TRUWORTHS INTERNATIONAL

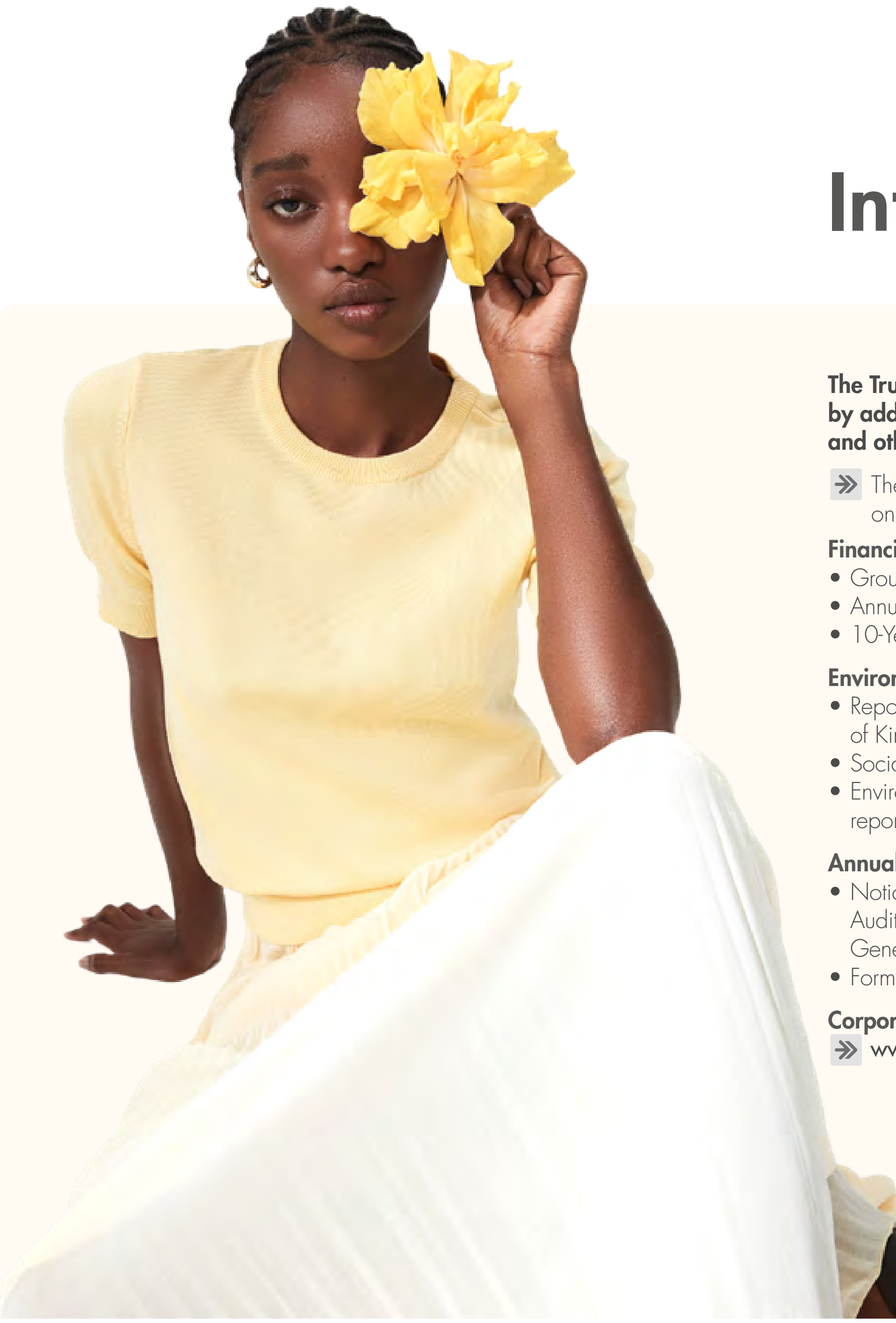
INTEGRATED REPORT

2025

TRUWORTHS
INTERNATIONAL

Contents

This is an **interactive PDF document** which allows for navigation using the index links at the top of each page as well as the report, page and website references.



Integrated Report for the 52-week period ended 29 June 2025

The Truworths International Integrated Report is supplemented by additional information which is relevant to shareholders and other stakeholder groups.

The following additional documents are available online at www.truworths.co.za/reports:

Financial Reporting
- Group Audited Annual Financial Statements 2025
- Annual Results Presentation 2025
- 10-Year Review 2025

Environmental, Social and Governance Reporting
- Report on Corporate Governance and Application of King IV Principles 2025
- Social and Ethics Committee report 2025
- Environmental, Social and Sustainability Governance report 2025

Annual General Meeting
- Notice to Shareholders (included in the Summarised Audited Group Annual Results and Notice of Annual General Meeting)
- Form of Proxy

Corporate website
www.truworths.co.za/investor-relations

Readers should note the following references throughout the Integrated Report:
Truworths International Ltd and its subsidiaries are referred to as 'the Group'.

Truworths International Ltd is referred to as 'Truworths International' or 'the company'.

Truworths Africa refers to the Group's operations in South Africa and the rest of Africa, including the Truworths, Identity and YDE businesses.

Office UK refers to the Group's operations in the United Kingdom and Republic of Ireland, trading as Office and Offspring.

Prior period refers to the 52-week period from 3 July 2023 to 30 June 2024.

***Pro forma* current period** information refers to the results of the 2025 financial period, excluding net right-of-use asset impairments.

Change on *pro forma* 52-week information compares the *pro forma* current period information to the *pro forma* 52-week prior period information.

***Pro forma* prior period** information refers to the results of the 2024 financial period, excluding the impact of the Office UK trademark impairment reversal, net right-of-use asset impairment reversals, Office UK insurance recoveries received and consolidation of the Group's charitable trusts.

Refer to note 17 in the Summarised Audited Group Annual Results for the 52-week period ended 29 June 2025 for more detail.

Navigation

Our capitals

For ease of understanding and navigation of the report, icons have been used to indicate where the capitals are addressed throughout the Integrated Report.

FC **Financial capital**
The financial resources raised and available to the Group.

HC **Human capital**
The skills, capabilities, experience and development of the board, management and employees.

MC **Manufactured capital**
The physical infrastructure used in the distribution and selling of merchandise.

SRC **Social and relationship capital**
Stakeholder relationships and engagement, corporate reputation and values.

IC **Intellectual capital**
The knowledge across the business, systems, processes, trademarks, intellectual property and brands.

NC **Natural capital**
The environmental resources applied and utilised in the operations of the business.

Our key stakeholders

Our ongoing engagement with our key stakeholders enhances our relationships with them and improves our understanding of their legitimate needs and interests.

- **Shareholders**
- **Customers**
- **Employees**
- **Suppliers**
- **Regulators**

Our business activities

These are our four key business activities and strategic pillars that contribute to our ability to create value over the short, medium and long term.

- **Aspirational fashion**
- **Supply chain**
- **Account management**
- **Retail presence**

Review of 2025 and outlook for 2026

REVIEW OF 2025

GROUP

Retail sales increased 2.7% to **R22.0 billion**, with Truworths Africa accounting for 66% of sales and Office UK 34%.

Headline earnings per share decreased 8.0% to 752 cents (*pro forma*: decreased 3.7%).

The annual **dividend per share** decreased 7.9% to 487 cents.

Contribution from online sales increased from 18% to 20% of total Group retail sales.

Cash generated from operations increased to R4.8 billion, with **R2.0 billion returned to shareholders** through dividends.

All medium-term financial targets were met, and the Group's return metrics remain locally and globally competitive.

Truworths International's 2024 Integrated Report was ranked seventh in the **EY 2025 Excellence in Integrated Reporting Awards**, the 18th successive year that the Group has been ranked in the top 10 of these awards.

TRUWORTHS AFRICA

Sales were dampened by **pressure on consumer disposable income** in a low-growth, muted consumer confidence environment, which also adversely affected the gross margin.

Credit granting and trading space expansion were constrained by weak macroeconomic conditions.

Attracted 5.5 million account applications, highlighting the strong demand for Truworths' premium-quality, aspirational fashion merchandise.

Completed the **new Truworths Africa distribution centre** near Cape Town International Airport, built at an investment of approximately R1 billion.

Globally recognised **EDGE** (Excellence in Design for Greater Efficiencies) **Advanced green building certification** awarded for the new distribution facility.

OFFICE UK

Strong trading performance as branded fashion footwear offering proved resilient despite macroeconomic headwinds.

Resilience driven by **differentiated market positioning**, strong brand partnerships with key global suppliers and an advanced e-commerce platform.

Investment in the successful **store expansion and modernisation programme** supported the sustained recovery in sales and profitability.

Accessibility is central to the strength of the Office brand, attracting both customers and global brand partners through its prime store locations, concessions in leading department stores and world-class online platform.

OUTLOOK FOR 2026

TRUWORTHS AFRICA

Consumer discretionary spending is anticipated to remain constrained due to low economic growth, subdued consumer confidence and high unemployment.

Management is confident of a recovery in retail spending in the medium term, with growth being supported by the improving credit environment, increased space growth due to new concepts and mall expansion.

The appeal of Truworths' aspirational fashion ranges will be enhanced through targeted merchandise buying, planning and range-building initiatives.

Growth will be supported by leveraging the capabilities of the new distribution centre, refining the account and loyalty offering, and expanding the online platform.

OFFICE UK

Trading conditions expected to remain challenging due to slowing consumer spending, higher living costs and rising inflation. However, management feels confident the unique positioning of Office UK will continue to support growth.

Access to the brand to be increased through further investment in new stores and selectively modernising and upgrading the store portfolio, with planned space growth of 10% – 12% by the end of the period.

Growth will be further supported by the new Office and Offspring mobile apps, investment in technology and distribution centre upgrades.

Introducing our 2025 Integrated Report

We have pleasure in presenting the Truworths International Integrated Report for the financial period ended 29 June 2025. Our reporting aims to present a balanced view of how the Group has navigated the demanding economic and trading environments in both South Africa and the United Kingdom, demonstrating management's efforts to create, preserve and prevent erosion of value over the short, medium and long term.

As always, our reporting is aligned with our Business Philosophy, which is centred on creating long-term, sustainable value for our stakeholders.

The Integrated Report is targeted primarily at our shareholders who are the principal providers of the Group's financial capital. We also recognise and value the role of our other key stakeholders – customers, employees, suppliers and regulators – in the value creation process.

REGULATORY AND REPORTING FRAMEWORKS

The following legislation, regulation and reporting frameworks have been applied in preparing the Integrated Report:

- Integrated Reporting Framework of the IFRS Foundation
- Companies Act, 71 of 2008, as amended (Companies Act)
- JSE Listings Requirements
- JSE Sustainability Disclosure Guidance
- The King IV Report on Corporate Governance™* for South Africa, 2016 (King IV)
- United Nations Sustainable Development Goals (SDGs)

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The application of these regulations and reporting frameworks was proposed by management and approved by the board.

The Integrated Reporting Framework recommends reporting in terms of the capital resources applied in the creation, preservation and erosion of value. The application of the six capitals as well as the impact of the Group's business activities on each capital is covered in the relevant sections of the Integrated Report. The capitals are detailed in the Value-creating business model on page 13.

The adoption of the International Sustainability Standards Board's inaugural global sustainability reporting standards, IFRS S1 and S2, is not yet mandatory in South Africa. However, a project has been commissioned to manage the implementation of these standards, and a working group has been established comprising members of the Group's finance department and the Truworths Sustainability Committee. An independent consultancy conducted a review of the Group's sustainability reporting, including an assessment of the IFRS S1 and S2 disclosure requirements relative to the Group's current reporting practices.

REPORTING SCOPE AND BOUNDARIES

The Integrated Report covers material information relating to the business model, strategy, material issues and risks, governance and performance of the Group for the 52-week financial period ended 29 June 2025. The report is supplemented by the Group Audited Annual Financial Statements 2025, available on our website.

The **integrated reporting boundary** has been set to cover risks, opportunities and outcomes relating to the Group's operating environment, its retail businesses, capital resources and engagement with key stakeholders, and also the extent to which the Group's objectives have been achieved.

The **financial reporting boundary** covers the results of the Truworths Africa and Office UK operating segments. Truworths Africa operates primarily in South Africa and Office UK operates primarily in the United Kingdom.

Introducing our 2025 Integrated Report continued

MATERIALITY

We continue to apply the principle of materiality in determining the disclosure in the report. In aligning our reporting with the JSE Sustainability Disclosure Guidance, we have again applied the **double materiality** approach, which considers both financial and impact materiality, across our reporting suite.

Reports targeted at shareholders and providers of capital, which deal with the Group's financial performance and are used by investors in assessing the future value of the Group, also referred to as enterprise value, apply the principle of **financial materiality**. The primary report in this case is the Integrated Report.

Multi-stakeholder reports which cover the Group's environmental, social and governance (ESG) reporting apply the **impact materiality** approach which relates to the economy, environment and society. The primary reports in this case are the Environmental, Social and Sustainability Governance report and the Report on Corporate Governance and Application of King IV Principles.

The application of the double materiality approach is reflected in the components of our annual reporting suite:

FINANCIAL REPORTING	FINANCIAL MATERIALITY
• Integrated Report 2025 • Group Audited Annual Financial Statements 2025 • Summarised Audited Group Annual Results 2025 • Annual Results Presentation 2025 • 10-Year Review 2025	Reporting on matters that impact on financial performance and the assessment of enterprise value

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORTING	IMPACT MATERIALITY
• Environmental, Social and Sustainability Governance report 2025 • Report on Corporate Governance and Application of King IV Principles 2025 • Social and Ethics Committee report 2025	Reporting on matters that reflect the Group's impact on the economy, environment and society

MATERIAL ISSUES

Each year, the directors, together with management, identify the issues most likely to have a significant impact on the Group's ability to create sustainable value for stakeholders. In determining these material issues, the directors consider positive and negative internal and external impacts, including the Group's strategic objectives, key risks in Truworths Africa and Office UK, the prevailing economic and trading environment as well as the needs, expectations and concerns of key stakeholders.

These material issues are dynamic and continuously evolving, and are expected to be the primary factors influencing management's decision making in the 2026 financial period (refer to Material issues, risks and opportunities on page 20).

INTEGRATED REPORTING PROCESS

The Group's integrated reporting process is managed by a working group led by the Chief Financial Officer (CFO). The process commences each year with an evaluation of the previous year's Integrated Report and detailed feedback from an independent integrated reporting specialist to identify opportunities to enhance disclosure and continually align with best reporting practices.

The individual reports included in the Integrated Report are prepared based on discussions with executives, written submissions, internal presentations, and board and committee papers. Draft reports are initially reviewed by divisional executives, followed by a panel of executives, including the CFO, and finally by the Chief Executive Officer.

The board has delegated responsibility for the final approval of the report to an integrated reporting sub-committee which includes members of the Audit Committee.

EXCELLENCE IN INTEGRATED REPORTING AWARDS

The quality of our financial reporting was again recognised in the EY 2025 Excellence in Integrated Reporting Awards. The Truworths International 2024 Integrated Report was ranked seventh in these prestigious awards which adjudicate the reports of the 100 largest companies on the JSE.

The Group's report has been ranked in the top 10 of these awards for the past 18 consecutive years, the only company on the JSE to have achieved this distinction and 'Excellent' for the last 23 years.

INDEPENDENT ASSURANCE

Reporting elements	Assurance or review process
Integrated Report	The Integrated Report has been reviewed by the directors and management. While it has not been independently assured, internal controls and governance processes support the integrity and reliability of the information presented. During the course of the audit of the Group's Annual Financial Statements, the external auditor, Deloitte & Touche (Deloitte), assesses the Integrated Report and other reports in the reporting suite to ensure consistency with the audited financial statements and alignment with their knowledge obtained during the audit process.
Financial reporting	Deloitte has provided assurance on the Group Audited Annual Financial Statements 2025 and expressed an unmodified audit opinion.
Sustainability reporting	Accredited service providers have measured and provided assurance on selected ESG metrics disclosed in the Integrated Report, including: • AQRate independently reviewed and verified the Group's B-BBEE rating in terms of the Broad-based Black Economic Empowerment Act, 53 of 2003; and • Verify CO_2 independently reviewed the Group's carbon emissions.
Remuneration reporting	Global corporate governance and remuneration consultants to the Remuneration Committee reviewed the remuneration policy and implementation report contained in the Remuneration Committee report.

RESPONSIBILITY OF DIRECTORS

The board acknowledges its responsibility for ensuring the integrity of the Integrated Report. The directors confirm that the report fairly represents the Group's performance for the period under review, as well as the growth strategies, material issues, risks and opportunities, and prospects of the Group.

The directors confirm that the Integrated Report has been prepared in accordance with the Integrated Reporting Framework and the JSE Sustainability Disclosure Guidance.

Hilton Saven
Chairman

Hans Hawinkels
Lead Independent Director

Michael Mark
Chief Executive Officer

Emanuel Cristaudo
Joint Deputy Chief Executive Officer and Chief Financial Officer

Sarah Proudfoot
Joint Deputy Chief Executive Officer

Brendan Deegan
Rob Dow
Dawn Earp
Tshidi Mokgabudi
Thabo Mosololi
Daphne Motsepe
Wayne Muller
Roddy Sparks
Tony Taylor

Group at a glance

ABOUT TRUWORTHS INTERNATIONAL

Truworths International Ltd is an investment holding and management company based in Cape Town, South Africa. The main operating companies, Truworths Ltd (operating in South Africa) and Office Holdings Ltd (operating primarily in the United Kingdom) are leading retailers of fashion clothing and footwear. The company is listed on the JSE (JSE: TRU), Namibian Stock Exchange (NSX: TRW) and A2X Markets (A2X: TRU).

108 years of quality fashion

Founded in 1917 as The Alliance Trading Company, the business changed its name to Truworths Fashion House and then to Truworths Ltd in 1940. By the 1950s, the chain had expanded to 80 stores nationally. Customer accounts were introduced in 1955 and sales reached R1 million in 1959. Truworths continued to expand across South Africa and by the late 1970s had a footprint of 280 specialised boutique stores. By the turn of the century, sales had reached R1.4 billion and the retail footprint had grown to 246 stores.

Truworths introduced the emporium store concept into the South African retail market in 2004. These attractive and visually appealing large-format stores house multiple brands, fashion concepts and apparel lifestyles in a single store and ensure that Truworths defines the fashion court in major malls across South Africa.

Truworths International is recognised as one of the leading fashion retailers in Africa with 810 mainly Truworths and Identity stores, and 87 Office and Offspring stores and concessions in the UK and the Republic of Ireland. Retail stores are complemented by a world-class online business in Office UK, which comprises 44.9% of the chain's sales, together with a fast-growing online store in Truworths Africa contributing 6.5% of its retail sales.

The Group's retail sales totalled R22.0 billion and operating profit was R4.3 billion in the reporting period, with financial and operating metrics among the highest of fashion retail companies worldwide.

Expansion of the brand portfolio

Truworths owns some of South Africa's most desired apparel brands, which have been developed over the past four decades.

- Daniel Hechter (under a long-term licence agreement since 1984)
- Inwear (1986)
- Truworths Man (1988)
- Truworths Jewellery (1989)
- LTD (1992)
- Identity (1999)
- Truworths Elements (1999)
- LTD Kids (2000)
- Ginger Mary (2004)
- Hey Betty (2011)
- Office London (2017)
- Context (2019)
- ID Kids (2019)
- Fuel (2021)
- Sync (2021)

Domestic expansion through acquisition

The organic expansion of the brand portfolio has been complemented by the acquisition of specialist brands in South Africa:

- Young Designers Emporium (2003)
- Menswear brand Uzzi (2006)
- Ladieswear brand Earthaddict (2015)
- Kidswear brand Earthchild (2015)
- Kidswear brand Naartjie (2015)
- Homeware and linen retailer Loads of Living (2017)

International expansion

The acquisition of the Office fashion footwear chain in the United Kingdom in 2015 marked the Group's strategic entry into the northern hemisphere retail market. The acquisition not only broadened the Group's mass-market customer base into both developed and emerging economies but also diversified its earnings profile.

Truworths Africa owns a portfolio of market-leading aspirational fashion apparel, footwear and accessory brands that are loved by South Africans, while Office UK partners with the top global fashion footwear and sneaker brands to offer footwear that appeals to fashionable customers in the United Kingdom.

TRUWORTHS AFRICA

Customer offering

Internationally inspired, superior-quality, aspirational fashion clothing, accessories and footwear for ladies, men, teenagers and kids, and fragrances, cosmetics and homeware in the mainstream middle to upper-income market.

Brands

Exclusively owned (or licensed) brands include Truworths, Truworths Man, Inwear, Identity, Daniel Hechter (licensed), LTD, Ginger Mary, Uzzi, Hey Betty, Earthaddict, Earthchild, Naartjie, Office London, Loads of Living, Context, Fuel, Moskow, Sync and specialist glamour agency, YDE.

Store footprint

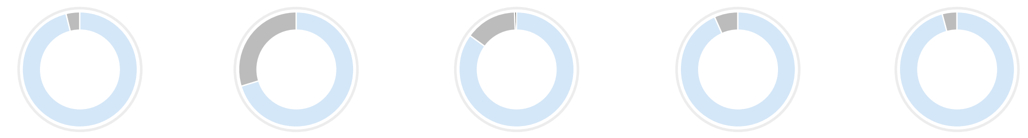
There are 777 stores across all brands in South Africa and 33 stores in five other southern African countries.

Online retail

The store network is complemented by a fast-growing e-commerce platform, which accounts for 6.5% of Truworths Africa's retail sales.

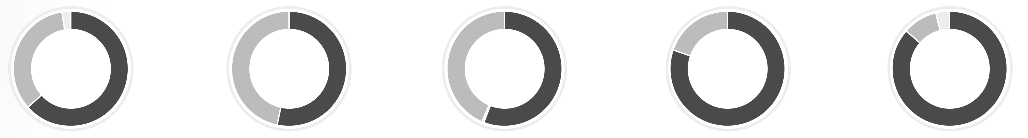
Accounts

Account facilities are offered to customers across all brands and sales channels in South Africa, Namibia, Eswatini and Botswana. The active account customer base is 2.9 million. Truworths Africa's debtors' book is self-funded and offers credit facilities with six, nine or 12-month payment plans to customers to facilitate the sale of merchandise.



RETAIL SALES	CASH: ACCOUNT SALES	PRODUCT MIX	SALES CHANNELS	STORE LOCATIONS
R14.5 billion	R14.5 billion	R14.5 billion	R14.5 billion	810 stores
South Africa – **96%** Rest of Africa – **4%**	Account – **70%** Cash – **30%**	Clothing and accessories – **85%** Footwear – **14%** Homeware – **1%**	Stores – **93%** Online – **7%**	South Africa – **96%** Rest of Africa – **4%**

TRUWORTHS INTERNATIONAL



RETAIL SALES	CASH: ACCOUNT SALES	PRODUCT MIX	SALES CHANNELS	STORE LOCATIONS
R22 billion	R22 billion	R22 billion	R22 billion	897 stores
South Africa – **64%** UK and Republic of Ireland – **34%** Rest of Africa – **2%**	Cash – **54%** Account – **46%**	Clothing and accessories – **56%** Footwear – **44%** Homeware – **0%*** *Due to rounding.*	Stores – **80%** Online – **20%**	South Africa – **86%** UK and Republic of Ireland – **10%** Rest of Africa – **4%**

OFFICE UK

Customer offering

Footwear for fashionable 16 to 29-year-olds in the mid-level price range. A curated range of the latest in-demand styles and brands is offered in aspirational physical and digital environments.

Brands

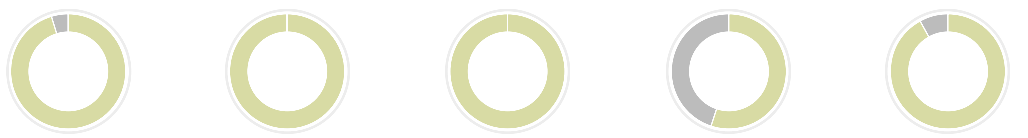
Major global third-party footwear brands sold through Office and Offspring outlets include Adidas, Nike, New Balance, OnRunning, Salomon, Converse, Veja, Asics, Hoka, Puma, VANS, UGG, Birkenstock, Dr Martens, Timberland, Crocs and Havaianas. Office also has its own brand range of fashion footwear.

Store footprint

There are 87 stores in the UK and the Republic of Ireland, including 11 concession outlets in high-profile department stores.

Online retail

Well-established e-commerce business accounts for 44.9% of Office UK's retail sales across a range of digital platforms.



RETAIL SALES	CASH: ACCOUNT SALES	PRODUCT MIX	SALES CHANNELS	STORE LOCATIONS
R7.5 billion	R7.5 billion	R7.5 billion	R7.5 billion	87 stores
United Kingdom – **95%** Republic of Ireland – **5%**	Cash – **100%**	Footwear – **100%**	Stores – **55%** Online – **45%**	United Kingdom – **92%** Republic of Ireland – **8%**

Creating sustainable value

'OUR ABILITY TO CREATE VALUE FOR OUR SHAREHOLDERS IS CLOSELY LINKED TO THE VALUE WE CREATE FOR OUR CUSTOMERS, EMPLOYEES AND OTHER STAKEHOLDERS, AS WELL AS THE BROADER SOCIETY IN WHICH WE OPERATE.'

IN THIS SECTION:

Our Business Philosophy

Our Business Philosophy and our strategy

Our Business Philosophy is core to the ongoing success of the business. It remains our guiding light and the foundation for how we create value for our stakeholders. We are committed to this Business Philosophy, which is the driving force in defining our Purpose and Values.

The strategic objectives we set for our business (refer to pages 31 and 32) are guided by our Business Philosophy, as defined by our Purpose statement and the Vision we have for our customers, employees and shareholders. We strive to achieve these objectives through the tactical execution of our strategy, and we measure success against how we have performed relative to our Purpose and our Vision.

Our Business Philosophy is our DNA

Our Business Philosophy fundamentally describes the essence of who we are. It is our DNA that makes us unique and differentiates us from our competitors.

- Our leaders play an essential role in ensuring that we remain true to our DNA. We believe in and actively practise our core beliefs.
- We create the platform and environment for teams and individuals to deliver our Purpose and live our Values so that we can deliver on our stakeholders' expectations.
- We practise a leadership style that is realistic yet cautiously optimistic, focuses on our Values, and ensures that solutions are found and opportunities identified and capitalised on.
- We are resolute in our focus on our Business Philosophy, which drives our strategy, the people we employ and our behaviour.

OUR BUSINESS PHILOSOPHY DRIVES OUR OPERATING PHILOSOPHIES, PRINCIPLES AND DECISION MAKING ACROSS TRUWORTHS AND OFFICE AND COMPRISES THREE SYNERGISTIC ELEMENTS:

OUR PURPOSE

Defines the essence and fundamental ingredients of how we aim to meet our customers' expectations

OUR VALUES

Shape the business culture and behaviours required to achieve our Purpose

OUR VISION

Describes the expectations of our primary stakeholders (customers, employees and shareholders) and how those shareholders expect management to execute innovative strategies which deliver significant value over time. This serves as the benchmark against which we measure how effectively we deliver on our Purpose.

TRUWORTHS

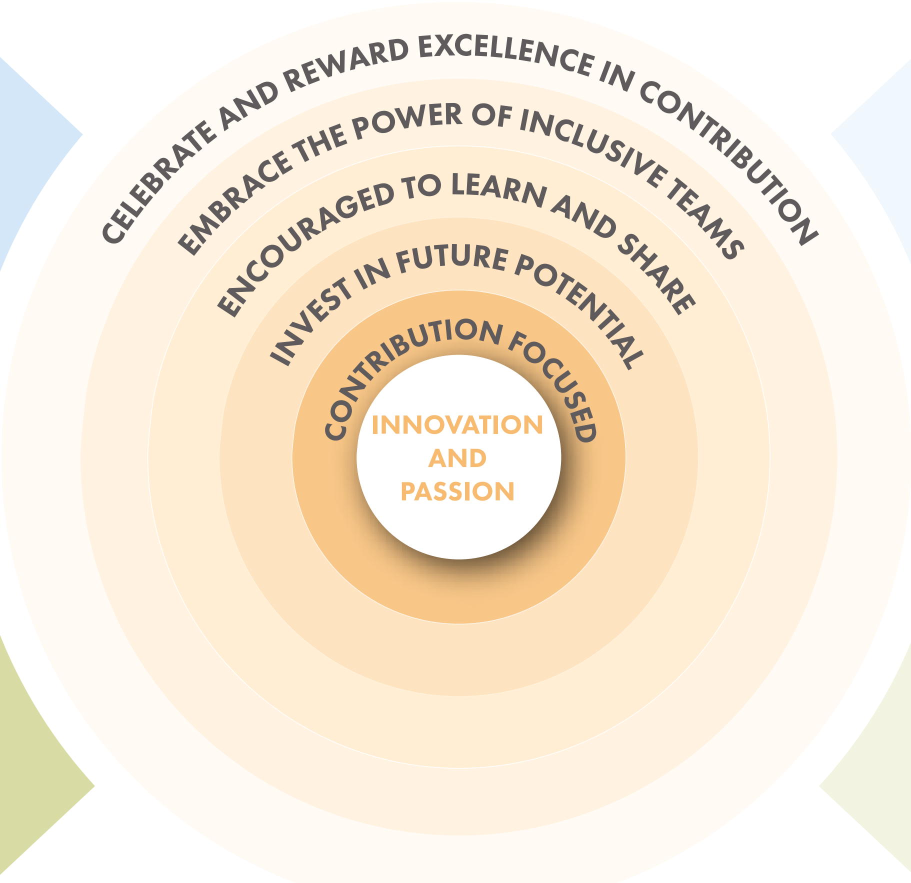
THE TRUWORTHS PURPOSE STATEMENT

Youthful, fashionable South Africans want to look attractive and feel successful and confident. Truworths entices them into exciting and visually appealing, aspirational real and virtual retail emporiums, which are staffed by passionate and knowledgeable team members and which offer wide ranges of curated and tasteful fashion of superb quality and intrinsic value. The ranges of unique aspirational fashionable brands are an innovative and adventurous blend of colour, fabric and fashion styling.

OFFICE

THE OFFICE PURPOSE STATEMENT

Youthful, fashionable customers want to look attractive and feel cool and confident. Strongly influenced by the iconic London fashion culture, Office presents them with a wide, curated, high-quality, relevant range of the latest in-demand styles and brands they desire. Office relates to each individual's unique preferences by offering its range in a fashionable, aspirational, physical and digital environment that allows them to create their ultimate shoe wardrobe.



THE VISION FOR OUR TRUWORTHS CUSTOMERS

'Truworths helps me look attractive and feel successful and confident. Shopping at Truworths is exciting because it offers wide ranges of curated and tasteful fashion of superb quality and intrinsic value in retail emporiums that are visually appealing and staffed by passionate and knowledgeable staff.'

THE VISION FOR OUR OFFICE CUSTOMERS

'Office is the first place I go when I want to see a wide range of the latest high-quality shoes from in-demand fashionable brands, that make me feel attractive, cool and confident. Shopping at Office is effortless, whether I am online or in store, with a range that allows me to express my individuality and create my shoe wardrobe.'

THE VISION FOR OUR EMPLOYEES

'I am totally committed because my team members and I are encouraged to contribute innovatively, and celebrate and reward excellence in contribution.'

THE VISION FOR OUR SHAREHOLDERS

'We are long-term investors in Truworths International because we trust in management's capacity to execute innovative strategies which deliver significant value over time.'

Our Business Philosophy continued

CORE BELIEFS

Our employees understandably hold their own personal values, which may differ from the Values of our business. While we do not seek to change personal values, we do expect all employees to behave according to the Group's Values when representing the business.

In addition to these Values, the Group has 10 core beliefs that drive our business.

1

Contribute more than you consume and contribute before you consume.
We promote a culture of 'contribute before you withdraw', aligned with the lesson of the Golden Goose fable.

2

Business is a marathon, not a sprint.
We take a long-term view and, while we acknowledge and evaluate short-term events, we do not overreact to them.

3

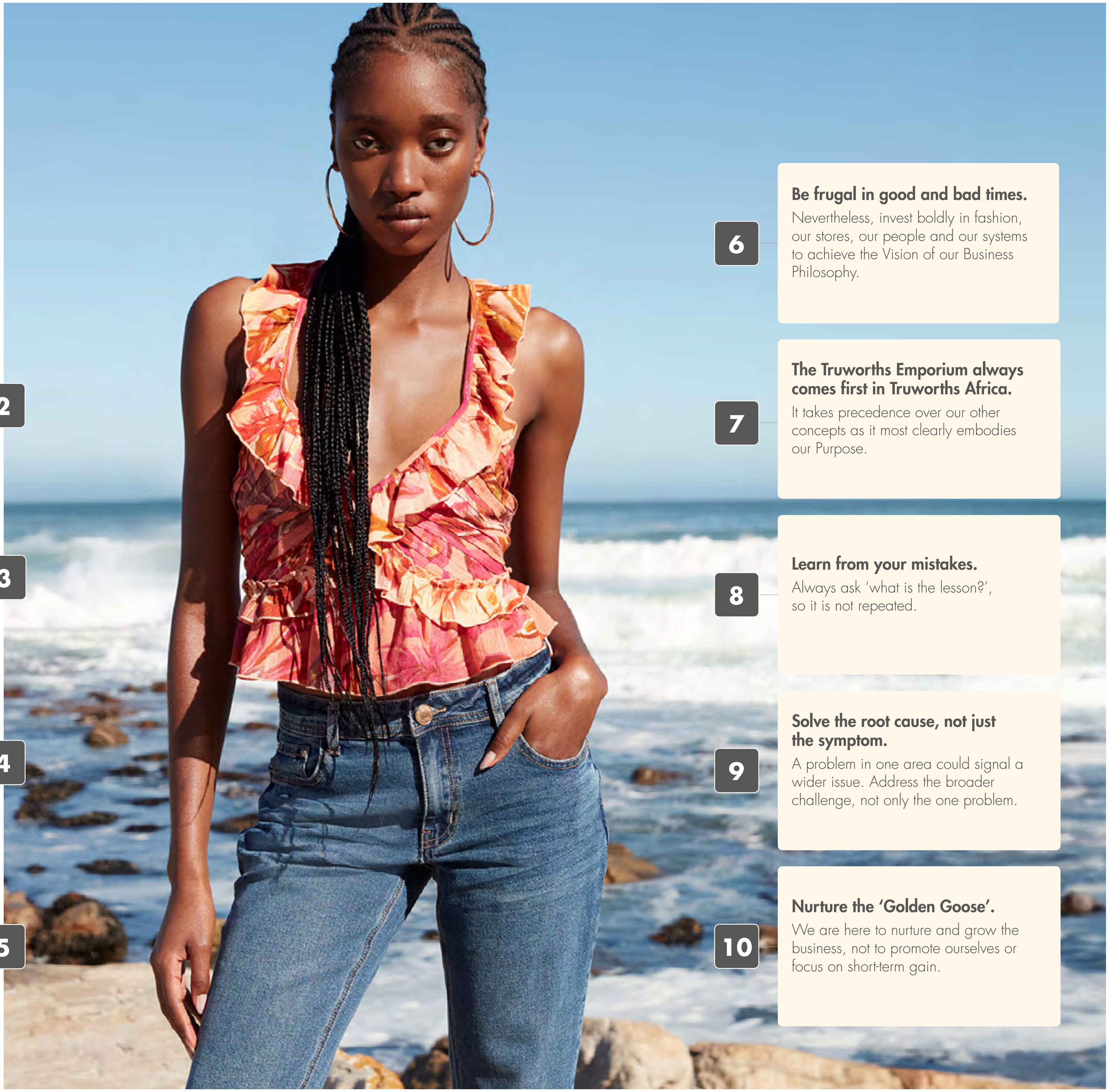
Focus on what you can do, not what others should do.
Strive to be the best version of yourself and encourage others around you to do the same.

4

Actions speak louder than words.
It is not what people say, but rather what they do that matters.

5

Growth should be an outcome, not an objective.
We do not chase market share at the expense of profitability, instead we aim for sustainable growth.



6

Be frugal in good and bad times.
Nevertheless, invest boldly in fashion, our stores, our people and our systems to achieve the Vision of our Business Philosophy.

7

The Truworths Emporium always comes first in Truworths Africa.
It takes precedence over our other concepts as it most clearly embodies our Purpose.

8

Learn from your mistakes.
Always ask 'what is the lesson?', so it is not repeated.

9

Solve the root cause, not just the symptom.
A problem in one area could signal a wider issue. Address the broader challenge, not only the one problem.

10

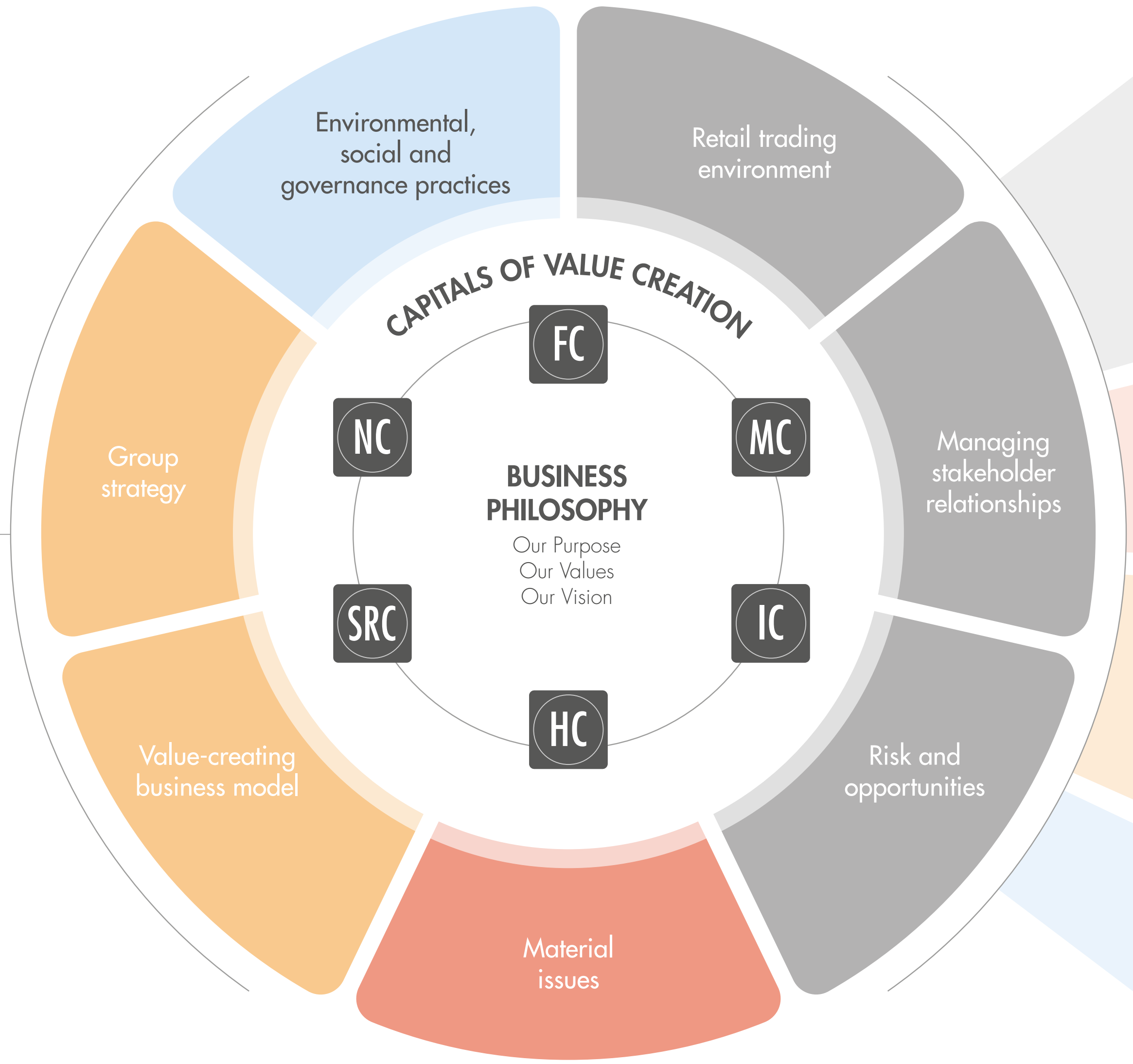
Nurture the 'Golden Goose'.
We are here to nurture and grow the business, not to promote ourselves or focus on short-term gain.

Creating stakeholder value

OUR APPROACH TO VALUE CREATION

Our approach to value creation is guided by our Business Philosophy, which aligns our strategic objectives, optimises the use of capital resources and fosters mutually beneficial stakeholder relationships, ensuring a sustained focus on long-term value creation.

The creation, preservation and erosion of value over time contribute to the increase, decrease or transformation of the Group's capitals. Inputs, constraints, the impact of business activities, outcomes and the key trade-offs related to the capitals are detailed in the Value-creating business model on page 13.



CONTEXT IN WHICH WE OPERATE

Retail trading environment (page 61)
This section outlines the operating context and factors in the macroeconomic environment in our two major markets of South Africa and the United Kingdom, which influence trading and, ultimately, the value-creation process.

Managing stakeholder relationships (page 17)
This section explains how the key engagement issues of each primary stakeholder group influence value creation, and how Truworths Africa and Office UK have responded to the needs and interests of its stakeholders.

Identifying risks and opportunities (page 20)
This section describes how risks and opportunities are identified, based on an analysis of our operating context, business model and available capital resources.

FINANCIAL MATERIALITY

Material issues (page 20)
This section outlines the issues that are likely to have the most significant impact on the Group's ability to create sustainable value for stakeholders, and how these issues are determined.

INTEGRATED BUSINESS MODEL AND STRATEGY

Value-creating business model (page 13)
This section explains how our business model, underpinned by our Business Philosophy, distinguishes the Group from its peers and aims to ensure a sustainable competitive advantage, with the successful execution of this business model creating value for all our stakeholders.

Group strategy (page 31)
This section outlines how strategic objectives are developed with a view to creating value over the short, medium and long term by delivering on our Vision for shareholders, customers and employees as outlined in our Business Philosophy.

IMPACT MATERIALITY

Sustainability and environmental, social and governance (ESG) practices (page 11)
This underscores how the Group aims to create broader societal and environmental value through the application of robust sustainability practices.

WE STRIVE TO CREATE VALUE IN THE FOLLOWING WAYS:

- **Generating long-term sustainable and competitive financial returns**
- **Maintaining a strong balance sheet**
- **Investing in people, stores, distribution facilities, technology and infrastructure for future growth**
- **Retaining income for organic and acquisitive expansion**
- **Delivering societal, environmental and broader stakeholder benefits**

Creating stakeholder value continued

Our ability to create value for **shareholders** is closely linked to the value we create for our **customers, employees and other key stakeholders**, including suppliers, regulators, lenders, landlords, governments and the broader society in which we operate.

	HOW WE CREATE VALUE	HOW WE MEASURE THE VALUE CREATED
SHAREHOLDERS Our shareholders are the principal providers of financial capital and by delivering sustainable, long-term value, the Group ensures continued access to capital. Refer to page 7 for our Vision for shareholders.	• Delivering on short and medium-term action plans and projects to achieve our strategic objectives • Maintaining and expanding margins by growing revenue faster than expenses over time • Controlling costs tightly • Maintaining tight control of inventory levels • Generating healthy returns and maintaining an efficient capital structure • Managing the accounts portfolio efficiently and responsibly • Managing cash, working capital, operating and capital expenditure, and gearing levels prudently • Maintaining healthy dividends and returning surplus funds to shareholders through share repurchases	• Ensuring gross margin, operating margin, inventory turn, return on equity, return on assets, and asset turnover are within management's guided target ranges • Ensuring return on invested capital is greater than the weighted average cost of capital • Achieving dividend growth and long-term share price appreciation, measured through long-term total shareholder return
CUSTOMERS The members of the public who are our customers are the consumers of our products and services, and our primary source of revenue. This revenue-generating capability enables us to ultimately create financial value for our shareholders. Refer to page 7 for our Vision for customers.	• Offering fashion that enables customers to look attractive and feel successful and confident • Designing, procuring and selling wide ranges of curated and tasteful apparel, footwear and homeware of superb quality and intrinsic value • Showcasing unique aspirational fashion brands through an extensive footprint of exciting and visually appealing stores, complemented by the convenience of online shopping • Enabling customers to buy merchandise by offering multiple payment methods, including in-store account and lay-by options • Developing knowledgeable employees to service customers with passion • Launching new merchandise brands and store concepts to maintain customer appeal • Delivering superior quality and value in the products we offer through elevation and differentiation	• The net promoter score measures customers' likelihood of recommending our brands, stores and digital platforms • Growth in retail sales • Growth in new account applications and the number of active accounts are indicators of the demand for merchandise in Truworths Africa • Our social media following is an indication of the fashionability and desirability of our merchandise • An increase in our loyalty programme base shows the extent of customers' desire to shop at our stores even when they do not want to use credit or do not qualify for credit • Monitoring online customer engagement metrics
EMPLOYEES Through our employees, we strive to create value by meeting our customers' fashion, quality and service needs, and by providing the Group's business support services. Refer to page 7 for our Vision for employees.	• Providing stable employment and creating job opportunities • Transforming the employee base to reflect inclusivity, diversity and equality • Preserving jobs, even during challenging times, through prudent human resource practices • Creating an environment where employees are motivated and encouraged to contribute innovatively and passionately • Paying employees market-related salaries and benefits, and rewarding employees for excellence in contribution through incentive schemes • Encouraging learning and sharing of knowledge and developing staff through various training initiatives to exceed customer expectations	• Job creation and retention, measured by the number of permanent employees • Diversity, employment equity and gender equality, indicated by the percentage of employees from designated groups • Employee satisfaction and retention, through the annual turnover rate of permanent employees • Commitment to training and development, evaluated by skills development expenditure • Organisational surveys which measure perceptions of our adherence to our Values • Review exit interviews with departing employees to identify if we are delivering on our Purpose
OTHER GROUP STAKEHOLDERS Our broader stakeholder base includes groupings that have a material direct or indirect impact on our business and influence our ability to create value in the long term.	• Contributing to national and local governments and regulatory institutions • Supporting local and offshore manufacturers of products, lenders, service providers and property landlords, thereby promoting employment and the sustainability of these stakeholders • Contributing to developing society through good corporate citizenship, transformation, employment equity, black economic empowerment and job creation across the supply chain • Adopting sustainable business practices that minimise our environmental impact, contribute positively to society, and uphold high governance standards	• Government: contribution of corporate taxes and duties and legislative compliance • Suppliers and landlords: purchases of merchandise and other services, and lease rentals • Lenders: meeting interest and capital repayment obligations and banking covenants timeously • Communities and broader society: social value created through corporate social investment, supplier and enterprise development, environmental programmes and governance ratings • Continued improvement in our B-BBEE scorecard

Creating stakeholder value continued

Creating value through sustainability

The Group is committed to sustainable and responsible ESG practices and recognises the importance of enhanced sustainability reporting, which enables investors to assess the risks and impact of its sustainability programme on enterprise value.

Sustainability reporting

The International Sustainability Standards Board's inaugural global sustainability reporting standards, IFRS S1 and S2, are expected to provide investors with a global benchmark for sustainability disclosures which should benefit both companies and shareholders. Although no timeline has been set for the adoption of the standards in South Africa, the Group will align its reporting with these standards to ensure readiness for compliance once adoption becomes mandatory.

A working group comprising members of the Group's finance department and the Truworths Sustainability Committee has been established to manage the implementation of the new standards. A gap analysis has been conducted by an independent consultancy to assess the disclosure requirements of IFRS S1 and S2 relative to the Group's current reporting practices.

Creating value through support of the SDGs

The Group strives to balance its business objectives with its responsibilities to the environment and society, by aligning its sustainability initiatives with seven of the 17 United Nations (UN) Sustainable Development Goals (SDGs). By supporting these SDGs, the Group is advancing the sustainability of the business and contributing towards a better society. Management has classified these SDGs into two categories, being those that influence the assessment of the Group's enterprise value and those where the Group can make the most meaningful societal contribution.

ENTERPRISE VALUE IMPACT

Selected SDGs	The Group's role in supporting SDGs
4 Quality education	**... supporting education through training and skills development of employees and social investment in educational institutions.**
8 Decent work and economic growth	**... supporting sustainable growth through all economic cycles, employing over 12 000 people and creating thousands more jobs indirectly.**
12 Responsible consumption and production	**... supporting responsible consumption and production, and applying the environmental principles of reduce, reuse and recycle.**
13 Climate action	**... supporting the reduction of carbon emissions across our business and throughout the international and local supply chain.**

SUSTAINABILITY IMPACT

Selected SDGs	The Group's role in supporting SDGs
1 No poverty	**... supporting direct and indirect job creation and facilitating unemployed women to become self-sustaining through social programmes.**
3 Good health and well-being	**... supporting the health and well-being of employees, as well as funding community health facilities for disadvantaged South Africans.**
5 Gender equality	**... supporting the empowerment of women and actively countering gender-based violence.**

The activities undertaken in support of the SDGs are detailed in the Environmental, Social and Sustainability Governance report 2025.

Rewarding value creation

The Group's remuneration philosophy is designed to drive a high-performance culture that supports the Group's long-term strategic objectives and the creation of sustainable value for stakeholders.

The Group's approach to reward is fair, responsible, sustainable and equitable, and is aligned with global remuneration best practice. Remuneration objectives are achieved by applying a total remuneration approach which comprises various financial reward mechanisms, including guaranteed pay and short and long-term incentives.

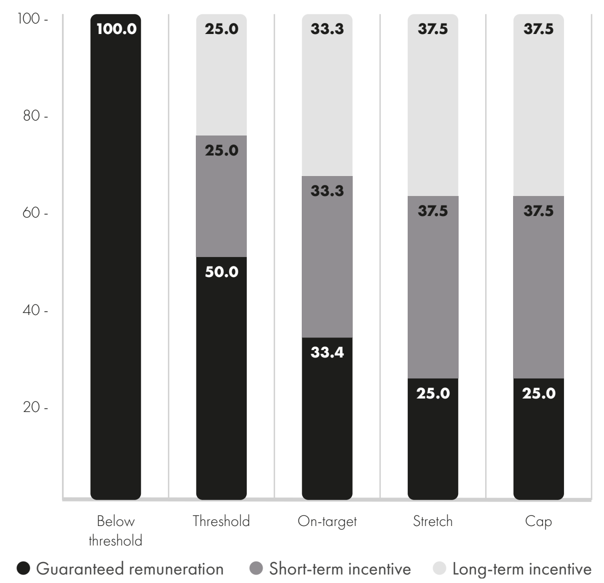
The combination of financial and non-financial rewards constitutes the 'total reward' offering. Incentive targets are aligned with the successful execution of the Group's Business Philosophy and strategy, while also meeting the expectations of shareholders and other key stakeholders.

Rewarding executives through a combination of guaranteed and performance-related remuneration aims to align executive and shareholder interests, promote a culture of executive share ownership, drive performance excellence and retain high-performing executives.

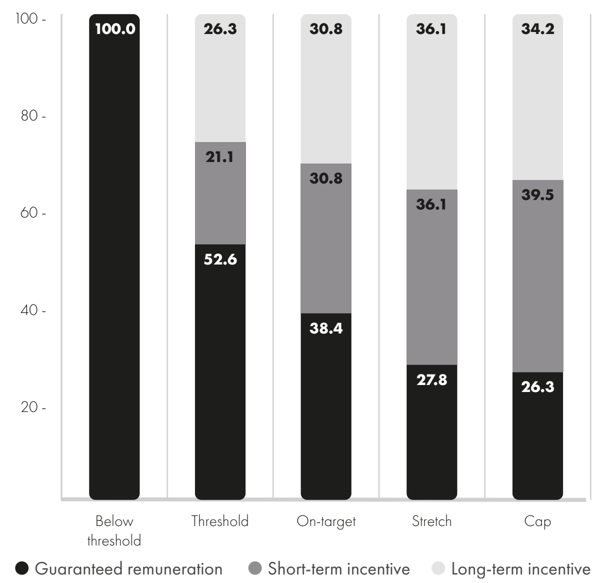
The Group's remuneration practices and incentive schemes are designed to balance risk and reward by encouraging sustained, competitive performance over the medium to long-term, while operating within prudent risk parameters to support long-term sustainability.

The following graphs demonstrate the potential remuneration outcomes for the CEO and the other executive directors to maximise performance-related remuneration, in line with the pay-for-performance philosophy.

PAY FOR PERFORMANCE – CEO
(%)



PAY FOR PERFORMANCE – EXECUTIVE DIRECTORS
(%)



Refer to Remuneration Committee report on page 45 for more detail.

Creating stakeholder value continued

KEY PERFORMANCE INDICATORS

FINANCIAL

Metric		2025 Pro forma	2024 Pro forma	2023 Pro forma	Target	Link to remuneration	Assurance
Headline earnings per share growth	%	**(3.7)**	(2.1)	9.0	ND#	STI/LTI	AFS
Gross margin	%	**51.3**	52.3	52.5	49 – 53^	STI	AFS
Operating margin	%	**20.1**	21.0	22.2	18 – 23^		AFS
Return on equity	%	**28**	34	44	22 – 27^	STI/LTI	AFS
Return on assets	%	**22**	23	27	18 – 23^	STI	AFS
Inventory turn	times	**4.2**	4.3	4.2	3.5 – 4.5^		AFS
Asset turnover	times	**1.1**	1.1	1.2	0.9 – 1.3^		AFS
Return on invested capital	%	**23**	25	28	> WACC	LTI	MIO
Cash realisation rate	%	**101**	99	74	3-year average >90%	LTI	AFS

SUSTAINABILITY

Metric		2025	2024	2023	Target	Link to remuneration	Assurance
Social sustainability							
B-BBEE rating	Level Score	**4** **85.50**	4 82.64	5 75.56	Continuous score improvement	STI/LTI	IEA
Board diversity							
Female representation	%	**29**	31	33	30^		IEA
Black representation	%	**21**	23	25	30^		IEA
Employment equity (South Africa only)							
Female representation	%	**73**	76	75	68+	LTI	IEA
Black representation	%	**94**	94	94	96+	LTI	IEA
Environmental sustainability							
Store electricity carbon emissions	Wh/m²	**15.25**	14.98	15.72	15.15	STI/LTI	IEA

Targets
 # ND Not disclosed due to price sensitivity
^ Medium term
+ 2030
Other targets are annual

Remuneration
STI Performance metric included in executive short-term incentive scheme
LTI Performance metric included in executive long-term incentive scheme

Assurance
AFS Annual financial statements
MIO Management information and oversight
IEA Independent external assurance

Value-creating business model

The Group's business model is underpinned by the Business Philosophy, which distinguishes the Group from its industry peers, with its unique DNA providing a sustainable competitive advantage. The Group's Purpose is to provide exclusive and aspirational apparel to youthful, fashionable consumers using predominantly company-owned brands in Truworths Africa and third-party brands in Office UK.

The successful execution of this business model will create value for the Group's primary stakeholders, as defined in the Group's Vision for shareholders, customers and employees, as well as for other stakeholders, including suppliers, lenders, landlords and the regulators in the countries in which the business operates.

As a fashion retailer, the Group's business model is to interpret fashion trends, design and procure merchandise through an efficient local and international supply chain, and to sell the merchandise to consumers for cash or on account through its network of retail stores and e-commerce platforms.

ASPIRATIONAL FASHION

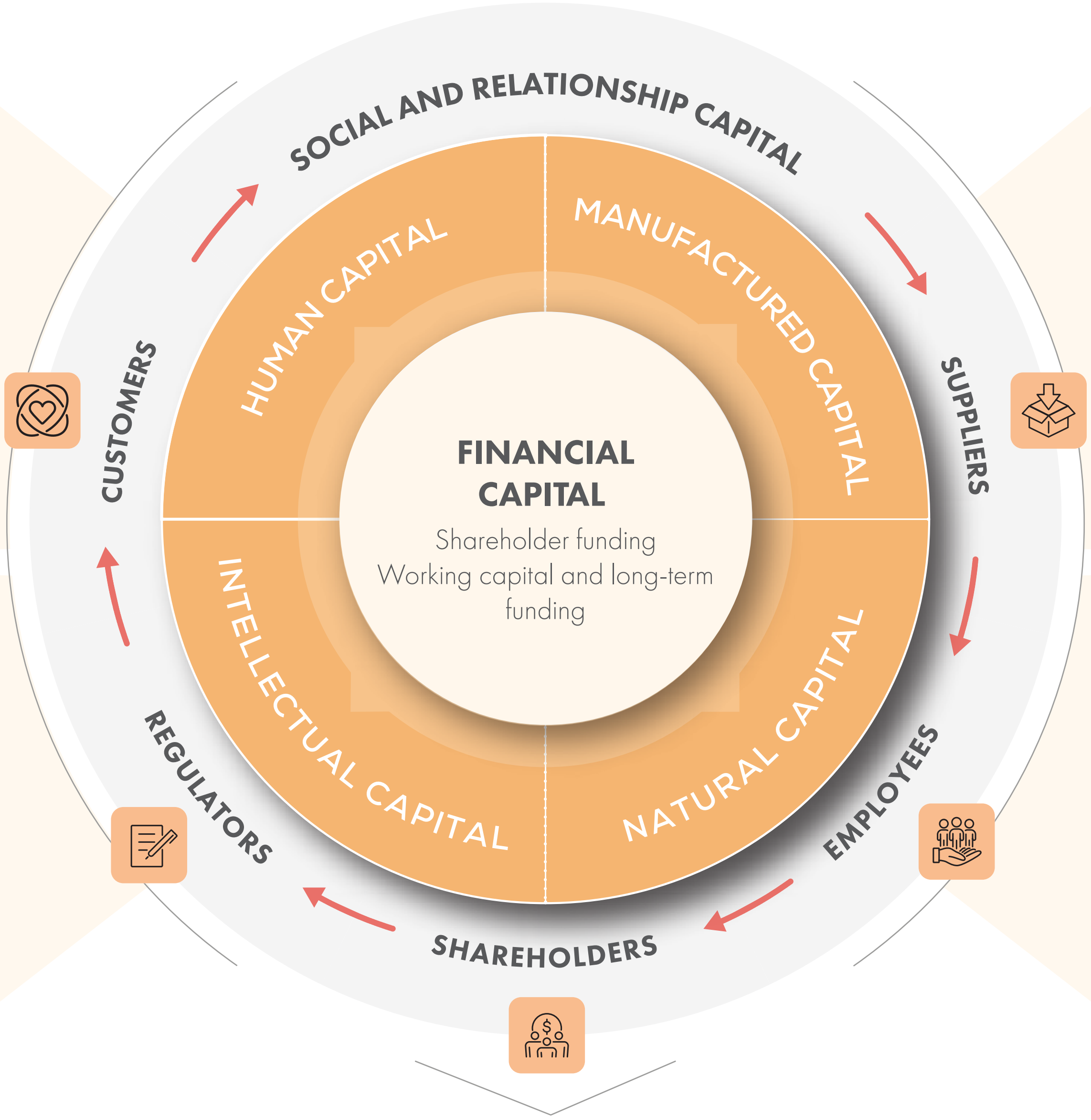
BUSINESS ACTIVITY

- Predict and interpret latest trends in fashion apparel, footwear and homeware
- Design, develop and source own-branded exclusive fashion merchandise from both local and international suppliers (Truworths Africa)
- Collaborate with third-party brands on trends and most wanted top-tier styles (Office UK)
- Consistently update and refresh established brands and create new and enticing range extensions
- Develop new brands and concepts to enhance the merchandise offering and attract new customers

BUSINESS ACTIVITY OUTPUTS AND OUTCOMES

- Unique and aspirational superior quality own-brands that provide differentiation
- Adventurous blends of colour, fabric and fashion styling create enticement
- Broad curated ranges of latest 'in-demand' fashion footwear comprising third-party product lines only available through a limited number of resellers, combined with own-brand styles to create a unique product mix and fashion experience (Office UK)

Refer to **Aspirational fashion** on pages 23 and 27 for more detail.



SUPPLY CHAIN

BUSINESS ACTIVITY

- Operate a centralised distribution model (Truworths Africa in Cape Town, South Africa and Office UK in Kilmarnock, Scotland)
- Receive imported and locally manufactured merchandise from suppliers at distribution centres for onward distribution to stores and e-commerce customers
- Distribute merchandise via third-party transport and distribution networks
- Fulfil e-commerce orders from stores and distribution centres, leveraging the distribution and logistics networks
- Dynamic interaction with local and foreign suppliers that are aligned with business requirements and profile
- Procure fabric and trims for local manufacture to enable quick response
- Work with local cut-make-trim (CMT) suppliers to manufacture styles
- Persistent focus on dynamic merchandise planning and allocation systems and processes

BUSINESS ACTIVITY OUTPUTS AND OUTCOMES

- Merchandise distributed to stores through an effective part allocation and replenishment model
- Optimal inventory levels to satisfy customer demand and contain markdowns
- Efficient supply chain that meets targeted inventory turn levels

Refer to **Supply chain** on pages 24 and 28 for more detail.

ACCOUNT MANAGEMENT*

BUSINESS ACTIVITY

- Offer accounts and lay-bys in South Africa and other selected African countries to enable retail sales
- Account granting and approval functions centralised at Truworths Africa head office
- Continuously refine scorecards to improve their predictive capability
- Continuously refine existing and develop new credit products and strategies
- Collections and customer engagement through stores and call centres
- Increase basket size and frequency of purchases through loyalty programmes for account customers and other loyalty members
- Leverage customer loyalty through targeted marketing

BUSINESS ACTIVITY OUTPUTS AND OUTCOMES

- Enable sales to the mass market
- Grow sales through responsible credit granting
- Balanced cash and account sales mix
- Manage account portfolio within prudent board-approved risk levels
- Enhanced customer loyalty through understanding and reacting to customer information and purchasing behaviour

Refer to **Account management** on page 25 for more detail.

** Including lay-bys and loyalty (Truworths Africa).*

RETAIL PRESENCE

BUSINESS ACTIVITY

- Offer a portfolio of exclusive and aspirational ladies', men's and kidswear fashion apparel and footwear, including third-party top-tier styles, accessories and homeware
- Stock, display and sell merchandise in stores (operating from leased premises) and online, as well as to wholesale partners and from concession outlets (Office UK)
- Emporium store concept showcases multiple brands in one store (Truworths Africa)
- Refine existing store concepts to ensure an enticing retail environment
- Grow trading space through new store concepts, standalone or within the emporium
- Optimise existing trading space to promote sales and enhance productivity and return metrics
- Complement store sales with e-commerce merchandise offering to service online customers and provide convenient delivery and collection options

BUSINESS ACTIVITY OUTPUTS AND OUTCOMES

- Optimised retail store portfolio
- Enticing store and digital shopping environments
- Well-trained staff who treat customers with respect and serve them well
- Encourage brand cross-shopping

Refer to **Retail presence** on pages 26 and 29 for more detail.

OUTPUTS

OUR PRODUCTS, BY-PRODUCTS AND WASTE

The Group's value-creating business model is focused on producing fashion clothing, footwear, homeware and related merchandise of international styling and quality to cater to the lifestyle needs of our customers. An inevitable consequence of the manufacture of our products is the creation of waste in the supply chain during the course of production, packaging, distribution and transportation processes, mostly undertaken and managed by our suppliers and service providers.

RETAIL SALES
R22.0 BILLION
(2024: R21.4 BILLION)

COST OF SALES
R10.4 BILLION
(2024: R9.9 BILLION)

TOTAL MEASURED EMISSIONS#
89 987tCO_2e*
(2024: 68 783tCO_2e)

 # Including freight from offshore to SA and deliveries beyond SA borders.
** Using well-to-wheel to measure carbon emissions in the current period, compared to tank-to-wheel used in the prior period, this change in method will automatically increase emissions measured as it measures from an earlier point in the chain.*

Value-creating business model continued

INPUTS: THE CAPITALS OF VALUE CREATION

Inputs into the Group's business activities comprise the **financial, manufactured, intellectual** and **human capitals** available to and utilised by the Group as well as the **social and relationship capital** evident in the important relationships and partnerships with stakeholders. Through its supply chain, which outsources the manufacturing and transportation processes to suppliers, the Group indirectly consumes **natural capital** in the form of raw materials such as cotton, wool and leather, as well as water and carbon-depleting energy resources. The Group's operations also utilise water and carbon-depleting energy resources at its head offices, distribution centres and stores, and the business travel undertaken by its employees.

Inputs provided below are measured at the end of the 2025 reporting period.

INPUTS

FC – FINANCIAL CAPITAL

Financial capital relates to the funding received from the providers of capital and the financial resources available to the Group.

- Equity of R10.7 billion (2024: R9.5 billion)
- Net cash of R720 million (2024: net debt of R306 million)

MC – MANUFACTURED CAPITAL

Manufactured capital is the physical infrastructure used in the distribution and selling of merchandise, including the distribution centres, leased retail stores and the information technology systems (including websites) throughout the business.

- 897 (2024: 888) stores
- Four (2024: three) main distribution centres
- Eight (2024: eight) e-commerce sites
- Two (2024: one) mobile phone applications

IC – INTELLECTUAL CAPITAL

Intellectual capital focuses on knowledge in the organisation, systems, processes, trademarks, intellectual property and brands.

- More than 40 own brands across Truworths Africa and Office UK
- Sophisticated merchandise, distribution and account management systems and processes
- Policies, procedures and manuals
- In-house design division

HC – HUMAN CAPITAL

Human capital relates mainly to employees' skills, capabilities, development and experience.

- 12 080 (2024: 12 007) employees
- Values-driven company culture
- Market-leading merchant trainee programme
- Extensive skills training and management development

SRC – SOCIAL AND RELATIONSHIP CAPITAL

Social and relationship capital deals broadly with stakeholder relationships and engagement, corporate reputation and values.

- 2.9 million (2024: 2.9 million) active account customers
- 22.7 million (2024: 20.9 million) loyalty programme members
- More than 500 merchandise suppliers across the Group
- Three trusts fund the corporate social investment (CSI) programme with investments totalling R300 million (2024: R267 million)

NC – NATURAL CAPITAL

Natural capital relates to environmental resources directly or indirectly utilised by the Group.

- Natural materials depleted in the manufacturing of merchandise and packaging materials
- Consumption of fossil fuels in the supply chain
- Electricity and water consumed in operations

CONSTRAINTS

Financial capital: The Group has access to borrowing facilities of R3.5 billion in South Africa. With net cash resources of R720 million, the Group does not currently face any financial capital constraints. In addition, should the need arise, the Group could raise further financial capital through an issue of shares or by utilising its robust balance sheet to raise additional loan funding.

Refer to **Chief Financial Officer's report** on page 65 for more detail.

Manufactured capital: For Truworths Africa, constraints include distribution centre capacity during peak periods. This will be alleviated when the new distribution centre (DC) becomes fully operational in the 2026 financial period, local manufacturing capacity and the financial viability of the local supply base. Securing additional retail space for new concepts and in key locations where Truworths Africa's existing stores are overtraded is a further constraint. International and local supply chain challenges, including congestion at South African ports, increases the delivery time of merchandise to the DCs and stores. For Office UK, shipping through the Red Sea remained unstable. Furthermore securing retail sites in strategic, high-profile locations is challenging due to increased competition for space.

Refer to **Material issues, risks and opportunities** on page 20 for more detail.

Intellectual capital: Ageing merchandise, warehouse management and point-of-sale systems in Office UK are preventing further efficiencies from being unlocked. A new merchandise management system is being developed for implementation in the 2027 financial period and an upgraded point-of-sale will be rolled out in the 2026 financial period.

Refer to **Material issues, risks and opportunities** on page 20 for more detail.

Human capital: Scarcity of specialist skills and portability of skills which are in demand locally and internationally, as well as pressure on salaries.

Refer to **Material issues, risks and opportunities** on page 20 for more detail.

Social and relationship capital: South African consumers are under pressure due to reduced disposable income as they contend with high utility, food, borrowing and general living costs, negatively affecting account payments and credit scores. These factors constrain both account acquisition growth and account purchase behaviour, as well as cash sales.

Refer to **Material issues, risks and opportunities** on page 20 for more detail.

Natural capital: Electricity and water supply in South Africa is unstable due to the failing infrastructure.

Refer to **Material issues, risks and opportunities** on page 20 for more detail.

IMPACT OF BUSINESS ACTIVITIES ON CAPITALS

Supported by the Group's Business Philosophy (see page 7), the outcomes of the Group's operational and financial performance have created value for stakeholders. The Group continued to deliver best-in-class returns despite operating within persistently sub-optimal macroeconomic conditions and maintained its dividend cover ratio, supported by a robust balance sheet, strong cash generation and disciplined margin and cost management.

OUTCOMES

Financial capital: Financial capital has increased owing to higher retail sales, offset by reduced margins, higher trading expenses and finance costs. The Group returned R2.0 billion of financial capital to shareholders through dividends, and interest of R206 million to lenders.

Manufactured capital: Manufactured capital was increased through the 0.7% growth in trading space across the Group, the investment in the construction of the new Truworths Africa DC and the upgrading of the Office UK warehouse. The Group also redeveloped the Office mobile phone application and developed a new Offspring application to enhance the omni-channel experience.

Intellectual capital: Intellectual capital deployed by the Group has increased, mainly through new merchandise, account management, customer engagement and human resources technology and processes, the enhancement of the e-commerce platforms and the ongoing refinement of newly launched brands. The considered use of artificial intelligence and process automation in various areas of the business is further enhancing the Group's intellectual capital.

Human capital: Human capital deployed by the Group benefitted from the investment in training and development, while the number of employees in the Group increased by 0.6%.

Social and relationship capital: Social and relationship capital deployed by the Group has increased, as evidenced by the Group's strong stakeholder relationships, the account and loyalty customer base, the strengthening of relationships with suppliers, the growth in CSI investments and distributions to communities, and the improvement in the Group's B-BBEE score.

Natural capital: The rate of depletion of natural capital has increased in line with the growth in business activity. However, the depletion is at levels that the Group believes are acceptable.

The impact of our business activities on the capitals is outlined on the following page:

EXTERNAL FACTORS IMPACTING VALUE CREATION

Several factors that are partially or wholly outside the control of the Group could have a significant impact on value creation, preservation or erosion. The external factors influencing the Group's financial performance and our response to these factors are addressed in the relevant sections throughout the Integrated Report.

Value-creating business model continued

KEY OUTCOMES

FC FINANCIAL CAPITAL

- Return on invested capital (ROIC): Weighted average cost of capital (WACC) **1.6 times** (2024: 1.7 times) ×
- Net cash to equity **6.7%** (2024: Net debt to equity 3.2%) ✓
- Diluted headline earnings per share **down 7.7%** to **743.4 cents** (2024: 805.8 cents) ×
- Period-end share price at **7 101 cents** (2024: 9 328 cents) ×
- Annual dividend per share **down 7.9%** to **487 cents** (2024: 529 cents) ×
- Dividend yield (based on weighted average share price) **of 5.6%** (2024: 7.1%) ×
- All medium-term financial targets met or exceeded (refer to Chief Financial Officer's report on page 65 for further detail) ✓

MC MANUFACTURED CAPITAL

- Capital expenditure of **R632 million** (2024: R813 million) ×
- Growth in trading space of **0.7%** (2024: 1.2%) ×
- Net number of stores opened **9** (2024: 12) ×
- Number of e-commerce sites **8** (2024: 8) –
- Number of mobile phone applications **2** (2024: 1) ✓
- Increased e-commerce contribution to retail sales **20%** (2024: 18%) ✓

IC INTELLECTUAL CAPITAL

- Merchandise distribution systems upgraded and transferred to new DC ✓
- Point-of-sale system completed and installed in all stores in South Africa and in the rest of Africa ✓
- Upgraded the customer data experience platform ✓
- Artificial intelligence (AI) applied in key business systems and processes ✓
- Implemented workforce management systems for Truworths Africa and Office UK ✓

HC HUMAN CAPITAL

- Salaries and benefits paid to employees increased to **R2.8 billion** (2024: R2.7 billion) ✓
- Number of employees decreased in Truworths Africa to **10 429** (2024: 10 451) ×
- Number of employees increased in Office UK to **1 651** (2024: 1 556) ✓
- Maintained black employee representation in South Africa at **94%** (2024: 94%) –
- High level of female representation
  - Truworths Africa **73%** (2024: 76%) ×
  - Office UK **62%** (2024: 61%) ✓
- Significant investment in skills development of **R135 million** (2024: R129 million) ✓
- Higher skills development spend per employee at **R11 200** (2024: R10 800) ✓
- Below the medium-term target of 30% black representation on the Truworths International board at **21%** (2024: 23%) ×
- Below medium-term target of 30% female representation on the Truworths International board at **29%** (2024: 31%) ×
- Below 2025 target for black representation at top management of 27.3% but marginally improved relative to prior period at **20.2%** (2024: 20.0%) ✓
- Exceeded 2025 target for female representation at top management of 27.3% at **33.3%** (2024: 30.0%) ✓

SRC SOCIAL AND RELATIONSHIP CAPITAL

- Truworths Africa's active account customer base remained unchanged at **2.9 million** (2024: 2.9 million) –
- Truworths Africa's loyalty programme customer base increased to **22.7 million** (2024: 20.9 million) ✓
- Net promoter score above 50
  - Truworths Africa: **56** (2024: 57) ×
  - Office UK: **79** (2024: 81) ×
- Lower CSI distributions of **R7.5 million** (2024: R11.3 million) ×
- Increased CSI investments at **R300 million** (2024: R269 million) ✓
- Lower merchandise donations to socioeconomic and enterprise development beneficiaries of **R43 million** (2024: R44 million) ×
- Improved broad-based black economic empowerment (B-BBEE) score **85.50 points (level 4)** (2024: 82.64 points (level 4)) ✓
- Growing social media following – Facebook, Instagram and TikTok
  - Truworths Africa: **8.9 million** (2024: 7.9 million) ✓
  - Office UK: **1.3 million** (2024: 1.3 million) –
- Significant corporate tax payments of **R968 million** (2024: 967 million) ✓

NC NATURAL CAPITAL

- Total measured carbon emissions increased to **89 987tCO_2e*** (2024: 68 783tCO_2e) ×
- Store electricity carbon emissions increased to **15.3Wh/m²** (2024: 15.0Wh/m²) ✓
- Water consumption increased to **168 019Kl** (2024: 157 228Kl) ×
- Recycled plastic hangers and other items increased to **89.6t** (2024: 74.1t) ✓
- Paper and stationery consumption decreased to **170t** (2024: 213t) ✓
- Plastic consumption decreased to **479t** (2024: 502t) ✓
- Recycled cardboard cartons decreased due to focus on reuse **490t** (2024: 585t) ✓

STAKEHOLDERS AND SDGs IMPACTED

Key

- ✓ Improvement since prior period
- × Deterioration since prior period
- – Unchanged since prior period

* *Using well-to-wheel to measure carbon emissions in the current period, compared to tank-to-wheel used in the prior period, this change in method will automatically increase emissions measured as it measures from an earlier point in the chain.*

Value-creating business model continued

	FC FINANCIAL CAPITAL	MC MANUFACTURED CAPITAL	IC INTELLECTUAL CAPITAL	HC HUMAN CAPITAL	SRC SOCIAL AND RELATIONSHIP CAPITAL	NC NATURAL CAPITAL
ACTIONS TO ENHANCE OR MITIGATE OUTCOMES IN 2025	Ongoing active management of the Group's financial capital base: • Returned R2.0 billion to shareholders through dividend payments. • Reinvested R674 million in capital infrastructure. • Utilised revolving credit facility (Truworths Africa R1.2 billion). • Utilised bank overdraft facilities (Truworths Africa R1.0 billion). • Utilised green loan for new Truworths Africa DC construction (Truworths Africa R268 million). • Reviewed Office UK treasury policy and opened additional investment accounts to enhance returns and achieve a better spread of risk.	• Capital expenditure of R540 million on stores, distribution centres and buildings. • Continued consolidation of space in Truworths Africa and improving efficiencies through introducing new brands into existing stores and closing underperforming stores. • The new Truworths Africa DC went live in stages and the facility is expected to have completed the phasing in of all merchandise distribution by the end of September 2025. • Continued new store opening and modernisation programme in Office UK is delivering excellent results.	• Improved inventory allocations and replenishment algorithms for the new Truworths Africa DC. • Embedded AI across key business systems. • Increased digital engagement with customers across the account management process. • Enhanced Truworths Africa's online platform with additional functionality. • Continuous improvement of cybersecurity systems to mitigate cyber risks.	• Conducted employee engagement surveys. • Continued focus on diversity, equity and inclusion to create a culture where all employees feel a sense of belonging and feel included. • Ongoing focus on transformation and creating opportunities for black and female employees. • Ongoing focus on fast-tracking top talent from designated groups to prepare them for career progression. • Focused on aligning the human resources processes of Office UK with those of Truworths Africa.	• Increased the number of CSI projects supported from 31 to over 60. • Continued focus on and regular communication with suppliers regarding their B-BBEE compliance and progress. • Implemented a Group human rights policy in line with national and international standards. • Continued to donate merchandise to community organisations to create employment and generate funding while reducing waste to landfills. • Engaged with regulators on key matters, including National Credit Regulator, Department of Employment and Labour, Department of Trade, Industry and Competition, and revenue authorities. • B-BBEE supplier status now taken into account in supplier scorecards for placement of business.	• All new and refurbished South African stores fitted with energy-efficient lighting as well as electricity meters. • Partnered with organisations that recycle or reuse damaged goods or convert fabrics into garments for resale. • All suppliers required to commit to good environmental practices. • Materials associated with merchandise are recycled or reused where possible, while the business continues to seek ways to limit packaging on merchandise. • Measures implemented to decrease carbon emissions in supply chain. • Continued efforts to reduce water consumption at all facilities and stores. • All plastic bags made from at least 50% recycled materials.
KEY TRADE-OFFS	• Financial capital is applied to sustain and grow our business, typically with positive impacts on manufactured, human, intellectual, and social and relationship capitals, and negative impacts on natural capital. • One of the core beliefs of the Group's Business Philosophy is that the business will not buy growth in market share (ie higher sales and unit volumes) at the expense of profits. This results in a trade-off between market share and profitability, with the Group always preferring higher margins and profits over higher market share at lower profits. • A key trade-off in the account management process relates to the Group's risk appetite (and consequential level of bad debt) versus profit. The high margins in Truworths Africa would allow the Group to take on more credit risk with incremental profit, but it would generate higher net bad debt and expected credit loss allowance levels that may not be acceptable to shareholders. • The retention of surplus cash in hard currencies in Office UK is weighing negatively on certain financial ratios, but hedges the Group against the weak and volatile Rand and positions it to take advantage of opportunities that may arise.	• Ongoing investment in the Group's store and distribution infrastructure require significant capital and have a negative environmental impact. The Group strives to minimise its environmental impact by building energy-efficient stores, and the new Truworths Africa DC is certified to EDGE Advanced green building standards. Furthermore, our commitment to investing for growth will contribute positively to financial capital in the medium to long term.	• Ongoing investment in business processes and new systems is growing our intellectual capital, and indirectly benefitting both our human and social and relationship capitals, but negatively impacting financial capital in the short term. • The adoption of AI and process automation could impact the number of new job opportunities created in the long term, but will enhance operational efficiency and profitability.	• Our commitment to the training and development of our employees reduces our financial capital but leads to increased human capital and intellectual capital. This will ensure that our employees are equipped to provide our customers with superior quality, aspirational fashion merchandise, and provide world-class customer service that will ultimately increase the value created for our shareholders.	• Through our commitment to socioeconomic, supplier and enterprise development, we are trading financial capital in the short term to boost social and relationship capital through the upliftment of communities and the development of our local supply chain. • The tough consumer environment is impacting negatively on the credit score of new applicants, resulting in a reduction in the number of risk-approved applications. In order to grow the active account base, the Group is required to increase marketing spend and invest in the development of new credit products and strategies. • In the current tough economic climate, our focus on containing costs through the negotiation of prices with suppliers and landlords, and by limiting the use of external service providers where work can be performed in-house, arguably weighs on our social and relationship capital in an effort to limit the reduction of our financial capital. This will, however, increase both our human and intellectual capitals as in-house skills grow and develop.	• We consume natural resources and fossil fuels in the production, packaging and transportation of our merchandise, which impacts negatively on natural capital in order to increase financial capital, and indirectly all the other capitals of value creation. • Various environmental initiatives (installation of meters to track energy consumption, renewable energy at owned locations, LED lighting, water-saving initiatives, and reducing and reusing packaging, plastics and paper) are aimed at reducing our impact on natural capital, often at a cost to financial capital, at least in the short term.
REFERENCES	» Chief Financial Officer's report (page 65)	» Supply chain (pages 24 and 28) » Retail presence (pages 26 and 29)	» Aspirational fashion (pages 23 and 27) » Supply chain (pages 24 and 28) » Account management (page 25)	» Human capital (page 30) » Environmental, Social and Sustainability Governance report » Remuneration Committee report (page 45)	» Human capital (page 30) » Environmental, Social and Sustainability Governance report » Social and Ethics Committee report	» Environmental, Social and Sustainability Governance report

Managing stakeholder relationships

Management proactively addresses the needs, expectations and concerns of stakeholders, recognising that they affect the Group's ability to create value or minimise the erosion of value over the short, medium and long term.

The stakeholder relationship programme continues to focus primarily on the five stakeholder groups that are most likely to influence the delivery of the Group's strategy and to impact the material issues within the business, namely:

SHAREHOLDERS | CUSTOMERS | EMPLOYEES | SUPPLIERS | REGULATORS

QUALITY OF RELATIONSHIPS

Management assesses the quality of these relationships on an ongoing basis to ensure the Group understands, considers and responds to the legitimate needs and interests of its stakeholders.

A five-point internal rating scale is applied by management to evaluate the quality of stakeholder relationships:

- ■■■■■ Strong relationship of transparency, trust and mutual understanding
- ■■■■□ Good quality, value-adding relationship
- ■■■□□ Good relationship but needs to improve to add value
- ■■□□□ Functional, low-quality relationship
- ■□□□□ Poor quality to no relationship

SHAREHOLDERS

■■■■□

(Rating unchanged)

RATIONALE FOR ENGAGING: Shareholders are the Group's principal providers of financial capital. Engagement is focused on local and international institutional investors, fund managers and analysts. The Chief Executive Officer and Chief Financial Officer are responsible for investor relations, supported by directors and divisional directors. The Group follows a hybrid investor relations model combining personal engagement, such as one-on-one meetings and attendance at investor conferences, with written communication through a dedicated investor relations email channel. This hybrid approach ensures timely, multi-disciplinary responses to investor questions and enhances the quality and efficiency of engagement, with the investor relations team typically replying within 24 hours on the email channel.

KEY ENGAGEMENT ISSUES

Truworths Africa

The health of the accounts portfolio, the impact of the current macroeconomic environment on the quality of the debtors book, and the ability to unlock growth through credit expansion.

Trading performance in South Africa's low growth, constrained consumer environment, focusing mainly on retail sales growth, gross margin management and cost control.

Realising the benefits of the new distribution centre as well as dealing with broader supply chain challenges, sourcing and the expected impact of tariffs.

Office UK

The sustainability of the gross margin as well as the overall profitability of the business.

Management's plans to expand the store portfolio through new store openings in strategic locations as well as the modernisation and expansion of existing stores.

RESPONSE TO ENGAGEMENT ISSUES

Management addresses all key engagement issues directly with investors through a range of forums. These include interim and annual results presentations, post-results investor meetings, one-on-one engagements with shareholders and analysts, participation in investor conferences, written communication via the Group's investor relations email channel, regulatory announcements on the Stock Exchange News Service of the JSE Limited (SENS) and in the Integrated Report. Based on the materiality or price sensitivity of certain issues, where necessary, information is first communicated on SENS to ensure equal and simultaneous access to information for all market participants.

Managing stakeholder relationships continued

TRUWORTHS AFRICA

CUSTOMERS

(Rating deteriorated)

RATIONALE FOR ENGAGING: As the consumers of our merchandise and users of account facilities, customers are the primary source of revenue for Truworths Africa and the key source of social and relationship capital. Engagement includes both account and cash customers in South Africa and across southern Africa. The main customer contact is through store employees and management, call centre agents and customer relations employees. Engagement occurs in stores, via call centres, social media platforms, e-commerce websites and other digital communication channels. Customer satisfaction is monitored on an ongoing basis using the net promoter score as an industry benchmark alongside an internally developed customer service rating scale. Market share data is also analysed to assess customer response to merchandise ranges, and to identify opportunities to enhance the merchandise offering in line with customer needs and preferences.

KEY ENGAGEMENT ISSUES

There is a growing demand from customers for real-time access to account information.

RESPONSE TO ENGAGEMENT ISSUE:
The mobile customer channel has been expanded with additional self-service features, specifically aimed at e-commerce customers and those seeking to make payment arrangements.

Customers continually ask about the status of their online delivery.

RESPONSE TO ENGAGEMENT ISSUE:
Regular communication on the status of orders is provided to ensure customers are kept updated.

Customers whose accounts are in arrears often request a payment arrangement to settle their account.

RESPONSE TO ENGAGEMENT ISSUE:
The ability to pay and the frequency thereof are negotiated with customers through specialised collection agents.

Customers engage across all communication channels on product queries.

RESPONSE TO ENGAGEMENT ISSUE:
Queries are addressed by a dedicated customer services team. The WhatsApp channel offers a self-service option while customers can also choose to speak to an agent. Response times across the digital channels are closely monitored to ensure excellent service for queries via WhatsApp and the social media platforms.

TRUWORTHS AFRICA

EMPLOYEES

(Rating unchanged)

RATIONALE FOR ENGAGING: Employees contribute their talent and skills to ensure the business operates efficiently and sustainably. Employees represent the Group's human capital and are key custodians of our intellectual capital. Engagement includes all full-time and flexi-time employees, with line management being the primary point of contact, supported by the human resources department. Employee engagement takes place through formal business communication, structured and informal training, personal interaction with line managers, an online platform enabling direct engagement with the CEO, in-house presentations covering topics such as business performance, as well as communication via the WhatsApp mobile channel.

KEY ENGAGEMENT ISSUES

Empowering women.

RESPONSE TO ENGAGEMENT ISSUE:
The Group has a majority female workforce and is committed to advancing gender equality by aligning with the seven United Nations Women's Empowerment Principles. Women are encouraged to take ownership of their career growth through individualised development plans that support their potential and professional advancement. The Group's approach includes promoting female participation across all life stages, raising awareness of issues particular to women, and understanding and addressing historical barriers to equality in the workplace.

Advocating against gender-based violence.

RESPONSE TO ENGAGEMENT ISSUE:
Aligned with the United Nations Women's Empowerment Principles, Truworths Africa is committed to promoting the physical and emotional wellbeing of employees by fostering a safe and inclusive workplace, regardless of gender and sexual orientation. Truworths Africa maintains a zero tolerance approach to any form of sexual harassment, violence and bullying in the workplace, supported by policies and procedures that uphold human rights and protect employee dignity.

Fostering an inclusive working environment.

RESPONSE TO ENGAGEMENT ISSUE:
The Group aims to promote a culture of inclusivity, in line with its Value of 'Embracing the power of inclusive teams'. Ongoing training aims to create a work environment where employees feel included, heard, empowered to contribute, thrive and have a sense of belonging. Truworths Africa conducted an employee engagement survey in May 2025 to assess progress and identify areas for further improvement.

Development of black talent for succession.

RESPONSE TO ENGAGEMENT ISSUE:
In fostering an inclusive and equitable workplace, Truworths Africa recognises the importance of developing black employee talent as part of its succession planning for top and senior management roles. Aspiring black employees are supported with individualised development plans to fast-track career progression and enhance retention. This reflects Truworths Africa's ongoing commitment to cultivating an inclusive development culture where all employees are empowered to contribute and grow.

Targeted training initiatives.

RESPONSE TO ENGAGEMENT ISSUE:
Ongoing training and awareness campaigns are implemented to ensure employees remain alert to cybersecurity threats, helping to safeguard the business, its information and all stakeholders. Other training initiatives focused on human rights and the Group's new policy in this regard, Financial Intelligence Centre Act training as the Group is classified as an accountable institution, and leadership development.

TRUWORTHS AFRICA

SUPPLIERS

(Rating unchanged)

RATIONALE FOR ENGAGING: Suppliers provide merchandise and other goods and services to the Group, serving as its source of manufactured capital, while the scale of the supply chain is a key measure of the strength of its social and relationship capital. Suppliers include local and international product manufacturers, landlords and various service providers. The primary sources of contact include executives, merchandise buyers and planners, and other members of management. Engagement takes place both formally and informally through supplier assessments, merchandise design and order negotiations, account management interactions and supplier development discussions.

KEY ENGAGEMENT ISSUES

Strengthening human rights practices in local and international manufacturing environments to promote ethical sourcing and fair labour conditions.

RESPONSE TO ENGAGEMENT ISSUE:
The Group has taken steps to embed respect for human rights across its local and international supplier network. Supplier self-assessments focusing on human rights and business ethics have been developed and are being progressively rolled out. These assessments are aligned with the revised Code of Ethics for Suppliers and Business Partners. Targeted training is being provided to teams responsible for supplier onboarding and oversight to strengthen ethical sourcing practices. These initiatives are aimed at reinforcing human rights and business ethics standards throughout the supply chain.

The sustainability of local cut-make-trim (CMT) suppliers is a strategic priority, particularly as the financial viability of several CMTs is currently under pressure.

RESPONSE TO ENGAGEMENT ISSUE:
Truworths Africa has an internal design capability and also collaborates with exclusive external design centres and CMT partners, supporting these businesses by providing funding as well as technical and specialist skills to improve their operations and maximise efficiency. Plant and machinery has been provided on a free-of-charge loan basis to strategic CMT suppliers.

Production planning with CMTs, particularly in dealing with peak demand for specialist product.

RESPONSE TO ENGAGEMENT ISSUE:
The design division's planning teams have collaborated with key CMTs to develop production plans to manage large volumes of specialised product across the season and leverage low-demand production periods to benefit both parties.

Broad-based black economic empowerment (B-BBEE) scorecards of suppliers are considered by management to ensure that Truworths supports higher-rated B-BBEE suppliers.

RESPONSE TO ENGAGEMENT ISSUE:
The Truworths Tender and Capital Expenditure Committee evaluates potential South African based suppliers on a range of criteria, including their commitment to B-BBEE. Where suppliers have a similar score, the supplier with the higher B-BBEE rating would have an advantage.

TRUWORTHS AFRICA

REGULATORS

(Rating unchanged)

RATIONALE FOR ENGAGING: Regulators are the custodians of legislative and regulatory compliance and providers of licences to trade. These include government departments, regulatory bodies and local authorities. Engagement is managed by executive directors together with finance, legal and account risk executives. Interaction occurs through regulatory filings and submissions, formal and informal discussions on key issues, dispute resolution processes and through participation in the National Clothing Retail Federation (NCRF). The recognition of the Group by regulators as a good corporate citizen with high levels of legislative compliance reflects the investment in building social and relationship capital.

KEY ENGAGEMENT ISSUES

CUSTOMS DUTY
The International Trade Administration Commission (ITAC) issued a public notice inviting comment on the proposal to increase the minimum rate of customs duty on certain imported footwear products.

RESPONSE TO ENGAGEMENT ISSUE:
The proposed changes would result in a material increase in the minimum rate of customs duty. Truworths Africa provided comment to ITAC on the proposal, given the impact on low-priced items such as flip flops. ITAC has since initiated an investigation into an increase in the minimum customs duty on a broader range of imported footwear products, including safety footwear products.

COMBATTING MONEY LAUNDERING
As a registered credit provider, Truworths is an accountable institution in terms of the Financial Intelligence Centre Act (FICA) and is required to comply with numerous obligations in terms of FICA.

RESPONSE TO ENGAGEMENT ISSUE:
In further compliance with FICA, Truworths submitted its board-approved risk management and compliance programme to the Financial Intelligence Centre in March 2025.

EMPLOYMENT EQUITY REGULATIONS
The final General Administrative Employment Equity Regulations and sectoral numerical targets were published in April 2025.

RESPONSE TO ENGAGEMENT ISSUE:
Truworths continues to engage constructively through established industry forums to seek greater clarity on aspects of the sectoral targets and the broader regulatory framework. Truworths remains committed to supporting meaningful transformation in the workplace and has published its new five-year employment equity plan in compliance with the regulations.

PROTECTING PERSONAL INFORMATION
Protecting personal information in South Africa and in the UK.

RESPONSE TO ENGAGEMENT ISSUE:
The Group proactively monitors key provisions of the Protection of Personal Information (POPI) Act and the General Data Protection Regulation (GDPR) to strengthen data protection and minimise the risk of incidents.

Managing stakeholder relationships continued

OFFICE UK

CUSTOMERS

■■■■■

(Rating improved)

RATIONALE FOR ENGAGING: Customers are the buyers of merchandise and the primary source of revenue for Office UK. They are a key source of social and relationship capital. Engagement focuses on in-store customers in the UK and Republic of Ireland, as well as national and international online shoppers. Engagement takes place through retail stores, e-commerce platforms and social media channels.

KEY ENGAGEMENT ISSUES

Customers want to shop in a modern environment that showcases leading brands and fashion-relevant shoes.

RESPONSE TO ENGAGEMENT ISSUE:
A new store design concept is being implemented in all new and modernised stores to enhance the shopping experience. Three new stores were opened during the period and seven stores were refurbished and/or expanded, increasing access to the Office brand. Of the 87 stores, 30 are new or modernised stores to date.

Customers want flexibility of 24-hour 'click and collect' parcel collection at convenient locations, such as railway stations and service stations.

RESPONSE TO ENGAGEMENT ISSUE:
Evaluating the implementation of a delivery locker solution which would enable customers to collect orders at secure and conveniently located lockers at any time of day.

Rewarding customer loyalty.

RESPONSE TO ENGAGEMENT ISSUE:
Consideration is being given to expanding the functionality of the mobile apps to include exclusive pricing for app users and early access to promotional offers to reward loyal customers.

OFFICE UK

EMPLOYEES

■■■■□

(Rating unchanged)

RATIONALE FOR ENGAGING: Employees contribute their talent and skills to ensure the business operates efficiently and sustainably. They are the key source of both the human and intellectual capitals. Engagement covers all full-time and flexi-time employees, with line management serving as the primary points of contact, supported by the human resources department. Engagement occurs through multiple channels, including formal communication and surveys, formal and informal training, personal interaction with line managers and direct communication with the Managing Director.

KEY ENGAGEMENT ISSUES

Creating an inclusive, meaningful and positive working environment.

RESPONSE TO ENGAGEMENT ISSUE:
An employee survey was conducted in May 2025 and the results are being used to inform and refine the people strategy.

Embracing the power of inclusive teams and improving retention.

RESPONSE TO ENGAGEMENT ISSUE:
Enhanced maternity pay benefits have been introduced for key roles at head office.

Creating a culture of development.

RESPONSE TO ENGAGEMENT ISSUE:
A key focus of the people strategy is supporting career development, with apprenticeships offered across all departments.

National minimum wage.

RESPONSE TO ENGAGEMENT ISSUE:
The national minimum wage in the UK increased during the period by between 6.7% and 16.3% depending on age grouping. Office UK adjusted salaries accordingly, resulting in an effective increase of 7.2%.

Employment legislation compliance.

RESPONSE TO ENGAGEMENT ISSUE:
Employment-related policies have been reviewed and updated to ensure accuracy, clarity and alignment with current legislation. This includes the introduction of a comprehensive leave handbook, and revisions to the flexible working policy to reflect legislative changes and provide clear guidance for employees.

OFFICE UK

SUPPLIERS

■■■■■

(Rating improved)

RATIONALE FOR ENGAGING: Suppliers are the providers of merchandise and other goods and services, including international suppliers of branded and own-brand merchandise, and landlords. They are a key source of social and relationship capital. Engagement is led by executives, merchandise buyers and management, and takes place through formal and informal channels, including merchandise range selection and development, order negotiations and ongoing account management. We also collaborate with key brands to launch and promote product lines. Engagement with landlords is ongoing and focuses on maintaining strong, mutually beneficial relationships.

KEY ENGAGEMENT ISSUES

MERCHANDISE SUPPLIERS:
Securing stock allocations of the 'must-have' seasonal styles.

RESPONSE TO ENGAGEMENT ISSUE:
Long-standing relationships with key suppliers have enabled Office UK to secure larger stock allocations of the latest seasonal styles due to the strategic importance of Office UK to branded product partners. New suppliers and brands are introduced to complement the assortment.

PROPERTY LANDLORDS:
Lease negotiations in the challenging retail trading environment.

RESPONSE TO ENGAGEMENT ISSUE:
Negotiations continued with landlords to renew leases, with some resulting in favourable rental reversions. Office UK's favourable business performance has also created opportunities to secure new store sites as many landlords seek to secure Office UK as a tenant.

OFFICE UK

REGULATORS

■■■■□

(Rating unchanged)

RATIONALE FOR ENGAGING: Regulators are the custodians of legislative and regulatory compliance, and providers of licences to trade. They include government departments, regulatory bodies and local authorities, with the engagement being managed by executive directors as well as finance and legal executives. Interaction occurs through regulatory filings and submissions, and formal and informal discussions on key compliance issues.

KEY ENGAGEMENT ISSUES

A regulatory Authorised Economic Operator (AEO) audit was conducted.

RESPONSE TO ENGAGEMENT ISSUE:
All required information was provided and the AEO certificate was reissued.

Annual and periodic regulatory filings.

RESPONSE TO ENGAGEMENT ISSUE:
Annual and periodic filings were submitted to Companies House and His Majesty's Revenue and Customs (HMRC), and periodic payments of various taxes were made to the HMRC.

Material issues, risks and opportunities

MATERIAL ISSUES

Material issues are the factors most likely to affect revenue, profitability and sustainability, and therefore influence the Group's ability to create, sustain and preserve value for stakeholders.

These are management's view of the most pertinent financial, operational, regulatory, sustainability and strategic factors affecting the Group during the reporting period and are expected to be the most relevant themes in managing the business in the 2026 financial period. The material issues provide shareholders with insight into the most significant factors currently influencing management's decision making. The issues are dynamic and may change from year to year, as they reflect current retail trends, prevailing macroeconomic factors impacting the business and its customers, as well as internal strategic priorities.

IDENTIFYING MATERIAL ISSUES

A formal process is conducted annually during the Group's strategic planning cycle to review and identify material issues by considering the following factors:

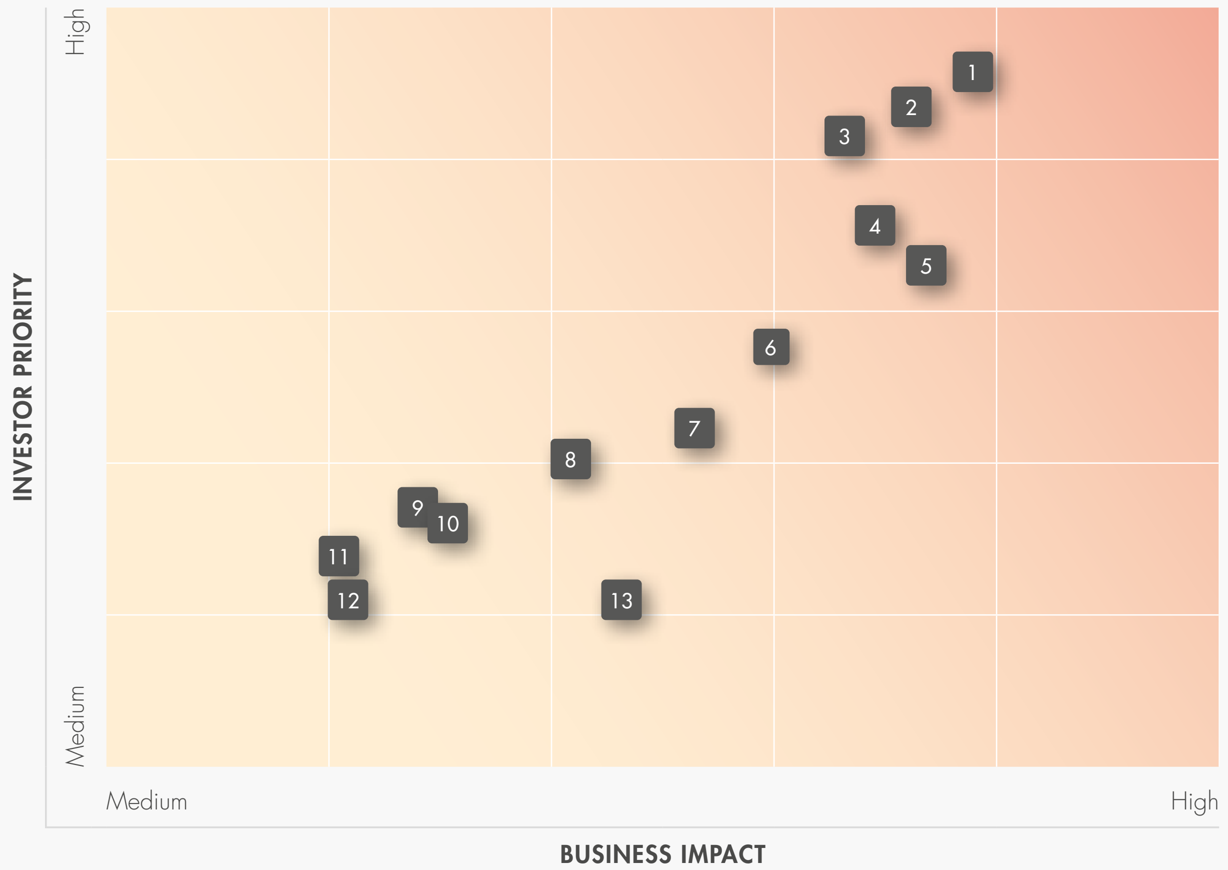
- Operating context, macroeconomic and trading environment (page 61)
- Major risks identified on the Group's risk register
- Needs, expectations and concerns of primary stakeholders (page 17)
- Financial, manufactured, intellectual, human, social and relationship, and natural capital resources (page 14)
- Legislative and regulatory framework
- Main topics frequently addressed by investors in management meetings and through the investor relations email channel investorrelations@truworths.co.za

Based on the outcome of this process, the issues most likely to have a material impact on the Group's performance in the year ahead, as well as over the longer term, are determined. These factors are then taken into account in developing strategic and tactical plans, and identifying potential opportunities.

SOURCE	MATERIAL ISSUES	HEATMAP REFERENCE	IMPACT STATUS
MACRO ECONOMY	• Operating in the challenging macroeconomic environment	1	—
	• Managing the impact of global geopolitical disruptions	11	▲
INDUSTRY	• Safeguarding customer data and managing cybersecurity risk	13	▲
	• Leveraging digital transformation to enhance customer experience	10	▲
INTERNAL	• Managing in-house credit risk (Truworths Africa)	3	—
	• Driving growth through risk-managed credit in a competitive market (Truworths Africa)	2	▲
	• Managing fashion risk	6	—
	• Sustaining margin resilience over the long term	4	▲
	• Managing inventory levels in the constrained consumer spending environment	8	—
	• Optimising the benefits of the new Truworths Africa distribution centre	9	●
	• Sustaining the growth momentum in Office UK while maintaining high returns	5	—
	• Maintaining and strengthening Office UK's positioning as a strategic partner to global footwear brands	7	▼
	• Attracting and retaining critical skills	12	▲

Impact status relative to prior financial period: ▲ Increased ▼ Reduced — Unchanged ● New

The identified material issues have been rated based on their potential business impact and their relevance to investors. Business impact reflects both the consequence and probability on an unmitigated basis, while investor priority has been determined based on investor engagement throughout the period. The heatmap only reflects the most material issues. Accordingly, the impact and priority rating scales run from medium to high in order to exclude less relevant issues.



EMERGING MATERIAL ISSUES

As part of the process of identifying material issues, management also identifies evolving risks and opportunities that are likely to have a material impact in future years but not necessarily in the forthcoming financial year. The most material of these emerging issues are as follows:

SOURCE	MATERIAL ISSUES
MACRO ECONOMY	• Managing climate and environmental risks within the supply chain
	• Adapting to shifting central business district dynamics in South Africa amid rising security risks, urban decline and lower footfall
INDUSTRY	• Complying with the sectoral targets introduced in terms of the Employment Equity Amendment Act in South Africa
	• Online sales substituting store-based sales in fast-changing retail environment in South Africa
INTERNAL	• Harnessing artificial intelligence to drive innovation, growth and competitive advantage
	• Ensuring effective board succession, continuity and leadership transition

Material issues, risks and opportunities continued

1 OPERATING IN THE CHALLENGING MACROECONOMIC ENVIRONMENT

WHY MATERIAL?

Ongoing challenges in the macroeconomic environment continue to place pressure on consumer disposable income, adversely affecting retail sales and customer account payment behaviour, which in turn impacts the Group's revenue and profitability. Weak trading conditions place further pressure on operating costs and margins. Truworths Africa delivers aspirational product to the middle-income mass market in South Africa at better quality and higher price points. Macroeconomic challenges manifest in consumers shopping down to cheaper product, which may result in loss of market share.

CAPITALS IMPACTED	STRATEGIC PILLARS
FC MC SRC	

REPORT REFERENCES:
- Retail trading environment (page 61)
- Chief Executive Officer's report (page 62)
- Chief Financial Officer's report (page 65)

2 DRIVING GROWTH THROUGH RISK-MANAGED CREDIT IN A COMPETITIVE MARKET (TRUWORTHS AFRICA)

WHY MATERIAL?

Truworths Africa utilises credit as a tool to drive merchandise sales and generates 70% of total retail sales from account customers. A recovery in credit sales is vital for the turnaround in the performance of Truworths Africa. While there has been a significant increase in credit granted by several credit providers, Truworths Africa continues to maintain a prudent approach to credit granting, with sound credit risk practices and strong collection strategies. Truworths Africa continually monitors competitor activity to respond to changes in credit market dynamics.

CAPITALS IMPACTED	STRATEGIC PILLAR
FC IC	

REPORT REFERENCE:
- Truworths Africa operational review: Account management (page 84)

3 MANAGING IN-HOUSE CREDIT RISK (TRUWORTHS AFRICA)

WHY MATERIAL?

Ineffective credit risk management could compromise the quality of the Truworths Africa accounts portfolio, leading to increased bad debts, slower collections, limited growth in new accounts and fewer customers utilising account facilities. This could result in slower credit sales and higher operating expenses, which will adversely impact margins.

CAPITALS IMPACTED	STRATEGIC PILLAR
FC IC	

REPORT REFERENCES:
- Chief Executive Officer's report (page 62)
- Chief Financial Officer's report (page 65)
- Truworths Africa operational review: Account management (page 84)

4 SUSTAINING MARGIN RESILIENCE OVER THE LONG TERM

WHY MATERIAL?

The Group consistently delivers globally competitive margins which are supported by its disciplined approach to intake margin management through creative sourcing and merchandise planning, and frugal cost management. The gross margin in Truworths Africa has come under pressure in the weak consumer environment due to slower sales requiring higher levels of markdown to achieve terminal stock objectives, and increased promotional activity in the market generally.

CAPITALS IMPACTED	STRATEGIC PILLARS
FC MC IC	

REPORT REFERENCES:
- Chief Executive Officer's report (page 62)
- Chief Financial Officer's report (page 65)

5 SUSTAINING THE GROWTH MOMENTUM IN OFFICE UK WHILE MAINTAINING HIGH RETURNS

WHY MATERIAL?

Following the post-COVID recovery, Office UK has delivered significantly improved financial and operational metrics, and materially increased its contribution to Group revenue, profitability and cash generation. In the reporting period, Office UK accounted for 34.1% of the Group's retail sales and 38.7% of profit after tax, reflecting the benefits of the Group's diversification strategy. Sustaining this growth momentum is material to the Group's performance and will be driven by Office UK's differentiated market positioning, strategic brand partnerships, continuing the successful store expansion and remodelling programme, and leveraging its advanced e-commerce platform.

CAPITALS IMPACTED	STRATEGIC PILLARS
FC MC IC SRC	

REPORT REFERENCES:
- Chief Executive Officer's report (page 62)
- Chief Financial Officer's report (page 65)
- Office UK operational review (page 91)

6 MANAGING FASHION RISK

WHY MATERIAL?

As a fashion retailer, the Group's success depends on its ability to consistently deliver a wide range of curated, tasteful fashion of superb quality and intrinsic value that is aligned with consumer preferences. Truworths Africa provides an aspirational, better-end offering through exclusive fashion brands while Office UK offers customers the latest shoe and sneaker styles from leading global brands alongside its own-brand fashion footwear ranges.

CAPITALS IMPACTED	STRATEGIC PILLAR
FC IC SRC	

REPORT REFERENCES:
- Chief Executive Officer's report (page 62)
- Truworths Africa operational review: Aspirational fashion (Page 80)
- Office UK operational review: Aspirational fashion (Page 93)

Material issues, risks and opportunities continued

7 MAINTAINING AND STRENGTHENING OFFICE UK'S POSITIONING AS A STRATEGIC PARTNER TO GLOBAL FOOTWEAR BRANDS

WHY MATERIAL?

Office UK is a strategic retail partner to leading global fashion footwear and sneaker brands due to its unique positioning and appeal to the female and male customer. Strong relationships with key brand partners ensure that Office UK has better access to best-selling products, larger stock allocations and broader ranges. Office UK collaborates with these leading brands to curate a unique assortment of in-demand product for Office and Offspring stores while also being a strategically important retail partner for launching the latest seasonal styles.

CAPITALS IMPACTED

IC SRC

STRATEGIC PILLAR

REPORT REFERENCE: • Office UK operational review: Aspirational fashion (Page 93)

8 MANAGING INVENTORY LEVELS IN THE CONSTRAINED CONSUMER SPENDING ENVIRONMENT

WHY MATERIAL?

Truworths Africa maintains strict end-of-season terminal stock targets which guide its approach to promotional activity and markdowns. In the current subdued sales environment, effective inventory management is critical, as higher levels of promotional activity required to achieve terminal stock objectives weigh negatively on the gross margin.

CAPITALS IMPACTED

FC MC

STRATEGIC PILLARS

REPORT REFERENCES: • Chief Executive Officer's report (page 62)
• Chief Financial Officer's report (page 65)

9 OPTIMISING THE BENEFITS OF THE NEW TRUWORTHS AFRICA DISTRIBUTION CENTRE (DC)

WHY MATERIAL?

The new Truworths Africa DC in South Africa is a highly automated facility equipped with advanced materials handling systems. Key benefits of the new DC include the ability to handle greater volumes of replenishment merchandise and better implement the part allocation of merchandise to stores, which activities are expected to benefit sales and lower markdowns in the medium term. To ensure a smooth transition, the new DC was phased in gradually, with the existing and new facilities operating in parallel for several months. This approach minimised disruption to the supply chain during the cross-over to the more automated, higher-speed operating environment.

CAPITALS IMPACTED

FC MC IC

STRATEGIC PILLARS

REPORT REFERENCES: • Chief Executive Officer's report (page 62)
• Truworths Africa operational review: Supply chain (page 82)

10 LEVERAGING DIGITAL TRANSFORMATION TO ENHANCE CUSTOMER EXPERIENCE

WHY MATERIAL?

As digital transformation continues to accelerate, the viability of physical stores can be affected. Enhancing the customer experience through technology is critical to driving personalised engagement, loyalty and sales growth. Investing in world-class technology enables the Group to enhance its digital capability, e-commerce platforms and data analytics to create a seamless omni-channel customer offering and experience both in-store and online.

CAPITALS IMPACTED

FC MC IC SRC

STRATEGIC PILLARS

REPORT REFERENCES: • Chief Executive Officer's report (page 62)
• Chief Financial Officer's report (page 65)

11 MANAGING THE IMPACT OF GLOBAL GEOPOLITICAL DISRUPTIONS

WHY MATERIAL?

Geopolitical events disrupt both global and local supply chains, with shipping challenges leading to delayed delivery of imported seasonal merchandise, which can result in lost sales and higher markdowns. These disruptions also often affect shipping freight rates which adversely impact margins. Shipping challenges also affect local manufacture in South Africa, which depends on the timely import of fabric.

CAPITALS IMPACTED

FC MC

STRATEGIC PILLARS

REPORT REFERENCES: • Chief Executive Officer's report (page 62)
• Chief Financial Officer's report (page 65)
• Retail trading environment (page 61)

12 ATTRACTING AND RETAINING CRITICAL SKILLS

WHY MATERIAL?

In the highly competitive retail environment where specialist skills are in high demand both locally and internationally, the attraction and retention of scarce and critical skills is vital for the Group's success and sustainability. The attraction and retention of talent is also critical in building a pipeline for succession into senior roles and in supporting the development of a diverse and transformed management team.

CAPITALS IMPACTED

IC HC

STRATEGIC PILLARS

REPORT REFERENCES: • Truworths Africa operational review: Human capital (page 88)
• Office UK operational review: Human capital (page 96)

13 SAFEGUARDING CUSTOMER DATA AND MANAGING CYBERSECURITY RISK

WHY MATERIAL?

Owing to the increasing frequency and sophistication of cybercrime, there is a heightened risk of unauthorised access to Group systems and data. Cybercrime could lead to the loss of sensitive information, breaches of customer privacy and disruption to critical operating systems. This may result in reputational damage and ultimately cause financial losses.

CAPITALS IMPACTED

FC MC IC SRC

STRATEGIC PILLAR

REPORT REFERENCE: • Chief Financial Officer's report (page 65)

Material issues, risks and opportunities continued

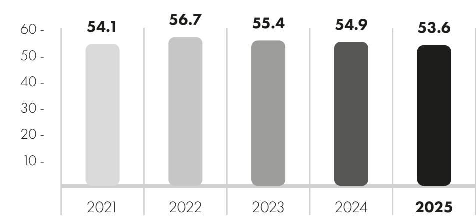
TRUWORTHS AFRICA

ASPIRATIONAL FASHION

MATERIAL ISSUES

- Operating in the challenging macroeconomic environment.
- Managing the impact of global geopolitical disruptions.
- Managing fashion risk.
- Sustaining margin resilience over the long term.
- Managing inventory levels in the constrained consumer spending environment.
- Optimising the benefits of the new Truworths Africa distribution centre.

GROSS MARGIN
(%)



RETAIL SALES CONTRIBUTION

- Ladieswear Emporium – **36%** (2024: 36%)
- Menswear Emporium – **26%** (2024: 25%)
- Identity – **15%** (2024: 16%)
- Truworths Kids Emporium – **10%** (2024: 10%)
- Other – **13%** (2024: 13%)

CAPITALS APPLIED

FC MC IC NC

2026 PLANS FOR THE YEAR AHEAD

- Enhance the fashion offering through expansion of Fuel and Sync, differentiating the Identity product and customer experience, growing our beauty presence and range, and expanding the range of ladies' accessories and bags.
- Launch a new upmarket aspirational smart concept for both men and ladies.
- Consolidate the buying of appropriate product types to reduce duplication, improve negotiation through economies of scale and enable price-tiering.
- Maximise synergies between the buying teams and the internal design centres within the Truworths Africa design division.
- Further integrate AI across the merchandise development process, including the creative product design and merchandising planning functions.
- Enhance the e-commerce platform, including improved customer targeting and personalised communication, upgraded search and product recommendation functionality, as well as improved logistics capabilities.
- Align buying and planning processes with the capabilities of the new Truworths Africa distribution centre (DC).

MEDIUM-TERM OPPORTUNITIES

- Focus the designer brands to ensure differentiation and targeted appeal across all customer profiles.
- Improve quick response sourcing with part allocation capability of the new Truworths Africa DC.
- Increase product development strategies for local and offshore manufacture.
- Experimentation and potential roll-out of a number of new formats in both the emporium and stand-alone stores.
- Capitalise on the strength of brands such as Fuel, Moskow, Daniel Hechter and Ginger Mary to expand their ranges.

PERFORMANCE AGAINST PLANS

PLANS FOR 2025	PERFORMANCE IN 2025
Continue to expand the presence of Sync and Fuel and introduce Fuel product into additional Truworths Man stores to further expand the reach of the brand.	• Continued expansion of store presence: – Sync store count 28 (2024: 26) – Fuel store and department count 86 (2024: 59). • Selected Fuel product now offered in most Truworths Man stores.
Grow accessories and other brand-enhancing lifestyle products.	• Expanded the core kids' accessory offering. • Positioned bags as a strategic focus across all brands.
Implement changes to the buying process to focus on creativity and unique product development by brand.	• Placed key focus on improved style and fabric differentiation to ensure alignment with each brand's unique DNA. • Used artificial intelligence (AI) in the design and creative process, supporting image curation and providing inspiration for product development.
Leverage the close working relationship between the buying teams and the internal design centre that has been enabled by housing the Truworths Africa design division in the head office.	• The integrated design division has enabled synergies across buying teams and design functions. • Locating buyers and designers in the same building has improved communication and reduced response time. • Truworths Africa's quick response capabilities have been enhanced by shorter lead times, allowing for in-season product line repeats which were previously not feasible. • Seamless reporting on order status, from internal design to manufacture and final delivery.
Experiment with AI applications across the merchandise development process.	• A dedicated project was launched to maximise the application of AI across the business, with a focus on the buying, planning and design functions. • Integrated AI into design and production processes, with ongoing testing to enhance efficiencies and innovation. • Upskilled merchandise team members to leverage AI-driven opportunities.
Ongoing improvements to the e-commerce platform, covering on-site functionality and customer delivery experience.	• Enhanced the e-commerce customer experience with improved site search functionality and faster delivery times. • Increased the number of sourcing stores fulfilling online orders, reducing delivery costs and improving logistics efficiency. • Achieved strong e-commerce performance for brands with a smaller store footprint, such as Office London. • Markdown sales are a strong driver of online growth, providing an effective channel for clearing excess stock.

CHALLENGES ENCOUNTERED IN 2025

- The sustained pressure on consumers in an intensely competitive market has resulted in a shift towards value-focused retailers. This trend has been most evident within casualwear, particularly in ladies' apparel.
- The late delivery of winter merchandise and the delayed onset of winter in 2024 dampened seasonal demand, and this was compounded by softer trading in the second quarter of the financial period. This led to elevated end-of-summer stock levels which required higher first-half markdowns and more aggressive in-season promotional activity, which negatively impacted the gross margin.

Refer to Aspirational fashion in the Truworths Africa operational review on page 80 for more detail.

RISKS AND MITIGATION STRATEGIES

1 MANAGING THE IMPACT OF THE VOLATILE RAND/US DOLLAR EXCHANGE RATE ON RETAIL SELLING PRICES OF IMPORTED MERCHANDISE.

- Use forward exchange contracts to cover merchandise imports to lessen the impact of exchange rate volatility. Forward cover level is reviewed and adjusted during the course of normal business processes.
- Continue to seek opportunities to increase the local supply base and diversify the source of supply internationally.
- Improve fabric and product procurement processes, including capitalising on economies of scale through the in-house design centre.

2 COMPETITION FROM GLOBAL ONLINE VALUE CLOTHING RETAILERS SELLING DIRECTLY TO CONSUMERS IN SOUTH AFRICA AND INCREASING COMPETITION FROM LOCAL ONLINE AND TRADITIONAL RETAILERS COULD IMPACT THE SUSTAINABILITY OF MARGINS.

- Continue to invest in fashion intelligence capability through the in-house fashion studio to identify relevant fashion trends.
- Continue to differentiate and elevate product to ensure that it is unique and of high quality.
- Ensure excellent product quality standards and consistent fits and sizing.
- Continue to invest in own brands to create a unique emporium offering.
- Leverage credit to facilitate sales to the target market.
- Utilise local design capability and local supply base to manufacture quick response fashion.
- Manage inventory levels to achieve terminal stockholding at the change of each season.
- Balance local and international supply base to achieve optimal product mix.
- Launch new retail store concepts and continue to enhance the online offering to create a seamless omni-channel experience.
- Focus on merchandise categories where Truworths Africa is underrepresented to grow market share.

Material issues, risks and opportunities continued

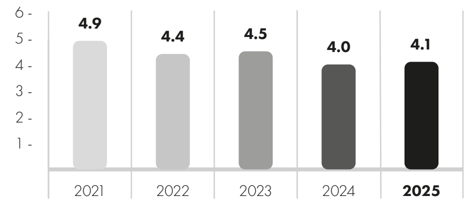
TRUWORTHS AFRICA

SUPPLY CHAIN

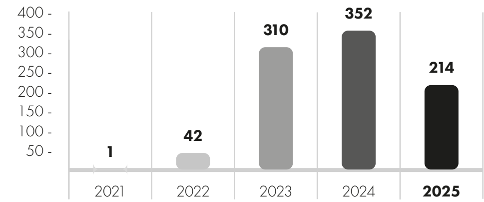
MATERIAL ISSUES

- Operating in the challenging macroeconomic environment.
- Managing the impact of global geopolitical disruptions.
- Sustaining margin resilience over the long term.
- Managing inventory levels in the constrained consumer spending environment.
- Optimising the benefits of the new Truworths Africa distribution centre.

INVENTORY TURN
(Times)



CAPITAL EXPENDITURE ON DISTRIBUTION FACILITIES
(Rm)



CAPITALS APPLIED FC MC IC NC

2026 PLANS FOR THE YEAR AHEAD

- The new DC will be fully operational, and smaller DCs will be consolidated to generate operational efficiencies.
- Part allocation capability in the new DC fully operational.
- Enhance size allocation efficiency.
- Further strengthen design capability within Truworths Africa design division.
- On-board an additional logistics partner to further reduce merchandise distribution risk.

MEDIUM-TERM OPPORTUNITIES

- Revamp current replenishment and allocation system.
- Increase efficiency of the combined warehousing and distribution operations.
- Reduce distribution costs through road freight network optimisation.
- Refine the part allocation approach by product category.
- Maximise the flexibility of the new DC to achieve the optimal balance of allocation types and picking methods available.
- Enhance the disaster recovery capability of the DC.

PERFORMANCE AGAINST PLANS

PLANS FOR 2025	PERFORMANCE IN 2025	CHALLENGES ENCOUNTERED IN 2025
Complete the new Truworths Africa distribution centre (DC) to enable greater volumes of replenishment and part allocation of merchandise to stores, with testing commencing in November 2024 and the facility to be fully operational by March 2025.	• The new Truworths Africa DC went live in stages, starting in November 2024. • Adopted a phased go-live approach, with the existing and new DC operating in parallel until September 2025. • Additional distribution volumes were transitioned to the new DC in a controlled manner. • At the June 2025 period-end, the new DC was processing approximately 55% of the distribution volume. • New DC expected to reach required efficiency and throughput levels by the end of September 2025 following processing of summer 2025 merchandise.	• The newly commissioned Truworths Africa DC is a large, highly automated facility equipped with advanced materials handling machinery. Ahead of the facility becoming fully operational, some delays were experienced during the winter 2025 season due to the need for electrical and mechanical adjustments and fine-tuning of equipment, and these issues were speedily resolved. • The impact of the global container shortages in the previous financial period stabilised by the end of the first month of the 2025 financial period. The severe disruptions previously reported at local ports showed a marked improvement. The performance of the Durban port has improved significantly while the Cape Town port has remained relatively stable with a slightly improved performance. Refer to Supply chain in the Truworths Africa operational review on page 82 for more detail.
Review merchandise volume opportunities to leverage the efficiencies of the new DC and optimise allocation of stock to best-performing stores.	• Testing successfully undertaken on processing part allocation and larger volumes of replenishment goods. • This was not previously possible given the lower capacity of the existing DCs.	
Implement improved allocation techniques to best utilise the capabilities of the new DC.	• Successful testing of part allocation capability of the new DC. • Part allocation to go live for summer 2025 season. • Replenishment system enhancement completed.	
Leverage internal merchandise design capability to improve ability to respond quickly to trading patterns through local manufacture.	• Design houses purchased by Truworths Africa (Barrie Cline and Bonwit) were merged to enhance Truworths Africa's quick response capabilities with improved design capabilities and shorter lead times, allowing for in-season product line repeats which were previously not feasible.	

RISKS AND MITIGATION STRATEGIES

1 BUSINESS INTERRUPTION DUE TO NATURAL DISASTER RESULTING IN LOSS OF OR DAMAGE TO MAIN BUSINESS SITES FOR AN EXTENDED PERIOD.

- All DC assets are adequately insured.
- Fire and flood protection installed at all DCs.
- Disaster recovery plans in place, with the previous main distribution facility being retained as a backup to the new DC.

2 DISRUPTION IN THE LOCAL AND INTERNATIONAL SUPPLY CHAIN.

- Review supplier base to ensure the business has a well-balanced and sustainable range of suppliers across the wide range of product types.
- Identify alternative sources of supply and diversify countries of origin where necessary to manage supply chain risk.
- Continue to seek opportunities to increase local merchandise procurement to reduce reliance on imports.

3 SUPPLIERS NOT OPERATING TO CONTRACTED STANDARDS OF ETHICAL BEHAVIOUR COULD RESULT IN INTERRUPTION OF SUPPLY AND REPUTATIONAL DAMAGE.

- Truworths's code of conduct is included in all supplier agreements and internal audit selects a sample of suppliers to assess compliance with the code.
- Manufacturers are required to comply with ethical business standards, human rights, labour legislation, international health and safety standards, and environmental legislation and treaties to which South Africa is a signatory.
- Legislative compliance audits are conducted as part of the new supplier enrolment process in South Africa.

Material issues, risks and opportunities continued

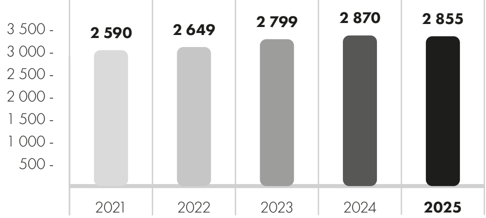
TRUWORTHS AFRICA

ACCOUNT MANAGEMENT

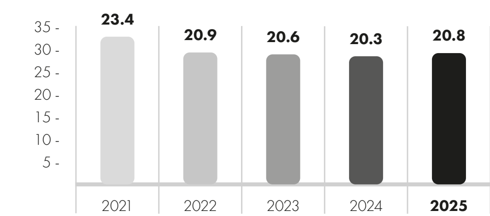
MATERIAL ISSUES

- Operating in the challenging macroeconomic environment.
- Safeguarding customer data and managing cybersecurity risk.
- Leveraging digital transformation to enhance customer experience.
- Managing in-house credit risk.
- Driving growth through risk-managed credit in a competitive market.

NUMBER OF ACTIVE ACCOUNTS
(000)



EXPECTED CREDIT LOSS ALLOWANCE AS A % OF GROSS ACTIVE TRADE RECEIVABLES
(%)



CAPITALS APPLIED

FC MC IC SRC

2026 PLANS FOR THE YEAR AHEAD

- Expand the range of credit products to enhance account acquisition, increase sales to existing account holders and strengthen risk controls for higher risk consumers.
- Optimise credit limits to grow market share of credit sales within defined risk parameters.
- Continue to grow the active account base through targeted conversion of loyalty programme members and through the use of other channels.
- Leverage the customer data experience platform to send personalised, relevant communication to customers at the right time, through the most effective channels.
- Expand AI capabilities to improve the accuracy of predictive models and reduce the complexity and resources required for ongoing enhancements.

MEDIUM-TERM OPPORTUNITIES

- Develop a customer-for-life approach offering a range of fashion and credit options.
- Develop AI-powered real-time transaction analytics to drive actions across the portfolio, with human support where necessary.
- Introduce behavioural and action-effect models to enable mathematical optimisation of credit products across the portfolio.

PERFORMANCE AGAINST PLANS

PLANS FOR 2025	PERFORMANCE IN 2025	CHALLENGES ENCOUNTERED IN 2025
Enhance new account acquisition by focusing on the cost per opened account, leveraging the loyalty base and extending the use of the alternative new account product.	• Converted a large number of new account customers from the loyalty programme membership base, reducing the cost of acquisition of new accounts. • Continued to test buy-now-pay-later credit option with selected customers. • Commenced development of variations of the core credit product aimed at growing credit market share within defined risk parameters. • Applied advanced analytics to optimise digital campaigns.	• There has been a significant increase in credit granted by credit providers generally in South Africa, particularly in the higher-risk mass market. This has led to these customers taking on greater credit commitments and higher monthly repayment obligations, which could negatively impact this market segment. • The improvement in consumer credit health has been slow and modest, and the recovery remains fragile amid structural economic weaknesses, political uncertainty and global scrutiny weighing on sentiment. Refer to Account management in the Truworths Africa operational review on page 84 for more detail.
Ensure consistent collections communications to customers through the appropriate channels.	• Enhanced and simplified the collections communications process, resulting in improved performance. • Implemented a cloud-based experience platform powered by artificial intelligence (AI) to personalise customer journeys and communication. • Optimised agencies to maximise yield.	
Focus on customer value management to balance short-term sales with the long-term profitability of account customers.	• The focus on the long-term profitability of account customers is proving successful, with pleasing levels of growth in the balances of good risk customers. • While this strategy is expected to take time to impact the overall book quality, early indications are encouraging.	

RISKS AND MITIGATION STRATEGIES

1 MANAGEMENT OF CREDIT RISK IN TRUWORTHS

- Apply account risk criteria and processes consistently using advanced analytics, AI, machine learning, scorecards and models.
- Review account management, collections and acquisition strategies regularly and refine these to leverage new data and predictive models.
- Implement and maintain best-of-breed account management tools that accurately execute policies, processes and strategies.

2 BREACH OF CYBERSECURITY COULD RESULT IN THE LOSS OF SENSITIVE INFORMATION AND COMPROMISE CUSTOMER PRIVACY

- Data Privacy and Security steering committee oversees information technology and cybersecurity activities and priorities.
- Ongoing improvement and delivery of cybersecurity prevention technologies and strategies.
- Data privacy and cybersecurity training is mandatory for all employees and is supported by regular awareness campaigns.
- Policy introduced to ensure information and data security through responsible use of AI to protect against business risks.
- Regular network penetration testing to identify and rectify vulnerabilities.
- Cyber-risk insurance cover arranged.

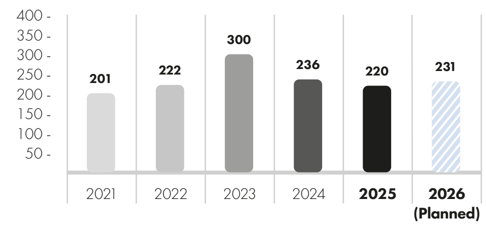
Material issues, risks and opportunities continued

TRUWORTHS AFRICA
RETAIL PRESENCE

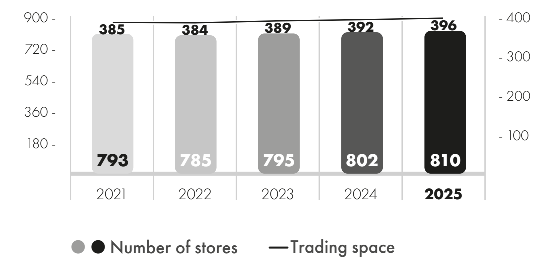
MATERIAL ISSUES
- Operating in the challenging macroeconomic environment.
- Leveraging digital transformation to enhance customer experience.
- Managing inventory levels in the constrained consumer spending environment.

CAPITALS APPLIED
FC MC SRC

STORE DEVELOPMENT CAPITAL EXPENDITURE
(Rm)



GROWTH IN STORE BASE
(Number of stores) (000 m²)



2026 PLANS FOR THE YEAR AHEAD
- Expand trading space by approximately 2%.
- Commit R231 million to store development.
- Ongoing rationalisation and consolidation of space to improve trading densities, close underperforming stores and enhance the mix of brands and product in a store.
- Continue to grow online sales contribution while further reducing fulfilment costs and shortening delivery lead times.

MEDIUM-TERM OPPORTUNITIES
- Ongoing expansion and remodelling of trading space.
- Continue expansion of new store formats such as the Identity megastore, Kids Emporium, Context and Sync.
- Increase roll-out of Fuel to appropriate stores and launch Fuel ladieswear range.
- Develop a premium fashion designer range with associated upmarket store fixturing that can be situated in the emporium or in stand-alone stores.
- Grouping of existing brands that attract a younger segment of the market, and the inclusion of a new streetwear range to form a destination for this segment, housed in the emporium or in stand-alone stores.
- Establish a combined jeanswear ladies' and men's destination primarily with the existing OBR and Hemisphere brands for ladies and men.
- Further grow online presence to complement the physical store network and enhance the omni-channel experience.

PERFORMANCE AGAINST PLANS

PLANS FOR 2025	PERFORMANCE IN 2025
Trading space to be expanded by approximately 1%.	• Adopted a conservative approach to store expansion in the current constrained trading environment. • Increased trading space by 0.5% (2.0% added from new stores and expansion, and 1.5% decrease due to store closures and space optimisation). • 22 stores opened across all brands and 14 stores closed. • 26 stores expanded, consolidated, converted or relocated. • 810 stores at period-end (2024: 802).
R243 million committed to store development.	• R220 million (2024: R236 million) invested in store development.
Ongoing rationalisation and consolidation of space to improve trading densities, and close underperforming stores.	• 14 stores closed, including seven where the brand was incorporated into the Truworths Emporium store. • Changed product mix in many stores to improve trading densities. This is an ongoing process where advanced analytics is used to determine the optimal mix of product in a store.
Implement the Emporium Re-imagined store concept in additional large-format Truworths stores.	• Implemented Emporium Re-imagined design concept in a further six existing large Truworths stores. • Observed a sales uplift in stores following implementation of the concept. • Emporium Re-imagined design concept now being implemented in all new and renovated Truworths stores.
Continue to grow online sales contribution while further reducing fulfilment costs and shortening delivery lead times.	• Increased e-commerce sales by 33.7%, accounting for 6.5% of Truworths Africa's total retail sales (2024: 4.9%). • Increased the number of sourcing stores to fulfil online orders, which reduced delivery costs and improved delivery efficiency.

CHALLENGES ENCOUNTERED IN 2025
- A marked reduction in foot traffic in malls as a result of constrained consumer spending, increased transport costs, moderate wage increases and high levels of unemployment, compounded by the downsizing and closure of mining operations in the Free State, Northern Cape and North West provinces.
- Several stores in smaller towns continued to experience electricity outages during trading hours due to electricity being disconnected owing to local authorities not paying outstanding debts owed to Eskom.
- Escalating service delivery protests resulted in the temporary closure of stores in affected areas for several hours, and in serious cases for a number of days, to ensure the safety of employees, customers and company assets.
- An increasing incidence of damage to electricity substations resulted in certain areas being without power for extended periods, disrupting trade in the nearby stores, while vandalism of plant and equipment at shopping centres further impacted store trading conditions.

Refer to Retail presence in the Truworths Africa operational review on page 86 for more detail.

RISK AND MITIGATION STRATEGIES

1 ELECTRICITY LOAD SHEDDING, OUTAGES AND INFRASTRUCTURE FAILURE IN SOUTH AFRICA REMAINS A RISK TO TRADING.

- Following the significant investment in backup power solutions over the past few years, approximately 92% of South African store sales are covered by alternative power sources, either installed by the business or provided by landlords.
- Distribution centres are equipped with generators to ensure uninterrupted operations.
- Invested in generators for some local suppliers and manufacturers.

Material issues, risks and opportunities continued

OFFICE UK

ASPIRATIONAL FASHION

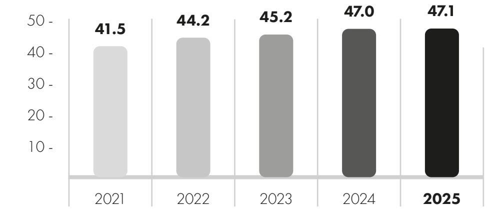
MATERIAL ISSUES

- Operating in the challenging macroeconomic environment.
- Managing the impact of global geopolitical disruptions.
- Managing fashion risk.
- Sustaining margin resilience over the long term.
- Managing inventory levels in the constrained consumer spending environment.
- Sustaining the growth momentum in Office UK while maintaining high returns.
- Maintaining and strengthening Office UK's positioning as a strategic partner to global footwear brands.

RETAIL SALES CONTRIBUTION

- Office – **84%** (2024: 81%)
- Offspring – **16%** (2024: 19%)

GROSS MARGIN
(%)



CAPITALS APPLIED

FC MC IC NC

2026 PLANS FOR THE YEAR AHEAD

- Continue to adapt the brand mix to align with the fashion cycle of the consumer.
- Grow ladies' and men's MTO sales and margin by continuing to improve product, quality and sourcing.
- Further expand new brands.
- Grow the range of related accessories.
- Progress the implementation of the new merchandise management system.

MEDIUM-TERM OPPORTUNITIES

- Introduce new MTO product categories.
- Grow men's sports and branded ranges.
- Continue to source new footwear partners to expand the range on offer.
- Improve MTO contribution.

PERFORMANCE AGAINST PLANS

PLANS FOR 2025	PERFORMANCE IN 2025
Continue to adapt the brand mix to align with the fashion cycle of the consumer.	• Expanded the brand portfolio with the inclusion of new branded footwear partners. • Continued to align buying patterns with the shift in the brand mix due to changing trends and customer brand preferences.
Grow own-brand made-to-order (MTO) sales and margin by continuing to improve product, quality and sourcing.	• Increased ladies' MTO contribution to retail sales marginally at a significantly improved gross margin. • Strong sales growth in MTO ranges in new and modernised stores.
Further expand new brands and Earthaddict range across ladies' and men's MTO ranges.	• Developing new ladies' and men's premium ranges.
Continue development of the new merchandise management system for implementation in the 2026 financial period.	• Made good progress on the design phase of the new system. • Appointed vendor for the supply of the new system. • Implementation planned for the 2027 financial period.

CHALLENGES ENCOUNTERED IN 2025

- Import delays due to ongoing shipping challenges impacted availability of MTO ranges.
- Shortages of supply of branded footwear ranges to meet high customer demand for key brands, particularly in the first half of the financial period.

Refer to Aspirational fashion in the Office UK operational review on page 93 for more detail.

RISK AND MITIGATION STRATEGIES

1 INCREASING COMPETITION FROM ONLINE AND TRADITIONAL RETAILERS COULD IMPACT THE SUSTAINABILITY OF MARGINS.

- Continued engagement with brand partners to maintain and enhance brand relationships.
- Continued focus on Office UK's core customer to strengthen point of differentiation and secure brand support and product allocation.
- Ongoing investment in new and modernised stores to enhance brand appeal and strengthen point of differentiation.
- Continued focus on expanding MTO product ranges, including collaboration with Truworths Africa's trend forecasting and buying teams.
- Grow the store footprint in strategically important locations, supplemented by a best-in-class online offering to deliver a seamless omni-channel customer experience.
- Implement improved online functionality and marketing communication.

Material issues, risks and opportunities continued

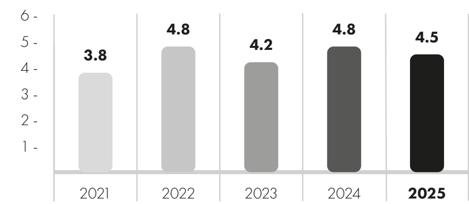
OFFICE UK

SUPPLY CHAIN

MATERIAL ISSUES

- Operating in the challenging macroeconomic environment.
- Managing the impact of global geopolitical disruptions.
- Sustaining margin resilience over the long term.
- Managing inventory levels in the constrained consumer spending environment.
- Sustaining the growth momentum in Office UK while maintaining high returns.

INVENTORY TURN (In Sterling)
(Times)



CAPITALS APPLIED FC MC IC NC

2026 PLANS FOR THE YEAR AHEAD

- Continue with remodelling of the Kilmarnock facility to increase capacity and improve efficiencies.
- Review contracts with major logistics service providers to maximise cost and service benefits.
- Identify additional sea freight service providers for MTO merchandise to improve service reliability and realise cost savings.

MEDIUM-TERM OPPORTUNITIES

- Implement a new order management solution to decrease costs and increase ability to offer alternative payment and delivery options to e-commerce customers.
- Implement outbound automation to reduce costs and increase capacity for handling e-commerce customer orders.
- Evaluate new courier management software integration to expand e-commerce customer delivery choices to ensure lowest cost deliveries while meeting service expectations of customers.

PERFORMANCE AGAINST PLANS

PLANS FOR 2025	PERFORMANCE IN 2025	CHALLENGES ENCOUNTERED IN 2025
Continue with remodelling of Kilmarnock warehouse facility to increase capacity and improve efficiencies.	• Installed modern materials handling equipment and reconfigured racking systems, which contributed to increased storage capacity and operational efficiency.	Shipping through the Red Sea remained unstable during 2025, requiring extended delivery lead times to be incorporated into the buying process for product transported through the Suez Canal. While there has been a slight improvement in service reliability compared to the previous year, sea freight costs have remained elevated.
Restructure operational processes to align with planned implementation of the new merchandise management and warehouse management systems.	• Implemented dock scheduling system to improve inbound efficiency.	Refer to Supply chain in the Office UK operational review on page 94 for more detail.

RISKS AND MITIGATION STRATEGIES

1 BUSINESS INTERRUPTION DUE TO NATURAL DISASTER RESULTING IN LOSS OF OR DAMAGE TO MAIN BUSINESS SITES FOR AN EXTENDED PERIOD.

- Adequate insurance cover in place for warehouse assets.
- Fire and flood protection systems installed at the warehouse.
- Disaster recovery plans in place to ensure business continuity.
- Improve systems and processes to increase inventory turn.

2 DISRUPTION IN THE LOCAL AND INTERNATIONAL SUPPLY CHAIN.

- Ongoing review of the supplier base to maintain a well-balanced and sustainable range of suppliers across the MTO range.
- Identify alternative sources of supply to reduce supply chain risk.
- Introduce early delivery processes during peak periods to minimise seasonal trade disruptions.
- Engage alternate freight forwarders and shipping lines to reduce dependency on existing logistics providers.

3 SUPPLIERS NOT OPERATING TO CONTRACTED STANDARDS OF ETHICAL BEHAVIOUR COULD RESULT IN INTERRUPTION OF SUPPLY AND REPUTATIONAL DAMAGE.

- Apply and monitor adherence to anti-corruption and bribery policy.
- Suppliers required to accept working practices outlined in Office's Code of Ethics and Good Business Practice.
- Enforce supplier compliance to the Modern Slavery Act statement (available on the Office website).
- Implement controls to prevent tax avoidance in the supply chain in accordance with legislation.

Material issues, risks and opportunities continued

OFFICE UK RETAIL PRESENCE

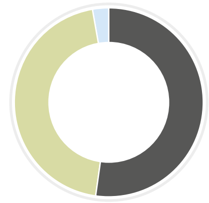
MATERIAL ISSUES

- Operating in the challenging macroeconomic environment.
- Leveraging digital transformation to enhance customer experience.
- Managing inventory levels in the constrained consumer spending environment.
- Sustaining the growth momentum in Office UK while maintaining high returns.

CAPITALS APPLIED

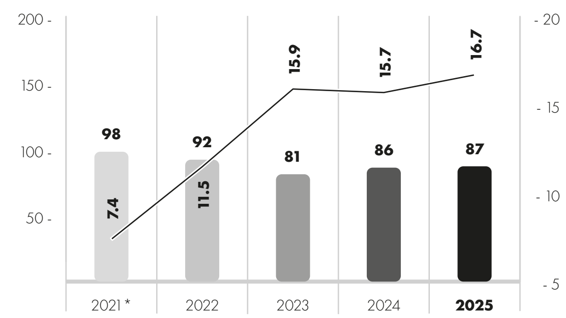
FC MC SRC

RETAIL SALES BY CHANNEL



- United Kingdom stores – **52%** (2024: 51%)
- E-commerce – **45%** (2024: 46%)
- Republic of Ireland stores – **3%** (2024: 3%)

EVOLUTION OF STORE PORTFOLIO



* Trading impacted by COVID-19 lockdown.

2026 PLANS FOR THE YEAR AHEAD

- Trading space planned to increase by approximately 10% – 12%.
- Commit capital expenditure of £6.4 million to store development.
- Capitalise on new store opportunities with the planned opening of seven new stores and the relocation of one store.
- Apply the new store design to modernise nine stores.
- Enhance apps with additional payment functionality and integrate into the customer relationship management system.
- Implement a delivery locker solution to offer customers the option of receiving orders at secure, conveniently located lockers, enabling 24-hour collection.
- Enhance e-commerce order fulfilment from stores.

MEDIUM-TERM OPPORTUNITIES

- Maintain the profitability of the store portfolio through efficient lease management and taking advantage of new opportunities for additional stores and the redevelopment of existing space.
- Grow Offspring retail store presence and remodel key stores.
- Improve customer retention through personalised communication and offer key customers priority notifications of new products and promotions.
- Implement an optimisation champion-challenger framework to improve marketing efficiencies and profitability.

PERFORMANCE AGAINST PLANS

PLANS FOR 2025	PERFORMANCE IN 2025
Maximise the store portfolio by securing tenure in the best locations at affordable occupancy costs.	• Continued to reinvest in modernising and selectively upgrading and expanding the store portfolio. • Secured longer rental tenure in most strategic locations. • Leases renewed generally for five or 10 years, usually with a break clause after year five.
Trading space planned to increase by approximately 11% (new stores and optimising existing store space).	• Trading space increased by 6.4% over prior period-end. This was lower than planned due to delays in some projects. • 87 stores (2024: 86), including 11 concessions (2024: 11) at period-end.
Capital expenditure of £7.3 million committed to store development.	• £5.4 million (2024: £6.5 million) capital expenditure incurred on store development.
Capitalise on new store opportunities with the planned opening of four new stores, relocation of three stores and the closure of one store.	• Three new Office stores opened, including one new store to replace a temporary location. • Two flagship stores relocated. • Two stores closed.
Apply the new store design in modernising up to 12 stores.	• Seven stores modernised and expanded. • New store design concept applied to all new and modernised stores. • Trading space increased in modernised stores by regaining space from larger-than-required stock rooms and converting this into retail space.
Upgrade existing Office mobile app to enable personalised communication with targeted customers.	• Upgraded Office app with additional functionality launched in the second half of the financial period. • App integrated with the customer relationship management system to enable personalised communication with targeted customers. • Positive response from customers and immediate uplift in app-related sales.
Develop new mobile app for Offspring with similar functionality to the Office mobile app.	• Offspring app launched in the second half of the financial period.
Develop next phase of chatbot and integrate with digital carrier.	• Not implemented in the 2025 financial period, however, it remains a future goal.

CHALLENGES ENCOUNTERED IN 2025

- The store rental market has become increasingly competitive, making it more challenging to secure sites in key locations due to increased competition for space and higher rates.
- Lease negotiations in certain prime locations have become more challenging, however, the brand strength and strong financial position have contributed to Office UK being in higher demand as a tenant.
- The national minimum wage increases for the past three years have created cost pressure on store payroll costs.

Refer to Retail presence in the Office UK operational review on page 95 for more detail.

RISKS AND MITIGATION STRATEGIES

1 BREACH OF CYBERSECURITY COULD RESULT IN THE LOSS OF SENSITIVE INFORMATION AND COMPROMISE CUSTOMER PRIVACY.

- Ongoing improvement in delivery of cybersecurity strategies.
- Compulsory General Data Protection Regulation (GDPR) and Payment Card Industry Data Security Standard (PCIDSS) training provided to all employees.
- Adherence to and compliance with GDPR and PCIDSS.
- Amended contracts with third-party suppliers who process data on behalf of Office UK to incorporate GDPR adherence.
- Data privacy and cybersecurity training mandatory for all employees and supported by regular awareness campaigns.
- Policy introduced to ensure information and data security through responsible use of artificial intelligence to protect against business risks.
- Regular network penetration testing to identify and rectify vulnerabilities.

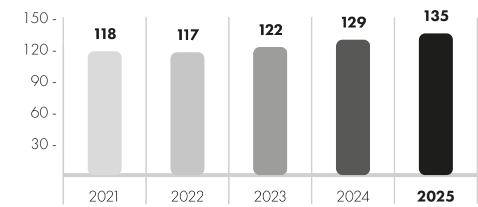
Material issues, risks and opportunities continued

GROUP
HUMAN CAPITAL

MATERIAL ISSUES

- Attracting and retaining critical skills.

INVESTMENT IN SKILLS DEVELOPMENT
(Rm)



CAPITALS APPLIED IC HC SRC

2026 PLANS FOR THE YEAR AHEAD

- Phased progression of succession plan for top management and senior executives.
- Continued focus on diversity training to ensure inclusivity.
- Ongoing focus on transformation and creating opportunities for black and female employees.
- Align practices with the United Nations Women's Empowerment Principles.
- Focus on recruitment and retention of scarce and critical skills.
- Heighten the focus on identifying internal talent.

MEDIUM-TERM OPPORTUNITIES

- Implement the Office UK cloud-based workforce management system in Truworths Africa.
- Modification of recruitment process with the implementation of AI and automation tools.

PERFORMANCE AGAINST PLANS

PLANS FOR 2025	PERFORMANCE IN 2025
Phased progression of succession plan for top management and senior executives.	• Top management and senior executives have completed an assessment process from which tailored development plans are being formulated. • Various Truworths Africa top management members have become integrally involved in the operations of specialist functions within Office UK. • Top management of both Truworths Africa and Office UK have undergone targeted financial literacy and governance training.
Continued focus on diversity, equity and inclusion.	• Conducted ongoing diversity training to unlock unconscious bias among the leadership and management to ensure employees feel they belong. • Continued to drive a culture of inclusivity, irrespective of gender, race or beliefs. • Confirmed zero tolerance approach to gender-based violence by participating in the global 16 Days of Activism campaign. • Continued to align human resources practices with UN Sustainable Development Goals on gender equality and women empowerment.
Continued focus on transformation and creation of opportunities for black and female employees to feel empowered to succeed, and for females to feel supported by the business.	• Increased female representation at top management in Truworths Africa to 33.3% (2024: 30.03%). • Black top management representation in Truworths Africa at 20.2% (2024: 20.0%). • Maintained B-BBEE rating at level 4, with improvement on B-BBEE scorecard to 85.50 points (2024: 82.64 points). • Completed Office UK gender pay gap report in April 2025.
Ongoing focus on aligning the human resources processes of Office UK with those of Truworths Africa.	• Aligned Office UK leave policy with that of Truworths Africa. • Undertook employee engagement surveys and developed action plans to address findings.
Implementation of a cloud-based workforce management system in Office UK.	• Successfully implemented the workforce management system in Office UK. • The system enables automated interfacing to the payroll and manages shift registrations and allocations as well as leave applications for store and distribution centre employees.

CHALLENGES ENCOUNTERED IN 2025

Truworths Africa
- Attracting and retaining scarce and critical talent in a competitive and skills-constrained employment market where specialist skills are in high demand both locally and internationally.

Office UK
- Retaining critical skills with pressure on employers to pay higher salaries.

Refer to Truworths Africa Human capital on page 88 and Office UK Human capital on page 96 for more detail.

RISK AND MITIGATION STRATEGIES

1 SCARCITY OF SPECIALIST SKILLS AND SUCCESSION FOR KEY EXECUTIVES AND SENIOR EMPLOYEES.

The Group executive leadership team, comprising the CEO and two Joint Deputy CEOs, is supported by six directors and 10 divisional directors in Truworths Africa and the managing director and three divisional directors in Office UK, with an average length of service of 21 years.

Group strategy

Our Group strategy is underpinned by our Business Philosophy, ensuring that all strategic decisions are aligned with the core principles that define our unique identity and differentiate us from our competitors.

The Group's strategic objectives outlined below are implemented through strategies within Truworths Africa and Office UK. These strategies also guide the financial and operating targets for the Group's short and long-term incentive schemes, ensuring that executive reward is aligned with shareholder value creation.

In developing these strategies, management considers the availability of capital resources and assesses the viability of each strategic project based on its potential to create capital value and whether the expected capital allocation justifies the anticipated investment and return. The impact of the Group's business activities on the capitals as well as the constraints and the key trade-offs related to the capitals are detailed in the Value-creating business model on page 13.

STRATEGIC OBJECTIVES TO DELIVER ON OUR VISION

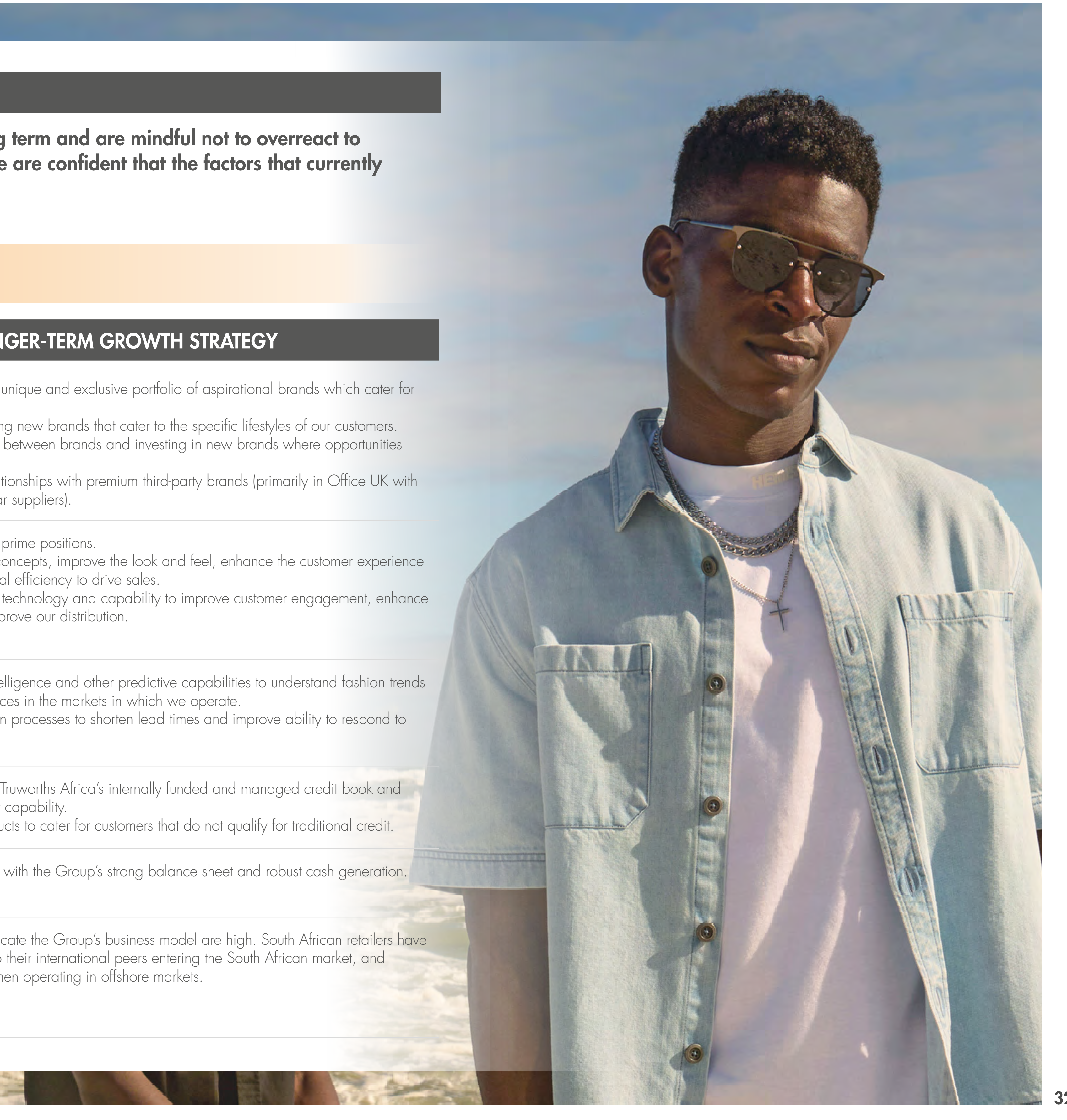
Time horizon: Short term 1-3 years; Medium term 3-5 years

DELIVERING ON OUR VISION	STRATEGIC OBJECTIVES	CAPITALS IMPACTED
FOR OUR SHAREHOLDERS	**Deliver significant shareholder value** over time through share price appreciation, dividend distributions and share buy-backs from excess net cash by growing sales, maintaining world-class gross margins, while being frugal with expenses.	FC
	Efficient financial and capital management to enable long-term growth.	FC
	Integrate sustainability into business operations in a responsible manner to drive long-term shareholder value and resilience.	SRC NC
FOR OUR CUSTOMERS	Maintain **Truworths Africa's aspirational better-end fashion positioning** through a mass-market offering of exclusive fashion brands.	IC
	Offer **Office UK customers a curated assortment of in-demand shoe and sneaker styles** from leading global brands, complemented by own-brand fashion footwear.	IC
	Offer customers access to aspirational merchandise through **responsible credit granting** (Truworths Africa) **and multiple payment options** (Truworths Africa and Office UK).	FC IC
	Optimise supply chain efficiency to reduce fashion risk and improve our ability to procure and distribute merchandise.	MC IC
	Create an **enticing and modern store environment by developing** new store concepts and upgrading retail stores.	FC MC IC
	Grow store portfolio in Truworths Africa and Office UK.	FC MC
	Create a market-leading **omni-channel experience** by enhancing our digital capability and creating a seamless in-store and online offering.	MC IC
FOR OUR EMPLOYEES	**Attract, develop and retain talented employees** while celebrating and rewarding successful performance.	FC IC HC

STRATEGIC ENABLERS and capitals impacted

Strategic enabler	Capitals impacted
Sound financial, information and operating systems	MC IC
Strong governance culture and practices	IC
Robust balance sheet and cash generation	FC
Motivated and engaged people	HC
Active stakeholder engagement	SRC
Responsible citizenship	SRC NC

Group strategy continued



LONGER-TERM STRATEGY

One of our core beliefs is that business is a marathon, not a sprint. We always think long term and are mindful not to overreact to short-term events. The business has therefore been positioned for the longer term and we are confident that the factors that currently differentiate the Group will continue to be relevant well into the future.

Time horizon — **Long term** 5-7 years

LONGER-TERM STRATEGY	DRIVERS OF LONGER-TERM GROWTH STRATEGY
Maintain aspirational appeal to the emerging and established middle-class market who aspires to be fashionable and to wear higher-quality merchandise that makes them look good and feel attractive.	• Owning or licensing a unique and exclusive portfolio of aspirational brands which cater for multiple lifestyles. • Developing and growing new brands that cater to the specific lifestyles of our customers. • Creating differentiation between brands and investing in new brands where opportunities arise. • Maintaining strong relationships with premium third-party brands (primarily in Office UK with leading global footwear suppliers).
Enhance store formats to improve the shopping experience. Invest in omni-channel initiatives and online channels to create a **seamless customer experience**. **Grow brand equity** to build trust and increased customer satisfaction and loyalty.	• Locating retail stores in prime positions. • Introducing new store concepts, improve the look and feel, enhance the customer experience and improve operational efficiency to drive sales. • Investing in world-class technology and capability to improve customer engagement, enhance personalisation and improve our distribution.
Adapt and respond to changing consumer shopping behaviour and patterns and **remain at the forefront of innovation and technology**.	• Investing in artificial intelligence and other predictive capabilities to understand fashion trends and consumer preferences in the markets in which we operate. • Optimising supply chain processes to shorten lead times and improve ability to respond to sales trends.
Continue to **utilise customer accounts as the primary driver and enabler of sales** to Truworths Africa's mainstream middle-income customer.	• Utilising the strength of Truworths Africa's internally funded and managed credit book and credit risk management capability. • Introducing credit products to cater for customers that do not qualify for traditional credit.
Pursue an active capital management strategy to **maximise returns to shareholders** through a combination of share price appreciation, dividend payments and share buy-backs.	• Supporting the strategy with the Group's strong balance sheet and robust cash generation.
Maintain focus on organic growth, supported by bolt-on acquisitions in new and strategic categories where the Group is underrepresented. **Evaluate acquisition opportunities in South Africa and internationally** to complement the organic growth strategy.	• Barriers to entry to replicate the Group's business model are high. South African retailers have proven to be resilient to their international peers entering the South African market, and globally competitive when operating in offshore markets.

Governance

‘SOUND CORPORATE GOVERNANCE PRACTICES ENSURE BETTER AND MORE COMPREHENSIVE INTEGRATED REPORTING OF BOTH FINANCIAL AND NON-FINANCIAL ASPECTS TO STAKEHOLDERS.’

IN THIS SECTION:

Chairman's report

'The Group's governance philosophy is premised on the belief that good governance practices enhance corporate performance, mitigate the risk of failure and support long-term business sustainability.'

Hilton Saven Independent non-executive Chairman

ANNUAL DIVIDEND PER SHARE

487 cents

(2024: 529 cents)

DIVIDENDS PAID IN PAST FIVE YEARS

R8.9 billion

The benefits of the Group's diversification into the UK were again evident in the 2025 financial period, with Office UK delivering a strong performance and contributing 34% of the Group's retail sales and 39% of profit. Truworths Africa delivered a resilient performance in the constrained consumer environment, although the slow retail sales had a significantly negative impact on the Group's overall performance.

Group headline earnings per share (HEPS) decreased by 8.0% (3.7% on a *pro forma* basis) to 752 cents and the annual dividend was reduced by 7.9% to 487 cents per share. The dividend cover was maintained at 1.5 times HEPS. Factors that influenced the Group's financial performance are covered in the Retail trading environment (page 61), Chief Executive Officer's report (page 62) and Chief Financial Officer's report (page 65).

Despite the headwinds in the South African market, the Group generated strong cash flows, maintained disciplined cost management and delivered globally competitive returns on most financial and capital metrics (refer to Chief Financial Officer's report on page 65), while strengthening the balance sheet with an improved net cash position.

Cash generated from operations increased to R4.8 billion. This funded dividend payments of R2.0 billion, bringing the total returned to shareholders in dividends in the past five years to R8.9 billion.

Capital investment of R674 million included the final expenditure of R214 million on the development of Truworths Africa's new world-class distribution centre, at approximately R1 billion over three years, the largest capital investment project ever undertaken by the Group.

The Group reversed a net debt position of R306 million at the prior period-end into a cash holding of R720 million at the end of the period, ahead of month-end payments.

The Group's capital allocation strategy aligns with its Vision for shareholders outlined in the Business Philosophy, with its focus on long-term value creation. The strategy focuses on reinvesting in organic growth and returning surplus funds to shareholders through dividend payments and share buy-backs. At the same time, management continues to cautiously explore opportunities to acquire aligned businesses both in South Africa and internationally. While potential acquisitions have been evaluated, no transactions have been pursued.

While the Group has not repurchased shares over the past three years mainly due to other capital allocation priorities, including the investment in the new distribution centre, the board remains committed to creating shareholder value through this mechanism. Since 2020, the Group has repurchased 51.9 million shares at a cost of R2.5 billion at an average price of R47.88 per share. Share repurchases are a standing item on the board agenda and are considered as opportunities arise in periods of share price weakness and also taking into account the Group's cash position. Shortly after the release of the Group's 2025 financial results, the board approved the resumption of the share buy-back programme, subject to the Group's net cash outlook for the year ahead and on condition that the buy-backs are earnings accretive.

The Group actively manages its capital structure to optimise financial returns for shareholders while generating competitive capital ratios. Our return on equity at 28% and return on assets at 21% significantly exceed the average performance of leading international fashion retailers and local listed apparel retailers. The return on invested capital continues to outperform the Group's weighted average cost of capital, highlighting the efficiency of management's capital deployment.

GOVERNANCE AND REPORTING

King V elevating governance practices

Earlier this year, we welcomed the release of the draft King V Report on Corporate Governance™* for South Africa (King V), which will replace the King IV Report of 2016.

King V seeks to ensure governance practices remain relevant to evolving local and global developments as well as aligning with the recent amendments to the Companies Act.

King V refines existing governance principles and aligns them with contemporary challenges, including remuneration governance, sustainability reporting, board and director independence, and the rapidly evolving digital landscape. The code places specific emphasis on the governance of emerging technologies such as AI, cybersecurity, data management and broader information governance.

As King V represents an evolution of the predecessor, King IV Code, we anticipate that the updated principles will be seamlessly integrated into the Group's governance framework.

Chairman's report continued

Excellence in integrated reporting
The Group's governance philosophy is premised on the belief that good governance practices enhance corporate performance, mitigate the risk of failure and support long-term business sustainability.

This philosophy extends to our commitment to improving disclosure and enhancing reporting. The Group's financial reporting was again recognised in the EY 2025 Excellence in Integrated Reporting Awards where our 2024 Integrated Report was ranked seventh among the top 100 companies on the JSE. This marks the 18th consecutive year that our report has been ranked in the top 10 and the 23rd year it has been rated in the 'Excellent' category, the only company on the JSE to achieve this distinction. The awards are independently adjudicated by a panel of integrated reporting experts and are acknowledged as a benchmark of excellence in reporting to investors.

REMUNERATION POLICY

The Group's remuneration policy and reporting continue to evolve in response to legislative developments, employment market practices, governance standards and shareholder engagement.

The increased shareholder support at the 2024 AGM for the Group's remuneration policy and implementation report reflects the board and management's efforts in recent years to enhance remuneration structuring and reporting, closely align targets with shareholder expectations and engage more extensively with shareholders.

The promulgation of the Companies Amendment Act 16 of 2024 in 2025 will introduce material changes to remuneration reporting and disclosure in South Africa. While the implementation date of the legislation has not been determined, the Remuneration Committee has proactively reviewed the amended requirements to ensure our reporting practices are aligned and will be compliant once the legislation comes into effect.

One of the most significant changes is the requirement that resolutions to approve the remuneration policy and remuneration report are subject to binding votes, requiring the support of more than 50% of shareholders. If either resolution fails to achieve majority approval, the members of the Remuneration Committee will be required to stand for re-election by shareholders.

BOARD OF DIRECTORS

As part of the ongoing process to refresh the board, we welcomed Brendan Deegan as an independent non-executive director and member of the Audit Committee with effect from 1 October 2024. Brendan is an experienced chartered accountant and former partner of PricewaterhouseCoopers where he held senior roles including head of the audit practices in South Africa and Africa, chair of the Africa governance board and head of the global internal audit practice. His expertise in accounting, financial reporting, leadership, governance and assurance is already proving to be an asset to the board.

Brendan was appointed chairman of the Audit Committee on 7 November 2024, succeeding Roddy Sparks who stood down from the committee.

Our phased board succession strategy to refresh the non-executive component of the board has seen nine new non-executive directors appointed over the past seven years, with the average tenure of our non-executive directors now slightly over 10 years.

This succession process is aimed at ensuring continuity in independent oversight, with newly appointed non-executive directors increasingly contributing to board deliberations and assuming positions on board committees. Our board is stable and independent, with a healthy balance of more recently appointed and longer serving directors which encourages debate and ensures continuity in our independent oversight.

The board is also diverse in its composition and the insights that each director brings to the boardroom, ensuring that the interests of all stakeholder groups are addressed. We believe this enables the board to add value to the strategic direction of the Group and ensures that the needs and concerns of our mass middle-income target market are addressed.

We have retained the voluntary medium-term targets contained in the board diversity policy of 30% female and black director representation. Following the board changes in the reporting period, female representation is 29% (2024: 31%) and black representation is 21% (2024: 23%).

CHIEF EXECUTIVE OFFICER SUCCESSION

The board is encouraged by management's strategic plans for both Truworths Africa and Office UK that have been developed over the past few years and are expected to deliver tangible results in the next 12 to 24 months. We have also set ambitious goals aimed at increasing Office UK's contribution to Group profit and restoring Truworths Africa to a sustained growth trajectory.

As Group CEO, Michael Mark is actively involved in driving the Group's expansion plans in the UK together with the Office UK executive team. He is also leading several of the most critical new strategic initiatives within Truworths Africa. The successful execution of these plans under Michael's leadership is vital to maintaining Office UK's growth momentum and achieving a turnaround in Truworths Africa.

Against this background, the board has requested Michael to remain in his role as CEO for a further period before transitioning into a consultancy role within the Group. We are pleased that he has agreed to do so. The timing of this transition and the appointment of Michael's successor has yet to be determined by the board.

As part of the phased transition, Michael is working closely with our two Deputy CEOs, Sarah Proudfoot and Mannie Cristaudo, who manage substantial portfolios and have assumed key responsibilities over the past three years. They are supported by a highly experienced team comprising six directors and 10 divisional directors in Truworths Africa, and the managing director and three divisional directors in Office UK.

COMPANY SECRETARY

After the year end, we informed shareholders that Chris Durham will retire from his role as Company Secretary with effect from 30 September 2025. Chris will remain with the business as a permanent employee and Divisional Director.

Duncan Pask, who was appointed Designate Company Secretary in July 2024, has been appointed as Company Secretary with effect from 1 October 2025.

We thank Chris for his dedicated service and valuable contribution as Company Secretary since 1999 and welcome Duncan to his new role.

APPRECIATION

Thank you to my fellow non-executive directors for their commitment to maintaining the highest standards of governance and oversight, and for their ongoing guidance, counsel and engagement. On behalf of the board, I extend my sincere appreciation to Michael Mark, Sarah Proudfoot and Mannie Cristaudo for their inspired and resilient leadership in the challenging retail environment, ably supported by the highly experienced management teams in Truworths Africa and Office UK.

Our stakeholders are integral to the success and sustainability of the Group, and we thank our shareholders, customers, employees, suppliers and regulators for their continued support and engagement.

Hilton Saven
Independent non-executive Chairman

Board of directors

INDEPENDENT NON-EXECUTIVE DIRECTORS

Hilton Saven (72)
BCom, CA(SA)
Chairman of the board

Chartered accountant and business consultant

Non-executive Chairman: Balwin Properties Ltd, Lewis Group Ltd

Trustee: Truworths Chairman's Foundation, Truworths International Limited Share Trust

Appointed to the board in February 2003

Chairman of Nomination Committee and member of Remuneration Committee, Risk Committee and Social and Ethics Committee

Hans Hawinkels (73)
BSc Eng, BCom, MBA
Lead Independent Director

Businessman and consultant

Appointed to the board in February 2018

Chairman of Remuneration Committee and member of Nomination Committee

Brendan Deegan (63)
BCom, CA(SA), CA(Ireland)

Director of companies

Non-executive Director: Lewis Group Ltd, Monarch Insurance Company Ltd

Appointed to the board in October 2024

Chairman of the Audit Committee

Rob Dow (68)
BSc (Hons), Dip.Acc (Dist), CA

Investment adviser and business consultant

Managing Director: Maygrass Property and Investments (Pty) Ltd and SCI Albain

Chairman and trustee: Truworths International Limited Share Trust, St Mary's School Trust

Trustee: The Kildysart Property Trust

Appointed to the board in February 1998

Member of Nomination Committee and Remuneration Committee

Dawn Earp (63)
BCom, BAcc, CA(SA), CD(SA)

Director of companies

Non-executive Director: Impala Platinum Holdings Ltd, ArcelorMittal South Africa Ltd, Pan African Resources PLC

Appointed to the board in May 2021

Member of Audit Committee and Risk Committee

Tshidi Mokgabudi (71)
BCom, BAccSci (Hons), CA(SA), H.Dip Tax Law

Director of companies

Non-executive Director: Alutech (Pty) Ltd, Adcorp Holdings Ltd, Vukile Property Fund Ltd, Denel SOC Ltd, Lanseria International Airport (Pty) Ltd

Appointed to the board in February 2020

Member of Audit Committee

Thabo Mosololi (56)
BCom (Hons), CA(SA) MAP, EDP

Director of companies

Non-executive Director: Pan African Resources PLC, MFT Investment Holdings (Pty) Ltd, Kotula Investments and Advisory Services (Pty) Ltd

Managing Director: MalaMala Game Reserve

Appointed to the board in May 2021

Chairman of Social and Ethics Committee

Daphne Motsepe (68)
BCompt, MBA

Director of companies

Non-executive Director: Lewis Group Ltd, Kapela Holdings (Pty) Ltd, NEC XON Holdings (Pty) Ltd, Toyota Tsusho Africa (Pty) Ltd, CFAO Mobility South Africa (Pty) Ltd, CFAO Equipment South Africa (Pty) Ltd

Appointed to the board in August 2023

Wayne Muller (59)
BCom, BAcc

Business consultant

Trustee: Tracker Management Trust

Appointed to the board in August 2023

Member of the Remuneration Committee and Nomination Committee

Roddy Sparks (66)
BCom (Hons), CA(SA), MBA

Director of companies

Non-executive Director: Trencor Ltd

Trustee: World Wildlife Fund for Nature and FoodForward Foundation

Member: UCT Joint Investment Committee

Appointed to the board in February 2012

Member of Risk Committee

Tony Taylor (78)
BA

Director of companies

Non-executive Chairman: PBT Group Ltd

Director: Kilrush Properties (Pty) Ltd

Appointed to the board as an executive director in February 1999. Retired as an executive director and became a non-executive director on 1 April 2010, and qualified to be classified as an independent non-executive director with effect from 1 April 2013.

Member of Remuneration Committee and Nomination Committee

EXECUTIVE DIRECTORS

Michael Mark (72)
BCom, MBA, ACMA
Chief Executive Officer

Executive Chairman: Truworths Ltd, since March 1998

Trustee: Truworths Chairman's Foundation

Employee since May 1988

Appointed to the board in July 1988, as Managing Director of Truworths Ltd in July 1991 and as Chief Executive Officer of the Group in July 1996

Chairman of Risk Committee

Sarah Proudfoot (57)
National Diploma in Clothing Design
Joint Deputy Chief Executive Officer

Director: Truworths Ltd

Trustee: Truworths Chairman's Foundation

Employee since March 2001

Appointed to the board in May 2019, as Deputy Managing Director: Truworths Ltd in January 2021 and as Joint Deputy Chief Executive Officer of the Group from 1 October 2022

Emanuel Cristaudo (66)
BCom (Business Economics and Information Systems)
Joint Deputy Chief Executive Officer
Chief Financial Officer

Director: Truworths Ltd

Trustee: Truworths Social Involvement Trust, Truworths Community Foundation, Truworths Enterprise Development Trust

Employee since July 2021 (previously employed by Truworths from 1997 to 2013)

Appointed to the board as a non-executive director in January 2021, as Chief Financial Officer from 1 July 2021 and as Joint Deputy Chief Executive Officer of the Group from 1 October 2022

Member of Risk Committee and Social and Ethics Committee

Group leadership

TRUWORTHS INTERNATIONAL EXECUTIVE LEADERSHIP

Michael Mark (72)
BCom, MBA, ACMA
Chief Executive Officer
Executive Chairman: Truworths Ltd
Employee since May 1988
Appointed to the board in July 1991
Chairman of Risk Committee

Sarah Proudfoot (57)
National Diploma in Clothing Design
Joint Deputy Chief Executive Officer
Employee since March 2001
Appointed to the board in March 2016 and as Deputy Managing Director: Truworths Ltd in January 2021

Emanuel Cristaudo (66)
BCom (Business Economics and Information Systems)
Joint Deputy Chief Executive Officer
Chief Financial Officer
Employee since July 2021 (previously employed by Truworths from 1997 to 2013)
Appointed to the board in July 2021
Chairman of Transformation Committee
Member of Risk Committee and Social and Ethics Committee

TRUWORTHS AFRICA EXECUTIVE LEADERSHIP

Myles Apsey (51)
BEcon

Director: Merchandise Planning
Employee since May 2004
Director since February 2021

Gary Barnard (49)
BSc (Electro-Mechanical Engineering)

Director: Credit Risk, Analytics and Information Systems
Employee since July 2002
Director since February 2021

Sharon Malander (63)
BCom, Global Reward Professional

Director: Human Resources
Employee since April 1990
Director since February 2021
Trustee: Truworths Social Involvement Trust, Truworths Community Foundation, Wooltru Healthcare Fund
Member of Transformation Committee

Zamira Mowzer (48)
BCom, CA(SA)

Director: Internal Audit, Legal, Governance and Risk
Employee since January 2008
Director since February 2021
Trustee: Truworths Social Involvement Trust, Truworths Community Foundation, Truworths Enterprise Development Trust
Chairperson of Compliance Committee and member of Transformation Committee

Peter Shackleton (49)
BCom, PG Dip Management (Marketing)

Director: Marketing, Digital and Merchandise
Employee since May 2004
Director since February 2021

Gavin Teixeira (59)

Director: Retail Operations
Employee since June 2004
Director since February 2021
Trustee: Wooltru Healthcare Fund

Group leadership continued

TRUWORTHS AFRICA DIVISIONAL DIRECTORS

Lauren Dreyer (51)

Divisional Director: International Sourcing
Employee since July 1998
Divisional Director since February 2021

Chris Durham (69)

FCIS, PG Dip. Adv. Co Law (UCT)

Divisional Director: Company Secretary
Employee and Company Secretary since June 1999
Divisional Director since March 2016
Member of Compliance Committee and Transformation Committee

Sarah Elliott (54)

Divisional Director: Merchandise Buying
Employee since March 2011
Divisional Director since February 2021

Mark Etherington (65)

Diploma in Clothing Management

Divisional Director: Truworths Africa Design Division and Quality Assurance
Employee since January 2012
Divisional Director since February 2021

Heinrich Gericke (58)

BEcon

Divisional Director: Projects and Logistics
Employee since July 2009
Divisional Director since February 2021

Sally Goodwin (55)

BSocSci

Divisional Director: Merchandise Buying
Employee since May 1994
Divisional Director since February 2021

Cathy Kirkman (57)

Divisional Director: Merchandise Planning
Employee since February 1995
Divisional Director since March 2019

Tony Miek (62)

PG Diploma in Accounting

Divisional Director: Real Estate and Store Design
Employee since December 2005
Divisional Director since August 2006
Chairman of Sustainability Committee

Samantha Pienaar (50)

Diploma in Retail Business Management

Divisional Director: Merchandise Buying
Employee since August 1996
Divisional Director since February 2021

Reon Smit (43)

BAcc (Hons), CA(SA)

Divisional Director: Finance
Employee since April 2008
Divisional Director since February 2021
Trustee: Truworths Enterprise Development Trust
Member of Sustainability Committee and Transformation Committee

OFFICE UK LEADERSHIP

Jon Richens (56)

CGMA

Managing Director
Employee since July 2021
Managing Director since July 2021

Ghassan Hodeib (53)

Buying Director
Employee since February 1996
Director since January 2004

Kevin Barnes (52)

Divisional Director: E-commerce and Customer Services
Employee since September 2011
Divisional Director since February 2021

Louis Pretorius (60)

MEng (Electronic)

Divisional Director: Information Technology and Supply Chain
Employee since October 2017
Divisional Director since February 2021

Governance creating value

BOARD CONTRIBUTION TO STRATEGIC DELIVERY AND VALUE CREATION

The board of directors periodically reviews the risks and opportunities it believes could have the most significant impact on the Group's ability to create and preserve value or prevent value erosion for stakeholders. In determining these material issues, the directors consider the Group's strategic objectives together with several internal and external factors, including the Group's strategies as formulated by executive management, the needs, expectations and concerns of its main stakeholders, the risks and opportunities in the macroeconomic and trading environment, the capitals available to the Group, as well as the legislative and regulatory framework within which the Group operates.

In the 2025 financial period, the board reaffirmed that the Group's strategic objectives are aimed at delivering a sustainable and diversified earnings profile and improved returns for shareholders, while deriving benefits for stakeholders over the medium to long term. The board confirmed the Group's strategic objectives which are outlined in the Group strategy report on page 31.

The board monitors progress on the implementation of the Group's strategies and supporting growth initiatives, and measures performance against both the agreed financial targets and the strategic objectives.

The board, supported by the boards of the principal operating subsidiaries, Truworths Ltd (in South Africa) and Office Holdings Ltd (in the UK), assesses on an ongoing basis whether the activities of the Group are creating value for its key stakeholders as defined by its Vision for stakeholders. Refer to the Creating stakeholder value report on page 9.

The Truworths International board functions in terms of a formal charter and provides ethical and strategic direction and leadership to the Group. The board is guided by the Group's Business Philosophy (refer to page 7) and is accountable for the overall strategic objectives aimed at delivering the outcomes (Vision) of the Business Philosophy, and for governance and performance of the Group.

GOVERNANCE ADDING VALUE

The Group's approach to corporate governance is to ensure it contributes to improved operational decision making and corporate performance, thereby reducing the risk of failure. The Group therefore aims for the relevant governance policies, structures and processes, which initially may have been brought into existence to ensure adherence with applicable regulation and codes of conduct, to add value and ensure corporate sustainability, and to enable the Group to take advantage of opportunities that arise.

THE GROUP'S CORPORATE GOVERNANCE AIM IS ACHIEVED BY:

Critically considering governance requirements to determine how they could be implemented in a value-adding way and in a manner that aligns with the Group's Business Philosophy.	Identifying opportunities in governance requirements for enhanced accountability, improved decision making, better risk mitigation and more comprehensive disclosure.	Conducting a thorough enquiry process before implementing policies, reporting and monitoring mechanisms, and committee structures that are hallmarks of a sound corporate governance framework.	Periodically reviewing these elements and benchmarking the Group's initiatives against comparable companies and recommended best practice.

IMPROVED CORPORATE PERFORMANCE ARISING FROM SOUND CORPORATE GOVERNANCE HAS MANIFESTED ITSELF IN A NUMBER OF WAYS IN THE GROUP OVER AN EXTENDED PERIOD, INCLUDING:

Diversity and independence of opinion in board decision making with the aim of ensuring sound outcomes.	Improved operational decision making that takes into account the breadth of the perspectives expressed.	Maintenance of discipline and integrity in management's reporting to the board.	Enhanced levels of accountability and transparency by management to the board.
Meaningful risk management processes and controls that are practically embedded in day-to-day operations and decision making.	Better and more comprehensive integrated reporting of both financial and non-financial aspects to stakeholders.	High levels of assurance regarding the reporting by management to shareholders.	Achievement of an appropriate balance in meeting the expectations of the different stakeholders of the Group.

It is the view of the board that, in a demanding operating environment, the sound governance framework has served to mitigate against the erosion of value and has preserved and created value for the business and its stakeholders in the form of lower risk, ongoing sustainability and resilience, reasonable consistency of financial performance, sound stakeholder relationships, high levels of legislative compliance and reputational integrity.

In addition to its responsibility for maintaining a sound corporate governance framework, the board is ultimately responsible for the Group's environmental and social practices, and accordingly has oversight responsibility for the environmental, social and governance (ESG) strategy and performance. The board has delegated its responsibility for monitoring the Group's ESG performance, particularly in relation to environmental and social matters, to the Social and Ethics Committee. Several of the directors have experience in managing sustainability issues and risks or have undergone relevant training (refer to table of board of directors' expertise on page 43). Details of the Social and Ethics Committee's activities during the year and how it assisted the board to monitor the Group's ESG performance are contained in the Social and Ethics Committee report 2025, available on the website www.truworths.co.za/reports.

Governance creating value continued

INNOVATION

THE BOARD PROMOTES AND ENABLES INNOVATION AND ALIGNMENT WITH THE BUSINESS PHILOSOPHY IN A NUMBER OF WAYS, INCLUDING:

- Ensuring that strategic projects carried out by management emphasise innovation and creativity in areas such as the development of merchandise ranges, new brands and concepts, the design of information systems, the adoption and use of artificial intelligence (AI) and machine learning, the strategies implemented to enhance the customer account offering, the design of stores, the technology and methodologies applied to our distribution centres, and the expansion of e-commerce.
- Linking management's short and long-term rewards and incentives to its performance in delivering measurable outcomes that encompass innovation in relation to such strategic projects.
- Critically assessing the extent of innovation in strategic projects and other business initiatives through management presentations at board meetings, and evaluating the progress and benefits of these projects and initiatives.
- Delegating the responsibility for monitoring progress on strategic and other projects to the Chief Executive Officer (CEO) who, at project report-back days held quarterly, stimulates innovation and creativity by challenging management to consider new concepts, designs, systems and processes when proposing solutions to business issues.
- Promoting and emphasising the importance of practically applying the Group's Business Philosophy in everyday operations, at the heart of which lies innovation.

BOARD DELIBERATIONS

OFFICE UK

A material matter considered and discussed by the board was the ongoing development and continued revenue growth of Office UK, and the strategies planned by executive management to sustain the growth momentum in this segment of the Group through targeted strategic initiatives. In the financial period, the board monitored the further successful implementation of these initiatives and was pleased to note a further material improvement in Office UK's operational and financial performance. The matters monitored included:

Capitalising on opportunities to grow Office UK's retail footprint through the opening of new stores in strategically important locations, as well as the reconfiguration of existing trading space.	The investment in technology required to grow the business and deliver on strategic objectives.
The availability of cash resources to deploy within the business.	Office UK's operational and capital expenditure and cash flow management to ensure alignment with the medium-term strategic direction.
Further strengthening relationships with international footwear brands.	Further aligning merchandise buying and planning processes with Truworths Africa's best practices.
Increased operational alignment with Truworths Africa.	The fair value assessment of the Office UK trademarks and considerations regarding the reversal of previously recognised impairment losses.
The performance of the executive management team.	Succession for executives.

The board was most satisfied with the implementation of these action plans and will continue to assess their effectiveness on an ongoing basis with a view to maintaining the business on a positive growth trajectory.

NON-EXECUTIVE DIRECTOR SUCCESSION

A further significant matter considered by the board is succession planning for long-serving non-executive directors. In recent years, the board has embarked on a systematic process to refresh the non-executive component. This approach aims to ensure continuity in terms of the important and ongoing contribution from long-standing directors, while newly appointed non-executive directors grow their knowledge of the Group and begin to influence board deliberations in a substantive manner. The board's succession process seeks to increase skills and expertise in key areas such as 'Human resources and transformation' and 'Sustainability matters'.

Over the past seven years, nine new non-executive directors have been appointed to the board as part of this succession strategy. It is envisaged that, as the newly appointed directors are able to be promoted to committee membership, long-serving non-executives would be able to retire from the board.

Brendan Deegan was appointed as an additional independent non-executive director of the company and member of the Audit Committee with effect from 1 October 2024. Brendan was appointed as chairman of the Audit Committee with effect from 7 November 2024 to replace Roddy Sparks who retired from this position.

CEO AND SENIOR EXECUTIVE SUCCESSION

The succession for the CEO and senior executives remains an important and ongoing consideration for the board.

The appointment of Sarah Proudfoot and Emanuel (Mannie) Cristaudo as the Group's Joint Deputy Chief Executive Officers took effect from 1 October 2022. Michael Mark, the Group's CEO, and the two Joint Deputy CEOs work together on all aspects of the Group's strategy and its implementation. Michael continues to play a vital role in the Group and is actively driving the expansion plans in Office UK with the UK team and is primarily responsible for some of the most critical new strategic initiatives within Truworths Africa.

The successful execution of these plans and initiatives under Michael's direct leadership is critical to sustaining growth in Office UK, and to returning Truworths Africa to a growth trajectory. Against this background, the board has asked him to remain in his position as Group CEO for a while longer until he transitions to a consultancy role within the Group, and he has agreed to this arrangement. The timing of the transition has not yet been determined and until such time, he will retain the position of Group CEO and chairman of the material subsidiary companies.

The board remains confident that Sarah Proudfoot and Mannie Cristaudo, together with the six directors and 10 divisional directors of Truworths Africa, and the managing director and three divisional directors of Office UK, are the right team to transition the Group in future years by retaining the strength of the Group's unique DNA, while at the same time being able to continue to move the businesses forward. The ongoing appointments of the Group CEO and Group Joint Deputy CEOs confirm the board's firm belief in their competence and leadership, and that of the directors and divisional directors who report to them.

Governance creating value continued

During the period under review, board deliberations included the following:

	KEY ISSUES	ROUTINE MATTERS
NOTED	• The progress made on strategies undertaken by executive management to sustain the growth momentum in Office UK, and the resulting strong financial and operational performance of Office UK and the authorisation of the partial reversal in the 2024 financial period of trademark impairment losses recognised in prior periods. • Management's strategies to deal with risks in the local merchandise supply chain, including the steps taken, equipment acquisitions made and financing provided to vertically integrate key local suppliers. • Management's repeat achievement of increased points on the broad-based black economic empowerment scorecard for Truworths. • Management's steps taken to further integrate the various design house capabilities of the Truworths Africa design division.	• The general annual declarations and other declarations made by directors regarding their personal financial interests. • The quarterly analysis of the company's shareholders and beneficial owners of shares. • Various presentations by management relating to different aspects of the Group's business, including the performance of the Truworths Africa account portfolio, recent initiatives in the corporate social investment programme, performance on strategic projects and presentations on merchandise ranges.
CONSIDERED	• The further progress made and steps taken to ensure adequate succession planning for key senior executives, including that of the CEO. • Implementation by management of its plans to finalise the building and fit-out of the new distribution facility for Truworths Africa. • The outcomes of the board, committee, director and Company Secretary evaluation processes. • The capital allocation relating to the store roll-out and technology enhancements for Office UK and their impact on Group cash flows which was approved in terms of the capital expenditure budgets. • The Group's net cash position and the potential utilisation of surplus cash.	• The quarterly financial reports and forecasts presented by the CFO. • The periodic reports of the chairmen of the Audit, Remuneration, Nomination, and Social and Ethics committees and of the Truworths Transformation Committee. • The quarterly presentations of the Risk Committee chairman, together with the top risk matrices for the Truworths Africa and Office UK segments. • The quarterly presentations by the Company Secretary on new relevant legislation and regulations. • The reports on management's performance against financial targets and other key indicators.
APPROVED	• Executive management's strategies for Truworths Africa and Office UK. • Management's working capital forecast and revisions thereto for the periods to December 2025 and June 2026. • Management's operational and capital expenditure budgets for the Group and its various operating entities. • To provide increased operational support to enable and sustain growth in Office UK.	• The Group Audited Annual Financial Statements, Integrated Report, Summarised Audited Group Annual Results, Notice of Annual General Meeting and Group Environmental, Social and Sustainability Governance report. • The Group's Interim Report and results and other announcements on SENS and in the media. • The Group's financial and strategic targets for executive incentive scheme purposes.
AUTHORISED	• Executive management to explore various potential acquisitions continuously. • Executive management to further undertake company share repurchases within defined parameters and subject to the availability of funds, including during closed periods, subject to solvency and liquidity requirements, and to cancel and delist shares repurchased, if required.	• Executive management to issue and list or acquire company shares pursuant to share incentive scheme transactions within defined parameters. • Executive management to arrange for the company to provide financial assistance, in the form of guarantees, to Group companies in accordance with legislative prescripts.
RESOLVED	• To appoint Brendan Deegan as an independent non-executive director and member of the Audit Committee with effect from 1 October 2024. • To appoint Brendan Deegan as Audit Committee chairman with effect from 7 November 2024.	• To declare interim and final dividends in respect of the 2025 financial period after consideration of the company's solvency and liquidity position.

Governance creating value continued

GOVERNANCE FRAMEWORK

SHAREHOLDERS

TRUWORTHS INTERNATIONAL

GROUP BOARD OF DIRECTORS

External Audit
Internal Audit

AUDIT COMMITTEE | **RISK COMMITTEE** | **REMUNERATION COMMITTEE** | **SOCIAL AND ETHICS COMMITTEE** | **NOMINATION COMMITTEE**

TRUWORTHS AFRICA

Operational board

Operational Board Governance Committees
Sustainability, Transformation, Tender and Capex, Compliance, Change Control

OFFICE UK

Operational board

Operational Board Governance Committees
Audit, Tender and Capex, Risk, Change Control

BOARD AND COMMITTEE MEETING ATTENDANCE

For the reporting period, the directors achieved a 98.4% (2024: 99.4%) level of attendance at board, committee and annual general meetings.

BOARD PERFORMANCE

An annual evaluation is conducted to assess the effectiveness of the board as a unit. The evaluation concluded that the board's overall functioning and governance were highly effective, and further indicated that:

- The board executes its role at a high performance standard, with significant strength demonstrated in how it maintains a culture of open and frank discussion with the CEO and other executive directors, the appropriate proportion of non-executive to executive directors, its sufficient independence from management and how it sets the tone for ethical behaviour and compliance standards throughout the organisation.
- The Truworths International board is rated as excellent in comparison to other boards that directors serve on due to its effectiveness in monitoring operational and financial performance, the integrity of processes involved and its strength in identifying, prioritising and scheduling those issues it believes should be reviewed on a regular basis. The board is aware of further opportunities to develop and review its performance objectives to respond to the Group's specific needs, including comparisons to competitors where appropriate.
- The board considers its size, composition and level of independence to be sufficient, with a continued focus on improving its organisation, including committee structure. The proportion of non-executive to executive directors and the board's sufficient independence from management are noteworthy strengths, while prioritising the representation of diversity of experience, demographics, gender and other characteristics remains an area of focus to ensure the ongoing effectiveness and transformation.
- The recruitment and retention of directors is a strength and the board is satisfied that new directors are provided with adequate information about the Group to facilitate their effective orientation. Defining and communicating board expectations concerning individual directors' responsibilities is highlighted as a focus area for the future, as well as the opportunity for directors to continue their focus on education with regard to corporate governance for the Group.
- Leadership, teamwork and management relations are areas of significant strength, as the board continues to manage and conduct its business at an excellent standard, at both board and committee levels, which includes maintaining optimal relationships with the CEO as well as other executive directors.
- Directors rate board and committee meetings as highly productive, with the agenda ordered and prioritised with sufficient time to discuss the most complex and critical matters. The quality and timing of information relating to the agenda is provided to directors to optimise productivity during meetings. Group-wide succession plans for non-executive and executive directors are in place, and the board is familiar with senior managers in the company with opportunities to more regularly review their strengths as part of succession planning.
- The Truworths International board evaluation process effectively assesses the board, committees and directors to ensure directors meet high standards and expectations. Designing and implementing additional benchmarks to gauge performance is highlighted as an opportunity at board, committee and individual director levels.
- The board maintains the necessary resources and support to function effectively, and performance is appropriately rewarded. Appropriate consideration is granted to the treatment of various constituencies, including shareowners, employees, customers, suppliers and communities, and communication with institutional shareowners is of a high standard.

The board ensures ethical behaviour and proper compliance standards throughout the organisation and communicates legal responsibilities in this regard effectively to board members. The Group's Business Philosophy is the cornerstone and sets the tone for ethical behaviour from the top.

THE NINE DIMENSIONS EVALUATED IN DETERMINING THE EFFECTIVENESS OF THE BOARD:

- Roles and responsibilities
- Composition, size and independence
- Director orientation and development
- Leadership, teamwork and relationships with management
- Board and committee meeting productivity
- Director evaluation and compensation
- Succession planning
- Ethical leadership and culture
- Stakeholder engagement

Governance creating value continued

The Truworths International board provides ethical and strategic direction and leadership to the Group. The board is accountable for the overall strategy, governance and performance of the Group.

BOARD OF DIRECTORS

Diversity of expertise | **Policy:** To have a well-rounded board with the necessary skills and expertise to govern effectively and satisfy business requirements.

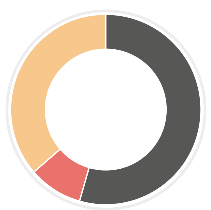
	Collective expertise	Hilton Saven	Hans Hawinkels	Brendan Deegan	Rob Dow	Dawn Earp	Tshidi Mokgabudi	Thabo Mosololi	Daphne Motsepe	Wayne Muller	Roddy Sparks	Tony Taylor	Michael Mark	Sarah Proudfoot	Emanuel Cristaudo
		Independent non-executive director/Chairman	Non-executive director/Lead independent director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Independent non-executive director	Executive director/ Chief Executive Officer (CEO)	Executive director/ Joint Deputy CEO	Executive director/ Joint Deputy CEO/ Chief Financial Officer
Expertise															
Strategic planning	100%	●	●	●	●	●	●	●	●	●	●	●	●	●	●
Finance and taxation	79%	●		●	●	●	●	●	●	●	●		●		●
Retail	29%											●	●	●	●
Corporate affairs and communication	71%	●				●	●	●	●	●		●	●	●	●
Financial services	57%	●		●	●		●		●		●		●		●
Information technology and cyber resilience	29%		●	●									●		●
Risk management, compliance and governance	86%	●		●	●	●	●	●	●	●	●	●	●		●
Audit and assurance	14%			●			●								
Human capital and transformation	29%		●					●			●			●	
Corporate finance, mergers and acquisitions	64%	●	●		●	●		●		●	●		●		●
Marketing	21%												●	●	●
Sustainability matters	36%	●				●		●					●		●
Board committees (● Committee chair, ● Committee member)															
Remuneration		Member	Chair		Member					Member		Member			
Risk		Member				Member					Member		Chair		Member
Nomination		Chair	Member		Member					Member		Member			
Audit				Chair		Member	Member								
Social and Ethics		Member						Chair							Member

Notes: Financial services includes insurance. Corporate affairs and communication includes CSI.

AGE AND TENURE

Policy: Directors are appointed to the board based on skill, leadership, integrity, experience, diversity and business requirements. No maximum age limit is applicable, and tenure on the board is determined with reference to individual contribution and engagement as assessed through the annual director evaluation process.

TENURE (YEARS) NON-EXECUTIVE DIRECTORS

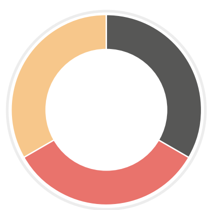


- 0 – 5 years 6
- 6 – 10 years 1
- >10 years 4

Non-executive directors' average age: 67 years.

Non-executive directors' average tenure: 10 years.

TENURE (YEARS) EXECUTIVE DIRECTORS



- 0 – 5 years 1
- 6 – 10 years 1
- >10 years 1

Executive directors' average age: 65 years.

Executive directors' average tenure: 16 years.

INDEPENDENCE

Policy: The majority of the board should consist of non-executive directors, the majority of whom should be independent. Categorisation of non-executives as independent is based on the board's assessment of independence.

INDEPENDENCE

- Executive **3**
- Independent non-executive **11**

GENDER, RACIAL AND BROAD DIVERSITY

Policy: Voluntary medium-term targets are set within the board's gender, racial and broad diversity policy. In 2017, the board resolved that at least 30% of the board should comprise females in the medium term. In 2018, the board resolved that at least 30% of the board should comprise black directors in the medium term.

GENDER

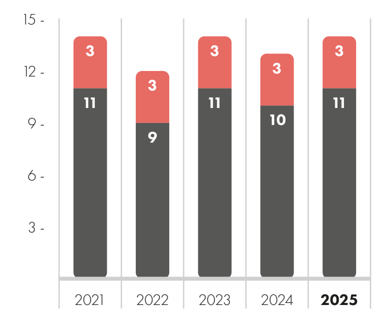
- Male **71%**
- Female **29%**

RACE

- White **79%**
- Black **21%**

BOARD SIZE AND TURNOVER

Policy: The board should comprise sufficient directors, having regard for suitable diversity of skills, experience and background in order to meet regulatory requirements and ensure the board and board committee workloads are adequately performed.



● Executive ● Non-executive

Director movement over the last five years: Six directors appointed, five directors resigned/retired.

Governance creating value continued

SUMMARISED GOVERNANCE REVIEW

During the 2025 financial period, the Group continued to practise corporate governance at a high level, aimed at adding value to the business, as well as facilitating the Group's sustainability, generating long-term shareholder value and benefitting other stakeholders.

Governance in the Group is an important consideration and accordingly compliance with codes, legislation, regulations and listings requirements is the minimum requirement. Management has adopted sound corporate governance principles and appropriate governance structures and policies, and believes it has embedded a business-wide culture of good governance that is aligned with the Group's Business Philosophy.

An indicator of the level of governance regarding the Group's financial reporting is the ranking of its 2024 Integrated Report in seventh place in the EY 2025 Excellence in Integrated Reporting Awards. This is the 18th consecutive year that the Group has attained a top 10 ranking in the EY excellence in reporting awards, and is the only JSE-listed company to achieve this acknowledgement, reflecting the consistently high quality of its financial and integrated reporting and the accountable and transparent manner in which it reports to stakeholders.

The directors confirm to the best of their knowledge and belief that, based on a written assessment conducted by Group management in preparation for the submission of the company's annual compliance checklist to the Companies and Intellectual Property Commission (CIPC), pursuant to the CIPC's compliance monitoring and enforcement mandate in terms of the Companies Act (71 of 2008, as amended) as well as the JSE Listings Requirements, the company is in compliance with the provisions of said Act and is operating in conformity with its memorandum of incorporation.

The directors confirm that during the 2025 financial period, the Group has, in all material respects, voluntarily applied the King IV Report on Corporate Governance™* for South Africa, 2016 (King IV) principles and complied with the mandatory corporate governance provisions in the JSE Listings Requirements.

This report is a summary of corporate governance matters within the Group and should be read in conjunction with the detailed Report on Corporate Governance and Application of King IV Principles 2025 and the Environmental, Social and Sustainability Governance report 2025 available at » www.truworths.co.za/reports.

GOVERNANCE DEVELOPMENTS IN 2025

While the board believes the Group has achieved a suitably high level of maturity in relation to governance, the relevant processes, policies and structures are continually reviewed and modified. The following enhancements were made to the Group's governance framework during the period:

GOVERNANCE ELEMENT	GOVERNANCE DEVELOPMENT
Audit Committee	Brendan Deegan was appointed as the chairman of the Audit Committee and as a member of the Office Audit Committee to replace Roddy Sparks who retired from these roles during the period. The committee considered the outcomes of the process for formally assessing the skills of its members and was satisfied that the committee members had the necessary depth and breadth of skills required for the committee to function effectively.
Board composition	Brendan Deegan was appointed as an independent non-executive director of the company with effect from 1 October 2024.
Board race and gender diversity policies	The board continued the implementation of its race and gender diversity policies at board level towards the adoption of its medium-term targets of 30% black and 30% female representation, respectively. At the period-end, 21% (three ex 14) of board members were black and 29% (four ex 14) were female.
Conflicts of interest	The Group adopted a new Conflicts of Interest policy covering directors, employees, suppliers and service providers, and created awareness thereof across the business through employee communication channels and videos.
Company Secretary	Duncan Pask was appointed as Designate Company Secretary with effect from 1 July 2024 and as Company Secretary from 1 October 2025.
Financial management	The addition of resources to the Group's financial management teams and the further restructuring of Office UK's financial management team, which reports directly to a South African-based head of finance.
Remuneration governance	The Group again engaged with consultants to conduct a review of the Group's disclosures relating to its remuneration policies and practices. Management engaged with certain shareholders regarding the Group's remuneration policies and practices.

2026 GOVERNANCE PRIORITIES

Governance priorities for the 2026 financial period will include:

- The ongoing development of governance and risk management within Office UK.
- Further developing sustainability and ESG reporting capabilities within the Group.
- Further progressing top and senior management and non-executive director succession plans, requirements and frameworks.
- Monitoring progress towards finalising the King V Report on Corporate Governance™* for South Africa, and considering for adoption its governance principles in a manner appropriate for the Group.

The board will continue to follow an approach of continuous incremental improvement regarding governance practices and structures to ensure the reasonable expectations of stakeholders regarding the Group's corporate governance standards are met.

2026 BOARD PRIORITIES

Board priorities for the 2026 financial period will include:

- Ensuring that the board continues to provide ethical leadership so that the Group operates within a culture of integrity and compliance.
- Overseeing the further implementation of management's plans to grow the Office UK business.
- Monitoring the implementation of management's strategic initiatives to return Truworths Africa to a growth trajectory in the medium term.
- Ensuring that the Group's strategies continue to maintain momentum, notwithstanding low-growth environments, so that the attainment of the Group's strategic objectives remains on track.
- Ensuring that the Group's strategies for managing its key risks and suitably dealing with its material issues are appropriately implemented and regularly reviewed.
- Ensuring that further progress is made regarding the succession of top and senior management within the Group.
- Continuing to ensure that the performance of executive management against financial and other targets is regularly reviewed.
- Tracking management's progress with regard to the full commissioning of the new Truworths Africa distribution centre in Cape Town.
- Monitoring and promoting progress in relation to the Group's ESG objectives, including the adoption of ESG reporting requirements and frameworks.

Remuneration Committee report

SECTION A

STATEMENT FROM THE CHAIRMAN OF THE REMUNERATION COMMITTEE

On behalf of the board, I am pleased to present the report of the Remuneration Committee (the committee) for the financial period ended 29 June 2025. The report sets out the remuneration policy and enhancements thereto, the implementation of the policy and the focus areas for the 2025 financial period. It also outlines the remuneration outcomes for the period and planned focus areas for the 2026 financial period. These reflect the committee's oversight and commitment to sound governance, and fair, transparent and responsible remuneration that is aligned with shareholder interests.

The Group's remuneration policy and reporting continue to evolve in line with changes in legislation, employment market practices and shareholder expectations. The committee believes that the continued success of our business is dependent on creating an inclusive and transformed workplace by attracting, engaging, developing and retaining talented employees to support long-term growth in line with the Group's Vision for shareholders. The Group's employee value proposition supports this objective through a holistic approach to reward by promoting fair and responsible remuneration practices and enhanced employee wellbeing through our employee-centred wellness, development, diversity and inclusion initiatives.

The Group strives to maintain a balance between the different components of its remuneration policy, including the level and challenge of stretching targets and remuneration disclosure, while ensuring that high-performing individuals continue to be motivated to perform and achieve the Group's market-leading metrics.

In addition to satisfying best governance practices, the board is committed to aligning the remuneration policy and practices with our Business Philosophy and Group strategy.

PERFORMANCE AND REMUNERATION OUTCOMES

The committee aims to ensure that incentive targets are consistent with the successful execution of our Business Philosophy and Group strategy.

Over the reporting period, and based on feedback from shareholders as well as changing legislation, the committee reviewed the Group's remuneration policy and practices to ensure they continue to align with our strategic objectives while meeting the expectations of our shareholders and other key stakeholders. This process included extensive engagement with relevant stakeholders as well as international advisers to form an understanding of the most important components of this policy.

The main issues reviewed and addressed by the committee in the period were:
- refining the minimum shareholding requirement policy for executive directors;
- ensuring incentive targets are aligned with our Group strategy and shareholder interests; and
- reviewing the fair pay policy to ensure alignment with the Group's reward philosophy, market best practice and the interests of all stakeholders.

Business performance

The significant turnaround efforts in Office UK following the COVID-19 pandemic have yielded outstanding results since 2023. Office UK has optimised and grown trading space, invested in supplier relationships to strengthen its unique positioning with global footwear brands, commenced the modernisation of its technology infrastructure and focused on further aligning processes with Truworths Africa. Over this period, Office UK has grown sales materially, expanded its gross margin to an all-time high, rationalised its cost base and delivered exceptional returns and cash flows.

Despite the outstanding performance of Office UK, the last five years have been challenging for the Group due to tough macroeconomic circumstances faced by Truworths Africa, with low South African GDP growth, persistently weak consumer confidence, and other challenges including civil unrest, flooding, load shedding, port congestion and global shipping disruption. As a result, the health of credit consumers in South Africa has been deteriorating since 2022, although it started to show signs of improvement towards the end of the 2024 calendar year, as indicated by the gradual improvement in the TransUnion Consumer Credit Index.

As a result of the weak macroeconomic environment, the Group adopted a conservative approach to real estate expansion and credit extension in South Africa. Within Truworths Africa, the Group focused on initiatives to dramatically adapt its merchandise offering, enhance the quality of the credit portfolio through cautious credit granting and improved credit processes, optimise existing trading space, and develop a new distribution centre with significantly enhanced allocation and distribution capability while focusing on cost discipline and prudent capital allocation. Through this strategy, the Group has managed to generate reasonable profits and margins and significant cash in Truworths Africa.

The committee is acutely aware of the exciting prospects for the Group over the next few years as the new strategies take shape with the continued expansion of Office UK and as the anticipated turnaround in Truworths Africa's fortunes occurs, driven by new product ranges, enhanced merchandise allocations, more ambitious store expansion and an increase in risk-managed credit extension in response to expectations of a gradually improving SA economy.

The Group's total retail sales increased in the reporting period by 2.7% to R22.0 billion, with retail sales in Truworths Africa declining marginally by 0.4% on the prior period, in contrast to the strong performance and growth of Office UK, where retail sales increased by 9.7%. Online sales performed well in both markets, with increases of 33.7% and 6.5% in Truworths Africa and Office UK, respectively. The Group's gross margin decreased from 52.3% to 51.3% due to increased sales promotion activity in Truworths Africa, but trading expenses remained well controlled with an increase of 3.4%.

Cash generated from operations increased to R4.8 billion, with R2 billion paid to shareholders in dividends. At the end of the 2025 financial period, the Group had a strong balance sheet with a net cash position of over R200 million after month-end payments and continued to deliver best-in-class returns relative to local and international benchmarks, all of which position it for growth with prospects of a more buoyant macro environment.

These results reflect management's commitment and resilience in driving the continued improvement of Office UK, and we are confident that the current strategic projects underway in Truworths Africa will contribute to much-improved results in the medium term.

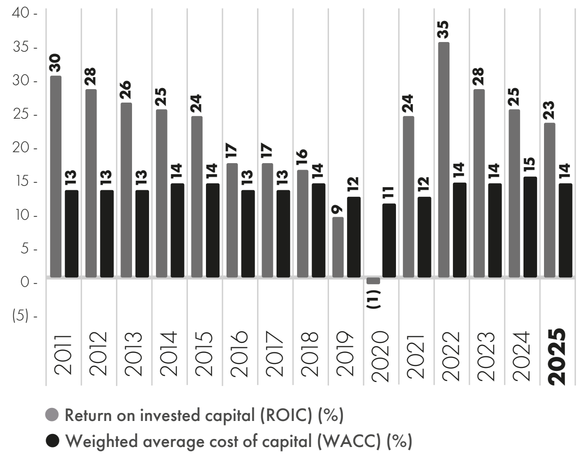
The Group's key financial metrics remain industry leading as reflected in the table below. All medium-term targets were achieved, and the Group continues to significantly outperform all local benchmarks, and five of six of the global benchmarks.

Metric		**2025 *Pro forma***	2024 *Pro forma*	Medium-term target	Local benchmark^	Global benchmark^^
Gross margin	(%)	**51.3**	52.3	49 – 53	44.8	52.9
Operating margin	(%)	**20.1**	21.0	18 – 23	13.0	12.7
Return on equity	(%)	**28**	34	22 – 27	20	20
Return on assets	(%)	**22**	23	18 – 23	15	13
Inventory turn	(times)	**4.2**	4.3	3.5 – 4.5	2.5	3.2
Asset turnover	(times)	**1.1**	1.1	0.9 – 1.3	1.1	1.0

^ *The local benchmarks are based on the average ratios for comparable JSE-listed apparel retailers, being Mr Price Group (year ended 29 March 2025) and TFG (year ended 31 March 2025).*

^^ *The global benchmarks are based on the average ratios for listed global fashion retailers (with a 70% weighting to the average), being H&M (year ended 30 November 2024), Inditex (owner of the Zara fashion chain) (year ended 31 January 2025) and Lojas Renner (year ended 31 December 2024) and listed sportswear retailers (with a 30% weighting to the average), being Frasers Group PLC (year ended 27 April 2025) and JD Sports Fashion PLC (year ended 1 February 2025).*

A key indicator of long-term value creation is the extent to which the Group's return on invested capital (ROIC) exceeds the weighted average cost of capital (WACC), as reflected in the chart below. With the exception of the 2019 and 2020 financial years, during which the Group impaired the Office UK trademarks, the Group's ROIC has consistently exceeded its WACC, notwithstanding the challenging trading environment in recent years, demonstrating the Group's commitment to deliver long-term value for its shareholders through disciplined cost and margin management and prudent capital allocation.



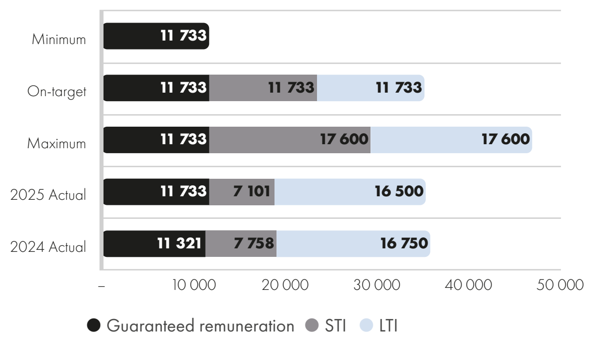
The board and the committee also consider total shareholder return and dividend yield, but acknowledge that these metrics are materially influenced by market sentiment, which can result in short-term fluctuations and volatility.

Remuneration Committee report continued

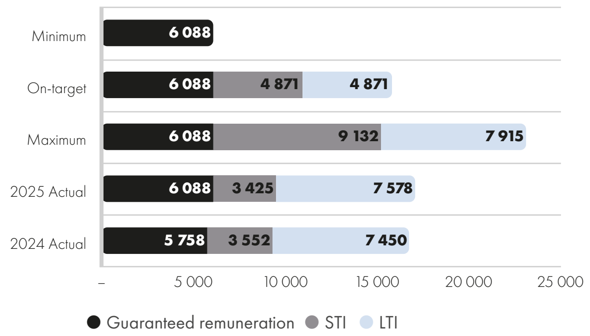
Remuneration outcomes

The remuneration outcomes for the 2025 financial period relative to the minimum, on-target and maximum outcomes for executive directors were as follows:

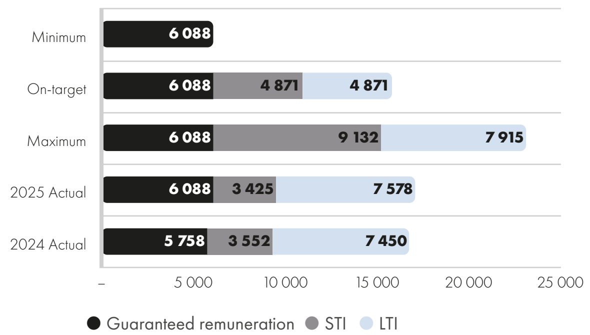
MICHAEL MARK
(R000)



EMANUEL CRISTAUDO
(R000)



SARAH PROUDFOOT
(R000)



At Group level, the threshold levels of performance required for both the short-term incentive (STI) and long-term incentive (LTI) schemes were achieved. The STI outcome for the reporting period was 78.9% (compared to on-target of 100% and a maximum potential outcome of 150%) and the LTI awards made in September 2022 yielded a vesting outcome in the 2025 financial period of 68.7% (compared to on-target of 100% and a maximum potential outcome of 150%), reflecting the challenging trading environment in the last 12 months. Details of the targets and results are included in the Implementation Report on page 53.

We remain focused on rewarding executives and employees in a responsible, fair and sustainable manner to ensure the retention of key executives and employees to achieve the Group's objectives, which include implementing our succession plans and maintaining our ongoing focus on transformation. We continue to monitor both the internal and external landscape, taking cognisance of all stakeholders, to ensure our remuneration policy remains relevant and fulfils its purpose in the short, medium and long term.

SHAREHOLDER ENGAGEMENT AND VOTING

Shareholder engagement

The 2024 Remuneration Policy and Implementation Report were proposed to shareholders for non-binding advisory votes at the company's annual general meeting (AGM) on 7 November 2024. There was a notable increase in the level of shareholder support for both the Remuneration Policy and Implementation Report relative to the prior AGM. Of the votes cast, 76.95% were in favour of the Group's Remuneration Policy (increased from 70.71% in November 2023) and 74.66% voted in favour of the Implementation Report (increased from 66.94% in November 2023).

	2024 AGM RESULTS			2023 AGM RESULTS		
	Votes for %	Votes against %	Total shares voted as a % of total issued shares	Votes for %	Votes against %	Total shares voted as a % of total issued shares
Remuneration Policy	**76.95**	**23.05**	**79.91**	70.71	29.29	80.52
Implementation Report	**74.66**	**25.34**	**79.91**	66.94	33.06	80.53

The views of dissenting shareholders were canvassed and they were invited via a SENS announcement on 8 November 2024 to engage and provide reasons for their votes against the resolutions at the 2024 AGM relating to the approval of the Group's Remuneration Policy and Implementation Report. A virtual meeting was scheduled for 25 November 2024 but no shareholders attended the meeting. The Group's largest shareholder provided feedback prior to the meeting and, where appropriate in the view of the committee, this feedback has been incorporated into future incentive arrangements.

We believe these engagements are crucial to improving shared understanding of our remuneration strategy and achieving an outcome that supports and delivers a positive and balanced outcome for all our stakeholders. The Group continues to consider forums and opportunities to engage with shareholders.

Shareholder concerns

Although no shareholders attended the engagement meeting, the committee and the executive team met separately with the largest shareholder, and the executive team had frequent interactions with many shareholders during the period. The concerns raised by shareholders and the actions taken by the Group in response to these concerns are summarised alongside:

SHAREHOLDER CONCERNS AND COMMENTS	GROUP RESPONSE
The non-executive director (NED) fee increases were higher than CPI	NED fees are reviewed annually against peers and this review indicated that fees in certain cases were below the market rate. Fee increases above CPI were proposed to address this disparity. Fee increases are considered in terms of equitable remuneration for NEDs as well as being market competitive to attract and retain a strong and diverse directorship. The proposed fees for NEDs for the 2026 calendar year were again benchmarked against fees paid by the peer group companies. As disclosed last year, this has been part of a process of aligning our NEDs' fees to our targeted median positioning against peer companies. Our fee adjustments for certain roles were therefore higher than CPI, however the resulting fees were not out of line with the peer group. The proposed increases for NED fees for the 2026 calendar year range between 4.1% and 6.3%.
The target for the increase in headline earnings per share (HEPS) for the LTI scheme should be more stretched	The HEPS target was reviewed during the period and the stretch target was amended to 2025 adjusted HEPS plus nine percentage points per annum (ppt pa). This stretch target remains challenging to achieve when considering the weak financial position of Truworths Africa's target market in South Africa, the constrained economic situation in both South Africa and the UK, and the expected moderation of inflation levels in both countries.

The committee welcomes feedback from shareholders and acknowledges that the development of the Group's remuneration policy and its implementation is a process of continuous improvement. The Group aims to balance the diverse views of shareholders regarding executive remuneration with the need to ensure that management remains motivated, focused and retained. The table below summarises the remuneration-related actions undertaken by the committee in prior years to further align the Group's policy with shareholder expectations:

SHORT-TERM INCENTIVES	LONG-TERM INCENTIVES	ADDITIONAL MEASURES
• Amended HEPS target to a fixed percentage point growth and increased the stretch target. • Amended targets to include return on assets (ROA), return on equity (ROE) and gross margin. • Enhanced the measurement and disclosure details of strategic targets (prospective and retrospective) which include ESG targets. • Reduced strategic target weighting, and introduced ESG targets within the strategic targets.	• Enhanced the measurement and disclosure details (prospective and retrospective) of strategic and ESG targets. • Amended HEPS target to a fixed percentage point growth and increased the stretch target. • LTI policy was amended to ensure all awards made to executive directors include performance conditions. • LTI targets were re-evaluated and expanded to include additional targets of return on invested capital (ROIC) exceeding weighted average cost of capital (WACC) and cash realisation rate. • Reduced strategic target weighting and separated ESG targets from strategic targets.	• Introduced malus and clawback provisions in respect of STIs and LTIs. • Introduced minimum shareholding requirements for executive directors. • Appointed a lead independent non-executive director to the board.

Remuneration Committee report continued

The Remuneration Policy and the Implementation Report for the 2025 financial period will be proposed to shareholders for separate non-binding advisory votes at the AGM on 6 November 2025. The committee believes that the improvements in the reporting disclosure as well as aligning targets more closely with shareholder expectations, should contribute to improved shareholder support.

LEGISLATIVE CHANGES

The committee ensures that the Group takes cognisance of evolving legislation through ongoing research and monitoring.

During the period, the following remuneration-related legislative changes were made:

- In South Africa, amendments were made to the National Minimum Wage Act, No 9 of 2018, and the national minimum wage increased from R27.58 to R28.79 per hour, with effect from 1 March 2025.
- Amendments were made to the Sectoral Determination 9 wage rates, issued in terms of the Labour Relations Act in South Africa, which were implemented on 1 March 2025.
- In the UK, amendments were made to the National Living Wage and National Minimum Wage, which were effective on 1 April 2025.
- In the UK, employer National Insurance Contribution rates and thresholds were amended with effect from 6 April 2025.
- In Ireland, amendments to the National Minimum Wage were effective on 1 January 2025.

The South African Companies Amendment Act was signed into law and promulgated on 26 July 2024. No implementation date has been confirmed in relation to the amendments to the remuneration report disclosures and the AGM voting thereon, and therefore the legislation is not yet binding on the Remuneration Policy and Implementation Report vote for the 2025 financial period. The committee has however been proactive in considering the amended reporting requirements and has reviewed the fair pay policy and proactive analysis is being undertaken to assess the wage gap and resulting disclosures required. Our fair pay commitments have been detailed in the Remuneration Policy and additional wage gap reporting has been included in the Implementation Report. The committee will continue to monitor developments in remuneration reporting arising from the disclosure requirements in the Companies Amendment Act, and will be ready to implement these requirements when they become effective.

REMUNERATION COMMITTEE COMPOSITION

In accordance with the recommendations of King IV, the committee comprises only independent non-executive directors, namely Hans Hawinkels (chairman), Hilton Saven, Rob Dow, Wayne Muller and Tony Taylor. Details on the committee members are available in the Truworths International board section of the Integrated Report. The CEO is an invitee to committee meetings and is recused from certain discussions, including those that relate to his performance and remuneration. Detail on the committee meeting attendance is included in the Report on Corporate Governance and Application of King IV Principles 2025 on the website at www.truworths.co.za/reports.

The Group will continue to refresh the non-executive component of the board in a systematic manner that will enable continuity in the important and ongoing contribution from long-standing directors, while newly appointed non-executive directors develop their knowledge of the Group and begin to influence board and board committee deliberations in a substantive manner.

FOCUS AREAS FOR 2025

The committee addressed the following key issues during the period:

- Conducted a review of the Group's fair pay policy and pay equity to ensure that the principles and application of 'equal pay for work of equal value' are maintained across all levels within the Group, align with the Group's reward philosophy, and that the application of such principles addresses fair and responsible remuneration for executive management in the context of overall employee remuneration.
- Reviewed the composition of the existing peer group for remuneration benchmarking purposes, to ensure it remains relevant.
- Reviewed and approved the remuneration of executives, including annual increases, STI payments, LTI awards and LTI vesting outcomes.
- Reviewed the outcome of the September 2022 LTI awards based on the 2025 financial period results to ensure the vesting outcome is justified, having regard for the Group's performance since the date of these awards, taking into account the value created for shareholders, as well as the operating context over the vesting period.
- Approved the STI targets for the 2026 financial period.
- Based on a benchmarking exercise by executive management, reviewed and recommended for approval by shareholders the non-executive directors' remuneration for the 2026 calendar year.
- Reviewed and approved the issue of share-based LTI awards in terms of the 2012 share plan.
- Approved the release of dividends to LTI share scheme participants holding restricted and performance shares. Dividends for performance shares are subject to clawback provisions, in terms of which 100% vesting occurs if performance targets are met or exceeded. If the targets are not met, dividends received on the deficit in performance are required to be repaid.
- Confirmed that all LTI allocations and payments were made in accordance with the rules of the LTI schemes.
- Agreed and recommended for approval by the board the performance targets for the relevant LTI share schemes in respect of awards made during the reporting period.

FUTURE FOCUS AREAS

- Continue to monitor and address pay equity to ensure the principles and application of 'equal pay for work of equal value' as well as fair and responsible remuneration across the dimensions of race, gender and skill level are maintained across all levels within the Group, and in line with the Group's reward philosophy.
- Continue to focus on setting remuneration targets which drive shareholder wealth creation and earnings growth for all performing employees at all levels, while offering benefits that enhance the quality of living standards of all employees.
- Continue to monitor the reward structures and retention mechanisms for scarce and critical skills based on market data while considering evolving trends, one of which is the emigration of young, skilled employees.
- Continue to focus on the phased succession plan for top management and senior executives and ensure it is supported by appropriate remuneration best practice and aligned with the Group's transformation strategy, as well as the retention of key individuals.

EXTERNAL ADVISERS

During the reporting period, the committee engaged the consultancy services of PricewaterhouseCoopers Inc. (PwC), and a leading global corporate governance and remuneration consultancy. PwC, familiar with the practices and policies of proxy advisory services, was engaged to conduct a review of the Group's remuneration framework, with a focus on voting policies and global best practice for remuneration reporting. The committee is satisfied with the independence and objectivity of the consultants.

Additionally, the Group subscribes to REMeasure and REMChannel, both provided by Old Mutual, which are utilised for benchmarking and remuneration market data in South Africa, and Willis Towers Watson for remuneration market data in the UK.

POLICY STATEMENT

This report of the committee provides an overview of Group-wide remuneration policies with an emphasis on the remuneration structure of the Truworths International executive and non-executive directors. There were no policy exceptions during the period, and the committee is satisfied that the Remuneration Policy summarised in this report achieved its stated objectives during the period, and is expected to do so again in the 2026 financial period.

I trust that this remuneration report provides shareholders with the necessary insight to make an informed voting decision, and look forward to your support of the Group's remuneration resolutions at the AGM in November 2025.

Hans Hawinkels

Chairman
Remuneration Committee

Remuneration Committee report continued

SECTION B

REMUNERATION POLICY

APPROVAL OF REMUNERATION POLICY AND IMPLEMENTATION REPORT

In terms of the King IV principles and the JSE Listings Requirements, the Group's forward looking Remuneration Policy and the Implementation Report in respect of its current policy, as set out in Sections B and C are required to be approved by separate non-binding advisory votes at the AGM of shareholders scheduled for 6 November 2025.

In terms of the current regulatory framework, should 25% or more votes be cast against either or both of the non-binding advisory resolutions, the company undertakes to engage with shareholders to ascertain the reasons for the dissenting votes. Details of the engagement process, if applicable, will be published on SENS after the AGM.

The steps taken to address any legitimate and reasonable concerns of shareholders will be disclosed in the following year's Remuneration Committee report.

Once the Companies Amendment Act, 2024 of South Africa comes into force, the approval of the Remuneration Policy and Implementation Report resolutions will be subject to binding votes requiring a majority of more than 50% in favour, and the Group will apply these requirements accordingly.

BUSINESS PHILOSOPHY AND STRATEGY

The Group's Business Philosophy (refer to page 7) is core to the ongoing success of the business and is a guiding light, directing our consistent focus on what we need to do to create long-term sustainable growth, value and wealth, which in turn results in improved shareholder and broader stakeholder value creation. There are three components to the Business Philosophy: **our Purpose**, which describes how we serve our customers; **our Values**, which define how we behave as an organisation; and **our Vision** of expectations we aim to satisfy for the various stakeholders in our business.

Our Vision for shareholders is as follows: 'We are long-term investors in Truworths International because we trust in management's capacity to execute innovative strategies which deliver significant value over time'. This aptly describes our commitment to our shareholders. We are not short-term focused. We focus on the long term and strive to deliver sustainable value over time.

Our Values shape our business culture which guides the behaviour of our employees. These Values are entrenched in the business and in how we operate, behave, recruit, and in the employee performance evaluation process.

Our strategic objectives are aimed at delivering the objectives of our Business Philosophy, as defined by our Purpose statement and our Vision for stakeholders. We strive to achieve these strategic objectives through the successful execution of various plans and actions. The extent to which these plans and actions have been successful is measured by comparing the stakeholder Vision to reality, which allows us to identify areas where improvements need to be made.

Our STI and LTI programmes are aligned with our business strategy, with measurement benchmarks and strategic objectives focused on management's ability to fulfil our Purpose and live by our Values, thereby aligning ourselves with the Vision for our stakeholders. Refer to the Creating stakeholder value report on page 9 for further information on how the Group's STI and LTI targets are linked to key performance indicators.

REMUNERATION PHILOSOPHY AND PRINCIPLES

The remuneration philosophy is closely aligned with the Group's Business Philosophy and is aimed at driving a high-performance culture that delivers the Group's long-term strategic objectives, as well as sustainable shareholder and broader stakeholder returns within the Group's risk appetite. The Business Philosophy directs our consistent focus on the long term, through both good and bad times.

The reward philosophy ensures that the Group's reward approach is fair, sustainable, equitable and aligned with global remuneration best practice, and that rewards are applied across all employee levels in a responsible and transparent manner.

The remuneration objectives are achieved by utilising a total remuneration approach that comprises different elements of financial reward, including guaranteed earnings, STIs and LTIs. The combination of financial and non-financial rewards constitutes 'total reward' and supports the holistic employee value proposition. For details on the employee value proposition, refer to the Truworths Africa Human capital report on page 88, the Office UK Human capital report on page 96 and the Environmental, Social and Sustainability Governance report 2025 on the website at www.truworths.co.za/reports.

Remuneration practices are closely linked to the achievement of performance objectives of the Group, principal subsidiary companies, teams and individuals. The composition of total remuneration is based on the employee's role and level in the Group and there is a strong and sustainable link between performance and contribution over time, and the rewards received by an employee.

The Group's reward policy is designed to achieve the following objectives:
- Internal equity, which ensures employees are rewarded appropriately in relation to peers and in line with contribution over time, as well as ensuring an adherence with the principle of 'equal pay for work of equal value'.
- External equity to ensure employees are rewarded competitively in relation to the employment market.
- Fair and responsible reward management, which ensures that:
  - there is equal opportunity across the Group for growth and development of high-performing individuals who are aligned with the Group's Business Philosophy;
  - performance measurement practices are regularly and consistently applied;
  - remuneration and benefits at all levels are equitable and applied consistently;
  - employees across all levels of the Group are rewarded fairly and appropriately based on their performance and their contribution; and
  - reward practices promote an ethical culture and responsible corporate citizenship.
- A balanced and appropriate mix of short and long-term incentives.
- Alignment of risk and reward, with remuneration practices and schemes designed to encourage superior medium to long-term performance relative to competitors, while operating within prudent risk parameters to ensure sustainability.

REMUNERATION GOVERNANCE

The committee has oversight of the Group's remuneration practices and policies. The committee is responsible for reviewing, recommending and approving the remuneration of executive and non-executive directors of the company, and directors, divisional directors and key executives of principal subsidiaries (collectively referred to as executives). The committee periodically reviews the Group's remuneration strategy to ensure it supports the business and human resource strategies, remains aligned with the objective to enhance shareholder value, and is focused on achieving the following objectives:
- Attracting, engaging, motivating, rewarding and retaining a team of high-performing executives, as well as ensuring these principles are applied and maintained across all employee levels of the Group.
- Ensuring that the CEO and other executives continue to fulfil the principles of the Business Philosophy and deliver the business strategy, thereby pursuing the long-term sustainable growth and success of the Group.
- Demonstrating a clear relationship between short and longer-term performance and remuneration.
- Ensuring an appropriate balance between guaranteed and variable remuneration, taking into account both the short and long-term objectives of the Group.
- Differentiating pay between higher and average performers over time through effective performance management and assessment.

The Chairman of the committee reports to the board on all aspects of the committee's work as a standing agenda item at each board meeting. This feedback covers all aspects of the remuneration strategy and policy, how the policy objectives are being achieved and the implementation thereof over the annual cycle.

FAIR AND RESPONSIBLE REMUNERATION

The Group is committed to promoting and maintaining remuneration practices that are fair, sustainable, inclusive and equitable. We align our practices with global remuneration standards and the principles set out in our Human Rights policy.

We believe all employees should be treated with dignity, fairness and respect. Compensation and benefits must reflect the value of their roles, the skills and experience an individual brings, their sustained contribution, and prevailing market benchmarks. Our approach is rooted in our core beliefs: contribute more than you consume, invest in future potential, and nurture the Golden Goose (being the Group's businesses which create and sustain employment opportunities).

These principles ensure equal opportunity across the Group for the growth and development of high-performing individuals who contribute consistently and sustainably over time and are aligned with the Group's Business Philosophy. This approach also reflects our Values, including celebrating and rewarding excellence in contribution; innovation and passion; being contribution focused; encouraged to learn and share; investing in future potential; and embracing the power of inclusive teams.

Fair pay is one of the many ways we bring our Values to life. It is how we recognise the contribution of our people, promote dignity and equality, and stay true to our philosophy of building something enduring, together.

Our commitments include:
- **Fairness and equity**
  - We pay employees fairly for work of equal value, regardless of gender, race, age, disability or other protected characteristics.
  - We comply with employment equity legislation in all the countries where we operate, codes of good practice, and the UK gender pay gap reporting regulations.
  - We promote inclusive practices and equitable access to rewards and benefits.
- **Contribution-based reward**
  - Our rewards are based on performance, sustained contribution and impact.
  - Our reward philosophy reflects our belief in investing in long-term potential, that one should contribute before consuming, and that one should contribute more than one consumes.
- **Transparency and accountability**
  - Our pay structures and processes are clear, justifiable, and grounded in fair process.
  - We engage meaningfully with employees and stakeholders and publish relevant disclosures, including the UK Gender Pay Gap Report, in our Environmental, Social and Sustainability Governance report and Integrated Report.
- **Legal and ethical compliance**
  - We ensure compliance with legislation, regulations and international standards and best practice.
  - We embed fairness and integrity in line with our Business Ethics and Integrity Code.
- **Clarity in job architecture**
  - We apply consistent frameworks for job grading and role evaluation across the Group, ensuring internal equity, transparency in career progression and fairness in pay practices across all levels.

Remuneration Committee report continued

PAY FOR PERFORMANCE

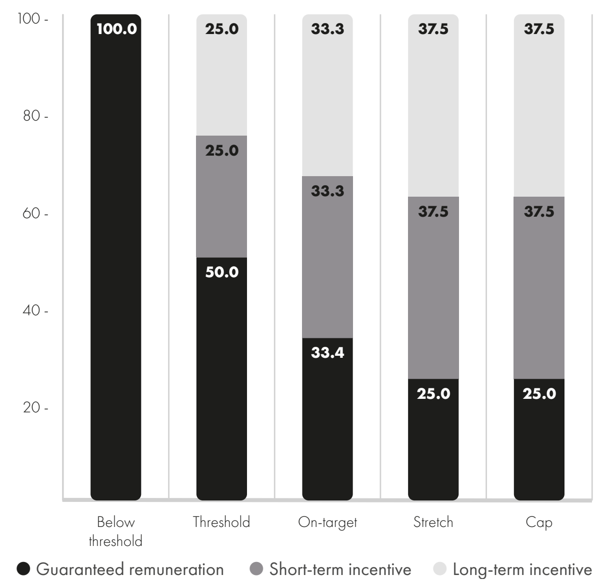
The executive directors' remuneration is determined according to the nature and responsibilities of the role in relation to market benchmarks, and the performance of the individual in relation to Group and individual performance targets. Rewarding executive directors through guaranteed and performance-related remuneration is aimed at achieving the following:

- alignment of executive director and shareholder interests;
- promotion of a culture of executive director share ownership;
- promotion of excellence in individual executive director performance; and
- retention of high-performing executive directors.

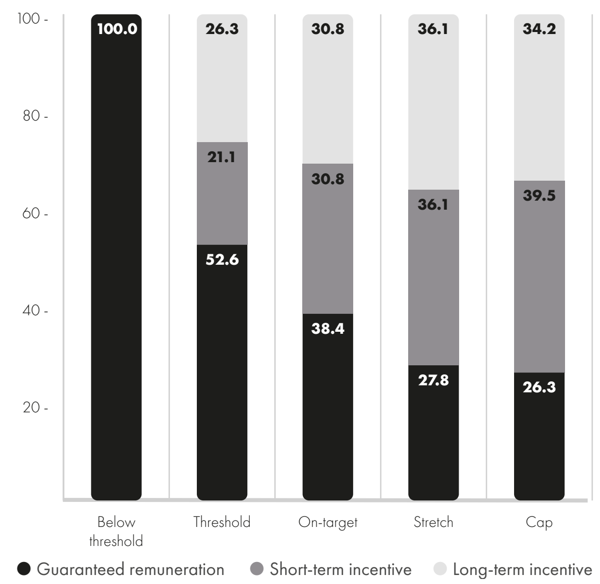
The core principle of the Group's performance management process is the effective alignment of Group strategic objectives, which are guided by its Business Philosophy (refer to the Group strategy report on page 31), with individual outputs.

The following graphs depict the pay outcomes under the different performance scenarios for the executive directors.

PAY FOR PERFORMANCE – CEO
(%)



PAY FOR PERFORMANCE – EXECUTIVE DIRECTORS
(%)



Elements of remuneration

The total remuneration mix is determined as follows:

GUARANTEED REMUNERATION	VARIABLE AND PERFORMANCE-RELATED REMUNERATION	
ANNUAL GUARANTEED REMUNERATION	**SHORT-TERM PERFORMANCE**	**LONG-TERM PERFORMANCE**
Total guaranteed package, which can include the following benefits: • Cash salary • Travel allowance • Retirement benefits • Healthcare benefits • Group life and disability insurance benefits	Short-term cash-based incentive scheme	• Performance share plan • Performance appreciation rights • Restricted share plan • Share appreciation rights *Note: Executive directors are only awarded instruments that have performance conditions attached.*
• Total guaranteed package is based on performance, contribution, experience and market value relative to responsibilities within the Group. • Benefits are compulsory but offer flexibility in option choices.	Incentives are based on Group, subsidiary company and individual performance criteria, and are only paid if the Group achieves its threshold performance levels. Short-term incentives are paid to all qualifying employees across the Group.	Long-term share-based incentives are aimed at rewarding the performance of senior employees, as well as encouraging sustainable shareholder wealth creation.

Executive remuneration benchmarking

The Group utilises external professional service providers, external market surveys and best practice for continued remuneration benchmarking and job evaluation purposes. Remuneration is further benchmarked against other JSE-listed retailers and comparable JSE-listed companies. All data is appropriately aged, and weighted averages, medians and ranges are applied to establish the most appropriate remuneration levels. The Group aims to maintain average guaranteed remuneration at the median market level.

The current JSE-listed retail peers utilised as comparators remain unchanged as follows:

- Clicks Group
- TFG (The Foschini Group)
- Woolworths Holdings
- Mr Price Group
- Pepkor Holdings
- Pick n Pay Stores
- Shoprite Holdings
- The Spar Group
- Cashbuild
- Dis-Chem Pharmacies
- Italtile
- Lewis Group

The selection methodology takes account of both size and performance metrics, which include the number of employees, turnover, total assets and earnings before interest paid and tax (EBIT). This methodology supports an objective determination of the comparator group that eliminates bias and promotes the selection of a comparator group that is not disproportionately weak or strong.

Guaranteed remuneration

Guaranteed remuneration is determined in relation to employment market norms. It includes cash salary, healthcare benefits, retirement benefits, travel allowance, and group life and disability insurance benefits.

To ensure consistency in the evaluation and sizing of the employment role, the Group conducts job profiling and evaluation to ensure the correct match to comparable roles and benchmarking of guaranteed remuneration levels. This is achieved by utilising REMeasure, REMChannel and the Willis Towers Watson databases.

A combination of performance and market remuneration positioning is utilised to adjust guaranteed remuneration levels periodically, as part of an assessment of the remuneration policy. Adjustments to guaranteed remuneration outside of the annual review process are made on an exceptional basis and only linked to changes in responsibility level.

All South African store employees' compensation complies with Sectoral Determination 9 in terms of the Labour Relations Act or statutory requirements, and the minimum rates of pay, as determined for the retail industry in the applicable country, are either met or exceeded by the Group.

Guaranteed remuneration is periodically reviewed. When agreeing annual salary review levels, consideration is given to expected market movements in terms of salary reviews, Group performance, retail market data, internal comparatives, individual contribution and performance, the pay gaps that may exist at varying grade levels, as well as the prevailing inflation levels within the economy.

Annual salary reviews are merit-based and a range of increases is approved based on the employee's level of seniority, the market positioning of the relevant role, as well as the individual's contribution and performance rating for the prior period.

Variable remuneration

The performance of executive directors is reviewed annually by the committee against predetermined financial and non-financial targets to ensure alignment with shareholder interests. Performance targets are set with the objective of being challenging, yet realistic within the context of the economic realities of the countries in which the Group operates and the stage in the business lifecycle.

The committee has discretion regarding incentive payments to mitigate unintended consequences, such as windfall gains that may arise from a purely formulaic approach. Any discretion by the committee will be appropriately disclosed and justified in the relevant Remuneration Report for the year under which such discretion was exercised. Discretion will not be used to compensate for unfavourable outcomes.

Short-term incentives

The STI scheme aims to drive short-term performance through appropriate incentivisation in a measurable and sustainable way, thereby rewarding and retaining key talent.

The Group follows a hybrid approach with regard to structuring the STI, which is a combination of both top-down and bottom-up considerations. The top-down approach ensures STIs are linked to the key annual performance metrics of the business, which determines the incentive pool size, while the bottom-up approach, together with individual performance and contribution levels, determines the individual's relative share of the pool. The incentive pool is self-funded through the achievement of financial targets and is based on a percentage, limited to a maximum of 4% of profit before tax (appropriately adjusted to exclude accounting impairments and reversals thereof, as well as other one-off events which may not be reflective of the Group's underlying performance).

Incentives are based on Group, company and individual performance levels and no STI is paid to executive directors if the Group's threshold performance measures for the period are not achieved.

All qualifying employees across the Group participate in the STI scheme.

The malus and clawback policy applies to STIs paid to executive directors, executives and senior managers.

The Group's 2026 STI targets, ie adjusted HEPS growth, ROA, ROE, gross margin and strategic targets (which include ESG targets), as well as threshold, target and stretch levels, were determined by the committee prior to the commencement of the financial period. The STI metrics have been consistently applied since they were revised for the 2022 STI award based on shareholder engagement, and the committee is of the view that they remain relevant and balanced in measuring performance against the short-term objectives of the Group. A matter considered and agreed by the committee during the current period was to change the HEPS growth target from an inflation-linked target to a fixed percentage point growth target, specifically in the context of a moderating inflationary environment. The committee is of the view that a fixed

Remuneration Committee report continued

percentage point HEPS growth target provides greater simplicity and clarity, decouples the performance target from volatility in inflation induced by the macro environment, and enhances the predictability of the STI cost to the Group.

All financial targets are set and measured on an 'adjusted' basis to ensure they exclude the impact of significant accounting or other anomalies (such as accounting impairments and reversals) that could unduly benefit or penalise STI participants. While the adjusting items may differ from year to year, the methodology of measuring financial performance on an adjusted basis is applied consistently.

The 2026 adjusted HEPS growth will be measured against the 2025 HEPS (which excludes accounting impairments and reversals by definition), adjusted to exclude foreign exchange losses in that year relating mainly to the Group's foreign currency-denominated investments. The rationale for excluding these foreign exchange losses from the base year is that they were excluded in the measurement of the 2025 STI and should therefore be treated consistently in the measurement of the 2026 STI to ensure that STI participants do not benefit unduly.

STI financial target ranges are published retrospectively due to their commercially sensitive nature. The details of strategic targets, which include specific ESG targets, have been disclosed prospectively since 2024 and can be referenced in the below tables. The detailed performance achieved against these targets for the 2025 financial period is included in the Implementation Report that follows.

2026 STI targets	Weightings %	Below threshold vesting %	Threshold vesting %	Target vesting %	Stretch vesting %
Adjusted HEPS growth	15	–	50	100	150
Adjusted ROA %	20	–	50	100	150
Adjusted ROE %	20	–	50	100	150
Gross margin %	20	–	50	100	150
Strategic targets (including ESG^ targets)	25	–	50	100	150

^ ESG targets comprise 10 percentage points of the total strategic target weighting of 25 percentage points.
Note: HEPS performance and ROE are used for both STI and LTI awards due to their significance in assessing the performance of the Group and their importance to stakeholders (specifically shareholders), and are supplemented with other relevant financial targets that do not overlap.

Strategic targets, which include ESG targets, and their respective weightings for the 2026 STI, are set out in the table below. The board and the committee believe that these strategic initiatives align with the Group's plans to unlock and sustain growth in the coming financial year:

Strategic theme	Description	Weighting (%)
Aspirational fashion	• Continue to focus on individual brand DNA, differentiation and elevation to minimise overlap and increase intrinsic value. • Roll out newer brands where opportunity arises, including Fuel and Office London. • Complete the preparatory work for the introduction of new concepts and brands in Truworths Africa, including our aspirational and more sophisticated designer brand offering, a collection of young/streetwear brands and enhancements to our beauty offering. • Buy deeper into key volume items in ladies' and men's, in multiple colours, supported by our quick response capability. • Maximise synergies between the internal design centres and the buying teams. • Identify and introduce new emerging brands in Office UK. • Continue to grow the made-to-order (MTO) contribution in Office UK.	15
Retail presence	• Continue to expand and enhance the Office UK real estate portfolio with new and re-sited stores and remodelling of existing stores in key locations. • Refine the Truworths Emporium Re-Imagined and identify real estate opportunities for new concepts and brands.	15
Supply chain	• Complete the transition to the new Truworths Africa distribution centre (DC) and leverage the facility's enhanced functionality. • Optimise replenishment, part allocation, size curves and markdown models. • Enable additional logistics suppliers for both offshore and local delivery. • Continue to improve the efficiency of cut-make-trim (CMT) suppliers through investment in newer technologies to improve productivity and quality. • Build on our internal design capabilities with technological enhancements that will facilitate faster response to changing trends. • Continue to enhance the Kilmarnock DC in the UK to increase capacity and improve efficiency.	15
Customer relations and account management	• Enhance the e-commerce platform, including improved customer targeting, personalised communication and improved logistics capabilities. • Leverage newly developed apps for both Office and Offspring with enhanced functionality. • Fully deploy the recently purchased best-of-breed campaign management solution to promote engagement and sales. • Enhance our account management capability through the optimisation of credit limits and the provision of additional credit products.	15
Human capital	• Drive appropriate and long-term succession planning. • Formalise plans to fast-track key executives to take on more senior roles in time.	10
Technology	• Upgrade the point-of-sale system in Office UK, replacing outdated technology. • Implement advanced campaign management capability in Truworths Africa.	10
Capital allocation	• Review capital allocation that will enhance the Group's capital structure to enable it to execute innovative strategies aimed at creating value for investors over time.	10
ESG	• Expand the number of consumables being tracked and make steady and measurable progress to reduce carbon emissions. • Establish a base for calculating Office UK's scope 1 and 2 carbon emissions. • Maintain an 'Excellent' rating in the EY Excellence in Integrated Reporting Awards. • Continue to improve the Group's B-BBEE score.	10
		100

Remuneration Committee report continued

Individual performance is measured with reference to a scorecard of metrics to encourage each participant to focus on both the financial and non-financial performance targets that are directly aligned with the participant's responsibilities.

The quantum of the STI earning potential is based on the guaranteed remuneration of the relevant employee, multiplied by a market-related on-target percentage based on the Paterson grade of the role.

The committee must be satisfied that such payments are fair and reasonable. All executive directors' STI payments are approved by the committee. The achievement of targets is reviewed by the committee before any STI payments are made to executive directors. STIs are paid in cash at the end of September and are subject to employees' tax deductions.

The table below indicates the threshold, on-target and stretch STI payments as a percentage of guaranteed remuneration. These may be further adjusted based on the individual performance score achieved, and STIs are capped at 150% of annual guaranteed remuneration.

Earning potential (as a percentage of annual guaranteed remuneration) for STI purposes	Below threshold performance vesting %	Threshold performance vesting %	On-target performance vesting %	Stretch performance vesting %	STI cap %
CEO	–	50	100	150	150
Executive directors	–	40	80	130	150

Long-term incentives
LTI schemes are aimed at aligning executive remuneration with shareholder interests by rewarding executives for the creation of shareholder value over the medium to longer term. The LTI schemes are reviewed regularly to ensure alignment with relevant legislation, other governing rules and standards, appropriate market benchmarks and best practice.

The Group operates four share-based LTI plans in terms of the 2012 share plan:
- Performance share plan (subject to performance targets)
- Performance appreciation rights plan (subject to performance targets)
- Restricted share plan (not awarded to executive directors)
- Share appreciation rights plan (not awarded to executive directors)

The following core principles apply to the Group's share-based plans:
- The maximum aggregate allocation in terms of all the plans is limited to 5% of the company's issued shares as at June 2012 (the year the plan was approved by shareholders) over the life of the plans in terms of the policy, being 23 090 501 shares.
- Annual allocations are capped at 1.25% of issued shares as at June 2012 in any one year, but committee guidelines are to limit annual allocations to below 1% in any one year.
- The maximum aggregate allocation for any one employee across all plans is limited to 1% of issued shares as at June 2012 over the life of the plans in terms of the policy, being 4 618 100 shares.
- Annual awards are allocated based on the face value of the awards granted. The maximum annual allocations are limited to 150% of annual guaranteed remuneration for the CEO and 130% of annual guaranteed remuneration for other executive directors.
- The performance share plan and performance appreciation rights plan have multiple performance targets and are utilised to support and reward good long-term decision making and both financial and non-financial performance. Threshold, target and stretch performance measures are applied to all long-term incentive targets.
- The restricted share plan and share appreciation rights plan have no performance conditions and are utilised to support the reward of performing senior key employees. Executive directors do not participate in the restricted share plan or share appreciation rights plan.
- All annual awards made to executive directors are subject to performance conditions and have a vesting period of no less than three years. Performance against targets is measured at the end of year three.
- Awards can be made across all plans and can vest over a period of up to six years.
- Where awards lapse, there is no replacement compensation.
- No LTI allocation is guaranteed.
- The malus and clawback policy is applicable to LTIs awarded to executive directors, executives and senior managers.
- The committee bi-annually approves the release of dividends to holders of both restricted and performance shares. Dividends paid on performance shares held, where performance against targets has not yet been assessed, are clawed back from participants should performance targets not be met and, therefore, 100% vesting not be achieved. At the date the dividend is declared, the executive accepts the dividend and can agree to simultaneously lend it on an interest-free basis to the Group, until the performance measurement period has elapsed, at which time the Group pays back to the executive the amount of the loan due to them after the appropriate deduction for non-achievement of performance targets. If the cash dividend is accepted at the payment date, the executive agrees that the shares be pledged to the Group, until the measurement period has elapsed, at which point the executive is required to make an appropriate repayment of the dividend for the non-achievement of performance targets. In the event of termination of the executive's employment prior to the end of the performance measurement period, the dividends paid to the executive on performance shares that have not vested must be refunded in full.
- The committee regularly monitors the overall actual and forecast impact and costs of these plans on Group earnings.

In line with the Group's value of rewarding excellence as well as maintaining a long-term perspective on both the business and employees' careers, management aims to ensure participation in the LTI plans by all high-performing employees at senior levels as well as those key to future succession or with scarce skills.

LTI targets agreed for performance shares awarded in September 2025, with the target measurement date being the end of the 2028 financial period, are set out in the table below. The committee oversees the design and calibration of financial and non-financial targets, ensuring they are fair, balanced and aligned with shareholder interests.

All financial targets are set and measured on an 'adjusted' basis to ensure they exclude the impact of significant accounting or other anomalies (such as accounting impairments and reversals) that could unduly benefit or penalise LTI participants. While the adjusting items may differ from year to year, the methodology of measuring financial performance on an adjusted basis is applied consistently.

The LTI metrics have been consistent since the September 2023 awards, with the exception of the introduction of cash realisation since the September 2024 awards, and were amended based on prior shareholder engagement. The committee is of the view that the LTI metrics remain relevant and balanced in measuring the achievement of long-term value creation of the Group through HEPS performance, capital efficiency, cash realisation and real value creation, combined with relevant strategic and ESG targets. A matter considered and agreed by the committee during the current period was to change the HEPS growth target from an inflation-linked target to a fixed percentage point growth target, specifically in the context of a moderating inflationary environment. The committee is of the view that a fixed percentage point HEPS growth target provides greater simplicity and clarity, decouples the performance target from volatility in inflation induced by the macro environment, and enhances the predictability of the LTI cost to the Group.

LTI performance is measured against the Group's medium-term targets, which are reviewed annually against South African and international competitors, as well as the trading outlook for the medium term. The Group's medium-term targets remain class-leading and comfortably exceed the peer group performance (refer to page 45), confirming that they remain appropriate in rewarding the long-term performance of executives.

The 2028 adjusted HEPS growth will be measured against the 2025 HEPS (which excludes accounting impairments and reversals by definition), adjusted to exclude foreign exchange losses in that year relating mainly to the Group's foreign currency-denominated investments. The rationale for excluding these foreign exchange losses from the base year is that they were excluded in the measurement of the September 2022 LTI (measured in 2025) and should therefore be treated consistently when the performance of September 2025 LTI awards is measured in 2028 to ensure that LTI participants do not benefit unduly.

2028 LTI targets (for awards made in September 2025)	**Weighting %**	**Threshold 50% vesting**	**On-target 100% vesting**	**Stretch 150% vesting**	**Published medium-term targets@**
Adjusted HEPS^ growth	15	2025 Adjusted HEPS + 1 ppt pa	2025 Adjusted HEPS + 4 ppts pa	2025 Adjusted HEPS + 9 ppts pa~	
Adjusted ROE	15	22.0%	24.5%	27.0%	22% – 27%
Cash realisation rate (three-year average)	15	70%	90%	110%	
ROIC > WACC	30	WACC + 2 ppts	WACC + 3.5 ppts	WACC + 5 ppts	
Strategic targets	15	50%	100%	150%	
ESG targets	10	50%	100%	150%	

@ Refer to the Chief Financial Officer's report on page 65 for further information on the medium-term targets.
^ Adjusted HEPS growth refers to HEPS growth relative to the 2025 financial year HEPS (which excludes accounting impairments and reversals by definition), adjusted to exclude foreign exchange losses relating mainly to the Group's foreign currency-denominated investments.
~ The stretch target for HEPS growth was amended in the current period to 2025 adjusted HEPS plus 9 ppts pa compared to inflation plus 4 ppts pa for awards made in September 2024. The level of stretch was one of the feedback points from the consultation with shareholders, and the committee believes that in a moderating inflation environment the revised stretch target will be even more onerous to achieve.

Remuneration Committee report continued

The non-financial strategic targets are derived from the Group's strategic objectives and are designed to drive behaviour and outcomes that support long-term success. Strategic targets and their respective weightings for the LTI that vests in the 2028 financial period are as follows:

Strategic theme	Description	Weighting (%)
Aspirational fashion	• Focus on the growth of our designer brands, through the emporium or stand-alone stores, with a focus on aspirational quality and upper-end price tiering. • Broaden our presence in the beauty segment by offering additional international brands and through the introduction of own-brand product Elements. • Increase the volumes of foundation styles that underpin the ranges to grow sales and take advantage of the additional capability of the new Truworths Africa DC. • Materially expand the MTO range in Office UK across ladies', men's and children's footwear and accessories.	25
Retail presence	• Expand our real estate footprint in strategic locations subject to our store viability criteria. • Develop several new store formats and concepts, some within the emporium and others as stand-alone stores.	20
Supply chain	• Enhance targeted fulfilment to stores through system and process developments in the DCs in Truworths Africa and Office UK. • Grow the capability of in-house design (in Truworths Africa and Office UK) and local manufacturing capability (in Truworths Africa) to elevate the level of quick response and fast fashion. • Increase capacity and improve automation capability for online orders in the Kilmarnock DC in the UK. • Improve the web order fulfilment from stores through greater visibility of stock on hand.	20
Customer relations and account management	• Leverage customer and loyalty data by building new-generation, world-class customer relationship management (CRM) capabilities to promote appropriate product and services in order to build brand loyalty and improve retention and recency. • Complete the large-scale replacement of the Office UK merchandising systems to improve the management of allocations, replenishment, size curves, pricing/markdown execution and DC stock handling. • Develop AI-powered real-time transaction analytics to drive actions across the portfolio. • Significant investment in quick response capabilities in our Truworths Africa design division to service changing customer requirements.	20
Human capital	• Build a diverse talent pool in the Group to facilitate business objectives and senior level succession. • Develop training initiatives to upskill talent in critical skill areas. • Identify and develop top black persons and women for future succession. • Make measurable progress towards the achievement of our employment equity plan targets in South Africa.	15
		100

Strategic targets are weighted at 15% in the LTI performance measures.

ESG targets and their respective weightings for the LTI vesting in September 2028 are as follows:

Strategic theme	Description
ESG	• Expand the number of measures for upstream and downstream carbon dioxide (CO_2) emitters to establish accountability for carbon usage. • Adopt the 3R principle of sustainability across the Group (reduce, reuse, recycle). • Continue to improve our B-BBEE score in order to make progress in our broad-based black economic empowerment credentials. • Maintain our 'Excellent' rating in the EY Excellence in Integrated Reporting Awards.

ESG targets are weighted at 10% in the LTI performance measures.

For the 2025 financial period, no awards were made under the performance appreciation rights plan and, as such, no performance conditions were agreed for this plan. Similarly, no awards were made under the share appreciation rights plan to any employee.

MINIMUM SHAREHOLDING REQUIREMENT

A minimum shareholding requirement (MSR) was introduced from 1 July 2024 to ensure executive directors accumulate and retain a shareholding (outside and separate from shareholding through the Group's share schemes) in the company, ensuring alignment with shareholder interests in the long term. The policy applies to all executive directors, who will be required to hold shares equal in value to a specified percentage of their guaranteed annual remuneration as follows:

- CEO – 200% of annual guaranteed remuneration
- Other executive directors – 150% of annual guaranteed remuneration

The value refers to all shares held directly or indirectly via a company, trust or other entity directly linked to the executive director in relation to either vested shares retained from LTIs previously awarded via the Group's share schemes, or shares acquired by the executive director directly in the market. The shareholding must be accumulated over a period of up to five years, either from the date of introduction of the policy or the appointment date of the executive director, whichever is the later. After the five-year phase-in period, executive directors are expected to maintain the MSR for the duration of their employment.

The committee will assess holding levels annually and reserves the right to determine remedial steps should the targeted MSR not be met at the target date. Remedial steps can include, but are not limited to, the mandatory deferral of forthcoming annual STIs for investment in company shares and subjecting the resultant shares to a holding period, as well as subjecting any future vesting share scheme shares to a holding period, until the MSR is achieved.

LEGACY SHARE SCHEME

All outstanding share options issued under the legacy long-term incentive scheme (1998 share option scheme) expired during the 2025 financial period.

MALUS AND CLAWBACK

The malus and clawback policy is applicable to all variable remuneration awarded to executive directors, executives and senior managers. The duration of malus provisions is aligned with the duration of the relevant incentive, up to the point of settlement. The duration of clawback provisions is limited to a period of two years from settlement and remains in force if the employee concerned leaves the company prior to its expiry. Any variable remuneration (both STI and LTI) may be reduced or recovered in whole, or in part, after the occurrence of a trigger event.

The following constitute trigger events which will result in the malus or clawback provisions being applied:

- An intentional and material misstatement by the employee concerned of the financial results relating to the performance period or employment period in respect of an award, resulting in an adjustment in the audited accounts of a company in the Group.
- The assessment of any performance metric or condition in respect of an award which is based on a material error, or materially inaccurate information.
- The assessment of any performance metric or condition in respect of an award which is based on intentionally misleading information.
- Events or behaviour of the employee or events attributable to an employee which lead to the censure of a company in the Group, and as a direct result thereof cause material and ongoing reputational damage to a company in the Group.
- Reasonable evidence of employee action or conduct which amounts to dishonesty, fraud or gross misconduct.

EMPLOYMENT CONTRACTS

There are no contractual obligations at any employment level to pay special severance amounts or compensation on termination of employment contracts arising from failure or incapacity to perform, or from underperformance against contracted objectives.

There are no contractual obligations at any level of employment to allocate any short or long-term incentives, the only exception being the allocation of restricted shares, or performance shares in the case of an executive director, as consideration for agreeing to a restraint of trade when the executive director joins the Group. Any buy-out award offered to an executive director will be kept to a minimum and will not exceed the realistic value of awards forfeited by the executive director at their former employer.

No employment contract terms are affected by, or are linked in any way to, the automatic severing of such contracts because of a change in control of the Group. Furthermore, no payments of unvested short or long-term incentives are guaranteed on, or linked to, such a change in control, save that the rights of participants in the 2012 share plan must be accommodated by the board on a fair and reasonable basis on a change in control, and vesting of such rights will, unless the committee decides otherwise, be accelerated if such change in control leads to retrenchment within 24 months of the change in control.

The executive directors' service agreements are subject to a six-month notice period.

NON-EXECUTIVE DIRECTORS' REMUNERATION

Non-executive directors receive fixed fees for services rendered as directors and as members of board committees. All non-executive directors receive the same base board fees, regardless of their length of service. In line with best governance and remuneration practice, non-executive directors do not participate in incentive schemes and do not receive any benefits (other than the discounts applicable to employees in respect of purchases charged to Group store card accounts) or performance-related remuneration from the Group. None of the non-executive directors has a service contract with the Group and no consultancy fees were paid to non-executive directors during the period.

The fee structure of non-executive directors is reviewed annually by the committee with due consideration to internal, economic and market factors utilising benchmarks from similar businesses. In line with best practice and to avoid a conflict of interest, the peer group comparators utilised are the same as those utilised for executive director remuneration benchmarking and are aimed at paying directors at the median for comparative roles in the peer group. Recommendations for fee increases are researched and presented by executive management to the committee for consideration and presented to the shareholders at the AGM for consideration and approval by way of special resolution. Fees are determined in advance for the ensuing calendar year, and are stated exclusive of VAT.

Remuneration Committee report continued

SECTION C

IMPLEMENTATION REPORT 2025

The Group applied the Remuneration Policy as set out in Section B without any deviations for the 2025 reporting period, and no payments were made as a result of termination of office or employment.

Guaranteed remuneration adjustments

The Truworths Africa annual remuneration increases applicable from 1 March 2025 onwards recommended by the committee for bargaining unit employees ranged from 3% to 8% (dependent on level, performance and market rate positioning) for employees performing at the Group's minimum required standard or higher. The Truworths Africa remuneration increase ranges and average increases applied to qualifying management and non-management employees were as follows:

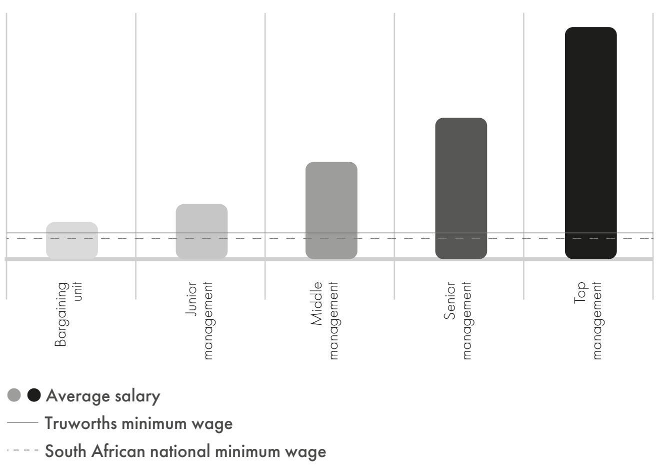
- management range of 3.0% – 7.5%, with an average of 5.08%; and
- non-management range (including bargaining unit employees) of 3.0% – 8.0%, with an average of 5.39%.

Office UK salaries were reviewed in April 2025 and adjusted, where applicable, to meet or exceed the revised national minimum wage levels. The national minimum wage rate for employees over the age of 21 increased by 6.7% and the rate for those aged 18 to 20 increased by 16.3%.

Fair pay and wage gap disclosure

The amendments to the South African Companies Act were promulgated and signed into law in July 2024. Although the effective date for the remuneration-related amendments has not yet been proclaimed, the Group has embarked on a journey of ensuring it is able to meet all the necessary reporting requirements once they become effective. As such, the Group has embarked on a detailed and proactive analysis to assess the wage gap and resulting actions that may be required as well as to enhance transparency by disclosing additional wage-related information.

The below graph details, on a total guaranteed pay basis, the South African minimum wage, the Truworths Africa minimum wage, and the Truworths Africa average wage per grade level for all full-time permanent employees.



In addition, the Group compares the average of the top 5% highest with the average of the lowest 5% full-time permanently employed earners of the Group, giving us an income differential of 18.05 times.

		2025
Average top 5% guaranteed pay	(R000)	1 247
Average bottom 5% guaranteed pay	(R000)	69
Top 5% to bottom 5% ratio	(times)	18.05

Historically, salary increases for employees who are South African Commercial, Catering and Allied Workers Union (SACCAWU) members in the bargaining unit (permanent employees, excluding managers and flexi-time employees) were determined following a process of collective bargaining between the trade union and the principal South African operating subsidiary. As SACCAWU failed to meet the required membership threshold in the bargaining unit for the second year, the normal company salary review process was extended to this group of employees.

The annual guaranteed remuneration of the executive directors is determined by the committee, after reviewing benchmarks based on the Group's peer group of listed retail companies in South Africa. Guaranteed annual remuneration of executive directors for the reporting period was as follows:

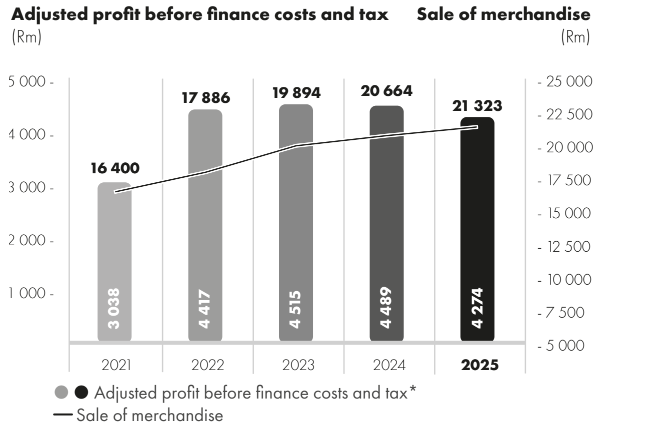
Executive directors' guaranteed remuneration	2025 R000	2024 R000	Change %
Michael Mark	11 733	11 321	3.5
Emanuel Cristaudo	6 088	5 758	5.7
Sarah Proudfoot	6 088	5 758	5.7

PERFORMANCE AND IMPACT ON INCENTIVES

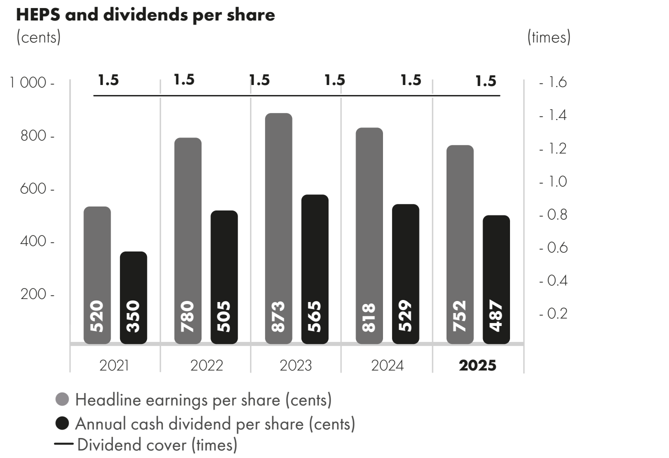
The Group's STI and LTI schemes have driven sustained financial performance in the long term, notwithstanding the macroeconomic and other challenges the Group had to contend with over the last five years. This is reflected in the Group's performance against its medium-term targets and local and international competitors (refer to page 45 and the Chief Financial Officer's report on page 65). Over time, the performance against these targets has improved and remains the highest when compared to local and international benchmarks, except for the Group's asset turnover, which is equal to both the local and international benchmarks. We believe this shows an outstanding commitment and contribution ethic in our Group.

The graphs below further demonstrate how, since the 2021 financial period, the Group has grown the sale of merchandise and sustained profit before finance costs and tax (on an adjusted basis), headline earnings per share and annual dividends per share while maintaining a consistent dividend cover ratio, despite the macro headwinds.

Notwithstanding the strong operating and productivity metrics and the sustained financial performance, the Group fell short of its September 2025 STI and September 2022 LTI targets, with both vesting below 100% as reflected in the vesting outcomes that follow.



* Adjusted profit before finance costs and tax excludes the impact of intangible asset impairments (2019 and 2020) and impairment reversals (2024), the settlement of the indirect tax matter (2023), as well as the impact of the consolidation of the Group's charitable trusts (2024).



2025 SHORT-TERM INCENTIVE OUTCOMES

As detailed in the Remuneration Policy, the Group follows a formulaic approach that includes Group and individual scorecards. This combined approach mitigates against unjustified outcomes, while it ensures that, at the same time, employees are rewarded for the performance conditions that were met over the financial period.

The table below depicts the historical STI payments of all employees as a percentage of profit before tax (after adjustments as described in the footnotes):

		2025 52 weeks	2024 52 weeks	2023 52 weeks
Adjusted profit before tax (refer footnotes below)	(Rm)	3 843*	3 892^	4 058#
Change in adjusted profit before tax	(%)	(1)	(4)	1
STI paid	(Rm)	69	84	105
Executive directors achieved STI		Yes	Yes	Yes
STI paid as a percentage of adjusted profit before tax	(%)	1.8	2.3	2.6

* 2025 profit before tax, adjusted to exclude accounting impairments and unusual foreign exchange losses mainly relating to the Group's foreign currency denominated money market investments.
^ 2024 profit before tax, adjusted to exclude accounting impairments and reversals and the impact of the consolidation of the Group's charitable trusts.
\# 2023 pro forma profit before tax (ie excluding the impact of the indirect tax matter), adjusted to exclude accounting impairments, and compared to the corresponding 52-week prior period.

Remuneration Committee report continued

The STI targets in respect of the 2025 reporting period, namely adjusted HEPS growth, adjusted ROA, adjusted ROE, gross margin and the successful implementation of strategic projects defined for the period, were determined by the committee prior to the start of the period. HEPS was adjusted to exclude the impact of foreign exchange losses mainly arising from the Group's foreign currency denominated money market investments. In the case of ROA and ROE, the numerators (being profit before finance costs and tax and profit before tax, respectively) were adjusted to exclude the aforementioned foreign exchange losses while the denominators (being total assets and average equity, respectively) were adjusted to exclude the impact of prior period net impairment reversals and the first-time consolidation of the Group's charitable trusts, as these matters were not known at the time of setting the ROA and ROE targets for the 2025 financial period.

The performance achieved and outcome against the 2025 STI targets were as follows:

2025 STI targets~	Weighting	Threshold 50%	Target 100%	Stretch 150%	Achieved 2025	Weighted outcome % to target
Adjusted HEPS growth >inflation^	15%	Inflation* pa (3.1% pa)	Inflation* + 1 ppt pa (4.1% pa)	Inflation* + 4 ppts pa (7.1% pa)	**766.8cps**	0%
Adjusted ROA	20%	22.0%	24.5%	27.0%	**23.7%**	16.8%
Adjusted ROE	20%	31.0%	33.5%	36.0%	**31.3%**	11.2%
Gross margin	20%	49.0%	51.0%	53.0%	**51.3%**	21.5%
Strategic targets including ESG targets	25%	50.0%	100.0%	150.0%	**117.5%**	29.4%
Total	**100%**					**78.9%**

~ *The STI financial targets are reviewed annually and, if necessary, revised to account for changes in the Group's balance sheet and capital structure. The decrease in the 2025 STI targets for ROA and ROE reflect the impact of the growing cash balance in Office UK, which the board has decided to retain for strategic purposes, as well as the normalisation of equity following the significant share buy-backs between January 2020 and June 2022.*

^ *Adjusted HEPS growth, which excludes accounting impairments and impairment reversals by definition, and the impact of foreign exchange losses mainly arising from the Group's foreign currency denominated money market investments.*

* *Inflation refers to the average of the South African consumer price index (CPI, as published by Statistics South Africa) and the UK consumer price index (CPI, as published by the UK Office for National Statistics), weighted based on Truworths Africa's and Office UK's relative contribution to Group profit before finance costs and tax.*

The performance achieved and outcome against the 2025 STI strategic targets, which outcome is included in the overall STI outcome of 78.9% for the period as disclosed in the previous table, were as follows:

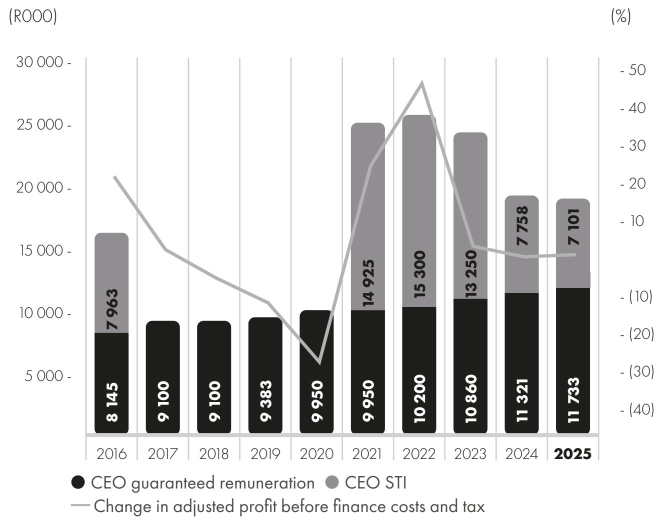
2025 STI strategic targets	Description		Rating %	Weighting %	Weighted outcome %
ESG	• Continue to make steady and measurable progress to reduce carbon emissions.	• Steady progress in reducing our carbon emissions in stores through installation of LED lighting in all new and modernised stores, as well as in the new Truworths Africa DC.	125	10	12.5
	• Obtain EDGE Advanced certification for the new Truworths Africa DC.	• EDGE Advanced certification awarded.			
	• Continue the positive trend of improving the B-BBEE score.	• B-BBEE score improved from 82.64 points to 85.50 points. Rating was maintained at level 4.			
	• Maintain an 'Excellent' rating in the EY Excellence in Integrated Reporting Awards.	• Maintained 'Excellent' rating and awarded seventh place in the EY Excellence in Integrated Reporting awards.			
Human capital	• Conduct employee surveys to assess and implement initiatives to ensure employees from all backgrounds feel that we are living our value "Embrace the power of inclusive teams".	• Conducted employee surveys in Truworths Africa and Office UK. Results are being analysed and action plans will be formulated to address the feedback from employees.	125	20	25.0
	• Drive appropriate and long-term succession planning.	• Initiatives underway for succession of senior roles with focus on key individuals. Developmental assessments undertaken and training initiatives have commenced.			
Aspirational fashion	• Develop new capsule ranges of differentiated fashion product that utilise the strength of general brand portfolio to entice new, young, aspirational fashion consumers.	• Enhancements made to individual brand DNAs to amplify differentiation. • Changes made to buying processes including changes to international travel. • Fuel targeting younger consumers specifically.	100	15	15.0
	• Add new most wanted third-party brands in Office UK and grow own-branded MTO fashion footwear.	• Ladies MTO footwear contribution improved. • Additional brands added to Office UK to improve its fashion offering.			
Group synergies	• Harness Group synergies and the sharing of common platforms, systems and capabilities between Truworths Africa and Office UK to leverage the intellectual capital in the Group.	• Joint marketing synergies between Office UK and Truworths Africa, sharing ideas and learnings for CRM campaigns and for improvements in the online offering. • Truworths Africa's merchandise management and planning methodologies adopted by Office UK. • A number of shared technologies, including campaign management, service desk and point-of-sale hardware and in progress of aligning merchandise management and workforce management systems. • Several support functions provided from SA.	125	20	25.0
	• Capitalise on the investment in the new Truworths Africa DC to drive efficiencies.	• New merchandise allocation methods and increased replenishment in progress.			
Financial	• Drive key financial metric improvement to ensure all financial targets are attained.	• All medium-term targets achieved.	125	20	25.0
Capital allocation	• Optimise the Group's capital structure to enable us to execute innovative strategies aimed at creating value for investors over time.	• Focus on cash generation successful, and the Group ended the period net cash positive. Substantial leverage available for growth.	100	15	15.0
Total				**100**	**117.5**

Remuneration Committee report continued

As 2025 STI targets were achieved by the Group at above threshold level (overall vesting of 78.9%), a resultant incentive pool of R69 million was approved by the committee, being 1.8% of adjusted profit before tax (2024: R84 million being 2.3% of adjusted profit before tax), and incentives were approved for payment to all qualifying employees. Executive directors' STIs were approved as follows:

Executive director	On-target STI % of annual guaranteed remuneration	Overall achievement after Group and personal performance modifiers as % of guaranteed remuneration	**STI 2025 awarded R000**	STI 2024 awarded R000
Michael Mark	100	60.5	**7 101**	7 758
Emanuel Cristaudo	80	56.3	**3 425**	3 552
Sarah Proudfoot	80	56.3	**3 425**	3 552

The graph below shows over the last 10 financial periods the CEO's guaranteed annual remuneration and STI, and highlights the strong correlation between his STI and the annual change in the Group's adjusted profit before finance costs and tax. It is to be noted that the CEO did not receive any STI payments in the 2017, 2018, 2019 or 2020 financial periods.



LONG-TERM INCENTIVES WITH A PERFORMANCE PERIOD ENDED DURING THE 2025 FINANCIAL PERIOD

Group financial performance conditions and targets for LTI purposes are determined by the committee. Measuring performance over a longer period ensures a focus on longer-term sustainable growth in shareholder value.

Actual performance against targets was assessed for the performance period ended June 2025 and applied to performance shares allocated in September 2022, which resulted in a total vesting level of 68.7%.

The following table depicts the historical vesting level of LTIs based on performance outcomes against LTI targets:

	2025	2024	2023	2022	2021	2020	2019
	September 2022 award	September 2021 award	September 2020 and March 2021 awards	September 2019 and March 2020 awards	March 2018, September 2018 and March 2019/ June 2019 awards	August 2017 award	November 2016 award
Vesting level of LTI	68.7%	131.5%	137.3%	139.8%	90.0% 113.2% 114.9%	37.5%	0.0%

Details of performance against targets and outcomes for the award made during the 2022 financial period, with a performance period at the end of the 2025 financial period, as well as vesting level achieved, are set out in the table below.

In line with the 2025 STI measurement, HEPS was adjusted to exclude the impact of foreign exchange losses mainly arising from the Group's foreign currency denominated money market investments. In the case of ROA and ROE, the numerators (being profit before finance costs and tax and profit before tax, respectively) were adjusted to exclude the aforementioned foreign exchange losses while the denominators (being total assets and average equity, respectively) were adjusted to exclude the impact of prior period net impairment reversals and the first-time consolidation of the Group's charitable trusts, as these matters were not known at the time of setting the ROA and ROE targets for the 2025 financial period.

2025 LTI targets September 2022 LTI award	**Weighting**	**Threshold 50%**	**Target 100%**	**Stretch 150%**	**Achieved**	**Weighted outcome**	**Published medium-term Group targets at time of award**
Adjusted HEPS growth > inflation	20%	Inflation* pa (5.2% pa) 862 cents	Inflation* + 1 ppts pa (6.2% pa) 886 cents	Inflation* + 2 ppts pa (7.2% pa) 912 cents	766.8 cents	0%	
Adjusted ROA	20%	22.0%	25.5%	29.0%	23.7%	14.9%	22% – 27%
Adjusted ROE	20%	31.0%	34.5%	38.0%	31.3%	10.9%	31% – 36%
Gross margin	10%	49.0%	51.5%	54.0%	51.3%	9.6%	49% – 53%
Strategic targets	30%	50.0%	100.0%	150.0%	111.3%	33.3%	
Total	**100%**					**68.7%**	

Remuneration Committee report continued

Performance achieved against the strategic targets for the September 2022 LTI award was as follows:

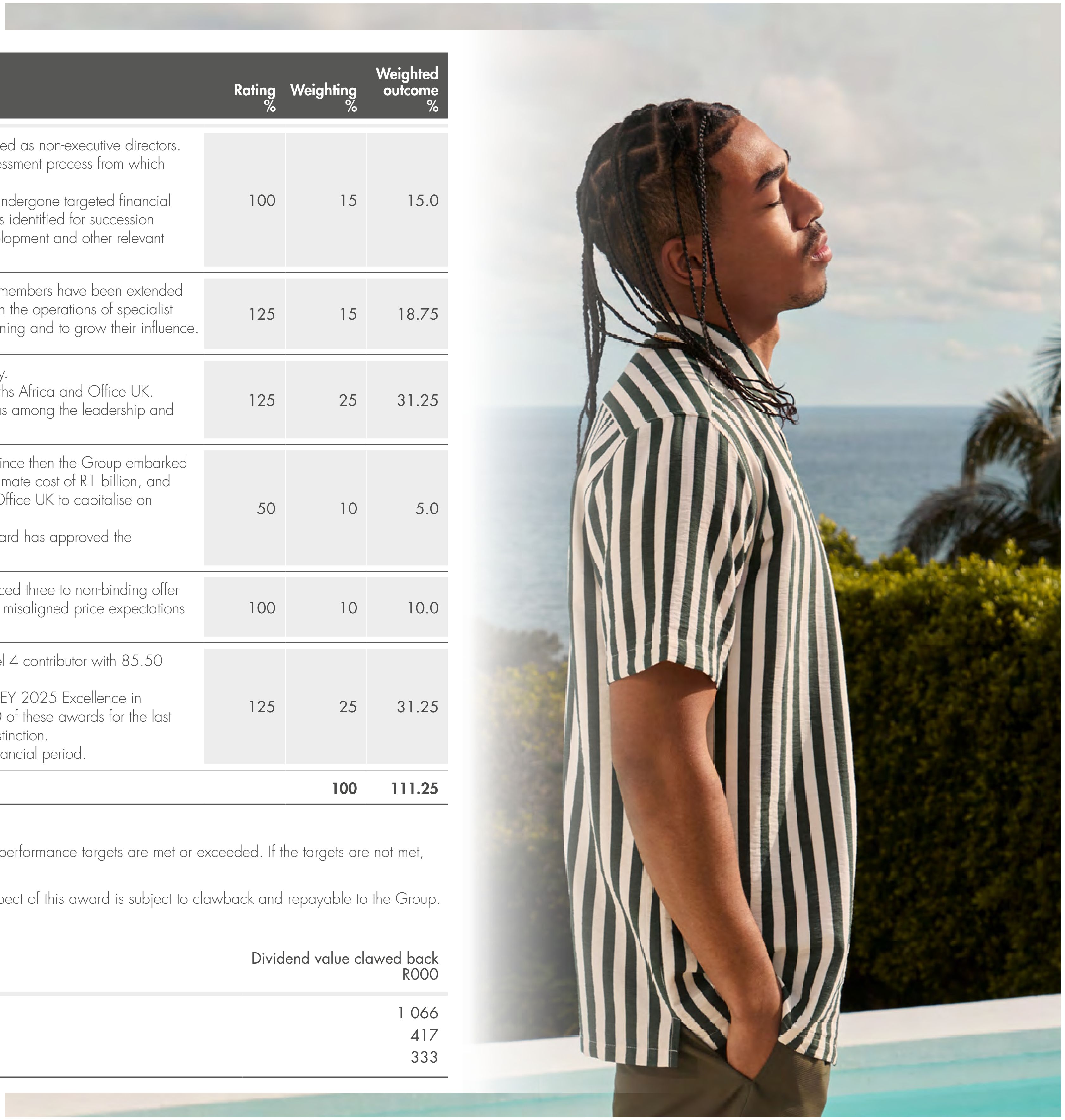
September 2022 LTI strategic target	Description	Rating %	Weighting %	Weighted outcome %
Succession – ensure succession planning in place for Truworths International executive and non-executive directors	• Daphne Motsepe, Wayne Muller and Brendan Deegan appointed as non-executive directors. • Top management and senior executives have completed an assessment process from which tailored development plans are being formulated. • Top management of both Truworths Africa and Office UK have undergone targeted financial literacy and governance training. Key Truworths Africa executives identified for succession purposes, completed external evaluations and commenced development and other relevant training initiatives.	100	15	15.0
Succession – make structure changes to Truworths Africa and Office UK that give additional areas of responsibility to key executives as part of a longer-term succession plan	• The responsibilities of various Truworths Africa top management members have been extended and, where appropriate, they have become integrally involved in the operations of specialist functions within Office UK as part of longer-term succession planning and to grow their influence.	125	15	18.75
Strategy – all initiatives undertaken and delivered in alignment with the Business Philosophy	• All initiatives implemented are in line with the Business Philosophy. • Continued to embed the Group's refreshed Values across Truworths Africa and Office UK. • Conducted diversity training (ongoing) to unlock unconscious bias among the leadership and management to reinforce a culture of inclusivity.	125	25	31.25
Financial – improvement in DHEPS as a result of sustained share buy-back activity, subject to the ability to buy back shares at earnings-enhancing levels	• Last share buy-backs undertaken in the 2023 financial period. Since then the Group embarked on the development of a new Truworths Africa DC at an approximate cost of R1 billion, and accelerated capital expenditure on stores and IT, mainly within Office UK to capitalise on growth opportunities in the UK. • At June 2025, the Group was in a net cash position and the board has approved the resumption of share buy-backs at earnings accretive levels.	50	10	5.0
Acquisitions – evaluate acquisition opportunities as they arise and make recommendations to the Deal Committee	• Considered upwards of 10 acquisition opportunities and advanced three to non-binding offer stages. However, no acquisitions were concluded mainly due to misaligned price expectations or other strategic considerations.	100	10	10.0
Governance – ensure continued focus on governance and compliance for the Group	• Improved B-BBEE score and rating, and the Group is now a level 4 contributor with 85.50 points. • Maintained 'Excellent' rating and awarded seventh place in the EY 2025 Excellence in Integrated Reporting Awards. The Group has been in the top 10 of these awards for the last 18 years, the only company on the JSE to have achieved this distinction. • Successfully transitioned to new external auditors in the 2024 financial period.	125	25	31.25
Total			**100**	**111.25**

DIVIDEND CLAWBACK

Dividends in relation to performance shares are subject to clawback provisions, in terms of which 100% vesting occurs if performance targets are met or exceeded. If the targets are not met, dividends received on the deficit in performance are required to be repaid.

The September 2022 LTI award vested at 68.7%, and accordingly 31.3% of dividends paid to executive directors in respect of this award is subject to clawback and repayable to the Group. The value of dividends clawed back is as follows:

September 2022 LTI award	Dividend value clawed back R000
Michael Mark	1 066
Emanuel Cristaudo	417
Sarah Proudfoot	333



Remuneration Committee report continued

LONG-TERM INCENTIVES AWARDED DURING THE 2025 FINANCIAL PERIOD

During the 2025 financial period, the committee agreed, and recommended for approval by the board, the performance targets for the relevant share plans in relation to awards made during the 2025 financial period.

These targets were set, taking into account the macroeconomic environments in which the operating segments of the Group operate. They are aimed at rewarding management for achieving strategic imperatives aligned with the Business Philosophy and strategy, which are growing sales, containing the cost base, making well-reasoned and profitable capital allocation decisions, maintaining a healthy and efficient balance sheet structure, and achieving the deliverables on the non-financial performance measures embodied in the strategic projects.

The performance measures and targets for these awards made to executive directors were disclosed in the policy section of the Remuneration Report in the Integrated Report 2024.

Executive director share plan allocations during the 2025 financial period:

	2025			2024		
Executive director	Number of awards and type 000	Face value of award allocated R000	Face value as % of annual guaranteed remuneration	Number of awards and type 000	Face value of awards allocated R000	Face value as % of annual guaranteed remuneration
Performance share plan (PSPs) (with performance targets)*						
Michael Mark	**177 PSPs**	**16 750**	**143**	203 PSPs	14 988	132
Emanuel Cristaudo	**79 PSPs**	**7 450**	**122**	81 PSPs	6 010	104
Sarah Proudfoot	**79 PSPs**	**7 450**	**122**	81 PSPs	6 010	104

** The long-term incentive policy was amended in 2022 and therefore no non-performance restricted shares were awarded to any executive director during the reporting period.*
Note 1: The awards have a vesting period of between three and five years.
Note 2: The vesting periods for executive directors' shares awarded in September 2024 are as follows:
- *Michael Mark and Emanuel Cristaudo: three years, with 100% vesting in year three*
- *Sarah Proudfoot: four years with 40% vesting in year three and 60% vesting in year four*

Note 3: The performance measurement takes place at the end of financial year three, being June 2027.
Note 4: No shares vest if performance falls below the 50% vesting target, while performance above the maximum 150% vesting target does not increase the vesting percentage above 150%.
Note 5: Face value of awards allocated (or face value of awards) means the Rand value awarded to a participant. The number of shares awarded is determined by dividing the face value of the awards by the volume-weighted average market price of the company's shares over the five-business day period preceding the date of the award.

Total share plan allocations to all participants (including executive directors) in the 2025 financial period:

Plan	Number of participants	Face value of awards R000*
Restricted share plan (with no performance targets)	519	85 152
Performance share plan (with performance targets)	42	59 252

** Determined with reference to the period-end share price of R71.01.*

Aggregate share instruments awarded to employees and executives, including the above share plan allocations in the 2025 financial period, (ie total share scheme utilisation), constitute 7 627 000 shares, being 1.65% (2024: 2.04%) of total issued shares at June 2012, which is below the aggregate allocation of 5%. The annual allocation as detailed above is 0.33% of issued shares at June 2012, which is below the committee guideline of 1% in any one year (1.25% in terms of the policy).

The maximum aggregate allocation for any one participant is 0.47% (2024: 0.48%) of shares in issue at June 2012 (1.0% in terms of the policy).

MINIMUM SHAREHOLDING REQUIREMENT (MSR) BY EXECUTIVE DIRECTORS

The committee approved the introduction of an MSR for executive directors, effective 1 July 2024 to ensure executive directors accumulate a minimum shareholding in the company (excluding shares held pursuant to a Group share scheme), ensuring alignment with shareholder interests in the long term. The shareholding must be accumulated over a period of up to five years, either from the date of introduction of the policy or the appointment date of the executive director, whichever is the later. The current shareholdings of the executive directors (excluding shares held pursuant to a Group share scheme) are set out in the table below:

Name	Position	Shareholding 000	Shareholding value* R000	MSR requirement %	Ratio to annual guaranteed remuneration %
Michael Mark	CEO	1 507	107 035	200	912
Sarah Proudfoot	Joint Deputy CEO	161	11 414	150	187
Emanuel Cristaudo	Joint Deputy CEO/CFO	58	4 148	150	68^

** Determined with reference to the period-end share price of R71.01.*
^ Emanuel Cristaudo was appointed as executive director on 1 July 2021 and is in the process of accumulating shares in the company.

Remuneration Committee report continued

EXECUTIVE DIRECTORS' REMUNERATION

Refer to the Group Audited Annual Financial Statements 2025 on the company's website for further details relating to executive directors' remuneration and share-based awards. The total annual guaranteed remuneration, benefits and short-term cash incentives in the single-figure remuneration table below have been extracted from note 28.1 of the Group Audited Annual Financial Statements 2025, while the values of qualifying dividends and long-term incentives have been calculated in terms of the requirements of King IV. All loans pursuant to the 1998 Share Scheme were settled during the prior period.

The fair value of LTIs is included in the single-figure remuneration in the period when performance against targets is measured, notwithstanding that vesting of the LTIs (and therefore the accrual of the benefit to the participant) occurs in future years. For completeness, the actual future vesting dates are included in the table below in the supplementary information column.

	Single-figure remuneration								Supplementary information
Director	Months paid	Total annual guaranteed remuneration R000	Benefits* R000	Benefit of interest-free loans pursuant to 1998 share scheme R000	Short-term cash incentive R000	Long-term incentive^ R000	Qualifying dividends# R000	Total single-figure remuneration R000	Vesting dates of long-term incentives included in total single-figure remuneration R000
2025									
Michael Mark	**12**	**11 733**	**81**	**–**	**7 101**	**12 644**	**2 643**	**34 202**	**September 2025: 12 644**
Emanuel Cristaudo	**12**	**6 088**	**–**	**–**	**3 425**	**4 942**	**1 131**	**15 586**	**September 2025: 1 977** **September 2026: 2 965**
Sarah Proudfoot	**12**	**6 088**	**55**	**–**	**3 425**	**4 971**	**1 950**	**16 489**	**September 2025: 1 491** **September 2026: 1 491** **September 2027: 1 989**
2024									
Michael Mark	12	11 321	62	1 073	7 758	27 762	7 510	**55 486**	September 2024: 27 762
Emanuel Cristaudo	12	5 758	5	–	3 552	6 696	1 207	**17 218**	September 2024: 5 558 September 2025: 1 138
Sarah Proudfoot	12	5 758	20	159	3 552	12 084	3 269	**24 842**	September 2024: 3 625 September 2025: 3 625 September 2026: 4 834

* *Benefits comprise subsistence allowances for local and overseas travel, long-service awards and fringe benefits on life insurance premiums paid.*

Portion of the dividends received relate to performance shares which have not yet vested and for which performance has still to be measured against agreed targets. Security, in the form of a pledge of the shares in question, for the possibility that a portion of such dividends may have to be repaid if such targets are not achieved, has been provided by the directors to the company.

^ *The long-term incentive value is calculated as follows:*

- *Performance share plan: for all LTIs where performance against the company performance targets (CPTs) was measured in the financial period, the five-day volume weighted average price (VWAP) of the company's shares at period-end multiplied by the CPT vesting percentage and the number of LTIs.*

Remuneration Committee report continued

Total equity-based awards and cash flow

The table below shows the details of equity-based award movements and cash flows in respect of executive directors during the 2025 financial period. Details of the offer and vesting dates of the instruments are included in the Group Annual Financial Statements 2025.

Director	Award type	Opening balance 1 July 2024 000	Granted 000	Lapsed/forfeited due to performance conditions not achieved or resignations 000	Additional shares awarded due to performance conditions achieved 000	Vested/exercised/sold 000	Closing balance 29 June 2025 000	Cash flow on settlement R000	Estimated closing fair value 29 June 2025 R000
2025									
Michael Mark		**1 040**	**177**	**–**	**72**	**(646)**	**643**	**70 458***	**45 659**
	Restricted shares with performance conditions	1 040	177	–	72	(646)	**643**		**45 659**
Emanuel Cristaudo		**258**	**79**	**–**	**17**	**(79)**	**275**	**8 567**	**19 538**
	Restricted shares without performance conditions	19	–	–	–	(19)	**–**		**–**
	Restricted shares with performance conditions	239	79	–	17	(60)	**275**		**19 538**
Sarah Proudfoot		**470**	**78**	**(7)**	**31**	**(123)**	**449**	**11 948**	**31 918**
	Options	13	–	(7)	–	(6)	**–**		**–**
	Restricted shares with performance conditions	457	78	–	31	(117)	**449**		**31 918**

** The cash flow on settlement is the full taxable gain made on the shares vesting at a vesting date during the financial period. The CEO sold sufficient shares to pay the employees tax on the gain and retained the balance of the shares.*

Director	Award type	Opening balance 3 July 2023 000	Granted 000	Lapsed/forfeited due to performance conditions not achieved or resignations 000	Additional shares awarded due to performance conditions achieved 000	Vested/exercised/sold 000	Closing balance 30 June 2024 000	Cash flow on settlement R000	Estimated closing fair value 30 June 2024 R000
2024									
Michael Mark		**2 911**	**203**	**–**	**157**	**(2 231)**	**1 040**	**102 367***	**97 065**
	Options	450	–	–	–	(450)	**–**		**–**
	Shares	1 550	–	–	–	(1 550)	**–**		**–**
	Restricted shares with performance conditions	911	203	–	157	(231)	**1 040**		**97 065**
Emanuel Cristaudo		**186**	**81**	**–**	**–**	**(9)**	**258**	**701**	**24 035**
	Restricted shares without performance conditions	28	–	–	–	(9)	**19**		**1 712**
	Restricted shares with performance conditions	158	81	–	–	–	**239**		**22 323**
Sarah Proudfoot		**568**	**81**	**–**	**64**	**(243)**	**470**	**14 367**	**43 064**
	Options	13	–	–	–	–	**13**		**420**
	Shares	81	–	–	–	(81)	**–**		**–**
	Restricted shares with performance conditions	447	81	–	64	(135)	**457**		**42 644**
	Appreciation rights without performance conditions	15	–	–	–	(15)	**–**		**–**
	Appreciation rights with performance conditions	12	–	–	–	(12)	**–**		**–**

** Includes transactions relating to shares that were held in terms of the 1998 share scheme, awarded between 2 April 2008 and 19 February 2010, and were undertaken to settle the loan repayable and tax due by the CEO to enable him to retain the balance of such shares.*

Other than the executive and non-executive directors, the company does not have any prescribed officers as defined in the Companies Act (No. 71 of 2008, as amended) of South Africa.

Notes:
- *The fair value of restricted shares and performance shares is based on the relevant year end company share price.*
- *The fair value of appreciation rights is based on the binomial actuarial option pricing model at the relevant year end.*
- *All options granted under the legacy 1998 share option scheme have vested or have been forfeited. The fair value of such options is based on the difference between the year-end share price and the option strike price. All loans pursuant to the 1998 Share Scheme have been settled during the prior period.*
- *The cash flow on settlement includes share gains made during the period.*

Non-executive directors' remuneration

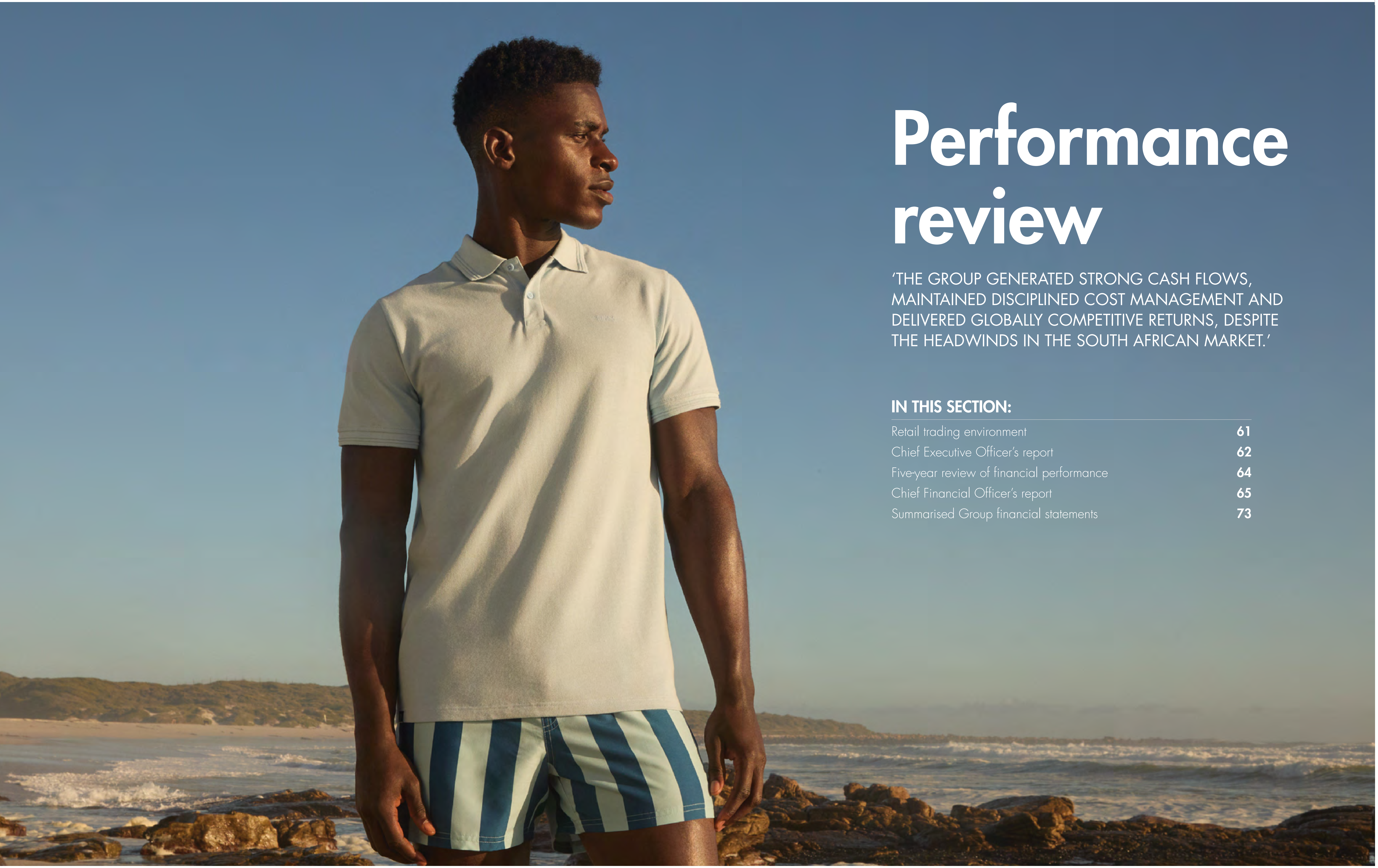
The total fees paid to non-executive directors in respect of the 2025 and 2024 financial periods are detailed below.

	Months Paid	Total fees (excluding VAT) 2025 R000	Total fees (excluding VAT) 2024 R000
Hilton Saven	12	**2 142**	2 009
Hans Hawinkels	12	**1 055**	870
Brendan Deegan~	9	**568**	–
Rob Dow	12	**684**	647
Dawn Earp	12	**808**	755
Tshidi Mokgabudi	12	**673**	628
Thabo Mosololi	12	**648**	605
Daphne Motsepe	12	**475**	448
Wayne Muller	12	**684**	598
Roddy Sparks	12	**800**	948
Tony Taylor	12	**684**	647
Total		**9 221**	8 359

~ Appointed with effect from 1 October 2024.

As disclosed last year, the fees for non-executive directors were benchmarked against fees payable by the peer group companies during a process of aligning our non-executive directors' fees to our targeted median positioning against peer companies. Our fee adjustments for certain roles were therefore higher in the prior year. The proposed annual fees for non-executive directors with effect from 1 January 2026 are now normalised and proposed as follows:

	Proposed fees (excluding VAT) for 12 months to December 2026 R000	2025 fees R000	change %
Non-executive chairman	**1 775**	1 675	6.0
Lead independent director	**810**	765	5.9
Non-executive director	**510**	490	4.1
Audit Committee chairman	**432**	415	4.1
Audit Committee member	**215**	205	4.9
Remuneration Committee chairman	**242.5**	230	5.4
Remuneration Committee member	**115**	110	4.6
Risk Committee member (non-executive only)	**147.5**	140	5.4
Nomination Committee chairman	**212.5**	200	6.3
Nomination Committee member	**110**	105	4.8
Social and Ethics Committee chairman	**190**	180	5.6
Social and Ethics Committee member (non-executive only)	**105**	100	5.0



Performance review

'THE GROUP GENERATED STRONG CASH FLOWS, MAINTAINED DISCIPLINED COST MANAGEMENT AND DELIVERED GLOBALLY COMPETITIVE RETURNS, DESPITE THE HEADWINDS IN THE SOUTH AFRICAN MARKET.'

IN THIS SECTION:

Retail trading environment

Discretionary consumer spending in South Africa and the United Kingdom remained constrained during the financial period as consumers in both markets faced pressure on disposable income and high living costs in low economic growth environments.

In response to these pressures, the central banks in both markets reduced interest rates by a cumulative 100 basis points during the Group's 2025 financial period. The SA Reserve Bank (SARB) lowered interest rates from a 15-year high while the Bank of England (BoE) reduced rates for the first time in more than four years. Subsequent to the period-end, both the SARB and BoE announced a further 25 basis points rate reduction.

The second half of the financial period was characterised by heightened uncertainty and volatility in global markets, largely due to the tariff war initiated by the United States.

SOUTH AFRICA

The early stages of the financial period were marked by renewed optimism following the formation of the Government of National Unity (GNU) in June 2024 and the smoother-than-expected transition to a coalition government.

Consumer sentiment was buoyed by increased political stability, declining inflation, the strengthening currency and improved economic growth prospects. The suspension of load shedding and relatively stable electricity supply also contributed to improved consumer confidence and supported improved retail trading in the country.

The introduction of the two-pot retirement system in September 2024, which permits limited early withdrawals from retirement savings, was expected to stimulate discretionary retail spending. While the system injected significant liquidity into the consumer economy, most withdrawals were used to repay debt and cover essential purchases, with minimal benefit to discretionary categories such as fashion retail.

However, the initial mood of optimism gave way to growing uncertainty and instability in the early months of calendar year 2025, due primarily to the mounting tensions related to the imposition of increased global trade tariffs. Domestically, divisions within the coalition GNU raised concerns about the government's stability and long-term viability, while a proposed VAT rate increase dampened sentiment. As a result, economic momentum stalled in the first quarter of 2025, with subdued consumer spending weighing on growth.

South Africa's consumer inflation rate moderated in line with expectations during the year, measuring 3.0% at June 2025. Inflation has remained at the lower end or below the SARB's 3% to 6% target range in seven of the past 12 months. This sustained low inflation has been supported by declining fuel prices and a more stable Rand. However, pressure from rising food prices remains a risk to inflation. In addition, electricity prices are a significant driver of cost-of-living pressures, with no respite expected in electricity costs in the medium term.

Lower inflation enabled the SARB to commence a long-awaited interest rate reduction cycle in September 2024. The repo rate was lowered from 8.25% to 7.25% during the financial period, followed by a further 25 basis points reduction shortly after the period-end.

The reduction in interest rates provided some relief by easing the cost of debt for consumers, which is positive for consumer spending. The TransUnion SA Consumer Credit Index, which monitors the credit health of consumers, measured 52 in the second quarter of calendar year 2025. While a score above 50 reflects improving credit conditions, the recovery in the credit market remains fragile.

The labour market remains weak with limited prospects for sustainable job creation given the country's subdued economic growth. The unemployment rate for the second quarter of 2025 was 33.2%, with 8.4 million South Africans unemployed. Youth unemployment, which measures jobless South Africans aged 15 to 24, is at 62.2%.

While consumer confidence remains negative, and has been since mid-2019, the FNB/BER Consumer Confidence Index improved to -10 in the second quarter of 2025 from -20 in the first quarter. After heightened pessimism early in calendar year 2025, sentiment improved mainly due to the cancellation of the proposed VAT rate increase, the resolution of the budget stalemate within the GNU and an easing of tariff-related tensions.

The macroeconomic environment is expected to remain under pressure in the months ahead, with headwinds from persistently high unemployment, lack of job creation, muted economic growth and ongoing global uncertainty. Consumer disposable income is likely to remain constrained in the short term, however, wage growth outpacing inflation, interest rate relief and sustained low inflation are positive for a turnaround in discretionary spending over the medium term.

UNITED KINGDOM

Retail sales remained constrained as high living costs continued to place pressure on household income, with discretionary spending in categories such as fashion and footwear particularly affected. Retail sales volumes declined in 11 of the past 12 months, with the Confederation of British Industry's monthly retail sales gauge falling to -46 from -24 a year earlier.

Inflation accelerated in the first half of calendar year 2025, rising to 3.6% by June (June 2024: 2.0%), the highest level since January 2024, driven mainly by higher transport and food costs.

Interest rates were reduced by a cumulative 100 basis points from a 16-year high of 5.25% in August 2024 to 4.25% by May 2025, with a further 25 basis points reduction shortly after the period-end. Further interest rate cuts are likely in the second half of calendar year 2025 as the BoE maintains its gradual approach to monetary policy easing.

The GfK Consumer Confidence Index weakened to -18 at June 2025, down from -14 a year earlier, reflecting concern over rising inflation and the prospect of tax increases, while global tariff uncertainty and ongoing geopolitical tensions continued to weigh on consumer sentiment.

Discretionary retail sales are expected to remain subdued in the months ahead as weak consumer demand persists due to higher inflation, a weak labour market and muted consumer confidence, while retailers face rising labour costs, higher business taxes and continued economic uncertainty.

Following the closure of over 13 400 retail stores in calendar year 2024 due to the structural shift from physical stores to online shopping, the contraction of the high street is expected to accelerate with more than 17 000 store closures anticipated in 2025 (source: Centre for Retail Research).

The key factors expected to influence the retail trading environment in South Africa and the United Kingdom during the 2026 financial period are discussed in the Review of 2025 and outlook for 2026 on page 2 and in the Chief Executive Officer's report on page 62.

Chief Executive Officer's report

'The Group remains highly cash generative and continues to deliver best-in-class returns, closing the period with a strong balance sheet, net cash positive and an improving credit book.'

Michael Mark Chief Executive Officer

OFFICE UK CONTRIBUTION TO GROUP PROFIT

39%

E-COMMERCE ACCOUNTS FOR

20%

of Group retail sales, up from 9% only six years ago

The Group's diversification into the UK continues to deliver benefits, with Office UK reporting strong retail sales growth, improved margins and higher headline earnings.

In South Africa, we entered the year with cautious optimism for a gradual economic recovery, buoyed by optimism around the formation of the Government of National Unity (GNU) post elections, expectations of lower interest rates and improved consumer confidence. However, much of this optimism failed to materialise as geopolitical uncertainties and policy disagreements within the coalition GNU ensured South Africa's macroeconomic environment remained constrained. Low economic growth, stagnant real wage increases, elevated unemployment and rising living costs continued to erode consumer disposable income. Macroeconomic conditions remained largely unchanged as a result and persistently weak consumer confidence weighed negatively on performance.

In this environment, the Group's strategy focused on cash generation, disciplined capital expenditure and tight expense control. While we contained credit growth and real estate expansion in Truworths Africa, we continued to expand trading space and modernise our stores in Office UK. Importantly, we have continued to invest for the future and developed processes, infrastructure and technology to capitalise on the next growth phase.

TRADING PERFORMANCE

Group retail sales increased by 2.7% to R22.0 billion. The Group's gross margin declined from 52.3% to 51.3%, remaining well within management's target range.

The Group remains highly cash-generative and continues to deliver best-in-class returns, closing the period with a strong balance sheet, net cash positive and an improving credit book. This positions the business to capitalise on an anticipated improvement in economic prospects over the next 12 to 24 months.

Retail sales in Truworths Africa declined by 0.4% to R14.5 billion for the year. Credit sales, which comprise 70% of retail sales, increased by 0.1% and cash sales decreased by 1.5%. The late delivery of winter merchandise in the prior period, as a result of supply chain constraints and the delayed onset of winter in South Africa in 2024, dampened seasonal demand, resulting in increased promotional activity at the start of the financial period, which impacted margins. This was compounded by softer trading during the period, resulting in elevated end-of-summer stock levels that required higher markdowns and more aggressive in-season promotional activity. Truworths Africa's gross margin declined to 53.6% compared to the five-year average of 54.9%.

Office UK's branded fashion footwear offering proved resilient amid subdued retail spending in the UK. Retail sales increased by 9.7% to £319 million as Office UK leveraged its strong relationships with leading global footwear brands, continued its successful store expansion and modernisation programme, and capitalised on the loyalty of customers across the Office and Offspring brands.

Office UK contributed 34% of the Group's retail sales, increased its gross margin by 10 basis points to 47.1% and strengthened its trading and operating margins on a pro forma basis. Profit before tax, on a pro forma basis, increased by 12% and now contributes 31% to Group EBITDA. Office UK remains debt-free, with cash of £114.2 million at the period-end.

ASPIRATIONAL FASHION

In South Africa, our merchandise and operations teams have continued over the past year to focus on improving the value consumers see in our merchandise by increasing differentiation and elevation of the ranges. Significant work was done to improve our quick response capability with continued investment in our local design operations and manufacturers.

We extended the presence of the most recently launched brands, Fuel and Sync. Fuel has grown to 86 stores, including seven stand-alone stores, and Sync now has 28 stand-alone stores. In addition, Fuel products are offered in most Truworths Man stores, further extending the reach of the brand.

Office UK's unique market positioning and continued focus on the fashion-savvy 'London girl' make it a sought-after retail partner for top fashion footwear and sneaker brands globally. Strong relationships with key brand partners have ensured Office UK has better access to on-trend, top-tier products, attracting larger stock allocations and broader ranges. The improved design of Office UK's stores in recent years has strengthened its appeal to major footwear brands, leading to increased product allocations from top global suppliers.

Office UK's own label made-to-order (MTO) footwear ranges is a strategically important growth area. MTO ranges have experienced strong sales growth in Office UK.

Chief Executive Officer's report continued

We aim to grow the contribution and margin by continuing to improve product quality and styling to ensure that Office UK maintains its status as the leader in high-street footwear fashion.

Customer demand for convenient online shopping continued to gather momentum across Office UK and Truworths Africa, with e-commerce now accounting for 20% (2024: 18%) of Group retail sales, up from 9% only six years ago.

Online sales in Truworths Africa increased by 33.7%, contributing 6.5% (2024: 4.9%) of its retail sales. The Truworths Africa e-commerce business has been profitable since inception. Office UK's online sales grew by 6.5% and now represent 44.9% (2024: 46.2%) of the footwear chain's retail sales, up from 24% when the business was acquired in 2015.

Ongoing collaboration between the Office UK and Truworths Africa digital teams ensures the sharing of information and key learnings in the Group in relation to website functionality, technology, tools, digital marketing strategies and e-commerce trends.

AI presents a significant opportunity to support merchandise operations and we are aiming to maximise its application across the business to enhance efficiency and innovation, particularly in the planning, buying and design functions as well as production processes.

SUPPLY CHAIN

A major milestone for the Group was the completion of the new Truworths Africa distribution centre (DC) near Cape Town International Airport, built at an investment of approximately R1 billion. Designed to accommodate growth for the next 10 years, this state-of-the-art 52 000 m² facility is expected to enhance distribution efficiency by enabling higher volumes of merchandise replenishment and part allocation to stores.

We adopted a phased go-live approach, starting in November 2024, with the existing and new DCs operating in parallel during this period. Additional distribution volumes were transitioned to the new facility in a controlled manner and by the June 2025 period-end, the new DC was processing approximately 55% of the total distribution volume.

The DC is a highly automated facility equipped with advanced materials handling machinery. Ahead of the facility becoming fully operational, some delays were experienced in getting product to stores during the peak winter 2025 season due to technology and processes being fine-tuned to cater for the high-demand periods.

The facility is expected to have completed the phasing in of all merchandise distribution by the end of September 2025.

Sustainability was a central consideration in the design, construction and operation of the new DC. The facility was awarded the globally recognised EDGE (Excellence in Design for Greater Efficiencies) Advanced green building certification in July 2024. Administered by the Green Building Council of South Africa in partnership with the International Finance Corporation, EDGE certification promotes greater efficiency in the use of energy, water and materials.

Office UK operates a centralised distribution model from its warehouse in Kilmarnock, Scotland. An ongoing project to re-engineer and upgrade the facility is aimed at improving productivity, expanding capacity and enhancing distribution efficiency. Progress during the period included the installation of modern materials handling equipment and the reconfiguration of racking systems, which increased storage capacity and operational efficiency.

Shareholders will recall the international shipping challenges experienced in the previous financial period, with the impact on the supply chain further compounded by the disruption at local ports. Encouragingly, the impact of global container shortages stabilised by the first month of the 2025 financial period. Severe disruptions at local ports also showed a marked improvement, with the performance of the Durban port improving while the Cape Town port has remained relatively stable, with slightly improved performance.

OUTLOOK 2026

Although we expect the volatility in global markets to continue, we are cautiously optimistic about South Africa's medium-term prospects, with the potential for further interest rate relief for consumers and an improving credit market, and are optimistic on the outlook for Office UK with its real estate expansion plans.

Our Group has a robust balance sheet, good cost control and an increasingly healthy credit portfolio.

In Truworths Africa, we aim to expand trading space while adopting a measured, yet more expansive approach to credit growth in the medium term. We will continue to focus on enhancing the appeal of Truworths Africa's aspirational fashion ranges, leveraging the capabilities of our new distribution centre, refining the Truworths Africa account and loyalty offering, and expanding the online platform.

Office UK aims to remain at the forefront of women's fashion footwear by increasing brand access through investment in new stores and by selectively modernising and upgrading stores in strategic retail locations. Growth in the year ahead will be supported by the new Office and Offspring apps, which are already having a positive impact on sales, investment in technology, and distribution centre enhancements.

RETAIL PRESENCE

The Group has an enviable portfolio of stores across Truworths Africa and Office UK, showcasing our market-leading brands. The footprint was expanded with the opening of a net nine new stores, bringing the store count to 897 at period-end (Truworths Africa 810 and Office UK 87).

Truworths Africa followed a conservative approach to store expansion in the current constrained trading environment, with retail trading space growing by 0.5% following the opening of 22 stores and closure of 14.

The latest flagship store concept, the Truworths Emporium Re-imagined, was rolled out in six additional large-format stores with promising results. The Emporium Re-imagined design concept is being further refined for implementation in the 2026 financial period.

Office UK continued to invest in modernising and selectively expanding and upgrading its store estate, increasing trading space by 6.4%, although this was lower than planned owing to the timing of a number of projects. Three new stores were opened, including a flagship store in Canary Wharf, London, while two other flagship stores were relocated to larger, more prominent sites. A further seven stores were modernised and expanded.

Accessibility is a key strength of Office UK, attracting both customers and global brand partners with its strategic blend of prime store locations, concessions in leading department stores, a world-class online platform and newly launched leading-edge mobile applications.

Group trading space is projected to increase by approximately 3% for the 2026 financial period, with an increase of 2% in Truworths Africa and 10% – 12% in Office UK.

Management is encouraged by the early signs of increased new mall and space opportunities in South Africa, and this together with innovative new store formats, and reorganisation of the emporium store, is likely to lead to a more rapid increase in space in future years than has been the case over the past few years.

Strategic initiatives are underway to develop a more premium brand offering for higher LSM consumers, along with other concepts such as a younger fashion collection and expansion of our beauty range.

ACCOUNT MANAGEMENT

Truworths Africa continued to experience strong demand for its premium-quality, aspirational fashion merchandise, with a record 5.5 million account applications. This appeal was particularly evident among young South Africans, with 43% of account applicants aged below 30.

Weak macroeconomic conditions resulted in Truworths Africa adopting a cautious approach and containing credit granting, especially in higher-risk categories, which moderated sales growth. As a result, only 15% of applications translated into new accounts. The credit book remains resilient and well managed, supported by strong credit risk management and effective collections strategies.

The number of active credit accounts decreased by 0.5% to 2.9 million. Over the past five years, Truworths Africa has recorded average annual growth of 1.9% in active accounts in the challenging consumer credit environment.

Sustained low inflation and lower interest rates are expected to support consumer spending and credit affordability, with the SA Reserve Bank having reduced the repo rate by a cumulative 125 basis points to 7.0% since September 2024.

The TransUnion SA Consumer Credit Index (CCI), an indicator of the credit health of consumers in South Africa, increased to 53 in the first quarter of 2025 before easing marginally to 52 in the second quarter. A score above 50 indicates improving credit health, while a score below reflects deterioration. While the latest CCI signals a modest improvement in household credit health, the recovery remains fragile.

Looking ahead, management is encouraged by the early signs of recovery in the consumer credit environment, with improving credit quality, strong demand for new accounts and a healthier credit portfolio positioning Truworths Africa for a recovery in account sales growth.

APPRECIATION

My sincere thanks go to our Chairman, Hilton Saven, for his strong and decisive leadership of the board, and to our non-executive directors for their ongoing guidance, counsel and insight. For their unwavering support, I thank Sarah Proudfoot and Mannie Cristaudo, our Joint Deputy CEOs, and our directors and divisional directors in Truworths Africa and Office UK, who continue to lead by example.

Our 12 000 employees across the Group are at the heart of our success, and I thank them for their contribution and commitment.

Thank you to our loyal customers who support us both in-store and online. We look forward to continuing to exceed your expectations for quality fashion apparel and footwear in the year ahead.

Michael Mark
Chief Executive Officer

Five-year review of financial performance

Period		2025 Reported	2025 *Pro forma*^	2024 Reported	2024 *Pro forma**	2023 Reported	2022 Reported	2021 Reported
Number of weeks		**52**	**52**	52	52	52	53	52
Share performance								
Total shareholder return (15-year CAGR)	(%)	**6**		10		11	7	11
Basic earnings per share	(cents)	**745.2**	**748.4**	1 046.9	780.8	888.5	794.1	480.2
Headline earnings per share	(cents)	**752.1**	**752.1**	817.9	780.8	873.3	779.8	520.3
Diluted headline earnings per share	(cents)	**743.4**	**743.4**	805.8	769.2	861.4	770.8	516.7
Cash flow per share	(cents)	**1 265.2**		1 240.0		955.5	923.5	947.3
Cash equivalent earnings per share	(cents)	**1 246.8**		1 255.3		1 286.2	1 154.6	882.8
Net asset value per share	(cents)	**2 859**		2 553		2 073	1 658	1 562
Annual cash dividend per share	(cents)	**487**		529		565	505	350
Dividend cover	(times)	**1.5**		1.5		1.5	1.5	1.5
Number of shares in issue	(000's)	**408 499**		408 499		408 499	409 456	438 407
Number of shares in issue (net of treasury shares)	(000's)	**375 361**		372 251		369 303	368 334	396 380
Weighted average number of shares	(000's)	**374 365**		371 330		368 581	384 219	406 267
Cumulative value of shares repurchased#	(Rm)	**6 448**		6 448		6 448	6 420	4 831
Cumulative number of shares repurchased#	(000's)	**163 463**		163 463		163 463	162 907	133 555
Closing share price	(cents)	**7 101**		9 328		5 660	4 886	5 616
Returns and margin performance								
Gross margin	(%)	**51.3**	**51.3**	52.3	52.3	52.5	53.5	51.0
Trading margin	(%)	**13.6**	**13.6**	20.4	14.2	18.2	20.2	13.8
Operating margin	(%)	**20.0**	**20.1**	27.3	21.0	24.0	24.7	18.5
Return on equity	(%)	**28**	**28**	45	34	48	50	32
Return on assets	(%)	**21**	**22**	30	23	30	33	24
Inventory turn	(times)	**4.2**	**4.2**	4.3	4.3	4.2	4.6	4.6
Asset turnover	(times)	**1.1**	**1.1**	1.1	1.1	1.2	1.3	1.3
Net cash/(debt) to equity	(%)	**7**		(3)		(11)	(9)	9
Net cash/(debt) to EBITDA	(times)	**0.1**		–		(0.1)	(0.1)	0.1
Return on invested capital (ROIC)	(%)	**23**		25		28	35	24
Weighted average cost of capital (WACC)	(%)	**14**		15		14	14	12
ROIC divided by WACC	(times)	**1.6**		1.7		2.0	2.5	2.0
Cash realisation rate	(%)	**101**		99		74	80	107
Statements of comprehensive income								
Sale of merchandise	(Rm)	**21 323**	**21 323**	20 664	20 664	19 894	17 886	16 400
Trading expenses	(Rm)	**(8 447)**	**(8 412)**	(8 168)	(8 279)	(7 772)	(6 607)	(6 454)
Trading profit	(Rm)	**2 892**	**2 909**	4 218	2 934	3 616	3 618	2 269
Profit before finance costs and tax	(Rm)	**4 274**	**4 291**	5 631	4 347	4 775	4 417	3 038
Profit before tax	(Rm)	**3 749**	**3 766**	5 155	3 871	4 397	4 182	2 746
Headline earnings	(Rm)	**2 816**	**2 816**	3 037	2 899	3 219	2 996	2 114

Period		2025 Reported	2024 Reported	2023 Reported	2022 Reported	2021 Reported
Number of weeks		**52**	52	52	53	52
Statements of financial position						
Non-current assets	(Rm)	**8 661**	8 553	6 716	5 520	5 305
Cash and cash equivalents and money market fund investments	(Rm)	**3 188**	2 269	1 462	1 068	1 077
Trade and other receivables	(Rm)	**5 473**	5 419	5 546	4 908	4 327
Inventories	(Rm)	**2 465**	2 312	2 244	1 819	1 755
Other current assets	(Rm)	**117**	99	165	176	57
Total assets	(Rm)	**19 904**	18 652	16 133	13 491	12 521
Total equity	(Rm)	**10 731**	9 506	7 654	6 106	6 191
Non-current liabilities	(Rm)	**3 362**	3 794	3 237	2 628	2 195
Current liabilities	(Rm)	**5 811**	5 352	5 242	4 757	4 135
Total equity and liabilities	(Rm)	**19 904**	18 652	16 133	13 491	12 521
Statements of cash flows						
Cash inflow from operations	(Rm)	**4 737**	4 604	3 522	3 548	3 849
Capital expenditure	(Rm)	**674**	770	717	340	320

Notes:

^ The '2025 Pro forma' has been calculated by excluding the impact of the net right-of-use asset impairments (R18 million impairment reversal and R35 million impairment).

** The '2024 Pro forma' has been calculated by excluding the impact of the partial reversal of previously recognised impairments in relation to the Office UK trademarks of R1 019 million, insurance recoveries received as a result of a burglary at the Office UK DC of R20 million, net right-of-use asset impairment reversals of R122 million (R134 million impairment reversal and R12 million impairment) and a reduction in other operating costs of R123 million as a result of the consolidation of the charitable trusts for the first time.*

 # Pursuant to the general buy-back programme as well as for share scheme purposes, and includes shares previously repurchased and cancelled: 1 million shares (cost of R28 million) in 2023, 29 million shares (cost of R1.6 billion) in 2022, 5 million shares (cost of R222 million) in 2021, 44 million shares (cost of R1.9 billion) in 2014, 36 million shares (cost of R275 million) in 2007 and 7 million shares (cost of R200 million) in 2006.

The full 10-Year Review is available on the website at www.truworths.co.za/reports.

The Summarised Group Annual Financial Statements appear on pages 73 and 74.

Chief Financial Officer's report

'The Group delivered a resilient performance in the 52 weeks to 29 June 2025, despite operating in challenging macroeconomic environments in both South Africa and the United Kingdom.'

Emanuel Cristaudo Chief Financial Officer and Joint Deputy Chief Executive Officer

GROUP RETAIL SALES
increased by 2.7% to

R22.0 billion

(2024: R21.4 billion)

NET ASSET VALUE PER SHARE
increased by 12% to

2 859 cents

(2024: 2 553 cents)

Office UK sustained its strong sales and profitability growth and the continued investment in the business delivered excellent returns. Truworths Africa's retail sales underperformed as low economic growth and sustained cost-of-living pressure continued to negatively impact consumer disposable income and consumer confidence. In this constrained environment, Truworths Africa adopted a cautious approach to credit granting, which further impacted sales, however operating costs were well managed and the investment in stores, technology and the distribution facilities continued.

The Group remains highly cash generative, with cash from operations increasing to R4.8 billion (2024: R4.7 billion), funding dividend payments of R2.0 billion and capital investment of R674 million.

At the period-end, the Group held net cash of R720 million, ahead of month-end payments, compared to net debt of R306 million a year earlier. The Group further strengthened its financial position, reflected in the net asset value per share increasing by 12.0% to 2 859 cents (2024: 2 553 cents).

Headline earnings per share (HEPS) decreased by 8.0% to 752 cents (2024: 818 cents), with diluted HEPS declining by 7.7% to 743 cents (2024: 806 cents). On a *pro forma* basis, HEPS decreased by 3.7% with diluted HEPS decreasing by 3.4%.

The annual cash dividend decreased by 7.9% to 487 cents per share (2024: 529 cents per share), comprising an interim dividend of 317 cents and final dividend of 170 cents, with the dividend cover being maintained at 1.5 times.

The Group again achieved all six of its board-approved medium-term financial targets and continues to outperform local and international peers on most financial and capital metrics.

GROUP FINANCIAL AND OPERATING TARGETS

Financial targets are published to provide guidance to shareholders on the Group's financial performance objectives. Targets and performance are benchmarked against JSE-listed apparel retailers and leading global fashion retailers. The targets are reviewed annually by the board, based on actual performance and the medium-term outlook.

Metric		2025 *Pro forma*	2024 *Pro forma*	Medium-term target	Local benchmark^	Global benchmark^^
Gross margin	(%)	**51.3**	52.3	49 – 53	44.8	52.9
Operating margin	(%)	**20.1**	21.0	18 – 23	13.0	12.7
Return on equity	(%)	**28**	34	22 – 27	20	20
Return on assets	(%)	**22**	23	18 – 23	15	13
Inventory turn	(times)	**4.2**	4.3	3.5 – 4.5	2.5	3.2
Asset turnover	(times)	**1.1**	1.1	0.9 – 1.3	1.1	1.0

^ *The local benchmarks are based on the average ratios for comparable JSE-listed apparel retailers, being Mr Price Group (year ended 29 March 2025) and TFG (year ended 31 March 2025).*

^^ *The global benchmarks are based on the average ratios for listed global fashion retailers (with a 70% weighting to the average), being H&M (year ended 30 November 2024), Inditex (owner of the Zara fashion chain) (year ended 31 January 2025) and Lojas Renner (year ended 31 December 2024), and listed sportswear retailers (with a 30% weighting to the average), being Frasers Group PLC (year ended 27 April 2025) and JD Sports Fashion PLC (year ended 1 February 2025).*

This performance highlights how the consistent application of the Business Philosophy has enabled the Group to continue to deliver some of the highest returns of fashion retailers in the world, thereby delivering on the Group's Vision for shareholders.

Chief Financial Officer's report continued

OUR RESPONSE TO ISSUES IMPACTING FINANCIAL PERFORMANCE

CONTINUED PRESSURE ON CONSUMER SPENDING IN SOUTH AFRICA

Discretionary consumer spending remained under pressure in the low economic growth environment in South Africa, adversely impacting retail sales in Truworths Africa.

Truworths Africa's response
- Maintained focus on cost containment to mitigate the impact of constrained consumer spending.
- Consciously contained credit extension, particularly to higher-risk consumers.
- Adopted a cautious approach to store expansion.
- Negotiated store rentals on acceptable terms, with rental reversions where possible.
- Introduced product range extensions in new brands.
- Continued to enhance online functionality and delivery times to drive e-commerce sales.

GROSS MARGIN PRESSURE IN TRUWORTHS AFRICA

Late delivery of winter merchandise and the delayed onset of winter in 2024 dampened seasonal demand, resulting in higher first-half markdowns. Weak trading conditions also increased in-season promotional activity.

Truworths Africa's response
- Increased promotional activity to ensure terminal stock levels were achieved post season.
- Marked down products are a strong driver of online sales, making e-commerce sites an effective channel for managing stock levels.
- Focused on elevation and differentiation across all brands to offer more value to customers.
- Introduced product range extensions in new brands.
- Commenced a project to optimise markdowns.
- Expected the part allocation and increased replenishment capabilities of the new Truworths Africa DC to reduce markdown costs.

CONSTRAINED RETAIL SALES IN UK DUE TO PRESSURE ON HOUSEHOLD INCOME

Retail sales in the UK remained constrained as modest economic growth and high living costs continued to place pressure on household income.

Office UK's response
- Offered the most appealing and differentiated branded and own-brand footwear ranges in-store and online.
- Ensured better product access and larger stock allocations through quality of supplier relationships.
- Continued successful store opening and modernisation programme.
- Launched new Office and Offspring apps.
- Maintained strong focus on cost containment.
- Continued remodelling the warehousing and distribution facility to reduce costs and enhance productivity.

ANALYSIS OF FINANCIAL CAPITAL

The analysis of performance in this report aims to demonstrate how the Group's financial capital has been increased, preserved or eroded through the Group's operating and investing activities in the period, and how the effective management of this capital is expected to contribute to value creation for shareholders in the medium and long term.

This review of financial performance for the 52-week period ended 29 June 2025 should be read together with the Group's Audited Annual Financial Statements 2025, available at www.truworths.co.za/reports.

PRO FORMA INFORMATION

The Group is again reporting *pro forma* information, which excludes the effects of the following adjustments to enable shareholders to make meaningful comparisons between the performance for the current and prior reporting periods. Refer to the Audited Annual Financial Statements 2025 for full details, together with the independent auditor's report on the compilation of the *pro forma* financial information.

***Pro forma* information is indicated by an asterisk (*) throughout this report.**

The Group's earnings for both the prior and current periods were impacted by the following once-off events/transactions, making the prior period reported figures less comparable to the current period, hence the *pro forma* adjustments:
- a trademark impairment reversal in the prior period in relation to the Office UK trademarks (R1 019 million);
- a net right-of-use asset impairment reversal (R122 million) in the prior period, while in the current period the Group's earnings included a net right-of-use asset impairment of R17 million, which was also adjusted for consistency and alignment between the two periods;
- insurance recoveries in Office UK (R20 million) in the prior period in relation to prior period claims, resulting from a burglary at the distribution centre; and
- a reduction in other operating costs (R123 million) in the prior period resulting from the consolidation of the Group's charitable trusts for the first time.

Chief Financial Officer's report continued

GROUP FINANCIAL PERFORMANCE

RETAIL SALES
R22.0 billion +2.7%
(2024: R21.4 billion)

SALE OF MERCHANDISE
R21.3 billion +3.2%
(2024: R20.7 billion)

GROSS MARGIN
51.3% -1.0 PPTS
(2024: 52.3%)

OPERATING MARGIN
20.0% -7.3 PPTS
(2024: 27.3%)
Pro forma: 20.1%
(2024 *Pro forma*: 21.0%)

HEADLINE EARNINGS PER SHARE
752.1 cents -8.0%
(2024: 817.9 cents)
Pro forma: 752.1cents
(2024 *Pro forma*: 780.8 cents)

DILUTED HEADLINE EARNINGS PER SHARE
743.4 cents -7.7%
(2024: 805.8 cents)
Pro forma: 743.4 cents
(2024 *Pro forma*: 769.2 cents)

ANNUAL DIVIDEND PER SHARE
487 cents -7.9%
(2024: 529 cents)

NET ASSET VALUE PER SHARE
2 859 cents +12.0%
(2024: 2 553 cents)

STATEMENTS OF COMPREHENSIVE INCOME

SALES

Group retail sales increased by 2.7% to R22.0 billion from R21.4 billion in the prior period. Account sales comprised 46% (2024: 48%) of Group retail sales for the period. Cash sales increased by 5.2% and account sales by 0.1%.

Truworths Africa accounted for 66% of Group retail sales and Office UK for 34%.

Group sale of merchandise, which comprises Group retail sales, together with wholesale sales and delivery fee income, less accounting adjustments, increased by 3.2% to R21.3 billion.

Divisional sales	52 weeks to 29 June 2025 Rm	52 weeks to 30 June 2024 Rm	Change on prior period %
Truworths Africa	14 471	14 530	(0.4)
Truworths ladieswear	5 142	5 140	–
Truworths menswear[‡]	3 666	3 619	1.3
Identity	2 226	2 289	(2.8)
Truworths kids emporium[#]	1 417	1 430	(0.9)
Other[@]	2 020	2 052	(1.6)
Office UK	7 491	6 848	9.4
Group retail sales	21 962	21 378	2.7
YDE agency sales	206	216	(4.6)

‡ *Truworths Man, Uzzi, Daniel Hechter Mens, Fuel and LTD Mens.*
\# *LTD Kids, Earthchild and Naartjie.*
@ *Cosmetics, Cellular, Office London (South Africa), Truworths Jewellery, Loads of Living and Sync.*

Group trading space increased by 0.7% (0.5% in Truworths Africa and 6.4% in Office UK). At the end of the period, the Group had 897 stores, including 11 concession outlets (2024: 888 stores, including 11 concession outlets).

GROSS MARGIN

The Group's gross margin decreased to 51.3% (2024: 52.3%), well within management's medium-term target range. Truworths Africa's gross margin decreased to 53.6% (2024: 54.9%) mainly due to increased markdown activity. The gross margin in Office UK improved to 47.1% (2024: 47.0%), reaching an all-time high.

TRADING PROFIT

Group trading profit, which excludes interest income, decreased 31.4% to R2.9 billion (2024: R4.2 billion) mainly due to the trading profit in the prior period including the exceptional benefit of a R1.0 billion trademark impairment reversal. The trading margin consequently decreased to 13.6% from an abnormal 20.4% in the prior period.

On a *pro forma* basis, trading profit decreased 0.9% to R2.9 billion (2024 *pro forma*: R2.9 billion) and the trading margin was 13.6% (2024 *pro forma*: 14.2%).

TRADING EXPENSES

Trading expenses increased by 3.4% to R8.4 billion and constituted 39.6% (2024: 39.5%) of sale of merchandise. Management remains committed to rigorous expense control in the current uncertain trading environment.

An analysis of trading expenses is included in the Truworths Africa and Office UK sections in this report.

INTEREST INCOME

Interest income decreased 2.7% to R1.4 billion mainly due to a decrease in trade receivable interest received in Truworths Africa, as a result of the lower interest rates relative to the prior period.

PROFIT BEFORE FINANCE COSTS AND TAX

Group profit before finance costs and tax decreased 24.1% (decrease of 1.3%*) to R4.3 billion (2024: R5.6 billion).

FINANCE COSTS

Finance costs were 10.3% higher at R525 million (2024: R476 million). The increase is attributable to the green loan interest in Truworths Africa being expensed in the current period as well as an increase in IFRS 16 finance costs due to new and renewed leases (including the 50% portion of the new Truworths Africa DC that is leased). In the prior period, the green loan interest was capitalised until November 2023 during the construction phase of the new Truworths Africa DC.

EARNINGS

Earnings per share (EPS) decreased by 28.8% to 745.2 cents (2024: 1 046.9 cents). HEPS decreased by 8.0% to 752.1 cents (2024: 817.9 cents) and diluted HEPS (DHEPS) decreased by 7.7% to 743.4 cents (2024: 805.8 cents).

On a *pro forma* basis, EPS, HEPS and DHEPS decreased by 4.1%, 3.7% and 3.4%, respectively.

STATEMENTS OF FINANCIAL POSITION

NET ASSET VALUE

The Group's financial position further strengthened with the net asset value per share increasing 12.0% to 2 859 cents (2024: 2 553 cents).

PROPERTY, PLANT AND EQUIPMENT

The increase of 9.3% to R2.8 billion (2024: R2.5 billion) in property, plant and equipment (PPE) was mainly due to capital expenditure on the new Truworths Africa DC.

INVENTORY

Inventory comprises finished goods, fabrics, trims and work in process.

Inventories increased by 6.6% to R2.5 billion (2024: R2.3 billion) and the inventory turn decreased to 4.2 times (2024: 4.3 times). Truworths Africa's gross finished goods inventory increased 1.1% and the inventory turn increased to 4.1 times (2024: 4.0 times). In Office UK, gross inventory increased by 9.6% to £42.6 million, fuelled by growth in the business, (2024: £38.9 million) and inventory turn (measured in Sterling) decreased to 4.5 times (2024: 4.8 times).

Chief Financial Officer's report continued

TRUWORTHS AFRICA AND OFFICE UK BUSINESS SEGMENTS

Management measures the operating results of the Truworths Africa and Office UK business segments separately for the purpose of resource allocation and performance assessment. Segment performance is reported in terms of IFRS Accounting Standards and evaluated based on revenue, EBITDA and profit before tax.

		Truworths Africa Rm	Office UK Rm	Consolidation entries Rm	Group Rm
2025					
Total third-party revenue		15 415	7 656	–	23 071
Sale of merchandise		13 770	7 553	–	21 323
Cost of sales		(6 394)	(3 999)	4	(10 389)
Gross profit		7 376	3 554	4	10 934
Other income		439	27	(61)	405
Trading expenses		(6 286)	(2 218)	57	(8 447)
Depreciation and amortisation		(1 167)	(333)	–	(1 500)
Employment costs		(2 018)	(753)	–	(2 771)
Occupancy costs		(726)	(419)	–	(1 145)
Trade receivable costs		(1 260)	–	–	(1 260)
Net bad debt and expected credit loss allowances raised		(1 164)	–	–	(1 164)
Other trade receivable costs		(96)	–	–	(96)
Other operating costs		(1 115)	(713)	57	(1 771)
Trading profit		1 529	1 363	–	2 892
Interest income		1 250	101	–	1 351
Dividend income		31	–	–	31
Profit before finance costs and tax		2 810	1 464	–	4 274
Finance costs		(471)	(54)	–	(525)
Profit before tax		2 339	1 410	–	3 749
Tax expense		(625)	(328)	–	(953)
Profit for the period		1 714	1 082	–	2 796
EBITDA		3 977	1 797	–	5 774
Segment assets		27 027	6 541	(13 664)#	19 904
Segment liabilities		6 998	2 200	(25)#	9 173
Capital expenditure		467	165	–	632
Key ratios					
Gross margin	(%)	53.6	47.1	–	51.3
Trading margin	(%)	11.1	18.0	–	13.6
Operating margin	(%)	20.4	19.4	–	20.0
Inventory turn	(times)	4.1	4.4	–	4.2
Account: cash sales mix	(%)	70:30	0:100	–	46:54

 # Elimination of investment in Office UK as well as intersegment assets and liabilities.

		Truworths Africa Rm	Office UK Rm	Consolidation entries Rm	Group Rm
2024					
Total third-party revenue		15 428	7 008	–	22 436
Sale of merchandise		13 723	6 941	–	20 664
Cost of sales		(6 187)	(3 676)	4	(9 859)
Gross profit		7 536	3 265	4	10 805
Other income		459	169	(66)	562
Intangible asset impairment reversal		–	1 019	–	1 019
Trading expenses		(6 175)	(2 055)	62	(8 168)
Depreciation and amortisation		(1 170)	(305)	–	(1 475)
Employment costs		(2 019)	(699)	–	(2 718)
Occupancy costs		(668)	(404)	–	(1 072)
Trade receivable costs		(1 310)	–	–	(1 310)
Net bad debt and expected credit loss allowances raised		(1 168)	–	–	(1 168)
Other trade receivable costs		(142)	–	–	(142)
Other operating costs		(1 008)	(647)	62	(1 593)
Trading profit		1 820	2 398	–	4 218
Interest income		1 319	69	–	1 388
Dividend income		25	–	–	25
Profit before finance costs and tax		3 164	2 467	–	5 631
Finance costs		(425)	(51)	–	(476)
Profit before tax		2 739	2 416	–	5 155
Tax expense		(694)	(561)	–	(1 255)
Profit for the period		2 045	1 855	–	3 900
EBITDA		4 334	2 772	–	7 106
Segment assets		24 489	5 081	(10 918)#	18 652
Segment liabilities		7 131	2 050	(35)#	9 146
Capital expenditure		632	181	–	813
Key ratios					
Gross margin	(%)	54.9	47.0	–	52.3
Trading margin	(%)	13.3	34.6	–	20.4
Operating margin	(%)	23.1	35.5	–	27.3
Inventory turn	(times)	4.0	4.8	–	4.3
Account: cash sales mix	(%)	70:30	0:100	–	48:52

 # Elimination of investment in Office UK as well as intersegment assets and liabilities.

Chief Financial Officer's report continued

TRUWORTHS AFRICA

RETAIL SALES
R14.5 billion 0%
(2024: R14.5 billion)

GROSS PROFIT
R7.4 billion -2%
(2024: R7.5 billion)

PROFIT BEFORE FINANCE COSTS AND TAX*
R2.8 billion -7%
(2024: R3.1 billion)

PROFIT BEFORE TAX*
R2.4 billion -10%
(2024: R2.6 billion)

GROSS MARGIN
53.6% -1.3 PPTS
(2024: 54.9%)

EBITDA MARGIN*
29.1% -1.7 PPTS
(2024: 30.8%)

TRADING MARGIN*
11.4% -1.0 PPTS
(2024: 12.4%)

OPERATING MARGIN*
20.7% -1.5 PPTS
(2024: 22.2%)

This analysis covers the performance of the Truworths Africa business segment, which operates in South Africa and in the rest of Africa, and includes YDE.

STATEMENTS OF COMPREHENSIVE INCOME

SALES

Retail sales in Truworths Africa decreased 0.4% to R14.5 billion (2024: R14.5 billion) while retail selling price inflation averaged 1.2% (2024: 6.4%). Account sales increased by 0.1% and comprised 70% of retail sales. Cash sales decreased by 1.5%.

Retail trading space increased by 0.5% as Truworths Africa opened 22 stores and closed 14.

Online sales continued to show strong growth, increasing by 33.7% and contributing 6.5% (2024: 4.9%) of the segment's total retail sales.

The South African operations accounted for 96.3% (2024: 96.5%) of Truworths Africa's retail sales, with the 33 (2024: 33) stores in the rest of Africa contributing the balance.

Trading densities decreased marginally to R37 311 per m² (2024: R37 648 per m²). Trading densities are at an industry high and have grown by 2.2% over the past three years.

GROSS MARGIN

The gross margin decreased from 54.9% to 53.6% owing mainly to higher markdown activity.

TRADING EXPENSES

	2025 Rm	2024 Rm	Change on prior period %
Depreciation and amortisation	**1 167**	1 170	–
Employment costs	**2 018**	2 019	–
Occupancy costs	**726**	668	9
Trade receivable costs	**1 260**	1 310	(4)
Other operating costs	**1 115**	1 008	11
Total trading expenses	**6 286**	6 175	2

Trading expenses increased by 1.8% (decreased 0.6%*) to R6.3 billion (2024: R6.2 billion). Trading expenses to sale of merchandise increased to 45.6% from 45.0% in the prior period.

- Depreciation and amortisation costs were consistent with the prior period. Excluding non-comparable stores and the new Truworths Africa DC, depreciation in respect of PPE and software decreased by 13% due to assets becoming fully depreciated in the current period. Depreciation of the right-of-use assets increased by 1%.
- Employment costs were unchanged on the prior period. Excluding non-comparable stores and costs, employment costs increased by 3%.
- Occupancy costs, which comprise rentals not accounted for in terms of IFRS 16 as well as other occupancy costs, increased by 9%. Other occupancy costs, comprising mainly utilities, rates, security and cleaning, increased by 5%. Rentals paid (ie on a cash basis and accounted for either as a reduction of lease liabilities or under occupancy costs) increased 5%.
- Trade receivable costs decreased by 4%. Net bad debt and related costs, excluding the movement in the expected credit loss (ECL) allowance, increased by R298 million. The movement in the ECL allowance resulted in a R36 million charge in the current period compared to a R354 million charge in the prior period. The ECL allowance in respect of the active trade receivables portfolio increased to 20.8% from 20.3% of gross active trade receivables. The charged-off trade receivables portfolio ECL allowance decreased to 73.7% from 78.5% a year earlier.
- Other operating costs decreased by 3%* mostly due to cost-saving initiatives across the Group.

INTEREST INCOME

Interest income decreased by 5% to R1 250 million (2024: R1 319 million) owing to the reduction in interest rates during the period and the lower number of active accounts.

FINANCE COSTS

Finance costs increased to R471 million (2024: R425 million) mainly due to the green loan interest being expensed in the current period, whereas in the prior period it was capitalised until November 2023 during the construction phase of the new Truworths Africa DC, as well as increased IFRS 16 finance costs for new and renewed leases.

TRADING PROFIT

Trading profit decreased by 16% to R1.5 billion (2024: R1.8 billion). The trading margin reduced from 13.3% (12.4%*) to 11.1% (11.4%*) mainly due to the pressure on the gross margin.

PROFIT BEFORE FINANCE COSTS AND TAX

Profit before finance costs and tax decreased by 11% (decreased 7%*) to R2.8 billion (2024: R3.2 billion), with the operating margin declining from 23.1% (22.2%*) to 20.4% (20.7%*).

Chief Financial Officer's report continued

OFFICE UK

RETAIL SALES
£318.6 million +10%
(2024: £290.4 million)

EBITDA*
£75.6 million +11%
(2024: £67.9 million)

GROSS MARGIN
47.1% +0.1PPTS
(2024: 47.0%)

EBITDA MARGIN*
23.5% +0.4 PPTS
(2024: 23.1%)

PROFIT BEFORE FINANCE COSTS AND TAX*
£61.5 million +12%
(2024: £55.0 million)

PROFIT BEFORE TAX*
£59.2 Million +12%
(2024: £52.8 million)

TRADING MARGIN*
17.8% +0.1 PPTS
(2024: 17.7%)

OPERATING MARGIN*
19.1% +0.4 PPTS
(2024: 18.7%)

This analysis covers the financial performance of the Office UK business segment, which operates primarily in the UK, with a small presence in the Republic of Ireland.

STATEMENTS OF COMPREHENSIVE INCOME

SALES

Retail sales increased by 9.7% to £318.6 million (2024: £290.4 million). Trading space increased 6.4% (2024: 11.4%) following the opening of three stores and the closure of two.

Online sales increased by 6.5% and accounted for 44.9% (2024: 46.2%) of total retail sales.

	Retail sales 2025 £m	Retail sales 2024 £m	Change on prior period %	Number of stores# 2025	Number of stores# 2024
United Kingdom	303.9	276.8	10	80	79
Republic of Ireland	14.7	13.6	8	7	7
Total	318.6	290.4	10	87	86

 # Including 11 concession stores (June 2024: 11 concession stores).

GROSS MARGIN

The gross margin increased to 47.1% (2024: 47.0%).

TRADING EXPENSES

	2025 £m	2024 £m	Change on prior period %
Depreciation and amortisation	14.1	12.9	9
Employment costs	32.0	29.7	8
Occupancy costs	17.8	17.1	4
Other operating costs	30.4	27.4	11
Total trading expenses	94.3	87.1	8

- Depreciation and amortisation increased 9%. Depreciation of PPE and software increased 5% due to higher capital expenditure on store development. Depreciation on right-of-use assets increased by 13%, due to the reversal of right-of-use asset impairments of £5.6 million in the prior period, and the effect of new leases.
- Employment costs increased 8% mainly due to the growth in store payroll costs as a result of the UK national minimum wage and national insurance contribution increases from April 2024 and April 2025 as well as additional stores and higher operational demand.
- Occupancy costs increased 4%. The increase was mainly due to the net impact of an increase in business rates and turnover rental, partially offset by a decrease in concession rent, as a result of lower concession sales.
- Other operating costs increased 11%. Excluding foreign exchange losses, other operating costs increased by 2%.

PROFIT BEFORE FINANCE COSTS AND TAX

As the prior period's profits had been abnormally enhanced by the reversal of trademark impairments (£43.2 million), profit before finance costs and tax reflected a year-on-year decrease of 40% to £62.3 million (2024: £104.6 million). The operating margin declined from an unusual 35.5% to 19.4%.

However, on a *pro forma* basis, profit before finance costs and tax increased by 12% and the operating margin improved from 18.7% to 19.1%.

Chief Financial Officer's report continued

GROUP CAPITAL MANAGEMENT

CAPITAL ALLOCATION

The Group's capital structure is actively managed to enhance financial returns to shareholders and generate competitive capital ratios. Management's approach to capital allocation is aligned with the Group's strategy and Business Philosophy, with its focus on long-term value creation for shareholders.

The components of the capital allocation strategy, in order of priority, are as follows:

1	**Investing to sustain the organic growth of the business**	Reinvesting in the business through maintenance and expansion capital expenditure, mainly in-store development, distribution facilities and information technology.
2	**Returning funds to shareholders through dividends**	Dividend cover is determined annually by the board. The dividend cover has been at the current level of 1.5 times headline earnings per share since the 2014 financial period.
3	**Returning excess capital to shareholders through share buy-backs at levels that are earnings accretive**	Since January 2020, 51.9 million shares have been repurchased at a total cost of R2.5 billion at an average price of R47.88 per share.
4	**Seeking opportunities for bolt-on acquisitions of fashion-related businesses in SA and the UK**	The most recent bolt-on acquisitions that have been successfully integrated into the Group's operations are the Barrie Cline design centre (2021) and Bonwit design centre (2022).
5	**Seeking opportunities for larger and potentially diversifying acquisitions**	The acquisition of the Office UK fashion footwear chain in the UK in 2015 diversified the Group's product offering, sales, earnings and country risk profile.

Capital efficiency is measured by the return on equity and return on capital, which were 28% (2024: 36%) and 42% (2024: 53%), respectively.

Real wealth continued to be created for shareholders with a return on invested capital of 23% (2024: 25%), significantly ahead of the weighted average cost of capital of 14% (2024: 15%).

CAPITAL MANAGEMENT IN 2025

GROUP

The Group generated R4.8 billion (2024: R4.7 billion) in cash from operations during the period and this mainly funded the following:
- dividend payments of R1 972 million (2024: R2 204 million); and
- capital expenditure of R674 million (2024: R770 million).

As the period-end fell before the end of June, month-end creditor and VAT payments were made after the period-end, boosting the cash inflows from operations, the net cash position and the cash realisation rate for the current period.

The Group had net cash, including money market fund investments but excluding such funds and cash held by Group charitable trusts, of R720 million at the current period-end, or approximately R206 million after month-end creditor and VAT payments. This compares to net debt of R306 million at the prior period-end.

Net cash to equity and net cash to EBITDA were 6.7% and 0.1 times, respectively (2024: net debt to equity 3.2% and net debt to EBITDA 0.0 times).

The cash realisation rate, which is a measure of how profits are converted into cash, was 101% for the current period (2024: 99%). If month-end creditor and VAT payments had been made by the current period-end, the cash realisation rate would have been approximately 90%.

TRUWORTHS AFRICA

Truworths Africa generated R3.2 billion (2024: R3.1 billion) in cash from operations. This was used to pay dividends of R1 972 million (2024: R2 204 million) to Truworths International, which amount was in turn declared and paid to shareholders of the company.

Capital expenditure of R467 million for the period (2024: R632 million) includes R214 million for the new Truworths Africa DC, R220 million for the development and renovation of stores and R30 million for information technology.

Truworths Africa's net debt, including money market fund investments but excluding such funds and cash held by the Group's charitable trusts, decreased by R57 million to R2 076 million at the current period-end, or approximately R2 590 million after month-end creditor and VAT payments. Truworths Africa's net debt to equity ratio was 21.1% (2024: 21.5%) and net debt to EBITDA was 0.5 times (2024: 0.5 times).

The cash realisation rate was 108% (2024: 100%). If month-end creditor and VAT payments had been made by the current period-end, the cash realisation rate would have been approximately 91%.

OFFICE UK

Office UK generated cash from operations of £68.4 million (2024: £67.7 million). This was partially used to fund capital investment of £7.1 million, which included store development and renovations (£5.4 million), information technology (£1.5 million) and distribution facilities (£200 000).

Office UK is debt-free and held net cash, inclusive of money market fund investments, of £114.2 million at the current period-end, an increase of £34.9 million over the prior year. Office UK's net cash to equity ratio was 64.4% (2024: 60.3%) and net cash to *pro forma* EBITDA was 1.5 times (2024: 1.2 times).

The cash realisation rate was 88% (2024: 96%), lower than the prior period mainly due to increased investment in working capital.

GROUP INFORMATION TECHNOLOGY

Capital expenditure of R91 million (2024: R66 million) was invested in leading-edge information technology (IT) systems in the reporting period to support the retail operations and supply chain. The Group has committed R138 million for Truworths Africa and Office UK IT capital expenditure for the 2026 reporting period.

MAJOR IT PROJECTS: TRUWORTHS AFRICA

Completed in 2025 financial period:
- Completed the implementation of the upgraded point-of-sale solution across all stores in South Africa and in the rest of Africa.
- Commissioned and transferred all merchandise distribution systems to the new Truworths Africa DC, with improved inventory allocation and replenishment algorithms and capabilities.
- Implemented the next phase of the Group's financial planning and forecasting solution.
- Enhanced cybersecurity systems to mitigate cyber risks.
- Implemented a new customer data experience platform for customer communications and campaign management.
- Upgraded several merchandise systems.
- Enhanced the e-commerce platform with additional functionality.
- Progressed the development of the network modernisation programme.

Planned for completion in 2026 financial period:
- Commence Group programme to transition to a cloud-based merchandising platform with embedded AI.
- Migrate to a modern, cloud-based productivity and workforce management platform.
- Complete the modernisation of the network infrastructure, transitioning to a software-defined network architecture.
- Implement part allocation and markdown optimisation system enhancements.
- Refine and optimise the use of the point-of-sale system, customer engagement and promotion engine with the customer data experience platform.
- Continue to embed AI across relevant business systems.

MAJOR IT PROJECTS: OFFICE UK

Completed in 2025 financial period:
- Made good progress on the design phase of the new Enterprise Resource Planning (ERP) merchandise management system.
- Implemented new workforce management system.
- Completed design and vendor selection process for new network security infrastructure.
- Rolled out in-store sales assistance devices to remaining stores.

Planned for completion in 2026 financial period:
- Progress development of the new ERP merchandise management system for implementation in the 2027 financial period.
- Implement new network security infrastructure, with implementation planned for early in the 2026 financial period.
- Upgrade existing point-of-sale system and associated hardware.

Chief Financial Officer's report continued

GROUP FINANCIAL PLANS FOR 2026

Capital expenditure of R548 million (Truworths Africa R300 million and Office UK £10.1 million) has been committed for the 2026 financial period and will be applied mainly as follows:

- R387 million for the development of new stores and the expansion and refurbishment of existing stores; and
- R138 million for computer infrastructure and software.

Trading space is planned to increase by approximately 3%, comprising an increase of 2% in Truworths Africa and 10% – 12% in Office UK.

The trading outlook for Truworths Africa and Office UK for the 2026 financial period is covered in the Review of 2025 and outlook for 2026 on page 2 and in the Chief Executive Officer's report on page 62.

GROUP MEDIUM-TERM FINANCIAL TARGETS

The medium-term financial and operating targets have been reviewed against South African and international competitors as well as the trading outlook for the medium term, and are unchanged.

		Medium-term targets
Gross margin	(%)	49 – 53
Operating margin	(%)	18 – 23
Return on equity	(%)	22 – 27
Return on assets	(%)	18 – 23
Inventory turn	(times)	3.5 – 4.5
Asset turnover	(times)	0.9 – 1.3

APPRECIATION

We thank the investor community for their interest and engagement with management over the past year, and acknowledge the continued support of our local and international shareholders. We also thank and recognise the support of our lending institutions. I extend my appreciation to my finance department, fellow directors, executive colleagues, employees and the Group's professional service providers for their continued support and commitment.

Our 2024 Integrated Report was ranked seventh in the EY Excellence in Integrated Reporting Awards, maintaining our proud record as the only company on the JSE to be placed in the top 10 for 18 consecutive years. This achievement is a tribute to the commitment, dedication and professionalism of our Group finance team in upholding best practice reporting standards.

Emanuel Cristaudo
Chief Financial Officer and
Joint Deputy Chief Executive Officer

Summarised Group financial statements

SUMMARISED GROUP STATEMENTS OF FINANCIAL POSITION

Note			at 29 June 2025 Rm	at 30 June 2024 Rm
	ASSETS			
	Non-current assets		**8 661**	8 553
1	Property, plant and equipment		**2 768**	2 533
	Right-of-use assets		**3 341**	3 545
	Intangible assets		**1 625**	1 534
	Goodwill		**294**	294
	Other non-current assets		**381**	343
	Deferred tax		**252**	304
	Current assets		**11 243**	10 099
2	Inventories		**2 465**	2 312
3	Trade and other receivables		**5 473**	5 419
4	Assets held at fair value		**2 224**	1 468
	Prepayments		**117**	99
	Cash and cash equivalents		**964**	801
	Total assets		**19 904**	18 652
	EQUITY AND LIABILITIES			
	Total equity		**10 731**	9 506
	Non-current liabilities		**3 362**	3 794
	Lease liabilities		**2 697**	2 927
5	Interest-bearing borrowings		**–**	268
	Provisions		**234**	186
	Other non-current liabilities		**37**	76
	Deferred tax		**394**	337
	Current liabilities		**5 811**	5 352
6	Trade and other payables		**1 981**	1 636
5	Interest-bearing borrowings		**1 479**	1 208
	Bank overdraft		**975**	1 099
	Lease liabilities		**1 045**	990
	Provisions		**210**	205
	Other current liabilities		**121**	214
	Total liabilities		**9 173**	9 146
	Total equity and liabilities		**19 904**	18 652
	Number of shares in issue (net of treasury shares)	(millions)	**375.4**	372.3
	Net asset value per share	(cents)	**2 859**	2 553
	Key ratios			
7	Return on equity	(%)	**28**	45
7	Return on capital	(%)	**42**	65
7	Return on assets	(%)	**21**	30
7	Asset turnover	(times)	**1.1**	1.1
7	Inventory turn	(times)	**4.2**	4.3
8	Net cash/(debt) to equity	(%)	**6.7**	(3.2)
8	Net cash/(debt) to EBITDA	(times)	**0.1**	–

1 The increase in property, plant and equipment was mainly as a result of capital expenditure incurred on store renovations and the completion of the new Truworths Africa distribution centre (DC) that went live in stages from late calendar year 2024. The facility is expected to have completed the phasing in of all merchandise distribution by the end of September 2025.

2 Inventories increased by R153 million and the Group's inventory turn decreased to 4.2 times (2024: 4.3 times). Truworths Africa's gross finished goods inventory decreased by 1.1% and the inventory turn increased to 4.1 times (2024: 4.0 times). In Office UK (measured in Sterling), gross inventory increased by 9.6% and inventory turn decreased to 4.5 times (2024: 4.8 times).

3 Gross active trade receivables (relating to the Truworths, Identity and YDE businesses) of R6.4 billion were in line with the prior period. The ECL allowance in respect of this portfolio increased to 20.8% of gross active trade receivables (2024: 20.3%). At the period-end, the gross charged-off trade receivables portfolio amounted to R543 million (2024: R511 million). The ECL allowance in respect of this portfolio decreased to 73.7% of gross charged-off trade receivables (2024: 78.5%).

4 Current assets held at fair value comprise highly liquid, low-volatility net asset value money market investments, mainly in Office UK. The increase is due to Office UK investing excess cash generated during the period in money market funds in order to earn a better return.

5 Non-current interest-bearing borrowings, relating to the new Truworths Africa DC term loan, were reclassified to current liabilities as the facility expires in December 2025.

6 Trade and other payables increased mainly as a result of calendar month-end creditor and VAT payments occurring after the reporting period-end.

7 All medium-term targets published by the Group have been achieved or exceeded.

8 The Group had net cash (including money market fund investments but excluding cash held by the charitable trusts) of R720 million at the current period-end (approximately R206 million after month-end creditor and VAT payments) compared to net debt of R306 million at the prior period-end.

SUMMARISED GROUP STATEMENTS OF COMPREHENSIVE INCOME

Note			52 weeks to 29 June 2025 Rm	52 weeks to 30 June 2024 Rm
	Revenue		**23 071**	22 436
9	Sale of merchandise		**21 323**	20 664
	Cost of sales		**(10 389)**	(9 859)
	Gross profit		**10 934**	10 805
10	Other income		**405**	562
	Intangible asset impairment reversal		**–**	1 019
11	**Trading expenses**		**(8 447)**	(8 168)
	Depreciation and amortisation		**(1 500)**	(1 475)
	Employment costs		**(2 771)**	(2 718)
	Occupancy costs		**(1 145)**	(1 072)
	Trade receivable costs		**(1 260)**	(1 310)
	Net bad debt and expected credit loss allowances raised		**(1 164)**	(1 168)
	Other trade receivable costs		**(96)**	(142)
	Other operating costs		**(1 771)**	(1 593)
	Trading profit		**2 892**	4 218
12	Interest income		**1 351**	1 388
	Dividend income		**31**	25
13	**Profit before finance costs and tax**		**4 274**	5 631
14	Finance costs		**(525)**	(476)
	Profit before tax		**3 749**	5 155
	Tax expense		**(953)**	(1 255)
	Profit for the period		**2 796**	3 900
	Attributable to:			
	Equity holders of the company		**2 790**	3 887
	Holders of the non-controlling interest		**6**	13
15	Basic earnings per share	(cents)	**745.2**	1 046.9
15	Headline earnings per share	(cents)	**752.1**	817.9
15	Diluted basic earnings per share	(cents)	**736.5**	1 031.3
15	Diluted headline earnings per share	(cents)	**743.4**	805.8
16	Gross margin	(%)	**51.3**	52.3
	Trading expenses to sale of merchandise	(%)	**39.6**	39.5
	Trading margin	(%)	**13.6**	20.4
17	Operating margin	(%)	**20.0**	27.3
	Reconciliation of headline earnings per share:			
	Basic earnings per share	(cents)	**745.2**	1 046.9
	Impairment reversal of trademarks	(cents)	**–**	(204.5)
	Net impairment/(impairment reversal) of right-of-use assets	(cents)	**3.2**	(24.5)
	Impairment/(impairment reversal) of property, plant and equipment	(cents)	**0.5**	(1.3)
	Loss on write-off of intangible assets	(cents)	**2.9**	1.3
	Loss on write-off or disposal of plant and equipment	(cents)	**0.3**	–
	Headline earnings per share	(cents)	**752.1**	817.9
	Reconciliation of diluted weighted average number of shares:			
	Weighted average number of shares	(millions)	**374.4**	371.3
	Add: Dilutive effect of share options, unvested restricted shares and share appreciation rights	(millions)	**4.4**	5.6
	Diluted weighted average number of shares	(millions)	**378.8**	376.9

9 Group sale of merchandise, which comprises Group retail sales, together with wholesale sales and delivery fee income, less variable consideration adjustments, increased by 3.2% to R21.3 billion. Retail sales decreased by 0.4% in Truworths Africa and increased by 9.7% in Office UK (in Sterling).

10 In the prior period, other income benefitted from higher right-of-use asset impairment reversals (R134 million in comparison to R18 million in the current period) and insurance recoveries (R20 million).

11 Trading expenses for the current period increased by 3.4% to R8.4 billion compared to the prior period, and constituted 39.6% (2024: 39.5%) of sale of merchandise. Trading expenses in Truworths Africa increased 1.8% and were well controlled overall. Excluding the reduction of R123 million in other operating costs as a result of the consolidation of the Group charitable trusts for the first time in the prior period, trading expenses decreased 0.2%. In Office UK, trading expenses increased 8.3% (in Sterling) mainly due to rising depreciation charges (resulting from capital expenditure, new and renewed IFRS 16 leases and net right-of-use asset impairment reversals in the prior period), increased employment costs (impacted by national minimum wage and national insurance contribution increases, and higher operational demand based on sales) and higher other operating expenses (where increased foreign exchange losses contributed to the increase).

12 Interest income decreased 2.7% to R1.4 billion mainly due to a decrease in trade receivable interest received in Truworths Africa, as a consequence of lower interest rates compared to the prior period.

13 On a *pro forma* basis, profit before finance costs and tax decreased 1.3% to R4.3 billion (refer to note 17 of the Summarised Audited Group Annual Results for further information).

14 Finance costs increased by 10.3% to R525 million (2024: R476 million). The increase is attributed to the green loan interest in Truworths Africa being expensed in the current period, whereas in the prior period it was capitalised until November 2023 during the construction phase of the new Truworths Africa DC, as well as an increase in IFRS 16 finance costs due to new and renewed leases (including the 50% portion of the new Truworths Africa DC that is leased).

15 Headline earnings per share (HEPS) and diluted HEPS (DHEPS) decreased 8.0% and 7.7%, respectively. On a *pro forma* basis, HEPS and DHEPS decreased by 3.7% and 3.4%, respectively (refer to note 17 of the Summarised Audited Group Annual Results for further information).

16 The Group's gross margin decreased to 51.3% (2024: 52.3%), but remained well within the Group's target range. The gross margin in Truworths Africa decreased to 53.6% (2024: 54.9%) mainly due to increased markdown activity, while in Office UK the gross margin increased marginally to 47.1% (2024: 47.0%).

17 The Group recorded profit before tax, on a *pro forma* basis, of R3.8 billion in the current period, and the operating margin decreased to 20.1% (2024 *pro forma*: 21.0%) (refer to note 17 of the Summarised Audited Group Annual Results for further information).

Summarised Group financial statements continued

SUMMARISED GROUP STATEMENTS OF CHANGES IN EQUITY

	at 29 June 2025 Rm	at 30 June 2024 Rm
Balance at the beginning of the period attributable to equity holders of the company	9 506	7 654
Total comprehensive income for the period	3 069	3 919
Profit for the period	2 796	3 900
1 Other comprehensive income for the period	273	19
Dividends declared	(1 972)	(2 204)
Options vested in terms of the 1998 share option scheme	10	–
Shares sold by Truworths International Limited Share Trust	–	36
Utilisation of reserves on exercise of 1998 share scheme options	–	(14)
Share-based payments	127	139
Acquisition of non-controlling interest	(31)	(19)
Movement in put option liability	22	(5)
Balance at the reporting date attributable to equity holders of the company	10 731	9 506
Comprising		
Share capital*	–	–
Treasury shares	(1 782)	(1 920)
Retained earnings	11 920	11 093
Non-distributable reserves	593	333
Total equity attributable to equity holders of the company	10 731	9 506
Dividends (cents per share)		
Final cash dividend – payable/paid September	170	197
Interim cash dividend – paid March	317	332
2 **Annual dividend per share**	487	529

** Zero due to rounding.*

1 Other comprehensive income comprises the movement in the foreign currency translation reserve, the fair value adjustment in respect of financial assets held at fair value through other comprehensive income and gains on defined benefit plans.

2 Annual dividend per share decreased by 7.9% to 487 cents. Dividend cover maintained at 1.5 times.

SUMMARISED GROUP STATEMENTS OF CASH FLOWS

		52 weeks to 29 June 2025 Rm	52 weeks to 30 June 2024 Rm
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash flow from profit before tax		4 675	4 658
3 Working capital movements		166	38
Cash generated from operations		4 841	4 696
Interest and dividends received		1 376	1 352
Finance costs paid		(512)	(468)
Capitalised finance costs paid		–	(9)
Tax paid		(968)	(967)
4 **Cash inflow from operations**		4 737	4 604
4 Dividends paid		(1 972)	(2 204)
Net cash from operating activities		2 765	2 400
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of plant, equipment and computer software		(674)	(770)
5 Other investing activities		(716)	(1 378)
Net cash used in investing activities		(1 390)	(2 148)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds on disposal of treasury shares		10	21
Borrowings repaid		–	(500)
Borrowings incurred		–	599
Lease liability payments		(1 105)	(1 101)
Acquisition of non–controlling interest		(31)	(19)
Net cash used in financing activities		(1 126)	(1 000)
Net increase/(decrease) in cash and cash equivalents		249	(748)
Net cash and cash equivalents at the beginning of the period		(298)	527
Net foreign exchange difference		38	(77)
6 **NET CASH AND CASH EQUIVALENTS AT THE REPORTING DATE**		(11)	(298)
Key ratios			
Cash flow per share	(cents)	1 265	1 240
Cash equivalent earnings per share	(cents)	1 247	1 255
7 Cash realisation rate	(%)	101	99

3 Working capital inflows increased mainly due to the increase in trade and other payables as a result of calendar month-end creditors and VAT payments falling after the reporting period-end.

4 The cash inflow from operations of R4.8 billion was utilised to fund dividend payments (R2.0 billion) and capital expenditure (R674 million).

5 R712 million investment made in highly liquid, low-volatility net asset value money market investments, mainly in Office UK.

6 Net cash and cash equivalents represent cash and cash equivalents of R964 million net of overdraft of R975 million.

7 The cash realisation rate has averaged 92% over the past five years. The cash realisation rate was 101% for the current period (2024: 99%). If calendar month-end creditor and VAT payments had been made before the reporting period-end, the cash realisation rate would have been approximately 90%.

Operational review:

TRUWORTHS AFRICA

‘TRUWORTHS AFRICA CONTINUED TO EXPERIENCE STRONG DEMAND FOR ITS PREMIUM-QUALITY, ASPIRATIONAL FASHION MERCHANDISE, WITH A RECORD 5.5 MILLION ACCOUNT APPLICATIONS.’

IN THIS SECTION:

Market-leading brand portfolio

Truworths Africa owns a distinctive portfolio of market-leading fashion clothing, accessories and footwear brands spanning ladieswear, menswear and kidswear.

The brands are premium-quality, aspirational and authentic, focusing on a tasteful blend of colour, fabric and fashion styling, which are inspired by international trends and customised for the South African consumer. The brand portfolio aims to meet the diverse lifestyle needs of Truworths Africa's youthful and fashionable customers.

The brand offering is complemented by an aspirational yet accessible range of beauty products from many of the world's leading international brands, together with own-brand fragrances, lingerie, a combination of branded and own-brand fine jewellery, footwear, sunglasses and watches, as well as a range of mobile phone products. A premium homeware brand completes the customer offering.

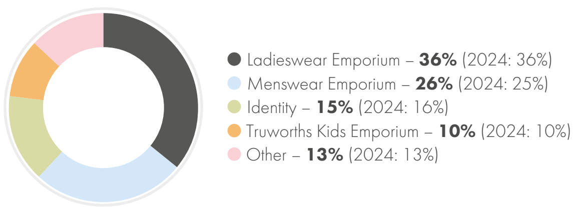
BRAND DIFFERENTIATION

Truworths Africa's brand strategy is focused on growing and developing exclusive, highly sought-after in-house brands. These are complemented by a select range of specialist third-party licensed brands. Truworths Africa constantly reviews its brand portfolio to identify new merchandise opportunities across the customer lifecycle.

Each brand in the Truworths Africa portfolio has a clearly defined look and feel, and a distinct brand DNA that ensures the merchandise has a unique signature, differentiated from the other brands in the portfolio. The brands are designed to cater for a wide range of customer lifestyle needs.

These brand profiles guide the merchandise teams in their product design and development process, and also determine how the brands are presented across stores, window displays and digital platforms.

RETAIL SALES CONTRIBUTION



EXPANDING BRAND PORTFOLIO

Truworths and **Truworths Man** are the core brands. They are supported by a range of internally developed mainstream brands that make up the emporium:

- **Inwear** (1986)
- **Truworths Jewellery** (1989)
- **LTD** (1992)
- **Truworths Elements** (1999)
- **Ginger Mary** (2004)
- **Hey Betty** (2011)
- **Fuel** (2021)

Emporium stores include several sub-brands which are essential to the variety of lifestyles that Truworths offers to satisfy customers' needs. These include well-established brands: Outback Red, Hemisphere, Finnigans, Skiny, TRS, Trench and TRNY.

Daniel Hechter, the French designer brand, has been offered under an exclusive long-term licence agreement since 1984.

Identity, launched in 1999, offers a range of young, affordable and trendy merchandise for the fashion-aware and value-conscious youth market. The chain operates from stand-alone stores. **ID Kids** was introduced in 2019 offering boys' and girls' collections. The Identity megastore is the emporium concept for the Identity brand and houses Identity Ladies, Mens and Kids, supported by shoes, accessories and lingerie, together in a single-store format. Identity is complemented by its own advanced e-commerce site which completes the omni-channel experience.

Office London, the South African offering of the UK fashion footwear brand owned by the Group, was launched in 2017. The brand offers a wide selection of sought after third-party branded athleisure and fashion footwear and complementary apparel for the highly brand-conscious sneaker customer.

Context was introduced in 2019 to offer a range of exclusive Truworths fashion in an upmarket environment that appeals to discerning female customers. The product and brand mix in these stores varies by location and includes Earthaddict, LTD, eveningwear, lingerie, beauty and homeware.

Fuel and **Sync** were launched in 2021. **Fuel** is a young, masculine fashion brand with a streetwear edge, targeting a cool urban aesthetic. **Sync** targets the value segment of the South African fashion market, offering well-priced product for young men and women at excellent value.

EXPANSION THROUGH ACQUISITION

Over the past two decades, organic growth of the brand portfolio has been complemented by the acquisition of specialist brands:

- **Young Designers Emporium (YDE)** (2003)
- **Uzzi** menswear brand (2006)
- **Earthaddict** ladieswear brand (2015)
- **Earthchild** and **Naartjie** kidswear brands (2015)
- **Office London** was introduced following the acquisition of Office UK (2017)
- **Loads of Living** homeware and linen retailer (2017)

Market-leading brand portfolio continued

TRUWORTHS LADIESWEAR EMPORIUM

TRUWORTHS MENSWEAR EMPORIUM

TRUWORTHS KIDS EMPORIUM

SPECIALIST BRAND EMPORIUM STORES

The Truworths Emporium store enables customers to shop for Truworths' multiple fashion brands in a single location, and is complemented by an advanced e-commerce site to complete the omni-channel experience. The emporium store concept has evolved with the expansion of the brand portfolio and customers have access to three specialist branded emporiums within the Truworths Emporium store.

The Truworths Africa portfolio of brands and specialist branded emporium stores offer an enticement to youthful and fashionable consumers to shop for quality apparel merchandise with international styling and standard.

Market-leading brand portfolio continued

TRUWORTHS LADIESWEAR EMPORIUM

SUPPORTING BRANDS AND RANGES
Truworths, Outback Red, OBR Sport, TRS, TRNY, Hey Betty, Inwear, Basix, Finnigans, Zeta, Matty, Intrigue, Skiny and Peep

BRAND DESCRIPTION
Truworths Ladieswear Emporium offers a wide range of aspirational and fashionable apparel, footwear and accessories for multiple lifestyle needs including formalwear, leisurewear and denim, eveningwear and lingerie. Truworths has a curated range of exclusive brands that are carefully differentiated to ensure variety and excitement, and is designed for the youthful, modern, fashion-conscious woman.

BRAND PROFILE
Each of the brands within the emporium has its own clearly defined DNA and targets the lifestyle needs of fashionable women who appreciate good quality, combined with the exclusivity that comes from a blend of international fashion and unique in-house designs. The footwear range is complemented by well-known third-party brands.

Retail sales for 2025
R3.8 billion

Retail sales growth on prior period
0.3% increase
(2024: 4.4% decrease)

Truworths Africa retail sales contribution
26%
(2024: 26%)

Number of emporium stores, departments within emporium stores or stand-alone stores
360 Truworths Emporium stores

TRUWORTHS MENSWEAR EMPORIUM

SUPPORTING BRANDS AND RANGES
Truworths Man, Uzzi, Daniel Hechter Mens, Hemisphere, Hemisphere Sport, Rosati Uomo, Trench, Moskow, Exstream, Fuel and LTD Man

BRAND DESCRIPTION
Truworths Menswear Emporium caters for modern, fashion-conscious, youthful men by offering a range of exclusive aspirational brands that encompass formalwear, leisurewear and athleisurewear, in addition to a range of Truworths footwear, underwear and accessories. The footwear range is complemented by well-known third-party brands.

BRAND PROFILE
The exclusive mix of brands in the Menswear Emporium targets all the lifestyle needs of youthful men who desire good-quality aspirational fashion apparel, accessories and footwear.

Retail sales for 2025
R3.7 billion

Retail sales growth on prior period
1.3% increase
(2024: 3.1% decrease)

Truworths Africa retail sales contribution
26%
(2024: 25%)

Number of emporium stores, departments within emporium stores or stand-alone stores
360 Truworths Man departments
359 Daniel Hechter Men's departments
341 Uzzi departments
79 Fuel departments
34 Truworths Man stand-alone stores
30 Uzzi stand-alone stores
7 Fuel stand-alone stores

TRUWORTHS DESIGNER LADIESWEAR

SUPPORTING BRANDS AND RANGES
Daniel Hechter Ladies, Ginger Mary, Truworths Glamour, Emily Moon, Essence, LTD Ladies and Earthaddict

BRAND DESCRIPTION
Truworths Designer Ladieswear offers a unique range of exclusive fashion apparel, footwear and accessory brands that appeal to the discerning South African woman. The ranges are carefully designed and curated, with each having a clearly defined look and feel and lifestyle relevance. This combination, housed in a single retail space, makes for an exciting better-end shopping experience.

BRAND PROFILE
Targets the specialised lifestyle needs of youthful, fashionable women who are attracted to good-quality designer brands.

Retail sales for 2025
R1.4 billion

Retail sales growth on prior period
0.6% decrease
(2024: 4.9% decrease)

Truworths Africa retail sales contribution
10%
(2024: 10%)

Number of emporium stores, departments within emporium stores or stand-alone stores
318 Ginger Mary departments
316 Daniel Hechter Ladies departments
148 Earthaddict departments
115 LTD departments
22 Context departments within store
2 Earthaddict stand-alone stores
1 Daniel Hechter stand-alone store
1 Ginger Mary stand-alone store
1 Context stand-alone store

TRUWORTHS KIDS

SUPPORTING BRANDS AND RANGES
LTD Kids, Earthchild, Naartjie, Max and Mia, and Zigi

BRAND DESCRIPTION
Truworths Kids offers a range of exclusive, aspirational childrenswear, accessories and footwear brands that are of exceptional quality for the fashion and brand-conscious parent and child. Each supporting brand offers a range of boys and girls wear for targeted age profiles. When placed together or within an emporium, the unique handwriting of each brand creates an enticing offering that covers age, gender and lifestyle needs. The brands cater for babies and children from newborns to 14 years old.

BRAND PROFILE
Newborns, toddlers, kids and tweens.

Retail sales for 2025
R1.4 billion

Retail sales growth on prior period
0.9% decrease
(2024: 6.0% decrease)

Truworths Africa retail sales contribution
10%
(2024: 10%)

Number of emporium stores, departments within emporium stores or stand-alone stores
323 LTD Kids departments
137 Truworths Kids within Truworths emporium stores
11 Earthchild stand-alone stores
9 Truworths Kids stand-alone stores
8 Naartjie stand-alone stores
6 Earthchild and Naartjie stand-alone stores
5 Earthchild and Earthaddict stand-alone stores

Market-leading brand portfolio continued

OTHER TRUWORTHS AFRICA BRANDS

SUPPORTING BRANDS AND RANGES
MAC, Estée Lauder, Clinique, Clarins, Revlon, Elizabeth Arden, Coty, Gatineau and Aramis, as well as niche fashion and salon brands, international fragrance brands, third-party footwear as well as own-brand fashion

BRAND DESCRIPTION
Truworths Elements, Truworths Cellular, Office London, Truworths Jewellery, Loads of Living and Sync.

Truworths Elements offers a range of premium international skincare, cosmetics and fragrance brands. Truworths Elements is a fresh and uncluttered beauty destination, focusing on highly sought-after prestigious brands for fashion-conscious customers, where they can enjoy the expertise of trained specialist cosmetic consultants.

Office London is inspired and guided by Office UK. It offers a wide selection of in-demand third-party branded fashion sneakers and apparel. The majority of the range is primarily targeted at the female fashion customer, however, it is complemented by an appealing range of footwear and apparel for the trend-informed male customer. The range is complemented by a selection of branded accessories and bags that complete the sneaker-led lifestyle look.

Truworths Jewellery offers a selection of quality fine jewellery, trendy fashion jewellery and leading international watch and sunglass brands. The merchandise appeals to youthful women and men, across broad lifestyle spectrums, who view jewellery and accessories as an integral aspect of fashion. The range includes gold, silver and faux jewellery collections, as well as a broad assortment of fashionable watch and sunglass brands.

Loads of Living offers a collection of sophisticated, high-quality homeware, bed linen and decorative accessories for the discerning customer.

Sync is a youthful, fashionable and commercial value brand. It is a well-priced range with an aspirational feel due to its quality and unique design. Sync offers fashion clothing, footwear and accessories for value-conscious fashionable women and men.

BRAND PROFILE
Youthful ladies and men.

Retail sales for 2025
R2.0 billion

Retail sales growth on prior period
1.6% decrease
(2024: 5.4% increase)

Truworths Africa retail sales contribution
13%
(2024: 13%)

Number of emporium stores, departments within emporium stores or stand-alone stores
- **186** Truworths Jewellery departments
- **144** Truworths Cellular departments
- **83** Truworths Elements departments
- **28** Sync stand-alone stores
- **20** Loads of Living departments within Truworths Emporiums
- **24** Office London stand-alone stores
- **8** Loads of Living stand-alone stores

IDENTITY

SUPPORTING BRANDS AND RANGES
Identity Ladies, Identity Man, Identity shoes, bags, lingerie, accessories and ID Kids

BRAND DESCRIPTION
Identity offers a range of affordable and trendy fashion clothing, underwear, footwear and accessories for women, men and kids. Identity caters for the fashion-aware and value-conscious youth market. Identity operates from independent stand-alone stores.

BRAND PROFILE
Young ladies, men and kids.

Retail sales for 2025
R2.2 billion

Retail sales growth on prior period
2.8% decrease
(2024: 5.4% decrease)

Truworths Africa retail sales contribution
15%
(2024: 16%)

Number of emporium stores, departments within emporium stores or stand-alone stores
- **256** Identity stand-alone stores
- **240** ID Kids departments within Identity stores

YDE

SUPPORTING BRANDS AND RANGES
Brands of various designers

BRAND DESCRIPTION
Young Designers Emporium (YDE) showcases South Africa's young, cutting-edge fashion talent. As an agent, YDE markets the clothing and lifestyle products of both emerging and well-established local designers. The unique trading formula of YDE provides an exciting platform for designers to present their exclusive own-label ranges in some of the top malls in the country. The emporiums are aimed at fashion-forward customers aged 16 to 35, offering ladies' and men's clothing, shoes, bags and accessories. YDE operates from independent stand-alone stores.

BRAND PROFILE
Young women and men in the 16 – 35 age group.

Agency sales for 2025
R206 million

Agency sales growth on prior period
4.6% decrease
(2024: 7.3% decrease)

Truworths Africa retail sales contribution
Agency sales, so therefore not included in retail sales

Number of emporium stores, departments within emporium stores or stand-alone stores
- **19** YDE stand-alone stores

TRUWORTHS AFRICA

ASPIRATIONAL FASHION

Truworths Africa strives to create aspirational, better-end and authentic merchandise ranges across its brand portfolio season after season, offering customers internationally inspired fashion of superior quality. This is supported by Truworths Africa's merchandise philosophy of curating an extensive range of fashion apparel and related accessories to meet the varied lifestyle needs of its customers.

The youthful fashionable customer

Truworths Africa targets a youthful, fashionable customer and through its exclusive market-leading ladies' and men's brands it aims to meet their diverse lifestyle needs, spanning casualwear, workwear, eveningwear, accessories and footwear.

Truworths Africa's fashion is aimed at making customers look and feel attractive and successful. This singular customer focus on youthful, fashionable South Africans removes the risk of over-segmenting the market and provides clear direction for the design, buying and marketing teams.

The aspirational kid's brands appeal to the same youthful, fashionable customers who aspire to dress their children in high-quality, better-end apparel, footwear and accessories that are differentiated by the unique identities of the brands.

Consistent fashion formula

A consistent merchandise buying and planning formula is applied every season. This process is constantly refined and updated to align with the growth and complexity of the business, and to continue to meet the challenges of the fast-moving and evolving global fashion retail market.

The merchandise design, planning, buying and sourcing teams manage and mitigate the risk of fashion across the product lifecycle through the following processes:

- forecasting and interpreting international fashion trends and customising these trends for the South African market;
- creating product designs through in-house fashion design specialists and selected supplier teams working together with experienced buyers;
- using world-class systems for planning and assorting ranges;
- increasing use of AI across several aspects of the design and buying processes;
- following a preferred supplier approach to ensure consistency in the supply chain, with many suppliers being exclusive to Truworths Africa;
- fostering long-standing relationships with local and international suppliers capable of meeting Truworths Africa's high-quality standards and the diverse needs of the broad product ranges; and
- using the fast-fashion and quick-response capabilities to capitalise on new trends and popular styles through local manufacturing and strategic fabric investments.

Forecasting fashion trends

The Truworths Africa ladieswear and menswear fashion studios drive the fashion forecasting process. The studios research international fashion trend information from a wide range of sources, including catwalk collections, trade fairs, online and AI-generated fashion intelligence, influencers and social media, and by following global and local street trends.

Merchandise designers from these studios and in-house design centres work in partnership with buyers to understand the trends and to formulate the required fashion direction for each new season. A design and customisation process is completed for each brand, providing direction on style, colour, fabric, print and trim in line with the latest emerging trends. Season-ahead travel to the northern hemisphere supplements and confirms these seasonal processes.

Similarly, homeware ranges for Loads of Living require the buying team to monitor local and international interior and lifestyle trends to meet the needs of discerning homeware customers.

Superior quality fashion ranges

Considerable time is invested in creating the essence of each brand, the brand DNA, to ensure minimal overlap between brands. Collections are carefully curated and designed with the DNA and end-use of each brand in mind to create a broad and exciting range of ever-changing products to entice the customer. The focus on creativity in the buying process has been elevated to ensure that the buying teams have additional time to drive product design and innovation within the assortment process.

Leading-edge systems and technology are applied to enable detailed planning and balancing of ranges, ensure consistency of the merchandise offering and provide structure to the creative process.

Merchandise is sourced from a combination of local, regional and international suppliers based on a carefully considered methodology that provides flexibility and reliability, and mitigates supply chain risk. At each stage in the process there are interventions to ensure that the merchandise meets the exacting quality standards that customers both value and expect.

Truworths Africa is synonymous with quality fashion and better-end fabrics, with industry-leading metrics reflecting low levels of quality-related customer returns. The quality assurance team partners with local and international suppliers to ensure merchandise is manufactured to consistent quality and prescribed standards.

The certified in-house fabric and garment testing laboratory monitors international standards and applies world-class testing methods to ensure the required Truworths standards are maintained.

Refer to Material issues, risks and opportunities on page 23 for more detail.

Aspirational fashion continued

Managing fashion in 2025

In response to the ongoing challenging trading environment, characterised by continued consumer pressure and lower discretionary spending, it is imperative we offer value to our customers, maintaining an aspirational, high-quality and differentiated product. Merchandise teams continue to offer better product at enhanced value, without compromising on design, fashionability or quality, and without changing strategy to compete directly in the 'value segment'.

A strong focus has been placed on enhancing style and fabric differentiation to ensure alignment with each brand's unique DNA.

In this constrained environment, cash-strapped customers have tended to down-trade to lower-priced clothing offered by value retailers. This has resulted in slower-than-expected sales in Truworths Africa and higher levels of markdowns. This has been particularly evident in the ladies casualwear category which remains the most competitive and highly traded sector in the market.

Footwear and accessories were the top-performing categories in the Truworths Africa portfolio. Kidswear underperformed in the second quarter of the summer season and reported a slightly improved performance for the second half of the financial period. Kids ranges have been extended to encompass a wider variety of lifestyle needs. Different merchandise combinations were introduced into the ranges to facilitate ease of shopping.

Merchandise planning and stock management proved increasingly challenging due to unpredictable sales patterns and softer trading. This resulted in elevated end-of-summer stock levels which required higher markdowns and more aggressive promotional activity, negatively impacting the gross margin for the period.

Managing the impact of exchange rate volatility is a perennial challenge as approximately 55% of Truworths Africa's merchandise is sourced offshore, as well as most of the fabric used for local manufacture. The impact of the movement in the Rand on product pricing was compounded by global geopolitical uncertainty. The volatility is reflected in the currency trading between a low of R17.11 and a high of R19.70 against the US dollar during the financial period. Forward cover contracts mitigate currency risks and assist the buying teams to accurately determine pricing and input margins during periods of rapid exchange rate movements.

Growing presence of Fuel and Sync

While no new brands were introduced during the reporting period, the merchandise and operations teams focused on extending the presence of the most recently launched brands, Fuel and Sync.

Fuel offers highly fashionable street lifestyle product to the energetic, youthful male customer. The brand's footprint expanded to 86 locations across stand-alone stores and emporium store departments, up from 59 in the prior period. Selected Fuel product lines were extended and are now offered in most Truworths Man stores.

Sync offers ladies' and men's merchandise to consumers who choose to spend less. The product offering includes casual fashion ranges and own-brand sneakers and accessories. Sync is positioned as a separate brand, distinct from Truworths and Identity, with a focus on lower-priced, fashionable and good quality merchandise. The brand remains in an experimental phase while buying processes for the brand are further tested and refined. Sync has grown its presence to 28 stores.

Increasing online sales contribution

Online sales increased by 33.7% and grew their contribution to Truworths Africa's retail sales to 6.5% (2024: 4.9%) as customer demand for convenient shopping continued to gather momentum. The Truworths Africa e-commerce business has been profitable since inception.

The shopping experience of Truworths Africa's online customers was enhanced with improved site search functionality and faster delivery times. The number of stores to fulfil online orders was increased which reduced delivery costs and improved logistics efficiency.

Truworths Africa's products and brands are available across the Truworths, Office London, Loads of Living and Identity e-commerce sites. Customers are able to shop with a single basket across the Truworths and Loads of Living sites, and separately on the Office London site. Together with the extensive Truworths Africa store footprint, these sites create an engaging omni-channel experience for customers to shop effortlessly both in-store and across digital devices.

E-commerce has performed particularly well for brands with a smaller store footprint, such as Office London and Loads of Living. In line with retail trends, marked-down products are a strong driver of online sales growth in Truworths Africa, providing an effective channel for managing stock levels.

Ongoing collaboration with the Office UK digital team ensures that the Truworths website is aligned with the functionality, technology and tools of the more established Office site.

Capitalising on artificial intelligence

AI presents a significant opportunity to support the merchandise operations. A dedicated project was launched to maximise the application of AI across the business, with a particular focus on the planning, buying and design functions.

AI has been integrated into the design and sample production processes, with ongoing testing and refinement to enhance efficiencies and innovation. Its primary application has been in the design and creative process, where it supports image curation and provides inspiration for product development. Merchandise team members are being upskilled to build AI literacy and capability in order to capitalise on AI-driven opportunities.

Supporting sustainable fashion

Sustainable fashion is a growing priority given the environmental, social and economic impacts of traditional fashion practices. Truworths Africa is seeking to increase the use of sustainably sourced and recycled materials in its clothing ranges, while its merchandise donations programme supports social development and environmental sustainability.

Truworths Africa donates surplus and damaged merchandise, sample products, fabric and offcuts to charities that repurpose, recycle or sell the items. In addition to the social benefits, these merchandise donations reduce the environmental impact as the clothing is recycled and reused rather than being consigned to landfill.

In the reporting period, more than 291 000 garments and 126 000 metres of fabric valued at R43.0 million were donated to community programmes, including Taking Care of Business (TCB), Afrika Tikkun, U-Turn and the Amy Foundation.

TCB is the largest beneficiary, empowering women in informal settlements to generate income through social enterprise. Over the past five years, more than 560 000 garments have been channelled through TCB to support unemployed women to become self-sustaining.

Refer to the Environmental, Social and Sustainability Governance report 2025 at www.truworths.co.za/reports.

TRUWORTHS AFRICA

SUPPLY CHAIN

Truworths Africa's supply chain strategy is centred on receiving product in the most efficient manner and delivering to stores and customers as effectively as possible to meet consumer demand, constantly focusing on cost management and reducing lead times.

The commissioning of Truworths Africa's new 52 000 m² distribution centre (DC) located near Cape Town International Airport is expected to enhance distribution efficiency by enabling higher volumes of merchandise replenishment and part allocation to stores.

Completed at a cost of approximately R1 billion, the DC has been designed to accommodate growth for the next 10 years.

Management adopted a phased go-live approach starting in November 2024. The existing DCs operated in parallel through the reporting period and are expected to do so until September 2025 as additional distribution volumes are transitioned to the new facility in a controlled manner. By the end of June 2025, the DC was processing approximately 55% of the total distribution volume.

The main benefits of the DC are the increased efficiency and more responsive stock delivery through the part allocation of merchandise as well as the distribution of larger volumes of replenishment styles. The part allocation of merchandise, with the remainder being subsequently allocated to stores based on sales rates, is expected to optimise product allocation to stores, with the objective to improve sales and reduce markdowns.

This capability was not possible in the past due to capacity constraints in the existing DCs.

The DC is a large facility equipped with advanced retrieval and storage solutions. It took some time to fully test the capability of the DC and to optimise the flow of merchandise; therefore, a cautious approach was taken to gradually transition stock from the existing DCs.

The facility is expected to have completed the phasing in of all merchandise distribution by the end of September 2025. The current DC will be retained as a live backup facility to the new DC and will also serve as the fabric and trim store for the in-house design division. The remaining three smaller DCs will be sold or re-purposed.

Refer to Sustainability in the supply chain on the following page for details on the environmental and sustainability features of the new DC.

Advantages of local manufacture

Speed to market is critical in fashion retail, and local apparel manufacturing offers a significant advantage by shortening lead times. It enables quicker response times to in-season trends which allows for the rapid replenishment of popular styles. This agility is a key differentiator relative to imported products which typically involve longer lead times.

Local manufacturing is therefore a strategic and integral component of Truworths Africa's supply chain, with approximately 45% of apparel units produced in South Africa.

Truworths Africa has long applied the quick-response and fast-fashion model in partnership with key local manufacturers and suppliers. This model enables merchandise buyers to respond rapidly to customer buying patterns and make styling adjustments as late as four weeks before delivery, ensuring that the ranges reflect the latest fashion trends.

Local manufacture plays a critical role in supporting the sustainability of the domestic apparel sector. Truworths Africa partners with several factories and cut-make-trim (CMT) facilities across the country, many of which are either exclusive to Truworths Africa or have Truworths Africa as their largest customer. Truworths Africa provides selective financial and operational support to protect and strengthen the local supply base.

These CMTs produce a wide range of product, including highly specialised and uniquely designed garments exclusive to Truworths Africa, ensuring both speed to market and flexibility in delivery across most apparel categories.

Supporting quick-response model

Supporting the quick-response model is the Truworths Africa design division, an integrated internal design centre that enables the merchandise team to control a major portion of its local procurement and drive the quick-response and fast-fashion models internally.

Synergies between the buying teams and design division have enhanced Truworths Africa's quick response capabilities, enabling the in-season repeat of product that was previously not feasible.

The design division, which includes merchandise design, pattern making and sample manufacture, is located in the same building as the product buying teams, allowing for seamless creative development and faster communication of product requirements to improve speed to market. The in-house design division also enables Truworths Africa to realise economies of scale in fabric purchasing, production planning and logistics.

Refer to Material issues, risks and opportunities on page 24 for more detail.

Supply chain continued

Sustaining the local supplier base

The sustainability of the local apparel manufacturing sector remains under pressure as many suppliers face increasing financial challenges. In response, Truworths Africa has extended financial support to selected strategic CMT partners, and provided plant and equipment on loan at no cost to CMTs to extend their manufacturing capabilities and improve production efficiencies.

As a signatory to the Department of Trade, Industry and Competition's Masterplan for the Retail, Clothing, Textile, Footwear and Leather value chain, Truworths Africa is committed to ensuring the sustainability of its local supply base. The executive and merchandise teams have continued to work closely with suppliers, particularly the exclusive design centres and CMT partners, to identify opportunities to develop a broader range of product locally to drive more consistent volumes and improve efficiencies.

The support from Truworths Africa has ensured the sustainability of many of these key partners, limited attrition in the supplier base, and preserved and grown employment.

Rationale for importing product

Imported product represents approximately 55% of Truworths Africa's total procurement of apparel units. Merchandise is typically imported in categories where local suppliers are either not as price competitive as their offshore counterparts or lack the technical capability to meet the required production and quality standards.

Categories with a high proportion of imported merchandise include footwear, fashion accessories, lingerie, fine-gauge knitwear, winter outerwear and denim, all requiring specialised production capability, fabrics or finishes not readily available in the local manufacturing sector.

While China remains the major source of international supply, Truworths Africa has diversified its sourcing base in recent years to mitigate supply chain risk. Additional countries of origin now include Bangladesh, Pakistan and India, and SADC countries Lesotho, Eswatini, Madagascar and Mauritius. Truworths Africa continuously evaluates new sourcing opportunities to improve lead times and capitalise on product and cost advantages.

Managing supplier partnerships

Truworths Africa has built long-term, sustainable partnerships with local, regional and international suppliers, resulting in a well-diversified and often exclusive supplier base across a broad range of product categories.

A supplier scorecard measures the performance of key suppliers to promote high standards of quality and delivery. The B-BBEE status of South African suppliers has been incorporated as a selection criterion in the scorecard.

The scorecard informs the decisions of the merchandise buying teams in their selection of suppliers, with volume growth being prioritised with better-performing suppliers and those with higher B-BBEE credentials. The scorecard also identifies areas for improvement in underperforming suppliers and these development areas are addressed through collaboration and targeted support. The scorecard encourages suppliers to improve their performance and this ultimately contributes to a more efficient supply chain.

The revised Truworths Code of Ethics and Good Business Practice for Suppliers and Business Partners is incorporated into all supplier agreements and commits local and international manufacturers to comply with ethical business standards, human rights, labour legislation (particularly relating to child labour and minimum wage levels), international health and safety standards, and environmental legislation and treaties to which South Africa is a signatory.

Truworths is actively strengthening human rights and business ethics standards across its local and international supply chain. Supplier self-assessments focused on human rights and business ethics have been introduced to improve transparency and accountability. In addition, the teams responsible for supplier onboarding are being trained to ensure that new and existing suppliers adopt robust ethical sourcing practices aligned with the code.

Legislative compliance audits are conducted by Truworths Africa during the new supplier enrolment process.

Sustainability in the supply chain

New distribution centre

Sustainability has been a core principle in the design, construction and operation of the new DC. The facility was awarded the globally recognised EDGE (Excellence in Design for Greater Efficiencies) Advanced green building certification in July 2024. EDGE certification promotes increased efficiency in energy, water and materials usage and is administered by the Green Building Council of South Africa in partnership with the International Finance Corporation to support sustainable development across the continent.

The DC features a water harvesting and purification system, along with energy-efficient light-emitting diode (LED) lighting throughout the facility. An additional environmental benefit of the DC is the consolidation of merchandise deliveries to stores. By optimising carton usage and improving packaging efficiency, more merchandise can be transported per load, thereby reducing the number of deliveries required and lowering carbon emissions.

The DC was designed to support the installation of rooftop solar panels, and a decision to proceed will be based on consumption data once the facility is fully operational.

Commitment to reduce, reuse and recycle

The environmental principles of reduce, reuse and recycle are applied throughout the supply chain, recognising that packaging is a significant contributor to resource consumption and waste.

Truworths Africa is committed to reducing the environmental impact of packaging materials which also has a significant cost-saving benefit for the DCs. This is reflected in the following sustainability metrics over the past year:

- 668 000 cardboard boxes reused, being 68% of the total cardboard cartons dispatched
- 554 000 cardboard inserts reused
- 115 tonnes of plastic recycled
- 491 tonnes of cardboard cartons recycled
- 3.8 million plastic clothing hangers reused

Refer to the Environmental, Social and Sustainability Governance report 2025 at www.truworths.co.za/reports.

TRUWORTHS AFRICA

ACCOUNT SALES COMPRISE **70%** of Truworths Africa's retail sales (2024: 70%)	NEW ACCOUNT APPLICATIONS OF **5.5 million** (2024: 5.3 million)	ACTIVE CREDIT ACCOUNTS DECLINED BY **0.5%** to 2.9 million (2024: 2.9 million)
GROSS ACTIVE TRADE RECEIVABLES UNCHANGED AT **R6.4 billion** (2024: R6.4 billion)	EXPECTED CREDIT LOSS (ECL) ALLOWANCE TO GROSS ACTIVE TRADE RECEIVABLES **20.8%** (2024: 20.3%)	NET BAD DEBT PLUS ECL RAISED TO GROSS TRADE RECEIVABLES DECREASED TO **16.6%** (2024: 16.8%)
OVERDUE BALANCES TO GROSS TRADE RECEIVABLES **17%** (2024: 17%)	ACTIVE ACCOUNT HOLDERS ABLE TO PURCHASE TO GROSS TRADE RECEIVABLES **79%** (2024: 79%)	TOTAL TRADE RECEIVABLE COSTS DECREASED **3.8%** to R1 260 million (2024: R1 310 million)

ACCOUNT MANAGEMENT

South Africa's macroeconomic environment remained constrained throughout the period, characterised by low economic growth, stagnant real wage increases, elevated unemployment, and rising living costs, all of which continued to erode consumer disposable income.

The TransUnion SA Consumer Credit Index (CCI), an indicator of the credit health of consumers in South Africa, recorded a modest increase to 53 in the first quarter of 2025 before easing marginally to 52 in the second quarter. A CCI score above 50 indicates improving credit health, while a score below reflects a deterioration. Although the latest CCI signals a modest improvement in household credit health from the record low of 39 points in mid-2023, the recovery remains fragile as structural economic weaknesses, political uncertainty and global scrutiny weigh on sentiment.

South African consumers are benefitting from lower debt servicing costs following the long-awaited interest rate reduction cycle by the SA Reserve Bank which started in September 2024. The repo rate was reduced by a combined 100 basis points from 8.25% to 7.25% during the period, followed by a further 25 basis point cut in July 2025, shortly after the period-end.

Over the past year, there has been a significant increase in credit granted by several credit providers, particularly in the higher-risk mass market. As a result, this segment of customers is taking on greater credit commitments and higher monthly repayment obligations which could negatively impact the credit industry.

In this environment, Truworths Africa maintained a prudent approach to credit granting and the credit book remains resilient and well-managed, supported by sound credit risk practices and strong collection strategies.

Credit as an enabler of merchandise sales

Truworths Africa uses its credit offering to establish long-term relationships with customers in the middle-income mass market. Credit is offered in a responsible manner to facilitate sales by enabling customers to buy high-quality fashion merchandise and exclusive brands.

Many consumers in this market segment have limited access to traditional banking facilities, such as overdraft facilities and credit cards, and rely on store credit to purchase quality fashion. For many customers, Truworths Africa provides their first credit exposure, enabling them to buy merchandise while also starting to build a credit history and profile.

The Truworths Africa account cost for customers is low, with an annual account service fee of only R66 covering administration and fraud protection, and no initiation, club or magazine fees. Financial services income constitutes only 0.7% (2024: 0.6%) of the sale of merchandise.

Account facilities are offered to customers across all Truworths merchandise brands in South Africa, Namibia, Botswana and Eswatini.

Customers are offered terms of six, nine and 12 months to settle accounts. Many customers benefit from the six-month interest-free plan where interest is only charged if accounts fall into arrears. Customers are billed monthly and are required to pay the minimum 90% qualifying payment of the amount due to remain current.

Truworths Africa offers selected customers a buy-now-pay-later credit option that allows purchases to be split into three interest-free payments: an upfront payment of up to 50% of the purchase amount, followed by two equal monthly instalments. No additional fees are charged if payments are made on time.

For consumers who do not qualify for credit, a lay-by (set aside) facility allows merchandise purchases to be paid off over three months. This gives non-account customers access to Truworths Africa's merchandise that they would not have been able to purchase for cash.

Strong demand for new accounts

Truworths Africa continued to experience strong demand for new accounts during the period, with 5.5 million account applications highlighting consumer appetite for Truworths Africa's premium-quality, aspirational fashion merchandise and credit offering.

The strong application volumes translated into a total of 825 000 new accounts being opened, with a large number of these customers converted from the loyalty programme base. The conversion rate of applications to opened accounts decreased to 15% from 17% in the prior period.

The lower percentage risk approved and opened rates are attributable to two unrelated factors. The first is a shift in the mix of new account application channels. Truworths Africa offers a range of channels for account applications, including in-store, website, third-party digital platforms, social media and direct marketing. Each of these channels has different conversion rates and costs associated with the activation of a new account.

The second factor is an adjustment to the credit risk criteria applied to the high-risk segment of the portfolio. High-risk consumers have been under pressure due to high interest rates, rising utility costs and food inflation, leading to lower disposable income. These credit risk adjustments have delivered pleasing results, reflected in the decline of higher-risk balances within the portfolio, with a simultaneous growth of better-risk balances.

Refer to Material issues, risks and opportunities on page 25 for more detail.

Account management continued

The number of active credit accounts decreased by 0.5% to 2.9 million. Over the past five years, Truworths Africa has recorded an average annual growth in active accounts of 1.9% per annum.

Account portfolio management

Truworths Africa manages its account portfolio using a statistical approach supported by the consistent application of credit risk criteria. All new accounts are assessed using both internal and external scorecards, with affordability criteria applied in line with the requirements of the National Credit Act.

Existing account customers are scored monthly to determine changes in risk profile, payment probability, propensity to spend, response likelihood, brand preference and other predictive behavioural factors to enable more effective portfolio management. Decision optimisation techniques are applied across the portfolio to enhance performance and manage credit risk.

Risk scorecards are self-regulating, adjusting automatically to the payment behaviour of customers. During periods of heightened credit stress, new account and credit limit approval rates will automatically tighten in reaction to deteriorating predictive scorecards.

Artificial intelligence (AI) underpins the risk management framework, with more than 50 scorecards used to predict key customer performance metrics. These insights are embedded into customer-level credit strategies to influence behaviour and enhance profitability. Generative AI is also widely applied to support staff in customer engagement.

A multi-channel strategy is applied across stores, digital marketing, social media, affiliate partners and direct marketing to attract customers.

Credit risk is managed through the use of champion/challenger methodologies, allowing portfolio performance to be adjusted in response to changing market conditions. Multiple strategies are run in parallel with identified performance outcomes. A credit risk committee meets regularly to determine the proportion of the portfolio to be allocated to each strategy.

Account performance in 2025

Gross active trade receivables on the Truworths Africa accounts portfolio, comprising the Truworths, Identity and YDE books, were unchanged at R6.4 billion (2024: R6.4 billion) at the period-end.

Account sales increased by 0.1% and contributed 70% (2024: 70%) of retail sales in Truworths Africa. Active account holders able to purchase and overdue balances as a percentage of the portfolio were unchanged at 79% and 17%, respectively, at the period-end.

Our data shows that some competitors are extending aggressive credit to high-risk customers, many of whom are also part of our customer base. In contrast, Truworths Africa has intentionally contained growth in this segment, which, together with competitor activity, has materially impacted credit sales to high-risk customers in Truworths Africa.

The expected credit loss (ECL) allowance on the active trade receivables portfolio increased to 20.8% from 20.3% for the reporting period, notwithstanding a slight improvement in the overall quality of the portfolio. The reason for the increase in the ECL percentage is the charge-off holdback enhancements introduced in the second half of the prior period to avoid premature charge-off of accounts with some likelihood of payment, as well as the weak credit sales performance affecting the denominator, particularly in the last quarter of the period.

The charged-off trade receivables portfolio totalled R543 million (2024: R511 million) at period-end. The ECL allowance in respect of the charged-off book decreased to 73.7% from 78.5% in the prior period.

Trade receivable costs decreased by 3.8% to R1 260 million (2024: R1 310 million). Net bad debt and ECL allowances raised, decreased marginally to R1 164 million (2024: R1 168 million).

Refer to the Chief Financial Officer's report on page 65 for further detail on the account management performance.

Account management in 2025

New technology and processes continued to be implemented to enhance Truworths Africa's ability to deliver an omni-channel experience to customers. During the period, a new point-of-sale system, which incorporates a customer promotion engine was implemented across all Truworths Africa stores. A customer data experience platform was implemented to enhance customer communications.

All customer engagement has shifted to digital channels, including account management, loyalty programme management, e-commerce and customer service. The e-commerce platform has been enhanced to enable greater customer self-service, while the WhatsApp channel has been expanded. Customers can move seamlessly from account application to shopping online within minutes, with most decisions being driven by data.

The Department of Home Affairs in South Africa introduced a new identity verification system in July 2025 that significantly increased the fee for customer identity validation. Given the nature of Truworths Africa's credit offering of relatively small limits to predominantly young customers, the higher fee is not commercially viable. As a result, the credit process is being modified to mitigate the impact of these additional costs without damaging the portfolio.

Leveraging customer loyalty

The Truworths and Identity customer loyalty programmes are aimed at attracting and retaining customers, while increasing both the basket size and frequency of shopping of account and cash customers. Loyalty programme members spend on average more than cash customers.

The combined membership of the loyalty programmes has increased during the reporting period by 1.8 million to 22.7 million members, including 4.7 million account customers and 18.0 million non-account customers.

All account customers and account applicants automatically qualify as loyalty programme members. Lay-by customers also qualify for membership of the loyalty programme and receive customer communication to encourage repeat purchases while also being potential future account customers. Cash customers can join the loyalty programme at no cost.

Loyalty programme members are offered a suite of benefits, including loyalty-only merchandise promotions across brands, additional discounts on sale product, vouchers and competitions.

TRUWORTHS AFRICA

810 stores
at period-end
(2024: 802 stores)

22 new stores
opened across all brands
(2024: 20 stores)

26 stores
expanded, converted, consolidated or relocated

0.5%
increase in retail trading space

33.7%
increase in e-commerce sales

6.5% of Truworths Africa's retail sales generated online

RETAIL PRESENCE

Truworths Africa has continued to invest in its retail presence by upgrading and modernising stores, introducing new store concepts, maximising space productivity, optimising brand mix and growing its e-commerce platform.

In the challenging macroeconomic environment, Truworths Africa adopted a conservative approach to store expansion over the period. Retail trading space increased by 0.5% with the opening of a net eight stores to extend the store footprint to 810. Truworths Africa invested R220 million (2024: R236 million) in new store development, bringing the total investment in stores over the past five years to R1.2 billion.

Expanding store presence

During the year, 22 new stores were opened across all brands, comprising eight Truworths Emporiums, two Truworths Man, five Identity, three Sync, two Office London and one each for Truworths Kids Emporium and YDE.

In addition, 26 existing stores were expanded, consolidated, converted or relocated. These changes typically involve a reconfiguration of the brand mix within the store, with new brands being introduced and other brands being removed that may no longer be aligned with the purchasing behaviour and preferences of customers at that location.

Fourteen underperforming stores were closed, including seven where the brands were incorporated into adjacent Truworths stores.

The presence of Truworths Africa's most recently launched brands continued to expand during the year. Fuel grew to 86 stores, including seven stand-alone stores; Sync increased to 28 stand-alone stores; and Context expanded to 22, which includes one stand-alone location.

Kidswear remains a strategic growth opportunity for Truworths Africa, which currently has 146 Kids Emporiums housing the LTD Kids, Earthchild and Naartjie brands, including nine stand-alone Kids Emporium stores.

ID Kids, the boys' and girls' wear offering within Identity, is now available in 94% of Identity's 256 stores. The remaining stores are not able to accommodate ID Kids due to trading space limitations.

The Group's store footprint in the rest of Africa was unchanged at 33, all located in southern Africa. These comprise 12 stores in Namibia, 12 in Botswana, five in Eswatini, two in Zambia and two in Lesotho.

Growing online business

E-commerce sales grew by 33.7%, and now account for 6.5% of Truworths Africa's retail sales (2024: 4.9%).

The full range of Truworths Africa's products and brands is available across the Truworths, Office London, Loads of Living and Identity e-commerce sites. Customers are able to shop across the Truworths and Loads of Living sites, and separately on the Office London site. Together with the extensive Truworths Africa store footprint, these sites create an engaging omni-channel experience for customers to shop effortlessly in-store and on digital devices.

The YDE e-commerce site now operates on the Truworths technology platform and customers are able to shop online with their accounts.

Defining the fashion court

Truworths Africa aims to be positioned in the centre of the fashion courts of leading malls and to be recognised as a fashion anchor tenant. This positioning strategy extends to main streets and town centres where Truworths Africa seeks to be at the heart of the fashion retail zone.

The brand's appeal is driven by enticing store environments, exclusive brands and internationally styled merchandise, all of which position Truworths Africa as an appealing and aspirational destination for quality fashion apparel. Wide window frontages with creative merchandise displays showcase the latest fashion trends and are designed to attract customers into the stores.

Multiple store formats

Truworths Emporium stores

Truworths Africa's 360 emporium stores house a portfolio of exclusive, market-leading brands. The store format encourages cross-shopping between the mainstream areas such as Truworths and Truworths Man as well as the speciality brands including Uzzi, Daniel Hechter, LTD, Earthaddict, LTD Kids, Earthchild and Naartjie. Each brand, along with its sub-brands, retains its distinct identity, ensuring variety and a multiple lifestyle offering within the emporium environment.

The brands featured in each emporium depend on the size and location of the store. Three specialist emporiums are offered within the greater emporium store: Truworths Ladieswear, Truworths Menswear and Truworths Kids.

Emporium stores are located in central positions within shopping malls and typically have three to five entrances, with expansive shop frontages and window displays showcasing the wide range of brands and merchandise.

Refer to Material issues, risks and opportunities on page 26 for more detail.

Retail presence continued

The Truworths Emporium Re-imagined, the latest store design concept introduced in the previous financial period, has now been implemented in 10 stores in South Africa. Customer response has been positive, with most redesigned stores reporting an encouraging uplift in sales.

The concept features a modern, borderless interior where all brands are presented within a single, connected space that is light, bright and engaging. Wide, open entrances promote seamless shopping across brands, with highly impactful visual merchandise displays enhancing the shopping experience.

Stand-alone stores

Identity, Sync and YDE operate from stand-alone stores as these brands typically target customers that differ from Truworths' shoppers and are therefore not included in emporium stores. Office London also trades exclusively from stand-alone locations due to its unique positioning and focus on third-party footwear brands.

Identity appeals to the fashion-forward and value-conscious youth market, offering high fashion merchandise at affordable prices. Stores are vibrant, edgy and fun to appeal to younger customers.

Sync targets the value segment of the fashion market with an aspirational offering for young men and women, with good quality at highly competitive prices in a vibrant, energetic store environment. Sync merchandise is also available in a limited number of Identity stores.

YDE showcases the fashion of both well-established and emerging South African designers and targets young, fashionable customers wanting designer labels and styling. The store design is a strong point of differentiation from competitors.

Office London is the South African offering of the Group's UK fashion footwear brand, Office. The brand operates from stand-alone stores in prime locations in South Africa's top shopping malls, often adjacent to Truworths Emporium stores. Office London has expanded its footprint to 24 stores, with seven stores offering apparel ranges in addition to footwear.

Sustainability in store design

Sustainability is central to the design, building and operation of stores, with a strong focus on reducing energy consumption. All new and recently renovated stores are fitted with energy-efficient LED lighting to replace metal halide fittings. As store premises are leased rather than owned, the installation of store-based renewable energy solutions is not possible.

Smart electricity meters have been installed in 75% of the South African stores and 30% of stores in the rest of Africa. These meters enable the Group to monitor and manage electricity usage more effectively, supporting improved energy efficiency and cost savings.

The Green Building Council of South Africa's Green Star Interiors V1 rating tool is applied in store development to maximise environmental efficiency. Sustainably sourced materials are used where possible, fixtures and fittings reused or recycled, and locally manufactured products supported. This includes using eco-friendly materials such as organic compound paints, recyclable glass and steel, repurposed furniture, and decorative elements constructed from engineered fibreboard produced from recycled cardboard.

Refer to the Environmental, Social and Sustainability Governance report 2025 at www.truworths.co.za/reports.

Retail presence in 2026

Trading space is projected to increase by approximately 2% in the 2026 financial period, marking the highest number of planned store openings since the onset of the COVID-19 pandemic. The expansion will be mainly across the Truworths Emporium, Identity, Office London and Sync stores.

Stores will be opened in several new mall developments across the country in the period, with many of these locations reflecting the geographically dispersed nature of the store and customer base.

Several new concepts are being developed, some of which will be located in the emporium and some as stand-alone stores. New concepts include a premium and refined collection of brands targeting the upper income market; a ladies' and men's jeanswear concept; a fashion-forward collection of existing brands, including a new 'streetwear' offering, targeting the younger market and housed in one area; an enhanced beauty concept housed within the Truworths Elements brand; and homeware additions to some of the designer brands. Sync will continue to expand into several existing Identity stores and will introduce a homeware offering aimed at the value segment.

This new concept strategy is experimental and will take time to evolve due to the complexity of securing retail space in ideal locations.

The store footprint in the rest of Africa will be expanded with the planned opening of three stores in Manzini, Eswatini.

Enhanced store designs for the Truworths Emporium Re-imagined and Identity are being developed and will be implemented in the remodelled stores in the Eastgate Shopping Centre.

Capital investment of R231 million has been committed to store development for the 2026 financial period.

TRUWORTHS AFRICA

HUMAN CAPITAL

Truworths Africa is committed to being South Africa's retail employer of choice by continually investing in attracting, developing and retaining quality talent, while aiming for high levels of employee engagement and satisfaction.

TOTAL EMPLOYEES
10 429
(2024: 10 451)

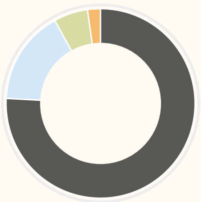
IN SOUTH AFRICA, BLACK EMPLOYEES COMPRISE
94% of total employees
(2024: 94%)

INVESTMENT IN SKILLS DEVELOPMENT
R135 million
(2024: R129 million)

TURNOVER OF PERMANENT EMPLOYEES
12.2%
(2024: 13.4%)

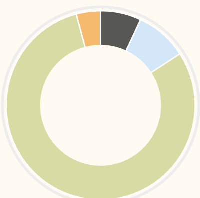
FEMALE EMPLOYEES COMPRISE
73% of total employees
(2024: 76%)

RACE: ALL EMPLOYEES



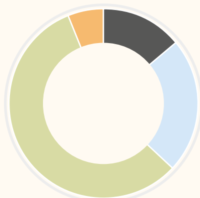
- African – **76%** (2024: 76%)
- Coloured – **16%** (2024: 15%)
- White – **6%** (2024: 6%)
- Indian – **2%** (2024: 3%)

RACE: SENIOR MANAGEMENT



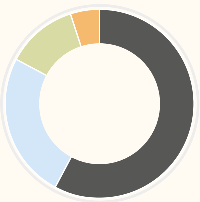
- African – **7%** (2024: 4%)
- Coloured – **9%** (2024: 13%)
- White – **80%** (2024: 80%)
- Indian – **4%** (2024: 3%)

RACE: MIDDLE MANAGEMENT



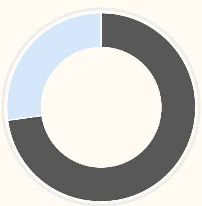
- African – **14%** (2024: 21%)
- Coloured – **23%** (2024: 21%)
- White – **57%** (2024: 51%)
- Indian – **6%** (2024: 7%)

RACE: JUNIOR MANAGEMENT



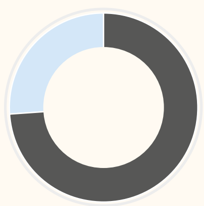
- African – **58%** (2024: 71%)
- Coloured – **25%** (2024: 20%)
- White – **12%** (2024: 5%)
- Indian – **5%** (2024: 4%)

GENDER: ALL EMPLOYEES



- Female – **73%** (2024: 76%)
- Male – **27%** (2024: 24%)

GENDER: MANAGEMENT



- Female – **74%** (2024: 76%)
- Male – **26%** (2024: 24%)

People are the driving force of Truworths, and a motivated, skilled and diverse workforce is essential for long-term sustainability and success. Management strives to create a workplace culture where employees who are aligned with our Values can contribute, thrive and support colleagues to do the same.

The human resource focus areas remain:
- Ensuring employees understand the Business Philosophy and are aligned with our Values.
- Fostering a culture of inclusivity by living our Values and providing employees from diverse backgrounds and cultures with equal opportunities for success.
- Empowering women and building their confidence to succeed.
- Driving internal fast-track development plans to prepare high-potential talent from designated groups for succession into key roles.
- Increasing black representation at middle and senior management levels.
- Maintaining investment in training and development despite the challenging macroeconomic environment.
- Investing in employees' financial and overall wellbeing to ensure improved performance and engagement levels.
- Managing retention and motivation in response to shifting employee expectations.
- Recruiting and driving internal succession planning in a globally competitive scarce skills environment.

Truworths Africa's workforce comprises a core group of full-time employees and a group of flexi-time employees whose working hours are determined by business needs. Recruiting from the flexi-time pool into full-time positions, as opportunities arise, ensures continuity of skills in stores.

The overall employee headcount decreased by 0.2% over the prior period, with Truworths Africa continuing to provide stable employment for its many loyal and high-performing employees.

Truworths Africa's human capital at a glance		**2025**	2024
Total employees (South Africa and rest of Africa)		**10 429**	10 451
Full-time employees		**5 358**	5 238
Contract employees*		**219**	175
Flexi-time employees		**4 852**	5 038
Skills development expenditure (excluding W&R SETA levies paid)	(Rm)	**135**	129
Skills development spend per employee trained	(R000)	**11.5**	11.0
Total employees trained (including those who left employment during the period)		**11 711**	11 706
Employees trained in South Africa (including those who left employment during the period)		**11 434**	11 426
Black employees as a percentage of employees trained in South Africa	(%)	**95**	95

* *Contract employees include interns and fixed-term and post-retirement contracted employees.*

Refer to Material issues, risks and opportunities on page 30 for more detail.

Human capital continued

EMBEDDING OUR VALUES
The Truworths Business Philosophy, which encompasses our Purpose, Values and Vision, continues to guide our corporate culture and human capital management strategy. This consistent focus has supported the business through a challenging and rapidly evolving economic and social environment.

We recruit, develop and reward our people who are aligned with our Values, aiming to create and reinforce a culture of high contribution, passion, innovation and strong team synergy. Employees are encouraged to invest in their own growth and that of others while embracing the power of inclusive teams. This culture is reinforced by celebrating and rewarding excellence in contribution by individuals and the business.

Our Values are embedded in all key human resource and management practices, including recognition programmes, performance reviews, leadership 360° surveys, citations, training programmes and day-to-day leadership. This ongoing focus on continuous improvement and values-driven behaviour supports the achievement of our Purpose and Vision.

Reinforcing our refreshed Values
Following the refresh of the Values in 2023, a key focus in 2024 was the roll-out of formal inclusive leadership training, led by the leadership and human resources teams. This initiative reflects the commitment to fostering a workplace that embraces diversity across gender, race, religion, culture and identity. This ongoing process continues to drive positive cultural change and supports the delivery of our Vision for all stakeholders.

REMUNERATION, BENEFITS AND RETENTION
In a competitive, skills-constrained market, rewarding and retaining high-performing employees remains a strategic priority. Truworths Africa continues to maintain a strong retention rate, with turnover of permanent employees improving to 12.2%, down from 13.4% in the prior period.

Truworths Africa rewards employees who consistently focus on their unique contributions and achieve their goals and targets. These rewards recognise overall financial and strategic project performance, as well as team and individual contributions. We aim to reward employees who consistently live our Values, improve their unique contribution and drive performance.

Management and specialised full-time employees are remunerated through total guaranteed packages, enabling them to tailor their cash and benefits to their individual needs. In addition, tailored incentive structures are designed to motivate and recognise high performance. Rewarding and retaining high-performing employees remains critical given the strong demand for talent and scarce skills in the marketplace.

Currently, 67% of employees are members of retirement fund and healthcare arrangements, with retirement fund members receiving life cover of up to six times their annual pensionable salary.

Truworths Africa's commitment to employee wellbeing is integrated into daily operations to enhance focus, engagement and commitment, with initiatives to support employees' physical, mental, emotional and financial health.

Employees on the healthcare arrangements have 24/7 access to telephonic medical advice for themselves and their immediate family. The employee assistance programme provides employees and their household dependants in South Africa with telephonic counselling services, including trauma support, general mental health guidance as well as financial wellness and legal assistance. In addition, counselling is offered to female employees who are victims of gender-based violence, with specialised medical support available to rape victims.

Flexi-time employees with more than two years' service receive company-funded funeral benefits and savings towards retirement funding, with the option to make additional voluntary contributions.

Employee benefits are reviewed annually and adjusted in line with market practice. There were no material changes to remuneration practices during the reporting period.

Owing to changes in business operations and trading patterns, 14 stores in South Africa were closed during the reporting period, with no resultant retrenchments. All affected employees were placed in other stores.

TRANSFORMATION
Truworths Africa is committed to meaningful, measurable transformation aligned with the objectives of the Broad-based Black Economic Empowerment (B-BBEE) Act and Codes of Good Practice in South Africa.

To heighten the focus on transformation, responsibility for each pillar of the B-BBEE scorecard has been assigned to a Truworths director. Joint Deputy CEO, Emanuel Cristaudo, chairs the Truworths Transformation Committee, which guides and monitors the transformation strategy and progress, ensuring delivery against the commitments to improve workforce diversity, eliminate discrimination and expand equal opportunity across the business. The committee meets quarterly to review the strategy, assess transformation activity and measure progress relative to the B-BBEE scorecard. External consultants provide guidance on improving the B-BBEE score and identifying associated risks.

Truworths is a member of the BEE Chamber which enables the company to strengthen its internal capability and stay abreast of regulatory developments. This platform provides access to expert-led webinars, guidance, support, services and software, enabling the company to manage the B-BBEE scorecard with integrity and mitigate fronting risks.

In the reporting period, the B-BBEE rating was again independently reviewed and verified by AQRate, in line with the B-BBEE Act. The continued focus of the designated director responsible for each pillar and the committee's heightened input has contributed to the B-BBEE scorecard rating improving from level 8 in 2021 to level 6 in 2022, level 5 in 2023 and level 4 in 2024.

In 2025, the level 4 rating was maintained and the total points improved from 82.64 to 85.50. Truworths remains committed to steadily improving the B-BBEE score in the 2026 period.

Truworths' B-BBEE scorecard	2025	2024
Ownership	**21.82**	18.43
Management control (including employment equity)	**8.65**	7.90
Skills development	**17.95**	17.74
Enterprise and supplier development (including preferential procurement)	**32.08**	33.57
Socioeconomic development	**5.00**	5.00
Total points	**85.50**	82.64
Level	**4**	4

The improvement in the ownership pillar is attributable to the identification of black new entrants and black designated groups, and the increase in the value of Office UK relative to the value of Truworths Africa.

Truworths has consistently achieved its socioeconomic development target through meaningful CSI initiatives. Transformation of the economic and business environment is influenced by a number of factors including societal factors. Truworths has partnered with several non-profit organisations to ensure a sustainable and meaningful contribution to meeting the needs of the most vulnerable while meeting socioeconomic development targets.

EMPLOYMENT EQUITY
Truworths is committed to meaningful workplace transformation in South Africa, guided by principles of fairness, inclusion and sustainable development. The transformation programme aligns with the spirit and objectives of the Employment Equity Act, while reflecting the operational realities of the business and sector.

Truworths' previous employment equity plan covered the period July 2024 to June 2029. A new plan, covering September 2025 to August 2030, has been prepared for implementation following the interim transition period. The plan is based on an analysis of both quantitative and qualitative workforce data, including employee feedback on barriers to advancement. The planning process included structured consultation with the Employment Equity Forum, the Truworths Transformation Committee, and the Truworths International Social and Ethics Committee, and is communicated across the business.

The regulatory environment has changed significantly over the past year. In April 2025, the Minister of Employment and Labour gazetted final General Administrative Regulations and sectoral numerical targets under the amended Employment Equity Act. Truworths continues to engage constructively through established industry forums, both to clarify elements of the new framework and to contribute to broader dialogue on its implementation and impact.

SUCCESSION, TALENT AND SKILLS DEVELOPMENT
Talent development and succession remains a key focus. Management and employees are encouraged through our Values of 'Encouraged to learn and share' and 'Invest in future potential' to take advantage of the opportunities to increase their contribution and assist others in doing so. Truworths Africa has a developmental culture, where on-the-job guidance, training and coaching of staff is embedded in the daily operations.

In 2025, 11 711 staff were trained, with e-learning being an important platform in reaching store staff across the continent. This included information security awareness training, with an ongoing focus on business and personal cybersecurity, Financial Intelligence Centre Act (FICA) compliance training for senior management as well as employees impacted by FICA in their roles.

Merchants remain a scarce skill and the merchant trainee programme has been important for succession planning and mitigating staff turnover, with over 80% of merchant vacancies being filled by graduates from these programmes in roles such as buying, design and planning. As these graduates develop, they are supported by the merchant individual development programme and external coaching.

Human capital continued

Truworths optimises the grants from the Wholesale and Retail Sector Education and Training Authority (W&R SETA) through offering 1 014 learnerships and internships to unemployed youth to provide the opportunity to gain entry into a retail career. A high percentage of these learners go on to fill permanent positions and serve as a talent pool for recruiting both flexi-time and full-time roles, mainly in stores and credit operations. Learnerships and bursaries are also offered to permanent staff to develop their skills and abilities.

In 2025, 1 448 employees attended leadership development programmes (2024: 2 610). These programmes focus on developing top talent, particularly linked to employment equity goals for succession. Coaching and mentoring of individuals by line management and the assigned HR generalist, individual development programmes, regular leadership 360° reviews and workshop-based programmes serve to prepare current and future leaders.

HUMAN RIGHTS

Respect for human rights is embedded across Truworths Africa, underpinned by a commitment to ethical conduct and responsible business practices aligned with both international and local human rights standards. Upholding and promoting human rights are essential to building a resilient, inclusive and sustainable business.

Truworths Africa's human rights framework is aligned with key international standards and complies with the legislation of the countries in which the Group operates.

This commitment to human rights is reflected in the Group human rights policy, business ethics and integrity code, supplier code of ethics and good business practice, and supporting policies such as the anti-bullying and harassment policy, health and safety policy, and whistleblowing policy.

Human rights governance

A human rights due diligence framework has been implemented to proactively identify, assess, and respond to human rights risks and impacts across our operations, supply chains and business relationships. A human rights impact assessment, conducted in alignment with the United Nations Guiding Principles on Business and Human Rights, informed improvements in governance structures, procurement processes, supplier engagement and employee policies.

Employee human rights

Respecting the rights of employees is central to our social impact. We provide safe, dignified, and equitable working conditions and promote diversity, equity, and inclusion at all levels of the organisation. Our labour practices comply with International Labour Organisation (ILO) conventions and prohibit forced labour, child labour, unfair discrimination, and harassment. We also focus on strengthening protection for vulnerable employees, including pregnant employees and persons with disabilities, especially in high-risk areas affected by crime and social unrest. Security protocols are being enhanced to ensure employee safety, and oversight of contracted security services was aligned with our human rights standards.

Truworths Africa supports the right of all employees to freedom of association and collective bargaining in accordance with local legislation and international labour standards. Employees are made aware of their rights to freedom of association and managers receive training on this right as part of our employee relations training programme. We prohibit any form of discrimination, retaliation or victimisation based on union membership or activity.

In South Africa, employee membership of the South African Commercial, Catering and Allied Workers Union (SACCAWU) decreased to 4.9% from 5.9% in the prior year. In Lesotho, employee union membership increased during the year, and a relationship agreement was concluded with the National Union of Commercial, Catering and Allied Workers (NUCCAW). Following the acquisition of the Barrie Cline and Bonwit design centres, eight employees are members of the Southern African Clothing and Textile Workers Union (SACTWU).

No industrial action was experienced during the reporting period.

Labour standards

Truworths Africa upholds all applicable laws and international conventions relating to labour standards, including the following:

- Prohibition of child labour, in line with South Africa's Constitution and the ILO Minimum Age Convention. No person under the age of 15 is employed within the Group or its direct supply chain. Additional safeguards are in place for employees aged 15 to 18 to ensure their work is age-appropriate and does not interfere with their education or wellbeing.
- Prohibition of forced, bonded and trafficked labour, in accordance with the ILO Forced Labour Convention, the UK Modern Slavery Act, and South Africa's Prevention and Combating of Trafficking in Persons Act. All employment is voluntary, and employees are free to terminate their employment within the contractual terms. Recruitment practices across our operations and supply chain are required to be free from coercion, deception, or exploitative conditions.
- Fair working conditions, including hours of work, wages, health and safety, non-discrimination, and the right to dignity and respect. We expect all suppliers and service providers to uphold these standards and provide safe, healthy and respectful working environments.
- Equal opportunity and non-discrimination, in line with the ILO Discrimination (Employment and Occupation) Convention and our Employment Equity Policy. We continue to advance diversity, inclusion and equal pay for work of equal value across all business levels.

2026 HUMAN CAPITAL PRIORITIES

Truworths Africa's human capital strategy continues to evolve in response to the changing world of work, reinforcing its position as the retail employer of choice. Priorities for 2026 include embedding a culture of inclusivity, irrespective of gender, race or beliefs. Diversity training will focus on unlocking unconscious bias among leaders and management to ensure employees feel a sense of belonging.

As part of the ongoing focus on advancing transformation and creating opportunities for black and female employees, human resources practices will be aligned with the United Nations Women's Empowerment Principles as well as the Sustainable Development Goals on gender equality and women's empowerment.

The recruitment and retention of scarce and critical skills remains a strategic priority. Truworths Africa aims to heighten its focus on developing internal talent for career advancement while recruitment processes will be adapted to fast-evolving new technologies including artificial intelligence.

Refer to the Environmental, Social and Sustainability Governance report 2025 as well as the Business Ethics and Integrity Code on the website www.truworths.co.za/sustainability for further details relating to human rights.

Operational review:

OFFICE UK

'OFFICE UK'S BRANDED FASHION FOOTWEAR OFFERING PROVED RESILIENT AMID SUBDUED RETAIL SPENDING IN THE UK, LEVERAGING ITS STRONG RELATIONSHIPS WITH LEADING GLOBAL FOOTWEAR BRANDS.'

IN THIS SECTION:

Leading brand portfolio

Office and Offspring are iconic footwear brands from the fashion capital of London, partnering with top global branded footwear suppliers to deliver a curated selection of the most fashionable must-have styles in the market.

Office is an omni-channel retailer of fashion-forward footwear, offering a unique mix of 'in-demand' branded sneakers alongside its own-brand, made-to-order (MTO) fashion shoes. Targeting the fashion-savvy London girl, Office curates the latest footwear trends from globally renowned brands as well as its own designs for the MTO range. Major branded footwear suppliers value Office as a strategic partner due to its unique positioning as:

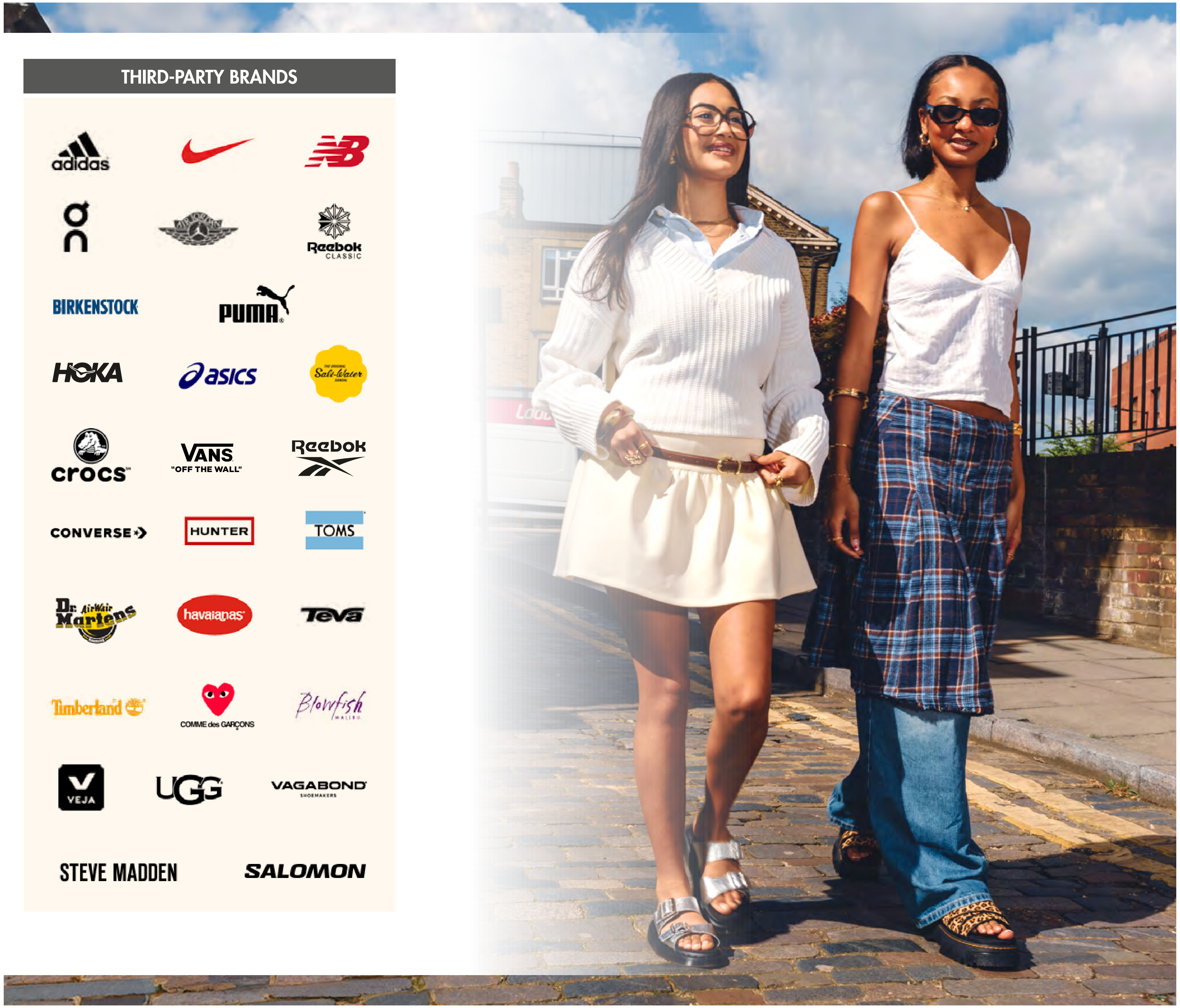
'THE LONDON-CENTRIC, OMNI-CHANNEL HUB FOR THE FOOTWEAR NEEDS OF THE FASHION-CONSCIOUS WOMAN'

Offspring is a 'sneaker boutique' catering to young, fashionable and highly discerning male and female 'sneaker obsessed' customers. Known for its most in-demand and limited-edition styles, Offspring has become one of the most engaged sneaker retailers globally. Its unique and highly active Instagram 'community' drives customer engagement and brand loyalty, supported by its positioning as:

'ONE OF THE MOST AUTHENTIC AND CONNECTED SNEAKER COMMUNITIES GLOBALLY'

RETAIL SALES BY CHANNEL

RETAIL SALES BY BRAND



OFFICE UK

ASPIRATIONAL FASHION

Office has a proud London heritage, strongly influenced by the city's iconic fashion culture. The brand targets young, fashionable female and male consumers in the UK and the Republic of Ireland. Office is a highly sought-after retail partner for leading fashion footwear and top sneaker brands worldwide due to the unique positioning created by its curated best-of-range fashion footwear offering and the brand's strong appeal to both female and male customers. Multiple leading brands, along with Office's own-brand made-to-order (MTO) product create a fashion footwear destination for customers to complete their fashion look.

Offspring, a separate brand owned by Office UK, caters to the passionate sneaker-loving men's and women's community with a range of limited edition, highly fashionable sneakers from the world's leading brands. Offspring offers product that is not readily available through traditional retail outlets and the limited access to collectable product creates strong engagement with the dedicated Offspring community.

Branded footwear

Office holds a premium mainstream market positioning and is committed to providing customers with quality footwear that is fashionable and on trend.

Strong relationships with key brand partners ensure Office has access to best-selling products in the top fashion categories of the brands, often attracting larger stock allocations and broader ranges. The value of these partnerships has been evident over the past year through several joint marketing and brand alliance events. In addition, Office's new store design concept has further strengthened support from brand partners. Offspring offers the top-tier fashion sneakers to men and women which are frequently in scarce supply in many competitive outlets.

The merchandise teams at Office and Offspring are highly engaged in introducing new brands. Brand partners and customers recognise Office and Offspring as exciting and strategically important retail partners for launching the latest styles and seasonal 'must-have' footwear.

Office UK collaborates with leading brands to design and develop exclusive product available only in Office and Offspring stores. Office and Offspring work closely with long-standing brand partners to identify emerging trends and develop mutually beneficial strategies that enhance brand visibility and drive shared growth.

The broad portfolio of brands sold by Office and Offspring mitigates brand exposure risk and reduces dependence on any single supplier.

Own-brand footwear

Office's branded offering is complemented by its own-label MTO fashion footwear which reinforces the brand's position as a style leader in high-street footwear fashion.

Product ranges are designed in-house and sourced from suppliers in Europe and Asia, selected for their ability to deliver both quality and value. European suppliers provide quick response times and the ability to react speedily to customer demand. This agility is essential in the fast-paced and highly competitive fashion footwear market where showcasing emerging trends is key to maintaining relevance and appeal.

Office currently sources own-label product from 38 suppliers across 59 factories in 11 countries.

The product and sourcing strategy ensures the range is current, fashionable and has strong feminine appeal. The buying and technical teams work closely with suppliers to ensure the highest quality standards. An improved performance over the past year saw the ladies MTO category increase its contribution to company retail sales and gross margin.

Ethical product manufacturing

Office UK is committed to ethical and fair manufacturing practices. All own-label suppliers are required to comply with the Office Code of Ethics and Good Business Practice, which is designed to be fair and achievable while promoting the ongoing development of suppliers.

The code is founded on international standards, including the Universal Declaration of Human Rights and the International Labour Organization Conventions. The code's general principles aim to ensure that all workers within the supply chain are treated fairly and with dignity, and are employed under decent working conditions, free from exploitation. In line with the UK Modern Slavery Act, a formal statement from the board that outlines Office UK's commitments towards combatting modern slavery is published annually on the Office website.

Office Offcuts

Confirming Office UK's commitment to sustainable fashion, Office Offcuts is an e-commerce platform used to clear last pairs and ex-display shoes with minor blemishes that cannot be sold in store. In the past year, more than 71 000 pairs of shoes that would otherwise have been recycled or donated, were sold through the platform.

Refer to Material issues, risks and opportunities on page 27 for more detail.

OFFICE UK

SUPPLY CHAIN

RELATIONSHIPS WITH KEY SUPPLIERS

Office is a strategically important retail partner to several of the world's leading fashion footwear brand suppliers. The business continues to strengthen collaborative and strategic partnerships with these suppliers to ensure high service levels and secure allocations of the most in-demand product.

Through long-standing, trusted relationships, Office has developed a quick response model for its own-brand made-to-order (MTO) footwear. This enables buyers and designers to operate on short lead times and react rapidly to emerging trends and customer demand by making in-season changes to styles and order volumes.

European suppliers of MTO footwear source all components within the European Union, supporting fast product development and reduced lead times. Buyers and designers frequently travel to key sources within Europe and engage with suppliers in longer-lead destinations in Asia to build relationships, align business strategies, improve communication and shorten product development cycles.

CENTRALISED DISTRIBUTION

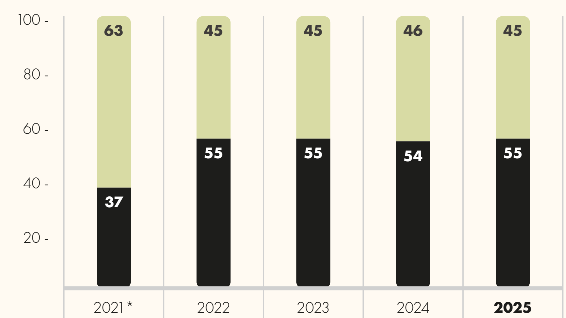
Office UK operates a centralised distribution model from its warehouse in Kilmarnock, Scotland. An ongoing project to re-engineer the facility aims to improve productivity, enhance distribution efficiencies and expand capacity. Progress during the year included the installation of modern materials handling equipment and the reconfiguration of racking systems, which initiatives contributed to increased storage capacity and operational efficiency.

Efficient e-commerce fulfilment is key to Office UK's omni-channel offering. An express 'click & collect' offering on the Office and Offspring websites provides added convenience for customers, with the facility also available in all UK stand-alone stores.

Refer to Material issues, risks and opportunities on page 28 for more detail.

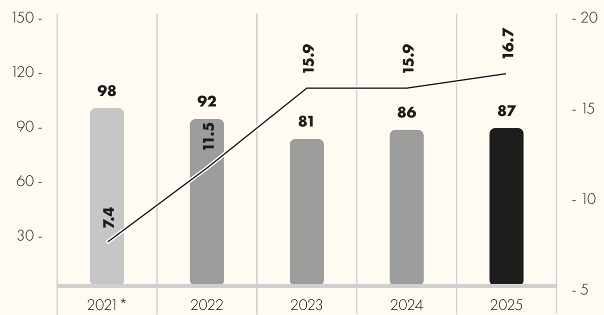
OFFICE UK

STORE AND ONLINE SALES AS A PERCENTAGE OF RETAIL SALES
(%)



● Stores ● Online
* Trading impacted by COVID-19 lockdown.

EVOLUTION OF STORE PORTFOLIO
(Number of stores) (Trading density £000/m²)



● ● Number of stores — Trading density
* Trading impacted by COVID-19 lockdown.

87 stores
at period-end
(2024: 86 stores)

6.4%
increase in retail trading space

3 new stores
opened
(2024: 8 stores)

2 flagship stores
relocated

7 stores
modernised and expanded
(2024: 3 stores)

44.9%
of retail sales generated online
(2024: 46.2%)

RETAIL PRESENCE

Office UK is an omni-channel retailer operating 80 stores in the UK and seven in the Republic of Ireland, supported by a well-established, world-class online platform that complements the physical store network.

Accessibility is a key strength of the Office brand, appealing to both customers and brand partners through its strategic blend of physical stores in prime locations and a strong online presence. This omni-channel offering has resulted in a retail sales mix of 55.1% in-store and 44.9% online in the reporting period, during which in-store sales increased by 12.4% and e-commerce sales grew by 6.5%.

Office UK continued to invest in modernising and selectively expanding and upgrading its store estate. New stores were opened in Canary Wharf and Milton Keynes, while a new store opened in Nottingham to replace a temporary location.

Flagship stores in Trafford Centre and Bluewater were relocated to larger, more prominent sites, with both stores trading well ahead of expectations.

The new store design concept introduced in 2023 has been implemented across all new and modernised stores. As part of the remodelling and upgrade programme, Office UK aims to increase trading space by reclaiming space typically used for larger-than-required stock rooms and converting this into productive retail space.

The enhanced quality of Office UK's stores has strengthened its appeal to major footwear brands, contributing to increased product allocations from leading global suppliers.

After consolidating the physical store base in recent years by closing underperforming and poorly located stores, only two stores were closed in the period. Trading space increased by 6.4% relative to an increase of 11.4% in the prior period. A total of £5.4 million (2024: £6.5 million) was invested in store development.

Office UK continued to secure rental tenure in strategic locations, with lease renewals generally concluded for five years, or for 10 years, usually with a break clause after year five.

Concession outlets

Trading through concession outlets allows Office and Offspring to access customer footfall within leading department stores, both physically and online, while simultaneously offering a more flexible physical footprint and cost base.

At the end of the period, Offspring had 10 concession outlets (eight in Selfridges and two in Brown Thomas) and Office had one (Selfridges). Owing to strong customer demand, trading space in the ladies Offspring concession store in London was increased by 50% during the year.

Sustainability in stores

Energy-efficient LED lighting is fitted in all new and refurbished stores, while existing stores are also being progressively upgraded to LED lighting. Smart electricity meters have been installed in most stand-alone stores to accurately monitor electricity consumption, supporting improved energy efficiency and cost savings.

Waste collection services at all stores enable the business to monitor both recyclable and non-recyclable waste generated at each location.

Single-use recyclable paper bags are provided to customers, with no plastic bags available in stores. A nominal charge for paper bags encourages customers to bring their own bags, contributing to a reduction in in-store paper bag consumption over the past year.

Online and e-commerce

Office UK continued to invest in its e-commerce capability to enhance the digital user experience. The implementation of a leading-edge customer relationship management (CRM) application contributed to a significant enhancement in personalised communication and targeted segmentation, and ultimately improved customer retention.

E-commerce developments included upgrading Office's existing mobile app to enable personalised communications with targeted customers, as well as launching a new Offspring app and enhancing marketing communications to increase sales at targeted return on advertising spent.

The branded footwear market is highly influenced by social media. Office and Offspring continued to grow their e-commerce capability with strong support on social media, with over 1.3 million followers across Instagram, TikTok, Pinterest and Facebook.

Retail presence in 2026

In the new financial period, Office UK plans to continue its strategy of maximising the store portfolio by securing rental tenure in the best locations at market-related occupancy costs and where internal investment criteria are satisfied.

Capital expenditure of £6.4 million has been committed for store development, with trading space planned to increase by approximately 10% – 12% by the end of the period. This includes the opening of seven new stores, relocation of one store and remodelling of 11 existing stores.

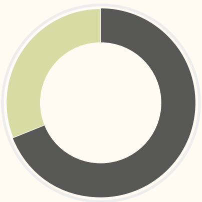
E-commerce plans include the next phases of the Office and Offspring apps, which will feature enhanced payment functionality and integration with the CRM system. In addition, a delivery locker solution will be introduced which will give customers the option to collect their orders securely from conveniently located lockers and enable 24-hour collection.

Refer to Material issues, risks and opportunities on page 29 for more detail.

OFFICE UK

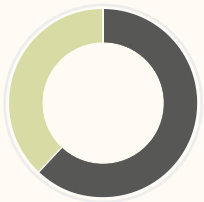
TOTAL EMPLOYEES
1 651
(2024: 1 556)

TOTAL EMPLOYEES



● Part-time **69%** (2024: 66%)
● Full-time **31%** (2024: 34%)

GENDER OF EMPLOYEES



● Female **62%** (2024: 61%)
● Male **38%** (2024: 39%)

HUMAN CAPITAL

The Office UK human resources team continues to collaborate with its counterparts in Truworths Africa with a focus on learning, sharing and being part of inclusive teams, with human resources processes being closely aligned with those of Truworths Africa.

REMUNERATION, BENEFITS AND RETENTION

The Office UK remuneration strategy ensures employees are rewarded based on financial and strategic project performance, as well as team and individual contribution. All management and full-time employees are remunerated on a total guaranteed package basis. A private healthcare benefit paid by the company is available to qualifying employees. In addition, tailored incentive structures are aimed at driving reward for performance, including a commission scheme for store employees.

The latest Office UK gender pay gap report, available at www.office.co.uk/view/content/gender-pay-gap, was published in April 2025. This report is prepared annually in compliance with the Equality Act 2010 for businesses employing more than 250 employees in Great Britain.

An enhanced maternity benefit was implemented in April 2025, extending paid maternity leave from the statutory minimum of six weeks to 18 weeks. This change aims to support employees in balancing career progression with parenthood.

Office UK's commitment to employee wellbeing is enhanced through the company sponsored membership to the Retail Trust. The health of our employees is the foundation they need to flourish, creating a more sustainable and successful future. The Retail Trust provides 24-hour access to advice on all financial, health, counselling, in-the-moment support and virtual GP services.

Staff turnover at the head office in London declined, with vacancies maintained at acceptable levels. Store-based resignations also reduced, and management vacancies remained below the industry average. Labour turnover at the Kilmarnock distribution centre remained low.

A new time and attendance system has been introduced for store and distribution centre employees, enabling them to view shift schedules, take on additional shifts and request leave. The system has improved accuracy in managing hours worked. Changes were also made to align the leave policy with that of Truworths Africa, ensuring employees no longer forfeit leave that has not been taken. These changes have been well received by employees.

An employee engagement survey was conducted late in the financial year and the results will be used to refine Office UK's people strategy.

TALENT AND SKILLS DEVELOPMENT

Career development is a key focus of the people strategy, with an increased number of employees participating in and completing apprenticeship programmes. There has been a drive to encourage employees to engage in apprenticeship programmes to further enhance their skills. The result has been a positive increase in the expenditure on apprenticeships. Employee development has focused on personal growth planning, ongoing coaching at head office and leadership training for management. For retail teams, there will continue to be a focus on customer service training, recruitment and induction.

All mandatory training is completed through an e-learning platform available in stores, which is also used to communicate with store employees and celebrate performance through regular newsletters.

DIVERSITY AND INCLUSION

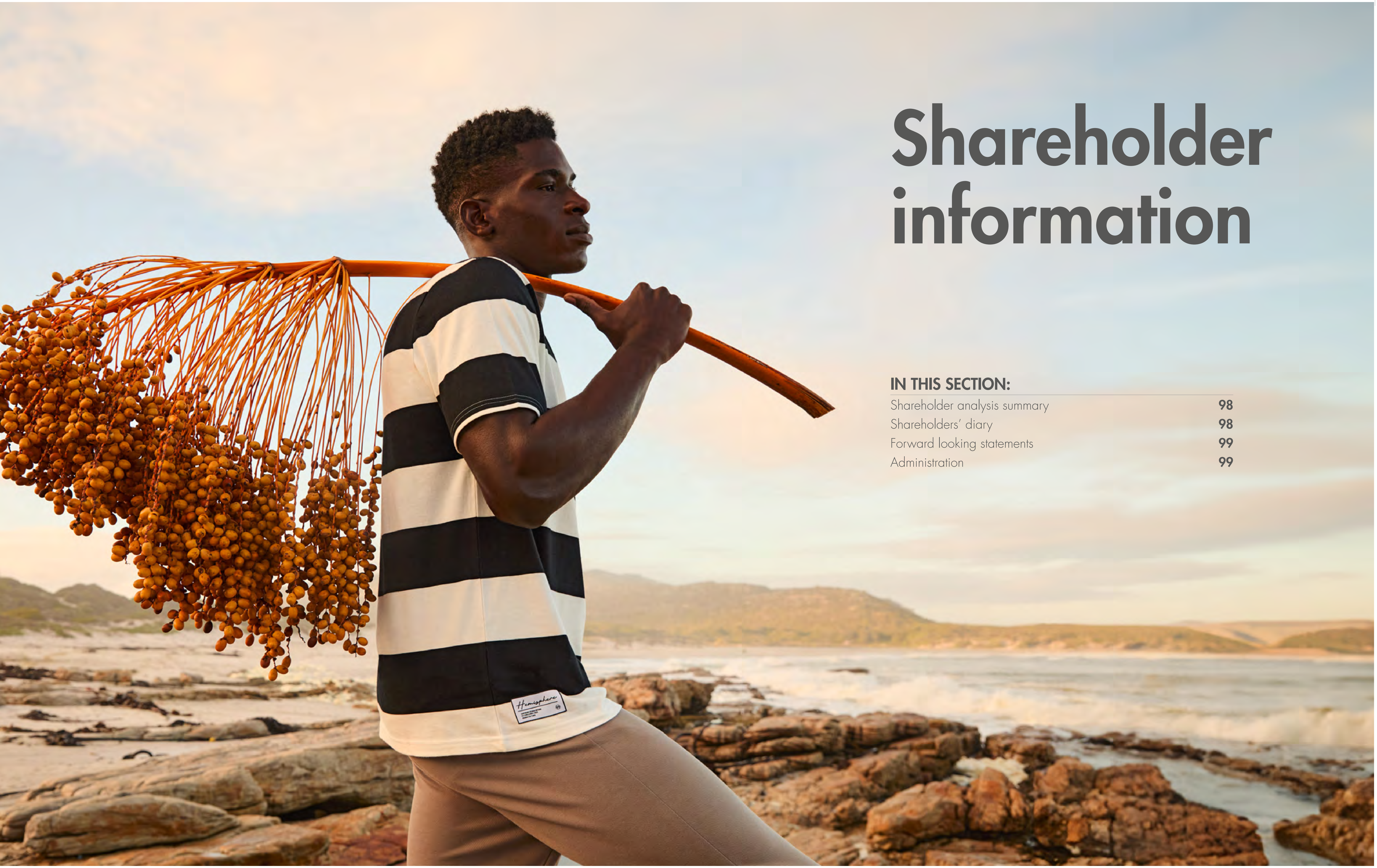
Office UK aims to create an inclusive environment where all employees are able to bring their whole selves to work and feel comfortable sharing who they are. The principles of fairness and respect for differences, equality of opportunity and treatment across gender and ability (mental, physical and different abilities) are practised across the business. The updated Business Philosophy, with the focus on our Values, embraces the power of inclusive teams. Further training and awareness will be delivered in the coming year. Office UK has also introduced a number of employee engagement initiatives to drive this culture of inclusivity and strengthen teamwork.

LIVING OUR VALUES

The Office Values are aligned with those of Truworths, embedded in everyday life, and form an integral part of induction and ongoing learning and development. Recruitment focuses on attracting employees who are contribution-focused and seeking a rewarding career at Office UK. Recognition programmes from Truworths Africa, including the CEO Citations and ACE (Achievers of Continuous Excellence), are now in their third year and continue to positively influence employee morale, motivation and retention.

Office UK's human capital at a glance		2025	2024
Total employees (UK and Ireland)		1 651	1 556
Full-time employees		516	529
Part-time employees		1 135	1 027
Apprenticeship levy	(£)	19 658	12 739
Total employees trained (including online learning and those who left employment during the period)		1 356	1 332
External referrals for unfair discrimination		–	2

Refer to Material issues, risks and opportunities on page 30 for more detail.



Shareholder information

IN THIS SECTION:

Shareholder analysis summary at 29 June 2025

SHAREHOLDER SPREAD

Pursuant to the Listings Requirements of the JSE and to the best knowledge of the directors, after reasonable enquiry, the spread of shareholders at the end of the reporting period was as follows:

	2025 Number of shares	2025 % of issued share capital	2024 Number of shares	2024 % of issued share capital
Non-public shareholders				
Treasury shares (repurchased shares and 2012 share plan shares)	**33 137 758**	**8.1**	36 181 331	8.9
Shares held directly by directors and their associates	**1 815 963**	**0.4**	1 447 180	0.3
Total non-public shareholders	**34 953 721**	**8.5**	37 628 511	9.2
Public shareholders	**373 545 178**	**91.5**	370 870 388	90.8
Total shareholders	**408 498 899**	**100.0**	408 498 899	100.0

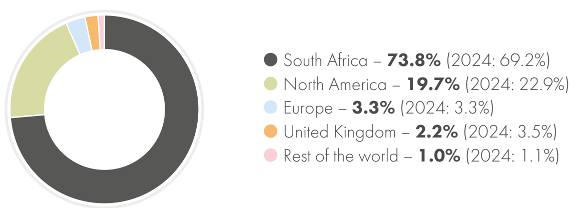
MAJOR FUND MANAGERS

According to the disclosures made by nominee and asset management companies in terms of section 56 of the Companies Act (71 of 2008, as amended), the following fund managers administered portfolios in excess of 3% of the company's shares in issue at the end of the reporting period:

	Country	2025 % of issued share capital	2024 % of issued share capital
Public Investment Corporation	South Africa	**18.9**	17.1
Westwood Global Investment LLC	United States of America	**6.9**	7.1
Fairtree Asset Management	South Africa	**6.1**	4.1
Old Mutual Investment Group	South Africa	**4.6**	8.3
SBG Securities	South Africa	**4.5**	–*
Sanlam Investments	South Africa	**3.9**	5.0
Vanguard Global Advisors	United States of America	**3.6**	3.4
Abax Investments	South Africa	**3.2**	–*
Fund managers no longer managing 3% or more			
Ninety One Asset Management	South Africa	**–***	8.9
BlackRock	United States of America	**–***	3.0

Less than 3% holding.

GEOGRAPHIC SPREAD OF FUND MANAGERS



Shareholders' diary

Annual general meeting	6 November 2025
Reports	
Annual results for the 52-week period ended 29 June 2025 announced	28 August 2025
Summarised results for the 52-week period ended 29 June 2025 mailed and published	by 30 September 2025
Integrated Report for the 52-week period ended 29 June 2025 published	by 30 September 2025
Interim results for the 26-week period ending 28 December 2025 announced	26 February 2026*
Annual results for the 52-week period ending 28 June 2026 announced	27 August 2026*

Dividends	Dividend declared	Dividend paid
In respect of the period ended 29 June 2025 (Dividend number 53)	28 August 2025	22 September 2025
In respect of the period ending 28 December 2025 (Dividend number 54)	26 February 2026*	17 March 2026*

** These are approximate dates and, in regard to dividends, assume that the board in fact resolves to declare those dividends.*

Forward looking statements

The Integrated Report contains forward looking statements which relate to the Group's future financial position, results, strategy and operations. These statements by their nature involve risk and uncertainty as they relate to events and depend on factors and macro events that may occur or may change in the future.

Forward looking statements are not statements of fact, but statements by the Group's management based on its current estimates, judgements, expectations and assumptions regarding the future.

Several factors could cause actual future results to differ materially from those in the forward looking statements. These include but are not limited to global and national economic conditions; geopolitical events; natural disasters; changes to accounting standards and the associated impact on past, present and future periods; changes to legislation; exchange rate and interest rate movements; account management and the associated risks of lending; growth in trading space; merchandise clearance rates, inventory levels and stock turn; gross and operating margins; and competitive and regulatory events.

The Group does not undertake to update or revise any of these forward looking statements, whether to reflect new information or future events, other than to comply with the JSE Listings Requirements. The forward looking statements have not been reviewed or reported on by the Group's independent auditor.

Forward +looking statements made by the Group at the time of releasing its 2025 financial results on 28 August 2025 were informed by the Group's, business plans, financial projections and economic forecasts as at end July 2025.

Administration

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Registration number: 1944/017491/06
Tax reference number: 9875/145/71/7
JSE and A2X code: TRU
NSX code: TRW
ISIN: ZAE000028296
LEI: 37890099AFD770037522

Company Secretary
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** Executive §Non-executive ‡Independent*

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