging and existing trends, which prevail in our industry and market, the effect they have on our business and our strategic response – which is aimed at mitigating or managing any negative impact, and wherever possible, capitalising on opportunities presented.

Increasingly, disruption (industry reconfiguration, social change, technology or other factors) and diversity (cross-cultural, gender, intergenerational), are becoming commonplace, alongside volatility, uncertainty, complexity and ambiguity.

Refer to Our Stakeholders' report on page 64 and Strategic management of material risks report on page 74.

1 ECONOMY IMPACTING OUR INDUSTRY AND CUSTOMERS

Local economy

- SA economy remained subdued as GDP grew only 0,1%;
- Consumer confidence and spend in the building and construction sector was muted;
- Weak consumption resulted in manufacturing production falling significantly;
- Consumers continued to be price-conscious and constrained by tight budgets;
- Country-specific risks: South Africa's trading environment is onerous and has a relatively unsupportive investment climate for manufacturers; and
- Infrastructure continued to deteriorate amidst endemic crime and corruption.

Global economy

- In the changing global environment, over-capacity and subdued demand have exerted pressure on tile manufacturers worldwide;
- As many seek to find alternative markets, tariffs have been applied in local markets and dumping has increased in those without tariffs, resulting in increased competition in domestic markets; and
- Reduced shipping and freight costs, mainly from India, and a stable exchange rate have improved the viability of imports.

2 REGULATION AND GOVERNANCE

- Introduction of tariffs on imports by Zambia and Zimbabwe to protect their local production has affected the ability of local producers to export into these countries, resulting in a loss of market share in these export markets;
- 30% tariffs imposed by the USA could have wide-ranging and devastating consequences for regions that are dependent on exports and so indirectly affect demand for our products in those areas;
- Carbon tax;
- Shareholder and legislative pressures on remuneration; and
- Legislative pressure on transformation.

3 INEQUALITY AND TRANSFORMATION

- Social imbalances, income inequality and poverty prevail;
- Disparity in gender and race representation;
- Historical inequities and slow pace of government reforms continue to cause socio-political instability;
- Transformation (diversity, equity and inclusion) is a key business imperative, but hampered by the small pool of employable skills due to an underperforming education system; and
- Widespread dissatisfaction with the state's poor basic service delivery record.

4 DISRUPTIVE TECHNOLOGY AND DIGITAL ADOPTION

- Online sales as a proportion of total sales are rising globally;
- IT risk management and cybersecurity are global concerns;
- Higher levels of digital adoption and changing consumer behaviour require more focus on data analytics and business intelligence;
- Artificial intelligence and machine learning are becoming commonplace and require investment to keep pace; and
- Digital marketing is increasingly important and complex.

5 COMPETITIVE LANDSCAPE

- Proliferation of new entrants in the retail and manufacturing segments;
- SADC-based ceramic competitors engaged in predatory pricing in South Africa;
- Tile supply exceeded demand in Southern Africa;
- Deflationary prices exerted pressure on margins;
- Closure of Johnson Tiles reduced tile manufacturing capacity by five million square metres per annum, leaving only two local producers; and
- Profusion of adhesive producers offering inferior, low-priced products, as the industry imposes no regulated standards.

6 HUMAN CAPITAL AND SKILLS

- Shortage of retail and manufacturing specialist skills; and
- Constant need to upgrade skills, develop expertise and provide ongoing training to maintain high standards.

7 CLIMATE CHANGE AND CARBON FOOTPRINT

- Key components of ESG considerations for investors and customers;
- Carbon tax increasing in line with the government's drive to reduce emissions; and
- Growing impact is driving awareness and responsiveness of appropriate policies and practices.

Our stakeholders

Our stakeholders influence and are affected by our policies, strategies and activities. The table below provides a summary of how value is derived for stakeholders, how we engaged with them, which of our material risks impact them and the relevant information provided in our IAR.

1 STAKEHOLDER → Shareholders and financial community

We strive to provide a sound investment case for the Company

Concerns and value derived	How we engage with our shareholders and financial community	Further information
▪ Sustainable earnings growth ▪ Acceptable return on investment and dividends ▪ Competent and ethical leadership ▪ Sound and responsible ESG practices and policies	▪ JSE SENS announcements ▪ Integrated annual reports ("IARs") ▪ Annual general meetings ▪ Group website ▪ Results presentations ▪ One-on-one interactions with investors ▪ Annual and interim results	*28 Chairperson's statement* *36 CEO's report* *44 Review of operations* *56 CFO's report* *74 Strategic management of material risks* *111 Corporate governance* *132 Financial statements*
Material risks*	1 2 3 4 5 6 7 8	

2 STAKEHOLDER → Employees

With our high-performance culture, we build strong, accountable teams and offer career growth and development

Concerns and value derived	How we engage with our employees	Further information
▪ Job security ▪ Career development ▪ Remuneration and recognition ▪ Equal opportunities ▪ Training and skills advancement ▪ Conducive working environment ▪ Economic and social support to their communities	▪ Employee surveys ▪ Performance reviews ▪ Training and skills development opportunities ▪ Newsletters ▪ Roadshows and conferences ▪ Regular meetings, extensive operational visits and other interactions	*36 CEO's report* *44 Review of operations* *56 CFO's report* *74 Strategic management of material risks* *111 Corporate governance* *132 Financial statements*
Material risks*	1 2 3 4 6 7 8 9	

3 STAKEHOLDER → Franchisees

Our profitable and sustainable franchise model supports the Group's growth and provides opportunity for entrepreneurs

Concerns and value derived	How we engage with our franchisees	Further information
▪ Strong brands ▪ Product quality ▪ Efficient and effective supply chain ▪ Marketing spend ▪ Good store location ▪ Franchise and business management support ▪ Profitable operations	▪ Annual brand conferences ▪ Franchisee forums ▪ Personal contact ▪ Call-in and online support ▪ Roadshows ▪ Regular meetings, extensive operational visits and other interactions	*28 Chairperson's statement* *36 CEO's report* *44 Review of operations* *74 Strategic management of material risks* *83 Transformation report* *132 Financial statements*
Material risks*	1 2 3 4 5 6 7 8	

** Refer to pages 74 to 78.*

Our stakeholders continued

4
STAKEHOLDER

Suppliers and business partners

We strive to provide a sound investment case for the Company

Concerns and value derived	How we engage with our shareholders and financial community	Further information
▪ Continuity of support ▪ Timely payment ▪ Fair treatment ▪ B-BBEE compliance ▪ Profitable operations ▪ Volume growth	▪ Annual brand conferences ▪ Franchisee forums ▪ Personal contact ▪ Call-in and online support ▪ Roadshows ▪ Regular meetings, extensive operational visits and other interactions	*28 Chairperson's statement* *36 CEO's report* *44 Review of operations* *74 Strategic management of material risks* *83 Transformation report* *132 Financial statements*
Material risks*	2 3 4 5 6 7 9	

5
STAKEHOLDER

Government and regulators

We strive to comply with all legislative and regulatory requirements

Concerns and value derived	How we engage with our employees	Further information
▪ Compliance with legislation and regulatory frameworks ▪ Tax revenues ▪ Transformation and employment equity ▪ Support for communities ▪ Responsible consumption of natural resources	▪ Regular interactions with and submissions to relevant government institutions and regulatory bodies	*61 Value added statement* *83 Transformation report* *87 Environmental report* *111 Corporate governance* *132 Financial statements*
Material risks*	1 3 4 5 6 7	

** Refer to pages 74 to 78.*

6
STAKEHOLDER

Communities

Our success is dependent on the wellbeing and advancement of the communities in which we operate

Concerns and value derived	How we engage with our shareholders and financial community	Further information
▪ Economic and social support	▪ Local job creation opportunities ▪ Corporate social investment programmes	*83 Transformation report* *87 Environmental report* *96 Italtile and Ceramic Foundation Trust report* *103 Corporate social investment report* *111 Corporate governance*
Material risks*	1 3 4 6 7	

7
STAKEHOLDER

Customers

Our customers are central to all that we do and we strive to exceed their expectations

Concerns and value derived	How we engage with our shareholders and financial community	Further information
▪ Strong brands ▪ Value and quality offering ▪ Location accessibility ▪ Positive customer shopping experience ▪ Safe shopping environment ▪ Responsible sourcing	▪ Call-in and online support ▪ Print, digital and social media ▪ IARs ▪ Surveys and Net Promoter Score ▪ In-store interactions ▪ Annual and interim results	*87 Environmental report* *96 Italtile and Ceramic Foundation Trust report* *103 Corporate social investment report* *111 Corporate governance*
Material risks*	1 3 4 6 7 8 9	

** Refer to pages 74 to 78.*

Strategic management of material risks

Framework and model

The Group has an **enterprise risk management framework in place, which is based on a combined assurance model comprising**: **management, external audit and internal audit.** This model and its related activities are structured to ensure that the Group's risks are adequately managed by formulating the Group's strategic responses to such risks.

Categorisation of risks

Identified risks are categorised according to:

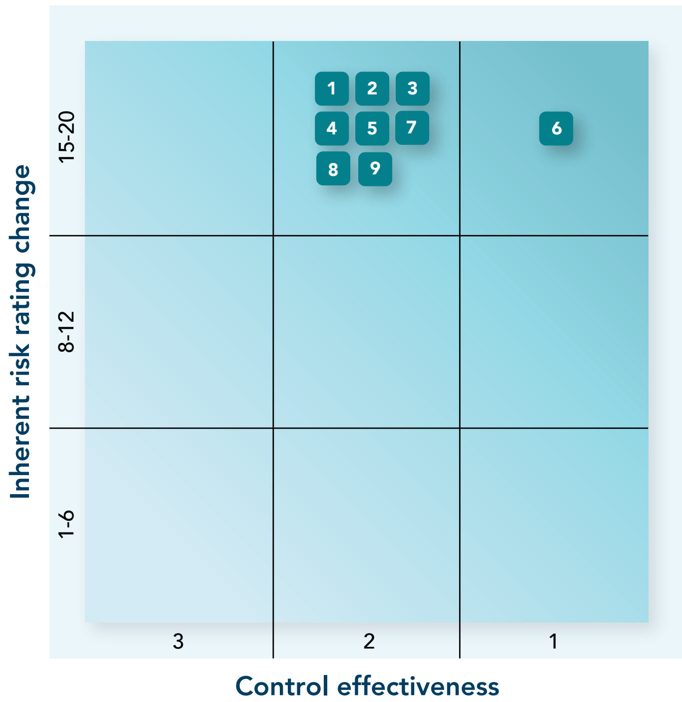
- inherent risk (a function of their potential impact and probability); and
- residual risk (based on the effectiveness of mitigating controls or responses to address the inherent risk).

The identified risks are encompassed in the following risk categories:

- supply chain disruptions;
- IT infrastructure and network vulnerability;
- loss of quality earnings/revenue/profitability/future growth;
- talent attraction/development/retention;
- brand identity and corporate image;
- regulatory compliance;
- manufacturing related; and
- occupational health and safety.

On pages 75 to 78 is a summary of the Group's top risks and/or material issues based on their residual risk ratings. A summary of the strategic responses related to each risk is provided.

Residual risk combined



Risk category

Manufacturing related		Loss of quality earnings/revenue/profitability/future growth						IT infrastructure and network vulnerability	Talent attraction/ development/ retention
Interruption of energy supply due to unstable electricity supply and gas shortages.	Increased competitor activity due to new factories in Africa and increased capacity at local manufacturers, resulting in loss of market share, decreases in volume and capacity utilisation, and reduced margins and profitability.	Social unrest impacting operations.	Loss of revenue, quality earnings and growth due to deteriorating political, social and macro-economic factors.	Loss of earnings and future growth due to external market forces.	Loss of profitability and/or market share if products do not remain fashionable.	Loss of profitability and revenue due to increased input costs (gas price increases and inflation).	Network penetration.	Staff inadequately trained.
1	2	3	5	6	7	8	4	9

Identification of risks

Identification of risks is based on:

- the Group's risk-bearing capacity (the capacity to absorb losses arising from risks without an immediate threat to the Group's continued existence based on its current business model);
- risk appetite (the amount and type of risk the Group is willing to accept in pursuit of its business objectives); and
- risk tolerance (the acceptable levels of variation relative to the achievement of the Group's objectives).

Quantification of risks

Certain financial measures form the basis on which these risks are quantified.

MATERIAL RISK 1

Interruption of energy supply due to unstable electricity supply and gas shortages

Risk description	Mitigating controls	Strategic responses
▪ **The supply of gas for the Group's factories (tiles and sanitaryware) is at risk as the current Mozambique pipeline gas reserves may be depleted by 2029 and supply could end as early as 2028. There are currently few other economically viable alternatives.** ▪ **Ongoing load shedding and disruption of electricity supply adversely impact manufacturing operations.**	▪ The Group is an active participant in the Industrial Gas Users Group ("IGUA-SA") which is advocating for alternative gas supply solutions for the industry. ▪ Continuous manufacturing improvements are made to reduce gas and electricity consumption. ▪ Load shedding schedules are monitored and production is planned accordingly. ▪ Solar panels and backup generators are used for alternative energy. ▪ Load shedding curtailment agreements in place with Eskom and municipalities to mitigate impact on tile and sanitaryware factories up to stage 3 load shedding.	▪ Explore alternative gas supply. ▪ A project has been approved to invest in and convert a production line to use a coal-based synthetic gas solution and to test this technology in our process. ▪ A combined heat and power plant project is being explored.

MATERIAL RISK 2

Risk of new entrants

Risk description	Mitigating controls	Strategic responses
▪ **Increased competitor activity due to new factories in Africa and increased capacity at local manufacturers resulting in loss of market share, decreases in volume and capacity utilisation, and reduced margins and profitability.** ▪ **Availability of tiles at wholesalers increasing number of retail competitors.**	▪ Constant monitoring of the basket of products purchased by each customer group. ▪ Diversification within the customer base to ensure no significant exposure to a single external customer group.	▪ Undertake actions to stimulate growth in tile volumes in South Africa. ▪ Enhance shopping experience and embed CTM Xperience within CTM. ▪ Continuously introduce new products into the offering and retain position as a fashion leader. ▪ Continuous improvement in manufacturing efficiencies and technologies to lower waste, improve yields and reduce production costs. ▪ New commercial manager appointed together with bolstering of sales team.

MATERIAL RISK 3

Social unrest impacting operations

Risk description	Mitigating controls	Strategic responses
▪ **Social unrest in the areas in which the Group operates impacts retail and manufacturing activities.** ▪ **The risk is particularly relevant for Ceramics' factories and the TopT retail stores.** ▪ **Impacts safety of Group employees and customers.** ▪ **Risk of social unrest is elevated given the current social, political and economic conditions.**	▪ Business interruption insurance cover is in place. ▪ The portfolio and marketplace are analysed on an ongoing basis to ensure risk is mitigated and targeted property returns are achieved. ▪ The Group has a Social Unrest policy in place primarily focused on the safety of Group employees and customers. ▪ Ongoing community engagement and social economic development activities are conducted in communities in which we operate.	▪ Continuous investment in and management of relationships with communities in which we operate.

Strategic management of material risks continued

MATERIAL RISK 4 Network penetration

Risk description	Mitigating controls	Strategic responses
▪ **External penetration of our networks (including hacking, phishing, etc.). Probability intensified due to increased web traffic to webstores which are integrated into SAP, ongoing high-profile hacking incidents internationally and increased remote access of our networks by employees.** ▪ **Website cloning and rerouting of online payments gateway via webstores and handheld scanners with integrated payment pebble.** ▪ **External penetration of Android-based handheld scanners used in the stores.** ▪ **Increased usage and access points with roll-out of new local stores, East Africa stores and webstores.**	▪ Prevented with use of firewalls, segmentation of network landscape, implementation of secure socket layer certificates to encrypt end-to-end data and antivirus solution with additional patch management controls. ▪ Quarterly penetration testing performed by external service providers. ▪ Handheld scanners hosted on hidden network with secure sockets layer encryption enabled. ▪ Cyber insurance in place through reputable provider. ▪ Regular updates of passwords with complexity. ▪ Multi-factor authentication and mail filtering measures in place. ▪ Central patch management for end-user computers. ▪ Data loss protection enabled on cashier desktops. ▪ Quarterly review of all network policies and procedures and network and router configurations to assess and mitigate risks. ▪ Heat mapping of internal and external networks, reviewed on a monthly basis with senior management.	▪ Cybersecurity and penetration testing outsourced to third-party service provider. ▪ IT servers operate from secure cloud environment with redundancies. ▪ Upgrade firewall and related security hardware.

MATERIAL RISK 5 Loss of revenue, quality of earnings and growth due to deteriorating macro-economic factors

Risk description	Mitigating controls	Strategic responses
▪ **The deteriorating macro-economic conditions in South Africa may have an adverse impact on the ability of the Group to generate revenue growth and impact the quality of earnings.**	▪ Continuous close monitoring of circumstances with particular focus on further investments in South Africa. ▪ Adjustment of costing and pricing to support weak/price-sensitive consumer demand (enabled by integrated supply chain and continuous focus on cost reduction, which provides flexibility on gross margin and pricing). ▪ Integrated supply chain allows for consistent stock supply, with approximately 86% of product procured locally. ▪ Comprehensive e-commerce offering expands retail reach. ▪ Continuous monitoring of socio-economic developments and their impact on business sustainability and operations.	▪ The Group's high standing among customers will be maintained by continuing to deliver an offering in line with customer demand. In this regard, continuous improvements in range, pricing, and customer experience are crucial. ▪ Expand local TopT retail footprint.

MATERIAL RISK **6**

Loss of earnings and future growth due to external market forces

Risk description	Mitigating controls	Strategic responses
Loss of earnings and future growth due to: ▪ **external market forces such as worldwide trends (e.g. product substitution) and economic conditions (e.g. exchange rates);** ▪ **competitor activity and/or an increase in competitors in the retail market;** ▪ **convenience of alternate retail channels such as e-commerce and boutique offerings;** ▪ **challenges in obtaining SABS or similar approval; and** ▪ **inability to keep pace with rapidly changing customer expectations.**	▪ Regular regional meetings are held to source insight into markets, receive product feedback and communicate fashion trends, product innovation, merchandise and store improvements, market analysis and opportunities for growth. ▪ There are experienced brand/divisional/supply chain managers in the business, who focus on key products and areas. ▪ Ongoing cost/pricing adjustments (enabled by integrated supply chain and continuous focus on cost reduction, enabling flexibility on gross margin and pricing) and expansion of distribution channels (e.g. e-commerce). ▪ Store displays and trading spaces are continually refreshed, and ideas shared across the Group via various mediums. ▪ Ongoing 'competitor shopping' is undertaken and necessary responses implemented. ▪ Inventory provisioning process in stores ensures improved product lifecycles. ▪ Business optimisation programme ("BOP") utilised to improve in-stock levels of business-critical items, and management/exit of slow-moving inventory. ▪ Expansion of product categories and foreign operations (rest of Africa).	▪ The Group's stated intent is to be a world-class, low-cost retailer through alignment of customer satisfaction and profitability. By providing an unparalleled shopping experience and implementing best practice business principles across its operations the Group will continue to advance its achievements of this goal. ▪ Work with suppliers and leading experts to ensure 'wow' factor maintained for products and merchandising. ▪ Reduce operating costs and improve productivity across the business. ▪ Maintain investment in our strong brands and new product development. ▪ Grow turnover contribution of the webstores. ▪ Engagement with authorities to prevent dumping of products in the country, from regional manufacturers.

MATERIAL RISK **7**

Loss of profitability and/or market share if products do not remain fashionable

Risk description	Mitigating controls	Strategic responses
▪ **Not remaining fashionable is a major risk and has significant influence on the market share enjoyed by the business.** ▪ **The risk is especially pertinent for the age group of 35 and below.** ▪ **Customer expectations not satisfied with product offering.**	▪ Regular regional meetings are held to source insight into markets, receive product feedback and communicate fashion trends, product innovation, merchandise and store improvements, market analysis and opportunities for growth. ▪ There are experienced brand/divisional/supply chain managers in the business, who focus on key products and areas. ▪ Attendance at international trade fairs. ▪ Ongoing cost/pricing adjustments and expansion of distribution channels (e.g. e-commerce). ▪ Store displays and trading spaces are continually refreshed, and ideas shared across the Group via various mediums (e.g. operations newsletter). ▪ Ongoing 'competitor shopping' is undertaken and necessary responses implemented. ▪ Inventory provisioning process in stores ensures improved product lifecycles. ▪ BOP utilised to improve in-stock levels of business-critical items, and management/exit of slow-moving inventory.	▪ Work with suppliers and leading experts to ensure 'wow' factor of products and merchandising. ▪ Optimal range/pricing structures will remain a priority. ▪ The Group's high standing among customers will be maintained by continuing to deliver an offering in line with customer demand. In this regard, continuous improvement in the approach to product research and development is crucial.

Strategic management of material risks continued

MATERIAL RISK 8

Loss of profitability and/or revenue due to significantly increased input costs

Risk description	Mitigating controls	Strategic responses
▪ **Increased input costs (including local inflationary pressures or a significant gas price increase) will negatively affect gross margins.** ▪ **Margins could be managed through sales price adjustments, but this will impact product affordability, and sales volumes may decline as consumers with constrained discretionary spend defer or reduce home improvement spend.**	▪ Ongoing cost/pricing adjustment through continuous focus on cost reduction. ▪ Consistent focus on ensuring our brands remain top of mind and are the first choice in the market will drive sales. ▪ Local integrated supply provides a high-quality affordable import substitute offering.	▪ Effective management of internal costs. ▪ Optimise price laddering, product mix and promotional activity. ▪ Long-standing industry experience and cutting-edge technology position the business as a high-fashion low-cost producer.

MATERIAL RISK 9

Staff inadequately trained

Risk description	Mitigating controls	Strategic responses
▪ **Individuals are not adequately trained/developed and succession planning may be inadequate.** ▪ **Shrinking talent pool in South Africa.**	▪ The Group conducts various training courses and operates an established Tiling and Plumbing Academy. Training spend is significant. ▪ Divisional management and the executive directors of the Group are closely involved in the operations of the business and regular regional meetings and interactions are held. ▪ The business implements career advancement training which comprises its Future Leaders Programme ("FLP") and other university-affiliated courses. ▪ Senior management and executive directors partake in executive development programmes run by reputable institutions with relevant expertise. ▪ The Group has a culture of developing and promoting from within, and various initiatives and programmes are in place to foster this approach. ▪ Employee engagement surveys are conducted and reviewed by Group management. ▪ E-learning platforms are in place with Group and retail-specific content. ▪ International expertise is sought for manufacturing where necessary, with key focus being transfer of skills.	▪ Instil greater retail-specific focus in training and development programmes; attract and retain key talent through promoting business partnerships; and encourage commitment to business success through development programmes and remuneration and reward strategies. ▪ FLP will continue to serve as an important mechanism to build leadership capacity in the Group. ▪ Instil high-performance culture.


LIFE AT THE EDGE

Human capital and training

Our Human Capital ("HC") and Training division adds value to the business through **recruiting and retaining fit-for-purpose personnel and developing and empowering the Group's human capital resource** through relevant **training and support.**

Labour

2 646 **Total number of employees** (this excludes employees of our franchisees)
2024: 2 554

2 351 Number of employees – permanent
2024: 2 297

88,85% Percentage of employees who are permanent
2024: 89,93%

295 Number of employees – fixed term (>90 days) apprentices, interns and learners
2024: 257

0 Number of employees – temporary (<90 days)
2024: 0

31 Total number of contractors
2024: 23

2 677 Total number of employees and contractors
2024: 2 577

7,1% Percentage of employees who belong to a trade union
2024: 7,6%

22,4% Employee turnover (i.e. percentage of persons who departed relative to the total number of employees at year-end)
2024: 28,7%

5 909 663 Total number of person hours worked ("PHW")
2024: 6 032 658

2 253 Total number of employees trained for skills, including internal and external training interventions
2024: 2 537

26 Total number of employees with disabilities trained for skills, including internal and external training interventions
2024: 37

R7,7 million Value of employee training spend
2024: R18,1 million

5 120 Total number of person days lost due to absenteeism (including sick leave)
2024: 5 452

0,08% Percentage of total person days lost due to absenteeism
2024: 0,09%

0 Total number of person days lost due to industrial action (i.e. strike action)
2024: 0

27,05% Percentage of employees under the age of 30
2024: 20,28%

66,79% Percentage of employees aged between 30 and 50
2024: 71,87%

6,16% Percentage of employees over the age of 50
2024: 7,85%

This report contains key information regarding the Group's people profile, **including our labour and health and safety statistics.** In addition, it provides an **overview and performance appraisal of the HC and Training division's activities, achievements and priorities across the business.**

Labour continued

100%
2024: 94%
Percentage of employees trained in South Africa (this includes employees who have exited the business in the current financial year)

100%
2024: 89,4%
Percentage of training spend in South Africa

R20 301 747
2024: R18 528 000
Total annual remuneration of highest paid employee

R105 487
2024: R102 120
Total annual remuneration of lowest paid employee

R152 271
2024: R149 930
Median remuneration of all employees (excluding profit share)

R280 893
2024: R282 716
Average compensation per male employees (excluding profit share)

R283 049
2024: R297 268
Average compensation per female employees (excluding profit share)

99%
2024: 96%
Ratio of male:female compensation

35,48%
2024: 36,87%
Percentage of management (top and senior) who are women

70,32%
2024: 72,5%
Percentage of management (top and senior) deemed HDSA

1,63
2024: 1,58
Ratio of lowest paid wage to legislated minimum wage – South Africa

Health and safety

0
2024: 0
Number of fatalities (i.e. injuries on duty leading to death)

30
2024: 35
Number of lost time injuries ((“LTI”) i.e. injuries on duty leading to at least one lost day)

0
2024: 0
Fatal injury frequency rate ((“FIFR”) i.e. number of fatalities per 200 000 person hours worked)

1,02%
2024: 1,16%
Lost time injury frequency rate ((“LTIFR”) i.e. number of LTIs per 200 000 person hours worked)

<1
2024: <1
Group LTIFR and/or total recordable injury frequency rate (“TRIFR”) target

74
2024: 78
Number of first aid cases (“FACs”) i.e. injuries on duty leading to minor treatment (i.e. plaster or pain tablet)

15
2024: 22
Number of medical treatment cases (“MTCs”), i.e. injuries on duty leading to treatment, but no lost days

Governance

11
2024: 8
Number of whistle-blower incidents reported

7
2024: 3
Number of whistle-blower incidents leading to disciplinary hearing

0
2024: 0
Number of employees receiving disciplinary action resulting from whistle-blower incidents reported

0
2024: 0
Total value of political contributions made to political parties

N/A
2024: N/A
Breakdown of contributions to political parties

0
2024: 0
Total number of complaints received concerning breaches of customer privacy

0
2024: 0
Number of allegations of discrimination and/or human rights violations in the workplace

Human capital and training continued

Italtile Group

Key performance indicators	Trends 2025	Trends 2024
▪ Recruitment and retention of fit-for-purpose personnel.	↑	↔
▪ Engagement with employees across the Group.	↑	↑
▪ Development of appropriate skills training, learnerships and competencies.	↔	↑
▪ Support the Group's growth objectives and overriding strategy to deliver an incomparable customer experience.	↔	↔
▪ Improve productivity and performance to achieve best practice benchmarks.	↔	↔
▪ Develop leadership capability and capacity.	↔	↑
▪ Number of training programmes conducted.	↓	↑

2024/25 priorities	Scorecard
▪ Recruit senior executives to strengthen the team at Ceramics.	Ongoing
▪ Develop and build the pipeline of factory managers through the trainee factory manager programme.	Initiative has moved to developing heads of departments internally for this programme
▪ Formalise the mentorship and coaching programme for junior and middle managers at Ceramics.	Ongoing
▪ Build on the leadership and technical competence of business-critical positions and key talent across the Group.	Ongoing
▪ Continue to focus on developing, mentoring and coaching store operators at CTM and middle-level management at Ceramic.	Ongoing
▪ Implement findings from the organisational restructure currently underway to improve and enhance the effectiveness of the business.	Human capital restructure implemented

2024/25 major achievements

- HC organisational restructure completed.
- Appointed 2IC for TopT.
- Appointed 2IC for CTM Western and Eastern Cape.
- Appointed commercial manager for Ceramics.
- Improved apprenticeship pipeline for Ceramics.
- Absorbed 72% of unemployed learners at CTM and TopT.
- Successful launch of the updated TopT tiling, plumbing and home-finishings programme.
- Partnered with the University of Johannesburg to sponsor and recruit marketing and retail graduates.
- One-on-one leadership coaching and mentoring for all Gauteng store operators.

2025/26 priorities and prospects

- Launch mobile communication platform for all employees to grow and enable a culture of inclusion and engagement.
- Develop and implement a recruitment and performance management training programme for the Group.
- Develop depth in pipeline for Group.
- Develop a competency framework for key roles for CTM.
- Update CTM training manual on key and relevant products.
- Full utilisation of the Italtile training academy to upskill employees on tiling, plumbing and home-finishings.

Employee engagement and sentiment

The Group conducts a voluntary independent evaluation survey annually to assess the quality of engagement with employees.

Italtile Retail

In the 2025 assessment, a score of 78% (2024: 76%) was achieved, notwithstanding the testing retail operating environment. In accordance with the scoring methodology implemented, this score is classified in the category "striving to be world-class". Year-on-year, the scores for individual elements improved by 2% and reward and recognition by 3%. The employee response rate was 96% (2024: 88%). Our goal for the year ahead is to address the areas of concern. Specific focus will be on employee retention and addressing work/life balance.

Ceramics

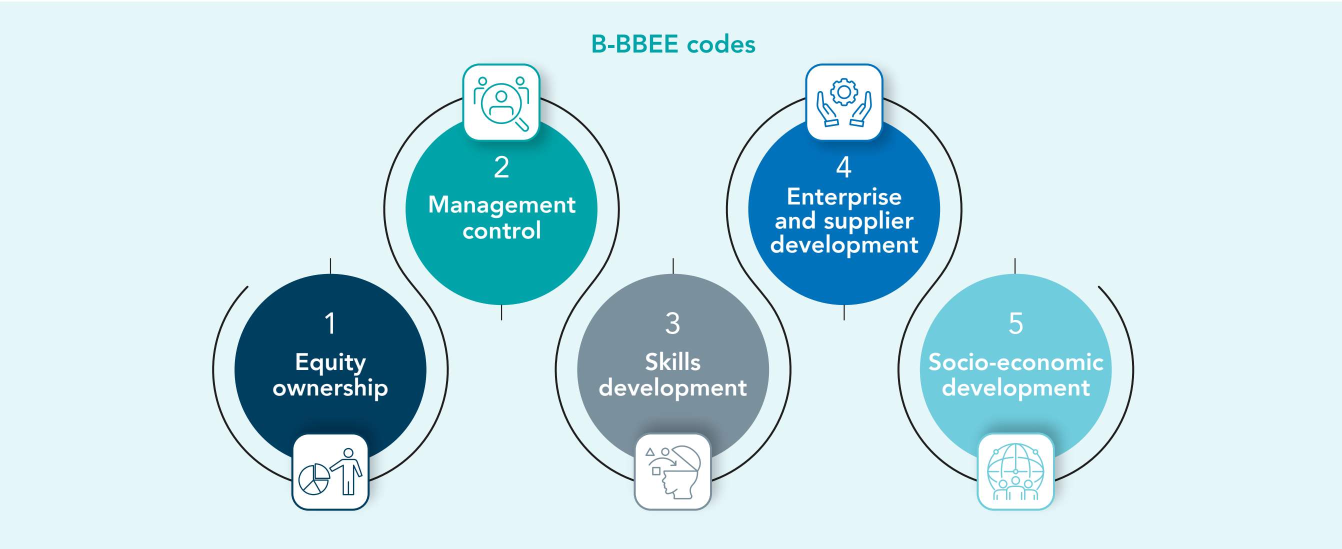
In the 2025 assessment, Ceramics attained a score of 66% (2024: 64%). In accordance with the methodology implemented, this classifies the business as "striving to be world-class." The employee response rate was 88% (2024: 81%). The increase in the participation rate is encouraging.

The goal for the year ahead is to focus on career and personal development of employees and regular performance feedback.

Transformation report

The Group regards transformation as a social, moral and strategic business imperative. Management recognises that as a responsible corporate citizen, **the Group has an obligation to contribute to bringing about a more equal and inclusive society – starting within our own business.**

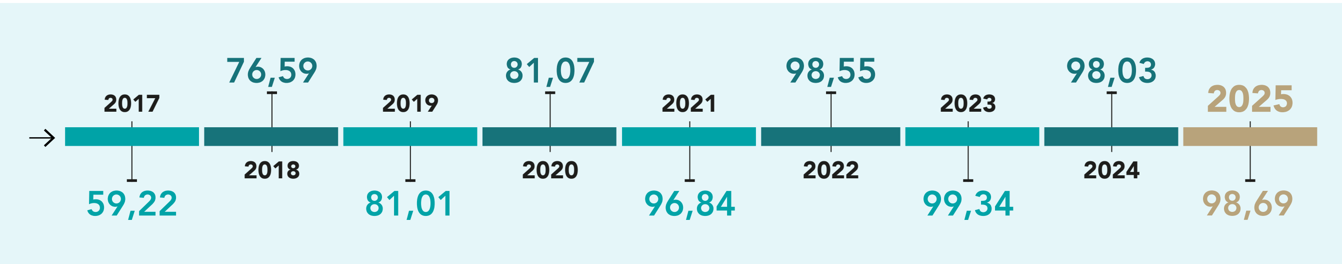
Our transformation strategy is closely aligned to the objective of the B-BBEE codes and we employ an integrated approach to accelerate transformation across the code's five criteria.



Employment equity committees, comprising senior management, are tasked with driving transformation – including B-BBEE – in the Group. The committees meet quarterly to gauge and manage progress against set targets.

Sustained focus and implementation of a range of meaningful interventions over recent years has enabled the Group to improve its B-BBEE status from non-compliant in 2016 to Level 2 in 2025.

Although every effort will be made to maintain a high score, in light of continued unfavourable conditions, this rating is expected to remain flat in the year ahead.



B-BBEE score analysis

Italtile Ltd

B-BBEE 2025

Our B-BBEE verification certificate is published on page 86.

Transformation report continued

Our qualifying and recognised spend on the B-BBEE scorecard totalled R87 million (2024: R109 million), allocated primarily to:
- skills development, including bursary spend of **R27 million** (2024: R32 million);
- supplier and enterprise development loans and grants of **R45,6 million** (2024: R52,2 million); and
- socio-economic development contributions of **R15 million** (2024: R23 million) inclusive of donations to The Italtile and Ceramic Foundation Trust of **R11 million** (2024: R15 million).

Skills development

The Group continued to invest in a range of skills development programmes focused on employees from previously disadvantaged groups. These included:
- sponsored partnerships with academic institutions to further the education and develop the leadership competencies of 121 employees (2024: 115);
- 45 employees were sponsored with bursaries (2024: 111);
- a total of 38 bursaries (2024: 67) were sponsored for children of our employees studying at higher educational institutions;
- 37 bursaries (2024: 81) were awarded to external students studying at higher educational institutions;
- in total we provided 54 internships (2024: 16) and 101 learnerships (2024: 121) for both qualified students and inexperienced job seekers, with 33 of those learners (2024: 50) ultimately being employed in the Group.
- we offer accredited training academies, and local and international courses and e-learning tuition across our brands for our employees, our franchisees and their employees. These training interventions reached 5 988 Group employees and franchisees (2024: 4 731) during the year.

Enterprise and supplier development

In addition to our spend with suppliers with improved B-BBEE credentials (including black ownership), the Group recognises the importance of meaningful enterprise development and supplier development initiatives to create jobs and grow a sustainable resource of successful black-owned businesses.

In this regard the Group supports a number of black-owned businesses with grants and/or preferential rate funding. Beneficiaries of such include the black partners in the TopT franchise network, suppliers of finished goods, service providers, and funds focused on investing and growing black-owned businesses.

Recognised weighted B-BBEE procurement spend on our B-BBEE scorecard was as follows:

Category	**2025 Rm**	2024 Rm	2023 Rm	2022 Rm	2021 Rm
Qualifying small enterprises	**617**	861	759	733	709
Exempted micro-enterprises	**294**	467	121	732	467
51%+ black-owned suppliers	**1 616**	1 567	1 476	1 533	1 202
30% black female-owned suppliers	**670**	786	902	898	580

The qualifying and recognised annual value of contributions (made up predominantly of grants and loans) for supplier development and enterprise development for 2025 totalled R46 million (2024: R52 million).

Socio-economic development

The Group's spend on socio-economic development exceeded 1% of net profit after tax. Contributions of product and/or cash were also made to eligible schools and charities, with the largest donation made to the Foundation. The Foundation is the Group's broad-based black ownership scheme, whose goal is the transformation and upliftment of previously disadvantaged communities through distributions made to public benefit activities related to education, sport and conservation.

The Foundation's spend of R26 million for 2025 (2024: R33 million) was allocated to the following categories:
- Education: 40% (2024: 40%)
- Sport: 40% (2024: 40%)
- Conservation: 10% (2024: 10%)
- Other: 10% (2024: 10%)

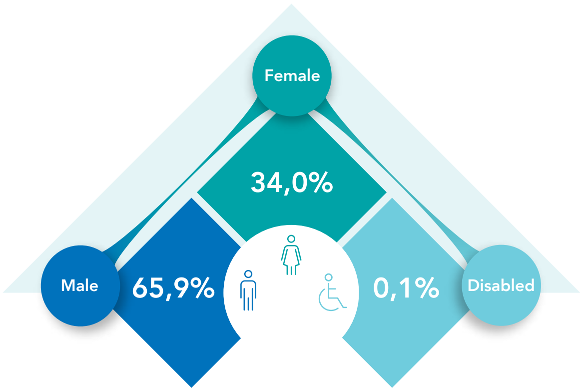
Refer to the Foundation's report on page 96.

People profile

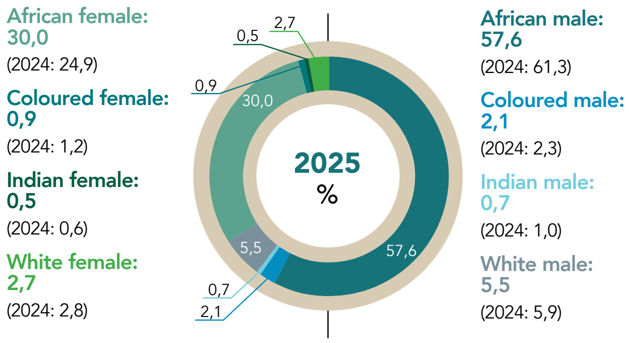
Through our employment equity initiatives, we strive to align to the national economically active population statistics where possible. **Equal gender representation is a focus in recruitment and appointments across the Group, especially at management level.** Maternity benefits were also recently revised to attract more females into the business.

The Group's employment demographic is as follows:

	2025	2024
Male	1 746	1 801
Female	900	753
African male	1 526	1 565
African female	794	636
Coloured male	56	59
Coloured female	23	31
Indian male	19	26
Indian female	12	14
White male	145	151
White female	71	72
Disabled	34	39



Total workforce (%)



Outlook

The Group will continue to vigorously drive its empowerment agenda. Given the current unfavourable trading environment and concomitant reduced spend in this area, we will strive to maintain and improve our current B-BBEE status level in the year ahead, through the following key initiatives:

Management control

- advance and/or appoint black females for management positions at all levels; and
- employ black disabled individuals.

Skills development

- invest in learning programmes and bursaries for individuals from under-represented demographic groups;
- invest in learning programmes for disabled individuals from under-represented demographic groups;
- place previously unemployed individuals from under-represented demographic groups in learnerships (both internally and in hosted external programmes); and
- retain individuals from under-represented demographic groups on a permanent basis post-learnerships.

Enterprise and supplier development

- where possible, divert spend to exempt micro-enterprises ("EMEs") or qualifying small enterprises ("QSEs"), with a particular focus on 51%+ black-owned and/or 31%+ black women-owned businesses;
- continue to encourage and support suppliers with their own transformation and empowerment initiatives;
- fund qualifying EME and QSE suppliers;
- continue funding a majority black-owned property company (in which the Group has a minority stake);
- contribute to incubate or similar initiatives; and
- extend favourable settlement trading terms for empowered suppliers.

Transformation report continued

EMPOWERLOGIC

Broad Based Black Economic Empowerment Verification Certificate

A Consolidated Verification Certificate Issued to

Italtile Limited

Level 2 Contributor

Measured Entity

Company Name	Italtile Limited
Registration Number	1955/000558/06
VAT Number	Refer to second page of certificate
Address	The Italtile Building, Corner of William Nicol and Peter Place, Bryanston, Gauteng 2021

B-BBEE Status

B-BBEE Status Level Level 2

Total Points Obtained	98.69	EO: 20.6 points; MC: 12.97 points; SD: 15.79 points; ESD: 44.34 points; SED: 5 points

Discounting Principle Applied	No	**Procurement Recognition**	125.00%	**Empowering Supplier**	Yes
Black Ownership	18.60%	**Black Designated Groups**	0.61%	**51% Black Owned**	No
Black Women Ownership	8.52%	Black Youth	0.46%	**30% Black Women Owned**	No
Black New Entrants	9.23%	Black Disabled	0.00%	**Participated in Y.E.S Initiative**	No
Normal Flow Through Applied	Yes	Black Unemployed	0.01%	Achieve Y.E.S Target and 2.5% Absorption	No
Modified Flow Through Applied	No	Black People Living in Rural Areas	0.04%	Achieve 1.5 x Y.E.S Target and 5% Absorption	No
Mandated Investment Exclusion Applied	No	Black Military Veterans	0.00%	Achieve Double x Y.E.S Target and 5% Absorption	No
				Measurement Period Year End	30/06/2025

Issue Date	12/09/2025
Expiry Date	11/09/2026
Certificate Number	ELC13852RGENBB
Version	Final
Applicable Scorecard	Amended Codes - Generic
Applicable BBBEE Codes	Amended Generic Codes Gazetted on 11 October 2013 and Amendments Gazetted on 31 May 2019

EmpowerLogic (Pty) Ltd

Reg. No. : 1995/000523/07

BBBEE Rating Agency

Per Marissa Smith

Member - Verification Committee

SANAS Accredited

sanas B-BBEE Rating Agency

BVA018

This certificate is the result of an independent and impartial verification of the BBBEE status of the measured entity measured against the Codes of Good Practice on Broad Based Black Economic Empowerment and has been issued in accordance with the EmpowerLogic Verification Certificate Policy. This certificate supersedes any previous certificates issued to the Measured entity. For enquiries please contact EmpowerLogic at 086 111 4003.

Environmental report

Overview

As a responsible business, **we recognise our duty to safeguard the planet for future generations.** With this in mind, **we advocate for our customers' right to a beautiful home** – whether in their living spaces or within the communities and natural landscapes of which we are a part.

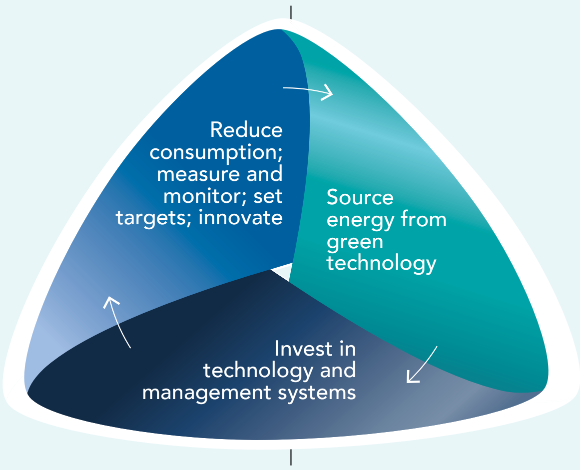
Our Group is committed to

sustainability,

actively addressing our environmental impact, enhancing eco-efficiency and offering products that support our customers to live sustainably

Aligned with the United Nations SDGs, we strive to contribute to a more sustainable future for all. Upholding the principles of the UN Global Compact, we also seek confirmation of compliance from our major external suppliers.

This report illustrates our efforts to promote sustainable development within our South African operations.



Our environment risk reduction plan

The Group continuously develops its overarching environmental sustainability framework including metrics, targets and reporting. Forums have been established to monitor progress, innovate and work towards achieving the targets. Improved tracking of relevant metrics against targets is ongoing.

The Group is committed to developing and sourcing products that not only require fewer resources to produce, but enable our customers to save water and electricity and reduce waste. We continue to innovate and invest in technology to use our resources more efficiently.

Reducing, reusing, recycling and recovering are key principles to limit our waste and minimise our contribution to emissions, effluents and landfill.

In the year under review, a range of initiatives were implemented to advance our ongoing endeavour to reduce the Group's environmental impact.

Environmental report continued

Retail and supply chain operations

Improved monitoring through smart meters

The Group has continued to roll-out a smart metering project to track real-time water and electricity consumption. These meters offer enhanced visibility into usage patterns across stores and support the early identification of resource wastage. The initiative also reduces reliance on municipal readings and helps prevent billing discrepancies caused by inaccurate meter data.

Energy management

The Group is actively working to reduce its dependence on the national electricity grid by increasing its use of clean energy. A total of 49 retail stores have been equipped with solar PV systems. One property operates entirely off-grid, while eight stores have hybrid battery backup systems installed as pilot projects to assess the feasibility of broader implementation. During the review period, new installations were completed at CTM and Italtile Capricorn.

Solar energy now supplies 17,63% of the total energy consumed by our retail stores – an increase of 17% from the previous year. The Property division will continue to monitor and evaluate emerging technologies to ensure the adoption of optimal solutions that align with the Group's sustainability goals and targets.

Water management

Climate change, ageing infrastructure and declining municipal service delivery are increasingly affecting the Group's access to water. In response, we continue to explore and implement measures to reduce this operational risk. Boreholes are installed at all new-build sites where geotechnical conditions permit. Water quality is tested upon installation, and usage is limited to irrigation, sanitation and evaporative cooling. Smart water meters have been installed in selected stores to monitor consumption and encourage responsible usage.

We remain committed to expanding borehole infrastructure across our owned properties. By the end of FY2026, all boreholes will be equipped with check meters to enable accurate monitoring and reporting.

Waste management

In line with circular economy principles, we are committed to minimising waste and maximising reuse and recycling across our operations. In Gauteng, 89% of CTM stores and all Italtile Retail stores have implemented recycling initiatives. During the review period, these stores collectively recycled 31 tonnes of waste.

Green buildings

In our construction projects, we focus on identifying and adopting eco-friendly building materials, energy-efficient equipment and effective waste management practices. During redevelopments and alterations, steel is reused, and clean demolition rubble is crushed for use as fill in earthworks. Where asbestos containing materials have been identified, all regulatory protocols have been followed, with safe disposal confirmed through certified documentation.

Manufacturing operations

Ceramic Industries

Energy management

Maintaining energy security and safeguarding business continuity remained top priorities for management. As reported in our FY2024 results, Sasol – the primary supplier of imported piped natural gas ("PNG") – advised that it will terminate supply to the market in due course. While Sasol has committed to continuing to supply PNG until June 2028 the risk remains.

Given that 70% of Ceramic's total energy requirements are supplied by PNG and that rising electricity costs and a predicted shortage of gas are increasing pressure on operations, securing a sustainable and competitively priced energy source is critical. This has resulted in Ceramics investigating alternative energy sources, such as the extension of existing solar energy through the proposal of a 10 mWp in Vereeniging.

The Board approved a project to convert one production line at our Gryphon factory in Vereeniging to a coal-based synthetic gas solution for heating and firing, using established technology and our own raw materials. The engineering design and costing for the trial project have been completed, although implementation has been delayed following Sasol's extension of gas supply to 2028. Environmental authorisations have been received to ensure compliance with all legal requirements.

The Board has also approved installation of HAG to heat the Gryphon spray driers, thereby replacing the natural gas fuel burner. This project is due to start in 2026. Ceramics continues to consider several energy sources such as biomass, PNG and on-shore natural gas, which could be feasible to use as a reliable and constant source for its operations.

Awareness

Promoting environmentally sustainable practices is the responsibility of each employee. We have provided environmental training and toolbox talks across our factories to cover topics such as water conservation, air quality management and general housekeeping. This is in addition to the health and safety training for the management of hazardous waste. We have also raised awareness in the quarterly newsletter highlighting issues that affect our operations/environment. We participate in community forums at which we discuss key environmental issues such as air, water and waste that could potentially affect our communities and our business. Environmentally friendly practices continue to form part of our induction for new appointments and contractors.

Water

No major upgrades were made to our existing water infrastructure. We continue to strive for minimal process water discharge and encourage recycling of water in our factories. Employees are encouraged to report any leaks, fix taps that are broken and reuse bottles to refill their water. Our ground and surface water monitoring programmes keep us aware of any environmental damage that may occur.

Environmental report continued

Manufacturing operations continued

Ezee Tile

Energy management

Vulcania is an energy efficient and environmentally friendly plant. Energy management practices are enforced and include the utilisation of solar systems and gas to reduce grid consumption.

Dust emissions mitigation

The installation of wet scrubbers at Cape Town and Mokopane plants has resulted in a significant reduction in dust emissions recorded and an improvement in stack emission reporting that meets compliance requirements.

Waste management

To enhance our sustainable waste reduction initiatives, all our plants have implemented 3Rs – reduce, reuse, recycle. Different colour-coded bins are strategically placed throughout, and they accommodate all waste streams generated on site.

We have partnered with local community members who perform waste separation, and for whom this has become an income-generating project.

Water management

Water consumption is quite minimal as our production processes require low water intake. Vulcania has a borehole, and rainwater is harvested and used for irrigating our gardens.

Ezee Tile embarked on an awareness drive to educate employees on waste management concepts through safety talks and encouraging them to report anomalies for investigation.

Green buildings and production

In our quest to continually explore eco-friendly sustainability, all our ablution facilities are powered by gas and have recorded significant energy savings.

Carbon footprint report

Overview of FY2025 results

Overall, the carbon footprint for the Manufacturing and Retail businesses for the 2025 financial year showed a 5% and 8% reduction, respectively, in total emissions compared to the previous financial year. Ezee Tile experienced a 19% increase in its carbon footprint due to the full inclusion of Silica Quartz mines. The main driver behind the overall footprint reduction was a decrease in emissions linked to lower emissions for stationary combustion (scope 1 emissions) and upstream logistics (scope 3 emissions) on the back of lower production volumes. A reduction in electricity (scope 2 emissions) was influenced by the increased electricity generated from solar power at all three entities. This report presents an overview of the Group's footprint with selective detailed analyses focused on explaining significant year-on-year changes.

Carbon footprint context

The FY2025 carbon footprint analysis focused on the main emitters within the Group. These emitters are the Manufacturing entities (Sphinx, Ceramics and Ezee Tile) and the Retail entities (Italtile, TopT, CTM and additional properties owned by the Group).

The reported footprint results consist of the following emissions:

- Direct emissions from fossil fuels and manufacturing processes (scope 1).
- Indirect emissions from purchased electricity (scope 2); and
- Indirect emissions associated with activities supporting the business entities (scope 3), which include contractor logistics, business travel, water and paper usage.

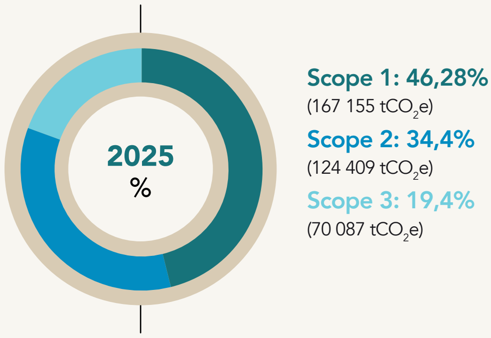
The emissions associated with the Group's activities were calculated to align with South African legislative requirements. Scope 1 emissions are determined according to the National GHG Emissions Reporting Regulations as issued by the Department of Forestry, Fisheries and the Environment ("DFFE") and the Carbon Tax Act. Scope 2 emissions are based on Eskom's latest grid emission factor. Scope 3 emissions are determined in accordance with the UK's Department for Environment, Food and Rural Affairs ("DEFRA") guidelines. All calculations align with The Greenhouse Gas Protocol and ISO 14064 standards.

Overview of the FY2025 carbon footprint results and observations

The carbon footprint assessment grouped results into three main entities: Ceramics, Ezee Tile and Retail. The diagram alongside illustrates each entity's contribution to the overall footprint of 361 657 tCO_2e, which consists of scope 1, scope 2 and selected scope 3 emissions.

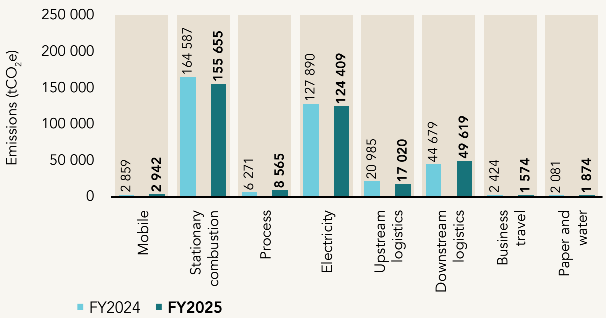
FY2025 emissions per entity (tCO_2e and % of total)

FY2025 emissions per scope (tCO_2e and % of total)



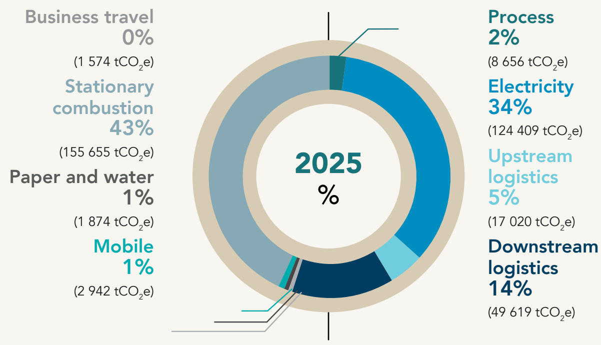
The figures below present a comparison of results for the FY2024 and FY2025 years:

Italtile Group – annual carbon footprint



The diagram alongside gives a breakdown of the Group's emissions based on the various source categories. The various classifications are aligned to the GHG protocol.

Breakdown of FY2025 emissions (tCO_2e and % of total)



Environmental report continued

The different classes of emissions are presented in the table below. The areas making a significant contribution to overall movements will be discussed in more detail.

Classification	Description	FY2025 (tCO_2e)	FY2024 (tCO_2e)	FY2024 to FY2025	% contribution to carbon footprint
Scope 1	Mobile	**2 942**	2 859	2,91%	0,81
	Stationary	**155 655**	164 587	(5,43%)	43,04
	Process	**8 565**	6 271	36,59%	2,37
Scope 2	Electricity	**124 409**	127 890	(2,60%)	34,40
Scope 3	Upstream logistics	**17 020**	20 985	(18,89%)	4,71
	Downstream logistics	**49 619**	44 679	11,06%	13,72
	Business travel	**1 574**	2 424	(35,08%)	0,44
	Paper and water	**1 874**	2 081	(9,95%)	0,52
	Total	**361 657**	371 775	(2,7%)	100

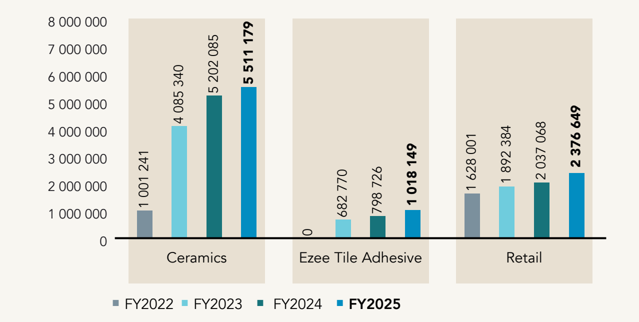
Discussion of significant movements

Electricity (scope 2)

Emissions from electricity consumption represent 34% of the Group's overall footprint. Specific year-on-year changes in emissions associated with electricity consumption contributed to a reduction of 2,6% toward the overall movement in the Group's carbon footprint. A decrease in electricity consumption is attributed to an increase in solar generation and a decrease in overall production. The most significant contributing items were:

- the Group increased its use of solar generated electricity by 10,8%, thereby reducing its reliance on Eskom electricity supply and reducing carbon emissions; and
- this increase in electricity from solar generation per site is illustrated in the graph below.

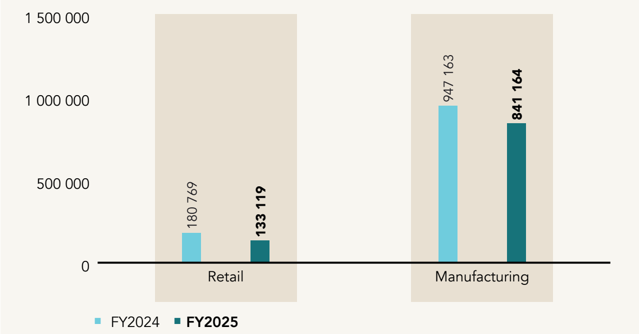
Electricity from solar generation (kWh)



Onsite diesel consumption (scope 1)

- onsite diesel consumption by Retail decreased due to the lower generator capacity needed at the sites based on lower loadshedding;
- a decrease in manufacturing diesel is attributed to lower usage at Gryphon and SAMCA wall for Ceramics while lower usage was also noted for Silica Quartz mines at Ezee Tile, coupled with lower production; and
- the decrease in onsite consumption of diesel by the Group is illustrated in the graph alongside.

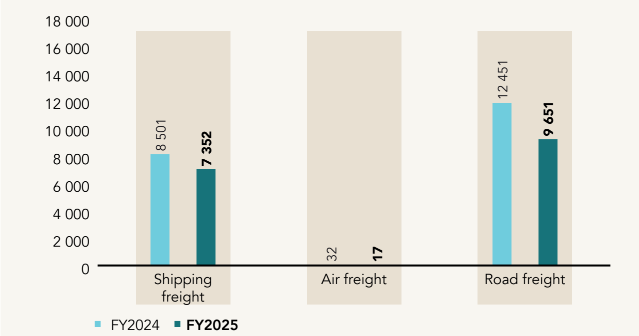
Onsite diesel consumption (litres)



Upstream logistics (scope 3)

The emissions associated with this activity contributed 4,7% to the overall footprint. An 18,9% decrease was noted for overall upstream logistics based on a reduction in imports, production and destocking.

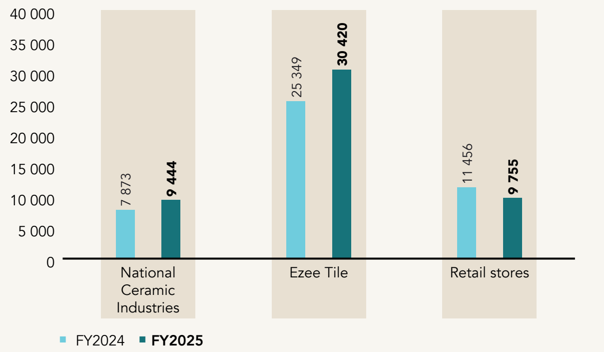
Emissions (tCO_2e) **per upstream logistics activities**



Downstream logistics (scope 3)

The emissions associated with this activity contributed 13,7% to the overall footprint. The biggest contributor to downstream logistics linked emissions was Ezee Tile, based on updated routes supplied and distance calculated between routes (up by 11,4%). An increase was also noted for Ceramics (up by 3,5%) in FY2025 based on an additional route added (Garden Route). A reduction of 3,8% was evident for Retail downstream logistics due to the implementation of a transport management system optimising transportation activity.

Emissions (tCO_2e) **per downstream road freight activities**



Performance assessment of specific entities

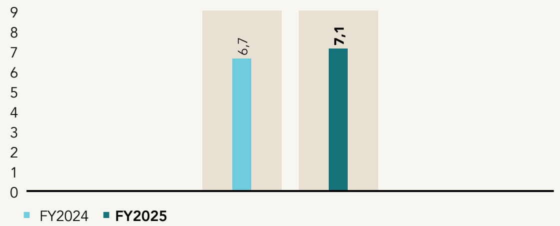
Ceramics and Sphinx

The scope 1 and 2 emissions associated with the Ceramics and Sphinx factories were responsible for 73,8% of the Group's overall footprint. Independent assessment has enabled the Group to claim income tax deductions under the Section 12L tax incentive with the following savings to date:

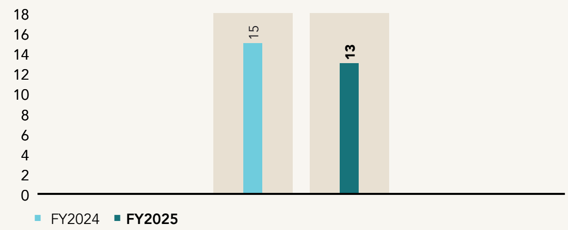
Facility	kWh savings	Tax certificate value R	After tax benefit R
Vitro	8 072 310	7 668 694,50	2 070 548
Samca+	13 242 304	12 580 188,80	3 396 651
Pegasus	11 496 880	10 922 036,00	2 948 950

A detailed assessment of Ceramics showed a 15% decrease in production combined with a decrease in facility-level electricity and natural gas consumption (combined energy consumption decreased by 6,7%). The production at Sphinx increased by 16,3%, whereas energy decreased by 1,2% due to the increase in solar use. In both cases, the in-production vs energy indicates a slight increase in overall manufacturing efficiency of 0,7%. The figures below show the year-on-year performance intensity. In total the factories generated 5,51 GWh of electricity from solar.

FY2025 Ceramics emissions intensity
($kgCO_2e$ per m^2 of tile produced)



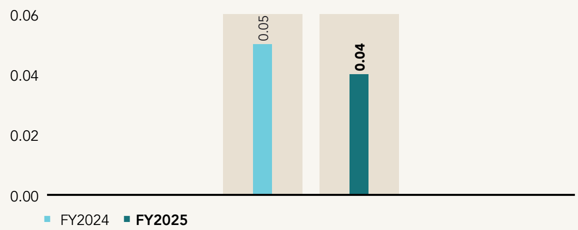
FY2025 Sphinx emissions intensity
($kgCO_2e$ per piece produced)



Retail stores

The scope 1 and 2 emissions associated with the Italtile, CTM, TopT and additional sites, are responsible for 3,5% of the Group's overall footprint. All these emissions are linked to electricity consumption with backup generators, forklifts and fleet vehicles adding to the overall emissions. Comparing the emissions intensity of FY2024 to FY2025 shows a decrease of 15,4% in tCO_2e/m^2 gross leasable area which can be linked to reduced electricity consumption, and the closure of certain sites. In total, the stores generated 2,4 GWh of electricity from solar.

Emissions (tCO_2e) **per GLA** (m^2)

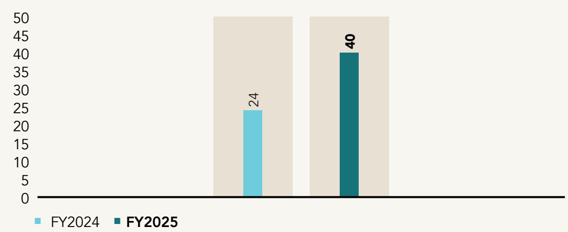


* *Note: results only represent stores that are owned by the Group; franchised units are excluded from the reporting boundary as per the GHG protocol.*

Ezee Tile

The scope 1 and 2 emissions associated with the Ezee Tile factories are responsible for 3,4% of the Group's overall footprint. In FY2025, Ezee Tile's GHG emissions rose 19% due to the acquisition of Silica Quartz. Excluding these mines there was a 0,3% reduction in emissions. The overall production intensity changed from 23,6 to 39,9 based on increased emissions versus a decrease in production in FY2025. The increase can be attributed to the additional site (Silica Quartz mine), which increased the total energy-related emissions due to the nature of the operations. Silica Quartz is a sand mine and operates a sand drying operation, which is energy intensive. In total, the factories generated 1,02 GWh of electricity from solar.

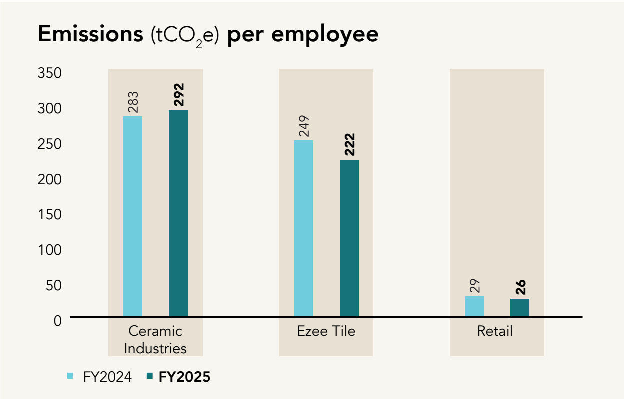
Overall production intensity ($kgCO_2e$/tonne)

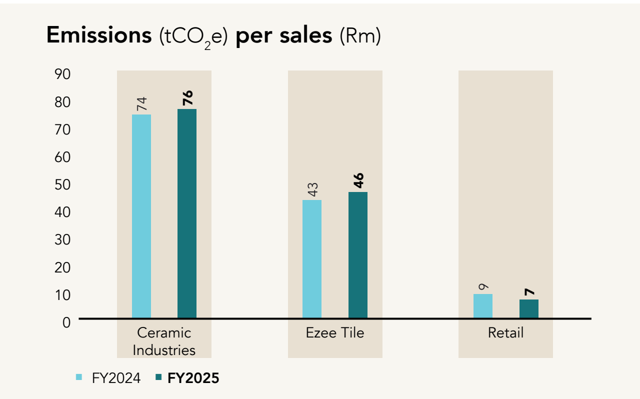


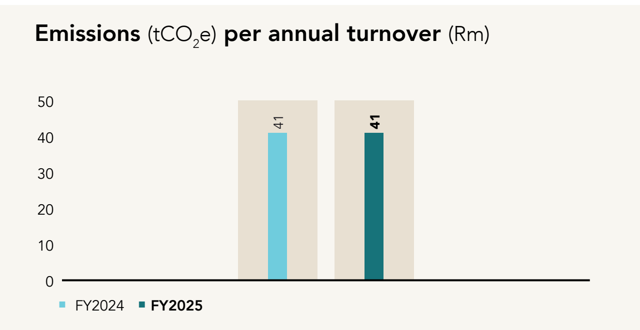
Environmental report continued

Assessment of year-on-year changes based on normalised emissions intensities (averages of FY2024 used for sales and turnover)

The previous sections demonstrated the performance of different parts of the Group using metrics that are appropriate for the specific activities. The results below present an additional view of emissions intensity based on more generalised metrics: employment, retail sales and Group turnover. Overall, there was an increase in employment for Ezee Tile, while a decrease for Ceramics. It is noted that there was a decrease in emissions per employee for Ezee Tile with an increase in emissions per sales. It was noted that for Ceramics the emissions per employee and sales increased while a reduction in emissions per sales for Retail decreased. Lastly, a reduction in emissions per turnover is noted.







The impact of carbon tax

The 2024 carbon tax payments (due annually in July) made to SARS cover the emissions from 1 January 2024 to 31 December 2024. The carbon tax applies to selected activities covering scope 1 emissions and only affects the Group's manufacturing entities. The carbon tax amounts per company for the 2024 tax period were Sphinx: R632 682, Ceramics: R4 232 372 and Ezee Tile: R333 590. An increase in carbon tax was noted for Ezee Tile with the addition of Silica Quartz to the entity, while carbon credits were allocated to Ceramics, leading to reduced carbon tax payment in 2024.

Carbon tax also presents an indirect exposure risk through increasing the costs of purchased fuels, electricity and general services. Currently, the carbon tax rate is R190/tCO_2e, while the headline rate of carbon tax is set to increase to R462/tCO_2e by 2030.

Climate Change Act

In July 2024, the Climate Change Act of 2024 came into effect, introducing the mandatory carbon budgets. This Act sets the legally binding emission reduction targets to limit overall GHG emissions. Companies have to adhere to their allocated carbon budget, which will be an assigned amount of GHG emissions allocated to the Company over a period, with the inclusion of potential penalties for exceeding given budgets. These increased costs associated with fossil fuel use continue to motivate the uptake of energy efficiency and alternative energy projects.

Closing remarks

During FY2025, the Group's overall footprint decreased. The largest contributors were stationary combustion (43%), electricity (34,4%) and downstream logistics (13,7%). The largest contributors to the stationary combustion were the manufacturing entities for the use of natural gas, burner fuel and diesel.

Electricity consumption decreased slightly across the Group, due to the increase in solar usage. Performance of manufacturing facilities was mixed with Ceramics decreasing its emissions while Ezee Tile increased its overall emissions with the addition of Silica Quartz. Retail stores showed an overall improvement in reduced emissions.

As part of our ongoing effort to reduce our annual carbon footprint, the Group will continue to consider and incorporate the latest guidelines of the newly implemented Climate Change Act of 2024.

Carbon footprint analysis	2025 Ceramics	2025 Ezee Tile	2025 Retail	2025 Total	2024 Total	2023 Total	2022 Total
Total direct energy consumption (gigajoules, GJ) – non-renewables	**2 678 081**	**107 976**	**11 896**	**2 797 953**	2 952 974	3 282 344	3 100 000
Total direct energy consumption (gigajoules, GJ) – renewables	**1 530,88**	**282,82**	**660,18**	**2 474**	2 233	1 850	1 194
Total direct energy consumption (gigajoules, GJ) – all fuels – reported	**2 679 612**	**108 259**	**12 556**	**2 800 427**	2 955 207	3 284 194	3 101 194
Total direct energy consumption (gigajoules, GJ) – all fuels – calculated	**2 679 612**	**108 259**	**12 556**	**2 800 427**	2 955 207	3 282 344	#
Percentage of direct energy consumption from renewable fuels	**0,0%**	**0,0%**	**0,0%**	**0,0883%**	0,0756%	0,0563%	0,0385%
Direct energy efficiency: total direct energy consumed per person hour worked (kJ/PHW)	**1 113**	**231**	**4**	**464**	605	564	641
Total volume of electricity purchased (MWh) – excluding self-generated from solar, wind or other sources	**104 279**	**4 243**	**11 102**	**119 624**	126 623	133 156	132 502
Total volume of electricity self-generated (MWh) – i.e. from solar, wind or other sources	**5 511**	**1 018**	**2 377**	**8 906**	8 038	6 660	2 536
Total volume of electricity consumed (MWh) – purchased + self-generated – calculated	**109 790**	**5 261**	**13 478**	**128 530**	134 661	139 817	135 038
Percentage of electricity consumed that was self-generated	**5,02%**	**19,35%**	**17,63%**	**6,93%**	5,97%	4,76%	1,88%
Electricity efficiency: average electricity consumed per person hour worked (kWh/PHW)	**45,62**	**11,22**	**4,27**	**21,31**	27,57	24,03	27,92
Total indirect energy consumption (i.e. electricity) in gigajoules – calculated	**395 245**	**18 940**	**48 523**	**462 707**	448 478	503 340	477 007
Total direct and indirect (i.e. electricity) energy consumption in gigajoules – calculated	**3 074 857**	**127 199**	**61 079**	**3 263 134**	3 439 987	3 787 534	3 578 201
Total energy efficiency: total direct energy and indirect energy consumed per person hour worked (kJ/PHW)	**1 278**	**271**	**19**	**541**	704	651	740
Total carbon emissions (tonnes CO_2e) – Scope 1	**158 295**	**7 947**	**919**	**167 162**	173 717	192 339	193 658
Carbon emissions (tonnes CO_2e) – Scope 2	**108 450**	**4 413**	**11 546**	**124 409**	127 889	138 482	138 112
Carbon emissions (tonnes CO_2e) – Scope 3	**11 412**	**35 636**	**23 039**	**70 087**	70 168	74 927	118 684
Total carbon emissions (tonnes of carbon dioxide equivalents, CO_2e)	**278 157**	**47 996**	**35 504**	**361 657**	371 776	405 749	450 453
Carbon intensity: average volume of carbon emissions per person hour worked (tonnes CO_2e/PHW)	**0,12**	**0,10**	**0,01**	**0,06**	0,08	0,07	0,09
Total volume of water consumed (kilolitres, or kl) – new purchases and/or abstractions (excluding recycled water used)	**369 573**	**165 122**	**86 338**	**621 033**	594 722	514 287	1 723 192
Water efficiency: average volume of water (litres) consumed per person hour worked (l/PHW)	**153,57**	**352,18**	**27,35**	**102,95**	121,76	114,81	362,33

Not measured.

Italtile and Ceramic Foundation Trust report

Dear stakeholder

I am pleased to present the Italtile and Ceramic Foundation Trust's ("Foundation") report for the 2025 financial year.

Background

The Foundation is a broad-based black ownership scheme, with the objective of conducting public benefit activities (public benefit organisation ('PBO") ref No 930044728) in a non-profit manner and with an altruistic and philanthropic intent, working toward the transformation and upliftment of previously disadvantaged communities.

The Foundation accepts and deploys socio-economic and skills development donations in terms of the B-BBEE legislation and is authorised to issue 18A certificates.

The Foundation's distributions are made to public benefit activities relating to education, sport and conservation.

EDUCATION

The Foundation continues to **invest in young people from their earliest years in early childhood development ("ECD"), through to schooling and post-schooling**. Education is one of our strategic priorities and we strive to contribute to supporting learner outcomes in the communities in which we have a footprint.

Current projects

Bursaries

The bursary programme provides financial support for students with acute financial needs and strong academic potential in both high school and tertiary education institutions.

There are currently 43 active bursary students, of whom 70% are females, 10 are high school learners and three are students living with a disability. These students, attending various tertiary academic institutions, study courses including engineering, accounting and marketing, among other subjects.

Five of our bursars completed their studies in 2024 and graduated earlier this year and we wish them well in their future endeavours.

Active bursary students	43 students
	70% females
	10 high school learners
	3 students have a disability

investing in education is one of our strategic priorities

Forte High School, Soweto, Gauteng and One School at a Time ("OSAAT")

Forte High is in partnership with the non-profit CSI initiative, OSAAT, which is focused on "creating a proper solution for education in South Africa". When the partnership started in 2011, OSAAT set a five-year goal to reach a 100% matric pass rate with 60% of the students achieving university exemption. The school achieved a 100% matric pass in 2024, with 73% university exemptions and 205 distinctions.

The Dux scholar achieved eight distinctions and seven others achieved seven distinctions each.

The Foundation's funding for Forte High continued to be directed to:

- Project Top Class – rewarding the top-performing matric class with an outing of their choice every term to encourage dedication and teamwork;
- Project 100% – provision of extra lessons for matric students;
- academic achievement awards for top students, top teachers and support staff of the school; and
- motivational guest speakers and presentations.

ITALTILE AND CERAMIC FOUNDATION TRUST

The Foundation's distributions are made to public benefit activities relating to:

EDUCATION | **SPORT** | **CONSERVATION**

Foundation phase teacher and learner development (READ Educational Trust)

READ is a South African educational trust that operates broadly in the education and literacy sectors, specifically in educator training and the provision of school resources. In 2013, the Foundation partnered with READ to improve literacy through providing a homework support programme at Setlabotjha Primary School in Sebokeng, Gauteng. In 2020, a teacher-support programme was introduced to strengthen the programme.

The Foundation, together with the READ team, launched the Rally to Read programme at six partner schools (two in Vereeniging and four in Hammanskraal) in October 2024. As part of the launch, we visited the schools to deliver the learning material in preparation for the start of the project in January 2025.

The Rally to Read programme operates with four primary objectives:

- providing essential learning materials to enhance the educational environment;
- equipping educators with both content and knowledge to improve teaching quality;
- engaging and empowering parents to support their children's educational journeys; and
- enhancing teachers' digital skills to integrate technology effectively into the classroom.

The project follows a three-year cycle designed for progressive development and consolidation. In the first year, the focus is on building a strong foundation in the early years of schooling, which will be the focus in 2025. The second year extends support to the intermediate phase while continuing efforts in the foundation phase. The third year aims at consolidating the gains made, ensuring sustainable educational improvements.

The total number of beneficiaries in this project is 14 462 learners.

Dignity Drive in Soweto, Gauteng

In 2020, the Foundation launched the Dignity Drive campaign in communities around Ceramics' factories and Group stores, aimed at improving ablution facilities in local schools. Before the end of the 2024 calendar year, we refurbished the ablution block at Totomeng Primary School in Meadowlands, Soweto. This meant that when schools reopened in January 2025, the scholars had brand new toilets with running water in each cubicle, something with which they had been struggling for many years.

Materials required for the refurbishment project were sourced from within the Italtile Group, including tiles and sanitaryware from Ceramics and taps from ITD.

The total number of students at the schools is 328

Italtile and Ceramic Foundation Trust report continued

Field Band Foundation ("FBF")

The Foundation continued to support the FBF, an organisation that provides young people with a constructive recreational outlet while teaching them important life skills. The FBF continued to work with Setlabotjha Primary School and the Tshirela Group in Sharpeville, Gauteng.

The Setlabotjha field band performed eight times in the Eatonside and Sharpeville communities during the five months. Performances were part of community celebrations, school functions and FBF initiatives. Women's Day, Heritage Day, school activities and celebrations at Setlabotjha Primary were celebrated with the community.

The band achieved second position at the FBF National Championships held in Johannesburg in September 2024.

The FBF has 253 band members.

Italtile and Ceramic Foundation classroom in Soweto, Gauteng

Three days each week, a classroom tutor appointed and funded by the Foundation, conducts homework classes for primary scholars of all grades at the CTM Sports Field facility in Soweto, Gauteng. Approximately 42 learners attend these weekly classes.

We continue to collect books from various external sources to meet the high demand for the library that we opened in 2023 and which is located next to the classroom. The reading material includes primary school books that help the children to improve their spelling, grammar, visual learning and general knowledge.

Mathematics and science support in Kagiso High Schools (TRAC)

The TRAC programme for high schools in Kagiso, Gauteng, was launched in 2020 and consists of three pillars, namely academic intervention, assistance with tertiary education applications, and bursary applications.

In terms of academic intervention, TRAC offers a mathematics and physical science programme, whereby the learning facilitators visit each school once a week, conducting interactive classes for Grades 11 and 12.

The Grade 12 mathematics results for 2024 reflect a remarkable achievement for TRAC schools in the Kagiso area. The five participating schools recorded a combined pass rate of 86.92%, significantly outperforming the national Department of Basic Education (DBE) pass rate of 69.10%. This represents a notable improvement from the Kagiso TRAC schools' 2023 pass rate of 73.91%, highlighting the impact of TRAC's targeted interventions.

The Grade 12 physical science results for 2024 showcase the sustained success of TRAC schools in the Kagiso area. The five schools achieved a combined pass rate of 81.43%, reflecting an improvement from their 2023 pass rate of 80.43% and exceeding the national DBE pass rate of 75.60%.

The total number of students in the TRAC programme | 515 students

Kagiso and Soweto crèche forums in conjunction with Participate Empower Navigate ("PEN")

In partnership with the PEN organisation, the Foundation continues to invest in reducing the problem of poor quality ECD centres by offering owners and caregivers holistic support and a realistic opportunity to improve their centres themselves, thereby implementing changes that will be sustainable post-NPO interventions. Areas identified for improvement and support include facilities, health and safety, administration, and education and learning.

The PEN team continues to operate from our CTM Sports Field in Soweto, Gauteng, and at Atlholang Primary School in Kagiso, where the teachers from the various centres meet weekly with the PEN coaches.

The Kagiso programme was established in 2019, while the Soweto programme started in 2022. The Foundation currently sponsors 32 creches in the Kagiso forum and 35 creches in the Soweto forum.

In Kagiso, seven creches have reached Veteran level, which means that they achieved Level 4 and have maintained this level for two years. Veterans still attend lesson planning and training and are assessed annually, but PEN no longer provides coaching, thus freeing them to move into other creches.

PEN continues to implement two key programmes in the creches, namely SOUNS – which supports the emergent reading and writing curriculum, and the Duplo Play Box programme – which covers aspects of the entire curriculum, including mathematics, problem-solving, creativity, language and cognitive development.

In addition, the Living Kids Gross Motor Programme provided training and equipment to effectively implement the ECD Gross Motor programme.

The total number of pre-primary learners is	2 996

SPORT

Sports fields for local communities

The Foundation continued to support the Italtile Group in maintaining its community-centred sports fields in Meadowlands and Steelpark, Vereeniging, in Gauteng, Thohoyandou in Limpopo, and Acornhoek in Mpumalanga. In addition, in partnership with the brands and business units in the Italtile Group, annual soccer and netball tournaments are hosted for schools situated in the respective communities in which the sports fields are located.

Hamba Bamba Funda ("HBF")

HBF operates three key intervention programmes:

- caregiver intervention: empowering caregivers through the mother and baby initiative programme, fostering healthy parenting relationships.
- child intervention: holistic child development through the mother and baby outreach programme, focusing on movement, touch and play.
- ECD practitioner intervention: offering an accredited early childhood development certification programme to open employment opportunities within the ECD sector.

HBF's mission, "Hamba Bamba Funda" (Move, Touch, Learn), reflects its dedication to breaking the cycle of poverty through quality learning opportunities during the critical first thousand days of a child's life, i.e. age 0 – 2 years.

HBF actively engages with selected communities in Soweto through weekly classes held on Mondays at its community centre.

Italtile and Ceramic Foundation Trust report continued

Partnership with Dreamfields

The Foundation continues to partner with the Dreamfields organisation, which conducts soccer and netball clinics for schools in Mpumalanga (52 schools), Thohoyandou (16 schools), Vereeniging (12 schools), and Hammanskraal, Kagiso, Soweto and Empangeni (eight schools each).

A notable highlight is Umbonambi Primary, a small school 25 km north-east of Richards Bay which had achieved little in netball over the years. The Foundation and Dreamfields' investment in equipment and coaching had an immediate impact resulting in the Umbonambi under-12s reaching the national championships and winning bronze in 2023. The following year, playing as under-13s, they won the national title.

The Umbonambi girls finished unbeaten on the final day and beat St Helena from the Western Cape in the final by two points. When they returned home, celebrations included a school assembly, attended by their parents and guardians, followed by a parade through the village with their trophy. Their achievements have inspired more participation in sport at the school. Girls' enrolment in the weekly DreamLeagues rose from 1 388 to1 506 and boys from 1 464 to 1 627.

The under-10 girls team took part in the provincial championships in Durban, representing the King Cetshwayo district, and emulating their older schoolmates by winning the tournament.

Another highlight is Bintou Camara, a young grade six learner from Totomeng Primary in Meadowlands Soweto who, in 2024, got her first taste of glory on the athletics track. As part of the Gauteng under-12 relay team, she earned a gold medal at the National Athletics Championships. One year later, she achieved three gold medals. Bintou went on to qualify for the provincial finals and won both the 100 m and 200 m sprints at the Gauteng championships. In the 200 m, Bintou won the gold medal in a new national record time of 24,85 seconds, and the following day she won gold again in the 100 m sprint, in a time of 12,5 seconds.

We currently reach 31 109 students through the Dreamfields' initiatives

Judo for Peace

The Judo in Schools programme, initiated by Judo for Peace in 2019, aims to introduce Judo into South African schools as part of a broader effort to enhance education through sports. It collaborates with educators to integrate Judo into school curriculums, ensuring it complements students' academic studies. The programme targets schools in underprivileged communities where sports programmes are limited.

Judo for Peace recognises the potential of Judo not only as a physical discipline but also to teach life skills, instil values and promote social cohesion. The programme has successfully engaged students from diverse backgrounds, fostering inclusivity while promoting both personal and academic development. Aligned with Judo for Peace's mission, the Judo in Schools curriculum is designed to meet the educational needs of learners. It focuses on teaching self-defence techniques and key values such as perseverance, respect and teamwork.

With support from the Foundation, the programme has impacted more than 250 primary school learners annually, since its inception at the Matlhasedi Primary school located in Kagiso. Trained coaches from Judo for Peace conduct regular sessions, teaching the learners the fundamentals of Judo and the core principles of respect, discipline and self-control. The programme encourages learners to balance physical activity with academic performance, offering Judo as both a sport and a tool for personal development.

CONSERVATION

Lapalala Wilderness School ("LWS")

Students from schools that are sponsored by the Foundation, namely Forte High School, Salvazione Christian School, Mahareng Secondary School and Setlabotjha Primary School, attend the LWS for one week each year to learn about the importance of the environment, how to take care of it and preserve it.

In addition to the annual programme, the Foundation contributed to the World Environment Day held by LWS during the year.

The total number of LWS beneficiaries is	3 220

BirdLife South Africa

The Foundation continues to work with BirdLife South Africa to support the facilitation and development of community conservation projects via the Empowering People Programme in Mpumalanga and KwaZulu-Natal.

This project aims to promote education about conservation issues and thereby engender a positive attitude among communities toward the protection of their local ecosystems. Goals include supporting local livelihoods by protecting species, securing ecosystem services, promoting resilience and fostering the equitable use of natural resources through community-led conservation and education initiatives. Key activities include upskilling BirdLife South Africa community bird guides, training environmental monitors/education officers, and investing in school and community education projects.

The Foundation also contributed to BirdLife's Red List Project. BirdLife is the official scientific source of information on birds for the International Union for the Conservation of Nature's Red List of Threatened Species – a compendium on the threats to species, their ecological requirements, their habitats and conservation actions that can be taken to reduce extinction. BirdLife, as the unique global authority on birds, is coordinating the process of evaluating all of the world's bird species against the Red List categories and criteria in order to assess their extinction risk.

The latest version of the Red Data Book that was launched in May 2025 can be viewed online: https://www.birdlife.org.za/red-data-book/

Italtile and Ceramic Foundation Trust report continued

South African Wildlife College ("SAWC")

SAWC conducts nature conservation training that covers the full spectrum of skills needed in the conservation industry. The practical hands-on training focuses on providing courses that will provide career opportunities to people already employed in the conservation sector and those seeking to enter the sector. The courses are also designed to help transform the biodiversity of the region and develop Southern Africa's existing protected area network and broader transfrontier conservation areas.

The Foundation funded four learners to attend the Youth Access Bridging Programme, a six-month youth development programme aimed at transitioning school leavers into the field of conservation. The learners started the course in July 2024 and completed it in December 2024. The programme's structure involves five months of contact training, followed by practical experience in host organisations for three weeks.

MORE Community Foundation ("MCF")

The **MCF** is a non-profit organisation supporting social development and environmental conservation in Southern Africa. The programme aims to upskill and train black youth and local community members as qualified field guides at luxury safari lodge level. MCF's goal is to increase employment and gender equity in participating lodges.

The one-year career guide course includes six months of theory, including 17 modules and an apprentice trails programme; six months of experiential training (in-lodge practical placement with partner lodges) and practical training through a "get your hands dirty" initiative in local communities.

Following Joy Mathebula's graduation from the programme in December 2023, the Foundation contributed toward the selection of a new student, Deirdre Kulani Mboweni, to join the six-month field guide training. She was born and raised in Limpopo and is an accomplished netball player who represented Limpopo in the national tournaments.

Thoko Phakathi
Project Manager

ITALTILE AND CERAMIC FOUNDATION TRUST

Corporate social investment report

Overview

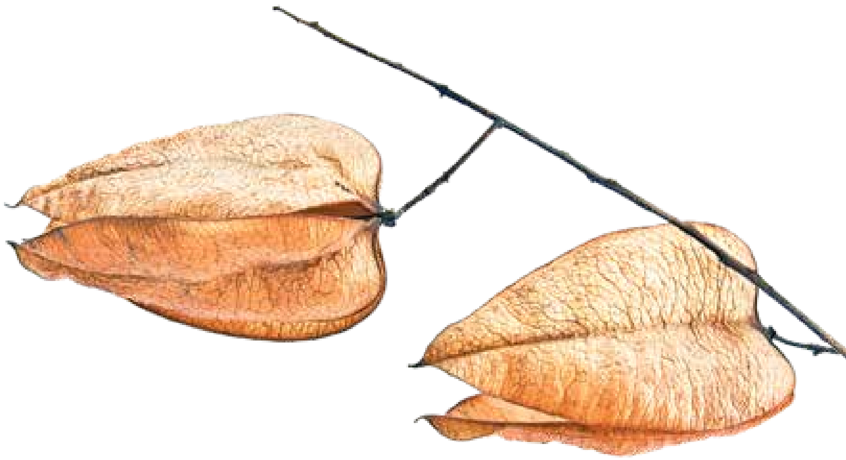
Our retail brands and manufacturing businesses support the Group's commitment to working toward achieving the United Nations' SDGs to realise a better and more sustainable future for all. The Group has designed an inclusive ESG strategy, focusing on our commitment to addressing ESG matters in all aspects of our business. We acknowledge that the ability of companies to contribute toward community social upliftment and run impactful CSI projects is intrinsically linked to the sustainable generation of profits. In these challenging economic times, which have specifically impacted Ceramics' profitability, we are grateful to be able to continue implementing key community development initiatives.

The projects in this report highlight how, even in challenging trading conditions, we maintained our commitment to corporate social INVESTMENT and sustainable development

By collaborating closely with our customers and key stakeholders, we not only enhanced the impact of our projects but also strengthened our partnerships. These efforts have enabled us to sustain the positive reputation we have built within the communities in which operate.

Our SED projects are aligned with the Group's purpose, mission, strategy and material issues, and are a combination of structured strategic and *ad hoc* projects arising from community needs in the areas in which we conduct our business, the common thread being the achievement of shared value.

Most of our projects fall within the spheres of education, sports, and environment and are centred on several of the priority areas listed in the National Development Plan ("NDP"). These include providing quality basic education, creating decent employment and a skilled workforce to support inclusive sustainable economic growth – particularly in areas of socio-economic difficulties where many of our factories and stores are situated – protecting our environmental resources, building social cohesion and contributing to food security.



Corporate social investment report continued

Our key projects are highlighted below.

Education – investing in the future

TRAC programme celebrates academic excellence and inspires the next generation

Ceramics' TRAC Maths and Science Programme, launched in 2019, continues to empower learners in Hammanskraal, providing tools, mentorship and resources to enable them to excel in science, engineering and technology. TRAC implements a hands-on Vernier approach to the teaching of physical sciences. Grade 11 and Grade 12 learners, through the support of a skilled learning facilitator work in groups, conducting experiments, recording and analysing results. The objective of using Vernier equipment in the TRACSA science programme is to modernise and enhance practical learning by enabling real-time, reliable data collection that learners can instantly visualise through graphs and values. This approach reduces manual errors, saves time and allows educators to cover more experiments while focusing on analysis and conceptual understanding rather than lengthy data plotting.

By engaging learners with technology-driven, inquiry-based experiments, it makes abstract concepts easier to grasp, fosters curiosity, and ensures reproducibility across groups. Importantly, it also prepares learners for tertiary studies and future careers by familiarising them with modern laboratory practices and developing both digital literacy and scientific inquiry skills. The programme also includes mathematics.

The five Hammanskraal partner schools have consistently outperformed their five Vaal counterparts, achieving 24 distinctions in 2024 alone – 20 in physical science – with standout learner Ntsako Ringane scoring 100% in mathematics and 98% in science.

In April 2025, Ceramics celebrated the class of 2024 top achievers at the SAMCA Wall factory, where the 2025 TRAC learners were inspired by excellence, toured the tile factories, and received vital mathematics and science learning materials. Through hands-on support, study resources, tertiary application guidance, and bursary assistance, TRAC has enabled over 2 000 university applications to date, with 98 learners already registered for 2025. Hosea Kekana Secondary was named the top-performing TRAC school of the year, exemplifying the programme's lasting impact.

Ongoing collaboration with the University of Pretoria (UP)

In 2024, the annual Italtile-University of Pretoria student programme marked its seventh successful year. It was the brainchild of Italtile and UP, developed to add practical, hands-on dimension and context to the theory of sales and marketing. The programme included immersions in various Italtile showrooms, as well as presentations from senior Italtile personnel and outside specialists.

This ongoing collaboration with UP's marketing department enables third-year students to engage in a series of practical modules designed to provide the foundation for students to acquire holistic knowledge and understanding of selling, sales management and accounts management. The joint venture offers a hands-on approach giving students the opportunity to practically apply different sales techniques, including the sales process, within a real sales context across both retail and commercial sectors. Once students have acquired the necessary knowledge and skills from completing the module, they are offered the opportunity to apply for the Italtile Student Internship Programme, resulting in promising career paths for 22 students to date.

Seven years since inception, the Italtile module continues to inspire, nurture and guide students in the last year of their learning journey. Awards for 2024 students were presented for best groups, top student, and highest marks, plus six students secured internships at Italtile showrooms. The programme continues to showcase the valuable outcomes that result from strong partnerships between industry and academia.

Investing in the future through early childhood development

In December 2024, Ceramics, in partnership with Ezee Tile and PiViCal Panels, proudly handed over a newly renovated, fully equipped Grade R classroom to Reitumetse Early Learning Centre in the Vaal, as part of the Read for Meaning programme. Designed to support over 200 learners, the space features curriculum-based materials, play laptops, new furniture and a mobile mini library to build strong foundations in literacy and numeracy. This initiative reflects our long-standing commitment to early childhood development and closing the education gap in underserved communities. Both the Department of Education and school leadership expressed deep appreciation for the lasting impact this investment will have on young learners and future generations.

During April 2025, Ceramics brought joy, comfort and pride to over 600 learners at Boiketlong Christian School, a community school adjacent to our Vereeniging factories, who received school tracksuits and shoes. The learners all wrote personal thank-you letters in the three languages used at the school – a powerful reminder of the difference such support makes in the lives of young people.

We also focus on uplifting and improving ECD centres through renovations and painting to create safe, stimulating learning environments for young children. This year, our efforts extended to Zeerust, Rustenburg, and Klerksdorp, where TopT provided much-needed support to enhance the facilities and contribute to the wellbeing and development of the children in these communities.

Partnering with our customers for the betterment of communities

Ceramics has a long-standing partnership with customer Laduma Hardware to develop Zikodze Secondary School in Mpumalanga – a high school that has maintained over 90% pass rates, despite infrastructure challenges. Responding to Laduma's call for support, we contributed to building proper administration and ablution facilities, culminating in a celebratory handover attended by the school community and partners. This initiative reflects our shared commitment to education and development, demonstrating how strategic partnerships – not just transactions – can uplift communities and build a better future.

Corporate social investment report continued

Sport

Sport plays a vital role in fostering happier, healthier, and safer communities. Studies have shown that physical activity boosts cognitive function, enhancing memory, behaviour, concentration, and academic performance. Beyond its mental and physical benefits, sport also promotes social cohesion by bringing people together. This belief underpins CTM's and TopT's commitment to supporting school sports.

CTM Champions Cup

Our Champions Cup events aim to promote health and fitness among the youth while raising awareness about the CTM and TopT sports fields as valuable resources for local communities. Each participating team receives a new sports kit and sports equipment for use at its school.

CTM hosted the annual Champions Cup at the CTM sports fields in Thohoyandou and Soweto. Twelve schools each from Thohoyandou and Soweto participated. In Thohoyandou, Khodobi Primary School (netball) and Shigombe Primary School (soccer) emerged as the overall winners with each school awarded a cash prize of R20 000. In Soweto, the winning schools were Sapebuso Primary School (netball), Tumang Primary School (soccer), Moletsane High School (netball), and Dr Beyers Naude Secondary School (soccer). Each winning school was awarded a cash prize of R20 000 to address a critical need within the school.

TopT hosts an annual tournament at the TopT Sports Field in Acornhoek in Mpumalanga. In April 2025, the event welcomed eight primary schools and four high schools from the surrounding community. The day featured thrilling netball and soccer matches, inspiring speeches, and lively entertainment. In the high school division, Bilton Secondary (netball) and Mahlale High school (soccer) were crowned champions, each receiving R15 000 to address a pressing need at their respective schools. In the primary school division, Munyamana (netball) and Tiyani (soccer) emerged victorious, each earning R20 000 in support of their schools.

Conservation

Through our sustainable LiveGreen mandate, we partner with like-minded eco-conscious businesses and sustainability pioneers.

Arbour Day in partnership with Wildlife & Environment Society of South Africa (WESSA)

WESSA has been instrumental in raising awareness and offering platforms for individuals to take action and contribute to addressing environmental challenges, by promoting and supporting citizen-led initiatives aimed at creating a healthier planet. The work centres on education and training – particularly among youth – as well as advocacy and action projects that advance biodiversity, protect habitat integrity, reduce pollution, and encourage the sustainable use of natural resources.

CTM again partnered with WESSA, this time to celebrate Arbour month in September, by launching the Arbour month challenge. The trees planted at the school will directly benefit 971 learners. All CTM stores across the country were encouraged to participate in planting indigenous trees and thereby promoting awareness of the environmental and social benefits trees offer.

Stop rhino poaching

CTM and Ceramics have partnered with the Stop Rhino Poaching Foundation since 2015 to support rhino conservation efforts in South Africa. Our commitment to protecting this endangered species is reflected in our pledge to donate R5,00 for every box of selected Kilimanjaro tiles sold. Since the start of this partnership, over R6,4 million has been contributed to help fund the foundation's critical frontline efforts in the fight against poaching. The funds support a range of initiatives, including technology, training, legal assistance for rangers and managers, investigative support, psychological services and security workshops.

Supporting the National Sea Rescue Institute ("NSRI")

The Group is a proud Platinum Partner (based on the size and consistency of our annual donations) of the NSRI, a local volunteer-driven non-profit organisation dedicated to saving lives through drowning prevention. Since 2014, we have contributed R260 000 annually, helping to rebuild and equip several rescue bases across the country, as well as donating materials for the renovation of facilities.

Celebrating with Eco Culture Sechaba Foundation

We partnered with Eco Culture Sechaba Foundation to recognise three important conservation-related events during the financial year.

Water Week and World Environment Day were celebrated at Atlholang Primary School with educational activities focused on water conservation. We installed a JoJo tank, complete with a drip irrigation system, in the school's vegetable garden to promote sustainable water use. Nine tippy tap handwashing systems were donated to the foundation phase, helping to teach young students the importance of using water sparingly and the value of reusing water in everyday activities. Learners participated in an interactive discussion and quiz on the water cycle. The school planted a vegetable garden as a hands-on initiative to promote sustainability. The day included an inspiring talk on the importance of caring for the environment, encouraging learners to reflect on their role in protecting the planet. Each student made a personal pledge to take care of the environment and symbolised their commitment by painting their handprint on a cardboard tree.

Earth Day, celebrated annually in April, is dedicated to raising awareness about environmental protection and encouraging sustainable practices. Together with Tirisano Mmogo Primary School we planted a vegetable garden equipped with a shelter and a drip irrigation system, promoting food security and water-efficient agriculture while highlighting the importance of caring for our planet.

Corporate social investment report continued

Supporting sanitation initiatives

As a leading retailer of tiles and sanitaryware, we are committed to poverty alleviation, good health and sanitation, restoring dignity and improving learning conditions by supporting sanitation initiatives for girls, educational and sports organisations in need. Our projects not only restore dignity through safe, hygienic learning spaces but also inspire learners to dream big, and reinforce our commitment to sustainable, youth-focused community upliftment.

Pad Dignity Drive

The Group recognises that in low-income communities, many girls miss school during their menstrual cycles due to a lack of access to reusable sanitary pads and we aim to ensure that education is accessible to all. As part of CTM's Pad Dignity Drive project which began in 2019, and in partnership with our implementation partner, Mbali Eco Solutions, a total of 1 380 new reusable pads were distributed to young girls at schools in low income areas near CTM stores. The initiative, in which employees are encouraged to participate, also created a safe and supportive space for girls to engage in discussions on menstrual health, the reproductive system, available menstrual products and puberty.

During the financial year, Ceramics reached over 1 000 girls from Hammanskraal TRAC schools and Remember Elite Sports Academy through its annual Women's month initiative. The two-day roadshow offered internationally recognised menstrual health workshops, promoting self-confidence, education and empowerment. Girls received care packs containing reusable sanitary pads, sports bras and information on menstrual health options. This initiative not only keeps girls in school but also promotes sustainable hygiene practices, reduces landfill waste and helps families reduce ongoing sanitary costs.

Bathroom Dignity Drive

PJ Soccer Stars in Mokopane, Limpopo, was chosen as the beneficiary of the 2024/25 CTM Bathroom Dignity Drive in partnership with Ezee Tile. CTM and Ezee Tile have supplied materials for the upgrade of the ablution facilities which has been carried out by a local SMME.

For the 2024/25 TopT Bathroom Dignity Drive, the under-resourced Rev Makgale Mapheto Primary School which has 2 255 learners, in Tembisa, Gauteng, was selected as the beneficiary. As part of the project, we renovated the bathrooms used by both students and teachers, helping to create a cleaner, safer, and more dignified space for learning.

As part of our annual Mandela month classroom and ablution facility dignity drive, Ceramics revamped facilities at Madiba Comprehensive School in Kagiso, a beneficiary of the Italtile and Ceramic Foundation's TRAC mathematics and science programme. The project, aligned with our community development strategy, included the donation of over 500 square metres of tiles, toilet sets, basins, adhesives and labour contributions. It also created economic opportunities by appointing an SMME from one of our enterprise development programmes. The successful handover on Mandela Day was celebrated by learners, parents, educators, government partners and our employees, with speeches echoing Mandela's belief in education as a powerful tool for change.

Other initiatives

TopT supports Lupus awareness in Mamelodi

TopT proudly joined the Mamelodi annual Lupus awareness fun walk – a powerful community initiative aimed at educating and empowering people around the realities of Lupus. As a sponsor of the event, we were honoured to stand with the community in support of those living with this chronic illness. Using our TopT stage truck stationed at our local store, we created a vibrant and educational platform at which health professionals and Lupus warriors shared vital information about the disease, its symptoms, and the importance of early diagnosis and healthy living. The event encouraged open conversations, health checks and community solidarity. This initiative reminded us that health is not just about the individual, it is about the strength of a community coming together to uplift one another. We believe in building more than homes, we build hope, support, and healthier futures.

Celebrating health, fitness and culture – giving back to our communities

TopT is a proud sponsor of initiatives that promote healthy bodies, strong minds, and connect communities. In June 2025, the Wellness Day in Ga-Rankuwa brought the community together for a day packed with high-energy sports, such as soccer, netball and relay races, group exercise sessions including aerobics, and traditional African indigenous games that not only entertained but promoted active living and mental wellbeing.

To complement the physical activities, the Department of Health provided free health screenings, helping residents take charge of their wellness. The South African Police Service also engaged youth in meaningful discussions on drug prevention, tying into the day's holistic approach to health.

The Little Optimist boat race

The Little Optimist Trust is dedicated to uplifting and supporting marginalised children. Since 2018, Italtile Retail has proudly sponsored the annual Little Optimist boat race. This year's event offered at-risk youth the opportunity to explore the V&A Waterfront, visit the Two Oceans Aquarium and gain hands-on sailing experience.

SharkWise Project

Italtile Retail and ITD have joined forces with marine biologist Dr Sara Andreotti from Stellenbosch University on the Italtile SharkWise project by funding her students and promoting awareness about the importance of a healthy ocean ecosystem. Our customers play an active role in this initiative as R2.00 is donated to the fund for every ITD Tivoli tap purchased.

To date, the total sponsorship raised amounts to	**R662 446**

Our governance

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AT ITALTILE, SOUND GOVERNANCE AND responsible CORPORATE CITIZENSHIP UNDERPIN OUR BUSINESS MODEL

Strategic clarity, purpose-driven, ethical leadership and customer and staff-centric partnerships form the essence of who we are. Through our culture of continuous improvement we strive to be top of mind for our customers and the employer of choice in our industry.

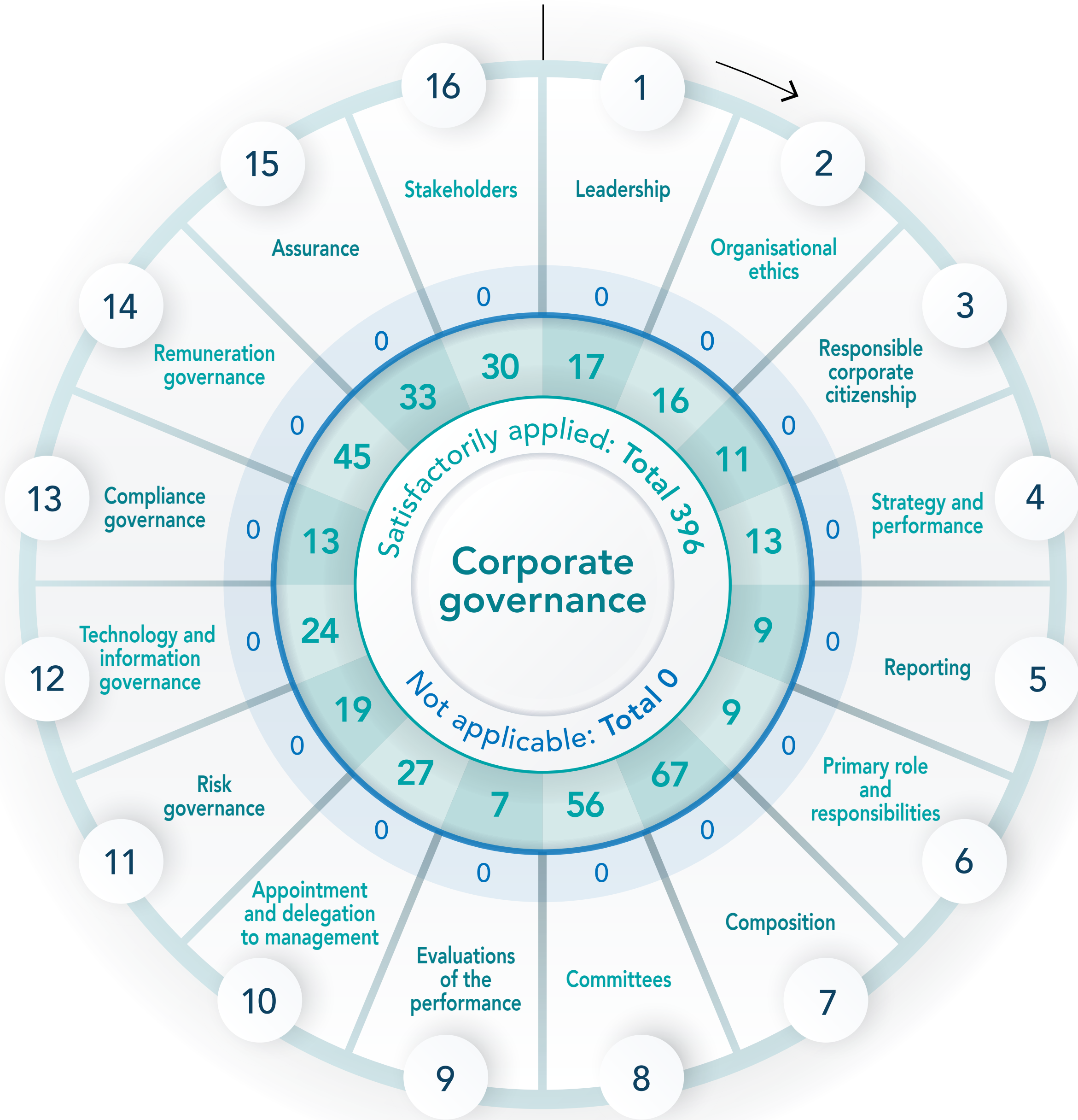
Tetris Sage Luc Gloss Glazed Porcelain tiles, with Verona Matt Gold Basin Mixer

Corporate governance

King IV

Italtile believes that the application of effective governance is essential to establishing an ethical and successful organisation which creates sustainable value for its stakeholders, and embraces the principles set out in King IV. King IV's outcomes-driven approach to corporate governance aligns with Italtile's existing governance framework and commitment to sustainable value creation and continuous improvement.

The Group subscribes to the Institute of Directors' Governance Assessment Instrument ("IoDSA GAI"), and the following summary report on the application of King IV is extracted from the IoDSA GAI, with the full assessment of all principles of King IV included on the Italtile website, **www.italtile.com**



In accordance with the JSE Listings Requirements and King IV, the following table provides **further detail on assessment of Italtile's application of the governance principles as recommended by King IV.** This table should be read in conjunction with additional corporate governance and other disclosures provided in this IAR. The Italtile Board supports the various principles of King IV and commits to continuous improvement in this regard.

Corporate governance continued

KING IV PRINCIPLE →

Leadership, ethics and corporate citizenship

Principle 1	Leadership
Affirmation statement	*Application*
The Italtile Board leads ethically and effectively	• The Board is committed to high standards of corporate governance and ethics, and is the primary custodian of the Group's values and culture. • The Board's roles and responsibilities are set out in its Charter which include, *inter alia*, providing effective leadership that stands on an ethical foundation, oversight of the Group's ethics policies, and ensuring that the Group's ethics are managed effectively. • In fulfilling its duties, the Board ensures that all its members act with integrity and competence, are transparent and fair, and are individually and collectively responsible and accountable. • The Board completes an annual self-evaluation which is reviewed by the Chairperson. • An external Board evaluation was performed and the results reviewed by the Chairperson. • Declaration of interests is a standing agenda item for each Board meeting. • The Group's stakeholder engagement processes are well established, with the assistance of the Group's investor relations expert. • The Board completes an annual attestation relating to the roles and responsibilities set out in the Board Charter. • The Board has a formal induction process.

Principle 2	Organisational ethics
Affirmation statement	*Application*
The Italtile Board governs the ethics of Italtile in a way that supports the establishment of an ethical culture	• The Board Charter mandates the Board to review, approve, monitor and evaluate the strategy proposed by management, while simultaneously monitoring the Group policies in place. • The Group's corporate culture and values, and Business Conduct policy form an integral part of its strategy and success. • Reports from the Group's whistle-blowing line as well as the annual employee engagement survey are reviewed by the Board. Such reports detail concerns, allegations and findings, and management's response to or remediation thereof. • The Board is assisted in the execution of these duties by its Social and Ethics Committee, as well as its Audit and Risk Committee. • The promotion and preservation of the corporate culture and values, which is underpinned by high ethical standards, is delegated by the Board to its executive directors. • Employees of the Group undergo ethics-related and diversity training. • Significant suppliers outside of the integrated supply chain sign declarations confirming compliance with the UN Global Compact.

Principle 3	Responsible corporate citizenship
Affirmation statement	*Application*
The Italtile Board ensures that Italtile is, and is seen to be, a responsible corporate citizen	• Italtile is committed to being a responsible corporate citizen and the Board ensures that the Company pursues its activities within the confines of social, environmental and governance responsibilities as legislated or otherwise. In establishing its strategy, the Board considers the impact of its activities on the business, communities, stakeholders and the environment. • The Board has tasked the Social and Ethics Committee with overseeing responsible corporate citizenship, which also monitors compliance with the UN Global Compact principles, and UN SDGs. • The Group has a full-time Corporate Citizenship Manager who oversees projects related to environmental initiatives (such as water preservation and renewable energy), community upliftment (including renovation of ablution facilities at schools) and other charitable activities. • The Group has further established the Italtile and Ceramic Foundation Trust, which is a broad-based black ownership scheme, with the objective of carrying on public benefit activities in a non-profit manner and with an altruistic and philanthropic intent, focusing primarily on education, sport and conservation. • The Social and Ethics Committee receives reports on the work of the Corporate Citizenship Manager and of the Italtile and Ceramic Foundation Trust to ensure Italtile's commitment to being a responsible corporate citizen is carried out.

KING IV PRINCIPLE →

Strategy, performance and reporting

Principle 4	**Strategy and performance**
Affirmation statement	*Application*
The Italtile Board appreciates that Italtile's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value-creation process.	• The Board delegates the detailed formulation and implementation of the Group's strategy to management. • The Board reviews, approves, monitors and evaluates the implementation of the Group's strategy. The strategy is revisited and debated annually in detail at a breakaway session attended by the Board and members of the Group's Executive Committee and senior management. • In approving the strategy, the Board ensures a sustainable alignment of the Group's business model, strengths, weaknesses and opportunities. • The Board evaluates performance of strategy implementation with reference to both financial and non-financial outcomes, to ensure that sustainable value creation is achieved. • Progress against the key strategic imperatives is reported on by the CEO quarterly.

Principle 5	**Reporting**
Affirmation statement	*Application*
The Italtile Board ensures that reports issued by Italtile enable stakeholders to make informed assessments of the organisation's performance, and its short, medium and long-term prospects.	• The Board, assisted by the Audit and Risk Committee, ensures that reports are compliant with legal reporting requirements and timeously meet the reasonable and legitimate needs of the Group's stakeholders. Further, the Board, again assisted by the Audit and Risk Committee, ensures that the necessary controls are in place to verify the integrity of disclosed reports, and makes use of the Group's enterprise risk matrix as a basis for determining material items for disclosure. • Reports prepared by the Group, all of which are reviewed and approved by the Board prior to publication, include the: – IAR and annual financial statements; – King IV corporate governance disclosures; – interim financial reports; and – trading updates (including voluntary statements) and other announcements on SENS as required by the JSE Listings Requirements. • The Board ensures that all relevant stakeholders have access to its published reports, with this responsibility being delegated to management. • The executive directors engage with shareholders on a one-on-one basis semi-annually (when interim and final results are announced).

KING IV PRINCIPLE →

Governing structures and delegation

Principle 6	**Primary role and responsibilities**
Affirmation statement	*Application*
The Italtile Board serves as the focal point and custodian of the organisation's corporate governance.	• The Board has overall responsibility for corporate governance across the Group. • The Board is supported by its four sub-committees (Audit and Risk Committee, Social and Ethics Committee, Nominations Committee and Remuneration Committee) whose chairpersons provide feedback at Board meetings. • The roles and responsibilities of the Board are contained in its Charter, with each sub-committee having its own charter which is reviewed annually. • Although the Board retains overall responsibility for the Group, it delegates the management of the day-to-day operations of the Group to the executive directors, who operate according to a delegation of authority framework. • The executive directors of the Board are either members of subsidiary boards or attend by invitation to ensure consistent application of the Group's overall strategy and governance. • The delegation of authority framework is regularly reviewed.

Corporate governance continued

KING IV PRINCIPLE →

Governing structures and delegation continued

Principle 7	**Composition**
Affirmation statement	*Application*
The Italtile Board comprises the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance roles and responsibilities objectively and effectively.	• The Board recognises that an appropriately balanced and diverse governance body is important for enhanced debate and decision making. • The Board believes that its current composition is appropriate for the current size and complexity of the Group, with at least half of the Board members being independent non-executive directors. The executives of the Group, including the CEO, are members of the Board, and members of the Group's Executive Committee and senior management attend Board meetings by invitation. • Given that the Chairperson of the Board is not independent, a strong lead independent director has been appointed to the Board. • The Nominations Committee ensures that any Board candidates have the necessary skills, knowledge and experience to make a meaningful contribution to the Board, while ensuring that diversity and independence of the Board are preserved and all nominations are handled in a transparent manner. • Non-executive directors are subject to rotation and re-election after the Board satisfies itself that they remain fit and proper. • The Board completes an annual self-evaluation which is reviewed by the Chairperson, with no areas of concern being noted during the most recent evaluation. • Declaration of interests is a standing agenda item for each Board meeting. • The Board Diversity policy includes gender, race, culture, age, field of knowledge, skills and experience.

Principle 8	**Committees**
Affirmation statement	*Application*
The Italtile Board ensures that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties.	• The Board is supported by its four sub-committees (Audit and Risk Committee, Social and Ethics Committee, Nominations Committee and Remuneration Committee) whose chairpersons provide feedback at Board meetings. • The responsibilities delegated to each sub-committee are formally documented in committee charters which are reviewed annually. • The Board ensures that the composition of the sub-committees is appropriate for delegated responsibilities and that there is effective collaboration through cross-membership (while maintaining a balanced distribution of power). • Any member of the Board is entitled to attend any Committee meeting as an observer, and members of management may also attend such meetings by invitation.

Principle 9	**Evaluations of performance**
Affirmation statement	*Application*
The Italtile Board evaluates its own performance and that of its committees, its chair and its individual members, and supports continued improvement in its performance and effectiveness.	• The Board completes an annual self-evaluation which is reviewed by the Chairperson. • The Board is satisfied that each sub-committee is functioning effectively. • An external Board evaluation was performed and the results reviewed by the Chairperson.

KING IV PRINCIPLE →

Governing structures and delegation continued

Principle 10	Management appointment and delegation
Affirmation statement	*Application*
The Italtile Board ensures that the appointment of, and delegation to, management contributes to role clarity and effective exercise of authority and responsibility.	• Although the Board retains overall responsibility for the Group, it delegates the management of the day-to-day operations of the Group to the executive directors, who operate according to a delegation of authority framework. • The Group's CEO is held accountable for the performance of the Group and the implementation of the approved strategy. Progress against key strategic imperatives and a summary of Group performance is reported by the CEO quarterly. • The executive directors are appointed by the Board, and their performance is measured against KPIs (financial and non-financial) by the Remuneration Committee. • The executive directors are not members of the sub-committees (barring the Social and Ethics Committee) but do attend Committee meetings by invitation. • The Board has formalised succession planning for executive directors. • The Board believes the Company Secretary has the requisite knowledge, experience and stature.

KING IV PRINCIPLE →

Governance functional areas

Principle 11	Risk governance
Affirmation statement	*Application*
The Italtile Board governs risk in such a way that supports the organisation in setting and achieving its strategic objectives.	• The Board is ultimately responsible for ensuring that risks are effectively managed and has delegated this responsibility to the Audit and Risk Committee, with the understanding that the overarching aim of effective risk management is preservation of sustainable value creation for stakeholders. • An enterprise risk framework has been approved by the Audit and Risk Committee and is used to identify material risks (in accordance with a defined risk appetite) to which the Group's strategy and controls are to be responsive. A top-down and bottom-up approach is used to identify risks. • Risks identified using the enterprise risk framework are regularly reviewed and debated and a combined assurance model is adopted for assessing the effectiveness of controls to address the risks. Providers of assurance include management, internal audit and external audit. • As part of the risk identification process, opportunities related to such risks are identified and leveraged where possible. • The Board has delegated the implementation and execution of effective risk management to the executive directors.

Principle 12	Technology and information governance
Affirmation statement	*Application*
The Italtile Board governs technology and information in a way that supports the organisation in setting and achieving its strategic objectives.	• The Board understands that IT is a critical component of the business and is supported by the Audit and Risk Committee to oversee governance of technology and information. • The day-to-day management of the IT environment is delegated to management which includes a subject specialist Group IT Executive. Management reports at least quarterly to the Board on matters relating to IT, including security, governance and key projects. • Risks related to technology and information are incorporated into the Group's enterprise risk framework with particular focus on controls to prevent unauthorised access to IT systems and information and disaster recovery. • Incorporated in the Group's overall strategy is a dedicated focus on the IT strategy to ensure alignment and critical support with the overall strategy. • Independent assurance relating to IT controls is obtained on an annual basis. • IT governance and protection of personal information ("PoPI") compliance continues to be an area of focus, with third-party expertise and assistance sought where necessary.

Corporate governance continued

KING IV PRINCIPLE →

Governance functional areas continued

Principle 13	Compliance governance
Affirmation statement	*Application*
The Italtile Board governs compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation in setting and achieving its strategic objectives.	• The Board is assisted by the Audit and Risk Committee and the Social and Ethics Committee to oversee compliance with applicable laws, regulations, codes and standards, including voluntary codes such as the UN Global Compact and UN SDGs. • The Board has delegated the responsibility for implementing compliance to management, who consult with subject matter experts where deemed necessary. • Management participates in training sessions facilitated by subject matter experts where necessary. • An independent review of compliance with laws and regulations is performed every three years with the assistance of a credible legal firm, and findings thereof are reported to the Board and addressed by management. No material findings were noted during the previous review. In addition to this review, further limited assurance is obtained annually from the Group's external auditor and taxation consultants with regard to adherence to relevant laws and regulations. • The Group was not subject to any material penalties, sanctions or fines for contravention of, or non-compliance with regulatory obligations during the period under review. • Refer to principle 3 for further disclosure relating to the Company's governance of ethics and considerations for being a responsible corporate citizen.

Principle 14	Remuneration governance
Affirmation statement	*Application*
The Italtile Board ensures that the organisation remunerates fairly, responsibly and transparently in order to promote the achievement of strategic objectives and positive outcomes in the short, medium and long term.	• With the assistance of the Remuneration Committee, the Board ensures that executives, management and other staff are remunerated fairly and transparently, in order to support the Group's long-term sustainability and success. • The Group's Remuneration policy is reviewed by the Remuneration Committee and approved by the Board. It is designed to attract and retain key personnel, promote the achievement of strategic objectives by establishing a high-performance culture, and preserve the corporate culture and ethics. • The Group's Remuneration policy and Implementation report are subject to non-binding votes by shareholders and received significant support at the previous AGM.

Principle 15	Assurance
Affirmation statement	*Application*
The Italtile Board ensures that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision making and external reporting purposes.	• The Board, assisted by the Audit and Risk Committee, ensures adequate assurance is obtained over the internal control environment, integrity of information for management decision-making and external reporting. • Italtile implements a combined assurance model comprising management, internal audit and external audit. • The Audit and Risk Committee reviews the internal and external audit approaches to ensure that significant risk areas and material matters are addressed. • The Internal Audit Charter and plan is approved by the Audit and Risk Committee, as it is responsible for overseeing this function. • The Head of Internal Audit has direct access to the Chairperson of the Audit and Risk Committee and is not a member of executive management, thus preserving independence. • The Audit and Risk Committee receives regular reports related to assurance from the external auditor, Head of Internal Audit and management. • The Audit and Risk Committee recommends the appointment of the external auditor. • The Board is satisfied that the external auditor is independent.

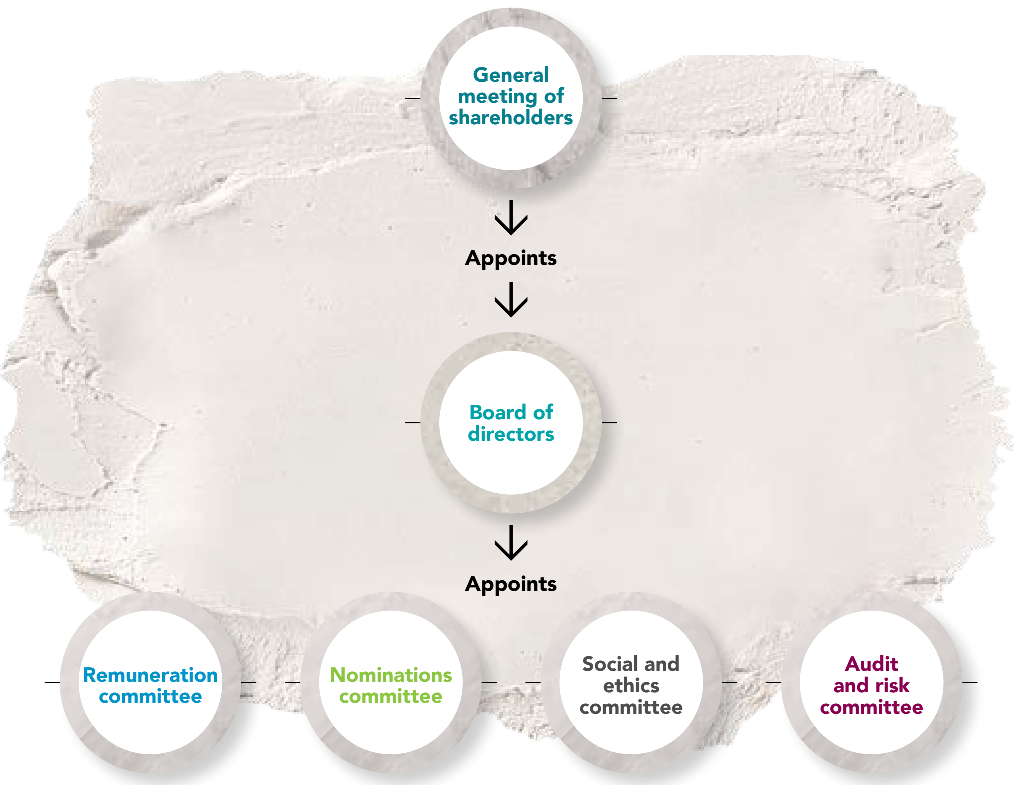
KING IV PRINCIPLE →

Governance functional areas continued

Principle 16	Stakeholders
Affirmation statement	*Application*
In the execution of its governance roles and responsibilities, the Italtile Board has adopted a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interest of the organisation over time.	• The material stakeholders of Italtile are its shareholders, employees, franchisees, suppliers and business partners, government and regulators, communities and customers. • The management of stakeholder relationships and interactions is overseen by the Board with the assistance of the Social and Ethics Committee, both well aware of the importance of maintaining sound stakeholder relationships. • Italtile adopts an inclusive approach and engages stakeholders on multiple levels and through various mediums, allowing the Group to be effectively responsive to their needs, interests and expectations. • Management proactively encourages engagement with stakeholders. • The AGM is attended by all directors and the external auditor, providing shareholders with an opportunity to engage with them.

Principle 17	Institutional investors
Affirmation statement	
The Italtile Board does not apply this principle as the organisation is not an institutional investor.	

Governance structure



Corporate governance continued

Board of directors

A formal Board Charter has been adopted and includes a code of ethics to which all directors subscribe. Procedures exist in terms of which unethical business practices can be brought to the attention of the Board by directors.

Composition of the Board

The Board comprises three executive directors, a non-executive Chairperson and seven non-executive directors, five of whom are independent.

The directors are individuals of a high calibre with diverse backgrounds and expertise, facilitating independent judgement and broad deliberations in the decision-making process.

Classification of directors

The basis on which directors have been classified in terms of their independence in this report is as follows:

- executive directors are involved in the management of Italtile and/or its subsidiaries and are employed in a full-time capacity by Italtile;
- non-executive directors are not involved in the day-to-day management and are not in the full-time salaried employment of Italtile and/or its subsidiaries; and
- independent non-executive directors are all other directors irrespective of the period during which they have been members of the Board and are defined as such in King IV and the JSE Listings Requirements.

No director has an automatic right to a position on the Board. All directors are required to be elected by the shareholders at an AGM on a rotational basis.

Board responsibilities

The Board is responsible to shareholders for the conduct of the business of the Group, which includes providing Italtile with clear strategic direction. The schedule of matters reviewed by the Board includes:

- approval of the Group's strategy and annual budget;
- overseeing Group operational performance and management;
- ensuring that there is adequate succession planning at senior levels;
- overseeing director selection, orientation and evaluation;
- approval of major capital expenditure or disposals, material contracts, material acquisitions and developments;
- reviewing the terms of reference and approving charters of Board Committees;
- determining policies and processes which seek to ensure the integrity of the Group's risk management and internal controls;
- maintaining and monitoring the Group's systems of internal control and risk management;
- communication with shareholders, including approval of all circulars, prospectuses and major public announcements;
- approval of the interim financial statements and IAR (including the review of critical accounting policies and accounting judgements and an assessment of the Company's position and prospects); and
- approval of dividends.

The Board retains full and effective control over the business of Italtile. The Board has defined levels of materiality through a written delegation of authority, which sets out decisions the Board wishes to reserve for itself. The delegation is regularly reviewed and monitored.

Division of responsibility

The Company conducts an annual evaluation of its Board, Board Committees and individual directors, and is confident that there is an appropriate balance of power and authority on the Board to ensure that no one director has unfettered powers of decision-making.

The division of responsibilities maintains a balance of power and authority on the Board.

Term of office

The three executive directors have employment contracts without fixed terms. In accordance with the Company's Memorandum of Incorporation ("MOI"), all non-executive directors are subject to retirement by rotation and re-election by shareholders at least every three years. Any director who has been in office for longer than nine years shall retire annually at each AGM.

If requested to serve a further term, those retiring directors may offer themselves for re-election by shareholders. Any director appointed during the year must retire at the AGM held immediately after his or her appointment.

Board meetings

The Board meets at least every quarter or more frequently if circumstances require. At the meetings, the Board considers both financial and non-financial qualitative information that might have an impact on the Group's stakeholders. Prior to every Board meeting, each director receives an information pack that provides background information on the performance of the Group for the year to date and any other matters for discussion at the meeting.

Board members have full and unrestricted access to relevant information, management, and the Company Secretary, and may, at the cost of the Group, seek independent professional advice in the fulfilment of their duties.

Details of attendance at Board meetings are set out below:

Board member	Attendance at meetings
L Ravazzotti Langenhoven (Chairperson)	4/4
G A M Ravazzotti	4/4
L A Foxcroft	4/4
B G Wood	4/4
L Booysen	4/4
S M du Toit	4/4
N P Khoza*	4/4
L C Prezens	4/4
J N Potgieter	4/4
A M Mathole	4/4
M Matsipa**	0/4

* *Resigned from the Board on 11 June 2025.*
** *Appointed to the Board on 22 August 2025.*

Board appointment policy

The Board evaluates its composition each year to ensure an appropriate mix of skills, experience and professional and industry knowledge to meet the Company's strategic objectives. Demographic representation is also a consideration. New directors are subject to a "fit-and-proper" test. An induction programme is available to incoming directors, providing guidance on their responsibilities. The appointment of the directors is approved at the AGM of shareholders.

None of the non-executive directors have entered into service contracts or standard letters of appointment with Italtile.

Lead independent director

While the Board is led by a non-executive Chairperson, Ms S M du Toit continues to serve as lead independent non-executive director of the Company's Board.

Board Committees

The Board has established four committees to which it has delegated specific responsibilities in meeting its corporate governance and fiduciary duties.

These Committees operate within written terms of reference and charters approved by the Board. These are the:

- Audit and Risk Committee;
- Remuneration Committee;
- Nominations Committee; and
- Social and Ethics Committee.

Audit and Risk Committee

The Committee met five times during the period under review. Attendance at the meetings was as follows:

Board member	Attendance at meetings
L C Prezens (Chairperson)	5/5
S M du Toit	5/5
N P Khoza*	5/5
S G Pretorius	5/5
L Ravazzotti Langenhoven**	1/5
L A Foxcroft**	5/5
B G Wood**	4/5
L Booysen**	5/5

* *Resigned from the Board on 11 June 2025.*
** *By invitation.*

For the full Audit and Risk Committee report, refer to page 139.

Remuneration Committee

The Committee met three times during the period under review. Attendance at the meetings was as follows:

Members	Attendance at meetings
A M Mathole (Chairperson)	3/3
L Ravazzotti Langenhoven	3/3
G A M Ravazzotti	3/3
S G Pretorius	3/3
S M du Toit	3/3
L A Foxcroft*	3/3
B G Wood*	3/3
L Booysen*	3/3

* *By invitation.*

For the full Remuneration Committee report, refer to page 122.

Nominations Committee

The Nominations Committee is a sub-committee of the Board and meets on an *ad hoc* basis as required, but at least once a year. The Committee is chaired by the non-executive Chairperson and comprises a majority of independent non-executive directors. The current members of the Committee are: Ms L Ravazzotti Langenhoven (Chairperson), Mr G A M Ravazzotti, Mr S G Pretorius and Ms S M du Toit.

The Nominations Committee's key roles include the identification and evaluation of suitable candidates for appointment to the Board, as well as succession planning.

The Nominations Committee considers gender, race, culture, age, field of knowledge, skills and experience when nominating appointments of directors to the Board. The current Board composition is diverse in terms of both race and gender.

The Committee met three times during the period under review. Attendance at the meeting was as follows:

Board member	Attendance at meetings
L Ravazzotti Langenhoven (Chairperson)	3/3
G A M Ravazzotti	3/3
S G Pretorius	3/3
S M du Toit	3/3

The Board considers the composition of the Nominations Committee to be appropriate for the needs of the Group at this time, and believes that the members are suitably equipped with the necessary knowledge, skills and experience.

Social and Ethics Committee

The Committee met three times during the year. Attendance at the meetings was as follows:

Board member	Attendance at meetings
A M Mathole (Chairperson)***	3/3
N P Khoza*	3/3
L A Foxcroft	2/3
B G Wood**	3/3
B Pretorius****	0/3
L Booysen**	3/3

* *Resigned from the Board on 11 June 2025.*
** *By invitation.*
*** *Appointed Chairperson on 13 June 2025.*
**** *Appointed to the Committee on 13 June 2025.*

For the full Social and Ethics Committee report, refer to page 68.

The Board considers the Committee's composition appropriate in terms of the necessary skills and experience of the members.

Corporate governance continued

Company Secretary

The Company Secretary is Acorim Proprietary Limited, and it is neither a director nor a shareholder of Italtile or any of its subsidiaries. On that basis, the Board believes that Acorim Proprietary Limited maintains an arm's length relationship with the executives, the Board and the individual directors.

The Company Secretary is responsible for administering the proceedings and affairs of the directorate, the Company and, where appropriate, owners of securities in the Company, in accordance with the relevant laws. The Company Secretary is available to assist all directors with advice on their responsibilities, their professional development and any other relevant assistance they may require.

The Nominations Committee has considered the skills and experience of the Company Secretary and the level of competence. The Board, on the recommendation of the Nominations Committee, is satisfied with the qualifications and experience of the Company Secretary. It requires a decision of the Board as a whole to remove the Company Secretary, should this become necessary.

Code of business and ethics

The Group has adopted a formal code of business ethics and conduct ("the Code") which requires all directors and employees to act with honesty and integrity and maintain the highest ethical standards. The Code deals with compliance with laws and regulations through a system of values and standards.

The Board oversees and ensures that management throughout the Group assumes responsibility for training and mentoring staff on the Group's values and standards and ensuring compliance.

Stakeholder communication

Italtile is committed to open, honest and regular communication with key stakeholders on financial and non-financial matters. A working partnership between the Group, its suppliers, franchisees, employees and members of the community forms the basis of a mutually beneficial association.

The AGM provides an opportunity to communicate directly with shareholders. The meeting provides a forum for shareholders to question and express their views about the Company's business. The chairpersons of the Audit and Risk and Remuneration committees are available at the meetings to answer questions from shareholders.

Notice of the AGM ("Notice") and related documents are mailed to shareholders at least 15 business days before the meeting. Separate resolutions are proposed on each substantially different issue. The Notice is contained in the IAR. Refer to page 199.

The Group's executive management team meets with investors after the publication of interim and annual results.

Share dealings

All directors of the Company are required to comply with the requirements of the JSE regarding inside information, transactions and disclosure of transactions.

In line with the Financial Markets Act, No 19 of 2012, the Board enforces a restricted period for dealing in Italtile shares, in terms of which any dealings in shares by all directors and senior personnel is disallowed from the time that the reporting period has elapsed to the time that results are released and at any time that such individuals are aware of unpublished price-sensitive information, whether the Company is trading under cautionary announcement as a result of such information or not.

Risk management and internal controls

Italtile recognises that managing risk and compliance is an integral part of generating sustainable shareholder value and enhancing stakeholder interests.

The Group has in place an enterprise risk management framework which is based on a combined assurance model comprising: management (divisional and executive directors); external auditor (PricewaterhouseCoopers Inc.); and support centre oversight (including the internal audit function). The structure of this model and its activities are designed to ensure that the Group's risks are adequately addressed.

The Board, assisted by the Audit and Risk Committee, is responsible for risk, risk tolerance determination, risk management within the Group, performance of risk assessments, the use of acceptable risk methodologies and the monitoring of risk on a continual basis.

The Board ensures there is regular assessment of financial and non-financial risks in the context of the Group's business environment, with a view to mitigating and/or eliminating risk through the Group's strategies and processes.

Internal controls are designed to manage rather than eliminate risks of failure to achieve business objectives, and provide reasonable rather than absolute assurance against material misstatement or loss. The internal audit function is a structured review of internal controls based on risk assessment.

The strategic management of material risks report on page 74 of this report discusses the Group's top risks and the management thereof in detail.

Sustainability

Italtile is committed to good corporate citizenship practices and organisational integrity in the direction, control and stewardship of the Group's affairs.

The Group recognises the imperative to balance returns for shareholders with the long-term needs of the business, its employees, the broader society and the environment.

The Company is aware of its responsibility to safeguard the interests of all stakeholders and believes that good governance is essential to the Group's long-term sustainability and functioning. The Group's objective is to conform stringently to transparency, while operating profitably and remaining accountable to the broader community which it serves.

The Group philosophy is that a well-structured, efficiently implemented ESG strategy makes a significant contribution to the strength of the corporate brand and positions the business to create and unlock sustainable value for all stakeholders.

Shareholders, customers, employees, suppliers and business partners, franchisees, regulators and the communities in which the Group operates are regarded as key stakeholders.

King IV places emphasis on the principles of strategy, sustainability and governance and provides for greater integration of those elements. Accordingly, Italtile continues to strive to align the Group's practices with the recommendations of King IV.

Refer to pages 62 to 109 for further disclosures relating to sustainability.

Transformation

Italtile is committed to empowerment in its business and is supportive of transformation in the country. The Group endorses the principles in the Employment Equity Act and aligns its HR policies accordingly. Refer to page 83 for the detailed Transformation report.

Employment equity statistics

As at 30 June 2025

	Male				Female				
	African	Coloured	Indian	White	African	Coloured	Indian	White	Total
Top management to skilled	230	18	12	87	227	9	10	51	644
Semi-skilled and unskilled	1 296	38	7	58	567	14	2	20	2 002
Total	1 526	56	19	145	794	23	12	71	2 646

The above statistics apply to South African operations only and do not include the franchised stores. The Group submits its employment equity reports to the Department of Labour on an annual basis and has substantially met relevant targets in recent prior years.

Corporate social investment

The Group is committed to uplifting the communities in which it operates through following sound employment practices and meeting the real needs of those communities. Refer to pages 96 to 109 in this regard.

Occupational health and safety

Italtile complies with the Occupational Health and Safety Act, No 85 of 1993 and other relevant legislation, regulations and codes of practice for South Africa and other territories in which it operates. The aim of the Group's Health and Safety policies are to prevent and minimise work-related injuries and health impairments by ensuring that all employees are provided with adequate training and supervision to undertake their roles.

Environmental management

The Group's Citizenship Manager oversees the implementation of Italtile's long-standing environmental consciousness values across the business. Programmes are aimed at measuring, managing and reducing the Group's impact on the environment and promoting its long-term sustainability. This Citizenship Manager operates in conjunction with executive management, with a view to aligning and integrating the green agenda into the day-to-day processes and functioning of the business.

The Group's Environmental report is on page 87.

Human capital development

Italtile strives to be the employer of choice in its industry. The Group's strategy is to recruit and retain the best people from the diverse communities in which it operates, and to ensure they are empowered, accountable for their actions and rewarded accordingly. Refer to page 80 in this regard.

Skills development

Training and development initiatives are formulated and conducted in-house, ensuring relevance to the Group's culture, values and strategy.

Training courses are designed for students ranging from beginners to intermediate and advanced levels. Training courses include an induction course for all new employees, as well as focused business, technical, management and corporate governance programmes. Training competencies have been mapped for all job titles to support consistent standards across the Group.

Over the past year, training and bursary spend on employees of the Group and franchisees amounted to R27 million (2024: R32 million).

Economic impacts

Italtile is committed to satisfying the needs of its customers while delivering acceptable profit growth. The Group endeavours to create wealth for the benefit of all stakeholders.

The value added statement on page 61 is a measurement of the wealth the Group created in its operations by adding value to the cost of raw materials, products and services purchased. The statement shows the total wealth created and how that was distributed.

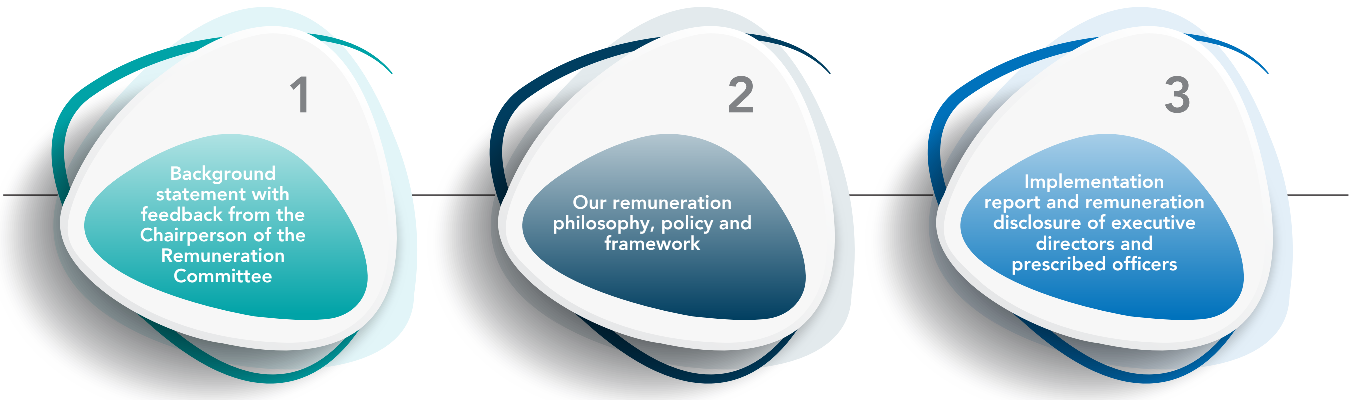
The statement also takes into account the amounts retained and reinvested in the Group for the replacement of assets and development of future operations.

Remuneration Committee report

This report outlines **Italtile's remuneration philosophy and policy for non-executive directors, executive directors and prescribed officers**. It also provides a description as to how the policy has been implemented and discloses payments made to non-executive and executive directors and prescribed officers during the year under review.

The report focuses on the fixed and variable elements of executive remuneration, as well as fees paid to non-executive directors and uses the single-figure disclosure format. Assessed against King IV and the amended JSE Listings Requirements, the Remuneration Committee is satisfied with the Company's compliance.

In line with leading practice as prescribed by King IV, this report is divided into three sections:



SECTION 1

Background statement with feedback from the Chairperson of the Remuneration Committee

Dear stakeholder

It is a pleasure to present the Remuneration report of Italtile for the year ended 30 June 2025.

Background statement

The mandate of the Committee is to exercise oversight of the remuneration practices and policies of the Group to ensure they promote achievement of strategic objectives and encourage individual performance. It focuses on responsible remuneration practices and structures across the Company and strives for fair, competitive and transparent remuneration.

The Committee is committed to:

- the principles of merit and performance-based pay;
- ensuring that remuneration policies and practices drive alignment between the interests of executive management and shareholders;
- continuously monitoring pay levels to ensure market-related, competitive remuneration;
- ensuring fair pay and that there is no discrimination based on race or gender or any other factor; and
- narrowing the gap in compensation between executives and employees at lower levels to prevent unacceptable levels of inequality.

At the AGMs held in 2023 and 2024, the Group's shareholders approved the Company's Remuneration policy and the Implementation report.

	2023 in favour	**2024 in favour**
Remuneration policy	94,96%	**95,96%**
Implementation report	88,37%	**96,05%**

Remuneration Committee at a glance

As delegated by the Board, the Committee assists in setting the Company's Remuneration policy and reviews, recommends and approves the remuneration of executive and non-executive directors, prescribed officers and senior management (collectively referred to as 'the executive team').

A core responsibility of the Remuneration Committee is to ensure that the remuneration philosophy and policy support Italtile as follows:

- ensures the principle of partnership is effectively implemented across the organisation;
- aligns the executive team's reward with the Group's commercial success and long-term sustainability; and
- supports the Group's strategic objectives and allows for the recruitment, motivation and retention of senior executives, ultimately maximising shareholder value while complying with relevant legislation and the requirements of King IV.

According to its terms of reference, the Committee's roles and responsibilities are to:

- assist the Board in developing and setting the Group's Remuneration policy;
- oversee the setting of remuneration at all levels in the Company;
- determine and approve the total remuneration of the executive team;
- review executive performance contracts;
- determine and approve the performance measures for the executive team;
- review the compensation basis and proposed average annual increases for the Group's employees;
- review remuneration and apply best practice and trends in order to ensure the appropriateness of the Remuneration policy;
- review remuneration matters for executive team promotions, transfers and termination of employment;
- oversee any proposed major changes to employee benefit structures throughout the Group;
- review and recommend short and long-term incentive policies and targets for directors and executive management;
- set the participation principles for the various remuneration schemes;
- review and recommend performance management policies;
- ensure compliance with applicable laws and codes;
- advise on the fees for non-executive directors;
- review the Group's succession plan for the executive team;
- review and evaluate the contribution of each member of the executive team and determine their salary adjustments on an annual basis, ensuring pay for performance and as a result, a high level of motivation, engagement and commitment; and
- review the outcomes of the implementation of the Remuneration policy to assess whether the set objectives are being achieved.

Key focus areas and decisions taken by the Remuneration Committee during the year under review include:

Area of focus	Action
Fixed remuneration	An annual review was undertaken of the guaranteed salaries of executives and the framework for increases for all other employees was also approved, ensuring fixed remuneration is fair and market related.
Key performance indicators	The approach to KPI setting and review across the organisation was evaluated to ensure KPIs remain relevant and actionable to drive business performance and that they are integrated into periodic financial and performance reviews. KPIs for the executive team were approved.
Short-term incentives	The structure of short-term incentives was analysed to strengthen the philosophy of empowerment and sharing which is premised on the principle of each individual employee making the fullest contribution towards the success of the business and sharing proportionally in the financial success. Feedback is provided below on the short-term incentives. The short-term incentive structures and awards for the executive team, as well as the framework for all other employees were approved.
Long-term incentives	Long-term incentives were reviewed to ensure the incentives motivate and reward employees while driving the desired performance and accountability. The long-term incentive structures and awards for the executive team, as well as the framework for all other employees were approved.
Responsible and fair pay	Remuneration practices, structures and policy are monitored on an ongoing basis to promote fair, reasonable and equitable compensation for work of equal value considering the nature of work, skills and contributions of employees. Identified anomalies are addressed. The requirements of the Companies Amendment Act 16 of 2024 were considered.
Talent management and succession planning	The effectiveness of the talent management framework was reviewed and succession plans analysed.
Non-executive director fees	Recommendation was made for approval of non-executive director fees by the Board.

Remuneration Committee report continued

As required by the Companies Act and King IV, the following resolutions will be tabled for shareholder voting at the AGM, details of which can be found in the Notice:

- binding vote on non-executive directors' fees; and
- non-binding advisory vote on the Group's Remuneration policy and Implementation report.

The approach of the Committee is to communicate and engage extensively with a range of shareholders regarding matters raised around the Remuneration policy and Implementation report. In the event that the Remuneration policy or Implementation report is voted against by shareholders representing 25% or more of the voting rights, dissenting shareholders will be invited to engage with the Company. The manner and timing of such engagement will be communicated to these shareholders, if necessary.

The Committee Chairperson reports to the Board after each Committee meeting and attends the AGM to answer questions from shareholders on the Committee's area of responsibility.

The Committee is focused on maintaining competitive remuneration practices across the Company while balancing the reward and motivation of key personnel with the need to drive accountability for performance. We recognise the need to retain top talent as it is a prerequisite to meet growth targets and shareholder expectations.

Remuneration committee composition

The Remuneration Committee is a sub-committee of the Board and meets at least three times per annum. The Committee is chaired by an independent non-executive director and comprises five directors. The majority of directors on the Committee are independent.

The assessment of the independence of any director who has been on the Board for longer than nine years is done annually by the Nominations Committee, to ensure the directors exercise objective, unfettered judgement and meet the required standards for independence.

The current members of the Committee are: Mrs A M Mathole (Chairperson), Mrs L Ravazzotti Langenhoven, Mr G A M Ravazzotti, Mrs S M du Toit and Mr S G Pretorius.

The Board considers the Committee's composition to be appropriate in terms of the necessary knowledge, skills and experience of its members. The Committee obtains expert advice to ensure it is kept up to date on remuneration practices.

The Italtile Group Company Secretary, Acorim Proprietary Limited, attends all meetings of the Committee as secretary. The Chairperson of the Board attends meetings by invitation. The CEO, COO and CFO attend all meetings by invitation to provide input and guidance regarding executive team remuneration.

No attendee may participate in any discussion or decision regarding his or her own remuneration.

The Committee met three times during the year. Attendance at the meetings was as follows:

Members	Attendance at meetings
A M Mathole*	3/3
L Ravazzotti Langenhoven	3/3
G A M Ravazzotti	3/3
S G Pretorius	3/3
S M du Toit	3/3
L A Foxcroft**	3/3
B G Wood**	3/3
L Booysen**	3/3

* *Appointed Committee Chairperson on 1 December 2023.*
** *By invitation.*

We trust that this Remuneration report provides an accurate overview of the Remuneration policy of the Company, its implementation and specifically an in-depth view on executive management remuneration in the past year.

As the applicable framework and environment change in the year ahead, we will adapt accordingly to ensure that our remuneration practices and disclosures are compliant and appropriate.

A M Mathole
Remuneration Committee Chairperson

22 September 2025

SECTION 2

Our remuneration philosophy, policy and framework

Remuneration philosophy

Italtile is committed to maintaining pay levels that reflect an individual's worth to the Group. The Group's philosophy is to treat employees as business partners, developing their sense of ownership, and to pay for performance.

Our remuneration philosophy is governed by the principles of equity, fairness, pay for performance and affordability, ensuring alignment between management and shareholder requirements.

Remuneration policies are designed to attract, reward and retain the executive team and employees needed to deliver on the business strategy, as well as the key corporate objectives.

Remuneration policy

The Remuneration policy subscribes to King IV recommendations and principles on which it is based including the following principles:

- remuneration practices are aligned with Company strategy;
- total rewards are set at competitive levels in the relevant market to ensure we attract, motivate and retain highly talented individuals;
- total rewards are managed to align with the principle of responsible and fair pay;
- total remuneration costs need to be affordable at an individual corporate entity level and justifiable to employees and stakeholders;
- incentive-based results are linked to achieving demanding performance conditions consistent with shareholder interest over the short, medium and long term; and
- performance measures and targets for incentive plans are structured to operate effectively throughout the business cycle and support the business strategy.

Elements of remuneration

Italtile has an integrated remuneration and reward model, which includes guaranteed remuneration, short-term incentives ("STIs") and long-term incentives ("LTIs"). The components of total remuneration for permanent employees, prescribed officers and executives are fixed and variable remuneration.

Fixed remuneration comprises a basic salary and benefits, aligned to roles and performance. Variable remuneration comprises STIs and LTIs, aimed at retention of critical employees. Performance is measured against set performance indicators.

All employees share in Group profits, based on an individual's contribution to the Group. The Group has a minimum annual cost-to-company target of R141 990 per employee (2024: R134 600).

A Staff Share Scheme for all employees of the Group and its franchisees was approved by shareholders in November 2022. The first awards under this new scheme were made to qualifying employees in March 2023, with subsequent awards in March 2024 and March 2025. Awards to participants are in the form of units linked to shares held by a trust, and dividends accruing to participants from the date of issue of awards are retained by the trust to offset the future income tax liability of participants on vesting of the awards. Awards vest after three years if the participant remains in the employ of the Group or its franchisees.

The various elements of remuneration are outlined below.

Guaranteed salary for employees

Guaranteed salary is reviewed annually and positioned competitively against peers that are comparable in size, sector and business. Company performance, affordability, individual performance and average industry and sector increases are considered in determining any annual adjustment. Increases are generally inflation-linked and, where affordable, additional budget is allocated for adjusting remuneration levels that are not appropriately aligned to internal pay ranges and/or market rates for a specific job.

Benefits

Benefits offered to employees include medical aid, provident fund and other benefits relevant to Italtile.

Fair and responsible remuneration

Steps that have been taken to improve the lives of the most junior employees are as follows:

- the minimum monthly basic wage levels were increased to R8 450 for CTM (5,0%), R7 650 for TopT (5,5%) and R8 715 (5,0%) at Ceramics with effect from 1 July 2025;
- assistance to buy property: pension-backed housing loans are offered through FNB;
- programmes helping employees manage their finances are available through our Employee Wellness Programme, Ask Nelson. Employees have access to qualified financial consultants who can assist with budgeting, saving, investments, debt counselling, wills and estate planning, home loans, insurance, personal tax, garnishee orders and vehicle finance;
- training programmes are run for incoming employees. CTM and TopT incoming employees are placed on a six-week induction programme, consisting of factory visits, practical plumbing and tiling courses, as well as sales training. In addition, they go through a four-week NQF 4 qualification in retail management over 12 months; and
- primary healthcare cover (medical assistance or insurance) has been introduced for full-time permanent employees, fully funded by the Company.

Incentives

The Italtile Group administers incentive schemes to encourage and reward delivery of its strategic priorities over the short, medium and long term. The STI focuses on achieving business targets in that financial year, while the long-term incentive closely aligns the interests of executives with shareholders over the longer term. It is also a retention mechanism.

Short-term incentives

All employees in the Group share in profit. There is a direct correlation between profit share and the profitability of the business. Therefore, no additional performance targets are set for profit share, as the profit share allocation is directly impacted by the level of the business's profitability, thereby ensuring a clear alignment between performance and pay. This is consistent for all employees across the business and demonstrates the core principle of partnership.

Remuneration Committee report continued

The profit pool range is determined as a percentage of profits per business unit.

Executives take part in the Executive Profit Share Scheme. The Executive Profit Pool is 0,33% of Group profit before tax, shared between the CEO, COO and CFO on a shared unit basis:
- CEO: 45 units
- COO: 30 units
- CFO: 25 units

The prescribed officer (the CEO of Ceramics) shares in a percentage of Ceramic's profit. The profit pool at Ceramics for senior management is calculated as 0,89% of profit before tax, shared by five individuals. The CEO of Ceramic is a prescribed officer because he exercises general executive control and management over a significant portion of the business and he is allocated 43,5% (100/230 units) of the pool.

Long-term incentives

In terms of the policy on LTIs, there are three LTI schemes within the Italtile Group, each rewarding performance in an appropriate manner, designed to reward and retain key personnel. The LTIs include:
- the Italtile Share Appreciation Rights Scheme ("SARS");
- the Italtile Retention Scheme; and
- the Ceramic Industries Share Retention Scheme.

Qualifying criteria for the LTIs are as per the executive scorecards.

- SARS
  - In accordance with the SARS, selected directors and employees of the Group are awarded a conditional share award linked to the value of notional Italtile Limited shares ("shares"). A total of 25% of the awards vest after three years from grant date, and the balance (75%) after five years. The value of an award is equal to the increase in the value of the shares between grant date and vesting date (the value at the latter date is defined as the volume-weighted average price of Italtile Limited shares as traded on the JSE over the 10 trading days preceding and including the vesting date).
  - The qualifying criteria specific to SARS awards are the short-term strategic initiatives and operational KPIs per the executive scorecards.
- The Italtile Retention Scheme
  - In line with the Group's remuneration philosophy of partnership and in accordance with the Group's recognition of the importance of efficient and transparent succession planning, Italtile established the scheme to retain and incentivise selected high-performing employees, identified by the Remuneration Committee from time to time, with a proven track record of their contribution to the growth and sustainability of the Group.
  - Performance targets for each award are set by the Remuneration Committee. The targets include HEPS, return on invested capital ("ROIC") and individual performance targets as appropriate, considering the role of the employee, and are weighted at the time of the award.
  - Awards to participants are in the form of units linked to shares held by a trust, and participants receive dividends from the date of issue of units.
  - To the extent that the performance targets have been attained at the end of the five-year retention period, awards are automatically redeemable and shares are transferred to participants.
  - The number of shares allocated for all share schemes ("SARS", existing Executive Retention Scheme and the new Retention Scheme) cannot exceed 154 999 923 shares, being 11,7% of issued shares.
  - The number of shares linked to units that may be acquired by any participant in terms of the scheme, when added to the number of Italtile shares which are issued and/or transferred to the same participant under the SARS, Italtile Retention Scheme and the former Executive Retention Plan, may not exceed 20 666 656 Italtile shares, being 1,6% of issued shares.
- Ceramic Industries Share Retention Scheme
  - This scheme is a mechanism to retain and reward selected high-performing Ceramic executives and senior management in line with the Group's values and philosophy of partnership. Shares are held in escrow for participants without monetary payment being made for such shares. The consideration of the shares is the rendering of services by the participant over the retention period. Participants receive dividends from the date of issue of awards. The shares are held in escrow until the end of the retention period of five years, at which time the shares are transferred out of escrow to the participant if performance targets are achieved.

Executives and prescribed officers are encouraged to build a meaningful shareholding in the Company over time. The guideline from the Remuneration Committee is for executives to hold between 0,5% and 1,5% of issued shares.

Malus and clawback

The Remuneration Committee has the discretion to implement a Malus and Clawback policy, pursuant to which, on the occurrence of a trigger event, and at the instance and direction of the Remuneration Committee, the relevant employer in the Group will be entitled to clawback, a cash amount equal to the whole or any portion of the pre-tax cash proceeds of any cash incentive payment, including any short-term incentives and discretionary payments and 30% of the market value in the case where the incentive payment comprises Italtile shares received by the executive director or prescribed officer. The Remuneration Committee also has the discretion to require all incentive payments and awards that have not yet vested or settled, to be adjusted, forfeited or cancelled on the occurrence of a trigger event.

A trigger event would include, *inter alia*, the occurrence of any of the following events or circumstances:
- the discovery of any material misstatement of the financial statements, in terms of which any incentive payment was made, in respect of which the Remuneration Committee (in consultation with the Board) is satisfied that the executive director or prescribed officer has contributed to or is responsible for;
- the discovery that the assessment of any metric, figure, value or component upon which an incentive payment was made was based on erroneous, inaccurate or misleading information attributable to or for which the executive director or prescribed officer is responsible or contributed to;
- the discovery of any action or conduct which, in the reasonable opinion of the Remuneration Committee, amounts to either dishonesty, gross negligence, misbehaviour, fraud or misconduct on the part of the executive director or prescribed officer or where such action or conduct on the part of the executive director or prescribed officer has resulted in the censure of any Group Company by a regulatory authority, or may result in reputational damage to any Group Company;
- the discovery of the executive director or prescribed officer having directed an employee, contractor or adviser to any Group entity to act either fraudulently, dishonestly, with gross negligence, or to undertake any other misconduct; and/or

- the discovery that performance related to any entity, whether related to financial and/or non-financial targets was materially misrepresented, misstated or presented in error, and such misstatement led to the over-payment or miscalculation of any incentive payments made to the executive director or prescribed officer.

The clawback applies for a period of three years after the cash payment of any short-term incentive and/or discretionary payment has been made to the executive director or prescribed officer in question or, in the case where payment has been made in the form of Italtile shares, three years after the Italtile shares have been transferred to the executive director or prescribed officer in question in terms of the Italtile Retention Scheme.

Executive and key management performance management

Executive and key management's performance is measured in the following categories, with specific performance targets/indicators per category, namely:

- financial performance (growth in trading profit and HEPS, and return on shareholders' interest ("ROSI"));
- strategic plan objectives of the five-year plan;
- operations;
- human capital;
- B-BBEE;
- customer satisfaction and operational excellence;
- cultural fit/values;
- stakeholder relations; and
- ESG.

For the 2025 financial year, approved financial targets carried a weighting of 50% (HEPS, operating profit and ROSI). The other non-financial KPIs focused on productivity, transformation, customer service and ESG and carried a weighting of 50%. This is informed by the need to enhance focus on operational and strategic goals that are crucial to drive financial performance.

ESG matters have become more prominent globally. Given the appreciation of material sustainability issues facing our business and the strategic importance of building a sustainable business, additional tangible KPIs related to ESG matters were included in the year-end scorecards from 2021, in order to improve the link between ESG and remuneration.

The Remuneration Committee believes that the set of KPIs as per the executive scorecard agreed with the CEO is suitably challenging.

The outcome of the performance evaluation of the CEO is disclosed in the Implementation report to follow.

Service contracts of executive directors and prescribed officers

Executive directors and prescribed officers have permanent contracts, and the notice period prescribed by the contracts is three calendar months. Contracts are periodically reviewed to ensure they remain aligned with governance and legislative requirements.

Non-executive director fees

- Non-executive director appointments are made in terms of the Company's MOI and confirmed at the AGM of shareholders after the appointment.
- Fees reflect the directors' role and Committee membership and are not linked to Italtile's share price. A fee applies to any additional *ad hoc* work not exceeding 144 hours a year above Board and Committee meetings.
- Fees are reviewed by the Committee annually and require approval from shareholders at the AGM.
- Non-executive directors do not participate in any of the Company's short or long-term incentive plans and they are not employees of the Company.
- The recommendation of the Remuneration Committee on the proposed fees is submitted to the Board for consideration before being proposed to shareholders for consideration and approval at the AGM.

Non-executive director fees for 2025 are tabulated in the Implementation report.

Use and justification of remuneration benchmarks

The Remuneration Committee reviews remuneration and Board-leading practice and remuneration trends to assess competitiveness in the market. External remuneration benchmark reviews published by PwC, EY and the Institute of Directors in South Africa are reviewed and taken into account when determining pay levels and structures.

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on section 2 of this Remuneration report (Remuneration policy).

Remuneration Committee report continued

SECTION 3

Implementation report and remuneration disclosure of executive directors and prescribed officers

The Implementation report details the outcomes of implementing the approved policy in section 2 of this report.

The financial performance in the last year has been disappointing as sales volumes declined and profits did not grow at anticipated levels. Total system-wide turnover was down 2% at R11,3 billion (2024: R11,5 billion). The Group's trading profit was flat at R2,1 billion (2024: R2,1 billion).

While the results failed to meet expectations, the commendable performance was achieved under very difficult trading conditions.

Despite the performance, the Group considered the current economic conditions and the need for remuneration to remain competitive and the following salary increases were approved effective 1 July 2025:

Under-achievers 0 – 2%; → Achievers 3 – 4%; and → Superior achievers 5 – 6%

In accordance with the Group's commitment to fair pay and being cognisant not to increase the wage gap, the following minimum basic adjustments will be implemented as from 1 July 2025:

Minimum basic salary	1/7/2025 – 30/6/2026	1/7/2024 – 30/6/2025	% increase
CTM	R8 450	R8 050	5,0%
TopT	R7 650	R7 250	5,5%
Ceramic Industries	R8 715	R8 300	5,0%

As part of the focus to promote fair and responsible remuneration, the Committee is committed to identifying and addressing pay gaps.

Performance assessment outcome for the CEO

The key performance areas for the CEO for the year under review were as per KPIs set for each category of the scorecard, as in prior years. Below is an extract of key KPIs and an assessment of performance against targets set.

	Notes and targets	*Assessment*
Financial (50%)	• HEPS increased by 2%, compared to growth targets of CPI +2%. • Group inventory decreased by R43 million compared to a target of R50 million. • ROSI of 18% was achieved compared to a target of 20%.	**UNDER-ACHIEVED**
Strategic (15%)	• Retail tile sales volumes increased by 1%. • Ceramics tile volumes not achieved. • Ceramics Energy Security Plan developed. • Rectification plant installed and commissioned at NCIA.	**PARTIALLY ACHIEVED**
Operations (10%)	• Return on property portfolio in South Africa improved to 16,5% achieving target. • Various cost leadership and productivity initiatives showed improvements, however, targets were not achieved.	**PARTIALLY ACHIEVED**
Human capital (5%)	• Pipeline targets for retail and manufacturing executives, factory managers and store operators partially achieved. • Revised HC organisational structure implemented.	**PARTIALLY ACHIEVED**
B-BBEE (5%)	• Level 3 B-BBEE target score exceeded with Level 2 achieved.	**ACHIEVED**
Customer experience (5%)	• Net promoter score declined for one of the three retail brands. • Online experience and content were improved.	**PARTIALLY ACHIEVED**
Cultural and values (5%)	• Core values of partnership, a hands-on approach, being performance driven, entrepreneurial flair, high work ethic, transparency in communication, dignity, empowerment, integrity, and customer first continue to be promoted. There is scope for improvement in the performance and customer service dimension. • Employee engagement scores improved year-on-year.	**ACHIEVED**
ESG (5%)	• Solar power infrastructure was expanded. • Targets were partially achieved for energy emissions and water consumption intensity. • Social investments through the Italtile and Ceramic Foundation corporate social investment initiatives made a meaningful impact. • Supplier and enterprise development initiatives were supported, and local products sold by local people were prioritised.	**ACHIEVED**

Considering the financial performance relative to targets set for the year, the overall performance of executives and the prescribed officer is regarded as 'partially achieved'. Financial targets weigh 50% of the overall scorecard, and the balance of the KPIs is 50%. It should be noted that management has placed enormous focus on strengthening people, processes, products and service, and improvements have been made towards achieving other targets related to human capital, ESG and B-BBEE. The management team continues to display energy, determination and focus in tough trading conditions, and the team effort is noteworthy.

Although key performance indicators can be further improved, the following successes are worth highlighting:

- Group inventory reduced by R43 million year-on-year;
- retail tile sales volumes showed marginal growth relative to the decline in the prior year;
- progress was made to improve yields and quality at Ceramics;
- variable cost reduction was achieved for normalised volume;
- Group human capital was restructured to improve effectiveness;
- progress has been made in strengthening and developing the management team and factory operators;
- like-for-like cost growth was contained through cost leadership disciplines; and
- B-BBEE, transformation and ESG targets were achieved.

Continued areas of focus for improvement include increasing tile sales volumes, improving manufacturing productivity measures and improving customer experience.

Executive performance impact on remuneration

The outcome of the performance assessment directly impacts decisions on guaranteed pay, STIs and LTIs, as illustrated in the table below.

Description	Assessment of performance	Impact on executive remuneration
Guaranteed basic salary	The rating for the CEO, COO and CFO was 'under-achieved' due to the non-achievement of the financial targets. Good progress was made in other areas as noted above.	Performance-based increases approved: ▪ CEO: 0% ▪ COO: 2,5% ▪ CFO: 3,3% ▪ Prescribed officer: 3%. Upon reflection, and given executive management's disappointment in the financial results for the year, the COO and CFO both waived the proposed increases.
Short-term incentives ("STIs")	0,33% of Group profit before tax is shared between the CEO, COO and CFO on a shared unit basis: ▪ CEO: 45 units ▪ COO: 30 units ▪ CFO: 25 units The prescribed officer shares in a percentage of Ceramics' profit. Ceramics' profit share pool for senior management is 0,89% of profit before tax and the CEO is allocated 43,5% of the pool.	Executives and the prescribed officer shared in profit as disclosed in the table below. Profit share across the Group is a core remuneration principle. As profits decrease, so does profit share, linking pay to performance. The pool remains constant unless the number of participants changes.
Long-term incentives ("LTIs")	Awarded to high-performing, high-potential employees and executives in line with the Group's philosophy of partnership. LTIs are subject to performance conditions. Performance targets for each award are set by the Remuneration Committee. The targets include HEPS, ROIC and individual performance targets as appropriate, considering the role of the employee, and are weighted at the time of the award.	All executives and the prescribed officer share in LTIs as disclosed in this section of the report.

Remuneration Committee report continued

Benchmarking of guaranteed pay, STIs and LTIs

A review of the industry and JSE benchmarks of executive remuneration was conducted during the year, looking at best practice and comparable companies in terms of market capitalisation ("cap") to ensure competitiveness while considering fairness and stakeholder expectations around executive pay.

The September 2024 executive directors' practices and remuneration trends report, published by PwC, shows the following total guaranteed package ("TGP") for medium-cap companies:

- CEOs: R5,6 million for the lower quartile and R11,45 million for the upper quartile; and
- CFOs: R3,6 million for the lower quartile and R7,3 million for the upper quartile.

Further internal sector benchmark reviews confirmed that Italtile provides more moderate executive base salaries relative to peers with similar market caps.

Executive directors' and prescribed officers' participation in share incentive schemes

Executive directors' holdings under the SARS are set out in the table below.

Directors' participation in share incentive schemes

Directors' holdings under the SARS are set out in the table below:

Executive director	Awards held at 1 July 2024	Awarded during the year	Vested and exercised during the year	Forfeited during the year	**Awards held at 30 June 2025**
B G Wood	1 012 500	–	–	–	**1 012 500**

Note: Directors no longer participate in new awards under the SARS but rather only in the Italtile Retention Scheme.

Directors' and prescribed officers' holdings under the Italtile Retention Scheme are set out in the table below:

Executive director/ prescribed officer	Awards held at 1 July 2024	Awarded during the year	Vested and exercised during the year	Forfeited during the year	**Awards held at 30 June 2025**
B G Wood	1 500 000	1 000 000	–	–	**2 500 000**
L A Foxcroft	4 500 000	1 500 000	–	–	**6 000 000**
L Booysen	650 000	1 000 000	–	–	**1 650 000**
G Maartens	200 000	1 500 000	–	–	**1 700 000**

Prescribed officers' holdings under the Ceramic Industries Retention Scheme are set out in the table below:

Prescribed officer	Awards held at 1 July 2024	Awarded during the year	Vested and exercised during the year	Forfeited during the year	**Awards held at 30 June 2025**
G Maartens	32 500	–	–	–	**32 500**

Refer to note 6 for further details pertaining to these schemes.

Directors' remuneration

All figures in R'000	Salary	Short-term incentives	Provident fund and medical aid contri-butions	Gain on share scheme awards	Other	**Total 2025**	Total 2024
Executive directors							
L A Foxcroft	4 691	3 232	743	10 327	1 309	**20 302**	18 528
B G Wood	3 181	2 155	525	3 739	528	**10 128**	9 329
L Booysen*	2 907	1 796	501	913	289	**6 405**	–
2025	**10 779**	**7 183**	**1 769**	**14 979**	**2 126**	**36 835**	
2024	7 485	5 394	1 240	12 584	1 152		27 857

* *Appointed on 1 July 2024 as CFO.*

All figures in R'000	Salary	Short-term incentives	Provident fund and medical aid contri-butions	Gain on share scheme awards	Other	**Total 2025**	Total 2024
Prescribed officers							
G Maartens	3 000	1 421	851	987	435	**6 694**	6 076
2025	**3 000**	**1 421**	**851**	**987**	**435**	**6 694**	
2024	3 000	1 698	834	148	396		6 076

Non-executive directors' fees

Payments to non-executive directors

All figures in R'000	Board fees	Other	**Total 2025**	Total 2024
Non-executive directors				
L Ravazzotti Langenhoven	2 075	7	**2 082**	3 131
G A M Ravazzotti	514		**514**	468
S M du Toit	831	5	**836**	780
S G Pretorius	895		**895**	745
N P Khoza*	577	5	**582**	528
L C Prezens	533	4	**537**	640
J N Potgieter	469		**469**	370
A M Mathole	735		**735**	483
2025	**6 640**	**21**	**6 650**	
2024	7 131	14		7 145

* *Resigned from the Board on 11 June 2025.*

The following fixed fees (excluding VAT) were in place for the year under review:

Basic annual fee	**R131 000**
Board meeting fee	**R31 500**
Committee fee	**R26 500**
Chairperson of Committee	**R32 750**
Strategy session	**R38 000**
Chairperson of the Board	**R1 575 000**

Hourly rate for *ad hoc* work, not exceeding 144 hours a year: R4 500 per hour.

Board meeting attendance of executive directors

Executive directors and prescribed officers do not draw any additional remuneration for attending the main Board or Committee meetings.

Non-binding advisory vote

Shareholders are requested to cast a non-binding advisory vote on section 3 of this Remuneration report.

Stakeholder engagement

We value our continued engagement with various stakeholders, and we endeavour to maintain our relationships with all in the hope that we will continue to receive their valued input.

Approval

This Remuneration report was approved by the Board of directors of the Company on 22 September 2025.

Financial statements

We have sound assets, competent, engaged and motivated teams, robust iconic brands, industry-leading technology and products, and the competitive advantage of a vertically integrated supply chain.

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IRRESPECTIVE OF THE EXTERNAL CHALLENGES, OUR growth focus WILL ALWAYS BE ON THE INTERNAL LEVERS WITHIN OUR CONTROL

We are confident that if we strengthen retail excellence at every customer touchpoint and continue to reduce inefficiencies in our business, we will build further momentum to deliver increased sales, profit growth and gain market share. We will focus on improving customer experience, operating efficiencies and logistics and develop and grow our teams' core competencies in sales and operating excellence.

Yorkwood Matt Glazed Rectified Porcelain Tile, Shaws White Fireclay Shaker Sink, Katy Shower Soap Holder and Chrome Extendable Magnifying Cosmetic Mirror

Directors' responsibility statement

The directors are responsible for both the preparation and integrity of the consolidated and separate financial statements and related financial information contained in the IAR. In their opinion, the consolidated and separate financial statements fairly represent the Company's and the Group's financial position and results of operations. It is the responsibility of the independent auditor to report on the consolidated and separate financial statements. Their report to the members of the Company is set out on pages 141 to 144. In order for the directors to discharge their responsibility, the Group maintains adequate accounting systems, risk control procedures and accounting records. A system of internal control, focused on critical risk areas and designed to provide reasonable assurance that assets are safeguarded, and that the risk of error, fraud or loss is reduced in a cost-effective manner, has been implemented. All controls are frequently monitored and subject to review and audit. There was no material breakdown in the system of internal control during the year under review.

The Group adopts appropriate accounting policies and the consolidated and separate annual financial statements are prepared in accordance with IFRS Accounting Standards and the requirements of the Companies Act, No 71 of 2008 of South Africa ("Companies Act"). The consolidated and separate financial statements incorporate full and meaningful disclosure, and have been prepared using reasonable and proven judgements and estimates.

The consolidated and separate financial statements have been prepared under the supervision of the CFO, Mr L Booysen CA(SA), and have been audited in terms of the Companies Act.

Website and electronic distribution

The directors of the Company are responsible for the controls over, and the security of the website and, where applicable, establishing and controlling the process for electronically distributing annual reports and other financial information to shareholders and the Companies and Intellectual Property Commission.

Going concern

The directors are of the opinion that the consolidated and separate business will continue as a going concern in the year ahead. The annual financial statements have accordingly been prepared on a going concern basis.

Code of ethics

The directors have complied with the Group's Code of Ethics.

Compliance

The directors confirm that the Company is compliant with the provisions of the Companies Act, specifically relating to its incorporation, and is operating in conformity with the MOI.

Approval of annual financial statements

The annual financial statements of the Company and the Group set out on pages 132 to 196 were approved by the Board on 22 September 2025 and signed on its behalf by:

L A Foxcroft
Chief Executive Officer

L Booysen
Chief Financial Officer

22 September 2025

Chief Executive Officer and Chief Financial Officer's responsibility statement

In line with paragraph 3.84(k) of the JSE Limited ("JSE") Listings Requirements, each of the directors, whose names are stated below, hereby confirm that:

- the annual financial statements set out on pages 132 to 196, fairly present in all material respects the financial position, financial performance, changes in equity and cash flows of the Company and Group in terms of IFRS Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the Company and the Group;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

L A Foxcroft
Chief Executive Officer

L Booysen
Chief Financial Officer

22 September 2025

Company Secretary's certificate

We certify that, to the best of our knowledge and belief, Italtile Limited, in terms of section 88(2)(e) of the Companies Act, has lodged with the Commissioner of the Companies and Intellectual Property Commission all such returns and notices as prescribed by the Companies Act, and that all such returns and notices appear to be true and up to date.

Acorim Proprietary Limited
Company Secretary

22 September 2025

Directors' report

Principal activities of the Company

Retail

Italtile Limited ("Italtile" or "the Company" or "the Group"), headquartered in Bryanston, Johannesburg, is a leading manufacturer, retailer and franchisor of tiles, bathroomware and related products in South Africa.

Franchising

The Group operates as a franchisor, featuring a streamlined parent operation focused on growing market share and fostering entrepreneurial opportunities through its franchise and joint venture programmes.

The Group is represented via its high-profile branded retail outlets, Italtile Retail, CTM and TopT, which cater to homeowners across the income spectrum, holding appeal for market segments ranging from the premium upper-end to entry-level consumers. These stores are situated on high-visibility sites and/or close to underserviced markets, and their comprehensive offerings position them as one-stop solution destinations. The Group also has an online presence, with webstores operating for all retail brands and across multiple territories. Ranges include ceramic and porcelain wall and floor tiles, sanitaryware, bathroom furniture, brassware, fittings, accessories, laminate and vinyl flooring, shower enclosures, paint, home-finishing products, lighting, décor and tools.

As at 30 June 2025, the store network comprised 210 stores, including seven webstores (2024: 208 stores, including seven webstores), situated in Southern and East Africa. Direct webstore sales continue to represent a minor component within overall retail sales.

Property investment

Underpinning the retail network is an extensive property portfolio. The Group derives important strategic advantage by supporting its brands with high-profile prime sites that enhance Italtile's positioning as a destination retailer. The Group's manufacturing operations comprise well-maintained state-of-the-art factories which are supplied with high-quality raw materials sourced from productive quarries.

Supply chain

The Group's vertically integrated supply chain includes International Tap Distributors ("ITD"), an importer and distributor of brassware and accessories, and Cedar Point, an importer and distributor of sanitaryware, laminated and vinyl boards, shower enclosures, bathroom furniture and décor. The Group holds a controlling interest in both of these businesses. ITD and Cedar Point service the Italtile Retail, CTM and TopT retail network.

The Group's Distribution Centre, which has facilities in KwaZulu-Natal and the Western Cape, sources imported products and provides warehousing and distribution facilities to CTM, Italtile Retail and TopT. It is also responsible for arranging import services, logistics and foreign exchange for the Group's retail brands as well as ITD and Cedar Point.

Manufacturing

Ceramic Industries (Pty) Ltd ("Ceramics")

The Group holds an effective 99,12% stake in Ceramics, its largest supplier of tiles, sanitaryware and baths. Ceramic delivers tactical advantages by supporting the Group's growth programme through the supply of local high-quality, affordable products.

Ezee Tile Adhesive Manufacturers (Pty) Ltd ("Ezee Tile")

The Group holds an effective 99,12% stake in this business, a national manufacturer of grout, adhesive and related products.

Statements of responsibility

The responsibilities of the Group's directors are detailed on pages 110 to 121 of this report.

Audit and risk committee

The Audit and Risk Committee report, which discusses the responsibilities of this Committee and how these were discharged during the year, appears on page 139.

Financial review

In the changing global environment, over-capacity and subdued demand have exerted pressure on tile manufacturers worldwide. As many global manufacturers seek to find alternative markets, some countries in Southern Africa have applied tariffs. These, together with dumping in South Africa, have led to increased competition in our domestic markets.

In the context of South Africa's subdued economy, consumer confidence and spend in the building and construction sector remained muted.

System-wide turnover

System-wide turnover across the Group decreased by 2% to R11,3 billion (2024: R11,5 billion) driven by a small increase in retail revenue and a decline in revenue in supply chain businesses and Ceramic Industries.

Trading profit

Group trading profit was similar to prior year at R2 061 million.

Earnings per share

The Group's basic earnings per share increased by 3% to 125,6 cents (2024: 122,1 cents), while HEPS increased by 2% to 125,1 cents (2024: 123,0 cents).

Property, plant and equipment

During the year under review, capital expenditure of R234 million was incurred on the retail property portfolio and factory upgrade projects, comprising investment in expanding production capabilities in our tile manufacturing business and ongoing capex to enhance the retail property portfolio.

Cash and cash equivalents

At 30 June 2025, the Group's cash balance increased by 18% to R2,2 billion (2024: R1,8 billion).

Material cash outflows for the year include:

- capital expenditure of R234 million (2024: R597 million);
- tax payments of R462 million (2024: R543 million); and
- total dividend payments of R1 619 million (2024: R606 million).

The outflows were partially offset by cash proceeds of R64 million from the sale of property, plant and equipment (2024: R76 million). The Group's net asset value per share at 30 June 2025 was 705,0 cents (2024: 707,5 cents).

Prospects

We expect continued headwinds to subdue growth, margins and profitability in the year ahead. We believe that a rigid focus on the controllable aspects of our business will position us to capitalise on opportunities when the trading environment improves. Our priorities will be to strengthen leadership through personal development frameworks, invest in our brands and product development, improve operational efficiencies to remain cost leaders and grow market share through fully satisfied customers. As part of our continual review of our asset base, we may consider disposal of assets that do not meet our risk, return and growth criteria.

Organic growth will continue to be driven by capitalising on our leading brand positions in South Africa and our growing brand strength in East Africa. Our strategic initiatives will ensure we invest in our new product development programmes, excellent customer service and our brand portfolio.

Management will continue to engage the authorities to gain the government's support for a level playing field in our market against product dumped from neighbouring countries. While the latest tariffs imposed by the USA do not directly impact our business, they could have wide-ranging and devastating consequences for South Africa, crippling the economy if billions of Rand are lost in export revenue. The impact on certain regions which are dependent on exports could indirectly affect demand for our products in those areas. We will continue to monitor the situation and ensure that we are agile and ready to respond if necessary.

We anticipate introducing AI projects, to enhance our competitive ability in customer service, logistics and inventory management. The emphasis on strong human capital management will be continued in the new year as we prioritise strong leadership, effective training programmes and excellence in attracting, recruiting, developing and retaining talent in alignment with our high-performance culture.

Stated capital

The authorised share capital remains unchanged at 3 300 000 000 shares of no par value. Issued share capital remains unchanged at 1 321 654 148 shares of no par value (2024: 1 321 654 148).

Ordinary cash dividend announcement

The Group's dividend cover is two-and-a-half times. The Board has declared a final gross ordinary cash dividend (number 118) for the year ended 30 June 2025 of 22,0 cents per share (2024: 22,0 cents) out of income reserves to all shareholders of Italtile as at the record date of Friday, 12 September 2025.

A gross special cash dividend (number 9) of 98,0 cents per share (2024: 78,0) has also been declared.

These final dividends, together with the interim gross ordinary cash dividend of 28,0 cents per share (2024: 27,0 cents per share), produce a total gross cash dividend declared for the year ended 30 June 2025 of 148,0 cents per share (2024: 127,0 cents).

Directorate

The details of the directors of the Company are set out on pages 110 to 121 of this report.

Changes in directorate

As advised in the SENS announcement published on 25 August 2025, Ms Mamedupi Matsipa was appointed as an independent non-executive director, with effect from 22 August 2025.

The Board welcomes Ms Matsipa and looks forward to her contribution to the Company.

Directors' shareholding and other interests

Except for the long-term incentive schemes detailed below, the Company was not party to any arrangement during the year or at year-end, which would enable the directors or officers, or their families, to acquire benefits by means of acquisition of shares in the Company.

Other than disclosed in note 38, none of the directors or officers of the Company had any interest in any contracts which significantly affected the affairs or business of the Company or its subsidiaries during the year.

It is Company policy that all directors (and employees who have access to price-sensitive information) may not deal directly or indirectly in the shares of the Company from the end of a reporting period until publication of the interim results or annual profit announcement.

The directors' beneficial and non-beneficial interest in the stated share capital of the Company at the reporting date is set out in note 38.

Directors' participation in share incentive schemes

Directors' holdings under the Share Appreciation Rights Scheme, Executive Retention Plan and Italtile Retention Scheme as at 30 June 2025 are set out in note 38.

Directors' emoluments

All emoluments paid to directors are short-term in nature, other than gains on long-term share incentive plans, and contributions to medical aid and provident fund.

The remuneration of both executive and non-executive directors is determined by the Remuneration Committee. Other benefits include once-off benefits paid and the fringe benefit value of company cars for executive directors, and fees for services rendered by non-executive directors or as otherwise noted. Refer to note 38 for detailed disclosure relating to directors' remuneration.

Directors' report continued

Subsidiary companies

Details of the Company's interest in its subsidiaries are set out on page16.

The Company's interest in the profits or losses after taxation and the non-controlling shareholders' interest of its subsidiaries (direct and indirect) is:

	2025 Rm	2024 Rm
Profits	1 494	1 462

Corporate governance

The Corporate Governance report is set out on pages 110 to 121.

Shareholders

An analysis of the shareholdings of the Company appears on page 196.

Employees

As at 30 June 2025, the Group permanently employed 2 351 employees (2024: 2 297).

Special resolutions

At the AGM of shareholders held on Thursday, 14 November 2024, three special resolutions were approved by the requisite majority of votes, namely authorising the Company to purchase its own shares; authorising the Company to provide financial assistance to related and inter-related entities; and approving the Company's non-executive directors' fees.

Full details of the special resolutions passed will be made available to shareholders on request.

Share schemes

Details related to share schemes operated by the Group are disclosed in note 6. The schemes include:

- The Italtile Staff Share Scheme, which replaces the previous staff share scheme, for all employees of the Group and its franchisees who meet certain qualifying criteria;
- The Share Appreciation Rights Scheme ("SARS") in accordance with which selected directors and employees of the Group will receive a conditional right to receive a share award as determined by the rules of the plan and scheme;
- The Italtile Retention Scheme, an additional mechanism, over and above the SARS, to retain and reward selected employees and directors of the Group; and
- The Ceramic Industries Share Retention Scheme, a mechanism to retain and reward selected high-performing Ceramic Industries executives and senior management.

Borrowing powers

In terms of the MOI, the Company has unlimited borrowing powers.

Auditor

At the AGM of 14 November 2024, shareholders approved the reappointment of PricewaterhouseCoopers Inc. as auditor for the 2025 financial year, with Mr K Ramnarian being the individual registered auditor undertaking the audit.

Company Secretary

The Company Secretary is Acorim (Pty) Ltd, whose business and postal address is:

Registered office:	13th Floor, Illovo Point 68 Melville Road, Illovo Sandton 2196
Telephone number:	+27 (11) 325 6363
Fax number:	+27 (11) 325 6362

Audit and Risk Committee report

The Audit and Risk Committee ("Committee") presents its report for the year ended 30 June 2025. The report has been prepared in accordance with the requirements of the Companies Act, King IV and the JSE Listings Requirements.

Mandate

The Committee is constituted as an independent statutory committee in respect of its duties in terms of section 94(7) of the Companies Act and has been delegated the responsibility to provide meaningful oversight of the effectiveness of the internal and external audit functions, confirm that the assurance provided supports the integrity of information produced and reported on by the Group and ensure that a sound risk management and system of internal controls is maintained.

A formal Audit and Risk Committee Charter ("Charter"), approved by the Board, guides the Committee in terms of its mandate (objectives, authority and responsibilities). The Charter is reviewed annually and, if necessary, amended to meet market, regulatory and statutory requirements.

Responsibility

The role of the Committee is, *inter alia*, to:

- review the effectiveness of the Group's systems of internal control, including internal financial control and risk management, and ensure that effective internal control systems are maintained;
- oversee the risk management process;
- review financial statements for proper and complete disclosure of timely, reliable and consistent information and confirm that the accounting policies used are appropriate;
- deal with concerns and complaints relating to accounting policies, internal audit, external audit or content of the IAR and internal financial controls;
- review the effectiveness of the internal audit function;
- nominate the appointment of the external auditor as the registered independent auditor after satisfying itself through enquiry that the auditor is independent as defined in terms of the Companies Act;
- determine the fees to be paid to the external auditor and the terms of engagement;
- ensure that the appointment of the external auditor complies with the Companies Act, as well as the JSE Listings Requirements and any other legislation relating to the appointment of the auditor; and
- approve the scope of non-audit services, which the external auditor may provide to the Group and pre-approve any non-audit services to be provided by the external auditor.

Attendance and composition of the Committee

The Committee consists of three independent non-executive directors, with three forming a quorum. The members have the necessary financial literacy, skills and experience to execute their duties effectively. The management team is regularly engaged, and the Group's internal auditor and the external auditor have direct access to the Committee, including closed sessions without management, on any matters that they regard as relevant to the fulfilment of the Committee's responsibilities.

The Committee provides independent oversight of the effectiveness of the Group's assurance and compliance functions, with particular focus on a combined assurance model comprising management, internal audit and external audit. The Committee ensures the integrity of the annual financial statements and, to the extent delegated by the Board, other governance matters and external reports issued by the Group.

Non-executive directors	Attendance at meetings
L C Prezens (Chairperson)	**5/5**
S M du Toit	**5/5**
N P Khoza*	**5/5**
S G Pretorius	**5/5**
L Ravazzotti Langenhoven**	**1/5**

* *Resigned from the Board and Committee on 11 June 2025.*
** *By invitation.*

The Committee met five times. The Chairperson, CEO, COO, CFO, external audit partner, the Head of Internal Audit and the Head of IT attend meetings by invitation. The Company Secretary, Ms Roxanne Cloete, attends and minutes all meetings of the Committee.

Risk management and coordination of assurance activities

The Committee oversees the risk management process. At least one Committee meeting a year is dedicated to the detailed review of the Group's risk assessment including IT risks. The Committee coordinates all assurance activities using the Group's combined assurance model.

Internal audit

The internal audit function provides assurance on the adequacy of the internal control environment across the Group's significant operations. The role of internal audit is contained in the Internal Audit Charter, which is reviewed annually by the Committee. The Committee approved the internal audit plan for the year.

Independence and objectivity are maintained through the internal audit's appropriate organisational positioning, reporting functionally to the Committee and administratively to the CFO. Internal Audit regularly reports its findings and recommendations to the Committee and senior management and joins each Committee meeting as an invitee.

The Committee is responsible for the appointment and removal of the Head of Internal Audit and the assessment of his performance. The Head of Internal Audit has direct and unrestricted access to the Chairman of the Committee and regular meetings are held between both.

The Committee has considered the above and is satisfied with the effectiveness of the internal audit function. The Committee has also considered and is satisfied with the expertise and experience of the Head of Internal Audit.

Audit and Risk Committee report continued

External auditor

During the year under review, the Committee, in consultation with executive management, approved the external audit plan and fee proposal. The Committee was provided with the information detailed in paragraph 3.84(g)(iii)(aa)-(dd) of the JSE Listings Requirements by PwC and Mr Keeran Ramnarian. This information was used by the Committee to assess audit quality and the suitability for appointment of both PwC and Mr Keeran Ramnarian.

The Committee is satisfied that PwC is independent of the Company whose review included the criteria for independence specified by the Independent Regulatory Board for Auditors and the Companies Act. The Chairman of the Committee has regular discussions and meetings with the external auditors, independently of management.

The Group has a clearly defined non-audit services policy, which is strictly followed. The extent of non-audit services is minimal and is continuously monitored, with no excessive, unusual or unnecessary engagements noted.

The Committee is of the view that the Group received a high-quality external audit considering the standard of audit planning and scope of activities performed. The Committee met with PwC prior to the approval of this report to discuss key audit matters, the Group's annual financial statements, commentary thereon and general matters.

The Committee has ensured that the appointment of PwC is presented and included as a resolution at the AGM pursuant to section 61(8) of the Companies Act.

Financial function

In accordance with the JSE Listings Requirements, the Committee must consider the appropriateness of the expertise and experience of the CFO of the Company on an annual basis.

The Committee is satisfied that Mr Lamar Booysen possesses the appropriate expertise and experience to meet his responsibilities as the Group's CFO.

The Committee confirmed that the finance function meets the King IV requirements to fulfil all financial reporting and control functions. Further, we are satisfied that the composition, experience, and skill set of the finance function are adequate to fulfil all financial, control and reporting requirements of the Group.

Whistle-blowing

The independent external whistle-blowing lines operated effectively for the year under review. Instances of whistle-blowing are reported to the Chairman of the Committee. At the reporting date, the Committee is satisfied that there were no material matters reported.

Internal financial controls

Based on the results of work done by the internal audit function and external auditor on the Group's system of internal financial controls, and considering feedback and information from management, the Committee is of the view that the Group's system of internal financial control was effective for the period under review and that it formed a reliable basis for the preparation of the Group's financial statements.

Financial statements

The Committee reviewed the financial statements of the Company and the Group and is satisfied that they comply with IFRS and that the accounting policies applied are appropriate.

The Committee believes that the Company has, with consideration of all entities included in the consolidated Group IFRS financial statements, established appropriate financial reporting procedures and that those procedures are operating effectively.

IT governance

The Committee periodically reviews the Group's maturity in respect of IT governance by considering reports from the Group's Head of IT and assurance as provided by both the external and the internal audit function in accordance with the approved internal audit plan.

Recommendation of the IAR and related sustainability information for approval by the Board

At its meeting held on 17 September 2025, the Committee reviewed and recommended the IAR and related sustainability information for the year ended 30 June 2025 for approval by the Board of directors.

The Committee is satisfied that it has considered and discharged its legal and other responsibilities and duties in compliance with its Charter.

L C Prezens CA(SA)
Audit and Risk Committee Chairperson

22 September 2025

Independent auditor's report

To the Shareholders of Italtile Limited

Report on the audit of the consolidated and separate financial statements

Our opinion

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Italtile Limited (the Company) and its subsidiaries (together the Group) as at 30 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa.

What we have audited

Italtile Limited's consolidated and separate financial statements set out on pages 145 to 195 comprise:

- the consolidated and separate statements of financial position as at 30 June 2025;
- the consolidated and separate statements of comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, including material accounting policy information.

Basis for opinion

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

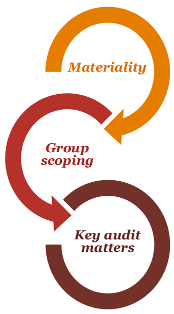
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the Independent Regulatory Board for *Auditors' Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards).*

Our audit approach

Overview



Final materiality

- R35,9 million, which represents 1% of Total Assets (Separate)
- R105,8 million, which represents 5% of consolidated profit before taxation (Consolidated)

Group audit scope

The Group audit scope has been tailored based on indicators such as the component's contribution to consolidated profit before taxation, revenue and other material financial statement line items in the consolidated financial statements. Full scope audits were performed over seven components. Four components were scoped in for the audit of specific account balances, classes of transactions or disclosure due to the risk and financial impact associated with the components.

Key audit matters

- Inventory provisions.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the Directors 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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (EAR Rule), we report final materiality and group audit scope below.

Independent auditor's report continued

Final materiality

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

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

	Consolidated financial statements	Separate financial statements
Final materiality	R105 800 000	R35 980 000
How we determined it	5% of consolidated profit before taxation	1% of Total Assets
Rationale for the materiality benchmark applied	We chose consolidated profit before taxation 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. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.	We chose total assets as a benchmark because, in our view, it is the benchmark against which the performance of the separate holding company is most commonly measured by users, and is a generally accepted benchmark. We chose 1% which is consistent with quantitative materiality thresholds used for investment-oriented companies in this sector.

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 consolidated 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.

Our scoping assessment included consideration of the financial significance of the Group's components as well as the sufficiency of work planned to be performed over material financial statement line items. We identified seven components where a full scope audit will be performed where four were identified as financially significant in the Group based on their contribution to consolidated profit before taxation. We also included a number of other components in the scope of our Group audit, based on their contribution to financial statement line items. For the four financially significant components, we performed a full scope audit and for the other in-scope components we performed a combination of full scope audits and audits of one or more significant account balances, specified procedures performed over equity accounting for investment in associates, classes of transactions or disclosures. This, together with additional procedures performed at the Group level, including testing of consolidation journals and intercompany eliminations, gave us sufficient and appropriate audit evidence to form an opinion on the consolidated financial statements as a whole. In establishing the overall approach to the group audit, we determined the extent of the work that needed to be performed by us, as the group engagement team and by component auditors operating under our instruction, in order to issue our audit opinion on the consolidated financial statements of the Group. Where the work was performed by component auditors, we determined the level of involvement necessary in the audit work at those components to be able to conclude whether sufficient appropriate audit evidence had been obtained as a basis for our opinion on the consolidated financial statements as a whole. Detailed group audit instructions were communicated to all in-scope components and the group engagement team has been involved in determining the component team audit approach. Throughout the audit, various planning, execution and completion calls and discussions were held with the component audit teams.

Key audit matters

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

We have determined that there are no key audit matters to communicate in our report in respect of the separate financial statements.

In terms of ISA 701 *Communicating key audit matters in the independent auditor's report*/the EAR Rule (as applicable), we are required to report key audit matters and the outcome of audit procedures or key observations with respect to the key audit matters, and these are included below.

Key audit matter	How our audit addressed the key audit matter
Inventory provisions This key audit matter applies to the consolidated financial statements only. Refer to the following notes to the consolidated financial statements for detail: ▪ Note 1.4: Accounting policies – Judgements and estimates; ▪ Note 1.14: Accounting policies – Inventory; and ▪ Note 21: Inventories Inventories held by the Group at year-end amounted to R1,228 million and were carried at the lower of cost and net realisable value on a weighted average cost basis (excluding cash discounts, rebates and relevant indirect taxes) after deducting provisions for obsolescence amounting to R122 million. The provision for inventory obsolescence is determined by management on a continuous basis and incorporates inputs and judgements relating to the expected future saleability of inventory items based on historical experience, analyses of market and fashion trends, and a review of the ageing of inventory items. We considered the valuation of the inventory obsolescence provision to be a matter of most significance to the audit of the consolidated financial statements due to the judgements applied by management in the determination thereof and the nature and quantum of the inventory balances to which the provision relates.	Our procedures relating to the inventory provision included the following: ▪ We obtained an understanding of management's processes and controls in relation to the determination of accounting estimates, and specifically those relevant to inventories. ▪ We evaluated management's methodology in determining the inventory provision for consistency with prior periods and for reasonability through consideration of prior and current period write-offs, industry benchmarking and analyses, and analyses of the inventory ageing categories. We noted no significant matters requiring further consideration. ▪ We tested the accuracy of the inventory inputs into management's provision calculation by comparing the inventory totals used for provisioning to the underlying subledgers and noted no material differences. ▪ We tested the ageing of inventory on a sample basis by comparing the system ageing of purchases to purchase dates reflected on supporting third party documentation and noted no differences. ▪ We recalculated the inventory obsolescence provision for mathematical accuracy and noted no material differences. ▪ We attended and observed a sample of inventory counts performed by management and physically inspected the condition of inventories to determine whether any additional physical indicators of obsolescence existed that could impact provision. We noted no additional considerations in this regard. ▪ We applied alternative input assumptions, based on our independent research and analyses of the industry, to the provision percentages used by management and noted no material sensitivities to the overall valuation of the provision.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the document titled "Italtile Limited Integrated Annual Report 2025", which include(s) the Directors' Report, the Audit and Risk Committee Report and the Company Secretary's Certificate as required by the Companies Act of South Africa and the document titled "Integrated Annual Report". The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

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

Responsibilities of the Directors for the consolidated and separate financial statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS Accounting Standards and the requirements of the Companies Act of South Africa, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company'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 and/or the Company or to cease operations, or have no realistic alternative but to do so.

The examination of controls over the maintenance and integrity of the Group's website is beyond the scope of the audit of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Independent auditor's report continued

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate 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 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the Group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other legal and regulatory requirements

Audit tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that PricewaterhouseCoopers Inc. has been the auditor of Italtile Limited for six year(s).

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: K Ramnarian
Registered Auditor
Johannesburg, South Africa

22 September 2025

Statements of comprehensive income
for the year ended 30 June 2025

Company 2025 Rm	Company 2024 Rm		Note	Group 2025 Rm	Group 2024 Rm
1 719	653	**Revenue**	3.1		
		Turnover	3.2	**8 876**	9 064
		Cost of sales	4	**(5 267)**	(5 377)
		Gross profit		**3 609**	3 687
		Other operating income*	3.3	**422**	419
#	#	Management fees		**–**	–
(13)	(10)	Operating expenses		**(1 976)**	(2 033)
		Impairment of property, plant and equipment	13	**–**	(15)
		Profit/(loss) on sale of property, plant and equipment		**6**	(2)
		Trading profit	5	**2 061**	2 056
#	#	Finance income and fair value gains	7	**125**	120
		Finance cost	8	**(76)**	(87)
		Share of profits from associates and joint ventures after tax	17.2	**6**	12
1 706	643	**Profit before taxation**		**2 116**	2 101
(4)	(4)	Taxation	9	**(574)**	(594)
1 702	639	**Profit for the year**		**1 542**	1 507
		Other comprehensive income, net of taxation			
		Items that may be reclassified subsequently to profit or loss (net of taxation)			
		Foreign currency translation difference		**(22)**	(19)
1 702	639	Total comprehensive income for the year, net of taxation		**1 520**	1 488
		Profit attributable to:			
		Equity holders of the parent		**1 494**	1 462
		Non-controlling interests		**48**	45
1 702	639			**1 542**	1 507
		Total comprehensive income attributable to:			
		Equity holders of the parent		**1 472**	1 443
		Non-controlling interests		**48**	45
1 702	639			**1 520**	1 488
		Earnings per share (all figures in cents)			
		Earnings per share	10	**125,6**	122,1
		Diluted earnings per share	10	**125,6**	122,1

Less than R1 million.
* *The disaggregation of revenue has been removed, as it is presented in Note 3.*

Statements of financial position
as at 30 June 2025

Company 2025 Rm	Company 2024 Rm		Note	Group 2025 Rm	Group 2024 Rm Restated*	Group 2023 Rm Restated*
		ASSETS				
148	276	**Non-current assets**		**6 180**	6 403	6 434
–	–	Property, plant and equipment	13	**5 523**	5 680	5 739
–	–	Right-of-use assets	15	**387**	442	405
–	–	Intangible assets	16	**10**	16	12
62	158	Investments	17.1	**–**	–	–
–	–	Investment in associates	17.2	**88**	89	78
86	118	Long-term financial assets	18	**109**	102	145
–	–	Goodwill	19	**26**	38	19
–	–	Deferred taxation	20	**37**	36	36
3 450	3 405	**Current assets**		**4 337**	4 098	3 525
–	–	Inventories	21	**1 228**	1 271	1 315
#	#	Trade and other receivables	23.1	**854**	902*	1 101*
3 430	3 394	Amounts owing from related parties	23.2	**–**	–	–
19	11	Cash and cash equivalents	24	**2 169**	1 844	1 049
–	–	Financial assets at fair value through profit and loss	22	**52**	–	–
–	–	Taxation receivable	30	**34**	81	60
		Non-current assets held for sale	14	**35**	133	–
3 598	3 681	**Total assets**		**10 552**	10 634	9 959
		EQUITY AND LIABILITIES				
3 596	3 681	**Equity attributable to equity holders of the parent**		**8 091**	8 171	7 483
4 314	4 314	Stated capital	25	**4 314**	4 314	4 314
–	–	Non-distributable reserve	26	**6**	28	47
(199)	(111)	Treasury shares	6	**(1 291)**	(1 293)	(1 087)
157	164	Share option reserve	6	**201**	209	204
(676)	(686)	Retained earnings		**4 861**	4 913	4 005
		Non-controlling interest		**297**	303	285
3 596	3 681	Total equity		**8 388**	8 474	7 768
2	#	**Total liabilities**		**2 164**	2 160	2 191
		Non-current liabilities		**687**	690	1 066
		Interest-bearing loans	31	**–**	–	500
–	–	Lease liabilities	32	**368**	420	362
–	–	Deferred taxation	20	**319**	270	204
2	#	**Current liabilities**		**1 477**	1 470	1 125
2	#	Trade and other payables	27	**702**	718*	837*
–	–	Provisions	28	**182**	178	208
–	–	Interest-bearing loans	31	**500**	500	–
–	–	Lease liabilities	32	**68**	62	55
–	#	Taxation payable	30	**25**	12	25
3 598	3 681	**Total equity and liabilities**		**10 552**	10 634	9 959

Less than R1 million.
* *Refer to note 41.*

Statements of changes in equity
for the year ended 30 June 2025

Rm	Stated capital	Non-distri-butable reserves	Treasury shares	Share option reserve	Retained earnings	Total	Non-controlling interests	Total equity
GROUP								
Balance at 30 June 2023	4 314	47	(1 087)	204	4 005	7 483	285	7 768
Profit for the year					1 462	1 462	45	1 507
Other comprehensive income for the year		(19)				(19)		(19)
Total comprehensive income for the year		(19)			1 462	1 443	45	1 488
Purchase of own shares	–	–	(212)	–	–	(212)	–	(212)
Dividends paid	–	–	–	–	(563)	(563)	(43)	(606)
Transactions with non-controlling interests	–	–	–	–	(5)	(5)	16	11
Share incentive costs (including vesting settlement)	–	–	6	5	14	25	–	25
Balance at 30 June 2024	4 314	28	(1 293)	209	4 913	8 171	303	8 474
Profit for the year	**–**	**–**	**–**	**–**	**1 494**	**1 494**	**48**	**1 542**
Other comprehensive income for the year	**–**	**(22)**	**–**	**–**	**–**	**(22)**	**–**	**(22)**
Total comprehensive income for the year	**–**	**(22)**	**–**	**–**	**1 494**	**1 472**	**48**	**1 520**
Dividends paid	**–**	**–**	**–**	**–**	**(1 565)**	**(1 565)**	**(54)**	**(1 619)**
Transactions with non-controlling interests	**–**	**–**	**–**	**–**	**(1)**	**(1)**	**–**	**(1)**
Share incentive costs (including vesting settlement)	**–**	**–**	**2**	**(8)**	**20**	**14**	**–**	**14**
Balance at 30 June 2025	**4 314**	**6**	**(1 291)**	**201**	**4 861**	**8 091**	**297**	**8 388**
Note	25	26	6	6				

Rm	Stated capital	Treasury share	Share option reserve	Retained earnings	Total equity
COMPANY					
Balance at 30 June 2023	4 314	(97)	148	(710)	3 655
Profit for the year	–	–	–	639	639
Dividends paid	–	–	–	(634)	(634)
Share incentive transactions (including vesting settlement)	–	(14)	16	19	21
Balance at 30 June 2024	4 314	(111)	164	(686)	3 681
Profit for the year				**1 702**	**1 702**
Dividends paid				**(1 692)**	**(1 692)**
Share incentive transactions (including vesting settlement)		**(88)**	**(7)**	**–**	**(95)**
Balance at 30 June 2025	**4 314**	**(199)**	**157**	**(676)**	**3 596**
Note	25	6	6		

Statements of cash flows
for the year ended 30 June 2025

Company 2025 Rm	Company 2024 Rm		Note	Group 2025 Rm	Group 2024 Rm
(14)	(11)	Cash generated by operations	29	**2 666**	2 714
1	3	Finance income	7	**123**	120
–	–	Finance cost	8	**(38)**	(47)
–	–	Lease liability finance costs	8	**(38)**	(40)
1 705	639	Dividends received	3.1	**–**	–
(1 692)	(634)	Dividends paid	33	**(1 619)**	(606)
(4)	(4)	Taxation paid	30	**(462)**	(543)
(4)	(7)	**Cash flow from operating activities**		**632**	1 598
	–	Additions to property, plant and equipment	13	**(234)**	(597)
	–	Additions to intangible assets	16	**(6)**	(12)
	–	Dividend income from associates	17.2	**3**	2
	–	Proceeds on disposal of property, plant and equipment*		**64**	76
	–	Inflows from long-term financial assets	18	**18**	43
	–	Additions to financial assets at fair value through profit and loss	22	**(50)**	–
33	53	Repayments from share trust		**–**	–
	–	Purchase of interest in subsidiaries and associates		**–**	(22)
(21)	(53)	Loans to related parties		**–**	–
11	#	**Cash flow from investing activities**		**(205)**	(510)
–	–	Proceeds from loans and borrowings	31	**1 000**	–
–	–	Repayment of loans and borrowings	31	**(1 000)**	–
	–	Share scheme vesting	6	**(15)**	(12)
	–	Acquisition of non-controlling interest		**(9)**	–
	–	Treasury share movements	6	**–**	(212)
	–	Lease liability payments	32	**(78)**	(69)
–	–	**Cash flow from financing activities**		**(102)**	(293)
8	(7)	**Net movement in cash and cash equivalents for the year**		**325**	795
11	18	**Cash and cash equivalents at the beginning of the year**		**1 844**	1 049
19	11	**Cash and cash equivalents at the end of the year**	24	**2 169**	1 844

Less than R1 million.

* *Included in the proceeds on disposal of property, plant and equipment is R14 million relating to non-current assets held for sale.*

Notes to the financial statements
for the year ended 30 June 2025

1. ACCOUNTING POLICIES

1.1 Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with and comply with IFRS Accounting Standards, its interpretations issued by the International Accounting Standards Board ("IASB"), International Financial Reporting Interpretations Committee ("IFRIC"), the Listings Requirements of the JSE ("the JSE Listings Requirements"), the requirements of the Companies Act, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council.

1.2 Basis of preparation

The consolidated and separate financial statements are prepared on the historical cost basis, except for certain assets and liabilities that have been measured at fair value. The accounting policies set out below have been applied consistently to all periods presented in these consolidated and separate financial statements.

1.3 Standards and interpretations

1.3.1 IFRS Accounting Standards and amendments effective for the first time for June 2025 year-ends

Number	Effective date	Executive summary
Amendments to IAS 1, 'Presentation of Financial Statements' – Non-current liabilities with covenants	Annual periods beginning on or after 1 January 2024 (Published January 2020 and November 2022)	These amendments clarify how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability. The amendments also aim to improve information an entity provides related to liabilities subject to these conditions. The impact is not material to the Group.
Amendment to IFRS 16, 'Leases' – sale and leaseback	Annual periods beginning on or after 1 January 2024 (Published September 2022)	These amendments include requirements for sale and leaseback transactions in IFRS 16 to explain how an entity accounts for a sale and leaseback after the date of the transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted. The impact is not material to the Group.
Amendments to Supplier Finance Arrangements (IAS 7 'Statement of Cash Flows' and IFRS 7 'Financial Instruments: Disclosure')	Annual periods beginning on or after 1 January 2024 (Published May 2023)	These amendments require disclosures to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis. The impact is not material to the Group.

Notes to the financial statements continued
for the year ended 30 June 2025

1. ACCOUNTING POLICIES continued
1.3 Standards and interpretations continued
1.3.2 IFRS Accounting Standards and amendments issued but not effective

Number	Effective date	Executive summary
Amendments to IAS 21, 'The Effects of Changes in Foreign Exchange Rates' – Lack of Exchangeability (Amendments to IAS 21)	Annual periods beginning on or after 1 January 2025 (Published August 2023)	An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. As the Group does not trade in territories where foreign currency is not exchangeable into another currency, the impact is not considered material to the Group.
Amendment to IFRS 9, "Financial Instruments" and IFRS 7, "Financial Instruments: Disclosures" – Classification and Measurement of Financial Instruments	Annual periods beginning on or after 1 January 2026 (Published May 2024)	These amendments: • clarify the requirements for the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system; • clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest ("SPPI") criterion; • add new disclosures for certain instruments with contractual terms that can change cash flows (such as some instruments with features linked to the achievement of environment, social and governance ("ESG") targets); and • make updates to the disclosures for equity instruments designated at Fair Value through Other Comprehensive Income ("FVOCI"). The impact is not expected to material to the Group as the amendments have been considered in the financial assets at fair value through profit and loss note.
IFRS 18, 'Presentation and Disclosure in Financial Statements'	Annual periods beginning on or after 1 January 2027 (Published April 2024)	The objective of IFRS 18 is to set out requirements for the presentation and disclosure of information in general purpose financial statements (financial statements) to help ensure they provide relevant information that faithfully represents an entity's assets, liabilities, equity, income and expenses. IFRS 18 replaces IAS 1 'Presentation of Financial Statements' and focuses on updates to the statement of profit or loss with a focus on the structure of the statement of profit or loss; required disclosures in the financial statements for certain profit or loss performance measures that are reported outside an entity's financial statements (that is, management-defined performance measures); and enhanced principles on aggregation and disaggregation which apply to the primary financial statements and notes in general. Many of the other existing principles in IAS 1 are retained, with limited changes. IFRS 18 will not impact the recognition or measurement of items in the financial statements, but it might change what an entity reports as its 'operating profit or loss'. Management is assessing the impact of the potential changes in disclosure.
IFRS 19, 'Subsidiaries without Public Accountability'	Annual periods beginning on or after 1 January 2027 (Published May 2024)	The objective of IFRS 19 is to provide reduced disclosure requirements for subsidiaries, with a parent that applies the Accounting Standards in its consolidated financial statements. IFRS 19 is a voluntary Accounting Standard that eligible subsidiaries can apply when preparing their own consolidated, separate or individual financial statements. As this set of financial statements is the consolidated Group results, this amendment will not be applicable to the consolidated set of Financial Statements.

1. ACCOUNTING POLICIES continued

1.4 Judgements and estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods, if the revision affects both current and future periods.

The key assumptions concerning the future and key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year, relates to the following:

Inventory obsolescence provision

The Group determines whether there is obsolete inventory on a continuous basis. This requires an estimation of the expected future saleability of inventory items based on historical experience, an analysis of market and fashion trends and a review of the ageing of the inventory items. Details pertaining to carrying values and write-offs are provided in note 21.

Classification of leased land and buildings

Underpinning the retail network is an extensive property portfolio. The Group derives important strategic advantage by supporting its brands with high-profile prime sites that ensure stores are easily accessible, well presented and maintained, and contribute to an aspirational shopping experience. The Group leases certain properties it owns to its franchisees. The leased properties do not generate cash flows largely independently of other assets of the Group, as rental income is directly linked to the franchise agreement and does not account for the significant portion of income generated from the franchise agreement.

In determining whether these properties are classified as investment property or property, plant and equipment, the Group considers the following factors:

- As part of the franchise agreement, a franchisee enters into a lease agreement with the Group for the property from which it will operate its business. As a result, the lease agreement is considered to be part of the franchise agreement rather than a standalone lease agreement;
- Rental income is based on a percentage of the turnover generated by the franchisee; and
- The leased property also facilitates the generation of other franchise income for the Group, including royalty income through the use of trademarks; IT fees through the use of IT infrastructure; and other operational-related fees such as human resource fees. These income streams are based on turnover generated by the franchisee.

The above considerations indicate that the Group retains significant exposure to the variation in the cash flows generated by the operations of the properties. As such, these leased properties are accounted for as property, plant and equipment.

Residual values and useful lives of buildings

The Group depreciates its buildings to estimated residual values over an estimated useful life. These estimates are reviewed annually by the Group at each reporting period with reference to expected usage of the buildings, expected physical wear and tear, and current market values. Details of residual values and useful lives are disclosed in note 1.11.

Impairment of tangible and intangible assets

The Group evaluates the carrying value of assets with finite useful lives when events and circumstances indicate that the carrying value may not be recoverable and when there are indicators of impairment. These assets (notes 13, 15 and 16) are tested annually for impairment and more frequently when events or circumstances indicate that there may be impairment.

Share-based payments

The Group measures the cost of equity-settled transactions by reference to the fair value of the equity instruments at the date at which they are granted. Estimating fair value requires determining the most appropriate valuation model for a grant of equity instruments, which is dependent on the terms and conditions of the grant. This also requires determining the most appropriate inputs to the valuation model. The assumptions and models used are disclosed in note 6.

Control of franchisees

The Group does not include franchised stores in its consolidated results as it has assessed its rights over franchised stores to be protective in nature (to preserve the franchised brands), with the holder of the franchise rights (the franchisees) having the ability to direct the franchised store operations and activities. In addition, financial support to franchisees over and above arm's length trading terms for supply of product and services is limited, as is the Group's exposure to variability of returns and profitability of the franchised stores (franchise fees are not dependent on the returns made by franchisees).

Notes to the financial statements continued
for the year ended 30 June 2025

1. ACCOUNTING POLICIES continued

1.5 Basis of consolidation

The consolidated financial statements incorporate the results and financial position of the Company, its subsidiaries, its associates, the Share Incentive Trust, the Empowerment Trust, the Retention Trust, the Foundation Trust and the Italtile Staff Share Scheme Trust.

Subsidiaries are those companies in which the Group has the power to exercise control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power of the investee. The results of subsidiaries are included from the effective dates of acquisition, being the dates on which the Group obtains control, until the dates that control ceases. The identifiable assets and liabilities of companies acquired are assessed and included in the statement of financial position at their fair values as at the effective dates of acquisition.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intragroup balances, transactions, unrealised gains and losses resulting from intragroup transactions and dividends are eliminated in full.

All entities controlled by the Group maintain consistent accounting policies and have the same year-end.

Non-controlling interests represent the portion of profit or loss and net assets not held by the Group and are presented separately in the statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to equity holders of the parent. Non-controlling interests are not fair valued post-acquisition.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:
- derecognises the assets (including goodwill) and liabilities of the subsidiary;
- derecognises the carrying amount of any non-controlling interest;
- derecognises the cumulative translation differences, recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss; and
- reclassifies the parent's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

1.6 Business combinations and goodwill

New acquisitions are included in the Group's financial statements using the acquisition method whereby the assets, liabilities and contingent liabilities are measured at their fair value. The purchase consideration is allocated on the basis of fair values at the date of acquisition.

Goodwill is initially measured at cost and represents the excess of the purchase consideration over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the acquired entity at the date of acquisition.

Following initial recognition, goodwill is measured at cost, less any accumulated impairment losses. Goodwill carried in the statement of financial position is not amortised. Goodwill is reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that the carrying value may be impaired.

As at the acquisition date, any goodwill acquired is allocated to each of the cash-generating units ("CGUs") expected to benefit from the acquisition. Impairment is determined by assessing the recoverable amount of the CGU, to which the goodwill relates.

Where the recoverable amount of the CGU is less than the carrying amount, an impairment loss is recognised. Where goodwill forms part of the CGU and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of that operation. Goodwill disposed of in this circumstance is measured on the basis of the relative values of the operation disposed of and the portion of the CGU which is retained.

Common control reserve

Common control transactions are accounted for using the pooling of interest method with the difference between the carrying amount and consideration recognised in a separate reserve in equity. A business combination is a common control combination if the combining entities are ultimately controlled by the same party (or parties), both before and after the combination.

1. ACCOUNTING POLICIES continued

1.7 Investment in subsidiaries (as accounted for on an entity level within the Group)

Investment in subsidiaries is initially recorded at cost, being the fair value of the consideration given and including acquisition charges associated with the investment. Investments are carried at cost, less impairment.

The carrying value of the subsidiaries is reviewed for impairment indicators at every reporting date. Where necessary, the value of the investment is impaired to the greater of the fair value less costs of disposal or the value in use.

The difference between the net proceeds on disposal and the carrying amount of investments is charged to profit or loss in the statement of comprehensive income.

1.8 Financial instruments

Financial instruments held by the Group are classified in accordance with the provisions of IFRS 9 Financial Instruments.

The classification possibilities, which are adopted by the Group, as applicable, are as follows:

Financial assets that are equity instruments or instruments traded on the open market:

- Mandatorily at fair value through profit or loss.

Financial assets that are debt instruments:

- Amortised cost
  This classification applies only when the contractual terms of the instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on principal, and where the instrument is held under a business model whose objective is met by holding the instrument to collect contractual cash flows; or
- Mandatorily at fair value through profit or loss
  This classification automatically applies to all debt instruments which do not qualify as at amortised cost or at fair value through comprehensive income; or
- Designated at fair value through profit or loss
  This classification option can be applied when it eliminates or significantly reduces an accounting mismatch.

Derivatives which are not part of a hedging relationship:

- Mandatorily at fair value through profit or loss.

Financial liabilities:

- Amortised cost; or
- Mandatorily at fair value through profit or loss
  This applies to contingent consideration in a business combination or to liabilities that are held for trading; or
- Designated at fair value through profit or loss. This classification option can be applied when it eliminates or significantly reduces an accounting mismatch; the liability forms part of a group of financial instruments managed on a fair value basis; or it forms part of a contract containing an embedded derivative and the entire contract is designated as at fair value through profit or loss.

Note 36 (financial instruments and risk management) presents the financial instruments held by the Group based on their specific classifications.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Group are presented below:

a. Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost (note 23.1).

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Group's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Group becomes a party to the contractual provisions of the receivables. The Group initially recognises trade and other receivables on the date that they originated. The trade and other receivables are measured initially at their transaction price, if at initial recognition of the trade and other receivable the Group expects to receive payment within one year or less from the date that the goods were transferred for the customer. All other trade and other receivables are initially measured at fair value plus transaction costs.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal payments, plus cumulative amortisation (interest) using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

Notes to the financial statements continued
for the year ended 30 June 2025

1. ACCOUNTING POLICIES continued
1.8 Financial instruments continued
a. Trade and other receivables continued

Application of the effective interest method
For receivables that contain a significant financing component, interest income is calculated using the effective interest method, and is included in profit or loss in finance income when applicable.

Impairment
The Group recognises a loss allowance for expected credit losses ("ECLs") on trade and other receivables at an amount equal to lifetime expected credit losses ("lifetime ECLs"), which represents the ECLs that will result from all possible default events over the expected life of the receivable.

Measurement and recognition of expected credit losses
The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade and other receivables. The provision matrix is based on historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate. The customer base is diverse with significantly different loss patterns for different customer segments. The Group aggregates customer segments which share similar credit risk characteristics for purposes of determining the credit loss allowance.

An impairment gain or loss is recognised in profit or loss with a corresponding adjustment to the carrying amount of trade and other receivables, through use of a loss allowance account. The impairment loss is included in profit or loss as a movement in credit loss allowance.

Write-off policy
The Group writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Group recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk
Details of credit risk are included in trade and other receivables (note 23.1) and the financial instruments and risk management note (note 36).

Derecognition
Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

b. Cash and cash equivalents
Cash comprises cash on hand and deposits held on call with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of changes in value.

Cash and cash equivalents are initially and subsequently measured at fair value.

c. Amounts owing by subsidiary
The amounts owing by a subsidiary in the separate financial statements of the Company are repayable on demand and classified as a financial asset subsequently measured at amortised cost as a result. These amounts are initially recorded at fair value and details related to credit risk and impairment are provided in note 23.2.

d. Trade and other payables

Classification
Trade and other payables (note 27) are classified as financial liabilities subsequently measured at amortised cost.

Recognition and measurement
Trade and other payables are recognised when the Group becomes a party to the contractual provisions and are measured, at initial recognition, at fair value net of transaction costs, if any.

They are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

If trade and other payables contain a significant financing component and the effective interest method results in the recognition of interest expense, then it is included in profit or loss in finance costs (note 8).

Trade and other payables expose the Group to liquidity risk and possibly to interest rate risk. Refer to note 36 for details of risk exposure and management thereof.

1. ACCOUNTING POLICIES continued

1.8 Financial instruments continued

d. Trade and other payables continued

Trade and other payables denominated in foreign currencies

When trade payables are denominated in a foreign currency, the carrying amount of the payables are determined in the foreign currency. The carrying amount is then translated to the Rand equivalent using the spot rate at the end of each reporting period.

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

e. Derecognition

Financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

f. Reclassification

Financial assets

The Group only reclassifies affected financial assets if there is a change in the business model for managing financial assets. If a reclassification is necessary, it is applied prospectively from the reclassification date. Any previously stated gains, losses or interest are not restated.

The reclassification date is the beginning of the first reporting period following the change in business model that necessitates a reclassification.

Financial liabilities

Financial liabilities are not reclassified.

1.9 Treasury shares

Shares in Italtile Limited held by the Group are classified in equity attributable to equity holders of the parent as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares. Dividends received on treasury shares are eliminated on consolidation. No gain or loss on the purchase, sale, issue or cancellation of the Group's listed shares is recognised in profit or loss. Consideration received or paid with regards to treasury shares is recognised in equity.

1.10 Foreign currencies

The consolidated and separate financial statements are presented in Rand, which is the Group's functional and presentation currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency spot rate of exchange ruling at the reporting date.

All differences, including tax effects, are taken to profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The Group has investments in foreign subsidiary companies, which are classified as foreign operations with functional currencies that are different to that of the Group. The financial statements of these subsidiaries are translated for incorporation into the Group financial statements as follows:

- Assets and liabilities at the rates ruling at the reporting date;
- Statement of comprehensive income items at a weighted average rate for the period;
- Cash flow items at a weighted average rate for the period; and
- Equity items at the appropriate historical rate.

Exchange differences are taken directly to a foreign currency translation reserve which is disclosed in other comprehensive income in the statement of comprehensive income. On disposal of a foreign entity, the deferred cumulative amount recognised in other comprehensive income, relating to that particular foreign entity, is recognised in profit or loss.

Notes to the financial statements continued
for the year ended 30 June 2025

1. ACCOUNTING POLICIES continued

1.11 Property, plant and equipment

All buildings are carried at cost less accumulated depreciation and accumulated impairment, if any. A valuation to open-market value for existing use is done every three years for impairment assessment purposes.

All plant and equipment is stated at cost less accumulated depreciation and accumulated impairment, if any.

Depreciation is calculated on the straight-line basis estimated to write each asset down to estimated residual value over the term of its useful life at the following annual rates:

	Useful life	Residual value
• Buildings	5% to 10%	80%
• Plant and machinery	6,66% to 25%	zero
• Vehicles	20% to 25%	zero
• Computer equipment	20% to 33,3%	zero
• Furniture and fittings	16,6% to 33,3%	zero

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual values using the straight-line basis over their estimated useful lives. Depreciation is generally recognised in profit or loss, unless the amount is included in the carrying amount of another asset. Land and capital work in progress is not depreciated.

Computer equipment, computer software, furniture and fittings are included as part of office equipment and are depreciated over three to five years.

Capital work in progress has a useful life and a residual value of zero as it is not yet ready for its intended use.

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, an appropriate valuation model is used. All repairs and maintenance are recognised in the statement of comprehensive income as incurred.

Impairment losses of continuing operations are recognised in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset. In addition, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains and losses on derecognition of assets are determined by reference to their carrying amount and the net disposal proceeds and are taken to the statement of comprehensive income in the year the asset is derecognised.

1.12 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. In the event a sale is not concluded within one year, management will assess whether the non-current asset still meets the criteria to be held for sale. In its assessment, management will consider if the delay in sale is due to developments outside the entity's control, and if management still considers the sale as highly probable and the asset continues to be available for immediate sale in its current condition.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. A non-current asset is not depreciated while it is classified as held for sale.

1. ACCOUNTING POLICIES continued

1.13 Intangible assets

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Computer software has a finite useful life and is subsequently carried at cost less accumulated amortisation and impairment. Amortisation is calculated using the straight-line method to allocate the cost of the computer software over its estimated useful life (three years). Costs associated with the maintenance of existing computer software programs are expensed as incurred.

1.14 Inventory

Inventory is valued at the lower of cost or net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and costs necessary to make the sale. Cost is determined on a weighted average cost method and excludes cash discounts, rebates and relevant indirect taxes.

Manufacturing

Cost includes expenditure incurred in acquiring, manufacturing and transporting the inventory to its present location. Manufacturing costs include an allocated portion of production overheads, which are directly attributable to the cost of manufacturing such inventory. The allocation is determined based on the normal production capacity.

Cost is determined as follows:

- Raw materials – weighted average
- Finished product and trading goods – weighted average

Aged and discontinued finished goods, slow-moving consumable stores and obsolete raw materials are identified on a regular basis and are written down to their estimated net realisable value.

1.15 Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Current tax items relating to other comprehensive income are recognised in other comprehensive income or directly in equity.

Deferred income tax

Deferred income tax is provided on the liability method, on recognised temporary differences at tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, other than in the circumstances described below. Deferred tax assets are recognised for all deductible temporary differences, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry-forward or unused tax assets and unused tax losses can be utilised, other than in the circumstances described below. Furthermore, deferred tax assets are reviewed at each reporting date.

The carrying amount is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of that deferred tax asset to be utilised. Any such reduction shall be reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Deferred tax assets and liabilities are not recognised where they arise from goodwill arising on acquisition or from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Offset of tax assets and liabilities

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities, and the deferred tax assets and deferred tax liabilities relate to income taxes levied on the same entity by the same tax authority.

Notes to the financial statements continued
for the year ended 30 June 2025

1. ACCOUNTING POLICIES continued

1.15 Taxes continued

Value added tax ("VAT")

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

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense items, as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of other receivables or other payables in the statement of financial position.

Dividend withholding tax

Dividend withholding tax is imposed on shareholders at a rate of 20% on the receipt of dividends, and is withheld and paid to taxation authorities by the Company paying the dividend. By election, the Group is exempt from dividend withholding tax on its dividend receipts, except for certain consolidated entities which hold treasury shares. The dividend withholding tax for such entities is included in the Group's taxation expense.

1.16 Leases

The Group recognises a right-of-use asset and lease liability in the statement of financial position at commencement of the lease.

The lease liability is measured at the present value of lease payments not paid at commencement date. The Group uses the rate implicit in the lease and if that cannot be determined, the incremental borrowing rate at inception of the lease to discount lease payments. Lease payments include all fixed payments per contract, variable payments linked to an index or rate, any amounts expected to be payable under a residual guarantee and the purchase price if the entity is reasonably certain it will exercise the option to purchase.

The Group subsequently measures the lease liability using the effective interest rate method. The lease liability is remeasured if there is a change in the variable payments linked to an index or rate, if the Group changes its assessment of whether or not it will exercise the option to purchase or option to renew the agreement, or if there is a change in the estimated amount payable under a residual value guarantee. The right-of-use asset is adjusted with the corresponding adjustment to the extent that the balance is reduced to zero, thereafter the adjustments are recognised in profit or loss.

The lease liability is represented as a separate line item in the statement of financial position.

The right-of-use asset is measured initially at cost which comprises the initial amount of the lease liability plus any lease payments made on or before commencement date, plus any direct cost incurred and an estimate of cost to dismantle or restore the underlying asset, less any lease incentives.

The right-of-use assets are depreciated on a straight-line basis over the shorter of the asset's useful life and the lease term. If the lease agreement contains an option to purchase the asset at the end of the lease term and the Group is reasonably certain that it would exercise the purchase option, the right-of-use asset is depreciated over the underlying asset's useful life. Depreciation is recognised in profit or loss and presented as part of operating expenses. The right-of-use assets are reviewed at each reporting date, or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable, to determine whether there is any indication of impairment. They are also adjusted for any remeasurements of the lease liability or modifications of the agreement.

The right-of-use asset is presented as a separate line in the statement of financial position.

Short-term leases and low-value assets

The Group has elected not to recognise a right-of-use asset and lease liability for all short-term leases with a lease term of 12 months or less and all low-value assets. The lease payments of these leases are recognised on a straight-line basis over the lease term.

1. ACCOUNTING POLICIES continued

1.17 Employee benefits

Retirement benefits

Current contributions to the retirement benefit plan are charged against profit or loss as services are rendered by the employee.

Short-term benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. Liabilities for employee entitlements to wages, salaries and leave represent the amount that the Group has a present obligation, as a result of employee services provided to the reporting date, to the extent that such obligation can be reliably estimated. The accruals have been calculated at discounted amounts based on current wage and salary rates.

Full-time employees of the Group are entitled to a profit incentive payment based on the performance of the Group. The Group thus has a present obligation as a result of the employee services provided in the reporting period, to the extent that such obligation can be reliably estimated. The accruals have been calculated at undiscounted amounts based on current wage and salary rates.

1.18 Equity participation plans

Selected employees, including directors, of the Group receive remuneration in the form of share awards, whereby they render services in exchange for rights over shares. The cost of share awards is measured by reference to the fair value at the date at which they are granted. The fair value is determined by using option-pricing models, further details of which are given in note 6. In valuing the share awards, no account is taken of any performance conditions, other than conditions linked to the price of the shares of Italtile Limited.

The cost of the share awards is recognised, together with a corresponding increase in shareholders' equity, over the vesting period ending on the date on which the service conditions are fulfilled and the employees become fully entitled to take up the share awards. The cumulative expense recognised for share awards granted at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the number of share awards that will ultimately vest, in the opinion of the directors of the Group, at that date. This is based on the best available estimate of the number of share awards that will ultimately vest. No expense is recognised for share awards that do not ultimately vest.

The cost of the share awards is recognised over the vesting period ending on the date on which the service conditions are fulfilled. The schemes have been classified as an equity-settled share-based payment. The recipient of the award shall be the registered and beneficial holder from the date of transfer of such shares. Where a share award is forfeited due to vesting conditions not being satisfied, the unvested portion of the awards will be transferred back to the Group.

Where the terms of the share awards are modified, as a minimum, an expense is recognised as if the terms had not been modified. In addition, an expense is recognised for any increase in the value of the transactions, as a result of the modification, as measured at the date of modification.

Where a share award is forfeited prior to vesting, any expense previously recognised for the award is reversed immediately. Where an award is cancelled, other than an award cancelled by forfeiture when the vesting conditions are not satisfied, it is treated as if it vested on the date of cancellation, and any expense not yet recognised is recognised immediately. If a new share award is substituted for the cancelled share award, and designated as a replacement share award on the date that it is granted, the cancelled and new share awards are treated as if they were a modification of the original grant, as described above.

The dilutive effect of outstanding awards is reflected as a share dilution in the computation of diluted earnings per share (refer to note 10).

1.19 Dividends paid

Dividends paid are recognised as appropriations of reserves in the statement of changes in equity at the dates of declaration.

Notes to the financial statements continued
for the year ended 30 June 2025

1. ACCOUNTING POLICIES continued

1.20 Investment in associates and joint ventures

The Group's investment in its associates is accounted for using the equity method. An associate is an entity in which the Group has significant influence.

The Group's investment in joint venture is accounted for using the equity method where the Group does not exercise power to govern its financial and operating decisions. The joint venture is an entity in which the Group has significant influence.

Under the equity method, the investment in the associate and joint venture is carried in the statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates and joint venture. Goodwill relating to the associates and joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

Profit or loss in the statement of comprehensive income reflects the share of the results of operations of the associates and joint venture in profit or loss. Any change in other comprehensive income of the associates and joint venture is presented as part of the Group's other comprehensive income. Where there has been a change recognised directly in the equity of the associates or joint venture, the Group recognises its share of any changes and discloses this, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates and joint venture are eliminated to the extent of the interest in the associates and joint venture.

The share of profit of an associate and joint venture is included in profit or loss. This is the profit attributable to equity holders of the associates and joint venture and therefore is profit after tax and non-controlling interests in the subsidiaries of the associates and joint venture.

The financial statements of the associates and joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group's investment in its associates or joint venture. The Group determines at each reporting date whether there is any objective evidence that the investment in the associates or joint venture is impaired. If this is the case, the Group calculates the amount of impairment as the difference between the recoverable amount of the associates or joint venture and its carrying value and recognises the amount in profit or loss.

Upon loss of significant influence over the associates or joint venture, the Group measures and recognises any retaining investment at its fair value. Any difference between the carrying amount of the associates or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognised in profit or loss.

1.21 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

1. ACCOUNTING POLICIES continued

1.22 Revenue from contracts with customers

Group

Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation. Revenue is measured at the fair value of consideration received or receivable.

Turnover

Revenue from the sale of goods, or turnover, comprises sales to customers through its owned stores and the Group's supply arrangements. Goods comprise tiles, bathroomware and related products. All turnover is stated exclusive of value added tax.

Turnover is recognised at a point in time when the Group transfers control of goods to its customer at the point of sale and is measured at the fair value of consideration received or receivable, net of trade discounts. Discounts to customers are deducted from turnover. Payment of the transaction price in respect of sale of goods is due immediately when the customer purchases goods and takes delivery.

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Company

Dividend income

Dividend income is the main source of income, earned in the ordinary course of business. The Company recognises the dividends received from its investment as revenue.

Management fee

The Company charges its wholly owned subsidiary a management fee for services rendered by its Board and other related services. The management fees are recognised at a point in time when the services have been rendered.

1.23 Other income

Royalty and franchise income

The Group earns royalties and other franchise income from its network of franchised stores. Income from franchisees, calculated as a percentage of the sale of goods by franchisees through their point of sale to their customers, in accordance with the substance of the relevant franchise agreement, is recognised at a point in time as franchisee income when the sale that gives rise to the income takes place.

Finance income

Interest income is recognised over time as it accrues in the statement of comprehensive income, using the effective interest rate method, by reference to the principal amounts outstanding and at the interest rate applicable. Dividend income is recognised when the shareholder's right to receive payment is established.

Property rental income

Property rental income comprises variable rent payments received by the Group based on a contractual percentage of monthly franchisee turnover.

2. DEFINITIONS

2.1 Turnover

Turnover represents net sales to customers, excluding value added tax and other revenue and income from franchisees.

2.2 Cost of sales

Cost of sales is calculated as the weighted average cost of inventory, including distribution costs incurred in bringing the inventory to the retail locations, net of rebate income and settlement discounts.

In the manufacturing divisions, cost of sales is inclusive of depreciation and employee costs as these are directly related to the cost of manufacture of inventories.

2.3 Cash and cash equivalents

Cash comprises cash on hand and deposits held on call with banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

2.4 Treasury shares

Shares in Italtile Limited held by the entities and trusts controlled by the Group.

Notes to the financial statements continued
for the year ended 30 June 2025

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024## Rm
		3.1 REVENUE		
1 706	642	Dividend and interest income		
13	11	Management fee		
		3.2 TURNOVER		
		Turnover#	**8 876**	9 064
		– Retail	**5 302**	5 177
		CTM	**3 380**	3 450
		TOPT	**1 110**	978
		Italtile Retail	**812**	749
		Manufacturing	**3 116**	3 426
		Ceramic Industries – South Africa	**2 049**	2221
		Ceramic Industries – Australia	**543**	664
		Ezee Tile	**523**	541
		– Supply and support services	**458**	461
		3.3 OTHER OPERATING INCOME###		
		Other income comprises:		
		Other income	**205**	218
		Royalty income from franchising	**133**	146
		Other franchise income	**72**	72
1 719	653			

Turnover represents net revenue from sale of goods, excluding value added tax and intercompany sales.
The disaggregation of revenue from contracts with customers note has been amended to separately disclose the retail brands as well as Ceramic Industries and Ezee Tile within the manufacturing segment.
Included in other operating income is Property rental income which is disclosed under note 5.

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		4. COST OF SALES		
		Cost of sales comprises:		
		Cost of product sold, net of rebates and discounts	**5 174**	5 289
		Freight costs	**61**	63
		Other	**32**	25
–	–		**5 267**	5 377

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024## Rm
		5. TRADING PROFIT		
		Other income includes:		
		Property rental income	**150**	152
		Sundry income	**62**	34
		Auditors' remuneration		
		Auditors' remuneration (PricewaterhouseCoopers Inc.)		
		– Audit fees current year	**13**	12
		– Audit fees overprovision current year	**2**	2
		– Taxation services	**#**	#
–	–		**15**	14
		Auditors' remuneration (other audit firms)		
		– Audit fees current year	**1**	#
		– Audit fees overprovision current year	**–**	–
		– Taxation services	**1**	#
			2	#
		Depreciation – owned*		
		– Buildings	**90**	83
		– Plant and machinery	**237**	221
		– Vehicles	**17**	15
		– Computer equipment	**8**	18
		– Furniture and fittings	**80**	77
–	–		**432**	414
		* *Depreciation totalling R295 million (2024: R274 million) is included in cost of sales.*		
		Depreciation – right-of-use assets		
		– Buildings	**71**	64
		– Vehicles	**18**	20
–	–		**89**	84
		Amortisation		
		– Computer software	**12**	8
–	–		**12**	8
		Employee remuneration		
		– Salaries and wages**	**836**	887
		– Profit share	**166**	196
		– Contributions to retirement benefits	**76**	80
–	–		**1 078**	1 163
		** *Salaries and wages totalling R471 million (2024: R508 million) are included in cost of sales.*		
		Other		
		Share-based payment expense	**38**	48
		Inbound freight costs	**4**	5
		Outbound freight costs	**435**	461
–	–		**477**	514

Notes to the financial statements continued
for the year ended 30 June 2025

6. SHARE-BASED PAYMENTS

Black Economic Empowerment ("BEE") transactions

Various BEE transactions in prior years have resulted in the founding of the Italtile and Ceramic Foundation Trust and the Italtile Empowerment Trust.

The objective of the Italtile and Ceramic Foundation Trust is to carry on one or more public benefit activities as determined by its trustees from time to time for the benefit of the Foundation Trust beneficiaries. At least 85% of all distributions made by the Foundation Trust will be for the benefit of black people.

The Italtile Empowerment Trust remained dormant until implementation of the Italtile Staff Share Scheme in 2014, which is detailed further below in this note.

On 22 August 2019, the Company entered into a subscription and relationship agreement with Yard Investment Holdings (Pty) Ltd ("Yard") and K2019313036 (South Africa) (RF) (Pty) Ltd, a wholly owned subsidiary of Yard ("Yard SPV"), in terms of which Yard SPV subscribed for 26,4 million ordinary shares in Italtile for an aggregate cash subscription amount of R313 million. Net of transaction costs, proceeds totalled R304 million. This transaction has enhanced Italtile's BEE ownership credentials. This general issue of shares was priced at R11,82 per share.

As Italtile Limited receives BEE credentials as a result of entering into this transaction (in which shares were issued at a discount) and the consideration for the shares was partially funded by a shareholder and related party of the Company, the transaction falls within the scope of IFRS 2. This resulted in a once-off expense of R39 million on recognition of the related share-based payment reserve in FY2020.

Share Appreciation Rights Scheme

During FY2011, a share appreciation rights scheme was adopted by the Company, in accordance with which selected directors and employees of the Group are entitled to receive notional share awards based on the increase in share price from grant date price. These awards vest as follows:

- 25% after three years and 75% after five years; and
- The exercise price is determined in accordance with the rules of the scheme.

The plan has been classified as an equity-settled share-based payment scheme and is fair valued on each grant date using a modified Black-Schöles model. The following assumptions and inputs were used in valuing the notional awards on grant dates for awards still in issue at year-end or which vested during the year:

Grant date	31 August 2020	14 December 2020	31 August 2021	31 August 2022	31 August 2023
Notional share award	4 312 500	500 000	3 300 000	650 000	300 000
Grant price	R12,29	R14,58	R16,60	R14,77	R12,29
Interest rate:					
zero yield curve*	5,28%#	5,05%#	5,83%#	8,10%#	8,19%#
Dividend yield	2,50%	2,43%	2,32%	2,45%	2,74%
Volatility**	33,42%	34,52%	34,59%	35,48%	35,43%

* *Source: Standard Bank.*
# *Five-year rate used.*
** *Five-year annualised daily historical share price volatility.*

The movement in the number of awards during the year is as follows:

	Number of awards	
	2025	2024
At 1 July	**7 534 375**	9 618 750
Awarded during the year	**–**	300 000
Vested and exercised during the year	**–**	–
Forfeited during the year	**(2 006 250)**	(2 384 375)
At 30 June	**5 528 125**	7 534 375

The weighted average vesting period of awards outstanding at year-end is 0,81 years (2024: 1,49 years).

The fair value of the unvested awards granted on 30 June 2025 was R23 million (2024: R25 million).

Included in the expenses in the profit and loss for the year is R6 million (2024: R7,6 million) relating to the current year share-based payment expense for this scheme.

6. SHARE-BASED PAYMENTS continued

Staff Share Scheme

During FY2014, the Group implemented a share incentive scheme for all employees of the Group and its franchisees that had been in the employ of the Group and/or franchise network for a period of three uninterrupted years at each allotment date in August every year from the implementation date. The eighth allotment of shares in the previous scheme, granted in 2020, vested on 31 August 2023. A total of 110 employees qualified for the vesting, of which none opted to retain the shares, and hence received the net value of the awards in cash. This resulted in a decrease in treasury shares of 1 419 798 shares. This scheme is discontinued.

The movement in the number of awards during the year is as follows:

	Number of awards	
	2025	2024
At 1 July	**–**	2 763 345
Awarded during the year	**–**	–
Vested and exercised during the year	**–**	(1 419 798)
Forfeited during the year	**–**	(1 343 547)
At 30 June	**–**	–

Included in the expenses in the profit and loss for the prior year was R0,5 million share-based payment expense for this scheme. No accelerated once-off charge was recorded in the prior year as there were no new allotments made since FY2023.

Italtile Retention Scheme

The Italtile Retention Scheme replaces the Executive Retention Plan.

The scheme is an additional mechanism, over and above the SARS, to retain and reward selected employees and directors.

In terms of this scheme, awards are made to selected directors and employees, which are linked to shares held by the Italtile Retention Trust, with dividend and voting rights on these shares passing to the selected director or employee.

The awards have a five-year retention period and the number of shares, which vest and transfer to participants, is dependent on the achievement of certain performance targets. These performance targets include HEPS growth, return on invested capital and individual performance targets.

The movement in the number of awards during the year is as follows:

	Number of awards	
	2025	2024
At 1 July	**7 645 000**	6 500 000
Awarded during the year	**7 350 000**	1 145 000
Forfeited during the year	**(400 000)**	–
At 30 June	**14 595 000**	7 645 000

The scheme has been classified as an equity-settled share-based payment scheme and is valued on grant date using the market value of the related shares on allocation of awards to participants. The market value of awards issued to participants in the current year on grant date was R87 million (2024: R14 million). Included in expenses in the profit and loss for the year is R0,6 million (2024: R21,8 million) relating to the current year share-based payment expense for the scheme. The decrease in expense year-on-year is attributable to the decrease in the vesting probability of outstanding awards.

Notes to the financial statements continued
for the year ended 30 June 2025

6. SHARE-BASED PAYMENTS continued

Italtile Staff Share Scheme

During the previous financial year, the Group implemented a new staff share scheme, which replaced the existing scheme on the previous page.

Similar to the previous scheme, all employees of the Group and its franchisees that had been in the employ of the Group and/or franchise network for a period of three uninterrupted years at each allotment date (March every year) qualify to participate in the scheme (if they have not been a participant of any other share scheme before).

In terms of this scheme, awards are made to qualifying employees, which are linked to shares held by the Italtile Staff Share Scheme Trust, with dividend and voting rights on these shares passing to the participating employees. In terms of this scheme, during March 2025, awards of 1,1 million (2024: 1,2 million) of the Group's shares were made to 184 (2024: 196) qualifying employees of the Group and its franchisees. Until vesting, the shares will continue to be accounted for as treasury shares and have a negligible impact on the diluted weighted average number of shares.

The first allotment of shares in the scheme, granted in 2023, vested on 31 March 2025. A total of 253 employees qualified for the vesting, 250 of whom elected to have the shares disposed of on their behalf to receive the net value of the awards in cash with the balance electing to retain the shares.

The scheme is classified as an equity-settled share-based payment scheme and is fair valued on each grant date using a modified Black-Schöles model. The following assumptions and inputs were used in valuing the awards still in issue at year-end:

Grant date	31 March 2023	31 March 2023	31 March 2024	**31 March 2025**
Vesting date	31 March 2025	31 March 2026	31 March 2027	**31 March 2028**
Share awards	1 895 000	843 024	1 165 220	**1 122 584**
Grant price per share	R13,04	R13,04	R12,64	**R9,65**
Share price at valuation date	R12,42	R12,42	R10,20	**R10,25**
Interest rate yield curve*	7,55% – 11,53%	7.55% – 11.53%	8,52% – 13,24%	**7,49% – 9,58%**
Dividend yield	2,72%	2,72%	3,16%	**3,43%**
Volatility#	35,81%	35,81%	31,21%	**31,87%**
Expected forfeitures	18%	27%	27%	**35%**

* *Source: JSE.*
\# *Three-year ordinary share price historical volatility.*

The movement in the number of awards during the year is as follows:

	Number of awards	
	2025	2024
At 1 July	**3 195 730**	2 738 024
Awarded during the year	**1 122 584**	1 165 220
Vested and exercised during the year	**(1 265 000)**	–
Forfeited during the year	**(503 688)**	(707 514)
At 30 June	**2 549 626**	3 195 730

The weighted average vesting period of awards outstanding at year-end is 1,95 years (2024: 1,63 years).

The fair value of the unvested awards granted on 30 June 2025 was R15,1 million (2024: R20,5 million).

Included in the expenses in the profit and loss for the year is R15,1 million (2024: R13,8 million) relating to the current year share-based payment expense for this scheme. An accelerated once-off charge of R1,8 million (2024: R1,3 million) was recorded in the current year related to awards made to employees of franchisees.

6. SHARE-BASED PAYMENTS continued

Ceramic Industries Share Schemes

Long-Term Incentive Plan ("LTIP")

In June 2016, the Ceramic Industries Remuneration Committee made a number of new awards in terms of the Company's LTIP scheme, which was approved at the AGM of shareholders held on 30 November 2007.

The following table reflects the number of notional Ceramic Industries shares granted and held by the participants:

	2025	2024
At 1 July	**4 500**	4 500
Awarded during the year	**–**	–
Vested and exercised during the year	**(4 500)**	–
At 30 June	**–**	4 500

The liability raised for the awards outstanding at 30 June 2025 was R1,0 million (2024: R2,0 million). Included as an expense in profit or loss for the year was R34 062 (2024: R239 914) relating to the current year amortisation of the share options granted. The LTIP award is similar to a forward on Ceramic Industries ordinary shares maturing at tranche measuring date where the strike price is Rnil. A no-arbitrage approach is therefore used to determine the fair value of the awards.

The liability will be measured at the end of each reporting period, until settled in cash, by applying an option-pricing model, taking into account the terms and conditions on which the awards were granted and to the extent to which the employees have rendered services to the Company.

Share option reserve

The composition of the share schemes' reserve is as follows:

Company			Group	
2025 Rm	2024 Rm		**2025 Rm**	2024 Rm
52	52	Black Economic Empowerment transactions	**52**	52
23	25	Share Appreciation Rights Scheme	**23**	25
67	66	Italtile Retention Scheme	**63**	66
15	21	Italtile Staff Share Scheme	**15**	21
–	–	Ceramic Share Schemes	**48**	45
157	164		**201**	209

Treasury shares

The movements of the treasury shares are as follows:

Company			Group	
2025 Rm	2024 Rm		**2025 Rm**	2024 Rm
(111)	(97)	Opening balance	**(1 293)**	(1 087)
–	–	**Treasury share purchases by:**	**–**	(212)
–	–	Italtile and Ceramic Foundation Trust		(10)
–	–	Italtile Ceramics (Pty) Ltd	**–**	(202)
–	–	**Share scheme vestings:**	**2**	6
–	–	Share Appreciation Rights Scheme	**–**	–
–	–	Staff Share Scheme	**2#**	(7)
–	–	Ceramic Industries Retention Scheme	**–**	13
–	–	**Treasury share issuance of awards:**		
(88)	(14)	The Italtile Retention Scheme Trust	**–**	–
(199)	(111)		**(1 291)**	(1 293)

Non-cash movements.

Notes to the financial statements continued
for the year ended 30 June 2025

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		7. FINANCE INCOME AND FAIR VALUE GAINS		
		Bank interest received	**86**	74
		Fair value gains	**2**	–
		Dividends received*	**37**	46
			125	120
		* *Dividends received has historically been classified as revenue of the Company and has been included in note 3.*		
		8. FINANCE COST		
–	–	Bank loans and overdraft	**38**	47
–		Lease liability finance costs	**38**	40
–	–	Total finance cost	**76**	87
		9. TAXATION		
		Current taxation through profit or loss		
4	4	– Normal tax (South Africa) – current year	**491**	477
		– Normal tax (foreign) – current year	**42**	34
		– Normal tax – prior year adjustments	**(9)**	(5)
		– Deferred tax (South Africa) – current year	**49**	70
		– Deferred tax (foreign) – current year	**2**	(3)
		– Deferred tax (South Africa) – prior year adjustments	**(1)**	22
		– Dividend withholding tax	**–**	(1)
4	4		**574**	594
		Reconciliation of tax rate		
27,0	27,0	Standard rate – South Africa	**27,0**	27,0
		Adjusted for:		
(27,0)	(27,0)	Non-taxable dividend income	**(1,4)**	(1,3)
0,2	–	Expenses disallowed as a deduction*	**0,5**	0,8
		Other differences, including the effects of prior period over/underprovisions and donations tax	**1**	1,8
0,2	–	Effective tax rate	**27,1**	28,3
		* *Includes non-deductible share-based payment expenses, expenses attributable to exempt and non-taxable income and expenditure which is capital in nature.*		
		10. EARNINGS PER SHARE		
		Earnings per share and diluted earnings per share are based on the income attributable to ordinary shareholders of R1 494 million (2024: R1 462 million).		
		The earnings per share calculations are based on 1 189 757 731 (2024: 1 197 758 483) weighted average number of shares in issue during the period, excluding weighted average treasury shares.		
		Reconciliation of shares in issue:		
		– Total number of shares issued	**1 321 654 148**	1 321 654 148
		– Shares held by the Italtile Share Incentive Trust	**(9 922 234)**	(9 922 234)
		– Shares held by the Italtile Retention Trust	**(14 995 000)**	(7 966 667)
		– Black economic empowerment treasury shares	**(60 191 961)**	(61 414 168)
		– Shares held by Italtile Ceramics (Pty) Ltd	**(44 127 495)**	(49 876 528)
		– Treasury shares held by the Staff Share Scheme Trust	**(2 673 015)**	(2 737 417)
		Shares in issue to external parties	**1 189 744 443**	1 189 737 134

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		10. EARNINGS PER SHARE continued		
		The calculation of diluted earnings per share is based on:		
		Weighted average number of shares in issue for basic earnings per share	**1 189 757 731**	1 197 758 483
		Potentially dilutive ordinary shares resulting from outstanding share-based payment awards per note 6	**–**	–
		Weighted average number of shares for diluted earnings per share	**1 189 757 731**	1 197 758 483
		Earnings per share (cents)	**125,6**	122,1
		Diluted earnings per share (cents)	**125,6**	122,1
		11. HEADLINE EARNINGS		
		The calculation of headline and diluted headline earnings per share is based on the income attributable to ordinary shareholders – as used in the calculation for basic earnings, adjusted in terms of Circular 1/2019, Headline Earnings.		
		Reconciliation of headline earnings (Rm):		
		Basic earnings	**1 494**	1 462
		(Profit)/loss on sale of property, plant and equipment	**(7)**	1
		Gross amount	**(9)**	1
		Taxation	**2**	#
		Impairment of plant and equipment	**1**	11
		Gross amount	**1**	15
		Taxation	**#**	(4)
		Headline earnings	**1 488**	1 474
		Headline earnings per share (cents)	**125,1**	123,0
		Diluted headline earnings per share (cents)	**125,1**	123,0
		12. DIVIDENDS		
		12.1 Dividends paid in the current year		
		Final 2024 – No 116		
291	278	Paid 2025: 22 cents per share (2024: 22 cents per share)	**269**	262
		Interim 2025 – No 117		
370	356	Paid 2025: 28 cents per share (2024: 27 cents per share)	**342**	301
–	–	Special dividend – No 8		
1 031		Paid 2025: 78 cents per share (2024: nil)	**954**	–
1 692	634		**1 565**	563
		12.2 Dividends declared in relation to current year profit		
		Interim 2025 – No 117		
370	356	28 cents per share (2024: 27 cents per share)	**338**	301
		Final 2025 – No 118		
291	291	22 cents per share (2024: 22 cents per share)	**266**	262
		Special dividend – No 9		
1 295	1 031	98 cents per share (2024:78 cents per share)	**1 183**	928
1 956	1 678	Total – 148 cents per share (2024: 127 cents per share)	**1 787**	1 491

Less than R1 million.

Notes to the financial statements continued
for the year ended 30 June 2025

13. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings Rm	Plant and machinery Rm	Vehicles Rm	Computer equipment Rm	Furniture and fittings Rm	Capital work-in-progress Rm	Total Rm
2025							
Beginning of the year							
– assets at cost	4 149	3 389	89	146	583	491	8 847
– accumulated depreciation	(703)	(1 892)	(39)	(132)	(401)	–	(3 167)
Net book value	3 446	1 497	50	14	182	491	5 680
Current year movements							
– additions	48	67	13	4	41	75	248
– disposals	(1)	(1)	(7)	(1)	(1)	(1)	(12)
– depreciation	(90)	(237)	(17)	(8)	(80)	#	(432)
– transfers	78	182	#	(1)	2	(268)	(7)
– classified as held for sale	57	–	–	–	–	–	57
– impairment	–	–	–	–	–	–	–
– translation	(6)	(4)	–	–	–	(1)	(11)
Balance at the end of the year	3 532	1 504	39	8	145	296	5 523
Made up as follows:							
– assets at cost	4 312	3 593	86	99	618	296	9 004
– accumulated depreciation and impairments	(780)	(2 089)	(47)	(91)	(473)	–	(3 480)
Net book value	3 532	1 504	39	8	145	296	5 523

Less than R1 million.

	Land and buildings Rm	Plant and machinery Rm	Vehicles Rm	Computer equipment Rm	Furniture and fittings Rm	Capital work-in-progress Rm	Total Rm
2024							
Beginning of the year							
– assets at cost	4 281	3 020	89	170	557	529	8 646
– accumulated depreciation	(674)	(1 700)	(47)	(140)	(346)	–	(2 907)
Net book value	3 607	1 320	42	30	211	529	5 739
Current year movements							
– additions	69	171	33	4	60	266	603
– disposals	(47)	(7)	(10)	(1)	(3)	(6)	(74)
– depreciation	(83)	(221)	(15)	(18)	(77)	#	(414)
– transfers	50	236	#	(1)	(9)	(282)	(6)
– classified as held for sale	(133)	–	–	–	–	–	(133)
– impairment*	(15)	–	–	–	–	–	(15)
– translation	(2)	(2)	–	–	–	(16)	(20)
Balance at the end of the year	3 446	1 497	50	14	182	491	5 680
Made up as follows:							
– assets at cost	4 149	3 389	89	146	583	491	8 847
– accumulated depreciation and impairments	(703)	(1 892)	(39)	(132)	(401)	–	(3 167)
Net book value	3 446	1 497	50	14	182	491	5 680

Less than R1 million.
* *During the 2024 financial year, an impairment of R15 million was recorded on non-productive land and buildings which were in the process of being sold and subsequently classified as held for sale as disclosed in note 14.*

14. NON-CURRENT ASSETS HELD FOR SALE

Non-current assets held for sale relate to non-productive land and buildings, which are in the process of being sold.

During the year, properties classified as held for sale with a value of R90 million were reclassified back into property, plant and equipment as the sale transactions did not materialise. Properties worth R41 million were sold and a further R33 million, relating to non-productive land and buildings, was classified to non-current assets held for sale.

No impairment loss was recognised on the fair value adjustment on these assets during the year (2024: 15 million).

	Property, plant and equipment Rm	Total Rm
2025		
Beginning of year	**133**	**133**
Current year movements		
– reclassified from property, plant and equipment	**33**	**33**
– reclassified to property, plant and equipment	**(90)**	**(90)**
– disposals*	**(41)**	**(41)**
Balance at the end of the year	**35**	**35**

* *A profit on disposal of R14 million was recognised during the current financial year on disposal of non-current assets held for sale.*

	Property, plant and equipment Rm	Total Rm
2024		
Beginning of year	–	–
Current year movements		
– reclassified from property, plant and equipment	133	133
Balance at the end of the year	133	133

15. RIGHT-OF-USE ASSETS

	Land and buildings Rm	Vehicles Rm	Total Rm
Beginning of year 2025			
– assets at cost	**588**	**65**	**653**
– accumulated depreciation	**(184)**	**(27)**	**(211)**
– net book value	**404**	**38**	**442**
Current year movements			
– additions	**34**	**–**	**34**
– disposals	**–**	**–**	**–**
cost	**(29)**	**(11)**	**(40)**
accumulated depreciation	**29**	**11**	**40**
– depreciation	**(71)**	**(18)**	**(89)**
Balance at the end of the year	**367**	**20**	**387**
Made up as follows:			
– assets at cost	**591**	**55**	**646**
– accumulated depreciation	**(224)**	**(35)**	**(259)**
Net book value	**367**	**20**	**387**
Beginning of year 2024			
– assets at cost	505	58	563
– accumulated depreciation	(133)	(25)	(158)
– net book value	372	33	405
Current year movements			
– additions	114	25	139
– disposals	(18)	–	(18)
cost	(31)	(18)	(49)
accumulated depreciation	13	18	31
– depreciation	(64)	(20)	(84)
Balance at the end of the year	404	38	442
Made up as follows:			
– assets at cost	588	65	653
– accumulated depreciation	(184)	(27)	(211)
Net book value	404	38	442

Notes to the financial statements continued
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	Computer software Rm	Total Rm
16. INTANGIBLE ASSETS		
Beginning of year 2025		
– assets at cost	**30**	**30**
– accumulated amortisation	**(14)**	**(14)**
– net book value	**16**	**16**
Current year movements		
– additions	**3**	**3**
– amortisation	**(12)**	**(12)**
– transfers	**3**	**3**
Balance at the end of the year	**10**	**10**
Made up as follows:		
– assets at cost	**65**	**65**
– accumulated amortisation	**(55)**	**(55)**
Net book value	**10**	**10**
Beginning of year 2024		
– assets at cost	18	18
– accumulated amortisation	(6)	(6)
– net book value	12	12
Current year movements		
– additions	12	12
– amortisation	(8)	(8)
Balance at the end of the year	16	16
Made up as follows:		
– assets at cost	30	30
– accumulated amortisation	(14)	(14)
Net book value	16	16

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		17. INVESTMENTS		
		17.1 Investments		
8	8	Investment in subsidiaries		
54	150	Equity instruments – at cost		
62	158	Unlisted investments – at cost	**–**	–
		Investments in subsidiaries are carried at cost less accumulated impairment. A list of subsidiaries appears in note 40.		
		Equity instruments in the Company's records relate to the notional investment cost as a result of the Group share-based payment schemes as disclosed in note 6.		
		These amounts are carried at cost less accumulated impairment.		
		17.2 Investments in associates and joint ventures		
		The following Associates and Joint Venture are included in the below note:		
		Ezee Zim (Pvt) Ltd	**50%**	50%
		Easylife Kitchens Management (Pty) Ltd	**30%**	30%
		SER-Export s.p.a.	**30%**	30%
		Advanced Tiling (Pty) Ltd	**0%**	30%
		Cost	**48**	51
		Share of (loss)/profit and reserve movements post Commencement of equity accounting (net of dividends)	**40**	38
		Total of carrying amount of investments in associates	**88**	89
		The following tables illustrate the summarised financial information of the Group's investment in associates and joint ventures:		
		Statement of financial position:		
		Non-current assets	**258**	181
		Current assets	**244**	287
		Non-current liabilities	**(33)**	(29)
		Current liabilities	**(111)**	(115)
		Equity	**358**	324
		Statement of comprehensive income:		
		Turnover	**294**	309
		Profit/(Loss) for the year	**22**	37
		Loss attributable to ordinary shareholders of Italtile Limited	**6**	12
		Less: Dividends	**(3)**	(2)
		Share of associated company's income	**3**	10
		Totals		
		Total associate carrying amount:		
		Easylife Kitchens Management (Pty) Ltd	**35**	35
		Advanced Tiling (Pty) Ltd	**–**	2
		SER-Export s.p.a.	**40**	38
		Ezee Zim (Pvt) Ltd – Joint venture	**13**	14
			88	89
		Total share of associated company income:		
		Easylife Kitchens Management (Pty) Ltd	**4**	5
		Advanced Tiling (Pty) Ltd	**–**	#
		SER-Export s.p.a.	**1**	4
		Ezee Zim (Pvt) Ltd – Joint venture	**1**	3
			6	12

Less than R1 million.

Notes to the financial statements continued
for the year ended 30 June 2025

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		18. LONG-TERM FINANCIAL ASSETS		
86	118	Loan to trusts		
		Non-current portion of property development loans	**21**	31
		Non-current portion of B-BBEE-related advances	**42**	51
		Other	**46**	20
86	118		**109**	102

In order to raise funds necessary to purchase B-BBEE shares (refer to note 6), the Company has funded the trusts by way of a loan. The loans to the trusts are interest-free. The loan to the Foundation Trust is fully repayable by 2032. Given the underlying value of the trusts' assets (Company shares), credit risk is minimal and no expected credit loss is provided for.

The property development loan funding is the long-term portion of funding provided for property development of a store used by the Group with the loan fully repayable by June 2028. As the funding is repaid using rental proceeds received from the Group, and adequate security is in place, credit risk is minimal and no expected credit loss is provided for.

Included in other is a loan of R25 million that was advanced to our co-shareholder in Magnolia Ridge Properties 291 (Pty) Ltd, with their shares in the aforementioned company held as security. The loan is repayable by February 2027.

The B-BBEE-related advance is the long-term portion of supplier and enterprise development loans advanced to black-owned businesses. Repayment terms vary and interest is charged at preferential rates. Short-term portions of these loans are included under sundry debtors in note 23.1.

B-BBEE-related advances are secured by a combination of holding title on assets, security over shares, or guarantee structures, with residual credit risk being insignificant.

Less than R1 million.

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		19. GOODWILL		
		Made up as follows:		
		Balance at the beginning of the year	**38**	19
		Additions through acquisitions*	**–**	19
		Measurement period adjustment**	**(12)**	–
		Balance at the end of the year	**26**	38
		Management assesses goodwill for impairment on an annual basis. No impairment indicators were identified during the financial year.		
		* *During the previous financial period, the Group acquired a majority shareholding in Silica Quartz (Pty) Ltd, a sand quarry located in Delmas, Mpumalanga. With this acquisition, the Group expects to bolster its vertically integrated supply chain, adding to the direct supply of sand to our Tile and Adhesive manufacturing plants.*		
		** *During the measurement period, an adjustment was made to the provisional amount of Goodwill recognised at acquisition date as further information was received during the current financial year relating to circumstances present at acquisition date.*		
		20. DEFERRED TAXATION		
		Deferred tax assets	**37**	36
		Deferred tax liabilities	**(319)**	(270)
			(282)	(234)

	Opening balance Rm	Charged through other comprehensive income Rm	Charged through profit or loss Rm	Closing balance Rm
2025				
The deferred tax balance is made up as follows:				
Deferred tax asset:				
Accruals	**97**	**–**	**17**	**114**
Property, plant and equipment	**8**	**–**	**20**	**28**
Assessed loss	**24**	**–**	**(18)**	**7**
Deferred tax liability:				
Property, plant and equipment	**(331)**	**–**	**(26)**	**(357)**
Prepayments	**(3)**	**–**	**(32)**	**(35)**
Ceramic Industries – tax on deemed fair value	**(29)**	**–**	**(9)**	**(39)**
Net deferred tax liability	**(234)**	**–**	**(48)**	**(282)**
2024				
The deferred tax balance is made up as follows:				
Deferred tax asset:				
Accruals	131	–	(34)	97
Property, plant and equipment	9	–	(1)	8
Assessed loss	14	–	10	24
Deferred tax liability:				
Property, plant and equipment	(260)	–	(71)	(331)
Prepayments	(24)	–	21	(3)
Ceramic Industries – tax on deemed fair value	(38)	–	9	(29)
Net deferred tax liability	(168)	–	(66)	(234)

[#] *Less than R1 million.*

Deferred tax assets and liabilities are only offset when the income tax relates to the same legal entity and fiscal authority.

The tax rate applied to South African entities is 27% (2024: 27%) for normal taxation.

Notes to the financial statements continued
for the year ended 30 June 2025

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		21. INVENTORIES		
		Raw materials and packaging	**243**	250
		Semi-finished goods	**4**	4
		Finished goods and merchandise	**981**	1 017
			1 228	1 271

The following table demonstrates the impact on the Group obsolescence provision to a change in value of inventories held, with all other variables held constant:

	Supply and Support Services	Retail	Manufacturing	Total
2025				
+10%	**2**	**6**	**7**	**15**
-10%	**(2)**	**(6)**	**(7)**	**(15)**
2024				
+10%	3	6	9	18
-10%	(3)	(6)	(9)	(18)

Inventory at year-end is net of an obsolescence provision of R122 million (2024: R144 million), which is determined on an annual basis. The net movement of R22 million has been included in the cost of sales line item on the face of the statement of comprehensive income.

The provision takes into account expected future sales ability of inventory items based on historical experience, analysis of market and fashion trends and a review of the ageing of the inventory items. There has been no change in the methodology applied in the previous financial year.

Inventory losses recognised as an expense totalled R11 million (2024: R19 million).

	2025 Rm	2024 Rm
22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS		
Current assets	**52**	–
Financial asset at fair value through profit and loss (FVTPL)*		
Movements in the Financial assets held at fair value through profit and loss are detailed as below:		
Acquisition value	**50**	–
Fair value gains brought forward	**–**	–
Fair value gains during the year	**2**	–
	52	–

* *In the fourth quarter of FY2025, The Italtile and Ceramic Foundation Trust invested in financial assets classified at fair value through profit and loss for R50 million, in the form of a managed investment portfolio. This investment is classified as Level 2 in the fair value hierarchy. In accordance with IFRS 13, the fair value measurement of the investment is determined using the stated valuation technique, whereby the Company receives a statement from the fund manager reflecting the market value of the units held in the fund. The fund manager's statement provides an observable input under Level 2 of the fair value hierarchy, ensuring transparency and reliability in the valuation process.*

The financial instruments held within the investment includes, South African equities, gilts and bonds, cash, local unit trusts, and asset swaps which are tradable instruments on the open market.

Fair value measurement
Classes and categories of financial assets and their fair values have been presented in the table below:

	Financial assets			
	FVTPL measurement R'm	Fair value level 1	2	3
Managed investments	**52**	–	**52**	–

The financial assets are held at the fair value and there have been no transfers between levels 1 and 2 for recurring fair value measurements during the year and there have been no level 3 measurements during FY2025.

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		23.1 TRADE AND OTHER RECEIVABLES		
		Trade receivables – net of loss allowance (2024 restated)	**571**	645**
		Prepayments	**119**	32
		Franchisee receivables	**26**	43
#	#	Current portion of B-BBEE advances	**12**	14
		Sundry debtors*	**126**	168
#	#		**854**	902
		** Includes deposits, rebates receivable, and short-term portions of loans per note 18. Due to the nature of the receivables and the security mechanisms, credit risk on these amounts is limited.*		
		*** Refer to note 41.*		
		23.2 AMOUNTS OWING FROM RELATED PARTIES		
3 430	3 394	Amounts owing by subsidiary		

 # Less than R1 million.

For terms and conditions relating to Group-related receivables, refer to note 36.

The amounts owing by subsidiary represent amounts owing by Italtile Ceramics (Pty) Ltd. These amounts are unsecured, carry no interest and are payable on demand. As the subsidiary has material liquid assets and other significant assets, credit risk is minimal and no expected credit loss is provided for. Outstanding balances are settled from time to time based on the cash flow requirements of the various entities.

Trade receivables of the Group comprise amounts due from franchisees and other third-party customers, each of which has different credit risk characteristics. Credit risk relating to amounts due from franchisees is limited (recovery via underlying assets of the franchise business in the event of default is provided for in franchise agreements).

An expected credit loss model (simplified approach) is used to calculate the expected credit loss allowance for third-party customers. The expected credit loss model is based on historical payment profiles and credit losses. Macro-economic factors considered by the Group when determining expected loss rates include GDP annual growth, prime lending interest rate, inflation rate and unemployment. In addition, forecast macro-economic factors for 12 months from the calculation date are also considered. Refer to note 36 for further information related to expected credit loss.

As at 30 June 2025, a loss allowance of R65 million (2024: R69 million) has been recorded for trade receivables.

Movements in the loss allowance of trade receivables were as follows:

	Total Rm
At 30 June 2023	101
Utilised during the year	(88)
Raised during the year	56
At 30 June 2024	69
Utilised during the year	(14)
Raised during the year	10
At 30 June 2025	**65**

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for the year ended 30 June 2025

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		24. CASH AND CASH EQUIVALENTS		
19	11	Cash at bank and on hand	**2 161**	1 703
	–	Cash equivalents	**8**	141
19	11		**2 169**	1 844

Cash at banks earn interest at floating rates based on daily bank deposit rates.

Cash equivalents are made for varying periods of between one day and three months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

The fair value approximates the carrying value due to the short-term nature of these balances, with no expected credit loss recognised.

Company 2025 Rm	Company 2024 Rm			Group 2025 Rm	Group 2024 Rm
		25. STATED CAPITAL			
		Authorised			
		3 300 000 000 ordinary shares of no par value			
		Issued			
4 314	4 314	1 321 654 148 (2024: 1 321 654 148) ordinary shares of no par value		**4 314**	4 314
(199)	(111)	Aggregated treasury shares in issue		**(1 291)**	(1 293)
		Number of shares in issue to external parties:			
1 321 654 148	1 321 654 148	Total shares in issue		**1 321 654 148**	1 321 654 148
		Treasury shares:	Share Incentive Trust	**(9 922 234)**	(9 922 234)
			B-BBEE treasury shares	**(60 191 961)**	(61 414 168)
			Held by the Staff Share Scheme Trust	**(2 673 015)**	(2 737 417)
			Held by subsidiaries	**(44 127 495)**	(49 876 528)
(14 995 000)	(7 966 667)		Shares held by the Retention Trust	**(14 995 000)**	(7 966 667)
1 306 659 148	1 313 687 481	In issue to external parties		**1 189 744 443**	1 189 737 134

In the prior financial year, a subsidiary of the Company, Italtile Ceramics (Pty) Ltd, acquired 17 558 998 of the Company's shares on the market at a cost of R202 million. The shares were acquired at an average cost of R11,45. There were no additional purchases during FY2025.

In the prior financial year, The Italtile and Ceramic Foundation Trust acquired 880 000 of the Company's shares on the market at a cost of R10 million. The shares were acquired at an average cost of R11,39. There were no additional purchases during FY2025.

The Italtile Retention Trust acquired 7 028 333 (2024: 0) of the Company's shares from Italtile Ceramic (Pty) Ltd following awards made in terms of the Italtile Retention Scheme as disclosed in note 6.

Other share movements relate to vesting on the Share Appreciation Rights Scheme and Staff Share Scheme as detailed in note 6.

All unissued shares are under the control of the directors until the next AGM.

	Foreign currency translation reserve Rm
26. NON-DISTRIBUTABLE RESERVE	
Balance as at 30 June 2023	47
Translation of foreign entities	(19)
Balance as at 30 June 2024	28
Translation of foreign entities	(22)
Balance as at 30 June 2025	**6**

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		27. TRADE AND OTHER PAYABLES		
		Trade payables (2024 restated)	**511**	552*
		Other payables	**59**	54
		Deposits	**73**	57
2	#	Accruals	**59**	55
2	#		**702**	718

For terms and conditions relating to related parties, refer to note 36.

Trade payables are non-interest-bearing and are normally settled on 30-day terms.

Accruals and other payables are mostly non-interest-bearing and have an average payable term of three months.

The fair value of all trade and other payables approximates the carrying value, due to the short-term nature of these balances.

* *Refer to note 41.*

Less than R1 million.

	Leave pay Rm	Incentive bonus Rm	Rehabilitation provision Rm	Total Rm
28. PROVISIONS				
Balance as at 30 June 2023	56	121	31	208
Provision utilised	(23)	(220)	(12)	(255)
Provision raised/transferred	18	203	4	225
Balance as at 30 June 2024	51	104	23	178
Provision raised/transferred	24	194	13	231
Provision utilised	(25)	(202)	–	(227)
Balance as at 30 June 2025	**50**	**96**	**36**	**182**

Leave pay is provided on accumulated leave balances at year-end based on the employees' cost to company.

Provision for incentive bonus is expected to be realised when bonuses are paid in FY2025 and is based on terms as dictated in employment contracts (subject to the final approval from management).

The rehabilitation provision represents the best estimate of the discounted future cost of either restoring quarries to their original state or eliminating adverse environmental impacts to an acceptable level over the long term.

Notes to the financial statements continued
for the year ended 30 June 2025

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		29. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS		
		Cash flows from operating activities:		
1 706	643	Profit before taxation	**2 116**	2 101
		Adjusted for:		
		Income from associates	**(6)**	(12)
		Depreciation	**444**	422
		Depreciation – right-of-use asset	**89**	84
		Finance cost – Lease liability payment	**38**	40
		(Profit)/loss on sale of property, plant and equipment	**(12)**	2
		Impairment of plant and equipment	**–**	15
(1 706)	(642)	Finance income and fair value gains	**(125)**	(120)
	–	Finance costs (excluding lease liability finance costs)	**38**	47
		Loss on sale of controlling interest in subsidiary	**6**	–
		Share-based payment expenses	**40**	47
		Foreign currency translation difference	**(26)**	12
(13)	(12)	Relating party management fees (non-cash)	**–**	–
		Working capital changes:		
		Inventories	**43**	44
#		Trade and other receivables	**23**	196
(1)	#	Trade and other payables (including provisions)	**(2)**	(164)
(14)	(11)	Cash generated by operations	**2 666**	2 714
		30. TAXATION PAID		
#	#	Amounts receivable at beginning of year	**69**	35
(4)	(4)	Charged per profit and loss	**(522)**	(509)
#	#	Amounts receivable at end of year	**9**	69
(4)	(4)	Amounts paid	**(462)**	(543)
		# *Less than R1 million.*		
		31. INTEREST-BEARING LOANS		
		Interest-bearing loan		
		Current portion	**500**	500
		Non-current portion	**–**	–
			500	500
		Movements in interest-bearing loans for the year:		
		Opening balance	**500**	500
		Drawings on facilities	**1 000**	–
		Finance cost charges	**36**	41
		Payments	**(1 036)**	(41)
		Closing balance	**500**	500

An interest-bearing loan of R500 million, bearing interest at three-month JIBAR plus 1,3%, was repayable in full in November 2024. From June 2022, an interest rate swap was entered into to fix the variable interest rate at 8,15% on the loan amount of R500 million. The loan was early settled in September 2024 using general banking facilities available to the Group and the interest rate swap cancelled upon settlement of the loan. The general banking facilities are on demand, subject to annual renewal. The interest rates on the new facilities range from 8,00% to 9,05%.

All debt covenants have been fulfilled. Covenants include:
- net interest-bearing debt divided by EBITDA (not greater than 2:1); and
- EBITDA dividend by finance charges (not less than 4:1).

Company 2025 Rm	Company 2024 Rm		Group 2025 Rm	Group 2024 Rm
		32. LEASE LIABILITIES		
		Movements in lease liabilities for the year:		
		Opening balance	**482**	417
		Recognised during the year	**71**	182
		Derecognised during the year	**–**	(6)
		Finance costs paid	**(38)**	(40)
		Forex translation	**(2)**	(2)
		Lease liability payments	**(78)**	(69)
		Closing balance	**436**	482
		Refer to note 36 for the maturity analysis of the lease liabilities.		
		33. DIVIDENDS PAID		
(1 692)	(634)	Charged per statement of changes in equity	**(1 565)**	(563)
–	–	Dividends paid to non-controlling interests	**(54)**	(43)
(1 692)	(634)		**(1 619)**	(606)
		34. COMMITMENTS AND CONTINGENCIES		
		Capital commitments		
		Capital expenditure for land and buildings, computer equipment and other fixed assets:		
		Contracted	**163**	108
		Authorised but not contracted for	**126**	83
			289	191

Notes to the financial statements continued
for the year ended 30 June 2025

35. RETIREMENT BENEFIT INFORMATION

The Group participates in the Alexander Forbes Retirement Fund. This is an umbrella fund arrangement created for the provision of retirement benefits.

The Fund is a defined contribution plan and is governed by the Pension Funds Act, No 24 of 1956.

The financial position of the Alexander Forbes Retirement Fund (Provident Section): Italtile Limited is currently reviewed on a monthly basis.

As at 30 June 2025 and 2024, the Fund was found to be in a sound financial position.

At 30 June 2025, 1 599 (2024: 1 494) employees of the Group and franchisees were members of the Fund, to which the Group and franchisees contributed R41 million (2024: R44 million) and the employees Rnil (2024: Rnil). The Fund is open to all permanent staff with their participation thereof being a condition of employment.

Their dependants are eligible for death benefits accruing from the Fund in the event of the member's death.

All permanent full-time employees of franchise stores are required to participate in the Fund.

Ceramic Industries

In South Africa, Ceramic contributes to two defined contribution retirement funds for its employees which are governed by the Pension Funds Act, No 24 of 1956.

The funds are administered by Alexander Forbes.

At 30 June 2025, 883 (2024: 987) employees of Ceramic were members of the funds, to which Ceramic contributed R23 million (2024: R25 million). All permanent employees are required to join one of the funds.

In Australia, Ceramic contributes the legislated defined contribution amounts in the various superannuation funds specified by its 60 (2024: 60) employees.

Ezee Tile

Ezee Tile contributes to three defined contribution retirement funds for its employees which are governed by the Pension Funds Act, No 24 of 1956.

The funds are administered by Alexander Forbes, Hospitality and General Provident Fund, and Old Mutual. Alexander Forbes is open to all new permanent staff with their participation thereof being a condition of employment. Their dependants are eligible for death benefits accruing from the funds in the event of the member's death.

As at 30 June 2025, 124 (2024: 160) employees of Ezee Tile were members of the funds, to which Ezee Tile contributed R3,2 million (2024: R2,9 million) and employees contributed R1,0 million (2024: R1,0 million).

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Group

The Group's principal financial liabilities comprise bank loans and trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has various financial assets, such as trade receivables and cash and short-term deposits, which arise directly from its operations.

The main risks arising from the Group's financial instruments are cash flow interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks, which are summarised below. The Group's primary objective of risk management is to reduce the uncertainty over future cash flows.

Company

The Company's principal financial assets comprise loans given to a subsidiary company and trusts detailed in notes 17.1 and 23.2, and cash and short-term deposits, which arise directly from its investments. The main risks arising from the Company's financial instruments are cash flow interest rate risk, liquidity risk and credit risk. The Board reviews and agrees policies for managing each of these risks, which are summarised on the following page.

The Company's primary objective of risk management is to reduce the uncertainty over future cash flows.

Interest rate risk

The Company and Group are not sensitive to fluctuations in interest rates.

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Foreign currency risk

Group

As the Group operates in various countries and undertakes transactions denominated in foreign currencies, exposures to foreign currency fluctuations arise.

Approximately 14% (2024: 14%) of cost of sales are short-term denominated in currencies other than the Group's functional currency.

The Group requires all of its operating units to use forward currency contracts to eliminate the currency exposures on any individual transaction for which payment is anticipated on terms after the Group has entered into a firm commitment for a purchase, for which no letter of credit has been issued. The forward currency contracts must be in the same currency as the purchased item. It is the Group's policy not to enter into forward contracts until a firm commitment is in place.

It is the Group's policy not to apply hedge accounting, or to trade in derivatives for profit-making purposes.

Forward exchange contracts outstanding at the reporting date all fall due within one month (2024: three months), have a settlement value of less than a million (2024: less than a million) and are denominated in Euro and US$, with an average exchange rate of R20,63:€1 (2024: R20,00:€1) and R17,81:$1 (2024: nil).

Exchange rates utilised to convert financial information are as follows:

	2025 Weighted average rate for the year	**2025** Closing rate	2024 Weighted average rate for the year	2024 Closing rate
ZAR: Australian Dollar	**11,76:1**	**11,65:1**	12,26:1	12,14:1
ZAR: Botswana Pula	**1,34:1**	**1,33:1**	1,38:1	1,34:1
ZAR: Euro	**19,75:1**	**20,9:1**	20,23:1	19,49:1
ZAR: Kenyan Shilling	**0,14:1**	**0,14:1**	0,13:1	0,14:1
ZAR: Tanzanian Shilling	**0,01:1**	**0,01:1**	0,01:1	0,01:1
ZAR: Zambian Kwacha	**0,67:1**	**0,75:1**	0,81:1	0,73:1
ZAR: US Dollar	**18,17:1**	**17,81:1**	18,71:1	18,23:1
ZAR: Rwandan Franc	**0,01:1**	**0,01:1**	0,01:1	0,01:1

The exposure and concentration of the Group's foreign currency risk are included in the table below.

	South African Rand Rm	Australian Dollar Rm	Other* Rm	Total Rm
2025				
Financial assets				
Trade and other receivables – before loss allowance	**681**	**155**	**82**	**918**
Cash and cash equivalents	**1 899**	**4**	**266**	**2 169**
Long-term financial assets	**109**	**–**	**–**	**109**
Financial liabilities				
Interest-bearing loans and borrowings	**500**	**–**	**–**	**500**
Trade and other payables	**588**	**58**	**56**	**702**
2024				
Financial assets				
Trade and other receivables – before loss allowance**	761	146	64	971
Cash and cash equivalents	1 632	(1)	213	1 844
Long-term financial assets	102	–	–	102
Financial liabilities				
Interest-bearing loans and borrowings	500	–	–	500
Trade and other payables**	585	65	68	718

* *Other includes the Botswana Pula, Kenyan Shilling, Tanzanian Shilling, Namibian Dollar, Lesotho Loti, Zambian Kwacha, Rwandan Franc and US Dollar.*
** *Refer to note 41.*

The following table illustrates the Group's sensitivity to a change in exchange rates with all other variables held constant:

	2025 Rm	2024 Rm
Net profit before tax		
+10%	**9**	10
-10%	**(9)**	(10)
Foreign currency translation reserve		
+10%	**11**	13
-10%	**(11)**	(13)

Company

The Company has no exposure to foreign currency risk.

Notes to the financial statements continued
for the year ended 30 June 2025

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Credit risk

Credit risk arises from the risk that a counterparty may default or not meet its obligations timeously.

Group

The Group trades only with recognised, creditworthy parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures and, where appropriate, credit guarantee insurance is purchased.

In addition, receivable balances are monitored on an ongoing basis, with the result that the Group's exposure to bad debts is contained.

The maximum exposure is the carrying amount as disclosed in note 23.1. There is no significant concentration of credit risk within the Group, and trade receivables have been grouped based on shared credit risk characteristics to measure expected credit losses as disclosed in note 23.1.

The expected loss allowance as disclosed in note 23.1 is management's best estimate of trade receivables at year-end which will not be recovered. Amounts which are considered irrecoverable, usually following an extensive process to attempt to recover overdue amounts including legal steps, are written off. Aggregate write-offs for the year are disclosed in note 23.1 (shown as a utilisation in the loss allowance movement reconciliation for the year). Trade receivables consist of a large number of customers spread across franchise and third-party debtors.

	Gross trade receivables R'000	Balances specifically provided for R'000	Net balance subject to ECL loss model R'000
Trade receivables			
2025			
Third parties	**490**	**(48)**	**442**
Franchisees	**146**	**(4)**	**142**
	636	**(52)**	**584**
2024 (restated)			
Third parties*	551	(64)	487
Franchisees	163	–	163
	714	(64)	650

* *Refer to note 41.*

Details relating to the loss allowance split per ageing category of trade receivables as at 30 June is as follows:

	Current Rm	0 – 30 days Rm	31 – 60 days Rm	61+ days Rm	Total Rm
2025					
Trade receivables	**436**	**31**	**55**	**62**	**584**
Third parties	**299**	**31**	**53**	**59**	**442**
Franchisees	**137**	**–**	**2**	**3**	**142**
Expected loss rate (%)					
Third parties	**0 to 0,5%**	**0,5% to 1,3%**	**1,3% to 5,6%**	**5,6% to 8,5%**	**0 to 8,5%**
Franchisees	**0 to 0,4%**	**0,4% to 4,4%**	**4,4% to 6,5%**	**6,5% to 8,0%**	**0 to 8,0%**
Expected loss allowance	**(3)**	**(1)**	**(3)**	**(6)**	**(13)**
Third parties	**(2)**	**(1)**	**(3)**	**(6)**	**(12)**
Franchisees	**(1)**	**–**	**(#)**	**(#)**	**(1)**
Specific loss allowance					**(52)**
Third parties					**(48)**
Franchisees					**(4)**
Total loss allowance	**(4)**	**(0)**	**(5)**	**(3)**	**(65)**
2024					
Trade receivables*	507	38	41	64	650
Third parties	353	38	40	56	487
Franchisees	154	–	1	8	163
Expected loss rate (%)					
Third parties	0 to 0,5%	0,5% to 0,7%	0,7% to 1,2%	1,2% to 2,5%	0 to 2,5%
Franchisees	0 to 0,1%	0,1% to 0,2%	0,2% to 2,6%	2,6% to 19,0%	0 to 19,0%
Expected loss allowance	(2)	(#)	(#)	(3)	(5)
Third parties	(2)	(#)	(#)	(1)	(3)
Franchisees	(#)	(#)	(#)	(2)	(2)
Specific loss allowance	–	–	–	–	(64)
Third parties					(64)
Franchisees					–
Total loss allowance	(1)	(#)	(1)	(1)	(69)

* *Refer to note 41.*
\# *Less than R1 million.*
\#\# *Less than 0,1%.*

36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Credit risk continued

With respect to credit risk arising from the other financial assets of the Group, which comprise cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments, as disclosed in notes 18, 23.1 and 24.

In terms of the Group's treasury policy, surplus cash balances may only be invested in liquid money market instruments managed by predefined reputable counterparties, comprising primarily of financial institutions and banks.

The external credit rating of those counterparties holding material surplus cash balances is Ba1 (according to Moody's credit rating scale).

Company

With respect to credit risk arising from cash and cash equivalents, trade and other receivables and B-BBEE loans, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments, as disclosed in notes 18, 23.1 and 24. There is no loss allowance recorded for these balances and no write-offs have occurred. Cash and cash equivalents are deposited with financial institutions with credit ratings as detailed above for the Group.

Liquidity risk

Group

The Group monitors its risk to a shortage of funds arising by using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets and projected cash flows from operations.

In terms of the Group's treasury policy, surplus cash balances may only be invested in liquid money market instruments managed by predefined reputable counterparties.

Adequate cash reserves are invested in a dividend income fund in order to match the repayment profile of the Rand loan. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts. In terms of the MOI, the Company's borrowing powers are unlimited.

The table below summarises the maturity profile of the Group's financial liabilities at year-end based on contractual undiscounted payments.

	On demand Rm	Less than 3 months Rm	3 to 12 months Rm	1 to 2 years Rm	3 to 5 years Rm	> 5 years Rm	Total Rm
Year ended 30 June 2025							
Interest-bearing loans and borrowings	**500**	**–**	**–**	**–**	**–**	**–**	**500**
Lease liabilities	**–**	**27**	**73**	**100**	**127**	**285**	**612**
Trade and other payables	**–**	**702**	**–**	**–**	**–**	**–**	**702**
	500	**729**	**73**	**100**	**127**	**285**	**1 814**
Year ended 30 June 2024							
Interest-bearing loans and borrowings	–	10	507	–	–	–	517
Lease liabilities	–	27	76	108	135	347	693
Trade and other payables (restated)*	–	718	–	–	–	–	718
	–	755	583	108	135	347	1 928

* *Refer to note 41.*

The Group has cash and cash equivalents of R2 169 million (2024: R1 844 million), and unutilised credit facilities of R435 million (2024: R524 million) in respect of which all conditions precedent had been met. All covenants on borrowings have been met.

Company

The Company monitors its risk to a shortage of funds arising by using a recurring liquidity planning tool. This tool considers the maturity of both its financial liabilities and financial assets and projected cash flows from investments.

In terms of the MOI, the Company's borrowing powers are unlimited.

The Company has cash and cash equivalents of R19 million (2024: R11 million), and no credit facilities. All liabilities are current.

Notes to the financial statements continued
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36. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES continued

Liquidity risk continued

Group

At the end of the financial year, the Group had cash and cash equivalents of R2 169 million (2024: R1 844 million) on its statement of financial position. The following table demonstrates the Group profit before tax sensitivity to a change in interest rates earned on cash and cash equivalents with all other variables held constant:

	2025 Rm	2024 Rm
+1%	**20**	14
-1%	**(20)**	(14)

At the end of the financial year, the Group had term funding liabilities of R500 million (2024: R500 million) on its statement of financial position. The following table demonstrates the Group's profit before tax sensitivity to a change in interest rates with all other variables held constant (through the impact of floating rate borrowings):

	2025 Rm	2024 Rm
+1%	**(5)**	(5)
-1%	**5**	5

Capital management

Group

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure (equity attributable to the equity holders) and makes adjustments to it in light of changes in economic conditions.

To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes during the years ended 30 June 2025 and 2024.

The Group monitors capital using a gearing ratio, which is defined as interest-bearing debt and borrowings as a percentage of equity attributable to the equity holders of the parent. (Refer to note 31 for further details on interest-bearing loans.)

	2025 Rm	2024 Rm
Interest-bearing debt and borrowings	**500**	500
Equity attributable to the equity holders of the parent	**8 091**	8 171
Gearing ratio (%)	**6,2**	6,1

37. SEGMENT REPORT

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the Chief Operating Decision Maker in order to allocate resources to the segments and to assess their performance.

The Chief Operating Decision Maker has been identified as the executive directors of the Group.

On this basis, the Group has five reportable segments:

Segment	Nature of business
Retail	– Retailers of tiles, brassware, laminated flooring, bathroomware, other home-finishing products and accessories.
Franchising	– Bearer of South African and non-South African trademarks.
Properties	– Property investments and leasing.
Supply and support services	– Distributor of tiles, shower enclosures, brassware, laminate and vinyl flooring, accessories, and tiling tools. – Group administration, marketing and management services. – Outsourced debtor solutions. – Procurement.
Manufacturing	– Manufacturers of tiles, sanitaryware, baths, adhesive and related products.

All intersegmental transactions are concluded at arm's length.

37. SEGMENT REPORT continued

The following measures, as included in the quarterly management report reviewed by the Chief Operating Decision Maker, are used to assess performance.

(Rand millions unless otherwise stated)	Retail	Manu-facturing*	Supply and support services*	Fran-chising	Properties	Associates	Con-solidation	Total
For the year ended 30 June 2025								
Turnover	5 302	4 724	2 428	–	–	–	(3 578)	8 876
– From external customers*	5 302	3 116	458	–	–	–	–	8 876
– Intersegment	–	1 608	1 970	–	–	–	(3 578)	–
Turnover from franchise stores**	2 383	–	–	–	–	–	(2 383)	–
Cost of sales	(3 229)	(3 658)	(2 032)	–	–	–	3 652	(5 267)
Achieved gross margin***	1 890	1 056	286	2	–	–	308	3 542
Manpower costs	(331)	(562)	(167)	(11)	(7)	–	–	(1 078)
Depreciation	(88)	(304)	(19)	(3)	(119)	–	–	(533)
Freight cost	(12)	(441)	(73)	–	–	–	26	(500)
Impairment of property, plant and equipment	–	–	–	–	–	–	–	–
Profit on sale of property, plant and equipment	#	(4)	(4)	#	14	–	–	6
Trading profit	546	507	287##	334###	378####	–	9	2 061
Finance income	16	37	68	#	37	–	(33)	125
Finance costs	(8)	(6)	(37)	#	(58)	–	33	(76)
Income from associates	–	–	–	–	–	6	–	6
Profit before taxation	**554**	**538**	**318**	**334**	**357**	**6**	**9**	**2 116**
For the year ended 30 June 2024								
Turnover	5 178	5 013	2 470	–	–	–	(3 597)	9 064
– From external customers*	5 177	3 426	461	–	–	–	–	9 064
– Intersegment	1	1 587	2 009	–	–	–	(3 597)	–
Turnover from franchise stores**	2 471	–	–	–	–	–	(2 471)	–
Cost of sales#####	(3 128)	(3 812)	(2 079)	–	–	–	3 642	(5 377)
Achieved gross margin***	1 880	1 192	285	1	–	–	273	3 631
Manpower costs	(339)	(636)	(164)	(10)	(7)	–	(7)	(1 163)
Depreciation	(88)	(284)	(25)	(3)	(106)	–	–	(506)
Freight cost#####	(13)	(468)	(71)	–	–	–	23	(529)
Impairment of property, plant and equipment	–	–	–	–	(15)	–	–	(15)
Profit on sale of property, plant and equipment	#	#	1	#	(2)	–	–	(2)
Trading profit	507	556	286##	338###	355####	–	14	2 056
Finance income	17	28	74	–	54	–	(53)	120
Finance costs	(1)	(12)	(29)	–	(98)	–	53	(87)
Income from associates	–	–	–	–	–	12	–	12
Profit before taxation	523	572	331	338	311	12	14	2 101

* *Turnover from external customers includes sales to franchise stores.*
** *Franchise stores are not controlled by the Group.*
*** *Achieved Gross Margin is calculated as Gross Margin less freight costs, movement in stock provisions and other cost of sales.*
\# *Less than R1 million.*
\#\# *Includes franchise income of R72 million (2024: R72 million) disclosed in note 3.3.*
\#\#\# *Includes royalty income of R133 million (2024: R146 million) disclosed in note 3.3.*
\#\#\#\# *The trading profit in the Properties division includes unconsolidated property rental received of R503 million (2024: R495 million).*
\#\#\#\#\# *The 2024 Segmental report has been amended to separately disclose the cost of sales and freight costs, which contribute a significant portion of the operating expenses.*

Geographical analysis

(Rand millions unless otherwise stated)	South Africa	Rest of Africa	Australia	Con-solidation	Group
For the twelve months ended 30 June 2025					
Turnover	**10 729**	**1 182**	**543**	**(3 578)**	**8 876**
Non-current assets	**7 459**	**494**	**226**	**(1 999)**	**6 180**
For the twelve months ended 30 June 2024					
Turnover	10 887	1 110	664	(3 597)	9 064
Non-current assets	7 654	503	234	(1 988)	6 403

Notes to the financial statements continued
for the year ended 30 June 2025

38. RELATED-PARTY TRANSACTIONS

Group

The Group is controlled by Rallen (Pty) Ltd which owns 56,46% (2024: 56,46%) of its issued share capital. Management fees totalling R3,4 million (2024: R5,1 million) were paid by the Group to Rallen (Pty) Ltd during the year. Various other transactions occur between companies within the Group, all of which are eliminated on consolidation. These transactions include rendering of services and supply of product.

Key management personnel and prescribed officers comprise only the Group executive directors and executive directors of Ceramic Industries. Remuneration paid to key management personnel of the Group is provided below. Executive directors' remuneration is paid by Italtile Ceramics (Pty) Ltd, a subsidiary of the Company. No balances were owing at year-end (2024: Rnil).

Directors' shareholding

The directors' interest in the stated share capital of the Company as at 30 June is as follows:

	Beneficial direct	Beneficial indirect	Total	% held	Non-beneficial direct	Non-beneficial indirect	Total	% held
At 30 June 2025								
Director								
G A M Ravazzotti	**–**	**447 746 694**	**447 746 694**	**33,88**	**–**	**–**	**–**	**–**
S M du Toit	**–**	**29 125**	**29 125**	**0,00**	**–**	**–**	**–**	**–**
J N Potgieter	**2 500 000**	**–**	**2 500 000**	**0,19**	**–**	**–**	**–**	**–**
L A Foxcroft	**6 300 000**	**–**	**6 300 000**	**0,48**	**–**	**–**	**–**	**–**
B G Wood	**2 500 000**	**–**	**2 500 000**	**0,19**	**–**	**–**	**–**	**–**
L Booysen	**1 650 000**	**–**	**1 650 000**	**0,12**	**–**	**–**	**–**	**–**
At 30 June 2024								
Director								
G A M Ravazzotti	–	447 746 694	447 746 694	33,88	–	–	–	–
S M du Toit	–	29 125	29 125	0,00	–	–	–	–
J N Potgieter	4 000 000	–	4 000 000	0,30	–	–	–	–
L A Foxcroft	4 800 000	–	4 800 000	0,36	–	–	–	–
B G Wood	1 743 253	–	1 743 253	0,13	–	–	–	–
N P Khoza	–	–	–	–	–	697 322	697 322	0,05

There has been no change in directors' interests between year-end and the date of approval of the financial statements.

Directors' participation in share incentive schemes

Directors' holdings under the Share Appreciation Rights Scheme are set out in the table below:

Director	Awards held at 1 July 2024	Awarded during the year	Vested and exercised during the year	Forfeited during the year	Awards held at 30 June 2025
B G Wood	1 012 500	–	–	–	**1 012 500**

38. RELATED-PARTY TRANSACTIONS continued

Directors' participation in share incentive schemes continued

Directors' and prescribed officers' holdings under the Italtile Retention Scheme are set out in the table below:

Executive directors/ prescribed officers	Awards held at 1 July 2024	Awarded during the year	Vested and exercised during the year	Forfeited during the year	**Awards held at 30 June 2025**
L A Foxcroft	4 500 000	1 500 000	–	–	**6 000 000**
B G Wood	1 500 000	1 000 000	–	–	**2 500 000**
Booysen	650 000	1 000 000	–	–	**1 650 000**
G Maartens	200 000	1 500 000	–	–	**1 700 000**

Prescribed officers' holdings under the Ceramic Industries Retention Scheme are set out in the table below:

Executive director/ prescribed officer	Awards held at 1 July 2024	Awarded during the year	Vested and exercised during the year	Forfeited during the year	**Awards held at 30 June 2025**
G Maartens	32 500	–	–	–	**32 500**

Refer to note 6 for further details pertaining to these schemes.

Directors' remuneration

All figures in R'000	Salary	Short-term incentives	Provident fund and medical aid contri-butions	Gain on share scheme awards	Other	**Total 2025**	Total 2024
Executive directors							
L A Foxcroft	4 691	3 232	743	10 327	1 309	**20 302**	18 528
B G Wood	3 181	2 155	525	3 739	528	**10 128**	9 329
L Booysen	2 907	1 796	501	913	289	**6 406**	–
2025	**10 779**	**7 183**	**1 769**	**14 979**	**2 126**	**36 836**	
2024	7 485	5 395	1 241	12 584	1 152		27 857

Notes to the financial statements continued
for the year ended 30 June 2025

38. RELATED-PARTY TRANSACTIONS continued
Directors' remuneration continued

All figures in R'000	Salary	Short-term incentives	Provident fund and medical aid contri-butions	Gain on share scheme awards	Other	Total 2025	Total 2024
Prescribed officers							
G Maartens	3 000	1 421	851	987	435	**6 694**	6 076
2025	**3 000**	**1 421**	**851**	**987**	**435**	**6 694**	
2024	3 000	1 698	834	148	396		6 076

All figures in R'000	Board fees	Other	Total 2025	Total 2024
Non-executive directors				
L Ravazzotti Langenhoven	2 075	7	**2 082**	3 132
G A M Ravazzotti	514	–	**514**	468
S M du Toit	831	5	**837**	780
S G Pretorius	895	–	**895**	745
N P Khoza*	577	5	**582**	528
L C Prezens	532	4	**537**	640
J N Potgieter	469	–	**469**	370
A M Mathole	735	–	**735**	483
2025	**6 629**	**21**	**6 651**	
2024	7 132	14	**7 146**	7 146
Aggregate emoluments of directors and prescribed officers who served during the year			**50 181**	39 879

* *Resigned from the Board effective 11 June 2025.*

Company
Details of related-party transactions are as follows:

Related party	Nature of transactions	Aggregate value of transactions 2025 Rm	Aggregate value of transactions 2024 Rm	Balances owing at year-end 2025 Rm	Balances owing at year-end 2024 Rm
Italtile Empowerment Trust	Interest-free loan	–	–	**26**	49
Italtile Ceramics (Pty) Ltd	Dividends	**1 692**	634	**–**	–
Italtile Share Incentive Trust	Dividends	**13**	4	**–**	–
Italtile Ceramics (Pty) Ltd	Management fees	**13**	12	**3 430**	3 394
Italtile and Ceramics Foundation Trust	Interest-free loan	**–**	–	**61**	71

Refer to notes 7, 18 and 23.2 for further disclosure relating to terms of balances owing at year-end.

Key management personnel and prescribed officers comprise only the Company Board members. Remuneration paid to key management personnel of the Company is provided above. No balances were owing at year-end (2024: Rnil).

The following fixed fees excluding VAT were in place for the year under review:

Basic annual fee	131 000
Board meeting fee	31 500
Committee fee	26 500
Chairperson of Committee	32 750
Strategy session	38 000
Chairperson of the Board	1 575 000

Hourly rate for *ad hoc* work, not exceeding 144 hours a year: R4 500 per hour.

39. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interests in the current or prior year is provided below:

Proportion of equity interest held by non-controlling interests in ordinary shares

Name	Country of incorporation	2025 %	2024 %
Ceramic Industries Group	South Africa	**0,5**	0,9
Italtile Retail (Pty) Ltd	South Africa	**45,0**	45,0
International Tap Distributors (Pty) Ltd	South Africa	**10,0**	12,0
Ezee Tile Adhesive Manufacturers (Pty) Ltd	South Africa	**0,5**	0,9
TopT Ceramics (Pty) Ltd	South Africa	**5,0**	5,0

	2025 Rm	2024 Rm
Profit allocated to material non-controlling interest:		
Ceramic Industries Group	**2**	4
Italtile Retail (Pty) Ltd	**40**	36
International Tap Distributors (Pty) Ltd[## / ###]	**1**	–
Ezee Tile Adhesive Manufacturers (Pty) Ltd	**#**	#
TopT Ceramics (Pty) Ltd[##]	**–**	–

[#] *Less than R1 million.*
[##] *The control of shares held by the minority partners are restricted by the loans provided for the purchase. The structure of the deal constitutes a share incentive transaction in terms of IFRS 2.*
[###] *During FY2025, the minority partner of ITD had settled the loan provided for the purchase.*

The summarised financial information of these subsidiaries is provided below. This information is based on amounts before intercompany eliminations.

Summarised statement of profit or loss for the year ended 30 June 2025

	Ceramic Industries Rm	Italtile Retail Rm	International Tap Distributors Rm	Ezee Tile Rm	TopT Rm
Revenue from contracts with customers	**3 644**	**775**	**461**	**1 036**	**1 110**
Cost of sales	**(2 820)**	**(428)**	**(365)**	**(804)**	**(702)**
Administrative expenses	**(347)**	**(226)**	**(29)**	**(119)**	**(234)**
Finance costs	**–**	**–**	**–**	**–**	**–**
Profit before tax	**477**	**121**	**67**	**113**	**174**
Income tax expense	**(106)**	**(32)**	**(17)**	**(48)**	**(46)**
Profit for the year	**371**	**89**	**50**	**65**	**128**
Attributable to non-controlling interests	**2**	**40**	**–**	**#**	**–**
Dividends paid to non-controlling interests	**1**	**43**	**8**	**#**	**10**

[#] *Less than R1 million.*

Notes to the financial statements continued
for the year ended 30 June 2025

39. MATERIAL PARTLY-OWNED SUBSIDIARIES continued
Summarised statement of profit or loss for the year ended 30 June 2024

	Ceramic Industries Rm	Italtile Retail Rm	International Tap Distributors Rm	Ezee Tile Rm	TopT Rm
Revenue from contracts with customers	3 958	749	460	1 016	978
Cost of sales	(2 953)	(414)	(366)	(828)	(612)
Administrative expenses	(449)	(219)	(26)	(118)	(206)
Finance costs	–	–	–	–	–
Profit before tax	556	116	68	70	160
Income tax expense	(138)	(36)	(17)	(19)	(41)
Profit for the year	418	80	51	51	119
Attributable to non-controlling interests	4	36	–	#	–
Dividends paid to non-controlling interests	1	33	5	#	5

Less than a million.

Summarised statement of financial position as at 30 June 2025

	Ceramic Industries Rm	**Italtile Retail Rm**	**International Tap Distributors Rm**	**Ezee Tile Rm**	**TopT Rm**
Non-current assets	**2 608**	**29**	**12**	**349**	**23**
Current assets	**1 535**	**221**	**173**	**265**	**220**
Non-current liabilities	**(204)**	**–**	**(1)**	**(13)**	**–**
Current liabilities	**(382)**	**(59)**	**(18)**	**(96)**	**(84)**
Total equity	**3 557**	**191**	**166**	**505**	**159**

Summarised statement of financial position as at 30 June 2024

	Ceramic Industries Rm	Italtile Retail Rm	International Tap Distributors Rm	Ezee Tile Rm	TopT Rm
Non-current assets	2 715	32	13	370	25
Current assets	1 288	224	208	185	290
Non-current liabilities	(190)	–	(1)	–	–
Current liabilities	(453)	(58)	(20)	(94)	(80)
Total equity	3 360	198	200	461	235

39. MATERIAL PARTLY-OWNED SUBSIDIARIES continued

Summarised cash flow information for the year ended 30 June 2025

	Ceramic Industries Rm	Italtile Retail Rm	International Tap Distributors Rm	Ezee Tile Rm	TopT Rm
Cash flow from operating activities	**415**	**7**	**(34)**	**148**	**(55)**
Cash flow from investing activities	**(109)**	**(4)**	**(4)**	**(38)**	**(8)**
Cash flow from financing activities	**(13)**	**–**	**–**	**(22)**	**–**
Net increase/(decrease) in cash and cash equivalents	**293**	**3**	**(38)**	**88**	**(63)**

Summarised cash flow information for the year ended 30 June 2024

	Ceramic Industries Rm	Italtile Retail Rm	International Tap Distributors Rm	Ezee Tile Rm	TopT Rm
Cash flow from operating activities	545	24	#	47	75
Cash flow from investing activities	(424)	(8)	(4)	(53)	(7)
Cash flow from financing activities	(8)	–	–	(11)	–
Net increase/(decrease) in cash and cash equivalents	113	16	(4)	(17)	68

Less than a million.

40. GROUP ENTITIES

				Book value of interest			
		% holding		Shares		Amounts due from	
	Issued ordinary share capital R	**2025**	2024	**2025 Rm**	2024 Rm	**2025 Rm**	2024 Rm
HELD BY ITALTILE LIMITED							
Retail							
Italtile Ceramics (Pty) Ltd	36 383 670	**100**	100	**1**	1	**3 430**	3 394

Notes to the financial statements continued
for the year ended 30 June 2025

40. GROUP ENTITIES continued

	Issued share capital		Effective shareholding	
	2025 R	2024 R	**2025** %	2024 %
HELD BY SUBSIDIARIES				
Franchising				
Italtile Franchising (Pty) Ltd##	**–**	1 000	**–**	100
Property Investment				
Allmuss Properties (Pty) Ltd	**1 500**	1 500	**100**	100
Allmuss Properties Botswana (Pty) Ltd[1]	**4 651**	4 651	**100**	100
Allmuss Properties Namibia (Pty) Ltd[2]	**1 100**	1 100	**100**	100
Allmuss Lesotho (Pty) Ltd[3]	**1 000**	1 000	**100**	100
Allmuss Properties Kenya Limited[4]	**164 051 195**	164 051 195	**100**	100
Emerald Sky Trading 736 (Pty) Ltd	**100**	100	**100**	100
F. B. Ashman (Pty) Ltd	**100**	100	**100**	100
Penates Logistics (Pty) Ltd#	**100**	100	**90#**	90#
Magnolia Ridge Properties 291 (Pty) Ltd	**15 000 000**	15 000 000	**50***	50*
Allmuss Properties Tanzania Limited[6]	**46 895 113**	46 895 113	**100**	100
Allmuss Properties Zambia Limited[7]	**195 755**	195 755	**100**	100
Allmuss Properties Rwanda (Pty) Ltd[8]	**20 341 394**	20 341 394	**100**	100
Magaeng Properties (Pty) Ltd	**100**	100	**49***	49*
Support Services				
International Tap Distributors (Pty) Ltd	**210**	210	**90**	88
Cedar Point Trading 326 (Pty) Ltd	**1 000**	1 000	**100**	100
Italtile Foreign Holdings (Pty) Ltd	**1 410**	1 410	**100**	100
Retail				
CTM Kenya Limited[4]	**25 737 379**	25 737 379	**100**	100
Italtile Retail (Pty) Ltd	**1 000**	1 000	**55**	55
Orban Investments 375 (Pty) Ltd[2]	**175**	175	**100**	100
TopT Ceramics (Pty) Ltd#	**1 000**	1 000	**95#**	95#
Braintree (Pty) Ltd[1]	**1 302**	1 302	**100**	100
Braintree Tanzania Limited[6]	**32 404 620**	32 404 620	**100**	100
U-Light (Pty) Ltd###	**–**	1 000	**–**	100
Italtile Retail Botswana (Pty) Ltd	**1 000**	1 000	**55**	55
CTM Lesotho (Pty) Ltd[3]	**100**	100	**100**	100
Italtile Zambia Limited[7]	**29 418**	29 418	**100**	100
Manufacturing				
Ceramic Industries (Pty) Ltd	**61 235 860**	61 235 860	**99**	99
Ceramic Holdings (Pty) Ltd[5]	**130 233 618**	130 233 618	**98**	98
National Ceramic Industries Australia (Pty) Ltd[5]	**72 658 011**	72 658 011	**95**	95
Namoi Valley Quarry (Pty) Ltd[5]	**1**	1	**95**	95
Sphinx Acrylic Bathroomware (Pty) Ltd	**102**	102	**99**	99
National Ceramic Industries South Africa (Pty) Ltd	**2 000**	2 000	**99**	99
National Ceramic Industries (Pty) Ltd	**–**	–	**0**	0
CRM Brick and Associated Industries (Pty) Ltd	**–**	2 000	**–**	99
Aquarella Investments 389 (Pty) Ltd	**100**	100	**73**	73
Ezee Tile Adhesive Manufacturers (Pty) Ltd	**556**	556	**99**	99
Ezee Tile Adhesive Manufacturers (Free State) (Pty) Ltd	**–**	–	**0**	0
Ezee Tile Kenya Limited	**1 201 199**	1 201 199	**69**	69
Ezee Tile Adhesives Zambia Limited[7]	**7 108**	7 108	**49***	49*
Silica Quartz (Pty) Ltd	**56**	56	**55**	55
PiViCal Panels (Pty) Ltd*	**3 261 573**	3 261 573	**43**	43
Special purpose entities				
The Italtile and Ceramic Foundation Trust				
The Italtile Share Incentive Trust				
The Italtile Empowerment Trust				
The Italtile Retention Scheme Trust				
The Italtile Staff Share Scheme Trust				
Aquarella Empowerment Trust				

[1] Incorporated in Botswana. [2] Incorporated in Namibia. [3] Incorporated in Lesotho. [4] Incorporated in Kenya.
[5] Incorporated in Australia. [6] Incorporated in Tanzania. [7] Incorporated in Zambia. [8] Incorporated in Rwanda.

* *The Company is consolidated as the Group exercises control over it.*

\# *The control of shares held by the minority partner is restricted by the loan provided for the purchase. The structure of the deal constitutes a share incentive transaction in terms of IFRS 2.*

\## *In an effort to simplify the Group structure, the net assets of Italtile Franchising was declared as a dividend to Italtile Ceramics (Pty) Ltd. The entity is in the process of deregistration.*

\### *The U-Light business has been closed and the Company is in the process of deregistration.*

41. RESTATEMENT

Correction of understatement of trade and other receivables and trade and other payables

During the preparation of the Group's 2025 annual financial statements, and in the process of providing enhanced disclosure through further disaggregation of the credit risk note for trade receivables, the Group identified a matter relating to intercompany consolidation entries dating back to preceding financial years. This resulted in an understatement of both trade and other receivables and trade and other payables amounting to R190,5 million in each of the preceding years. The matter has been rectified in the current year's financial statements. Importantly, this adjustment does not impact headline earnings per share ("HEPS"), earnings per share ("EPS"), net asset value ("NAV") per share, or the statement of cash flows.

The following line items have been impacted as follows:

Restatement of financial position

Statement of financial position	Notes	2024 – as previously reported Rm	Adjustment Rm	Restated Rm
Current assets				
Trade and other receivables	23.1/36	712	190	902
Total assets		10 444	190	10 634
Current liabilities				
Trade and other payables	27/36	528	190	718
Total equity and liabilities		10 444	190	10 634

Statement of financial position	Notes	2023 – as previously reported Rm	Adjustment Rm	Restated Rm
Current assets				
Trade and other receivables	23.1/36	911	190	1 101
Total assets		9 769	190	9 959
Current liabilities				
Trade and other payables	27/36	647	190	837
Total equity and liabilities		9 769	190	9 959

42. GOING CONCERN

The Group has a 56-year track record of trading through turbulent periods and we believe our market-leading brands, our factories' latest technology and our high-performance culture provide opportunities to improve our performance. While market conditions remain uncertain in South Africa, the long-term dynamics of the housing market remain favourable, and the Board has confidence in the Group's proven business model and experienced teams. The Group remains a robust going concern.

43. EVENTS AFTER THE REPORTING PERIOD

Other than the divided declaration, the directors are not aware of any other matters or circumstances arising since the end of the reporting period, which significantly affect the financial position at 30 June 2025 or the results of its operations or cash flow for the year then ended.

Analysis of shareholders

SHAREHOLDER SPREAD	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	2 026	63,59	250 790	0,02
1 001 – 10 000 shares	560	17,58	2 283 142	0,17
10 001 – 100 000 shares	360	11,30	11 616 018	0,88
100 001 – 1 000 000 shares	164	5,15	53 317 035	4,03
1 000 001 shares and over	76	2,39	1 254 187 163	94,90
Totals	**3 186**	**100,00**	**1 321 654 148**	**100,00**

DISTRIBUTION OF SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Associates to directors	1	0,03	746 273 615	56,47
Companies and other corporate bodies	121	3,80	9 024 039	0,68
Directors	3	0,09	2 800 000	0,21
Empowerment	5	0,16	34 371 177	2,60
Individuals	2 575	80,82	43 000 164	3,25
The Italtile and Ceramic Foundation Trust	1	0,03	51 449 303	3,89
Italtile Ceramics (Pty) Ltd	1	0,03	44 127 495	3,34
Italtile Empowerment Trust	1	0,03	8 742 658	0,66
The Italtile Share Incentive Trust	1	0,03	9 922 234	0,75
Italtile Retention Scheme Trust	1	0,03	14 995 000	1,13
Italtile Staff Share Scheme Trust	1	0,03	2 673 015	0,20
Nominee shareholders	344	10,80	311 069 821	23,54
Trusts	131	4,11	43 205 627	3,27
Totals	**3 186**	**100,00**	**1 321 654 148**	**100,00**

PUBLIC/NON-PUBLIC SHAREHOLDERS	Number of shareholdings	%	Number of shares	%
Non-public shareholders	**15**	**0,47**	**915 354 497**	**69,26**
Directors	3	0,09	2 829 125	0,21
Associates to directors	1	0,03	746 244 490	56,46
Italtile and Ceramic Foundation Trust	1	0,03	51 449 303	3,89
Italtile Ceramics (Pty) Ltd	1	0,03	44 127 495	3,34
Italtile Empowerment Trust	1	0,03	8 742 658	0,66
The Italtile Share Incentive Trust	1	0,03	9 922 234	0,75
Italtile Retention Scheme Trust	1	0,03	14 995 000	1,13
Italtile Staff Share Scheme Trust	1	0,03	2 673 015	0,20
Empowerment companies	5	0,16	34 371 177	2,60
Public shareholders	**3 171**	**99,53**	**406 299 651**	**30,74**
Totals	**3 186**	**100,00**	**1 321 654 148**	**100,00**

BENEFICIAL SHAREHOLDERS HOLDING 2% OR MORE	Number of shares	%
Rallen (Pty) Ltd	746 244 490	56,46
The Italtile and Ceramic Foundation Trust	51 449 303	3,89
Italtile Ceramics (Pty) Ltd	44 127 495	3,34
Ninety One	42 340 081	3,20
Tommaso Altini Trust	41 797 269	3,16
Government Employees Pension Fund	33 365 480	2,52
Foord	31 000 880	2,35
Old Mutual	26 869 618	2,03
Yard Investment Holdings	26 400 000	2,00
Totals	**1 043 594 616**	**78,96**

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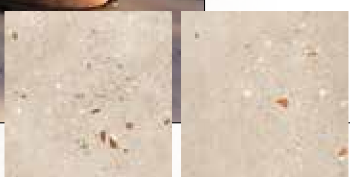
FROM OUR FOUNDER TO THE BOARD – TO SEVERAL BRAND-BUILDING EXPERTS, WITH DECADES OF hands-on experience ON THE SHOP FLOOR, WHERE RETAIL EXCELLENCE AND SALES TRAINING ARE CORE DISCIPLINES – OUR DEPTH OF RETAIL EXPERTISE IS VAST

We will continue to focus on improving customer experience, operating efficiencies, and developing and growing the core competencies of our teams.

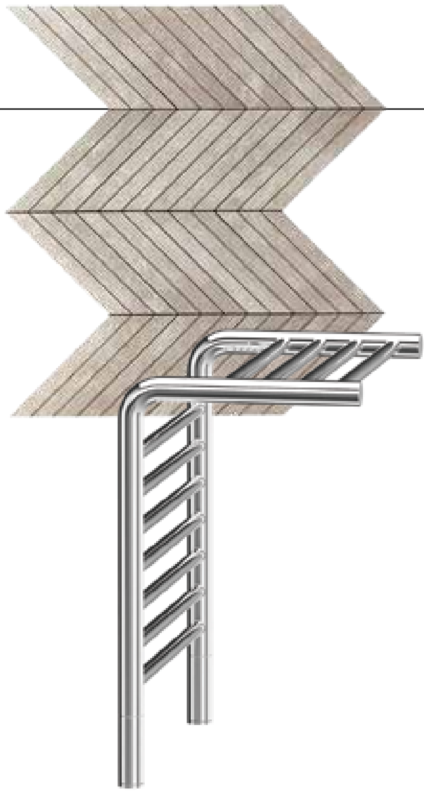


DripArt Copper Rectified Matt Glazed Porcelain Tile and Matrix Taupe Rectified Matt Glazed Slip-Resistant Porcelain Tile

Shareholders' diary

Financial year-end		June
AGM		November
Reports		
Interim half-year to December		February
Preliminary full-year profit announcement		August
Integrated Annual Report		September
Dividends		
Interim dividend	Declared	February
	Paid	March
Final dividend	Declared	August
	Paid	September

Corporate information



Italtile Limited

Incorporated in the Republic of South Africa
("Italtile" or "the Group" or "the Company")
Listed on the JSE Limited

JSE share code: ITE
ISIN: ZAE000099123
Registration number: 1955/000558/06

Company Secretary

Acorim Proprietary Limited

Registered office

The Italtile Building, 72 Peter Place, Bryanston, 2021

Postal address

PO Box 1689, Randburg, 2125
Telephone number +27 (11) 510 9000
Fax number +27 (11) 510 9060

Transfer secretaries

Computershare Investor Services (Pty) Ltd
Rosebank Towers, 15 Biermann Avenue, Rosebank, 2196

Sponsor

Merchantec Capital

Corporate and Legal advisers

Rabin & Associates

Attorneys

Werksmans

Bankers

Nedbank Ltd

Auditor

PricewaterhouseCoopers Inc.

Website

http://www.Italtile.com

Notice of virtual annual general meeting

Italtile Limited

Incorporated in the Republic of South Africa
(Registration number 1955/000558/06)
Share code: ITE ISIN: ZAE000099123
("Italtile" or "the Company" or "the Group")

This document is important and requires your immediate attention.

If you are in any doubt as to the action you should take in respect of the following resolutions, please consult your Central Securities Depository Participant ("CSDP"), broker, banker, legal adviser, accountant or other professional adviser immediately.

Notice is hereby given in terms of section 62(1) of the Companies Act, No 71 of 2008, as amended ("the Companies Act") that the 35th annual general meeting ("AGM") of shareholders of Italtile will be conducted entirely by electronic communication as permitted by section 63(2)(a) of the Companies Act ("electronic communication") on Thursday, 13 November 2025 at 10:00 to consider and, if deemed fit, to pass, with or without modification, the ordinary and special resolutions set out below in the manner required by the Companies Act and the Listings Requirements of the JSE Limited ("JSE").

The Board of directors of the Company ("the Board") has determined that, in terms of section 62(3)(a), as read with section 59 of the Companies Act, the record date for the purposes of determining which Italtile shareholders are entitled to receive notice of the AGM ("Notice") is Friday, 19 September 2025.

The record date for determining which Italtile shareholders are entitled to participate in and vote at the AGM is Friday, 7 November 2025. Accordingly, the last day to trade in Italtile shares in order to be recorded in the securities register of the Company and thereby be entitled to attend, participate in and vote at the AGM is Tuesday, 4 November 2025.

In terms of section 63(1) of the Companies Act, before any person may attend or participate in the AGM, that person must present reasonably satisfactory identification and the person presiding at the AGM must be reasonably satisfied that the right of the person to participate in and vote at the AGM, either as a shareholder of Italtile or as a proxy for a shareholder of Italtile, has been reasonably verified. Forms of identification that will be accepted include an original and valid identity document, driver's licence or a valid passport.

In terms of section 63(2) of the Companies Act, as read with clause 6.7(2) of the Memorandum of Incorporation ("MOI") of the Company, the AGM will be conducted entirely by electronic communication and shareholders are referred to the shareholders' virtual meeting guide ("Guide"), attached as Annexure 1 to this Notice, which Guide sets out the necessary information to enable shareholders or their proxies to access the available medium in order to participate in and vote at the AGM.

Report from the Social and Ethics Committee

The attention of shareholders is drawn to the report from the Social and Ethics Committee, which is included on pages 68 and 69 of the IAR, of which this Notice forms part.

Ordinary business

To receive the annual financial statements for the year ended 30 June 2025 of the Company and the Group, together with the reports of the directors and auditors.

Ordinary Resolution No 1 – Confirmation of appointment of independent non-executive director

RESOLVED THAT Ms M Matsipa is hereby appointed as an independent non-executive director of the Company, effective 22 August 2025.

A brief curriculum vitae ("CV") of Ms M Matsipa is contained on page 7 of this IAR, of which this Notice forms part.

Ordinary Resolution No 2 (comprising Ordinary Resolution numbers 2.1 to 2.4, all inclusive) – Re-election of directors

RESOLVED THAT by way of separate ordinary resolutions, each of:

2.1 Mr G A M Ravazzotti, who is retiring by rotation in terms of the Company's MOI and who, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company.

2.2 Ms S M du Toit, who is retiring by rotation in terms of the Company's MOI and who, being eligible, offers herself for re-election, be and is hereby re-elected as a director of the Company.

2.3 Mr S G Pretorius, who is retiring by rotation in terms of the Company's MOI and who, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company.

2.4 Mr J Potgieter, who is retiring by rotation in terms of the Company's MOI and who, being eligible, offers himself for re-election, be and is hereby re-elected as a director of the Company.

Explanatory note:

In terms of clause 7.2(1) as read with clause 7.2(2) of the MOI, one-third of the non-executive directors of the Company are required to retire from office at each AGM. The non-executive directors of the Company to retire in every year shall be those who have been longest in office since their last election, but as between persons who became or were last elected as non-executive directors of the Company on the same day, those to retire shall, unless otherwise agreed among themselves, be determined by lot. In terms of clause 7.2(3) of the MOI, any director who has been in office for longer than nine years shall retire annually at each AGM. A retiring director shall be eligible for re-election.

Mr G A M Ravazzotti, Ms S M du Toit, Mr S G Pretorius and Mr J Potgieter all retire in accordance with clause 7.2 of the MOI and, being eligible, offer themselves for re-election.

The reason for the proposed Ordinary Resolution numbers 1.1 to 1.4 (all inclusive) is to elect, in accordance with the MOI and by way of a series of votes, each of which is on the candidacy of a single individual to fill a single vacancy, as required by section 68(1) of the Companies Act, Mr G A M Ravazzotti, Ms S M du Toit, Mr S G Pretorius and Mr J Potgieter as directors of the Company. The effect of Ordinary Resolution numbers 2.1 to 2.4 (all inclusive) is that Mr G A M Ravazzotti, Ms S M du Toit, Mr S G Pretorius and Mr J Potgieter will be re-elected as directors of the Company.

A brief curriculum vitae ("CV") in respect of each of these directors is contained on pages 6 and 7 of this IAR, of which this Notice forms part.

Notice of virtual annual general meeting continued

Ordinary Resolution No 3 – Appointment of external auditors

RESOLVED THAT PricewaterhouseCoopers Inc. be and is hereby reappointed, on the recommendation of the current Audit and Risk Committee, as the independent external auditors of the Company for the ensuing financial period, terminating at the conclusion of the next AGM of the Company, and Keeran Ramnarian, being a director of PricewaterhouseCoopers Inc., be and is hereby appointed as the individual registered auditor who will undertake the audit of the Company for the financial year ending 30 June 2026.

Explanatory note:

In accordance with section 90(1) of the Companies Act, PricewaterhouseCoopers Inc. is proposed to be reappointed as the external auditors of the Company, as recommended by the Company's Audit and Risk Committee, until the conclusion of the Company's next AGM.

Ordinary Resolution No 4 (comprising Ordinary Resolution numbers 4.1 to 4.3, all inclusive) – Re-election of Audit and Risk Committee

RESOLVED THAT, by way of separate ordinary resolutions, each of:

4.1 Ms L C Prezens, who is an independent non-executive director of the Company, be and is hereby re-elected as the Chairperson and member of the Company's Audit and Risk Committee;

4.2 Ms S M du Toit, who is an independent non-executive director of the Company, be and is hereby re-elected as a member of the Company's Audit and Risk Committee;

4.3 Mr S G Pretorius, who is an independent non-executive director of the Company, be and is hereby re-elected as a member of the Company's Audit and Risk Committee; subject to Ms S M du Toit and Mr S G Pretorius being re-elected as directors of the Company in terms of Ordinary Resolution numbers 2.2 and 2.3, respectively.

Explanatory note:

In terms of section 94(2) of the Companies Act, the Audit Committee is a committee elected by shareholders at each AGM. A brief CV of each of the aforementioned independent non-executive directors appears on pages 6 and 7 of this IAR, of which this Notice forms part. In terms of the Regulations, 2011 promulgated under the Companies Act ("Companies Act Regulations"), at least one-third of the members of the Company's Audit Committee must have academic qualifications, or experience in economics, law, corporate governance, finance, accounting, commerce, industry, public affairs or human resource management. The Board is satisfied that the Company's Audit and Risk Committee members are suitably skilled and experienced as contemplated in Regulation 42 of the Companies Act Regulations and that collectively they have sufficient qualifications and experience to fulfil their duties as contemplated in section 94(7) of the Companies Act.

Ordinary Resolution No 5 (comprising Ordinary Resolution numbers 5.1 to 5.3, all inclusive) – Election of Social and Ethics Committee

RESOLVED THAT the following directors of the Company are elected as members of the Social and Ethics Committee, each by separate vote:

5.1 Ms A Mathole, who is an independent non-executive director of the Company, be and is hereby elected as the Chairperson and member of the Company's Social and Ethics Committee;

5.2 Mr S G Pretorius, who is an independent non-executive director of the Company, be and is hereby elected as a member of the Company's Social and Ethics Committee, subject to Mr S G Pretorius being re-elected as directors of the Company in terms of Ordinary Resolution number 2.3;

5.3 Mr L Foxcroft, who is an executive director of the Company, be and is hereby elected as a member of the Company's Social and Ethics Committee.

A brief CV of each director is available on pages 6 and 7 of this Notice.

Explanatory note:

The Companies Amendment Act, 2024 introduced, amongst other things, the new section 72(9A) to the Companies Act with effect from 27 December 2024. The new section 72(9A) requires that public companies elect a Social and Ethics Committee, the composition of which must satisfy the requirements of section 72(7A), at each AGM of such company.

Ordinary Resolution No 6 (comprising Ordinary Resolution numbers 6.1 and 6.2) – Non-binding advisory endorsement of the Company's Remuneration policy and Implementation report

Ordinary Resolution 6.1 – Endorsement of the Company's Remuneration policy

RESOLVED THAT the Company's Remuneration policy, as detailed on pages 125 to 127 of the IAR, be and is hereby approved and adopted by way of a non-binding advisory vote, as recommended in the King IV Report on Corporate Governance for South Africa ("King IV").

Ordinary Resolution 6.2 – Endorsement of the Company's Implementation report

RESOLVED THAT the Implementation report of the Company, as set out on pages 128 to 131 of this IAR, be and is hereby approved and adopted by way of a non-binding advisory vote, as recommended in terms of King IV.

Explanatory note:

In terms of King IV and the Listings Requirements, the Company's Remuneration policy and Implementation report should be tabled to shareholders for separate non-binding advisory votes at the AGM. Failure to pass these resolutions will not have legal consequences relating to existing arrangements. However, the Board will take the outcome of the vote into consideration when assessing the Company's Remuneration policy and Implementation report.

Shareholders are accordingly requested to endorse the Company's Remuneration policy and Implementation report as set out on pages 125 to 131 of this IAR.

Ordinary Resolution No 7 – Unissued shares to be placed under the control of the directors

RESOLVED THAT the authorised but unissued ordinary shares in the capital of the Company be and are hereby placed under the control and authority of the directors of the Company and that the directors be and are hereby authorised and empowered to allot and issue and grant options over all or any of such ordinary shares to such person or persons on such terms and conditions and at such times as the directors of the Company may from time to time in their discretion deem fit, subject to the proviso that the aggregate number of ordinary shares to be allotted and issued in terms of this resolution shall be limited to 5% (five percent) of the authorised share capital of the Company and subject to the provisions of the Companies Act and the Listings Requirements. Such authority shall be valid until the date of the next AGM or for 15 (fifteen) months from the date on which Ordinary Resolution No 7 is adopted, whichever period is shorter.

Explanatory note:

The reason for Ordinary Resolution No 7 is that in terms of the MOI and subject to the provisions of the Companies Act, as may be amended from time to time and the Listings Requirements, the shareholders of the Company may authorise the directors to allot and issue and grant options over, such shares, as the directors in their discretion deem fit. The effect of Ordinary Resolution No 7 is to ensure that the directors have the necessary flexibility to allot and issue shares as they deem fit. It is noted that an issue as contemplated in sections 41(1) and (3) of the Companies Act must first be approved by way of special resolution in terms of section 41 of the Companies Act and is not authorised in terms of this resolution.

Ordinary Resolution No 8 – General authority to issue shares, and to sell treasury shares, for cash

RESOLVED THAT the directors of the Company and/or any of its subsidiaries from time to time be and are hereby authorised, by way of a general authority, to:

- allot and issue shares or options in respect of any of the authorised but unissued ordinary shares in the capital of the Company; and/or
- sell or otherwise dispose of or transfer, or issue any options in respect of, ordinary shares in the capital of the Company purchased by subsidiaries of the Company, for cash, to such person/s on such terms and subject to such conditions and at such times as the directors in their discretion deem fit, subject to the provisions of the Companies Act, the MOI and the Listings Requirements, as amended from time to time.

This resolution is subject to the following limitations:

- The equity securities which are the subject of the issue for cash must be of a class already in issue, or where this is not the case, must be limited to such securities or rights that are convertible into a class already in issue;
- Any such issue may only be made to public shareholders as defined in the Listings Requirements and not to related parties;
- Related parties may participate in a general issue for cash through a bookbuild process, provided that:
  - related parties only participate with a maximum bid price at which they are prepared to take up shares or at book close price. In the event of a maximum bid price and the book closes at a higher price, the relevant related party will be 'out of the book' and not be allocated shares; and
  - equity securities must be allocated equitably 'in the book' through the bookbuild process and the measures to be applied must be disclosed in the SENS announcement launching the bookbuild;
- In respect of securities, which are the subject of the general issue of shares for cash, such issue may not exceed 59 487 222, representing 5% (five percent) of the number of listed equity securities in issue as at the date of this Notice, provided that:
  - the number of ordinary shares which may be issued will be deducted from the aforementioned 59 487 222 securities;
  - in the event of a subdivision or consolidation of issued equity securities during the period contemplated below, the existing authority must be adjusted accordingly to represent the same allocation ratio; and
  - the calculation of the listed equity securities is a factual assessment of the listed equity securities as at the date of the Notice of the AGM, excluding treasury shares;
- This general authority is valid until the earlier of the Company's next AGM or the expiry of a period of 15 (fifteen) months from the date on which this Ordinary Resolution No 8 is adopted;
- In determining the price at which an issue of ordinary shares may be made in terms of this authority, the maximum discount permitted will be 5% (five percent) of the weighted average traded price on the JSE of the ordinary shares over the 30 (thirty) business days prior to the date that the price of the issue is agreed between the Company and the party subscribing for the ordinary shares. The JSE should be consulted for a ruling if the Company's ordinary shares have not traded in such 30 (thirty) business day period;
- An announcement giving full details, including the number of securities issued, the average discount to the weighted average traded price of the securities over 30 (thirty) business days prior to the date that the issue is agreed in writing between the Company and the parties subscribing for the securities and in respect of the issue of options and convertible securities the impact on the statement of financial position, net asset value per share, net tangible asset value per share, the statement of comprehensive income, earnings per share and headline earnings per share and, if applicable, diluted earnings and headline earnings per share, or in respect of an issue of shares, an explanation, included supporting information (if any), of the intended use of the funds, will be published when the Company has issued securities representing, on a cumulative basis within the earlier of the Company's next AGM or the expiry of a period of 15 (fifteen) months from the date that this authority is given, 5% (five percent) or more of the number of securities in issue prior to the issue; and
- Whenever the Company wishes to use ordinary shares, held as treasury stock by a subsidiary of the Company, such use must comply with the Listings Requirements as if such use was a fresh issue of ordinary shares.

In terms of the Listings Requirements a 75% (seventy-five percent) majority of the votes cast by shareholders present or represented by proxy and entitled to vote at the AGM must be cast in favour of Ordinary Resolution No 8 for it to be approved.

Explanatory note:

In accordance with the MOI, as well as the Listings Requirements, the shareholders of the Company have to approve a general issue of shares for cash. The existing authorities granted by the shareholders of the Company at the previous AGM held on Thursday, 13 November 2025 at 10:00 expires at this AGM to be held on Thursday, 13 November 2025 at 10:00 unless renewed. This authority will be subject to the MOI, the Companies Act and the Listings Requirements. The directors of the Company consider it advantageous to renew this authority to enable the Company to take advantage of any business opportunity that may arise in the future.

The effect of Ordinary Resolution No 8 is that the directors will be able to issue the authorised but unissued ordinary shares in the share capital of the Company for cash, as and when suitable business opportunities arise, subject to the Listings Requirements, the restrictions/conditions set out in the authority and the MOI.

Notice of virtual annual general meeting continued

Special Resolution No 1 – Acquisition of own securities

RESOLVED THAT the mandate be given to the Company (or any of its subsidiaries) providing authorisation, by way of a general authority, to acquire the Company's own securities, upon such terms and conditions and in such amounts as the directors may from time to time decide, but subject to the MOI, the Companies Act and the Listings Requirements and provided that:

- any repurchase of securities must be effected through the order book operated by the JSE trading system and done without any prior understanding or arrangement between the Company and the counterparty (reported trades are prohibited);
- at any point in time, the Company may only appoint one agent to effect any repurchase(s) on the Company's behalf;
- this general authority shall be valid until the Company's next AGM, provided that it shall not extend beyond 15 (fifteen) months from the date of passing of this Special Resolution No 1 (whichever period is shorter);
- an announcement will be published giving such details as may be required in terms of the Listings Requirements as soon as the Company has cumulatively repurchased 3% (three percent) of the initial number (the number of that class of share in issue at the time that the general authority from shareholders is granted) of the relevant class of securities, and for each 3% (three percent) in aggregate of the initial number of that class acquired thereafter, containing full details of such repurchases;
- repurchases by the Company, and/or its subsidiaries, in aggregate in any one financial year may not exceed 10% (ten percent) of the Company's issued share capital as at the date of passing this Special Resolution No 1;
- the Board passes a resolution that it has authorised the repurchase, that the Company and its subsidiaries have passed the solvency and liquidity test and that, since the test was performed there have been no material changes to the financial position of the Group;
- repurchases may not be made at a price greater than 10% (ten percent) above the weighted average of the market value of the securities for the 5 (five) business days immediately preceding the date on which the transaction is effected; and
- the Company or its subsidiary may not repurchase securities during a prohibited period, as defined in the Listings Requirements, unless:
  - the Company had a repurchase programme in place and the programme has been submitted to the JSE prior to the prohibited period commencing;
  - only one independent third party has been instructed to execute the repurchase programme prior to the prohibited period commencing; and
  - the repurchase programme includes the name and date of appointment of the independent third party instructed to execute the repurchase programme, the commencement and termination date of the repurchase programme and the fixed number of securities to be traded during the period.

Statement by the Board pursuant to and in terms of the Listings Requirements of the JSE:

The directors of the Company hereby state that:

(a) the intention of the directors of the Company is to utilise the authority if, at some future date, the cash resources of the Company are in excess of its requirements. In this regard, the directors will take account of, *inter alia*, an appropriate capitalisation structure for the Company, the long-term cash needs of the Company and will ensure that any such utilisation is in the interests of the shareholders; and

(b) the method by which the Company intends to repurchase its securities and the date on which such repurchase will take place has not yet been determined.

At the time that the contemplated repurchase is to take place, the directors of the Company will ensure that:

- the Company and its subsidiaries will be able to pay their debts as they become due in the ordinary course of business for a period of 12 (twelve) months after the date on which the repurchase is contemplated;
- the assets of the Company and its subsidiaries, fairly valued in accordance with International Financial Reporting Standards, will be in excess of the liabilities of the Company and its subsidiaries for a period of 12 (twelve) months after the date on which the repurchase is contemplated;
- the share capital and reserves of the Company and its subsidiaries will be adequate for the purpose of the business of the Company and its subsidiaries for a period of 12 (twelve) months after the date on which the repurchase is contemplated;
- the working capital available to the Company and its subsidiaries will be adequate for the Group's ordinary business purposes for a period of 12 (twelve) months after the date on which the repurchase is contemplated.

Explanatory note:

The reason for and effect of this Special Resolution No 1 is to grant the Board a general authority, in terms of the Listings Requirements, to approve the acquisition by the Company or any of its subsidiaries of securities issued by the Company, which authority shall be valid until the earlier of the next AGM, or the variation or revocation of such general authority by special resolution by any subsequent general meeting of the Company; provided that the general authority shall not extend beyond 15 (fifteen) months from the date that this Special Resolution No 1 is passed.

The following information, which is required by the Listings Requirements, with regard to this Special Resolution No 1, appears on the pages of the financial statements to which this Notice is annexed, is indicated below:

Major shareholders page 196
Share capital of the Company page 194

Special Resolution No 2 – Approval of non-executive directors' remuneration

RESOLVED THAT, in terms of section 66(9) of the Companies Act, payment of the remuneration for the non-executive directors of the Company for their services as directors of the Company for the financial year of the Company ending 30 June 2026, excluding VAT where applicable, be approved as follows:

(i) A basic annual fee of R135 000 (one hundred and thirty-five thousand Rand).
  - R32 500 (thirty-two thousand five hundred Rand) per Board meeting attended.
  - R39 000 (thirty-nine thousand Rand) per strategy session attended.
  - R27 500 (twenty-seven thousand five hundred Rand) per Committee meeting attended, with the Chairperson of such meeting being paid R33 750 (thirty-three thousand seven hundred and fifty Rand).

(ii) The Chairperson to receive an annual fee of R1 625 000 (one million six hundred and twenty-five thousand Rand) for FY2026.

(iii) Non-executive directors who undertake *ad hoc* work for the Company at the request of the Board may be paid an hourly rate of R4 500 (four thousand five hundred Rand) for such work, limited to 144 hours in any one year.

(iv) The fees payable to directors as detailed in (i) above shall, but only until the expiry of a period of 12 months from the date of the passing of this Special Resolution No 2 (or until amended by a special resolution of shareholders prior to the expiry of such period), escalate as determined by the Remuneration Committee of the Company, up to a maximum of 10% per annum per amount as set out above, excluding VAT (where applicable).

Explanatory note:

In terms of sections 66(8) and 66(9) of the Companies Act, remuneration may only be paid to directors for their services as directors in accordance with a special resolution approved by the shareholders of the Company within the previous two years and if not prohibited in terms of the MOI. Therefore, the reason for and the effect of Special Resolution No 2 is to approve the payment of and the remuneration payable by the Company to its non-executive directors for their services as directors of the Company in terms of section 66 of the Companies Act. The fees payable to the non-executive directors are detailed above. The Remuneration policy forms part of the Remuneration report included in the IAR on pages 122 to 131.

Ordinary Resolution No 9 – Authority to sign documentation

RESOLVED THAT any director of the Company or the Company Secretary be and is hereby authorised to do all such things, take all actions necessary and sign all documents required to give effect to, or as may be necessary for or incidental to the implementation of, the above mentioned ordinary and special resolutions to be proposed at the AGM.

Explanatory note:

The reason for Ordinary Resolution No 9 is to authorise any director or the Company Secretary of the Company to attend to the necessary to implement the special and ordinary resolutions passed at the AGM and to sign all documentation required to record the special and ordinary resolutions. The effect of Ordinary Resolution No 8 is that any director or the Company Secretary of the Company will be authorised to attend to the implementation of the special and ordinary resolutions on behalf of the Company.

Litigation statement

The directors of the Company, whose names are given on pages 6 and 7 of this IAR, are not aware of any legal or arbitration proceedings, pending or threatened against the Company, which may have or have had, in the 12 months preceding the date of this Notice, a material effect on the Company's financial position.

Directors' responsibility statement

The directors, whose names are given on pages 6 and 7 of this IAR, collectively and individually, accept full responsibility for the accuracy of the information given and certify that, to the best of their knowledge and belief, there are no facts that have been omitted which would make any statement false or misleading, and that all reasonable enquiries to ascertain such facts have been made and that the IAR contains all the information required by law and the Listings Requirements.

Material change

Other than the facts and developments reported in this Integrated Annual Report, there have been no material changes in the affairs, financial or trading position of the Company since the signature date of this IAR and the posting date thereof. Shares held by the Company as treasury shares and the Italtile Share Incentive Trust will be excluded from the quorum and voting on the resolutions commissioned at the AGM.

Approvals required for resolutions

Save for Ordinary Resolution No 8 contained in this Notice which, in terms of the Listings Requirements, requires the approval by more than 75% of the votes exercised on such resolution by shareholders present or represented by proxy at the AGM, Ordinary Resolution numbers 1 to 9 contained in this Notice of AGM require the approval by more than 50% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM, and further subject to the provisions of the Companies Act, the MOI and the Listings Requirements.

Special Resolution numbers 1 to 2 contained in this Notice of AGM require the approval by at least 75% of the votes exercised on the resolutions by shareholders present or represented by proxy at the AGM, and further subject to the provisions of the Companies Act, the MOI and the Listings Requirements.

Voting and proxies

A shareholder entitled to attend and vote at the AGM is entitled to appoint a proxy or proxies to attend, speak and vote in his or her stead. A proxy need not be a shareholder of the Company. For the convenience of registered shareholders of the Company, a form of proxy is enclosed herewith.

The attached form of proxy is only to be completed by those shareholders who are:

- holding Italtile ordinary shares in certificated form; or
- recorded on the electronic sub-register in 'own-name' dematerialised form.

Shareholders who have dematerialised their shares through a CSDP or broker and wish to attend the AGM, must instruct their CSDP or broker to provide them with a letter of representation, or they must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement/mandate entered into between them and their CSDP or broker.

Forms of proxy must be lodged with the Transfer Secretaries of the Company at the address given below or via email to proxy@computershare.co.za, by no later than 10:00 Tuesday, 11 November 2025. Any shareholders who completes and lodges a form of proxy will nevertheless be entitled to attend and vote in person at the AGM. Any form of proxy not delivered by this time

Notice of virtual annual general meeting continued

may be provided to the Chairperson of the AGM immediately before the appointed proxy exercises any of the shareholder's votes at the AGM.

Holders of dematerialised Italtile shares wishing to attend the AGM must inform their CSDP or broker of such intention and request their CSDP or broker to issue them with the relevant authorisation to attend.

Voting at the AGM will be conducted electronically, and shareholders are referred to the voting instructions set out in the Guide (Annexure 1).

Electronic participation

The AGM will be conducted entirely by electronic communication and accordingly, shareholders or their proxies will be entitled to participate in the AGM electronically. All necessary information as to how to access and utilise the online facility in order to participate electronically in the AGM is set out in the Guide.

Any costs incurred by shareholders or their proxies in accessing and utilising the online facility in order to participate electronically in the AGM will be for the sole account of such shareholders or their proxies.

By order of the Board

Acorim (Pty) Ltd
Company Secretary

Johannesburg

Registered office
The Italtile Building
72 Peter Place Bryanston 2021
(PO Box 1689, Randburg 2125)

Transfer Secretaries
Computershare Investor Services (Pty) Ltd
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
(Private Bag X9000, Saxonwold 2132)

Annexure 1 – Shareholders' virtual meeting guide

Participating in the AGM electronically

The AGM will be conducted entirely by electronic communication and will be held at 10:00 on Thursday, 13 November 2025. You will be able to participate online, using your smartphone, tablet, laptop or computer.

You will be able to view the live webcast of the virtual AGM, ask the Board questions and submit your votes in real time. Any documents pertaining to the meeting will be visible in the Documents tab of the platform.

You will need the latest version of Chrome, Safari, Edge or Firefox. Please ensure that your browser is compatible.

Virtual AGM shareholder guide

1 (ahead of the meeting)

Registration platform

We will be conducting the AGM, giving you the opportunity to attend and participate using a smartphone, tablet, laptop or computer.

Shareholder

To register for the meeting:

- Visit **https://meetnow.global/ZA**
- Select **Italtile Limited's** logo
- Select **REGISTER**
- Complete the registration process

ComputerShare will verify the details and will reply via email (please check the spam folder too).

Guest

Guests do not need to register. Please see **next section**.

2 (on the day of the meeting)

Meeting platform

Access

You will be able to view a live webcast of the meeting, send the Board questions and submit your votes in real time.

To access the online meeting platform:

- Visit **https://meetnow.global/ZA**
- **Select the applicable meeting from the drop down option.**
- Click **JOIN MEETING NOW**

Shareholder

- Select '**Shareholder**' on the login screen and enter the applicable information as per your invitation.
- Accept the Terms and Conditions and click **Continue**.

Guest

Select '**Guest**' on the login screen. As a guest you will be prompted to complete all the relevant fields, including title, first name, last name and email address.

Please note, guests will not be able to ask questions or vote at the meeting.

Annexure 1 – Shareholders' virtual meeting guide continued

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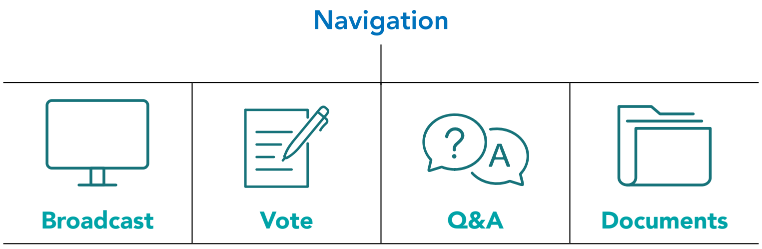
Proxy holder

You will receive an email invitation the day before the AGM. Click on the link in the invitation to access the meeting.

Contact:

- If you have any issues accessing the website, please email proxy@computershare.co.za or call 011 370 5000 and ask for the meetings department.



- When successfully authenticated, the home screen will be displayed. You can watch the webcast, vote, submit questions, and view meeting materials in the documents folder. The image highlighted in blue indicates the page you have active.
- The webcast will appear and begin automatically once the meeting has started.

Voting

- Resolutions will be put forward once voting is declared open by the Chair. Once the voting has opened, the resolution and voting options will appear.
- To vote, simply select your voting direction from the options shown on the screen. You can vote for all resolutions at once or for each resolution.
- Your vote has been cast when the green tick appears. To change your vote, select '**Change your vote**'.

Questions

- Any eligible shareholder/proxy participating in the virtual meeting is eligible to ask a question.
- Select the **Q&A tab** on the screen and type your question into the box at the bottom of the screen and press '**Send**'.

Form of proxy

Italtile Limited

Incorporated in the Republic of South Africa
(Registration number 1955/000558/06)
Share code: ITE ISIN: ZAE000099123
("Italtile" or "the Company" or "the Group")

For use only by:
- holders of certificated ordinary shares in the Company; or
- holders of dematerialised ordinary shares in the Company ("Dematerialised Shareholders") held through a Central Securities Depository Participant ("CSDP") or broker and who have selected 'own-name' registration,

at the virtual AGM of shareholders of the Company to be conducted entirely by electronic communication at 10:00 on Thursday, 13 November 2025 ("AGM").

Dematerialised Shareholders holding shares in the Company other than with 'own-name' registration, who wish to attend the AGM must inform their CSDP or broker of their intention to attend the AGM and request their CSDP or broker to issue them with the relevant letter of representation to attend the AGM in person or by proxy and vote. If they do not wish to attend the AGM in person or by proxy, they must provide their CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker. **These shareholders must not use this form of proxy**.

Each shareholder is entitled to appoint one or more proxies (who need not be a shareholder of the Company) to attend, speak and vote in place of that shareholder at the AGM. A proxy need not be a shareholder of the Company.

I/We (full name/s in block letters)

of (address)

Telephone work ( ) Telephone home ( )

Cellphone number Email address

being the holder/custodian of ______ ordinary shares in the Company, hereby appoint (see note):

1. or failing him/her,

2. or failing him/her,

3. the Chairperson of the AGM,

as my/our proxy to attend and act for me/us on my/our behalf at the AGM convened for the purpose of considering and, if deemed fit, passing, with or without modification, the resolutions to be proposed thereat and at each adjournment or postponement thereof, and to vote for and/or against such resolutions, and/or to abstain from voting for and/or against the resolutions, in respect of the shares in the issued share capital of the Company registered in my/our name in accordance with the following instructions:

		For	Against	Abstain
Ordinary Resolution No 1	Appointment of independent non-executive director			
Ordinary Resolution No 2	Re-election of directors			
Ordinary Resolution No 2.1	Re-election of Mr G A M Ravazzotti			
Ordinary Resolution No 2.2	Re-election of Ms S M du Toit			
Ordinary Resolution No 2.3	Re-election of Mr S G Pretorius			
Ordinary Resolution No 2.4	Re-election of Mr J N Potgieter			
Ordinary Resolution No 3	Appointment of external auditors			
Ordinary Resolution No 4	Re-election of Audit and Risk Committee members			
Ordinary Resolution No 4.1	Re-election of Ms L C Prezens			
Ordinary Resolution No 4.2	Re-election of Ms S M du Toit			
Ordinary Resolution No 4.3	Re-election of Mr S G Pretorius			
Ordinary Resolution No 5	Election of Social and Ethics Committee			
Ordinary Resolution No 5.1	Election of Ms A Mathole			
Ordinary Resolution No 5.2	Election of Mr S G Pretorius			
Ordinary Resolution No 5.3	Election of Mr L Foxcroft			
Ordinary Resolution No 6	Non-binding advisory endorsement of the Company's Remuneration policy and Implementation report			
Ordinary Resolution No 6.1	Endorsement of the Company's Remuneration policy			
Ordinary Resolution No 6.2	Endorsement of the Company's Implementation report			
Ordinary Resolution No 7	Unissued shares to be placed under the control of the directors			
Ordinary Resolution No 8	General authority to issue shares, and to sell treasury shares, for cash			
Special Resolution No 1	Acquisition of own securities			
Special Resolution No 2	Approval of non-executive directors' remuneration			
Ordinary Resolution No 9	Authority to sign documentation			

Insert an 'X' in the relevant spaces above according to how you wish your votes to be cast. If no directions are given, the holder of the proxy will be entitled to vote or abstain from voting as that proxy deems fit.

This proxy shall be valid only for the AGM of shareholders of the Company to be held on Thursday, 13 November 2025, and any adjournment or postponement thereof.

Signed at on 2025

Signature Assisted by (where applicable)

Please read the notes on the reverse side hereof.

Notes to the form of proxy

1. Summary of rights contained in section 58 of the Companies Act, No 71 of 2008 (as amended) ("Companies Act"). In terms of section 58 of the Companies Act:
   - a shareholder may, at any time and in accordance with the provisions of section 58 of the Companies Act, appoint any individual (including an individual who is not a shareholder) as a proxy to participate in, and speak and vote at, a shareholders' meeting on behalf of such shareholder;
   - a proxy appointment must be in writing, dated and signed by the shareholder;
   - except to the extent that the MOI of a company provides otherwise, a shareholder of that company may appoint two or more persons concurrently as proxies, and may appoint more than one proxy to exercise voting rights attached to the different securities held by the shareholder;
   - except to the extent that the MOI of the company provides otherwise, a proxy may delegate her or his authority to act on behalf of a shareholder to another person, subject to any restriction set out in the instrument appointing such proxy;
   - except to the extent that the MOI of the company provides otherwise, a copy of the instrument appointing a proxy must be delivered to the company, or to any other person on behalf of the company, before the proxy exercises any rights of the shareholder at a shareholders' meeting;
   - irrespective of the form of instrument used to appoint a proxy, the appointment of a proxy is suspended at any time and to the extent that the relevant shareholder chooses to act directly and in person in the exercise of any of such shareholder's rights as a shareholder;
   - irrespective of the form of instrument used to appoint a proxy, any appointment by a shareholder of a proxy is revocable, unless the form of instrument used to appoint such proxy states otherwise;
   - if an appointment of a proxy is revocable, a shareholder may revoke the proxy appointment by: (i) cancelling it in writing, or making a later inconsistent appointment of a proxy and (ii) delivering a copy of the revocation instrument to the proxy and to the company;
   - the revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the shareholder as of the later of the date (i) stated in a revocation instrument, if any; or (ii) upon which the revocation instrument is delivered to the proxy and the relevant company as required in section 58(4)(c)(ii) of the Companies Act;
   - if the instrument appointing a proxy or proxies has been delivered to the relevant company, as long as that appointment remains in effect, any notice that is required by the Companies Act or the relevant company's MOI to be delivered by such company to the shareholder must be delivered by such company to the shareholder or the proxy or proxies, if the shareholder has in writing directed the relevant company to do so and has paid any reasonable fee charged by the company for doing so;
   - a proxy appointed by a shareholder is entitled to exercise, or abstain from exercising, any voting right of such shareholder without direction, except to the extent that the relevant company's MOI, or the instrument appointing the proxy, provides otherwise (see note 5);
   - if a company issues an invitation to shareholders to one or more persons named by such company as a proxy, or supplies a form of instrument for appointing a proxy:
   - such invitation must be sent to every shareholder who is entitled to receive notice of the meeting at which the proxy is intended to be exercised;
   - the invitation or form of proxy must bear a reasonably prominent summary of the rights established by section 58 of the Companies Act, contain adequate space to enable a shareholder to write in the name, and if so desired an alternative name, of a proxy chosen by the shareholder and provide adequate space for the shareholder to indicate whether the appointed proxy is to vote in favour of or against any resolution or resolutions to be put at the meeting, or abstain from voting;
   - the company must not require that the proxy appointment be made irrevocable; and
   - the proxy appointment remains valid only until the end of the relevant meeting at which it was intended to be used, unless revoked as contemplated in section 58(5) of the Companies Act.
2. The form of proxy must only be used by shareholders who hold shares in certificated form or who are recorded on the sub-register in electronic form in 'own-name'.
3. All other beneficial owners who hold dematerialised shares through a CSDP or broker and wish to attend the AGM must provide the CSDP or broker with their voting instructions in terms of the relevant custody agreement entered into between them and the CSDP or broker.
4. A shareholder entitled to attend and vote at the AGM may insert the name of a proxy or the names of two alternate proxies of the shareholder's choice in the space provided, with or without deleting 'the Chairperson of the AGM'. The person whose name stands first on the form of proxy and who is present at the AGM will be entitled to act as proxy to the exclusion of such proxy(ies) whose names follow.
5. A shareholder is entitled to one vote on a show of hands and, on a poll, one vote in respect of each ordinary share held. A shareholder's instructions to the proxy must be indicated by the insertion of an 'X' in the appropriate space provided. If an 'X' has been inserted in one of the blocks to a particular resolution, it will indicate the voting of all the shares held by the shareholder concerned. Failure to comply with this will be deemed to authorise the proxy to vote or to abstain from voting at the AGM as he/she deems fit in respect of all the shareholder's votes exercisable thereat. A shareholder or the proxy is not obliged to use all the votes exercisable by the shareholder or by the proxy, but the total of the votes cast and in respect of which abstention is recorded may not exceed the total of the votes exercisable by the shareholder or the proxy.
6. A vote given in terms of an instrument of proxy shall be valid in relation to the AGM, notwithstanding the death, insanity or other legal disability of the person granting it, or the revocation of the proxy, or the transfer of the shares in respect of which the proxy is given, unless notice as to any of the aforementioned matters shall have been received by the Company's Transfer Secretaries, Computershare Investor Services Proprietary Limited ("Transfer Secretaries"), not less than 48 (forty-eight) hours before the commencement of the AGM.
7. If a shareholder does not indicate on this form of proxy that his/her proxy is to vote in favour of or against any resolution or to abstain from voting, or gives contradictory instructions, or should any further resolution(s) or any amendment(s) which may properly be put before the AGM be proposed, such proxy shall be entitled to vote as he/she thinks fit.
8. A shareholder's authorisation to the proxy including the Chairperson of the AGM, to vote on such shareholder's behalf, shall be deemed to include the authority to vote on procedural matters at the AGM.
9. The completion and lodging of this form of proxy will not preclude the relevant shareholder from attending the AGM and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof.
10. Documentary evidence establishing the authority of a person signing the form of proxy in a representative capacity must be attached to this form of proxy, unless previously recorded by the Transfer Secretaries or is waived by the Chairperson of the AGM.
11. A minor or any other person under legal incapacity must be assisted by his/her parent or guardian, as applicable, unless the relevant documents establishing his/her capacity are produced or have been registered by the Transfer Secretaries.
12. Where there are joint holders of shares:
    - any one holder may sign the form of proxy; and
    - the vote(s) of the senior shareholders (for that purpose seniority will be determined by the order in which the names of shareholders appear in the Company's register of ordinary shareholders) who tenders a vote (whether in person or by proxy) will be accepted to the exclusion of the vote(s) of the other joint shareholder(s).
13. Forms of proxy should be lodged with or mailed to the Transfer Secretaries:

Hand deliveries to:	**Postal deliveries to:**
Computershare Investor Services (Pty) Ltd Rosebank Towers 15 Biermann Avenue Rosebank, 2196	Computershare Investor Services (Pty) Ltd Private Bag X9000 Saxonwold, 2132

    or via email to proxy@computershare.co.za to be received by no later than 10:00 on Tuesday, 11 November 2025 (or 48 (forty-eight) hours before any adjournment of the AGM which date, if necessary, will be on SENS) or may be handed to the Chairperson of the AGM immediately before the appointed proxy exercises any of the shareholder's votes at the AGM.

14. A deletion of any printed matter and the completion of any blank space need not be signed or initialled. Any alteration or correction must be signed and not merely initialled.
15. The proxy appointment remains valid only for the AGM at which it is intended to be used and any adjournment or postponement thereof, subject to paragraph 1 above.

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