



AUDITED CONSOLIDATED ANNUAL FINANCIAL STATEMENTS 2026

THE FOSCHINI GROUP LIMITED
for the year ended 31 March





The reports and statements set out below comprise the consolidated annual financial statements presented to the shareholders:

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These consolidated annual financial statements represent the financial information of The Foschini Group Limited and were audited in compliance with Section 30 of the Companies Act of South Africa, No. 71 of 2008 (Companies Act of South Africa). These consolidated annual financial statements were prepared by the TFG finance department under the supervision of Ralph Buddle CA(SA), Chief Financial Officer (CFO) of The Foschini Group Limited.

These consolidated annual financial statements were authorised by the Group's Board (Board) and published on 30 June 2026.

* The supplementary information presented does not form part of the consolidated annual financial statements and is unaudited.

Directors' responsibility for and approval of the consolidated annual financial statements

For the year ended 31 March 2026

The directors are responsible for the preparation and fair presentation of the consolidated annual financial statements of The Foschini Group Limited, comprising the consolidated statement of financial position at 31 March 2026, the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, the consolidated segmental analysis and the notes to the consolidated annual financial statements which includes a summary of significant accounting policies and other explanatory notes, in accordance with IFRS[®] Accounting Standards which have been issued by the International Accounting Standards Board (IASB[®]), IFRIC Interpretations (IFRS Interpretations Committee), the Companies Act of South Africa, JSE Limited Listings Requirements and the Financial Pronouncements as issued by the Financial Reporting Standards Council.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of consolidated annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management as well as the preparation of the supplementary schedules included in these consolidated annual financial statements.

The directors have made an assessment of the ability of the company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the foreseeable future.

The auditor is responsible for reporting on whether the consolidated annual financial statements are fairly presented in accordance with IFRS Accounting Standards.

Approval of consolidated annual financial statements

The consolidated annual financial statements of The Foschini Group Limited were approved by the Board on 30 June 2026 and signed by:

M Lewis

Chairman

Authorised Director

A E Thunström

Chief Executive Officer

Authorised Director

CEO and CFO responsibility statement

For the year ended 31 March 2026

The directors, whose names are stated below, hereby confirm that:

- a. the consolidated annual financial statements set out on pages 20 to 90, fairly present in all material respects the financial position, financial performance and cash flows of The Foschini Group Limited in terms of IFRS Accounting Standards;
- b. to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the consolidated annual financial statements false or misleading;
- c. internal financial controls have been put in place to ensure that material information relating to The Foschini Group Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of The Foschini Group Limited;
- d. the internal financial controls are adequate and effective and can be relied upon in compiling the consolidated annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- e. where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and
- f. we are not aware of any fraud involving directors or senior management of the Group.

A E Thunström

Chief Executive Officer

Authorised Director

30 June 2026

R R Buddle

Chief Financial Officer

Authorised Director

30 June 2026

Directors' report

For the year ended 31 March 2026

Review of activities

Nature of business

The Foschini Group Limited (TFG), a leading speciality retail group, is listed on the securities exchange of the JSE Limited (JSE) since 1941 and on a secondary exchange, A2X Markets (A2X), since 2023, in South Africa. TFG operates in three major territories which include TFG Africa (South Africa and certain parts of Africa, as well as online and manages its own credit book), TFG London (through its main subsidiary Dress Holdco A Limited: United Kingdom and internationally, as well as online) and TFG Australia (through its main subsidiary TFG Retailers Proprietary Limited: Australia and New Zealand, as well as online).

TFG is a diverse retail group with a portfolio of 40 leading fashion and lifestyle brands. Through TFG's over 4 900 stores and leading omnichannel platforms across the world our unique portfolio of brands, geographic reach and customer retention initiatives with over 40 million TFG rewards customers differentiate us from other retailers locally and abroad.

TFG's combination of experience and forward-looking dynamism ensures the business can adapt and stay ahead as the industry evolves.

General review

The financial results are reflected in the consolidated annual financial statements on pages 20 to 90. The analysis of shareholdings and definitions are contained in the appendices on pages 91 to 94. Company information is reflected on page 95.

Authorised and issued share capital

As at 31 March 2026, 11 million (2025: 1 million) shares are owned by a subsidiary of the company, 4 million (2025: 5 million) shares are held by employees of TFG in terms of share incentive schemes and 1 million (2025: 1 million) shares are owned by the share incentive trust. These were eliminated on consolidation. For further details of authorised and issued share capital and treasury shares refer to notes 13 and 14.

Dividends

Interim ordinary

The directors declared a dividend of 130,0 (2025: 160,0) cents per ordinary share, which was paid on Monday, 5 January 2026 to ordinary shareholders recorded in the books of the company at the close of business on Friday, 2 January 2026.

Final ordinary

The directors declared a final dividend of 140,0 (2025: 230,0) cents per ordinary share, payable on Monday, 20 July 2026, to ordinary shareholders recorded in the books of the company at the close of business on Friday, 17 July 2026.

Preference

The Company paid the following dividends to holders of 3,25% cumulative preference shares:

9 March 2026 – R13 000 (10 March 2025 – R13 000)

15 September 2025 – R13 000 (16 September 2024 – R13 000)

Directors

The names of the company's directors as at publication date (30 June 2026):

Independent non-executive directors

B S M Backman
C Coleman
G H Davin
D Friedland
B L M Makgabo-Fiskerstrand
J N Potgieter
N L Sowazi
G C Zondi

Non-executive directors

M Lewis (Chairman)
R Stein
E Oblowitz

Executive directors

A E Thunström (CEO)
R R Buddle (CFO)

Changes to directors in the current financial year

As was announced on SENS:

On 12 June 2025, the Board announced the following:

- Appointments of Mr G Zondi and Ms B Backman as independent non-executive directors of the Company with effect from 12 June 2025 and 1 September 2025, respectively.
- Retirement of Mr D Murray with effect from 4 September 2025, following the conclusion of the Company's AGM.
- Changes in the classification of Mr M Lewis, Mr R Stein and Mr E Oblowitz from independent non-executive directors to non-executive directors with effect from 12 June 2025.
- Mr J Potgieter has been appointed as the Chairperson of the Audit Committee, replacing Mr E Oblowitz who will be stepping down as Chairperson and Member of the Committee.
- For further changes to the composition of the Risk Committee, Social and Ethics Committee, Remuneration Committee and Nomination Committee, refer to the SENS announcement dated 12 June 2025.

Directors' interests

For details of directors' interests in the Company's issued shares, refer to note 13. Details of directors' remuneration are set out in note 37.

Audit Committee

The directors confirm that the Audit Committee addressed the specific responsibilities required in terms of section 94(7) of the Companies Act of South Africa. Further details are contained within the Audit Committee report.

Subsidiaries

The names of, and certain information relating to, the Company's key subsidiaries appear in note 42.

Special resolutions

On 4 September 2025, shareholders passed the following special resolutions at the Company's Annual General Meeting:

- The remuneration to be paid to non-executive directors for the period 1 October 2025 to 30 September 2026, as was set out in the notice convening the meeting;
- That the Company may provide direct or indirect financial assistance to a related or interrelated company or corporation, provided that such financial assistance may only be provided within two (2) years from the date of the adoption of the special resolution and subject further to Sections 44 and 45 of the Companies Act;
- That the Company and/or any subsidiary of the Company, by way of a general authority, from time to time, may repurchase ordinary shares in the share capital of the Company upon such terms and conditions and amounts as the directors of the Company may from time to time determine, but subject to the provisos set out in the notice convening the meeting; and
- That the Company is authorised to make certain amendments to its existing Memorandum of Incorporation, as was set out in the notice convening the meeting.

Staff share incentive and share option schemes

Details are reflected in note 36.

Subsequent events

Details are reflected in note 40.1.

Going concern

These consolidated annual financial statements were prepared on the going concern basis.

The Board has performed a review of the Company and its subsidiaries' ability to continue trading as a going concern in the foreseeable future and, based on this review, the directors are satisfied that the Group and businesses are going concerns and continued to adopt the going concern basis in preparing the consolidated annual financial statements. Details are reflected in note 40.2.

Company secretary's certificate

For the year ended 31 March 2026

I certify that The Foschini Group Limited has lodged with the Companies and Intellectual Property Commission (CIPC) all returns as required by a public company in terms of the Companies Act of South Africa, and that all such returns appear to be true, correct and up to date.

D van Rooyen

Company Secretary

30 June 2026

Audit committee report

For the year ended 31 March 2026

On behalf of the Audit Committee (the Committee), I am pleased to present this report for the financial year ended 31 March 2026 to the shareholders of TFG. The Committee is constituted as a statutory committee of TFG in respect of its duties in terms of section 94(7) of the South African Companies Act 71 of 2008 (Companies Act) and this report complies with the Companies Act, the King IV Code for Corporate Governance™ for South Africa, and the JSE Limited (JSE) and A2X Listings Requirements.

Committee composition as at 31 March 2026

	Appointed to Committee	Meetings attended
Mr Jan Potgieter ¹	10 July 2023	3 of 3
Mr Graham Davin	1 July 2023	3 of 3
Mr David Friedland	1 April 2016	3 of 3
Ms Boitumelo Makgabo-Fiskerstrand	1 October 2015	3 of 3

¹ Appointed Chairperson effective 12 June 2025.

The CEO, the CFO, the Head of Group Assurance, the Head of Internal Audit, the Company Secretary and the partner and senior members of the external auditors' team attended Committee meetings by way of standing invitations. Additional attendees included non-executive directors, Mr Ronnie Stein, Mr Eddy Oblowitz and Mr Gcina Zondi, and relevant members of executive management, who are invited to attend all meetings on an ad hoc basis. The Chairman of the Board has an open invitation to attend all Committee meetings. In addition, the Chairman of the Committee has the prerogative to invite other attendees to attend these meeting as he deems appropriate.

Roles and responsibilities

Statutory duties as prescribed in the Companies Act

The Committee is responsible for fulfilling its statutory responsibilities under section 94(7) of the Companies Act of South Africa and assists the Board in fulfilling its independent oversight responsibilities in areas such as internal and external audit functions, financial reporting, financial risk management, internal control systems and legal and regulatory requirements related to financial reporting by, particularly regarding the following key areas and related matters:

General

- Receive and deal appropriately with any concerns or complaints (whether internal, external or on its own initiative) relating to the accounting practices and internal audit of the Group, the content or auditing of the Group's financial statements, the internal financial controls or any related matter.

External auditors

- Evaluate the appointment of the external auditors on an annual basis and establish whether such appointment is in terms of the provisions of the Companies Act, section 5.7(h)(iii) of the JSE Listings Requirements and any other legislation and/or regulations and interrogate the external audit annual audit plan, the related scope of work and the overall appropriateness of the key audit risks identified.
- Evaluate the independence, effectiveness and performance of the external auditor.
- Approve the audit fee and pre-approve all fees in respect of any non-audit services.
- Determine the nature and extent of any non-audit services the auditors may provide to the Group and pre-approve all proposed agreements for non-audit services prior to the commencement of such services.
- Obtain assurance from the auditors that adequate accounting records are being maintained and that appropriate accounting policies are in place, which have been consistently applied.
- Review the findings and recommendations of the external auditors and establish that there are no significant unresolved matters as at the date of the approval of the annual financial statements.

Financial results

- Make submissions to the Board on any matters concerning the Group's accounting policies, financial controls, records and reporting.
- Provide an Audit Committee report as part of the consolidated annual financial statements.

Duties assigned and delegated by the Board

General

- Ensure the respective roles and functions of external audit and internal audit are sufficiently clarified and, where relevant, coordinated.
- Assess the effectiveness of the arrangements in place for combined assurance.
- Assist the Board in carrying out its risk management, technology and information management responsibilities.

External auditors

- Consider and respond to any questions from the Board and shareholders regarding the resignation or dismissal of the external auditors, if necessary.
- Review and approve the annual external audit plan.
- Assess the scope of the external audit to ensure that it has no limitations imposed by executive management and that there is no impairment of its independence throughout the conduct of their audit.

Internal control and internal audit function

- Review the effectiveness of the Group's systems of internal control, including internal financial controls, financial reporting procedures and risk management, and maintain their operational effectiveness.
- Ensure that written representations on internal controls are submitted to the Committee annually, being representations that provide assurance on the adequacy and effectiveness of the Group's systems of internal control.
- Monitor and supervise the effective functioning and performance of the internal audit function.
- Review and approve the annual internal audit plan and any proposed amendments thereto, prior to their implementation, and the internal audit charter.
- Ensure the scope of the internal audit function has no limitations imposed by executive management and that there is no impairment of its independence.

Finance function

- Consider the appropriateness of the expertise and experience of the CFO.
- Satisfy itself with the expertise, resources and experience of the finance function and its related activities.

Financial results

- Consider and analyse any accounting treatments, significant, unusual, sensitive and complex transactions, or accounting judgements and estimates that could be contentious.
- Review executive management's assessment of going concern and make a recommendation to the Board that the Group adopt the validity of the going concern concept.
- Consider the JSE's report on the proactive monitoring of financial statements for compliance with IFRS Accounting Standards and/or any other relevant reports issued by the JSE to Audit Committees and confirm that appropriate action is taken, if required.
- Review the consolidated annual financial statements, interim reports, condensed reports and/or any other financial information prior to submission and approval by the Board.

Specific responsibilities

The Committee confirms that it has carried out its functions in terms of the Committee charter and section 94(7) of the Companies Act, by undertaking appropriate measures in:

- Confirming the nomination of Deloitte & Touche as the Group's registered auditor, and Mr J M Bierman as the designated partner, for the year ending 31 March 2027.
- Being satisfied that both Deloitte & Touche and Mr J M Bierman are independent of the Company.
- Approving the terms of engagement and fees to be paid to Deloitte & Touche.
- Confirming the appointment of Deloitte & Touche complies with the provisions of the Companies Act, the JSE Listings Requirements, IRBA and any other regulations.
- Determining the nature and extent of any non-audit services, which the external auditors provide to the company or any related company prior to the provision of such non-audit services.
- Pre-approving proposed agreements with Deloitte & Touche for the provision of any non-audit services.
- Receiving and dealing appropriately with any relevant concerns or complaints that fall within the remit of the Committee's charter.
- Making submissions to the Board on any matter concerning the Group's accounting policies, financial controls, records and financial reporting.
- Preparing this report for inclusion in the consolidated annual financial statements.
- Performing any other specific oversight functions as determined from time-to-time by the Board.

Internal financial controls

The CEO and CFO, through delegated authority to executive management and regular report-backs, continually evaluate the controls and control environment.

This evaluation includes:

- Identifying risks and determining their materiality.
- Testing the design and implementation of controls that address significant and high-risk areas impacting the financial reporting process.
- Utilising the internal audit function to test the operating effectiveness of these controls.
- Reviewing of control self-assessments performed by management.

Deficiencies in the design and operational effectiveness of internal controls which are identified during the evaluation are presented to the Committee together with the relevant compensating and mitigating controls, any additional procedures performed and the plans to remediate.

The Committee considered the information provided in respect of the design and operational effectiveness of internal controls for the current financial year and noted the contents of the CEO and CFO final attestation. The Committee is of the opinion that TFG's system of internal financial controls and financial reporting procedures are effective and form a basis for the preparation of reliable financial statements in respect of the year under review.

This assessment included consideration of all the entities included in the consolidated annual financial statements and the Group's ability to prepare and report on the consolidated annual financial statements effectively.

The Committee was not made aware of any material breaches of any laws or regulations.

Internal audit

The Group's internal audit function provides assurance over TFG Africa, TFG London and TFG Australia operations. Internal audit continues to develop and refine its auditing approach and methodologies with new digital enablement and associated interventions.

This approach facilitates the increased automation of processes, and enhanced generation of more risk-focused assurance and related insights and reporting through the implementation of a suite of technologies to broaden assurance coverage. It supports efficiencies of the internal audit processes, enabling greater coverage while optimising costs and providing enhanced value through more focused risk-oriented insight. These technologies include the applications of data analytics, robotic process automation, artificial intelligence, and other enterprise technology tools.

The Committee believes that Ms Carmen van der Vyver, Head of Group Risk and Assurance, possesses the appropriate expertise, skills and experience to meet her responsibilities and that the internal audit function had adequate and competent resources and capacity to ensure that it was functioning effectively throughout the year under review.

Combined assurance

The combined assurance model in place is an overarching assurance model to ensure that the risks identified are managed between the various lines of assurance. Management and internal audit have implemented a coordinated structure for planning, executing and reporting on internal audit, compliance and risk activities. The Committee is satisfied that the Group has optimised the assurance deliverables obtained from the lines of assurance in accordance with the approved combined assurance model and that the model is effective in achieving the objectives of coordinating assurance and reporting to provide management and the Board with a coordinated assessment of the risks confronting the Group, how effective the relevant risk mitigations are and the resultant acceptable levels of residual risks. The Committee, together with the Risk Committee, reviewed the combined assurance model, associated processes and related methodologies and the outcomes thereof and considers the current combined assurance model and its outputs to be relevant and effective.

Risk management

While the Board is ultimately responsible for the maintenance of an effective risk management process, the Committee, together with the Risk Committee, assists the Board in assessing and forming a conclusion on the adequacy of the risk management process. The Committee fulfils an oversight role regarding financial reporting risks, internal financial controls, fraud risk, information management and technology risks as they relate to financial reporting.

The Committee Chairman is also a member of the Risk Committee, and the Chairman of the Risk Committee is also an invitee to this Committee. Other Committee members and attendees are also members of various other Board sub-committees. This ensures a sharing of insights and aligns communication between the relevant Board sub-committees.

The strategies adopted by the Audit and Risk Committees allow for the timely review of any internal control weakness identified by any assurance providers. In addition, continual improvements in the development of Enterprise Risk Management (ERM) methodologies through the evolution of our combined assurance model further enhances the Group's overall risk management coverage and focus. A particular joint focus of the Audit and Risk Committees is to assess reports received on fraud and IT risks as these relate to financial reporting for the purposes of the Audit Committee and operational risk reporting for the purposes of the Risk Committee.

International operations

The Group operates through both domestic and international business units. The Audit Committees oversight responsibilities extend to the entire Group, including international operations.

The financial performance, risk profile, internal control environment, compliance matters and significant accounting judgements relating to the international operations are reviewed through established Executive Management governance structures. Matters requiring Audit Committee oversight are escalated through these governance forums and are incorporated into the consolidated reporting presented to the Group Audit Committee.

In addition to the formal reporting structures, the Chair of the Audit Committee engages directly with members of international Executive Management on matters relevant to the Committee's mandate. These engagements provide an opportunity for the Chair to discuss significant financial reporting matters, internal control developments, risk management activities, audit findings and emerging issues affecting the international operations, thereby enhancing the Committee's oversight of these businesses.

The Audit Committee receives regular reports from Executive Management regarding the performance, financial reporting, internal controls, risk management activities, compliance matters and audit findings relating to the international operations. Significant issues identified within the international businesses are considered as part of the Committee's review of the Group's consolidated financial statements and overall control environment.

The Committee is satisfied that appropriate governance structures, reporting mechanisms and internal control processes are in place to provide adequate oversight of the international operations and to support the integrity of the Group's consolidated financial reporting.

Trading environment

The Group operated in a challenging retail environment during FY2026, characterised by constrained consumer spending, inflationary pressures and subdued discretionary demand across its key markets. While the Group achieved positive revenue growth, profitability was adversely impacted by lower trading margins, higher operating costs and challenging trading conditions in certain international businesses.

Group revenue increased during the year, supported by contributions from the White Stuff acquisition in the United Kingdom and continued growth across a number of the Group's brands. However, earnings declined significantly compared to the prior year, reflecting weaker profitability across several business units and the recognition of non-cash impairment charges relating to certain international brands.

The Audit Committee devoted significant attention to the financial reporting implications arising from the Group's performance during the year. Key areas of focus included the assessment of goodwill and indefinite-life intangible assets, impairment testing of international businesses, inventory valuation, the recoverability of deferred tax assets, and the appropriateness of assumptions used in forecasting future cash flows.

The Committee reviewed management's impairment assessments relating to Phase Eight in the United Kingdom and selected Australian brands, including the assumptions applied in determining recoverable amounts. The Committee challenged management's forecasts, discount rates and sensitivity analyses and considered the work performed by external specialists and the external auditors before concluding that the accounting treatment and related disclosures were appropriate.

Given the challenging trading conditions experienced during the year, the Committee also considered the Group's liquidity position, funding facilities, covenant compliance and cash flow forecasts as part of its assessment of the going concern basis of preparation. Based on the information presented, the Committee was satisfied that the Group remains appropriately capitalised, maintains sufficient liquidity and has access to adequate funding resources to support its operations and strategic objectives.

The Committee further monitored the effectiveness of the Group's internal control environment, with particular focus on the integration and oversight of international operations. The Committee received regular reports from Executive Management regarding the performance, financial reporting, risk management and control activities of the international businesses. In addition, the Chair of the Audit Committee engaged directly with members of international Executive Management on matters relevant to the Committee's mandate, providing enhanced oversight of significant financial reporting, risk and control matters arising within those operations.

The Committee is satisfied that the annual financial statements appropriately reflect the Group's financial position at 31 March 2026 and performance for the year ended 31 March 2026 and that the significant judgments, estimates and disclosures contained therein are appropriate and supported by the underlying facts and circumstances.

Accounting matters

The Committee concentrated primarily on the following financial matters with appropriate actions taken to address these matters:

Goodwill and intangible impairment assessment

During the period, the Committee focused on the valuation and impairment testing of goodwill and intangible assets under IAS 36, which represents approximately 32% of the Group's total non-current assets. The Committee critically assessed the recoverable amounts of various cash-generating units and brands using the value-in-use technique and the relief-from-royalty method, supported by board-approved five-year forecasts and market-benchmarked assumptions.

While TFG Africa operations, including the Tapestry Home Brands, showed sufficient headroom, structural shifts in international markets necessitated significant adjustments. Specifically, TFG London recognised a brand impairment of R687 million (£30 million) for Phase Eight, as the brand's performance was heavily impacted by a sustained decline in department store sales. Simultaneously, TFG Australia recognised non-cash impairments for the Tarocash and yd. brands, totaling R332 million (A\$29 million), resulting from a challenging trading environment and the migration of the "big and tall" customer base to the Johnny Bigg label.

The external auditors, Deloitte & Touche, independently reviewed these valuation models and concurred with the impairment charges, having identified the assessment as a key audit matter for the period.

Provision for impairment in respect of Trade receivables – retail

The Committee also maintained oversight of retail trade receivables and Expected Credit Loss (ECL) provisioning under IFRS 9. The retail net debtors' book in TFG Africa grew to R9,4 billion, a 5,5% increase from the prior year. While the macroeconomic forward-looking overlay decreased by 38,2%, the total provision ratio increased to 18,6% (FY2025: 17,9%). This increase was primarily attributed to the book construct, where a higher proportion of newer accounts carried higher inherent impairment rates.

The Committee reviewed the stability of the credit book through contractual delinquency buckets and was satisfied that the rank ordering of coverage remained stable across the financial year. The external auditors performed detailed reperformance testing of the ECL models and confirmed that the Group's provisioning remained robust and satisfactory.

Lease accounting

Finally, the Committee addressed complexities in lease accounting under IFRS 16, a critical area given the Group's extensive physical store portfolio. During the period, the Committee oversaw the remediation of system-related control failures in the Lease Administration department that had previously led to inaccuracies in SAP RE-FX master data. Management processed several disclosure-only adjustments to cost and accumulated depreciation balances to correct errors where expired leases had not been properly derecognized upon renewal. Although manual interventions were still required due to ongoing system integration issues, the Committee noted significant improvements in lease processing and confirmed that the final Right-of-use asset balance of R12 billion was measured in accordance with IFRS principles.

External auditors

The Group's external auditors are Deloitte & Touche and the designated partner for the year ended 31 March 2026 is Mr J M Bierman. Deloitte & Touche is afforded unrestricted access to all of the Group's records, information and to management, and were free to present any issues arising from their annual audit to the Committee. In addition, the designated partner has unrestrained opportunity to raise any matters of concern directly with the Committee Chairman, where necessary.

The Committee gave due consideration to the independence of the external auditors and is satisfied that Deloitte & Touche remained independent of the Group and executive and senior management throughout the conduct of their audit. Therefore, they are able to express an independent opinion on the Group's consolidated annual financial statements. The Committee specifically considered Deloitte & Touche's tenure (nine years) and the nature and extent of non-audit services rendered. Non-audit services amounting to R6 million were provided during the current year (FY2025: R5 million). All non-audit assignments, their scope and related fees were pre-approved by the Chairman prior to the commencement of the work.

The Committee has nominated, for approval at the forthcoming AGM, Deloitte & Touche as the external auditor and Mr J M Bierman as designated audit partner for the 2027 financial year.

The Committee made this nomination having satisfied itself (by obtaining and reviewing the information specified in paragraph 5.7(h)(iii) of the JSE Listings Requirements) of the suitability of the reappointment of both the individual auditor and the audit firm.

Annual financial statements

The Committee reviewed the annual financial statements of the Company and the Group and is satisfied that they comply with IFRS Accounting Standards and the requirements of the Companies Act.

This review included a consideration of the JSE's reports on the proactive monitoring of financial statements. In addition, the Committee reviewed executive management's assessment of going concern and recommended to the Board that the Group is a going concern for the ensuing year.

The Committee is comfortable that any material or significant matters have been considered for disclosure and notes that there are no other matters which require disclosure or adjustment in the financial statements.

Integrated Annual Report

The Committee fulfils an oversight role with respect to the contents of the integrated annual report. The Committee considered the need for assurance on the sustainability information in this report and concluded that obtaining any independent assurance would not be required at this stage.

Expertise of CFO and finance function

The Committee considers the appropriateness of the expertise and experience of the CFO and finance function on an annual basis. The Committee believes that the CFO, Mr R R Buddle, possesses the appropriate expertise and experience to meet his responsibilities of that position.

In addition, the Committee is satisfied that the expertise, resources, capacity and experience of the current senior incumbents of the finance function are appropriate based on the nature, complexity and size of the Group's operations.

Election of committee members

As was announced on SENS on 12 June 2025, Mr Jan Potgieter was appointed as the Chairman of the Committee, replacing Mr Eddy Oblowitz who has stepped down as Chairman and member of the Committee. These changes to the Committee will be included in the proposal to shareholders at the upcoming AGM.

The members of the committee will, subject to be classified as independent, make themselves available for election to the committee, such election will be recommended by the Nomination Committee and will be proposed to shareholders at the upcoming AGM.

Approval

As part of the Group's year end reporting processes, the Committee has where relevant, independently reviewed and challenged management's approaches, analysis and recommendations, taking into account the views presented by the external auditor, in order to arrive at its overall conclusion on the audited consolidated annual financial statements.

Against this background, the Committee recommended the approval of the consolidated annual financial statements for the year ended 31 March 2026 to the Board on 30 June 2026.

The Board subsequently approved the consolidated annual financial statements for the year ended 31 March 2026, which will be tabled and open for discussion at the forthcoming AGM to be held on 3 September 2026.

Closing Comments

Following my appointment as Chairman of the Committee in June 2025, I wish to acknowledge the significant contribution of my predecessor, Mr Eddy Oblowitz, who served the Committee with distinction over many years and provided steady leadership during his tenure as Chairman.

Since assuming the role, my focus has been on maintaining the Committee's open and constructive relationship with management and the external auditors, which remains central to the effective discharge of our fiduciary and related responsibilities in accordance with the Committee's mandate.

I thank the CEO, Mr Anthony Thunström, the CFO, Mr Ralph Buddle, and the Executive Team across the Group's various jurisdictions for their continued assistance, cooperation and engagement during the year. I also extend my appreciation to the Deloitte & Touche engagement team for their professional input and support.

My sincere thanks go to my fellow Committee members and regular attendees for their diligence, considered contributions and sound counsel.

I am confident that the Committee remains well positioned to continue discharging its duties in an effective, independent and diligent manner.

Jan Potgieter

Audit Committee Chairman

30 June 2026

Independent auditor's report

For the year ended 31 March 2026



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Registered Auditors
Audit & Assurance
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Independent auditor's report

To the Shareholders of The Foschini Group Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of The Foschini Group Limited and its subsidiaries (the Group) set out on pages 20 to 90, which comprise the consolidated statement of financial position as at 31 March 2026; and the consolidated statement of comprehensive income; the consolidated statement of changes in equity; and the consolidated statement of cash flows for the year then ended; the consolidated segmental analysis for the year then ended and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of The Foschini Group Limited and its subsidiaries as at 31 March 2026, and its consolidated financial performance and its consolidated cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code), as applicable to audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.



Managing Partner: ML Tshabalala

A full list of partners and directors is available on request

B-BBEE rating: Level 1 contribution in terms of the DTI Generic Scorecard as per the amended Codes of Good Practice

Associate of Deloitte Africa, a Member of Deloitte Touche Tohmatsu Limited

Independent auditor's report for the year ended 31 March 2026

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Consolidated Financial Statements

Overall Materiality	R220 million (2025: R340 million)
How we determined it	It represents 7,6% (2025: 7,9%) of reported profit before tax after adjusting for once-off brand impairments.
Rationale for how we determined it	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. We determined that profit before tax remained the key benchmark and is generally accepted for listed entities.

Scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the Group, and assessing the risks of material misstatement at the Group level.

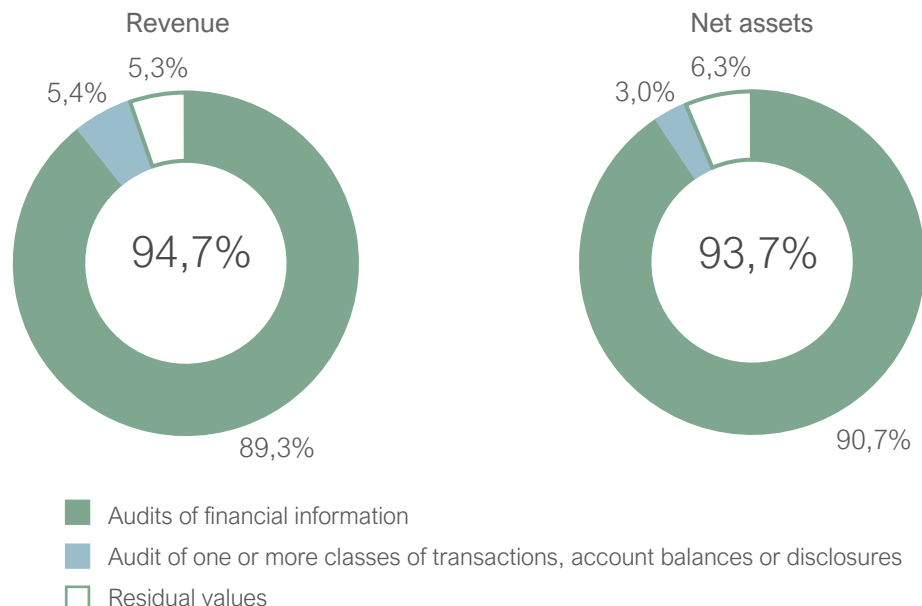
We selected components at which audit work in support of the Group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component's contribution to relevant classes of transactions, account balances or disclosures.

Based on our assessment, we performed work at 4 components (2025: 4 components). The following audit scoping was applied:

- 3 components were audits of the component's financial information; and
- 1 component was an audit of one or more classes of transactions, account balances or disclosures

The remaining 4 components were subjected to Group analytical review procedures.

The detail testing accounts for 94,7% of the Group's revenue and 93,7% of the Group's net assets.



Key Audit Matters

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

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

Key Audit Matter	How the matter was addressed in the audit
TFG London and TFG Australia goodwill and intangible impairment assessment	
At 31 March 2026, The Foschini Group Limited's reported net asset value (carrying amount of total assets less total liabilities) exceeded its market capitalisation. This divergence may be an indicator that market participants are valuing the entity differently from its carrying amounts and therefore gives rise to a heightened risk that assets may be impaired. The goodwill and intangible asset value of R9 895 million makes up 32% of the total non-current assets of the group and carries a heightened impairment risk as set out in IFRS Accounting Standards. The assessment of recoverability of goodwill and intangible assets involves management judgements and estimates (for example, future cash flows, discount rates and growth rates) that are inherently uncertain. The goodwill attributable to the TFG London (UK) cash generating unit (CGU) and the value of the TFG London brands amount to R2 704 million, or 29%, of the total goodwill and indefinite life intangible assets balance at the end of the 2026 financial year. The goodwill attributable to the TFG Australia cash generating unit (CGU) and the value of the TFG Australia brands amount to R3 102 million, or 33%, of the total goodwill and indefinite life intangible assets balance at the end of the 2026 financial year. Refer to note 3 for disclosure of Goodwill and Intangible Assets as well as the pre-tax brand impairments of R1 019 million. In line with IAS 36: Impairment of Assets (IAS 36), the directors are required to assess whether goodwill and indefinite useful life intangibles, are potentially impaired on an annual basis. The recoverable amount of the CGUs was calculated using the value-in-use technique. The recoverable amounts of the TFG London brands (Phase Eight, Whistles, Hobbs and White Stuff) and TFG Australia Brands (Connor, Johnny Bigg, Tarocash and yd.) were calculated using the royalty relief method. These valuations are subjective in nature as they are dependent on the directors' best estimate of the CGU and brands' future performance based on information known as at 31 March 2026.	In evaluating the impairment assessment for the TFG London and TFG Australia CGUs and related brands, we focused on the key areas of judgements and estimates made by the directors. Our audit procedures included: - Assessing the design and testing the implementation of the key controls over the goodwill and intangible impairment process; - Management engaged an external valuation expert to assist with the valuation of TFG London goodwill and brands (excluding White Stuff). We evaluated the competence, capabilities and independence of that expert, reviewed their valuation report and the key assumptions, and corroborated the inputs to underlying documentation. We also performed our own procedures, as set out below, and concluded that the expert's work provided appropriate audit evidence. - Engaging our internal specialists to assess the arithmetic accuracy of the impairment assessment for goodwill and intangible assets as well the appropriateness of the valuation methodology against the requirements of IAS 36; - Engaging our internal specialists to independently calculate the discount rates, growth rates and royalty rates used in the directors' impairment calculations and consider the appropriateness of the inputs used in the directors' calculations; - With the assistance of our internal specialists, critically evaluating whether the future projected cash flows used by the Directors to calculate the value-in-use, comply with the requirements of IAS 36; - Assessing the reasonability of the future projected cash flows, including the assumptions relating to retail turnover growth rates and gross margins with reference to historic information, approved budgets and considering whether they are reasonable and supportable given the current economic climate in the UK and Australia and expected future performance;

Key Audit Matter

As disclosed in note 3, there are a number of key assumptions and estimates made in determining the inputs into the models which includes:

- Retail turnover growth rates;
- EBITDA Growth rates;
- Discount rates;
- Long term growth rates; and
- Royalty rates.

The current economic climate in the UK and Australia, uncertainty surrounding the future economic conditions of the retail industry, the Middle East conflict and uncertainty in global markets, resulted in significant estimation and judgment applied in the annual impairment assessment.

Due to the significance of the goodwill and intangible asset balance and the level of estimation inherently required in determining future performance, royalty rates, EBITDA growth rates, retail turnover growth rates and appropriate discount rates, this has been identified as a key audit matter in our audit of the consolidated financial statements.

How the matter was addressed in the audit

- Subjecting the key judgments in the valuation model to sensitivity analyses, including retail turnover growth rates, gross margins, discount rates, long term growth rates, EBITDA growth rates and royalty rates;
- Independently recalculating the recoverable amount for the CGU and brand intangible assets; and
- Assessing the adequacy of the Group's disclosures in respect of goodwill and intangible assets.

Based on the procedures performed, the valuation methodology used is considered appropriate and we found the key forecast assumptions and conclusions reached by the directors to be reasonable. We reviewed the disclosures in note 3 and found these to be appropriate.

Impairment of trade receivables – retail

Trade receivables – retail are unsecured and generally provided to customers with higher levels of default compared to the more traditional and often secured loans provided by the banking industry.

Refer to Note 1.2 (Significant judgements and estimates), Note 9 (Trade receivables - retail) and Note 35.1 (Risk Management - Credit risk).

Trade receivables - retail are carried at amortised cost and the impairment is measured using the simplified approach under IFRS 9, i.e. modelling lifetime expected credit losses (ECLs).

As at 31 March 2026 gross trade receivables – retail amounted to R11 576 million against which an ECL of R2 152 million was raised.

When measuring the ECL of financial assets for the Group, the following judgements and estimates are employed by management (refer to note 35.1):

- Probability of Write off (PW) constitutes a key input in measuring ECLs. PW is an estimate of the likelihood of write-off over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions;
- Loss Given Write-off (LGW) is an estimate of the loss arising on write-off of financial assets. It is based on the difference between the contractual cash flows due from a financial asset and those that the Group would expect to receive;
- Exposure at Write off (EAW) is an estimate of the expected exposure at a future write off date; and

The audit team has obtained an understanding and performed work around the governance structures over IFRS 9 as follows:

- Obtained an understanding of the overall governance structures and committees in place over both the base model and management overlays;
- Design and implementation of controls was assessed over the management overlays and that of the base model;
- With the assistance of the Risk Advisory IT team (IT specialists) the automated controls over the base model were tested for design and implementation.

Based on the above the governance processes were found to be sound and controls in place were appropriately designed and implemented.

In response to the risk of the impairment of trade receivables in terms of IFRS 9 the following was performed by the audit team in conjunction with our Regulatory and Financial Risk (RFR) team (credit and modelling specialists):

- Obtained an understanding of the various assumptions used, the impairment modelling, and data management processes, systems, and methodologies;
- Evaluated, in conjunction with our credit and modelling specialists, the impairment methodology applied against the requirements of IFRS 9: Financial Instruments;
- Our specialists evaluated that the impairment methodology developed has been appropriately applied in the underlying impairment modelling;

Key Audit Matter

How the matter was addressed in the audit

- Discounted Survival Percentage is the discount factor applied on a segmented basis derived from a survival curve to discount future losses. Instead of discounting the EAW of each account by the number of months it takes for the account to be written off, a survival curve to derive a discount factor on a segmented basis is used i.e. what percentage of the balance survives from one month to the next (where survival is 100% write off), and apply the discounting on this survival percentage.

The Group uses reasonable and supportable forward-looking information, which is based on assumptions and expert opinion for the future movement of different economic drivers and how these drivers will affect each other. As these assumptions and expert opinions pertain to uncertain future events, significant judgement is present. Forward-looking information can include the impact of potential future legislation. The impact on ECLs is assessed based on the latest information available regarding the applicable legislation. Estimates and judgements are required to assess the impact on the PW and EAW, and the timing of the anticipated credit loss.

For the year ended 31 March 2026, management have included a macro-economic overlay.

The following approach was adopted:

- The probability of write off (PW), exposure at write off (EAW) and loss given write off (LGW) was increased by applying stress factors to upside, base and downside scenarios;
- Anticipated recovery yields were reduced by applying the stress factor for each scenario; and
- Probabilities were assigned to each scenario.

The impairment of trade receivables - retail is material to the consolidated financial statements in terms of its magnitude, the level of subjective judgement applied by the directors and the effect that it has on the Group's credit risk management processes and operations. It has therefore been identified as a key audit matter.

- Reviewed the reasonability of the PW and EAW outputs by performing empirical challenger estimates;
- Our specialists have independently re-performed each component and the total ECL calculation based on the methodology set out by management, i.e. ECL, probability of write off, loss given write off and survival discount to evaluate the accuracy thereof in the model;
- We evaluated the appropriateness of forward-looking economic expectations included in the model by comparing to independent industry data. We evaluated management's economic response models to ensure that the macro-economic inputs are appropriately incorporated into the models. Where management applied out-of-model adjustments to the forward-looking information, we evaluated these for reasonableness against historical experience and evaluated the methodology applied to incorporate these into the forecasts;
- Performing a top-down challenger assessment of the adequacy of forward-looking information ("FLI") adjustments utilising a Vasicek based methodology;
- We assessed the reasonableness of overlays raised by management, based on our understanding of the industry, emerging risks and regulatory changes.

Specific attention was also given to the following areas:

- Data used in the impairment model was reconciled to the source information system;
- With assistance from our IT specialist team, we tested the business rules applied for the critical IFRS 9 modelling fields; and
- Evaluation of the appropriateness of the disclosures included in the consolidated financial statements in accordance with the requirements of IFRS 7: Financial Instruments.

Based on the audit procedures performed, we found the impairment to be reasonable and the disclosures included in the consolidated financial statements, as set out in notes 1.2, 9 and 35.1 to be appropriate.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Consolidated Annual Financial Statements for the year ended 31 March 2026 of The Foschini Group Limited", which includes the Directors' responsibility statement, the CEO and CFO responsibility statement, the Directors' report, the Company's secretary's certificate, the appendices, and the Audit committee report, which we obtained prior to the date of this report, and the Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte & Touche has been the auditor of The Foschini Group Limited for 9 years.

Deloitte & Touche

Registered Auditor

Per: J M Bierman

Partner

30 June 2026

5 Magwa Crescent

Waterfall City

Waterfall

Johannesburg

Consolidated statement of financial position

As at 31 March

	Notes	2026 Rm	2025 Rm
Assets			
Non-current assets			
Property, plant and equipment	2	6 824	6 524
Goodwill and intangible assets	3	9 895	10 940
Right-of-use assets	4	12 136	11 747
Investments	5	401	368
Insurance contract assets	6	440	301
Deferred taxation assets	7	1 470	1 468
		31 166	31 348
Current assets			
Inventory	8	14 529	14 293
Trade receivables – retail	9	9 424	8 936
Other receivables and prepayments	10	1 445	1 437
Concession receivables	11	437	419
Taxation receivables		87	3
Cash and cash equivalents	12	3 117	3 228
		29 039	28 316
Total assets		60 205	59 664
Equity and liabilities			
Share capital	13	4	4
Share premium		7 905	7 905
Treasury shares	14	(1 740)	(865)
Dividend reserve	15	463	761
Hedging (deficit) surplus	16	(62)	12
Foreign currency translation reserve	17	1 396	1 354
Post-retirement defined benefit plan reserve	18	36	40
Retained earnings		16 905	16 398
Equity attributable to equity holders of The Foschini Group Limited		24 907	25 609
Liabilities			
Non-current liabilities			
Interest-bearing debt	19	7 605	7 662
Other payables	20	198	–
Lease liabilities	21	9 439	9 134
Deferred taxation liabilities	7	841	1 138
Post-retirement defined benefit plan	18	236	216
		18 319	18 150
Current liabilities			
Interest-bearing debt	19	3 474	2 372
Trade and other payables	22	8 495	8 718
Contract liabilities	23	399	382
Lease liabilities	21	4 561	4 229
Taxation payables		50	204
		16 979	15 905
Total liabilities		35 298	34 055
Total equity and liabilities		60 205	59 664

Consolidated statement of comprehensive income

For the year ended 31 March

	Notes	2026 Rm	2025 Rm
Revenue	24	67 070	62 558
Retail turnover	24	62 423	58 271
Cost of turnover	8	(32 366)	(29 505)
Gross profit		30 057	28 766
Interest income	25	2 132	2 128
Insurance revenue	6	392	284
Other income	26	2 123	1 875
Net bad debt	35.1	(1 694)	(1 388)
Insurance service expense	6	(167)	(122)
Trading expenses	27	(27 908)	(25 209)
Operating profit before acquisition costs and impairment of intangible assets		4 935	6 334
Acquisition costs		–	(63)
Impairment of brands	3	(1 019)	(63)
Operating profit before finance costs		3 916	6 208
Finance costs	28	(2 051)	(1 884)
Profit before tax		1 865	4 324
Income tax	29	(549)	(1 135)
Profit for the year		1 316	3 189
Items that will never be reclassified to profit or loss			
Actuarial loss on post-retirement defined benefit plan	18	(5)	–
Deferred taxation thereon	18	1	–
Items that are or may be reclassified to profit or loss			
Movement in effective portion of changes in fair value of cash flow hedges	16	(106)	53
Deferred taxation thereon	16	32	(15)
Foreign currency translation reserve movements	17	42	(401)
Other comprehensive loss for the year, net of tax		(36)	(363)
Total comprehensive income for the year		1 280	2 826
Profit attributable to:			
Equity holders of The Foschini Group Limited		1 316	3 189
Total comprehensive income attributable to:			
Equity holders of The Foschini Group Limited		1 280	2 826
	Notes	2026	2025
Earnings per ordinary share (cents)	30		
Basic		411,2	980,6
Diluted basic		408,6	972,4

Consolidated statement of changes in equity

For the year ended 31 March

							Attributable to equity holders of The Foschini Group Limited
	Notes	Share capital Rm	Share premium Rm	Treasury shares Rm	Other reserves Rm	Retained earnings Rm	Rm
Equity as at 1 April 2024		4	7 905	(700)	2 431	14 501	24 141
Total comprehensive income for the year		–	–	–	(363)	3 189	2 826
Profit for the year		–	–	–	–	3 189	3 189
<i>Other comprehensive loss</i>		–	–	–	(363)	–	(363)
Contributions by and distributions to owners		–	–	(165)	99	(1 292)	(1 358)
Share-based payments reserve movements		–	–	–	–	150	150
Transfer from dividend reserve	15	–	–	–	(662)	662	–
Dividends paid	31	–	–	–	–	(1 183)	(1 183)
Transfer to dividend reserve	15	–	–	–	761	(761)	–
Treasury shares purchased	14	–	–	(325)	–	–	(325)
Delivery of shares by share incentive schemes	14	–	–	160	–	(160)	–
Equity as at 31 March 2025		4	7 905	(865)	2 167	16 398	25 609
Total comprehensive income for the year		–	–	–	(36)	1 316	1 280
Profit for the year		–	–	–	–	1 316	1 316
<i>Other comprehensive loss</i>		–	–	–	(36)	–	(36)
Contributions by and distributions to owners		–	–	(875)	(298)	(809)	(1 982)
Share-based payments reserve movements		–	–	–	–	221	221
Transfer from dividend reserve	15	–	–	–	(761)	761	–
Dividends paid	31	–	–	–	–	(1 182)	(1 182)
Transfer to dividend reserve	15	–	–	–	463	(463)	–
Treasury shares purchased	14	–	–	(1 021)	–	–	(1 021)
Delivery of shares by share incentive schemes	14	–	–	146	–	(146)	–
Equity as at 31 March 2026		4	7 905	(1 740)	1 833	16 905	24 907

Consolidated statement of cash flows

For the year ended 31 March

	Notes	2026 Rm	2025 Rm
Cash flows from operating activities			
Operating cash flow before working capital changes	32	11 561	12 405
Increase in working capital	32	(834)	(2 761)
Cash generated from operations	32	10 727	9 644
Interest income received		123	146
Finance costs paid		(2 051)	(1 886)
Taxation paid	33	(1 034)	(1 022)
Dividends received	5	33	52
Dividends paid	31	(1 182)	(1 183)
Net cash inflows from operating activities		6 616	5 751
Cash flows from investing activities			
Purchase of property, plant and equipment and intangible assets		(1 997)	(1 803)
Proceeds from sale of property, plant and equipment and intangible assets		23	12
Business acquisitions during the year, net of cash acquired		–	(1 044)
Increase in insurance contracts and investments		(150)	(41)
Net cash outflows from investing activities		(2 124)	(2 876)
Cash flows from financing activities			
Treasury shares purchased and sold	14	(1 021)	(325)
Net increase in interest-bearing debt	34	1 116	1 341
Borrowings raised	19	9 212	1 394
Borrowings repaid	19	(8 096)	(53)
Lease liabilities capital payments	34	(4 704)	(4 414)
Net cash outflows from financing activities		(4 609)	(3 398)
Net decrease in cash and cash equivalents during the year		(117)	(523)
Cash and cash equivalents at the beginning of the year		3 228	3 775
Effect of exchange rate fluctuations on cash held		6	(24)
Cash and cash equivalents at the end of the year	12	3 117	3 228

Consolidated segmental analysis

For the year ended 31 March

2026 (Rm)	TFG Africa Retail	TFG Africa Credit	TFG London	TFG Australia	Total
External revenue	44 133	1 031	11 356	8 418	64 938
External interest income	109	2 009	–	14	2 132
Total revenue ¹	44 242	3 040	11 356	8 432	67 070
Cost of turnover	(24 926)	–	(4 475)	(2 965)	(32 366)
Employee costs	(6 535)	(256)	(2 239)	(2 526)	(11 556)
Occupancy costs	(4 314)	(16)	(1 102)	(1 582)	(7 014)
Depreciation and amortisation	(1 060)	(12)	(248)	(159)	(1 479)
Depreciation on right-of-use assets	(3 095)	–	(578)	(1 196)	(4 869)
Impairment of property, plant and equipment and intangible assets	(16)	–	(690)	(344)	(1 050)
Impairment of right-of-use assets	(22)	–	(13)	(8)	(43)
External finance costs	(772)	–	(188)	(6)	(966)
External finance costs on lease liabilities	(830)	–	(106)	(149)	(1 085)
Segmental profit before tax	1 840	616	(775)	184	1 865

2025 (Rm)	TFG Africa Retail	TFG Africa Credit	TFG London	TFG Australia	Total
External revenue	41 901	877	8 786	8 866	60 430
External interest income	133	1 982	–	13	2 128
Total revenue ¹	42 034	2 859	8 786	8 879	62 558
Cost of turnover	(23 313)	–	(3 035)	(3 157)	(29 505)
Employee costs	(6 122)	(241)	(1 704)	(2 524)	(10 591)
Occupancy costs	(4 046)	(17)	(865)	(1 523)	(6 451)
Depreciation and amortisation	(930)	(14)	(158)	(168)	(1 270)
Depreciation on right-of-use assets	(3 067)	–	(408)	(1 187)	(4 662)
(Impairment) reversal of impairment of property, plant and equipment and intangible assets	(15)	–	20	(61)	(56)
Impairment of right-of-use assets	(23)	–	(29)	–	(52)
External finance costs	(758)	–	(131)	(8)	(897)
External finance costs on lease liabilities	(792)	–	(71)	(124)	(987)
Segmental profit before tax	2 421	788	336	779	4 324

¹ Comprises retail turnover, interest income, other income and insurance revenue.

Consolidated segmental analysis for the year ended 31 March

The merchandise category information per segment is presented in the table below:

2026 (Rm)	TFG Africa	TFG London	TFG Australia	Total
Clothing	30 421	11 344	8 418	50 183
Homeware	6 261	12	–	6 273
Beauty	1 461	–	–	1 461
Jewellery	1 593	–	–	1 593
Cellphones	2 913	–	–	2 913
Total retail turnover	42 649	11 356	8 418	62 423

2025 (Rm)	TFG Africa	TFG London	TFG Australia	Total
Clothing	29 267	8 786	8 866	46 919
Homeware	5 762	–	–	5 762
Beauty	1 202	–	–	1 202
Jewellery	1 533	–	–	1 533
Cellphones	2 855	–	–	2 855
Total retail turnover	40 619	8 786	8 866	58 271

The Group has identified that the Chief Executive Officer (CEO) in conjunction with the Group Executives fulfils the role of the Chief Operating Decision-Maker (CODM). The Group Executives are distinct from the Group's Board and consists only of executive directors.

All operating segments' results are reviewed regularly by the CODM to assess performance and make decisions about allocation of resources to the segments.

Performance is measured based on segmental profit before tax, as included in the monthly management report reviewed by the CODM.

The Group is split into four reportable operating segments, and is further structured based on products and services offered.

The Group have identified its reportable segments as follows:

- **TFG Africa Retail** comprising all the brands retailing clothing, jewellery, beauty, cellular and homeware and furniture through retail outlets in South Africa, Botswana, Lesotho, Namibia, eSwatini as well as online.
- **TFG Africa Credit** manages the Group's trade receivables and related functions with regard to the granting of credit.
- **TFG London** comprising of Phase Eight, Whistles, Hobbs and White Stuff, which operate through retail outlets throughout the United Kingdom and internationally, as well as online.
- **TFG Australia** comprising of Connor, Johnny Bigg, Rockwear, Tarocash and yd.. RAG operates through retail outlets throughout Australia and New Zealand, as well as online.

Geographical information

The TFG Africa Retail and TFG Africa Credit reportable segments earn revenue throughout South Africa and certain African countries, as well as online. TFG London operates through retail outlets throughout the United Kingdom and in certain jurisdictions internationally, as well as online. TFG Australia operates through retail outlets throughout Australia and New Zealand, as well as online.

In presenting information on the basis of geographical segments, segment revenue is based on the location of the customers, while segment assets are based on the location of the asset. The geographical information is presented in the table below:

2026 (Rm)	TFG Africa Retail	TFG Africa Credit	TFG London	TFG Australia	Total
Segment revenue					
South Africa	38 617	2 993	–	–	41 610
Rest of Africa	2 112	47	–	–	2 159
United Kingdom and Ireland	–	–	5 323	–	5 323
Australia	–	–	4	7 277	7 281
Rest of the World	–	–	950	519	1 469
E-commerce ¹	3 513	–	5 079	636	9 228
Total segment revenue ²	44 242	3 040	11 356	8 432	67 070
Segment non-current assets					
South Africa	17 237	–	–	–	17 237
Rest of Africa	478	–	–	–	478
United Kingdom and Ireland	–	–	4 629	–	4 629
Australia	–	–	–	6 016	6 016
Rest of the World	–	–	271	224	495
Total segment non-current assets ³	17 715	–	4 900	6 240	28 855
2025 (Rm)	TFG Africa Retail	TFG Africa Credit	TFG London	TFG Australia	Total
Segment revenue					
South Africa	37 591	2 807	–	–	40 398
Rest of Africa	2 088	52	–	–	2 140
United Kingdom and Ireland	–	–	3 742	–	3 742
Australia	–	–	–	7 638	7 638
Rest of the World	–	–	1 101	530	1 631
E-commerce ¹	2 355	–	3 943	711	7 009
Total segment revenue ²	42 034	2 859	8 786	8 879	62 558
Segment non-current assets					
South Africa	16 509	–	–	–	16 509
Rest of Africa	456	–	–	–	456
United Kingdom and Ireland	–	–	5 335	–	5 335
Australia	–	–	–	6 307	6 307
Rest of the World	–	–	400	204	604
Total segment non-current assets ³	16 965	–	5 735	6 511	29 211

¹ E-commerce revenue is sales earned throughout the world in which the segments operate.

² Comprises retail turnover, interest income, other income and insurance revenue.

³ Non-current assets consist of property, plant and equipment, right-of-use assets, goodwill and intangible assets.

Notes to the consolidated financial statements

For the year ended 31 March 2026

1. Accounting policies

Reporting entity

The Foschini Group Limited (the "Company") is a company domiciled in South Africa. The address of the Company's registered office is Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500, South Africa. The consolidated annual financial statements (together referred to as the "financial statements") for the year ended 31 March 2026 comprise the Company and its subsidiaries (together referred to as the "Group").

Statement of compliance

The consolidated and company financial statements have been prepared in accordance with IFRS® (IFRS Accounting Standards) which have been issued by the International Accounting Standards Board (IASB®), IFRIC Interpretations (IFRS Interpretations Committee), the Companies Act of South Africa, JSE Listings Requirements and the Financial Pronouncements as issued by the Financial Reporting Standards Council. The annual financial statements were authorised for issue by the directors on 30 June 2026.

1.1 Basis of preparation

Basis of measurement

The financial statements are prepared on the going concern basis and historical cost basis, except where otherwise stated. The presentation currency is the South African rand, rounded to the nearest million, except where otherwise indicated.

The accounting policies set out below are consistent with those adopted in the prior year, except where the Group has adopted the IFRS Accounting Standards amendments listed below that became effective during the year.

Changes in accounting policies

The Group has adopted the amendments below to IFRS Accounting Standards that are effective in the current year:

- Amendments to the SASB standards to enhance their international applicability
- Amendments to IAS 21: Lack of exchangeability

These standards had no material impact when adopted by the Group during the current year.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. All intragroup balances, transactions, income, expenses and profits or losses resulting from intragroup transactions between subsidiaries or the parent and subsidiaries are eliminated in full. The financial statements of the subsidiaries are prepared for the same reporting period using consistent accounting policies.

In assessing the existence of control, the following are considered:

- Power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect the amount of the investor's returns.
- A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

1.2 Significant judgements and estimates

The preparation of financial statements in conformity with IFRS Accounting Standards requires management and directors to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

1. Accounting policies (continued)

1.2 Significant judgements and estimates (continued)

Significant areas of estimation, uncertainty and critical judgements made in applying the Group's accounting policies that potentially have a significant effect on the amounts recognised in the financial statements are as follows:

Trade receivables impairment

Measurement of Expected Credit Losses (ECL) allowance

When determining the ECL allowance of financial assets for the Group, the following judgement and estimates are employed:

- Probability of Write-off (PW) is an estimate of the likelihood of write-off over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions;
- Loss Given Default (LGD) is an estimate of the loss arising on write-off of financial assets. It is based on the difference between the contractual cash flows due from a financial asset and those that the Group would expect to receive; and
- Exposure at Write-off (EAW) is an estimate of the expected exposure at a future write-off date;
- The Group uses reasonable and supportable forward-looking information, which is based on assumptions and expert opinion for the future movement of different economic drivers and how these drivers will affect each other. As these assumptions and expert opinions pertain to uncertain future events, significant judgement is present. Forward-looking information can include the impact of potential future legislation. The impact on the ECL allowance is assessed based on the latest information available regarding the applicable legislation. Estimates and judgements are required to assess the impact on the PW and EAW, and the timing of the anticipated credit loss; and
- The unutilised facility of trade receivables - retail facilities granted do not meet the definition of a loan commitment. No allowance is held against unutilised facilities.

Inventory provisions

The provision for markdown of inventory considers historic information related to historical sales trends at a merchandise category level and represents the expected markdown between the original cost and the estimated net realisable value. The net realisable value assigned to inventory is the net selling price in the ordinary course of business less the estimated costs of completion (where applicable) less the estimated costs to make the sale.

Obsolete, redundant, and slow-moving items are regularly identified and written down to net realisable value, with the write-down recognised in cost of sales.

Goodwill and brand impairments

Goodwill and brands have indefinite useful lives, and are tested for impairment annually or more frequently if there is an indicator of impairment. This requires management to make significant judgements concerning the existence of impairment indicators, identification of cash-generating units (CGUs) and estimates of projected cash flows and fair value less costs of disposal.

The Group applies the impairment assessment of goodwill to its cash-generating units. Management's analysis of cash-generating units involves an assessment of a group of assets' ability to independently generate cash inflows.

The calculation of the recoverable amount requires the use of estimates and assumptions concerning the future cash flows which are inherently uncertain and could change over time. The recoverable amount is calculated using the discounted cash flow valuation method when determining value in use. Key estimates and assumptions on which management has based its determination of recoverable amount include the weighted average cost of capital (WACC), projected revenue growth, royalty rates and gross margins. In addition, changes in economic factors, such as discount rates, could also impact this calculation. Further details are given in note 3.

Leases

Lease terms applicable to lease agreements, relating to the Group's lease liabilities, are negotiated on an individual basis and contain a wide range of different terms and conditions. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Management exercises judgement to assess the likelihood of exercising, termination or extension of the option.

The lease liabilities are initially measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate. The Group uses judgements when determining the borrowing rate by taking the following assumptions into account such as duration, country, currency, and inception of the lease. Incremental borrowing rates are based on a series of inputs, including prime lending rates, a credit risk adjustment and a country specific adjustment.

1. Accounting policies (continued)

1.2 Significant judgements and estimates (continued)

Fair value of business combinations

Judgement is applied when determining the fair value of assets acquired and liabilities assumed, which are used for calculating goodwill or bargain purchase gains.

1.3 Dividends

Dividend distributions are accounted for in the period when the dividend is declared. Dividends declared on equity instruments after the reporting date are accordingly not recognised as liabilities at the reporting date. However, final dividends declared after the reporting date are transferred to a dividend reserve. The Group has chosen to classify dividend income and dividend distributions as operating activities in the consolidated statement of cash flows.

1.4 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits are recognised during the period in which the employee renders the related service. The accruals for employee entitlements to wages, salaries, bonus, annual and sick leave represent the amount the Group has a present obligation to pay as a result of employees' services provided up to the reporting date. The short-term employee benefits are calculated at undiscounted amounts based on current wage and salary rates and expensed when incurred.

Post-employment benefits

The Group contributes to several defined benefit and defined contribution plans as mentioned below.

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions to a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension, provident, medical and retirement funds are recognised as an employee benefit expense in profit or loss when the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

Defined benefit plans

Post-retirement medical aid benefits

Where the Group has an obligation to provide post-retirement medical aid benefits to employees, the Group recognises the cost of these benefits in the year in which the employees render the services.

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of the defined benefit plan is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods – that benefit is discounted to determine its present value.

The Projected Unit Credit Method is used to determine the present value of the defined benefit post-retirement medical aid obligations and the related current service cost and, where applicable, past service cost. This calculation is performed by a qualified actuary.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, are recognised immediately in other comprehensive income (OCI) and are not reclassified. Net interest expense and other expenses related to the defined benefit plan are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Group recognises gains or losses on the settlement of a defined benefit plan when the settlement occurs.

Share-based payment transactions

Equity-settled share-based options

The Group grants equity-settled share instruments to certain employees under an employee share plan. The grant date fair value of options, share appreciation rights (SARs) and forfeitable shares (FS) granted to employees are recognised as an expense over the vesting period of the instruments, with a corresponding increase in equity in a separate reserve.

1. Accounting policies (continued)

1.4 Employee benefits (continued)

The fair value is measured at the grant date using a binomial option pricing model. The amount recognised as an expense is adjusted to reflect the actual number of share instruments for which the related service and non-market vesting conditions are expected to be met. Costs incurred in administering the schemes are expensed as incurred.

Shares forfeited are sold on the open market and resultant gain or loss is recognised in equity.

1.5 Expenses

Finance costs

Finance costs comprise interest paid and payable on borrowings calculated using the effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash flows (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

Finance costs on lease liabilities

Finance costs comprise interest on lease liabilities calculated using the effective interest method and are recognised in profit or loss.

Variable lease payments

Leases containing variable payments that do not depend on an index or rate are not included in the measurement of the right-of-use asset and lease liability. These related payments are recognised as an expense in the period in which the event or condition that triggers those payments occur. Other variable lease payments that depend on an index or rate are included in the measurement of the right-of-use assets and lease liabilities.

Short-term and low value leases

For leases of short-term and low-value assets, the Group has opted to recognise a lease expense on a systematic basis over the lease term. The expense is presented within trading expenses on the face of the consolidated statement of comprehensive income. The Group defines a short-term lease as one that has a lease term of 12 months or less without any purchase options.

1.6 Financial instruments

A financial instrument is recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Initial measurement

Financial instruments are initially recognised at fair value which includes directly attributable transaction costs except in the case of financial assets or financial liability measured at fair value through profit or loss (FVTPL), where transaction costs are recognised in profit or loss.

The Group's receivables do not contain a significant financing component and therefore are measured at transaction price. Subsequent to initial recognition, financial instruments are measured as described below.

Financial assets are classified and measured on the basis of the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. The Group determines the business model at a level that reflects how categories of financial assets are managed together to achieve a particular business objective. The Group continuously assesses whether the business model for which the remaining financial assets are held are appropriate. If the business model is no longer appropriate, a prospective change to the classification of the asset is considered.

Financial liabilities measured at amortised cost

Non-derivative financial liabilities including interest-bearing debt and trade and other payables are recognised at amortised cost, comprising original debt less principal payments and interest.

The carrying value of non-derivative financial liabilities determined for disclosure purposes is estimated based on the present value of future principal and interest cash flows discounted at the relevant market rate of interest for a similar instrument at the reporting date.

Gains and losses on subsequent measurement of hedged instruments are accounted for as described in the hedge accounting policy note (note 1.10).

1. Accounting policies (continued)

1.6 Financial instruments (continued)

Derivative financial instruments

The Group uses derivative financial instruments to hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

Derivative financial instruments are subsequently measured at fair value, with the gain or loss on measurement being recognised immediately in profit or loss. However, where derivatives qualify for hedge accounting, recognition of any gain or loss depends on the nature of the hedge (note 1.10).

The fair value of forward exchange contracts is the present value of its forward price.

Fair value determination

The fair values of any quoted investments in the Group are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm's-length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models that make maximum use of market inputs, and rely on entity-specific inputs as little as possible.

Offset

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Group have a legally enforceable right to offset the recognised amounts, and intend either to settle them on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

1.7 Treasury shares

The Foschini Group Limited shares purchased and held by the Company, or its subsidiaries are classified as treasury shares and are presented as a deduction from equity. Dividend income on treasury shares is eliminated on consolidation. Gains or losses on disposal of treasury shares are accounted for directly in equity. Issued and weighted average numbers of shares are reduced by treasury shares in determining earnings per share (EPS) diluted EPS (DEPS) and headline EPS (HEPS).

1.8 Foreign currencies

The functional currency of each entity within the Group is determined based on the currency of the primary economic environment in which that entity operates.

Foreign currency transactions

Transactions in currencies other than the entity's functional currency are translated at the rates of exchange ruling on the transaction date.

Monetary assets and liabilities denominated in such currencies are translated at the rates of exchange ruling at the reporting date.

Non-monetary assets and liabilities denominated in such currencies are measured based on historical cost and translated using the exchange rate at the date of the transaction.

Foreign currency gains and losses arising on translation are generally recognised in profit or loss.

However, foreign currency differences arising from the translation of qualifying cash flow hedges to the extent that the hedges are effective are recognised in OCI.

Foreign operations

As at the reporting date, the assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency of the Group at the rate of exchange ruling at the reporting date. The statement of comprehensive income is translated at the exchange rates at the dates of the transactions or the average rates if they approximate the actual rates.

Foreign currency differences are recognised in OCI and accumulated in the foreign currency translation reserve in equity. When a foreign operation is disposed of in its entirety or partially such that control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, the relevant proportion of the cumulative amount is reattributed to non-controlling interest (NCI).

1. Accounting policies (continued)

1.9 Goodwill

Goodwill is measured as the difference between the aggregate of the acquisition-date fair value of the consideration transferred, the amount of any NCI and, in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held interest in the acquiree, as well as the net of the acquisition-date amounts of identifiable assets acquired and the liabilities assumed (measured in accordance with IFRS 3). If the difference between the above is negative, the resulting gain is recognised as a bargain purchase in profit or loss.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis, based on carrying amounts. An impairment loss recognised for goodwill is not reversed in a subsequent period.

1.10 Hedge accounting

The Group uses derivative financial instruments, such as forward exchange contracts designated as hedging instruments to hedge its foreign currency exposure utilising cash flow hedges. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and subsequently remeasured at fair value.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which it wishes to apply hedge accounting, the risk management objective and strategy for undertaking the hedge. The hedged item may comprise of a firm commitment or highly probable forecast transaction which results in the recognition of a non-financial asset or a liability. For each cash flow hedge which is entered into to mitigate the risk of exposure to variability in cash flows, the following are considered and documented:

- Identify the nature of the hedged risk
- Identify the hedged item
- Specify the hedging instrument
- Confirm the methodology of the hedging ratio used to determine effectiveness
- Detail the analysis of expected sources of ineffectiveness
- Detail how the effectiveness requirements will be met including:
 - Economic relationship
 - Whether credit risk dominates the economic relationship
 - Confirmation that the hedge ratio is in line with the risk management policy
- Detail the reason behind any rebalancing

The effective portion of the gain or loss on the hedging instrument is recognised in OCI in the cash flow hedge reserve, while any material ineffective portion is recognised in profit or loss.

The Group designates the change in fair value of the entire forward contract in its cash flow hedge relationships as the hedging instrument.

The amounts accumulated in OCI are accounted for, depending on the nature of the underlying hedged item. If the hedged item subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability.

The Group discontinues hedge accounting only when the hedging relationship (or a part thereof) ceases to meet the qualifying criteria (after rebalancing, if applicable). This includes instances when the hedging instrument expires or is sold, terminated or exercised. The discontinuation is accounted for prospectively. Any gain or loss recognised in OCI and accumulated in cash flow hedge reserve at that time remains in equity and is reclassified to profit or loss when the forecast transaction occurs. When a forecast transaction is no longer expected to occur, the gain or loss accumulated in the cash flow hedge reserve is reclassified immediately to profit or loss and does not affect OCI.

1. Accounting policies (continued)

1.11 Impairment of assets

Non-derivative financial assets

All impairment losses are recognised in profit or loss.

An impairment loss is reversed if the reversal can objectively be related to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost, the reversal is recognised in profit or loss.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets, and the amortised cost is presented on the face of the statement of financial position.

Measurement of ECLs

Impairment in terms of IFRS 9 is determined based on an ECL model. The ECL model applies to all financial assets measured at amortised cost. The measurement of ECLs reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the Group at reporting date.

The Group measures ECL by projecting the probability of write-off, exposure at write-off, timing of when write-off is likely to occur and LGD. The ECL is calculated by multiplying these components together. For variable rate financial instruments, the ECL is discounted using the current effective interest rate applicable to the portfolio of financial assets. For fixed rate financial instruments, the ECL is discounted using the original effective interest rate applicable to the portfolio of financial assets.

The Group has adopted the simplified approach to measure ECLs relating to 6-month credit plans as they do not contain an explicit financing component. 12-month credit plans do contain a significant financing component due to the difference between the total expected payments to be received from the account customer and the selling price of the goods or services. The Group has chosen to apply the simplified approach to measure ECLs on the 12-month plans.

The simplified approach recognises lifetime ECL regardless of stage classification. A financial asset can move in both directions through the stages of the impairment model.

Non-financial assets

The carrying values of the Group's non-financial assets, other than inventories and deferred taxation assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For goodwill and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated at each reporting date.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and to then reduce the carrying amount of the other assets in the unit (group of units) on a pro rata basis. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount, if no impairment loss had been recognised.

1.12 Intangible assets excluding goodwill

Intangible assets acquired by the Group, which have finite useful lives, are measured at cost less accumulated amortisation and accumulated impairment losses.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on brands, is recognised in profit or loss as incurred.

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

1. Accounting policies (continued)

1.12 Intangible assets excluding goodwill (continued)

Computer software which is not classified as software as a service (SaaS), is classified as an intangible asset with a finite useful life. Purchased software and the direct costs associated with the customisation and installation thereof are capitalised. Development expenditure is capitalised only if it can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Group intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognised in profit or loss. Expenditure on research activities is recognised in profit or loss as incurred.

Customer lists acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortisation and any accumulated impairment losses. Customer lists are amortised over its useful life and written off at the end of the useful lives.

Amortisation of intangible assets with finite useful lives is recognised in profit or loss on a straight-line basis over their estimated useful lives from the date they are available for use, at the following rate per annum:

• Computer software	7% – 33%
• Customer lists	3 year period

Amortisation methods, useful lives and residual values are reassessed at each reporting date.

1.13 Inventories

Inventories are measured at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

The Group uses the weighted average cost method to value inventory and includes expenditure incurred in acquiring the inventories and bringing them to their present location and condition, net of discounts and rebates received. Costs may also include transfers from equity of any gain or loss on qualifying cash flow hedges of foreign currency purchases of inventories.

The cost of manufacturing inventory comprises direct materials, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

1.14 Property, plant and equipment

Property, plant and equipment are measured at cost or deemed cost less accumulated depreciation and accumulated impairment losses. The cost of self-constructed assets include the cost of materials, direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and any significant costs of dismantling and removing the items and restoring the site on which they are located.

Cost includes expenditures that are directly attributable to the acquisition of the asset. Cost is defined as any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Items of property, plant and equipment are depreciated on a straight-line basis over the periods of their estimated useful lives, at the following rates per annum:

• Shopfittings and furniture and fixtures	8% – 33%
• Passenger vehicles	17% – 20%
• Commercial vehicles	25%
• Computer equipment	14% – 33%
• Office equipment	5% – 20%
• Buildings	3% – 10%
• Leasehold improvements	Shorter of useful life or lease period

Land is not depreciated.

Depreciation of an item of property, plant and equipment commences when the item is ready for its intended use. Depreciation methods, useful lives and residual values are reassessed at each reporting date.

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The day-to-day servicing costs of property, plant and equipment are recognised in profit or loss as incurred.

1. Accounting policies (continued)

1.14 Property, plant and equipment (continued)

Gains or losses on the disposal of property, plant and equipment are recognised in profit or loss. The gain or loss is the difference between the net disposal proceeds and the carrying amount of the asset. Impairment and impairment reversals of property, plant and equipment are recognised in profit or loss.

1.15 Leases

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

At inception or on reassessment of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings, the Group has elected to apply the practical expedient permitted by IFRS 16 and account for the lease and non-lease components as a single lease component. The practical expedients for short-term and low-value leases have been elected, with payments for these leases recognised as an expense in profit or loss on a straight-line basis over the lease term.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date over the lease term. The Group determines the lease term as the non-cancellable period of a lease, together with assessing if the lessee is reasonably certain to exercise an option to extend or terminate the lease.

The lease term will not include any renewal options where there is no certainty that the lease will be renewed until the renewal option is exercised.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability, plus any initial direct costs incurred, lease deposits made in advance of the lease commencement date and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is tested for impairment when there are indicators of impairment and periodically reduced by impairment losses, if required.

The lease liability is initially measured at the present value of the lease payments, discounted using the Group's incremental borrowing rate taking into account the duration, country, currency and inception. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that are based on an index or rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the Group exercises the option to terminate. Subsequently, the lease liability is adjusted for interest and lease payments, as well as the impact of lease modifications. Variable lease payments, which do not depend on an index or a rate, are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

The lease liabilities are subsequently measured at amortised cost using the effective interest method.

The lease liabilities are remeasured whenever:

- the lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); and
- a lease contract is modified, and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

The remeasurement results in a corresponding adjustment to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has opted for separate presentation of the right-of-use assets and lease liabilities from other assets in its consolidated statement of financial position.

1. Accounting policies (continued)

1.16 Revenue and other income

Revenue is defined as the sum of the items described in further detail below:

Retail turnover

Retail turnover represents sale of goods from ordinary group operating activities, comprising of clothing and apparel, jewellery, beauty, furniture, appliances and electronics which is measured at the invoiced value of retail sales, excluding intra-group sales and value-added tax. The Group's TFG Rewards customers are offered promotional discounts, which is recognised as a reduction in revenue on conclusion of the sale; this does not create a separate performance obligation providing a material right to a future discount. Retail turnover is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. Customers pay for goods via cash, electronic payments or on store account.

Retail turnover is recognised based on the satisfaction of performance obligations, which occurs when, control of goods transfers to a customer. The full retail turnover is recognised at the point of sale for store sales and the point of delivery for online sales when the merchandise is transferred to the customer. Lay-by retail turnover is only recognised when the control of the merchandise is transferred to the customer, which occurs when full consideration is received.

Generally, goods purchased in store or online can be returned within a reasonable number of days as specified on the till slip. Based on past experience it is estimated that goods returned that cannot be resold is insignificant, therefore the Group does not recognise an asset and a corresponding adjustment to cost of turnover for its right to recover the product from the customer where the customer exercises their right of return. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Gift cards

Customer purchases of gift cards can be used to purchase goods in store or online. The Group recognises a gift card liability in respect of the performance obligation to transfer, or to stand ready to transfer goods in the future. Revenue is therefore recognised at redemption of the gift card or at the prescription period of the respective country.

Interest income

Interest income for all financial instruments, except for those classified as held for trading or those measured or designated as fair value through profit and loss (FVTPL), are recognised as 'interest income' in the consolidated statement of comprehensive income using the effective interest rate method. Interest on financial instruments measured at FVTPL are included within the fair value movement during the year.

Value-added services

Publishing income

Publishing income is recognised on sale of publications, and monthly in respect of advertising and subscriptions in the period in which the product is provided to the customer. The performance obligation is fulfilled once the publication is sold or posted to the customer.

Mobile one2one airtime income

Mobile one2one airtime and data income is recognised in the period in which the services are provided by the Group. In the case of a 24-month contract, the income will be measured monthly on provision of the services, as the performance obligation is met periodically in advance as the services are made available to consumers. Incentive commissions are recognised on fulfilment of the sales volume threshold in respect of which the incentive commission is paid. The performance obligation is considered met on achievement of the relevant volume target.

Income earned from the insurance cell captives

Commission-based income is recognised based on concluded sales. Dividend income declared by cell captives is recognised on date of declaration thereof. The reinsurance contracts issued not in the scope of IFRS 17 are classified as financial assets and are designated for measurement at FVTPL.

Collection cost recovery and service fees

Collection cost recovery arises when collection activities are performed to collect balances relating to trade receivables – retail account customers which are in arrears and is recognised in profit or loss when the relevant activity has been performed.

Service fees are derived from the provision of debtor management services to store account customers. The Group identifies the performance obligations stipulated in the contractual agreements with store account customers. Service fees are charged on a monthly basis coinciding with the monthly rendering of the services to customers.

1. Accounting policies (continued)

1.17 Insurance contracts classification

The Group issues in substance reinsurance contracts in the normal course of business, under which it accepts significant insurance risk from its policyholders. As a general guideline, the Group determines whether it has significant insurance risk, by comparing benefits payable after an insured event with benefits payable if the insured event did not occur.

Insurance contracts accounting treatment

The Group assesses its cell captive arrangements to determine whether they contain distinct components which must be accounted for under another IFRS Accounting Standard instead of under IFRS 17. After separating any distinct components, the Group applies IFRS 17 to all remaining components of the (host) insurance contract. Currently, the Group's products do not include any distinct components that require separation. The Group has one portfolio of cell captive arrangements comprising of similar risks which are managed together. None of the contracts have been identified as being onerous.

Cash flows are within the boundary of an insurance contract if they arise from substantive rights and obligations that exist during the reporting period in which the entity can compel the policyholder to pay the premiums or in which the entity has a substantive obligation to provide the policyholder with services.

Measurement – Premium Allocation Approach

Premium Allocation Approach (PAA) Eligibility

The majority of contracts have a coverage period of less than one year and are therefore automatically eligible for the adoption of the PAA. For contracts that are greater than one year in terms of coverage, a PAA eligibility assessment had been conducted, and it has been concluded that the PAA can be used. The PAA will be applied where eligible.

Insurance acquisition cash flows for insurance contracts issued

The Group will expense insurance acquisition cash flows where coverage is less than one year. Where coverage is greater than one year, insurance acquisition cash flows are allocated to related groups of insurance contracts and amortised over the coverage period of the related group.

Liability for Remaining Coverage (LRC), adjusted for financial risk and time value of money

The Group has elected not to make an adjustment for time value of money.

Liability for Incurred Claims, (LIC) adjusted for time value of money

All claims are paid within twelve months. Claims are not adjusted for the time value of money as permitted in terms of the standard.

Insurance finance income and expense

The Group elects not to disaggregate.

1.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, and when it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

The Group has recognised provisions for employee benefits and certain tax obligations within trade and other payables on the statement of financial position. Movements in these liabilities, including any optional interest, are accounted for in the income statement.

1. Accounting policies (continued)

1.19 Non-IFRS performance measures

Non-IFRS performance measures are measures that:

- (i) are not defined by IFRS;
- (ii) are not uniformly defined or used by all entities; and
- (iii) may not be comparable with similar labelled measures and disclosures provided by other entities.

The directors are responsible for compiling the non-IFRS performance measures. The accounting policies applied in the preparation of the pro forma financial information are consistent with those applied in the preparation of the reviewed condensed consolidated results for the year ended 31 March 2026.

Impact of White Stuff acquisition

Pro forma unaudited management account information for White Stuff was used for illustrative purposes only to provide an indicative sales growth excluding the acquired White Stuff business.

White Stuff sales for the period since acquisition on 25 October 2024 was removed as if the acquisition did not occur.

This financial information, because of its nature, may not be a fair reflection of the Group's results of operations, financial position, changes in equity or cash flows.

The pro forma management account retail turnover figures used were:

	2026 Rm	2025 Rm	Growth %
Group retail turnover	62 423	58 271	7,1
Less: White Stuff retail turnover#	(4 469)	(1 887)	136,8
Group retail turnover excluding White Stuff	57 954	56 384	2,8

	2026 GBPm	2025 GBPm	Growth %
TFG London retail turnover	488	377	29,4
Less: White Stuff retail turnover#	(192)	(81)	137,0
TFG London retail turnover excluding White Stuff	296	296	–

	2026 GBPm	2025 GBPm	Growth %
White Stuff full year retail turnover#	192	184	4,3

The adjustment is sourced from unaudited management accounts. The Group is satisfied with the quality and completeness of these management accounts.

Impact of Tarocash and yd. brand impairment

The unaudited TFG Australia operating profit before finance costs (EBIT) excluding the Tarocash and yd. brand impairment is presented for illustrative purposes only and constitutes a non-IFRS measure. EBIT excluding once-off brand impairment is more reflective of the operating performance of TFG Australia.

	2026 AUDm	2025 AUDm	Growth %
TFG Australia EBIT	30	76	(60,5)
Add: Impairment of brands	29	5	480,0
TFG Australia EBIT before impairment	59	81	(27,2)

1. Accounting policies (continued)

1.19 Non-IFRS performance measures (continued)

Impact of Phase Eight brand impairment and acquisition costs

The unaudited TFG London operating profit before finance costs (EBIT) excluding the Phase Eight brand impairment and the White Stuff acquisition costs are presented for illustrative purposes only and constitutes a non-IFRS measure. EBIT excluding once-off brand impairment and acquisition costs are more reflective of the operating performance of TFG London.

	2026 GBPm	2025 GBPm	Growth %
TFG London EBIT	(21)	23	(191,3)
Add: Impairment of brands	30	–	100,0
Add: Acquisition costs	–	3	(100,0)
TFG London EBIT before impairment and acquisition costs	9	26	(65,4)

2. Property, plant and equipment

(Rm)	2026			2025		
	Cost / Deemed cost	Accumulated depreciation	Carrying value at the end of the year	Cost / Deemed cost	Accumulated depreciation	Carrying value at the end of the year
Land and buildings	908	(197)	711	875	(178)	697
Shopfittings and furniture and fixtures	13 108	(8 223)	4 885	12 284	(7 665)	4 619
Motor vehicles	205	(80)	125	200	(64)	136
Office equipment	765	(384)	381	654	(293)	361
Computer equipment	2 458	(1 738)	720	2 310	(1 602)	708
Leasehold improvements	18	(16)	2	25	(22)	3
Total	17 462	(10 638)	6 824	16 348	(9 824)	6 524

Reconciliation of property, plant and equipment – 2026

(Rm)	Opening balance	Additions	Disposals	Impairment	Foreign exchange movements	Depreciation	Total
Land and buildings	697	20	–	–	12	(18)	711
Shopfittings and furniture and fixtures	4 619	1 396	(65)	(31)	(26)	(1 008)	4 885
Motor vehicles	136	20	(11)	–	–	(20)	125
Office equipment	361	114	(1)	–	–	(93)	381
Computer equipment	708	289	(4)	–	(3)	(270)	720
Leasehold improvements	3	–	(1)	–	–	–	2
Total	6 524	1 839	(82)	(31)	(17)	(1 409)	6 824

Reconciliation of property, plant and equipment – 2025

(Rm)	Opening balance	Additions	Additions through business combinations	Disposals	Impairment	Foreign exchange movements	Depreciation	Total
Land and buildings	741	6	–	–	–	(32)	(18)	697
Shopfittings and furniture and fixtures	4 105	1 199	217	(37)	14	(26)	(853)	4 619
Motor vehicles	112	57	–	(12)	–	–	(21)	136
Office equipment	307	135	11	(1)	(8)	–	(83)	361
Computer equipment	655	251	33	(9)	1	–	(223)	708
Leasehold improvements	3	2	–	–	–	–	(2)	3
Total	5 923	1 650	261	(59)	7	(58)	(1 200)	6 524

Assets under construction with a carrying value of R297 million (2025: R556 million) is included within Shopfittings and furniture and fixtures.

None of the Group's assets is in any way encumbered. Property, plant and equipment and right-of-use assets are assessed at an individual store level for indicators of impairment. Stores with indicators of impairment are often marginally profitable and loss-making stores that the Group potentially seeks to close by no later than the next lease renewal date. These stores usually contribute negatively to the future projected cash flows or are not aligned with the Group's expansion strategy. The Group continually assesses the current store base and does not anticipate that these stores will return to profitability in the future until their respective closures. Refer to segmental reporting for the allocation of impairment per segment. Registers of the land and buildings are available for inspection at the registered office of the Company at Parow East.

3. Goodwill and intangible assets

(Rm)	2026			2025		
	Cost / Deemed cost	Accumulated amortisation / impairment	Carrying value at the end of the year	Cost / Deemed cost	Accumulated amortisation / impairment	Carrying value at the end of the year
Brands	6 161	(2 397)	3 764	6 234	(1 448)	4 786
Goodwill	7 458	(1 824)	5 634	7 591	(1 909)	5 682
Computer software	1 058	(561)	497	948	(476)	472
Total	14 677	(4 782)	9 895	14 773	(3 833)	10 940

Reconciliation of goodwill and intangible assets – 2026

(Rm)	Opening balance	Additions	Disposals	Amortisation	Impairment	Foreign exchange movements	Total
Brands	4 786	–	(2)	–	(1 019)	(1)	3 764
Goodwill	5 682	–	–	–	–	(48)	5 634
Computer software	472	158	(1)	(132)	–	–	497
Total	10 940	158	(3)	(132)	(1 019)	(49)	9 895

Reconciliation of goodwill and intangible assets – 2025

(Rm)	Opening balance	Additions	Additions through business combinations	Amortisation	Impairment	Foreign exchange movements	Total
Brands	4 459	5	518	–	(63)	(133)	4 786
Goodwill	5 348	–	434	–	–	(100)	5 682
Computer software	452	148	–	(128)	–	–	472
Total	10 259	153	952	(128)	(63)	(233)	10 940

Internally generated software with a carrying amount of R388 million (2025: R315 million) is included within computer software.

Assets under construction with a carrying value of R100 million (2025: R97 million) is included within computer software.

Assessment of indefinite brands:

All brands are assessed with the below criteria when considering if the brand has an indefinite useful life:

- The brands can be managed effectively by another management team and are therefore not linked to the tenure of current management.
- Management does not intend to change the current brands identity or discontinue a product line.
- The brands are all well established within the areas of trading.
- The Group's ongoing investment ensures that the above brands remain up to date and fashionable.

3. Goodwill and intangible assets (continued)

Brands with an indefinite useful life

	2026 Rm	2025 Rm
TFG Africa	1 362	1 364
Bash	13	13
Coricraft	133	133
Dial-a-Bed	175	175
Fabiani	49	49
Granny Goose	12	12
G-Star RAW	11	11
Jet	744	744
Mojo Beds (previously The Bed Store)	29	29
Volpes	194	194
JD Sports	2	4
TFG London	767	1 503
Hobbs	218	228
Phase Eight	–	701
Whistles	37	39
White Stuff	512	535
TFG Australia	1 635	1 919
Connor	974	946
Johnny Bigg	65	63
Tarocash	277	445
yd.	319	465
	3 764	4 786

The brand intangible assets represent registered rights to the exclusive use of the brand names. The useful lives of the brands are considered to be indefinite. These useful lives are assessed annually or whenever there is an indication of impairment.

Impairment testing of indefinite life intangible assets

	2026 Rm	2025 Rm
Brand impairments		
TFG Africa		
Instinct	–	2
TFG Australia		
Tarocash	176	61
yd.	156	–
TFG London		
Phase Eight	687	–
	1 019	63

3. Goodwill and intangible assets (continued)

Impairment testing of indefinite life intangible assets (continued)

Trading conditions in London and Australia have proven to be more challenging than expected with macroeconomic conditions showing little improvement.

Within the UK portfolio, Phase Eight's performance has been heavily impacted over several years by the decline in department stores, which accounted for 70% of sales when acquired in 2014. The brand continues to focus on growing both its own and selected third party sales channels, while expanding its customer base.

However, the repositioning will impact profitability in the medium term and required a non-cash impairment of the Phase Eight brand's carrying value in the current year.

In TFG Australia, the Tarocash and yd. brands remain profitable, but current weak trading conditions as well as the transfer of Tarocash's traditional "big and tall" business to the Group's Johnny Bigg brand, has resulted in a non-cash impairment of both the Tarocash and yd. brands' carrying values.

The Group assessed the recoverable amount of its Tarocash and yd. brands in TFG Australia and the Phase Eight brand in TFG London to be impaired. The recoverable amounts of all other goodwill and brands exceeded their carrying values.

Impairment testing of goodwill

Goodwill acquired through business combinations has been allocated to the individual cash-generating units as follows:

	2026 Rm	2025 Rm
TFG Africa	2 230	2 230
TFG London	1 509	1 578
TFG London – White Stuff	428	448
TFG Australia	1 467	1 426
	5 634	5 682

Indefinite life intangible assets are tested annually for impairment or whenever there is an indication of impairment as part of the goodwill testing below.

Key assumptions used in recoverable amount calculation

The assumptions below have been applied to calculate the recoverable amount of the TFG Africa, TFG London and TFG Australia significant cash-generating units based on a value in use:

TFG Africa

Key assumptions used in the royalty relief method for the Jet indefinite intangible asset

The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates. Forecast sales growth rates are based on past experience from each revenue channel and adjusted for the impact of committed store openings and closures, changes in contribution between store vs e-commerce and new strategic initiatives undertaken by TFG Africa. Operating profits are forecasted based on historical experience of operating margins where possible, adjusted for the impact of changes to product costs, changes in the African market and cost saving initiatives.

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The average retail turnover growth rate for the Jet intangible asset for period 1-5 years is 4,3% – 4,6% (2025: 4,3% – 12,6%).

Pre-tax discount rate: Pre-tax discount rate of 16,1% (2025: 18,2%) represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC).

Long-term growth rate: The rate is based on the longer-term inflation expectations being 4,3% (2025: 4,3%).

Royalty rate: A royalty rate of 2,0% (2025: 2,0%) was used in calculating the recoverable amount of the Jet brand using the royalty relief method.

No impairment loss was recognised as the recoverable amount exceeded the carrying amount.

Based on the sensitivity of an increase of 1,0% to the WACC rate or 0,5% decrease in the royalty rate would not result in an impairment.

3. Goodwill and intangible assets (continued)

TFG Africa (continued)

Key assumptions used in the royalty relief method for the Tapestry indefinite intangible asset and value-in-use model

The Tapestry indefinite intangible assets consist of the Coricraft, Dial-a-Bed, Mojo Beds and Volpes brand. The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates. Forecast sales growth rates are based on past experience from each revenue channel and adjusted for the impact of committed store openings and closures, changes in contribution between store vs e-commerce and new strategic initiatives undertaken by TFG Africa. Operating profits are forecasted based on historical experience of operating margins where possible, adjusted for the impact of changes to product costs, changes in Africa market and cost saving initiatives.

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The average retail turnover growth rate for Tapestry CGU for period 1-5 is 1,9% – 18,6% (2025: 5,1% – 14,2%).

Pre-tax discount rate: Pre-tax discount rate of 13,7% (2025: 15,8%) represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The brand pre-tax discount rate of 16,1% (2025: 18,2%) was used.

Long-term growth rate: The rate is based on the longer-term inflation expectations being 4,3% (2025: 4,3%).

Royalty rate: A royalty rate of 2,5% – 5,0% (2025: 2,5% – 5,0%) was used in calculating the recoverable amount of the Tapestry brands using the royalty relief method.

No impairment loss was recognised as the recoverable amount exceeded the carrying amount.

Based on the sensitivity of an increase of 1,0% to the WACC rate or 0,5% decrease in the royalty rate would not result in an impairment. The remaining value of goodwill and indefinite intangibles allocated to the TFG Africa CGU is insignificant.

TFG London

Key assumptions used in the value-in-use model

The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates, expected changes to gross margin and EBITDA margins. Forecast sales growth rates are based on past experience from each revenue channel and adjusted for the impact of committed store openings and closures, changes in contribution between store vs e-commerce and new strategic initiatives undertaken by TFG London. Detailed forecasts with various scenarios were prepared and stress tested throughout the year. Operating profits are forecasted based on historical experience of operating margins where possible, adjusted for the impact of changes to product costs, changes in UK's market and cost saving initiatives.

TFG London CGU

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The average retail turnover growth rate for TFG London CGU for years 1-5 is 2,0% – 4,0% (2025: 1,1% – 1,5%).

Gross margins: Gross margins are based on the approved forecast gross margin for the forecast period. The gross margin for the total TFG London CGU is 73,0% (2025: 71,6% – 72,0%).

Pre-tax discount rate: Pre-tax discount rate of 11,7% (2025: 12,6%) represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates.

The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The brand pre-tax discount rate of 14,5% (2025: 14,1%) was used.

Long-term growth rate: The rate is based on the longer-term inflation being 2,0% (2025: 2,0%).

Royalty rate: A royalty rate of 0% – 1,5% (2025: 3,5%) was used in calculating the recoverable amount of the TFG London's brands using the royalty relief method. Due to the current trading environment in which TFG London operates in as well as the macroeconomic environment, the Group assessed a lower royalty rate considering the future EBIT margins and appropriate royalty rate per brand.

Within the UK portfolio, Phase Eight's performance has been heavily impacted over several years by the decline in department stores, which accounted for 70% of sales when acquired in 2014. The brand continues to focus on growing both its own and selected third party sales channels, while expanding its customer base.

However, the repositioning will impact profitability in the medium term and required a non-cash impairment of the Phase Eight brand's carrying value in the current year. The Group assessed the recoverable amount of its Phase Eight brand in the UK to be impaired by R687 million. The recoverable amount of all other goodwill and brands exceeded its carrying value.

3. Goodwill and intangible assets (continued)

TFG London (continued)

Based on the sensitivity of an increase of 1,0% to the WACC rate or 0,5% decrease in the royalty rate would not result in an impairment.

TFG London White Stuff CGU

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The average retail turnover growth rate for White Stuff CGU for years 1-5 is 0,3% – 2,0%.

Gross margins: Gross margins are based on the approved forecast gross margin for the forecast period. The gross margin for the total White Stuff CGU is 64,2% – 68,1%.

Pre-tax discount rate: Pre-tax discount rate of 14,9% represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The brand pre-tax discount rate of 16,0% was used.

Long-term growth rate: The rate is based on the longer-term inflation being 2,0%.

Royalty rate: A royalty rate of 2,1% was used in calculating the recoverable amount of the White Stuff brand using the royalty relief method.

No impairment loss was recognised as the recoverable amount exceeded the carrying amount.

Based on the sensitivity of an increase of 1,0% to the WACC rate or 0,5% decrease in the royalty rate would not result in an impairment.

TFG Australia

Key assumptions used in the value-in-use model

The key assumptions used by management in setting the financial budgets for the initial five-year period include forecasted sales growth rates, expected changes to gross margin and EBITDA margins. Forecast sales growth rates are based on past experience from each revenue channel and adjusted for the impact of committed store openings and closures, changes in contribution between store vs e-commerce and new strategic initiatives undertaken by TFG Australia. Detailed forecasts with various scenarios were prepared and stress tested throughout the year. Operating profits are forecasted based on historical experience of operating margins where possible, adjusted for the impact of changes to product costs, changes in Australia market and cost saving initiatives.

Retail turnover growth rates: Retail turnover growth rates are based on the approved forecast sales forecast period of five years. The retail turnover growth rate for TFG Australia CGU for years 1-5 is 1,0% – 2,5% (2025: 2,4% – 4,0%).

Gross margins: Gross margins are based on the approved forecast gross margin for the forecast period of 70,3% (2025: 70,6%).

Pre-tax discount rate: Pre-tax discount rate of 14,5% (2025: 15,5%) represents the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The brand pre-tax discount rate of 15,2% (2025: 14,5% – 15,3%) was used.

Long-term growth rate: The rate is based on the longer-term inflation being 2,5% (2025: 2,5%).

Royalty rate: A royalty rate of 1,0% – 4,5% (2025: 2,3% – 5,0%) was used in calculating the recoverable amount of the TFG Australia's brands using the royalty relief method.

The Group assessed the recoverable amount of its Tarocash and yd. brands in Australia to be impaired by R176 million (2025: R61 million) and R156 million respectively. The recoverable amount of all other goodwill and brands exceeded its carrying value.

Based on the sensitivity of an increase of 1,0% to the WACC rate or 0,5% decrease in the royalty rate, this would result in an additional impairment in the Tarocash and yd. brands. An 1% increase in WACC would result in an additional R26 million and R30 million impairment in the Tarocash and yd. brands respectively. A 0,5% decrease in the royalty rate would result in an additional R49 million and R56 million impairment in the Tarocash and yd. brands respectively. The recoverable amount of the goodwill and other brands exceeded its carrying value.

4. Right-of-use assets

The Group leases land and buildings for its office space, warehousing and retail stores. The leases of office space, warehouses and retail stores typically run for a period of 3 to 5 years (2025: 3 to 5 years). Some leases include an option to renew the lease for an additional period after the end of the contract term. Refer to note 21 for lease liabilities disclosure.

(Rm)	2026 Carrying value at the end of the year	2025 Carrying value at the end of the year
Property leases	12 136	11 747
Total	12 136	11 747

Reconciliation of right-of-use assets – 2026

(Rm)	Opening Balance	Additions and modifications	Disposals	Impairment	Depreciation	Foreign exchange movements	Total
Property leases	11 747	5 463	(158)	(43)	(4 869)	(4)	12 136

Reconciliation of right-of-use assets – 2025

(Rm)	Opening Balance	Additions and modifications	Additions through business combinations	Disposals	Impairment	Depreciation	Foreign exchange movements	Total
Property leases	10 811	5 571	399	(178)	(52)	(4 662)	(142)	11 747

Right-of-use assets are assessed at an individual store level for indicators of impairment. Stores with indicators of impairment are often marginally profitable and loss-making stores that the Group potentially seek to close by no later than the next lease renewal date. These stores usually contribute negatively to the future projected cash flows or are not aligned with the Group's expansion strategy. The Group continually assesses the current store base and do not anticipate that these stores will return to profitability in the future until their respective closures. Refer to segmental reporting for the allocation of impairment per segment.

5. Investments

	2026 Rm	2025 Rm
Hollard investment	93	116
Beauty-related investment	59	29
TFG Foundation	249	223
	401	368

The fair value gain of R22 million (2025: R13 million) and dividends received of R33 million (2025: R52 million) were recognised in other income in the current year. Refer to note 35.8 for the details of the fair value hierarchy.

6. Insurance contract assets

The value of the Group's insurance contracts issued that are in an asset position are as follows:

	2026 Rm	2025 Rm
Insurance contracts issued	440	301

Roll-forward of net asset or liability for insurance contracts issued showing the liability for remaining coverage and the liability for incurred claims.

TFG disaggregates information on insurance contracts based on how they are managed by the Group.

Insurance contracts issued

(Rm)	2026		Total
	Liability for remaining coverage	Liability for incurred claims	
	Estimates of the present value of future cash flows		
Net insurance contracts opening balance	349	(48)	301
Insurance revenue	392	–	392
Incurred claims and other expenses	–	(167)	(167)
Insurance service result	392	(167)	225
Cash flows			
Premiums received	(380)	–	(380)
Claims and other expenses paid	–	148	148
Cash flows retained in cell captive	231	–	231
Dividends paid	(85)	–	(85)
Total cash flows	(234)	148	(86)
Net insurance contracts closing balance	507	(67)	440

(Rm)	2025		Total
	Liability for remaining coverage	Liability for incurred claims	
	Estimates of the present value of future cash flows		
Net insurance contracts opening balance	278	(25)	253
Insurance revenue	284	–	284
Incurred claims and other expenses	–	(122)	(122)
Insurance service result	284	(122)	162
Cash flows			
Premiums received	(282)	–	(282)
Claims and other expenses paid	–	99	99
Cash flows retained in cell captive	183	–	183
Dividends paid	(114)	–	(114)
Total cash flows	(213)	99	(114)
Net insurance contracts closing balance	349	(48)	301

7. Deferred taxation

	2026 Rm	Restated* 2025 Rm
As at 1 April	330	343
Additions through business combinations	–	(4)
Amounts recognised directly in other comprehensive income (loss)		
Foreign currency translation reserve	19	(15)
Financial instrument reserves	32	(15)
Post-retirement defined benefit plan reserve	1	–
Current year movement in temporary differences recognised in profit or loss		
Lease liabilities*	13	2
Right-of-use assets*	45	(10)
Working capital allowances	(119)	167
Capital allowances	(51)	(154)
Restraint of trade	2	4
Assessed losses recognised (utilised)	86	(6)
Intangible assets	271	18
As at 31 March	629	330
Arising as a result of:		
Financial instrument reserves	27	(5)
Lease liabilities*	3 345	3 332
Right-of-use assets*	(2 930)	(2 975)
Working capital allowances	1 045	1 152
Capital allowances	(116)	(72)
Restraint of trade	(24)	(26)
Assessed losses recognised	320	234
Post-retirement defined benefit plan reserve	(14)	(15)
Intangible assets	(1 024)	(1 295)
Net deferred taxation	629	330
Deferred taxation assets	1 470	1 468
Deferred taxation liabilities	(841)	(1 138)
Net deferred taxation assets	629	330

* For the year ended 31 March 2026 the Group restated the comparative deferred tax note for the year ended 31 March 2025. Deferred tax relating to lease liabilities and right-of-use assets was misallocated between the balances under the subheadings "Current year movement in temporary differences recognised in profit or loss" and "Arising as a result of". The comparative disclosure for 31 March 2025 has been restated to reflect the following re-allocations:

– R12 million: increase to lease liabilities and decrease to right-of-use assets under "Current year movement in temporary differences recognised in profit or loss".

– R6 307 million: increase to lease liabilities and decrease to right-of-use assets under "Arising as a result of";

The correction is a restatement of the comparative note only and has no effect on profit or loss, total comprehensive income, statement of financial position and statement of cash flows, previously reported.

Deferred taxation is measured at the tax rates expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred taxation is recognised in respect of temporary differences between the tax base of an asset or liability and its carrying amount. Deferred taxation is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss, and differences relating to investments in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future.

Deferred taxation assets are recognised for all deductible temporary differences and assessed losses to the extent that it is probable that taxable profit will be available against which such deductible temporary differences and assessed losses can be utilised. Sufficient future taxable income is anticipated to utilise the deferred taxation assets.

7. Deferred taxation (continued)

Companies with assessed losses:

2026

Company (Rm)	Assessed loss available	Assessed loss recognised	Reason for not recognising the loss
<i>South African companies</i>			
Prestige Clothing Proprietary Limited	97	97	
Quench Delivery Proprietary Limited	10	10	
Cotton Traders Proprietary Limited	8	–	The company has not made a profit since its inception.
<i>Non-South African companies</i>			
Phase Eight (Fashion & Design) Ltd	76	76	
Whistles (UK) Ltd	29	29	
Dress Holdco A	22	22	
TFG Homeware	4	4	
White Stuff Ltd	82	82	
Total	328	320	

2025

Company (Rm)	Assessed loss available	Assessed loss recognised	Reason for not recognising the loss
<i>South African companies</i>			
Prestige Clothing Proprietary Limited	94	94	
Quench Delivery Proprietary Limited	19	19	
Cotton Traders Proprietary Limited	9	–	The company has not made a profit since its inception.
<i>Non-South African companies</i>			
Phase Eight (Germany) Ltd	1	1	
Phase Eight (Fashion & Design) Ltd	77	77	
Whistles (UK) Ltd	19	19	
Dress Holdco A	21	21	
Hobbs (Hong Kong) Limited	1	1	
Phase Eight Mexico, S.A. de C.V.	1	1	
Phase Eight (Netherlands) B.V.	1	1	
Total	243	234	

8. Inventory

	2026 Rm	2025 Rm
Merchandise	13 741	13 612
Raw materials	784	666
Consumables	4	15
Inventory	14 529	14 293
Inventory provision as a % of gross inventory	8,5%	8,6%
Inventory losses	486	467
Inventory losses as a % of gross inventory	3,1%	3,0%

Cost of turnover for merchandise sold

	2026 Rm	2025 Rm
Cost of goods sold	(30 841)	(28 150)
Costs of purchases, conversion and other costs	(1 525)	(1 355)
Cost of turnover	(32 366)	(29 505)

Cost of turnover is calculated as the cost of goods sold, including all costs of purchases, costs of conversion and other costs incurred in bringing inventories to their present location and condition. Costs of purchases include royalties paid, import duties and other taxes, and transport costs. Costs of conversion are immaterial. Inventory write-downs are recognised in cost of turnover.

9. Trade receivables – retail

	2026 Rm	2025 Rm
6-month credit plans	987	903
12-month credit plans	8 437	8 033
	9 424	8 936

The effective rate of interest earned on the above receivables during the year under review is 19,5% (2025: 20,7%). The Group's management of and exposure to credit and market risk is disclosed in note 35.1 and 35.3. The figures disclosed above are net of ECL provisions.

10. Other receivables and prepayments

	2026 Rm	2025 Rm
Financial assets		
Insurance cell captive receivables	15	28
Financial instrument asset	16	61
Miscellaneous debtors ¹	844	719
	875	808
Non-financial assets		
Prepaid expenses	570	629
	570	629
	1 445	1 437

¹ Miscellaneous debtors consist of sundry debtors (rebates and recoveries).

The Group's management of and exposure to credit and market risk is disclosed in note 35.1 and 35.3.

11. Concession receivables

Concession receivables relate to balances due from stores located in the United Kingdom and internationally, where concessions are in place. The concessions arise due to TFG London and TFG Australia selling their branded merchandise in various department stores in certain international jurisdictions. Management continually monitors the concession receivables to assess the potential negative impact of the global economy and to implement mitigating action where possible. The provision relating to concessions has taken into account the uncertain environment and forward-looking component available at 31 March 2026. The Group uses forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. As these assumptions pertain to uncertain future events, significant judgements are present. Estimates and judgements are required to assess the impact of the probability write-off and the timing of the anticipated credit losses.

	2026 Rm	2025 Rm
Gross concession receivables	466	446
Allowance for impairment	(29)	(27)
Net concession receivables	437	419

The Group's management of and exposure to credit and market risk is disclosed in note 35.1 and 35.3.

12. Cash and cash equivalents

	2026 Rm	2025 Rm
Cash and cash equivalents	3 117	3 228

Cash and cash equivalents are comprised of cash on hand and amounts held on deposit at financial institutions. Cash and cash equivalents are measured at amortised cost based on the relevant exchange rates at reporting date.

The Group presents cash flows arising from its general banking facilities on a net basis within financing activities in the statement of cash flows. These short-term facilities are utilised to finance the Group's working capital, and the cash movements on these accounts consist of large cash receipts and payments that take place weekly.

The Group does not hold any restricted cash balances at year end.

The Group's exposure to interest rate risk disclosed in note 35.5 and a sensitivity analysis for financial assets and liabilities are disclosed in note 35.2.

13. Share capital

	2026 Rm	2025 Rm
Authorised		
200 000 (2025: 200 000) 6,5% cumulative preference shares of R2 each	—*	—*
600 000 000 (2025: 600 000 000) ordinary shares of 1,25 cents each	8	8
	8	8
Issued		
Ordinary share capital		
Ordinary shares of 1,25 cents each		
Total in issue	4	4
Shares held by subsidiary	—*	—*
Shares held in terms of the share incentive schemes	—*	—*
Total in issue at the end of the year – Group	4	4
Preference share capital		
200 000 (2025: 200 000) 6,5% cumulative preference shares of R2 each	—*	—*
Total net issued share capital – Group	4	4

* Zero as a result of rounding.

	Number of shares	
	2026	2025
Reconciliation of number of shares issued:		
Gross number of ordinary shares in issue	331 027 300	331 027 300
Shares held by subsidiary (refer to note 14)	(10 756 190)	(1 080 599)
Shares held in terms of share incentive schemes (refer to note 14)	(4 972 040)	(6 127 079)
Net number of ordinary shares in issue at end of the year – Group	315 299 070	323 819 622

Ordinary shares

Ordinary share capital is classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share instruments are recognised as a deduction from equity, net of any tax effects.

Preference share capital

Preference share capital is classified as equity. Dividends thereon are recognised as distributions within equity.

Dividend and voting rights

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. Holders of the cumulative preference shares receive a cumulative dividend of 6,5 cents per share at interim (September) and year end (March) of each year.

Holders of ordinary shares received the following dividends during the year:

Interim: 130,0 cents per share paid on 5 January 2026.

Final: 140,0 cents per share payable on 20 July 2026.

Unissued ordinary shares

In terms of the provisions of the Companies Act of South Africa and limited to the issuing of shares in terms of the Company's obligations under the staff share incentive schemes, the unissued ordinary shares are under the control of the directors only until the forthcoming AGM.

13. Share capital (continued)

Directors' interest

At 31 March 2026, the directors had the following interest in the company's issued shares:

	Shares 000	Share appreciation rights accepted 000	Year of delivery	2026 Total 000	2025 Total 000
Non-executive					
M Lewis (indirect beneficial)	1 455	–		1 455	1 455
D Friedland (indirect beneficial)	22	–		22	20
A D Murray (direct beneficial) ¹	–	–		–	500
A D Murray (indirect beneficial) ¹	–	–		–	100
E Oblovitz (direct beneficial)	3	–		3	3
R Stein (direct beneficial)	184	–		184	184
R Stein (indirect beneficial)	80	–		80	80
Total non-executive	1 744	–		1 744	2 342
Executive					
A E Thunström (direct beneficial)	482	–		482	409
A E Thunström (restricted forfeitable shares)	359	–	2027 – 2029	359	397
A E Thunström (deferred shares)	34	–	N/A	34	34
A E Thunström (share appreciation rights)	–	1 600	2029	1 600	1 600
	875	1 600		2 475	2 440
R R Buddle (restricted forfeitable shares)	58	–	2029	58	–
R R Buddle (share appreciation rights)	–	825	2029	825	825
	58	825		883	825
Executive					
Total executive shares	933	2 425		3 358	3 265
Non-executive and executive					
Total shares	2 677	2 425		5 102	5 607

¹ A D Murray retired as from the Board on 4 September 2025.

Changes to directors' interests after year end

As disclosed in the SENS announcement dated 11 June 2026, the following dealings in securities were entered into after year end:

	Date	Shares 000	VWAP ² R	2026* R'000
Non-executive				
M Lewis (indirect beneficial)	5 June 2026	900	57,43	51 690
M Lewis (indirect beneficial)	8 June 2026	400	59,91	23 964
M Lewis (indirect beneficial)	10 June 2026	100	57,91	5 791
D Friedland (indirect beneficial)	5 June 2026	10	55,01	550
D Friedland (indirect beneficial)	8 June 2026	6	57,09	343

² Indicative value based on the 30-day Volume Weighted Average Price (VWAP) on the transaction date.

* Rounding applied.

14. Treasury shares

	Number of shares	
	2026	2025
Foschini Stores Proprietary Limited	1 080 599	1 080 599
The Foschini Share Incentive Trust	1 134 647	1 134 647
Employees of TFG in terms of share incentive schemes	4 992 432	3 884 624
Balance as at 1 April	7 207 678	6 099 870
Shares purchased during the year	9 675 591	2 400 000
Shares delivered during the year	(1 155 039)	(1 292 192)
Foschini Stores Proprietary Limited	10 756 190	1 080 599
The Foschini Share Incentive Trust	1 134 647	1 134 647
Employees of TFG in terms of share incentive schemes	3 837 393	4 992 432
Balance as at 31 March	15 728 230	7 207 678

Share buyback

During the year, a subsidiary company of the Group bought back a total of 10 million shares at a weighted average share price per share of R105,89 for a gross consideration of R1 021 million.

The current cost of treasury shares amounts to R1 740 million (2025: R865 million).

	2026 Rm	2025 Rm
Balance at 1 April	865	700
Shares purchased during the year	1 021	325
Shares delivered during the year	(146)	(160)
Balance at 31 March	1 740	865

15. Dividend reserve

An amount equal to dividends declared subsequent to the reporting date is transferred to the dividend reserve.

A final dividend of 140,0 cents (2025: 230,0) cents per ordinary share was declared on 4 June 2026 and is payable on 20 July 2026.

	2026 Rm	2025 Rm
Balance at 1 April	761	662
Transfer from dividend reserve to distributable earnings	(761)	(662)
Transfer to dividend reserve from distributable earnings	463	761
Balance at 31 March	463	761

16. Hedging (deficit) surplus

The hedging (deficit) surplus comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

	2026 Rm	2025 Rm
Balance at 1 April	12	(26)
Effective portion of changes in fair value of cash flow hedges	(106)	53
Deferred tax on movement in effective portion of cash flow hedges	32	(15)
Balance at 31 March	(62)	12
Comprised as follows:		
Forward exchange contracts – fair value	(89)	17
Deferred tax on forward exchange contracts	27	(5)
Balance at 31 March	(62)	12

The opening balance of R12 million was realised during the year and recycled to inventory then ultimately to profit or loss when sold. Refer to note 35.4 for the reconciliation of the cash flow hedge reserve. The forward exchange contracts are used to hedge the estimated foreign currency exposure to forecast purchases over the next six months.

17. Foreign currency translation reserve

The foreign currency translation reserve comprises gains and losses arising on translation of the assets, liabilities, income and expenses of foreign operations.

	2026 Rm	2025 Rm
Balance at 1 April	1 354	1 755
Foreign currency translation differences	42	(401)
Balance at 31 March	1 396	1 354

18. Post-retirement defined benefit plan

Defined benefit plan

At 31 March 2026, the Group had an obligation to provide post-retirement health care to 583 (2025: 614) members. Employees who joined the company prior to 1 January 1999 and have met certain requirements are eligible for a post employment subsidy on their contributions. These members belong to the TFG Medical Aid Scheme, registered in terms of the Medical Schemes Act, No. 131 of 1998, as amended. An actuarial valuation was performed as at 31 March 2026. An actuarial valuation is performed every two years.

	2026 Rm	2025 Rm
Movements for the year		
Balance at 1 April	216	202
Settlements	(16)	(16)
Service cost	1	2
Interest cost	30	28
Actuarial loss	5	–
Balance at 31 March	236	216
Net expense recognised in profit or loss		
Settlements	(16)	(16)
Service cost	1	2
Interest cost	30	28
	15	14
Post-retirement defined benefit plan reserve		
Balance at 1 April	40	40
Actuarial loss ¹	(5)	–
Actuarial loss remeasurements due to:		
Financial assumptions	(13)	–
Experience adjustments	8	–
Deferred tax on actuarial loss	1	–
	36	40
Key assumptions used		
Gross discount rates used	10%	15%
Implied allowances for medical scheme contribution inflation	6%	10%

¹ An actuarial valuation is performed every two years.

Other assumptions

Mortality assumptions:

- Pre-retirement Male "SA85–90 (Light)"
- Pre-retirement Female "SA85-90 (Light)"
- Post-retirement Male "PA(90) ultimate rated down 2 years + 1,0% p.a. from 2006"
- Post-retirement Female "PA(90) ultimate rated down 2 years + 1,0% p.a. from 2006"

"SA85-90 (Light)" and "PA90" are standard actuary mortality tables used as the basis for the assumptions regarding the life expectancy of employees and pensioners in the valuation.

Withdrawal and retirement assumptions:

- Employees are assumed to retire at their normal retirement age of 65 (2025: 65), dependent on the employee.
- Withdrawal assumptions: 0% (2025: 0% – 2,0%) depending on age of employee.

18. Post-retirement defined benefit plan (continued)

Other assumptions (continued)

Withdrawal and retirement assumptions (continued)

The Group is exposed to the following risks through its post-retirement defined benefit plan:

- Inflation;
- Longevity;
- Open-ended, long-term liability;
- Future changes in legislation;
- Future changes in the tax environment;
- Perceived inequality by non-eligible employees;
- Administration; and
- Enforcement of eligibility criteria and rules.

The duration of the post-retirement liability is expected to be 11 years (2025: 10 years).

Expected contributions for 2027 is R15 million (2026: R14 million).

It was also assumed that no significant changes would occur in the structure of the medical arrangements or in the subsidy scales for members (except for the adjustments above).

Sensitivity analysis

31 March 2026:

	Movement in defined benefit obligation	
	Increase in assumption Rm	Decrease in assumption Rm
Health cost inflation (1% movement)	25	(21)
Expected retirement age (1 year movement)	(3)	3
Discount rate (1% movement)	(25)	21

31 March 2025:

	Movement in defined benefit obligation ¹	
	Increase in assumption Rm	Decrease in assumption Rm
Health cost inflation (1% movement)	21	(17)
Expected retirement age (1 year movement)	(2)	3
Discount rate (1% movement)	(17)	21

¹ The disclosure has been enhanced to present the sensitivity analysis only, rather than the underlying balance.

19. Interest-bearing debt

	2026 Rm	2025 Rm
Non-current liabilities		
At amortised cost (unsecured fluctuating loans in terms of long-term bank facilities)	7 605	7 662
Current liabilities		
At amortised cost	3 474	2 372
	11 079	10 034

Interest-bearing debt profile and interest rate margins

	Interest rate margin		Carrying amount	
	2026 %	2025 %	2026 Rm	2025 Rm
Interest-bearing debt payable within one year (JIBAR)	0,9 – 1,2	0,8 – 1,1	3 304	2 372
Interest-bearing debt payable within one year (ZARONIA)	1,2 – 1,6	–	170	–
Interest-bearing debt payable within one and two years (JIBAR)	–	1,2 – 1,3	–	3 054
Interest-bearing debt payable within one and two years (ZARONIA)	1,4	–	1 655	–
Interest-bearing debt payable within two and five years (JIBAR)	–	1,5	–	2 770
Interest-bearing debt payable within two and five years (ZARONIA)	1,6 – 1,7	–	4 190	–
Interest-bearing debt payable within one and two years (SONIA)	2,8	2,8	1 760	1 838
			11 079	10 034

The effective rate (excluding TFG London and TFG Australia) for 2026 was 8,1% Nominal Annual Compounded Monthly (NACM) (2025: 8,8% NACM).

	2026 Rm	2025 Rm
Borrowings raised	9 212	1 394
Borrowings repaid	(8 096)	(53)
Net cash inflow	1 116	1 341

The debt refinancing undertaken during the year was structured in ZARONIA-linked instruments to proactively address the upcoming discontinuation of 3-month JIBAR. By refinancing directly into ZARONIA, the Group avoided the need for a future benchmark transition, associated contractual amendments, and potential basis risk that would have arisen once 3-month JIBAR is no longer recognised in line with the applicable regulatory transition timelines. This approach ensured continued benchmark certainty, alignment with the South African risk-free rate reform framework, and reduced operational and financial risk ahead of the relevant cessation and fallback dates.

The company's borrowing powers in terms of its memorandum of incorporation are unlimited.

The Group's management of and exposure to liquidity and market risk is disclosed in note 35.2 and 35.3.

20. Other payables

	2026 Rm	2025 Rm
Employee related accruals	79	–
Dilapidation provision ¹	119	–
	198	–

The Group has reclassified the non-current portions of the long service leave, management incentive plan and dilapidation provisions between current and non-current provisions to better reflect the expected timing of settlement.

¹ The dilapidation provision relates to the estimated costs that the Group is expected to incur to reinstate leased premises to the condition required under the terms of a lease agreement at the end of the lease term.

21. Lease liabilities

	2026 Rm	2025 Rm
Due for settlement within 12 months	4 561	4 229
Due for settlement after 12 months	9 439	9 134
	14 000	13 363

	2026 Rm	2025 Rm
Maturity analysis		
Up to 1 year	5 420	5 297
1 – 5 years	10 106	9 563
More than 5 years	607	611
	16 133	15 471
Less: Interest	(2 133)	(2 108)
	14 000	13 363

	2026 Rm	2025 Rm
Amounts recognised in profit or loss		
Depreciation of right-of-use assets (refer to note 4)	4 869	4 662
Impairment of right-of-use assets (refer to note 4)	43	52
Finance costs on lease liabilities (refer to note 28)	1 085	987
Expense relating to leases of low value assets	24	34
Expense relating to variable payments not included in the measurement of the lease liability (refer to note 27)	1 225	1 050

Certain property leases contain variable lease payments that are linked to sales generated from the leased stores as well as variable lease payments that do not depend on an index or rate.

The breakdown of lease payments for these property leases is as follows:

	2026 Rm	2025 Rm
Fixed payments	5 789	5 401
Variable payments (refer to note 27)	1 225	1 050
Total payments	7 014	6 451

Variable payments constitute 17,5% (2025: 16,3%) of the Group's entire lease payments for property leases.

The total payments for all leases amounted to R7 038 million (2025: R6 485 million) which includes fixed and variable payments and expenses relating to leases of low value assets.

22. Trade and other payables

	2026 Rm	2025 Rm
Financial liabilities		
Trade payables	5 459	5 328
Financial instrument liability	70	8
	5 529	5 336
Non-financial liabilities		
Other payables	2 630	3 035
Employee-related accruals	336	347
	2 966	3 382
	8 495	8 718

Trade payables are interest-free and have payment terms of up to 90 days.

Other payables consist primarily of accruals raised in the normal course of business.

The Group's management of and exposure to cash flow and liquidity risk and market risk is disclosed in note 35.2 and 35.3.

23. Contract liabilities

	2026 Rm	2025 Rm
Gift card liability	205	191
Lay-by liability	194	191
	399	382

Revenue recognised in the current year that was included in the lay-by liability balance in the prior year amounted to R90 million (2025: R70 million).

24. Revenue

	2026 Rm	2025 Rm
Retail turnover	62 423	58 271
Interest income (refer to note 25)	2 132	2 128
Insurance revenue (refer to note 6)	392	284
Other income (refer to note 26)	2 123	1 875
	67 070	62 558
Retail turnover consists of:		
Cash sales	51 417	47 745
Credit sales	11 006	10 526
	62 423	58 271

All credit sales relate to the TFG Africa segment.

25. Interest income

	2026 Rm	2025 Rm
Trade receivables – retail	2 009	1 982
Sundry	123	146
	2 132	2 128

Sundry primarily relates to bank interest income earned.

26. Other income

	2026 Rm	2025 Rm
Value-added services	1 061	949
Collection cost recovery and service fees	976	877
Sundry income	86	49
	2 123	1 875

Sundry income primarily relates to income received from the sale of fabric to third parties.

27. Trading expenses

	2026 Rm	2025 Rm
Operating profit before finance costs has been arrived at after taking account of:		
Trading expenses		
Net occupancy costs	(1 225)	(1 050)
Occupancy costs ¹	(7 014)	(6 451)
Occupancy costs lease reversal ²	5 789	5 401
Depreciation on right-of-use assets	(4 869)	(4 662)
Depreciation and amortisation ³	(1 479)	(1 270)
Employee costs	(11 556)	(10 591)
Other operating costs ⁴	(8 779)	(7 636)
	(27 908)	(25 209)

¹ Occupancy costs refers to the total costs associated with the rental of the property.

² Occupancy costs lease reversal refers to the rental costs associated with property leases that are accounted for under IFRS 16.

³ Depreciation and amortisation excludes the portion of the expense allocated to cost of sales of R60 million (2025: R58 million).

⁴ Other operating costs include amongst other charges, electricity, water, marketing, advertising, admin, and consulting fees.

The following disclosable amounts are included above:

Auditors' remuneration¹

Audit fees	(52)	(47)
Audit fees – current year	(46)	(47)
Audit fees – prior year	(6)	–
Non-audit fees	(6)	(5)
Tax services	(4)	(4)
Assurance related services	(1)	(1)
Other non-audit services	(1)	–
Net loss on disposal of property, plant and equipment and intangible assets ²	(60)	(49)
Impairment (reversal of impairment) of property, plant and equipment and intangible assets (refer to note 2)	(31)	7
Impairment of brands (refer to note 3)	(1 019)	(63)
Impairment of right-of-use assets (refer to note 4)	(43)	(52)
Share-based payments (refer to note 36)	(221)	(150)
Fair value adjustment on investments (refer to note 5)	22	13
Retirement fund expenses (refer to note 36)	(734)	(667)
Foreign exchange loss	(63)	(35)

¹ Disclosure was enhanced to show a detailed breakdown of the audit remuneration.

² In the current year, the Group disclosed the net profit or loss on disposal of property, plant and equipment and intangible assets. In the prior year it was disclosed separately.

28. Finance costs

	2026 Rm	2025 Rm
Finance costs on interest-bearing debt	(966)	(897)
Finance costs on lease liabilities	(1 085)	(987)
	(2 051)	(1 884)

29. Taxation

	2026 Rm	2025 Rm
Income tax expense		
South African current taxation		
Current year	553	825
Prior-year over provision	(22)	(5)
Dividends withholding tax	10	15
South African deferred taxation		
Current year	(17)	(73)
Prior-year over provision	(3)	(48)
Assessed loss recognised	16	6
Non-South African current taxation		
Current year	279	356
Prior-year over provision	(20)	(32)
Dividends withholding tax	(4)	(3)
Non-South African deferred taxation		
Current year	(268)	91
Prior-year under provision	31	3
Assessed loss recognised	(6)	–
	549	1 135

	2026 %	2025 %
<i>Reconciliation of the tax expense</i>		
Effective tax rate	29,4	26,2
Employee tax incentive	1,1	(0,1)
Learnership allowances	0,6	0,2
Other exempt and non taxable	4,3	1,5
Non-deductible expenditure	(7,9)	(2,4)
Impact of foreign tax rates	(0,9)	–
Withholding taxes	(0,3)	(0,3)
Prior year over provision	0,7	1,9
South African statutory rate	27,0	27,0

Income tax expense comprises current and deferred taxation.

Income tax expense is recognised in profit or loss, except to the extent that it relates to a transaction recognised directly in OCI or in equity, in which case it is recognised in OCI or equity as appropriate.

Current tax is the expected taxation payable that is calculated on the basis of taxable income for the year using the tax rates enacted or substantively enacted at the reporting date and any adjustment of taxation payable for previous years.

Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are neither taxable or deductible.

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Group supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

29. Taxation (continued)

The Group is subject to income tax in more than one jurisdiction. Judgement is required in determining the provisions for income tax due to the complexity of legislation. There are transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on whether the particular tax treatment is acceptable to the respective revenue authorities. If the Group concludes that it is probable that a particular tax treatment is accepted, the Group determines its taxable profit (tax losses), tax bases, unused tax losses, unused tax credits or tax rates consistently with the tax treatment included in its income tax filings. If the Group concludes that it is not probable that a particular tax treatment is accepted, the Group uses the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax credits and tax rates. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

30. Earnings per share

Basic and headline earnings per share

The calculation of basic and headline earnings per share for the year ended 31 March 2026 is based on profit for the year attributable to ordinary shareholders of The Foschini Group Limited of R1 316 million (2025: R3 189 million) and headline earnings of R2 162 million (2025: R3 303 million) divided by the weighted average number of ordinary shares as follows:

	2026		2025	
	Gross Rm	Net of taxation Rm	Gross Rm	Net of taxation Rm
Reconciliation of profit for the year to headline earnings				
Profit for the year attributable to equity holders of The Foschini Group Limited		1 316		3 189
Adjusted for:	1 153	846	157	114
Net loss on disposal of property, plant and equipment and intangible assets	60	44	49	36
Impairment (reversal of impairment) of property, plant and equipment and intangible assets	31	23	(7)	(5)
Impairment of brands	1 019	748	63	44
Impairment of right-of-use assets	43	31	52	39
Headline earnings		2 162		3 303
	2026		2025	
	Number of shares		Number of shares	
	Gross	Weighted	Gross	Weighted
Gross number of ordinary shares in issue (refer to note 13)	331 027 300	331 027 300	331 027 300	331 027 300
Treasury shares (refer to note 14)	(15 728 230)	(10 925 015)	(7 207 678)	(5 782 143)
Net number of ordinary shares in issue at end of the year	315 299 070	320 102 285	323 819 622	325 245 157

30. Earnings per share (continued)

	2026 Number of shares Gross	2025 Number of shares Gross
Gross number of ordinary shares in issue	331 027 300	331 027 300
Treasury shares	(7 207 678)	(6 099 870)
Net number of ordinary shares in issue at beginning of the year	323 819 622	324 927 430
Movements in treasury shares		
Purchased	(9 675 591)	(2 400 000)
Delivered	1 155 039	1 292 192
Net number of ordinary shares in issue at end of the year	315 299 070	323 819 622
Gross number of ordinary shares in issue	331 027 300	331 027 300
Treasury shares	(15 728 230)	(7 207 678)
	2026	2025
Weighted average number of ordinary shares in issue	320 102 285	325 245 157
Earnings per ordinary share (cents)		
Basic earnings per ordinary share	411,2	980,6
Headline earnings per ordinary share	675,4	1 015,6

Diluted earnings and diluted headline earnings per share

The calculation of diluted earnings and diluted headline earnings per share for the year ended 31 March 2026 is based on profit for the year attributable to ordinary shareholders of The Foschini Group Limited of R1 316 million (2025: R3 189 million) and headline earnings of R2 162 million (2025: R3 303 million) divided by the fully diluted weighted average number of ordinary shares as follows:

	2026	2025
Weighted average number of ordinary shares as above	320 102 285	325 245 157
Number of shares that could be issued for no consideration	2 029 435	2 744 382
Weighted average number of ordinary shares used for dilution	322 131 720	327 989 539
As at 31 March 2026, 4 802 688 shares (2025: 854 750 shares) are anti-dilutive and were therefore excluded from the weighted average number of ordinary shares for the purpose of diluted earnings per share.		
	2026	2025
Earnings per ordinary share (cents)		
Diluted earnings per ordinary share	408,6	972,4
Diluted headline earnings per ordinary share	671,2	1 007,1

31. Dividends paid

	2026 Rm	2025 Rm
Dividends paid during the year	1 182	1 183

32. Cash generated from operations

	2026 Rm	2025 Rm
Operating profit before finance costs	3 916	6 208
<i>Adjustments for:</i>		
Interest income – sundry	(123)	(146)
Dividends received	(33)	(52)
Non-cash items	7 801	6 395
Depreciation and amortisation ¹	1 539	1 328
Depreciation on right-of-use assets	4 869	4 662
Share-based payments	221	150
Post-retirement defined benefit medical aid movement	15	14
Employee-related accruals	(28)	72
Foreign currency losses	63	35
Fair value adjustment of investments	(22)	(13)
Net loss on disposal of property, plant and equipment and intangible assets	60	49
Impairment (reversal of impairment) of property, plant and equipment and intangible assets	31	(7)
Impairment of right-of-use assets	43	52
Impairment of brands	1 019	63
Profit on termination of leases	(9)	(10)
Operating cash flow before working capital changes	11 561	12 405
Changes in working capital		
Inventory	(286)	(2 267)
Trade and other receivables	(554)	(826)
Trade and other payables	6	332
	(834)	(2 761)
Cash generated from operations	10 727	9 644

¹ Depreciation and amortisation includes the portion of the expense allocated to cost of sales of R60 million (2025: R58 million)

33. Taxation paid

	2026 Rm	2025 Rm
Balance at beginning of the year	(201)	(44)
Current tax for the year recognised in profit or loss	(838)	(1 193)
Foreign exchange movements	–	1
Prior-year adjustment	42	37
Additions through business combinations	–	(24)
Balance at end of the year	(37)	201
	(1 034)	(1 022)

34. Changes in liabilities arising from financing activities

2026 (Rm)	Non-cash items					Foreign exchange movements	Closing balance
	Opening balance	Net cash flows	Additions and modifications	Terminations			
Interest-bearing debt (refer to note 19)	10 034	1 116	–	–		(71)	11 079
Lease liabilities (refer to note 21)	13 363	(4 704)	5 463	(167)		45	14 000

2025 (Rm)	Opening balance	Net cash flows	Non-cash items			Foreign exchange movements	Closing balance
			Additions and modifications	Additions through business combinations	Terminations		
Interest-bearing debt (refer to note 19)	8 670	1 341	–	–	–	23	10 034
Lease liabilities (refer to note 21)	12 139	(4 414)	5 571	407	(188)	(152)	13 363

Net cash flows represent the total payments less interest.

35. Risk management

Overview

The Group has exposure to the following risks from its use of financial instruments:

- 35.1. Credit risk
- 35.2. Cash flow and liquidity risk
- 35.3. Market risk
- 35.4. Currency risk
- 35.5. Interest rate risk
- 35.6. Capital risk management
- 35.7. Insurance risk
- 35.8. Fair value

This note presents information about the Group's exposure to each of the above risks and the Group's objectives, policies and processes for measuring and managing risk. Further quantitative disclosures are included throughout these consolidated financial statements.

Risk management framework

The Board has overall responsibility for the establishment and oversight of the Group's enterprise risk management framework. The Board has delegated oversight over the related processes to the Risk and Audit Committees. The Committees report regularly on their activities to the Board.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations. The Risk Committee reviews the enterprise risk management framework and the related policies and processes regularly.

The Risk and Audit Committees assist the Board in the assessment of the adequacy of the risk management process.

35. Risk management (continued)

35.1. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises on trade receivables – retail, other receivables, concession receivables and cash and cash equivalents. The Group does not consider there to be any significant concentration of credit risk in respect of which adequate impairment has not been raised. The Group considers all elements of credit risk exposure such as counterparty default risk, geographical risk and sector risk for risk management purposes.

Cash and cash equivalents

The table below shows the cash invested at the reporting date at financial institutions grouped per Moody's short term credit rating of the financial institutions.

Financial institution (Rm)	National Rating	2026	2025
FirstRand	P-1	1 551	1 710
Standard Bank	P-1	38	53
ABSA	P-1	277	210
Lloyds	P-1	313	380
Barclays	P-1	37	180
National Australia Bank	P-1	20	236
Commonwealth Bank	P-1	615	289
Other		266	170
Refer to note 12		3 117	3 228

Trade receivables – retail

The Group does not have any balances past due date which have not been adequately provided for, as the provisioning methodology applied takes the entire trade receivables – retail population into consideration.

The formal governance structures within the Group include the Credit Executive Committee as well as the Financial Services Credit Committee (FSCC). The FSCC is responsible for approving all credit risk related policies and processes and will inform the credit risk appetite within the guidelines specified through the Group Executives mandate, under which the Credit Executive Committee operate. The FSCC is mandated by the Credit Executive Committee to review all credit risk related aspects.

The FSCC is responsible for managing the Group's credit risk by implementing the following measures:

Credit granting

The risk arising on trade receivables – retail is managed through a stringent Group policy on the granting, continual review and monitoring of credit facilities. The Group established a credit policy under which each application for a new credit facility is analysed individually for creditworthiness. This process applies information submitted by the applicant and external bureau data (where this is available) to statistical credit scoring models, and includes an assessment of affordability before terms and conditions are offered. A credit facility is established for each customer, which represents the maximum possible exposure to any account holder. The facility is made available to the account holder over time depending on the quality of credit behaviour displayed by the customer. These credit facilities are reviewed annually subject to the requirements of the applicable legislation in the jurisdictions where credit is provided, such as the National Credit Act of South Africa. The scorecards are monitored regularly and redeveloped as appropriate.

Account holders who are more than one cycle delinquent are unable to spend. Depending on the duration of the delinquency, credit limits may be adjusted downwards. Where certain criteria are met, accounts in arrears are rehabilitated to maximise collections and profitability.

The Group does not typically require collateral for lending. However, certain categories of customers may be required to make a deposit with each purchase.

There is a large, diverse and widely distributed customer base. Therefore, the Group does not consider there to be any significant concentration of credit risk.

35. Risk management (continued)

35.1. Credit risk (continued)

Allowance for impairment

The IFRS 9 technical committee, which consists of senior management of the credit division within the Group, is mandated by the FSCC to determine adequate allowances in accordance with the Group's stated policies and procedures, IFRS Accounting Standards and relevant Board guidance. The policies, procedures and impact of the allowance for impairment are reviewed and approved at the IFRS 9 technical committee. The IFRS 9 technical committee is responsible for developing and maintaining the Group's processes for measuring expected credit losses (ECL) including monitoring of credit risk, incorporation of forward-looking information and the method used to measure ECL. In addition, the IFRS 9 technical committee must ensure that the Group has policies and procedures in place to appropriately maintain and validate models used to assess and measure ECL.

The internal audit function performs regular audits making sure that the established controls and procedures are adequately designed, implemented and adhered to.

Incorporation of forward-looking information

The Group uses forward-looking information that is available without undue cost or effort in its measurement of the ECL. Significant judgement and estimates are applied in the process of incorporating forward-looking information into the ECL calculation and increase the level of volatility in the impairment provision number.

The following approach is followed to assess forward-looking information via the IFRS 9 technical committee:

- Use of economic reports and forecasts from a reputable economics consultancy which reflect at least a three-year period from reporting date;
- The principal macro-economic indicators considered are Gross Domestic product (GDP) year-on-year growth, unemployment rates, repurchase interest rates, the inflation rate, fuel price year-on-year growth and the movement of the Transunion Consumer Credit Index.
- The impact of regulatory or legislative changes are considered.
- A "base case" economic scenario is generated from a forecast reflecting macroeconomic conditions which remain consistent to the macroeconomic environment at reporting date;
- An "upside" economic scenario is generated based on a forecast reflecting an improvement in macroeconomic conditions;
- A "downside" economic scenario is generated based on a forecast reflecting a deterioration in macroeconomic conditions;
- Applying credit judgement to the forward-looking model with respect to regulatory, significant economic and legislative changes; and
- Calculating a stress factor for each scenario to estimate the impact on the ECL.

The following key macro-economic conditions were considered to calculate a stress factor as indicated for each scenario:

- "Base case" economic scenario: This scenario assumes low, fragile growth with limited reform progress and persistent structural constraints. Real gross domestic product growth for South Africa of 1,4% in 2026 and 1,6% in 2027 forecast. The Iran War is assumed to be concluded within the first half of 2026, with limited negative impact on fuel prices during the second half of the year. Slightly better commodity prices and lower oil prices are therefore anticipated later in 2026. The consumer price index (CPI) in South Africa assumed to average 4% in 2026, enabling central banks to potentially cut rates during 2026. The South African Rand to remain volatile and structurally weak. The "base case" economic scenario stress factor is an additional ECL requirement of 3,4% (2025: additional ECL requirement of 8,6%).
- "Upside" economic scenario: This scenario assumes reform-led improvement supported by benign global conditions and rising confidence. Real gross domestic product growth for South Africa of 3,7% in 2026 and 3,5% in 2027 forecast. Trade tensions ease, inflation falls faster, and central banks cut rates earlier and more aggressively. The South African Rand strengthens materially in 2026. The Iran War is assumed to be concluded within the second quarter of 2026. The "Upside" economic scenario stress factor is a reduction of the ECL requirement of 5,6% (2025: reduction of the ECL requirement of 4,2%).
- "Downside" economic scenario: This scenario assumes the combined global shock and domestic political failure result in a prolonged recession in Southern Africa, with GDP contracting by 1,5% in 2026 and 1,0% in 2027 in South Africa. A renewed inflation surge, tighter financial conditions, global growth contraction and financial system strain are anticipated. Central banks are forced to increase interest rates as a result. Sharp rand depreciation is assumed. The Iran War is protracted and the negative impact on fuel prices are experienced for the remainder of 2026. The "Downside" economic scenario stress factor is an additional ECL requirement of 12,6% (2025: additional ECL requirement of 15,4%).

35. Risk management (continued)

35.1. Credit risk (continued)

Incorporation of forward-looking information (continued)

Probabilities are assigned to each macroeconomic scenario to calculate the impact on the ECL. The “base case” economic scenario is considered to be the most plausible scenario and is in line with the assumptions used for the Group’s strategic planning and budgeting purposes. The probability weighting assigned to each scenario in the current financial year were as follows: weightings of 80%, 5% and 15% were assigned to the “base case”, “upside” and “downside” economic scenarios respectively (2025: weightings of 80%, 6% and 14%).

Credit quality

The Group monitors credit risk per class of financial instrument. The table below outlines the classes identified, as well as the financial statement line item and the note that provides an analysis of the items included in the financial statement line for each class of financial instrument.

Class of financial instrument	Financial statement caption	Note
Trade receivables – retail accounts	Trade receivables – retail	9

Geographical segments

Credit on trade receivables – retail accounts are offered only in the TFG Africa geographical segment. Credit is offered in South Africa, Namibia, Botswana, Eswatini and Lesotho. The exposures to credit individually and collectively in the jurisdictions of Namibia, Botswana, Eswatini and Lesotho are insignificant from a Group perspective.

Risk profile

The risk profile of the active trade receivables – retail book based on the TFG provision matrix is as follows at 31 March:

2026 (Rm)	Stage 1	Stage 2	Stage 3	Total
Gross trade receivables – retail	6 350	3 215	2 011	11 576
Allowance for expected credit loss	(572)	(798)	(782)	(2 152)
Net trade receivables – retail	5 778	2 417	1 229	9 424
Allowance for expected credit loss as a percentage of gross trade receivables – retail	9,0%	24,8%	38,9%	18,6%

2025 (Rm)	Stage 1	Stage 2	Stage 3	Total
Gross trade receivables – retail	6 046	3 044	1 797	10 887
Allowance for expected credit loss	(535)	(729)	(687)	(1 951)
Net trade receivables – retail	5 511	2 315	1 110	8 936
Allowance for expected credit loss as a percentage of gross trade receivables – retail	8,8%	23,9%	38,2%	17,9%

The value of the partial asset at year end is R510 million (2025: R456 million) and is classified as Stage 3.

Write-off policy

The Group manages the ageing of its trade receivables book on both a contractual and recency basis, but uses the recency basis to calculate write-off. Recency refers to the number of payment cycles that elapsed since the last qualifying payment was received.

The Group writes off its trade receivables when it has no reasonable expectations of recovering the trade receivable in its entirety, or a portion thereof. A write-off constitutes a derecognition event.

Trade receivables – retail are written off where the trade receivables – retail account customer has not made a qualifying payment for 6 months. The Group utilises both an in-house collection department and external collection specialists in an effort to recover outstanding amounts.

35. Risk management (continued)

35.1. Credit risk (continued)

Reconciliation of net trade receivables – retail:

	2026 Rm	2025 Rm
Gross trade receivables – retail	11 576	10 887
Allowance for expected credit loss	(2 152)	(1 951)
Net trade receivables – retail	9 424	8 936

Movement in the trade receivables – retail allowance for impairment were as follows:

	2026 Rm	2025 Rm
Opening balance at 1 April	1 951	1 917
Movement in allowance for impairment	201	34
Provision raised	1 554	1 379
Provision utilised	(1 353)	(1 345)
Balance at 31 March	2 152	1 951
Net bad debt consists of:		
Expected credit losses raised	(1 555)	(1 324)
Other net bad debt and stage 3 interest adjustment	(139)	(64)
	(1 694)	(1 388)

Reconciliation of allowance for impairment:

2026 (Rm)	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 April	535	729	687	1 951
Credit advanced, net of payments received	242	195	51	488
Accounts written-off	–	(11)	(1 342)	(1 353)
Change in credit risk parameters	(205)	(115)	1 386	1 066
ECL allowance as at 31 March	572	798	782	2 152
2025 (Rm)	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 April	481	689	747	1 917
Credit advanced, net of payments received	281	84	44	409
Accounts written-off	–	(11)	(1 334)	(1 345)
Change in credit risk parameters	(227)	(33)	1 230	970
ECL allowance as at 31 March	535	729	687	1 951

Active customers that have made a qualifying payment within the last 30 days make up 78,3% of the trade receivables – retail book (2025: 78,9%).

Trade receivables – retail with a contractual amount of R1 626 million (2025: R1 475 million) written-off during the year are still subject to enforcement activity.

Accounts written off refer to adjustments in roll-forward rates and the Group's expectations regarding the portion of assets that will ultimately be written off over their lifetime. Change in credit risk parameters encompass modifications in risk classifications (such as delinquency stages and behavioural scores within model segmentation), recovery assumptions, discount rates, and economic adjustments.

35. Risk management (continued)

35.1. Credit risk (continued)

The table below reconciles the opening and closing balances of the gross carrying amount of financial assets that contribute to the provision.

	2026 Rm	2025 Rm
Gross trade receivables - retail as at 1 April	10 887	10 242
Credit advanced, fees and interest billed	17 429	16 398
Payments received	(14 825)	(13 540)
Accounts written-off	(1 892)	(2 228)
Stage transfers and other	(23)	15
Gross trade receivables – retail as at 31 March	11 576	10 887

Concession receivables

Class of financial instrument	Financial statement caption	Note
Concession receivables	Concession receivables	11

Concession receivables relates to balances due from stores located in the United Kingdom, Australia and internationally, where concessions are in place.

	2026 Rm	2025 Rm
Concentration by region		
United Kingdom	215	284
Australia	12	24
International	210	111
Total	437	419

Reconciliation of net concession receivables:

	2026 Rm	2025 Rm
Gross concession receivables	466	446
Allowance for impairment	(29)	(27)
Net concession receivables	437	419

Movement in the concession receivables allowance for impairment were as follows:

	2026 Rm	2025 Rm
Opening balance as at 1 April	(27)	(71)
Acquisition of business combination	–	(8)
Utilisation of provision	–	38
(Increase) decrease in provision	(3)	13
Effect of exchange rate fluctuations	1	1
Balance as at 31 March	(29)	(27)

Other receivables

The Group actively manages collection of other receivables and provides adequate provision for any long outstanding balances. The Group is not exposed to significant credit risk as there is no significant other receivable by a single counterparty or any balances past due date that have not been adequately provided for.

Included in other receivables is a provision amounting to R64 million (2025: R44 million).

35. Risk management (continued)

35.1. Credit risk (continued)

Cash and cash equivalents

The Group limits its exposure to credit risk through dealing with well-established financial institutions with high credit standings, and thus management does not expect any counterparty to fail to meet its obligations.

Exposure

The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

In determining the recoverability of trade receivables – retail, the Group considers any changes in credit quality of the receivables up to the reporting date. The concentration of credit risk is limited as the customer base is large and unrelated.

The maximum exposure to credit risk at the reporting date was:

	2026 Rm	2025 Rm
Trade receivables – retail	9 424	8 936
Other receivables	875	747
Concession receivables	437	419
Cash and cash equivalents	3 117	3 228
	13 853	13 330

35.2. Cash flow and liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure it will always have sufficient cash flow to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

This risk is managed through cash flow forecasts, the optimisation of daily cash management and by ensuring that adequate borrowing facilities are maintained. In terms of its memorandum of incorporation, the Group's borrowing powers are unlimited.

The Group has external borrowing facilities in each of its three segments. The borrowing facilities attract different covenant requirements all of which have been met during the financial year and which are calculated as follows:

As at 31 March 2026, these ratios measured as follows:

	Required covenant	Covenant achieved
TFG Africa		
Leverage	<2.75 times	Yes
Interest cover	>3.5 times	Yes
TFG London		
– Leverage	<2.75 times	Yes
– Interest cover	>4.5 times	Yes
– Capital expenditure must not exceed the budget capital expenditure by	120%	Yes
TFG Australia		
– Leverage	<2.0 times	Yes
– Fixed charged cover	<1.3 times	Yes

Covenant measures

- The leverage ratio (net interest-bearing debt divided by EBITDA).
- The interest cover ratio (EBITDA divided by gross interest expense).

35. Risk management (continued)

35.2. Cash flow and liquidity risk (continued)

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements:

2026 (Rm)	Carrying amount	Cash flows	Less than 1 year	1 – 2 years	More than 2 years
Non-derivative financial liabilities					
Interest-bearing debt	11 079	12 569	3 765	3 750	5 054
Trade and other payables ¹	8 089	8 089	8 089	–	–
Lease liabilities	14 000	16 133	5 420	4 481	6 232
Contract liabilities ²	399	194	194	–	–
Derivative financial liabilities					
Forward exchange contracts used for hedging	70	1 826	1 826	–	–
	33 637	38 811	19 294	8 231	11 286

2025 (Rm)	Carrying amount	Cash flows	Less than 1 year	1 – 2 years	More than 2 years
Non-derivative financial liabilities					
Interest-bearing debt	10 034	11 267	2 812	3 121	5 334
Trade and other payables ¹	8 363	8 363	8 363	–	–
Lease liabilities	13 363	15 471	5 297	4 079	6 095
Contract liabilities ²	382	191	191	–	–
Derivative financial liabilities					
Forward exchange contracts used for hedging	8	1 891	1 891	–	–
	32 150	37 183	18 554	7 200	11 429

¹ Trade and other payables will be settled within payment terms of up to 90 days.

² Contract liabilities cash flow excludes the gift card liability as the cash has already been received.

Cash flow figures for trade and other payables removes the impact of FECs and employee-related accruals for liquidity risk disclosure purposes.

35. Risk management (continued)

35.2. Cash flow and liquidity risk (continued)

The following table indicates the periods in which the cash flows associated with derivatives that are cash flow hedges are expected to occur and impact profit or loss:

2026 (Rm)	Carrying amount	Cash flows	Less than 1 year	1 – 2 years	More than 2 years
Forward exchange contracts					
Asset	16	1 552	1 552	–	–
Liability	(70)	1 826	1 826	–	–
	(54)	3 378	3 378	–	–

2025 (Rm)	Carrying amount	Cash flows	Less than 1 year	1 – 2 years	More than 2 years
Forward exchange contracts					
Asset	61	1 678	1 678	–	–
Liability	(8)	1 891	1 891	–	–
	53	3 569	3 569	–	–

35.3. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the Group's profit or loss or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investment activities. In accordance with its treasury policy, the Group does not hold or issue derivative financial instruments for trading purposes.

35.4. Currency risk

The Group is exposed to foreign exchange risk. The financial risk activities are governed by appropriate policies and procedures to identify financial risks, measured and managed in accordance with the Group's treasury policy. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken.

Currency risk is the risk that the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities. The Group is exposed to currency risk as operating subsidiaries undertake transactions that are denominated in foreign currencies. These currencies are primarily the Australian Dollar (AUD), British Pound (GBP), Chinese Yuan (CNY) and US Dollar (USD).

The hedging instrument used is forward exchange contracts (FECs). Cash flow hedge accounting is applied to all open FECs. FECs are designated as hedging instruments in cash flow hedges of forecasted transactions and firm commitments. These forecast transactions are used to mitigate the exposure of the variability in cash flows attributable to highly probable forecast transactions and firm commitments to purchase stock denominated in a foreign currency.

There is a direct economic relationship between the hedging instrument and the hedged item. The conclusion is that the changes in fair values of the hedging instrument and the hedged item are moving in opposing directions and the change in fair value of hedging instrument highly offsets the change in fair value of the hedged item. The Group has established a hedge ratio of 1:1 since the notional amount and currency of the hedged item is the same as the notional amount of the foreign currency leg of the hedging instrument. To test the hedge effectiveness, the Group uses a qualitative method.

35. Risk management (continued)

35.4. Currency risk (continued)

The hedge ineffectiveness can arise from:

- Differences in the timing of the cash flows of the hedged instruments.
- The credit risk of the contracting parties differently impacting the fair value movements of the hedging instruments and hedged items.
- The variability of the forecasted amount of cash flows of hedged items and hedging instruments.

The risk of financial loss due to the volatility of the foreign currency transactions arises from:

- Translation exposure – the effect of exchange rate movements on the recorded results of a foreign entity.
- Transaction exposure – the effect of exchange rate movements on the price of goods and services imported/exported.

The Group manages its currency risk by hedging transactions that are expected to occur within a maximum 12-month period for hedges of highly probable forecasted purchases and firm commitments.

When a derivative is entered into for the purpose of being a hedge, the Group negotiates the terms of the derivative to align to the terms of the hedged exposure in order to ensure that the critical terms are matched. For hedges of highly probable forecast transactions and firm commitments, the derivative covers the period of exposure from the point the cash flows of the transactions are forecasted up to the maturity date of the FECs. Any timing mismatches are addressed under the sources of ineffectiveness.

The Group is holding the following forward exchange contracts that form part of a hedging relationship:

	Notional amount Rm	Carrying amount Rm	Average forward rate R	Line item in the statement of financial position
2026				
Forward exchange contracts CNY/ZAR	833	10	2,51	Other receivables and prepayments
Forward exchange contracts USD/AUD	1 826	(70)	1,45	Trade and other payables
Forward exchange contracts USD/ZAR	719	6	17,17	Other receivables and prepayments

	Notional amount Rm	Carrying amount Rm	Average forward rate R	Line item in the statement of financial position
2025				
Forward exchange contracts CNY/ZAR	872	(7)	2,56	Trade and other payables
Forward exchange contracts USD/AUD	1 679	61	1,59	Other receivables and prepayments
Forward exchange contracts USD/ZAR	1 018	(1)	18,44	Trade and other payables

Reconciliation of cash flow hedge reserve:

2026 (Rm)	Gross	Deferred tax	Net
Balance at 1 April	17	(5)	12
Transferred into reserve	2 596	(763)	1 833
Utilised	(2 702)	795	(1 907)
Balance at 31 March	(89)	27	(62)

35. Risk management (continued)

35.4. Currency risk (continued)

2025 (Rm)	Gross	Deferred tax	Net
Balance as at 1 April	(36)	10	(26)
Transferred into reserve	2 596	(763)	1 833
Utilised	(2 543)	748	(1 795)
Balance as at 31 March	17	(5)	12

Exposure to currency risk

Exposure to currency risk is hedged through the use of forward exchange contracts. As at 31 March, the Group had forward exchange contracts in various currencies to acquire inventory not yet recorded as assets on the statement of financial position.

	Foreign currency 000's	Rand equivalent (at forward cover rate) Rm
2026		
EUR	92	2
CNY	335 308	831
USD	144 775	2 545
		3 378

	Foreign currency 000's	Rand equivalent (at forward cover rate) Rm
2025		
EUR	39	1
CNY	336 470	872
USD	150 818	2 696
		3 569

The following significant exchange rates applied during the year:

	Average rate		31 March spot rate	
	2026	2025	2026	2025
AUD	11,46	11,91	11,77	11,44
BWP	1,27	1,34	1,23	1,34
CNY	2,45	2,53	2,49	2,53
EUR	20,10	19,58	19,70	19,82
GBP	23,26	23,28	22,65	23,70
USD	17,35	18,24	17,18	18,32

35. Risk management (continued)

35.4. Currency risk (continued)

Sensitivity analysis

The Group is primarily exposed to the CNY and USD currencies. The following analysis indicates the Group's sensitivity at year end to the indicated movements in these currencies on financial instruments, assuming that all other variables, in particular interest rates, remain constant. The rates of sensitivity are the rates used when reporting the currency risk to the Board and represent management's assessment of the potential change in foreign currency exchange rates at the reporting date.

A 10% strengthening of the Rand against the following currencies as at 31 March would have increased equity and profit or loss by the amounts shown below.

2026 (Rm)	Profit or loss	Equity
CNY	–	84
USD	–	248
2025 (Rm)	Profit or loss	Equity
CNY	–	87
USD	–	275

A 10% weakening of the Rand against the above currencies as at 31 March would have had the equal but opposite effect on equity and profit or loss to the amounts shown above on the basis that all other variables remain constant.

The methods and assumptions used to calculate the above sensitivity analysis are consistent with the prior year.

Foreign cash

The Group has exposure to foreign currency translation risk through cash balances included in the net assets of foreign subsidiaries, in currencies other than the South African Rand. This risk is not hedged. The table below includes only the material foreign currency cash balances held in the Group other than the South African Rand.

	2026 Rm	2025 Rm
AUD	645	530
BWP	23	26
CHF	20	19
EUR	45	88
GBP	403	467
NZD	55	22
USD	229	39

35. Risk management (continued)

35.4. Currency risk (continued)

Foreign cash (continued)

A 10% strengthening of the Rand against the following currencies as at 31 March would have increased equity and profit or loss by the amounts shown below.

	Profit or loss Rm	Equity Rm
2026		
AUD	–	64
BWP	–	2
CHF	–	2
EUR	–	4
GBP	–	40
NZD	–	5
USD	–	23
2025		
AUD	–	53
BWP	–	3
CHF	–	2
EUR	–	9
GBP	–	47
NZD	–	2
USD	–	4

A 10% weakening of the Rand against the above currencies as at 31 March would have had the equal but opposite effect on equity and profit or loss to the amounts shown above on the basis that all other variables remain constant.

35.5. Interest rate risk

The Group is exposed to interest rate risk as it both borrows, provides credit and invests funds. This risk is managed by maintaining an appropriate mix of fixed and floating rate instruments with reputable financial institutions.

There is no interest rate risk on trade payables.

Profile

At 31 March, the interest rate profile of the Group's interest-bearing financial instruments was:

	Interest rate at 31 March		Carrying amount	
	FY2026 %	FY2025 %	2026 Rm	2025 Rm
Financial assets				
Trade receivables – retail (interest free)	–	–	811	736
Trade receivables – retail (interest bearing)	14,8 - 24,9	14,8 - 26,5	8 613	8 200
Cash and cash equivalents	5,7 - 9,0	9,9	3 117	3 228
			12 541	12 164
Financial liabilities				
Interest-bearing debt	5,4 - 8,4	5,7 - 9,0	11 079	10 034
Lease liabilities	4,8 - 25,3	4,8 - 24,8	14 000	13 363
			25 079	23 397

Fair value sensitivity analysis for fixed rate instruments

The Group does not account for any fixed rate financial assets and liabilities at fair value through profit or loss, and the Group does not designate derivatives (interest rate swaps) as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates as at 31 March would not affect profit or loss.

35. Risk management (continued)

35.5. Interest rate risk (continued)

Cash flow sensitivity analysis for variable rate instruments

An increase (decrease) of 100 basis points in interest rates at 31 March would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables in particular foreign currency rates, remain constant. The analysis was performed on the same basis for 2025. Variable rate instruments below relate to interest-bearing debt.

	Profit or loss Rm	Equity Rm
31 March 2026		
Variable rate instruments	121	–
Cash flow sensitivity	121	–
	Profit or loss Rm	Equity Rm
31 March 2025		
Variable rate instruments	102	–
Cash flow sensitivity	102	–

35.6. Capital risk management

The Board's policy is to maintain a strong capital base to maintain investor, creditor and market confidence, to sustain future development of business and to ensure that the Group continues as a going concern. The Group primarily makes use of equity for capital management purposes.

Equity consists of ordinary share capital and retained earnings of the Group. The Board monitors its use of equity, as measured by the return on equity, which the Group defines as profit for the year divided by total average equity. The Board also monitors the level of dividends to shareholders.

The Board seeks to maintain a balance between the higher returns that might be attained with higher levels of borrowings and the advantages and security afforded by a sound capital position.

The Group is well positioned to take advantage of future growth opportunities and the intention is to increase the net debt to equity ratio to a level that supports this objective.

35.7. Insurance risk

The Group is exposed to insurance risk through its investment in insurance cell captive arrangements. The insurance risk relates to the risk that there will be insufficient capital available to honour the claims made by the policyholders in the insurance cell captive arrangements.

In-substance reinsurance arrangements

The Group is the cell owner in cell captive arrangements with an insurer. The short-term and long-term insurance business of the Group's customers are housed in the cell captives, which were purchased by the Group by subscribing for ordinary shares in the cell. The liabilities in the cell captives represent the insurance claims paid or payable to the Group's customers. The assets represent the assets allocated to the cell captives by the insurer. The underwriting management of the cell captives are performed by the insurer for a fee payable by the Group to the insurer.

The risk under any one insurance contract is the possibility that an insured event occurs as well as the uncertainty of the amount of the resulting claim. This risk is random and unpredictable. The frequency and severity of claims can be affected due to unforeseen factors such as patterns of crime, pandemic and employment trends. Insurance claim provisions will generally be settled within one year.

Through the use of a cell captive arrangement, the Group manages its insurance risk by reviewing the underwriting management performed by the insurer. This will include a review of the insurer's methodology for estimating claims and a review of the adequacy of the assets allocated to the cell captives by the insurer. Claims development in the cell captives are also reviewed by the Group.

The Group aims to ensure that sufficient reserves are held within their cells through their cell captive arrangements to cover the liabilities associated with the insurance contracts the cells issue so as to mitigate the risk of having to transfer additional capital into the cell to maintain cell liquidity or capital adequacy requirements. The Group sells credit life insurance products as well as funeral policies too which also adds diversification to the portfolio. No significant concentrations of insurance risk exist.

35. Risk management (continued)

35.7. Insurance risk (continued)

The cell captives are predominantly domiciled in South Africa. The only significant cells in which the Group subscribed for ordinary shares, are the cells managed by Guardrisk Insurance Company Limited and Guardrisk Life Limited.

In determining the value of insurance liabilities, assumptions need to be made regarding future rates of mortality and morbidity, termination rates, expenses and investment performance. The assumptions are assessed annually and are informed by past claims experience and the cell captive insurer's insight and experience. The uncertainty of these rates may result in actual experience being different from that assumed and hence actual cash flows being different from those projected. In the worst case scenario, actual claims and benefits may exceed liabilities. In estimating the provision for claims reported but not yet paid, the notified claims at balance sheet date are reviewed. The sensitivity analysis on net profit after tax should the insurance contract liabilities increase or decrease by 10% is immaterial to the Group's results.

35.8. Fair value

Fair value hierarchy of financial assets and liabilities at fair value through profit and loss

The table below is an analysis of financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in an active market for identical assets or liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	2026 Rm	2025 Rm
Level 1		
Listed investments (refer to note 5)	249	223
Level 2		
Forward exchange contracts – asset	16	61
Forward exchange contracts – liability	(70)	(8)
Level 3		
Investments (refer to note 5)	152	145

Measurement of fair values:

The following valuation techniques were used for measuring level 1, 2 and level 3 fair values:

Listed investments

The fair value is based on the market value of publicly traded shares within an active market.

Forward exchange contracts

The fair values are based on authorised financial institution quotes. Similar contracts are traded in an active market and the quotes reflect the actual transactions in similar instruments.

Investments

The investment in the insurance arrangement and the beauty investment have been valued at its net asset value at the reporting date and approximates fair value.

Transfers between levels

There were no transfers of financial assets or liabilities during the year.

35. Risk management (continued)

35.8. Fair value (continued)

Reconciliation of level 3 assets measured at fair value:

2026	Note	Beauty-related investment Rm	Hollard investment Rm	Total Rm
Balance as at 1 April		29	116	145
Additions		6	–	6
Net fair value gains recognised in the statement of comprehensive income	5	22	–	22
Modifications		2	10	12
Dividends received	5	–	(33)	(33)
Balance as at 31 March		59	93	152

2025	Note	Beauty-related investment Rm	Hollard investment Rm	Total Rm
Balance as at 1 April		7	131	138
Additions		12	–	12
Net fair value gains recognised in the statement of comprehensive income	5	13	–	13
Modifications		(3)	37	34
Dividends received	5	–	(52)	(52)
Balance as at 31 March		29	116	145

Sensitivity of level 3 assets and liabilities measured at fair value		Total Rm	Carrying amount Rm	Effect of a 10% increase in earnings multiple Rm	Effect of a 10% decrease in earnings multiple Rm
2026	Note	Rm	Rm	Rm	Rm
Beauty-related investment	5	59	59	6	(6)
Hollard investment	5	93	93	9	(9)
Total		152	152	15	(15)

2025	Note	Total Rm	Carrying amount Rm	Effect of a 10% increase in earnings multiple Rm	Effect of a 10% decrease in earnings multiple Rm
Beauty-related investment	5	29	29	3	(3)
Hollard investment	5	116	116	12	(12)
Total		145	145	15	(15)

35. Risk management (continued)

35.8. Fair value (continued)

The following information about fair value measurements using significant unobservable inputs (level 3):

Instrument	Valuation basis	Main assumptions	Significant unobservable input	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Beauty-related investment	Net asset value	Underlying assets and liability values	Fair value adjustments to assets and liabilities, management fees, operating expenses.	Multiple unobservable inputs*	The higher the underlying net asset value the higher the fair value. An increase in management fees and operating expenses would result in a decrease in fair value.
Hollard Investment	DCF and EBIT	Cost of capital	Discount rates applied to insurance contract liabilities, expected investment returns on assets backing policyholder liabilities, claims frequency, expense assumptions.	Discount rates 12,5% –17,5%	The higher the discount rate the lower the fair value. An increase in expected investment returns would result in an increase in fair value.

* A range of quantitative information in respect of the unobservable inputs are not comparable as the Beauty-related investment is a new company.

36. Employee benefits

Share incentive schemes

Executive directors and key management personnel of the company participate in its share incentive schemes as documented below:

Forfeitable Share Incentive Scheme (FS)

Two forfeitable share (FS) instruments form part of this scheme, namely performance and restricted shares. Performance shares vest after a minimum of three years. Shares lapse after three years if the performance criteria have not been achieved. Restricted shares are issued with the specific objective of improving the retention of key senior talent, while still utilising an instrument that aligns the interests of recipients with that of shareholders. Restricted shares vest after three years, subject to continued employment.

Share Appreciation Rights Share Scheme (SARs)

In the prior year, the Group granted share appreciation rights (SARs) to certain eligible participants. The rules of the 2025 scheme provide that, upon fulfilment of certain performance conditions, the SARs may upon request be converted from the 4th anniversary of the grant date. Participants are entitled to receive shares in equal value to the growth in the share price on a defined number of shares between the date of grant and the date of conversion. The entitlement to these shares is subject to Group performance criteria linked to inflation. All rights effectively expire after eight years.

36. Employee benefits (continued)

Granted and accepted date	Vesting date	Grant Price ¹	Shares
2026			
01 04 2025	01 04 2028	125,00	8 777
30 06 2025	30 06 2029	131,00	1 532 284
01 07 2025	01 07 2028	133,09	3 840
01 08 2025	01 08 2028	120,00	1 809
01 09 2025	01 09 2028	106,35	3 043
01 10 2025	01 10 2028	110,10	10 279
01 11 2025	01 11 2028	92,10	4 434
01 12 2025	01 12 2028	82,59	9 125
01 03 2026	01 03 2029	84,80	16 616
Shares granted for the year ended 31 March 2026			1 590 207
2025			
01 04 2024	01 04 2027	99,55	5 109
01 05 2024	01 05 2027	99,58	10 042
01 06 2024	01 06 2027	95,00	13 505
30 06 2024	30 06 2028	106,00	1 486 396
01 08 2024	01 08 2027	134,42	8 268
01 09 2024	01 09 2027	144,89	29 734
01 10 2024	01 10 2027	156,21	17 712
01 12 2024	01 12 2027	170,46	14 164
01 01 2025	01 01 2028	142,13	22 549
01 03 2025	01 03 2028	135,83	12 815
Shares granted for the year ended 31 March 2025			1 620 294

Grant price equates to the strike price.

The fair value of the Share Incentive Scheme is the market price of the shares on grant date. Participants are entitled to dividends, therefore the market price has not been adjusted when determining the fair value.

All shares were granted for nil consideration.

36. Employee benefits (continued)

The Group recognised directly in equity, total expenses of R221 million (2025: R150 million) relating to equity-settled share-based payment transactions.

Forfeitable Share Incentive Scheme	Number of FS	
	2026	2025
FS granted, subject to fulfilment of conditions, as at 1 April	4 467 150	4 353 191
FS granted during the year, subject to fulfilment of conditions	1 590 207	1 620 294
FS forfeited but not sold	(158 784)	(214 143)
FS delivered during the year	(1 155 039)	(1 292 192)
FS granted, subject to fulfilment of conditions, as at 31 March	4 743 534	4 467 150

For the FS delivered during the year, the share price is R125,92 (2025: R123,95) on date of delivery.

SARs	Number of SARs	
	2026	2025
SARs granted, subject to fulfilment of conditions, as at 1 April	5 500 000	1 134 647
SARs forfeited	–	(1 134 647)
SARs granted during the year subject to fulfilment of conditions	–	5 500 000
SARs granted, subject to fulfilment of conditions, as at 31 March	5 500 000	5 500 000

No SARs were issued in the 2026 financial year.

36. Employee benefits (continued)

Forfeitable Share Incentive Scheme vest from the following financial years:

Granted and accepted date	Vesting date	Grant price	Shares
01 02 2022	01 02 2025	129,65	9 262
30 06 2022	30 06 2026	119,61	444 865
01 06 2023	01 06 2026	84,58	1 054
30 06 2023	30 06 2026	88,98	2 317
01 07 2023	01 07 2027	92,00	546 476
01 07 2023	01 07 2026	92,00	563 317
01 08 2023	01 08 2026	105,00	2 381
01 01 2024	01 01 2027	110,15	2 136
01 03 2024	01 03 2027	104,60	6 598
01 04 2024	01 04 2027	99,55	10 517
01 05 2024	01 05 2027	99,58	10 042
01 06 2024	01 06 2027	95,00	13 505
30 06 2024	30 06 2028	106,00	1 442 283
01 08 2024	01 08 2027	134,42	8 268
01 09 2024	01 09 2027	144,89	25 688
01 10 2024	01 10 2027	156,21	17 712
01 12 2024	01 12 2027	170,46	8 253
01 12 2024	01 12 2027	170,46	5 911
01 01 2025	01 01 2028	142,13	1 948
01 02 2025	01 02 2028	142,13	8 019
01 02 2025	01 02 2028	142,13	12 582
01 03 2025	01 03 2028	135,83	12 815
01 03 2025	01 03 2028	135,83	6 155
30 06 2025	30 06 2029	131,00	1 532 284
01 07 2025	01 07 2028	133,09	3 840
01 08 2025	01 08 2028	120,00	1 809
01 09 2025	01 09 2028	106,35	3 043
01 10 2025	01 10 2028	110,10	6 617
01 10 2025	01 10 2028	110,10	3 662
01 11 2025	01 11 2028	92,10	4 434
01 12 2025	01 12 2028	82,59	9 125
01 03 2026	01 03 2029	84,80	16 616
			4 743 534

Upon request, SARs in terms of the scheme may vest from the following financial years:

Granted and accepted date	Vesting date	Fair value of SARs issued	Shares
19 12 2024	19 12 2028	63,90	5 500 000

Strike price equates to R152,00.

36. Employee benefits (continued)

Retirement funds

TFG Africa Retirement Fund: Defined contribution plan

TFG Retirement Fund, which is governed by the provisions of the Pension Funds Act No. 24 of 1956, is a defined contribution plan. It provides comprehensive retirement and other benefits for members and their dependants. There is a mandatory contribution of 12% of pensionable pay for employees on a TGP pay structure and this mandatory contribution is paid by the employer for employees on a Salary Plus pay structure. This mandatory contribution includes cover for death, disability and funeral benefits, administration and management costs. Members have the choice of a member contribution rate, from 3% to 18% (increasing in increments of 1,5%) of pensionable pay to the Fund.

A statutory valuation of the fund was performed at 31 December 2024 in which the valuator reported that the fund was in a sound financial position.

	Number of members		Employer contributions (Rm)	
	2026	2025	2026	2025
Summary per fund:				
TFG Retirement Fund	22 636	21 611	446	402
Metropolitan Rainmaker Provident Fund (Lesotho)	103	73	1	1
Namflex Pension Fund	452	411	5	5
Sibaya Provident Fund (Swaziland)	130	114	1	1
Alexander Forbes Retirement Fund (Botswana)	258	259	4	4
National Pensions Scheme Authority (NAPSA) of Zambia	200	181	1	–
	23 779	22 649	458	413

The contributions are included in employee costs.

TFG London

All UK-based employees are automatically enrolled in the company's defined contribution pension scheme, underwritten by Scottish Widows, subject to certain limited criteria. As a condition of the company contributing to this scheme, employees are required to make additional personal contributions, but can also choose to opt out of the scheme. For certain employees, the company contributes to a separate personal pension scheme selected by the employee instead. GBP2 million (R47 million) was paid in the current year, GBP1 million (R27 million) was paid in the prior year.

TFG Australia

For employees, a government mandated 10% of all ordinary time earnings must be paid into a retirement fund nominated by the employee provided the employee meets certain requirements. AUD20 million (R229 million) was paid into a superannuation fund in the current year, AUD19 million (R227 million) was paid into a superannuation fund in the prior year.

Medical aid

TFG Medical Aid Scheme: Defined contribution plan

The company and its wholly owned subsidiaries operate a medical aid scheme for the benefit of their permanent South African employees. Membership of the scheme is voluntary, except for senior employees. Permanent employees in Lesotho can also apply to the scheme upon meeting certain criteria.

Total membership currently stands at 3 073 (2025: 2 856) principal members.

These costs are charged against income as incurred and amounted to R20 million (2025: R21 million), with employees contributing a further R118 million (2025: R119 million) to the fund.

In respect of the year ended 31 December 2025, the scheme earned risk contributions of R186 million (2025: R177 million) and reflected a deficit of R8 million (2025: R10 million surplus) after the deduction of all expenses, and before investment income. The scheme had net assets at its year end date totalling R393 million (2025: R317 million).

Other defined contribution plans

Permanent employees are able to take up voluntary medical aid scheme membership in the country in which they operate.

Post-retirement defined medical aid

Qualifying retired employees are entitled to medical aid benefits, which have been fully provided for (note 18).

Other

Group employees and pensioners are entitled to a discount (on selling price) on purchases made at stores within the Group.

37. Directors' remuneration

	Fees	Remuneration	Pension fund	Dividends	Other benefits	Performance bonus	Total	LTI vested value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2026								
Non-executive								
M Lewis	1 780	–	–	–	–	–	1 780	–
E Oblowitz	1 059	–	–	–	–	–	1 059	–
B L M Makgabo - Fiskerstrand	988	–	–	–	–	–	988	–
D Friedland	852	–	–	–	–	–	852	–
R Stein	836	–	–	–	–	–	836	–
G Davin	1 353	–	–	–	–	–	1 353	–
C Coleman	913	–	–	–	–	–	913	–
J N Potgieter	1 312	–	–	–	–	–	1 312	–
N L Sowazi	842	–	–	–	–	–	842	–
A D Murray ¹	1 015	–	–	–	–	–	1 015	–
B S M Backman ²	355	–	–	–	–	–	355	–
G C Zondi ²	824	–	–	–	–	–	824	–
Total	12 129	–	–	–	–	–	12 129	–
Executive								
A E Thunström	–	16 884	356	1 131	125	–	18 496	17 123
R R Buddle	–	7 879	356	167	84	–	8 486	–
Total	–	24 763	712	1 298	209	–	26 982	17 123
Total remuneration	12 129	24 763	712	1 298	209	–	39 111	17 123

	Fees	Remuneration	Pension fund	Dividends	Other benefits	Performance bonus	Total	LTI vested value
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2025								
Non-executive								
M Lewis	1 695	–	–	–	–	–	1 695	–
Prof F Abrahams	453	–	–	–	–	–	453	–
E Oblowitz	1 434	–	–	–	–	–	1 434	–
N V Simamane	422	–	–	–	–	–	422	–
B L M Makgabo - Fiskerstrand	889	–	–	–	–	–	889	–
D Friedland	892	–	–	–	–	–	892	–
R Stein	1 060	–	–	–	–	–	1 060	–
G Davin	1 014	–	–	–	–	–	1 014	–
C Coleman	789	–	–	–	–	–	789	–
J N Potgieter	1 034	–	–	–	–	–	1 034	–
N L Sowazi	486	–	–	–	–	–	486	–
A D Murray	2 309	–	–	–	–	–	2 309	–
Total	12 477	–	–	–	–	–	12 477	–
Executive								
A E Thunström	–	16 064	351	1 076	122	10 859	28 472	12 891
R R Buddle	–	7 491	351	–	58	4 108	12 008	–
Total	–	23 555	702	1 076	180	14 967	40 480	12 891
Total remuneration	12 477	23 555	702	1 076	180	14 967	52 957	12 891

Fees only relate to services as non-executive directors and are paid by the Company. The executive directors are paid by The Foschini Retail Group (Pty) Ltd. Other benefits include housing allowance and medical aid subsidy.

¹ A D Murray retired as from the Board on 4 September 2025.

² Appointments of Mr G Zondi and Ms B Backman as independent non-executive directors of the Company with effect from 12 June 2025 and 1 September 2025, respectively.

38. Related parties

Shareholders

An analysis of the principal shareholders of the company is provided in appendix 1. For details of directors' interests, refer to note 13.

Subsidiaries

During the year, in the ordinary course of business, certain companies within the Group entered into transactions. These intra-group transactions were eliminated on consolidation.

Directors

Remuneration

Details relating to executive and non-executive directors' remuneration are disclosed in note 37.

Interest of directors in contracts

No directors have any interests in contracts that are in contravention of section 75 of the Companies Act of South Africa, No. 71 of 2008. Executive directors are bound by service contracts.

Loans to directors

No loans have been made to directors.

Employees

	2026 Rm	2025 Rm
Remuneration paid to key management personnel other than the executive directors is as follows:		
Short-term employee benefits		
Remuneration	399	355
Performance bonus	152	152
Travel allowance	3	3
Post-employment benefits		
Pension fund	35	31
Other long-term benefits		
Other benefits	3	3
Share-based payments		
Fair value of share instruments granted	117	106
Restraint of trade payments	15	26
Total remuneration	724	676

As at March 26, there were 182 (2025: 171) key management personnel other than the executive directors employed with the Group. Refer to note 37 for further disclosure regarding remuneration paid to executive directors of the company.

39. Commitments and contingent liabilities

	2026 Rm	2025 Rm
Capital commitments	213	386

Capital commitments are for purchases of property, plant and equipment.

There are no contingent liabilities.

40. Going concern and subsequent events

40.1 Subsequent events

Dividend declaration

The directors have declared a final gross cash dividend of 140,0 cents (112,0 cents net of dividend withholding tax) per ordinary share for the year ended 31 March 2026, payable on 20 July 2026.

No other significant events took place between the year ended 31 March 2026 and date of issue of this report.

40.2 Going concern

The going concern assumption is evaluated based on information available up to the date on which the results are approved for issuance by the Board. The going concern assumption was considered to be appropriate for the preparation of the Group's results for the year ended 31 March 2026 and management is not aware of material uncertainties related to events or circumstances that may cast significant doubt upon the Group's ability to do so. The Group continues to adapt the business as effectively as possible to deal with the dynamic environment within which it operates through various cash and working capital initiatives, and continues to prioritise cost savings initiatives across all operations. In this regard, key considerations included.

The Group continues to demonstrate its operating and financial strengths and agility and is well positioned to navigate through tough economic conditions and stretched consumer wallets in all territories in which we operate. The Group continues to invest in its key strategic initiatives to further strengthen its differentiated business model. It has made progress on its key strategic objectives and its speciality brand business portfolio which remains very well positioned for further organic and inorganic growth. A specific focus will be on maximising the efficiency of our investments, such as the acquisition of White Stuff and enhancing working capital management.

Further, the Group continues to enhance and invest in initiatives such as Bash and local manufacturing which will ultimately contribute to improving the Group's return on capital employed in the longer term.

Management is confident that there is adequate short-term available funding to meet working capital requirements in the normal course of its operations. The Board has assessed the solvency and liquidity of the Group and is satisfied with the Group's ability to continue as a going concern for the foreseeable future.

41. Accounting standards and interpretations to be adopted in future years

There are standards and interpretations in issue that are not yet effective. These include the following standards and interpretations that are applicable to the Group. These are not expected to have a material impact on future financial statements, except for IFRS 18, the impact which is currently being assessed:

	Effective for periods starting on or after
Amendments to the Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7	1 January 2026
Annual Improvements to IFRS Accounting Standards – Volume 11	1 January 2026
Presentation and Disclosures in Financial Statements – IFRS 18	1 January 2027
Subsidiaries without Public Accountability: Disclosures – IFRS 19	1 January 2027

42. Subsidiary companies

Name of subsidiary	Country of registration	Ownership
<i>Trading subsidiaries</i>		
TFG Retailers Proprietary Limited	Australia	100%
Foschini (Swaziland) Proprietary Limited	Eswatini	100%
Foschini (Lesotho) Proprietary Limited	Lesotho	100%
Fashion Retailers Proprietary Limited	Namibia	100%
Cotton Traders Proprietary Limited	South Africa	100%
Foschini Retail Group Proprietary Limited	South Africa	100%
Prestige Clothing Proprietary Limited	South Africa	100%
Quench Delivery Proprietary Limited	South Africa	100%
Tapestry Home Brands Proprietary Limited	South Africa	100%
TFG Apparel Supply Company Proprietary Limited	South Africa	100%
Dress Holdco A Limited	United Kingdom	100%
Fashion Retailers (Zambia) Limited	Zambia	100%

These companies are material direct subsidiaries of The Foschini Group Limited.

Appendix 1:

Shareholdings of The Foschini Group Limited

For the year ended 31 March 2026

Analysis of shareholdings – ordinary shares

Compiled by the JP Morgan Cazenove utilising the company's transfer secretaries' records as at 27 March 2026.

Spread analysis	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
1 – 1 000 shares	10 583	76,5	1 945 734	0,6
1 001 – 10 000 shares	2 261	16,3	6 632 852	2,0
10 001 – 100 000 shares	671	4,9	24 031 026	7,3
100 001 – 1 000 000 shares	262	1,9	78 636 188	23,7
1 000 001 shares and over	54	0,4	219 781 500	66,4
	13 831	100,0	331 027 300	100,0

Distribution of shareholdings

Category	Number of shares held	% of shares in issue
Pension Funds	106 556 586	32,2
Unit Trusts	94 168 592	28,4
Mutual Fund	47 372 664	14,3
Sovereign Wealth	24 611 224	7,4
Private Investor	13 135 645	4,0
Corporate Holding	12 761 674	3,9
Insurance Companies	9 291 753	2,8
Trading Position	5 326 513	1,6
Exchange-Traded Fund	5 053 873	1,5
Medical Aid Scheme	1 838 389	0,6
Investment Trust	1 832 188	0,6
Custodians	1 417 414	0,4
University	777 691	0,2
Charity	382 843	0,1
Hedge Fund	170 581	0,1
American Depositary Receipts	43 458	–
Black Economic Empowerment	20 000	–
Local Authority	10 490	–
Remainder	6 255 722	1,9
Total	331 027 300	100,0

Appendix 1:

Shareholdings of The Foschini Group Limited for the year ended 31 March 2026

Beneficial shareholdings greater than 5%

Beneficial interests – direct and indirect, as per share register and information supplied by nominee companies as at 27 March 2026.

	Holding	% of shares in issue
Government Employees Pension Fund (PIC)	66 695 504	20,1
Government of Norway	21 533 476	6,5

Fund managers' holdings greater than 5%

According to disclosures made, the following fund managers administered client portfolios which included more than 5% of the company's issued shares.

	Holding	% of shares in issue
Government Employees Pension Fund (PIC)	50 486 267	15,3
M&G Investment Managers (Pty) Ltd	38 288 536	11,6
Ninety One SA (Pty) Ltd	23 715 814	7,2
Camissa Asset Management (Pty) Ltd	19 191 465	5,8
Total	131 682 082	39,9

Shareholding spread

Category	Number of holders	% of total shareholders	Number of shares held	% of shares in issue
Public shareholders	13 587	98,2	312 806 165	94,5
Non-public shareholders	244	1,8	18 221 135	5,5
Foschini Stores (Pty) Ltd	1	–	10 756 190	3,2
Foschini Incentive Trust	1	–	1 134 647	0,3
Employees of TFG	232	1,7	3 837 393	1,2
Directors	10	0,1	2 492 905	0,8
Total	13 831	100,0	331 027 300	100,0

Geographical split of investment managers and company related holdings

Region	Total shareholding	% of shares in issue
South Africa	260 819 397	78,7
United States of America and Canada	36 291 718	11,0
United Kingdom	20 028 955	6,1
Rest of Europe	7 837 821	2,4
Rest of world ¹	6 049 409	1,8
Total	331 027 300	100,0

Geographical split of beneficial shareholders

Region	Total shareholding	% of shares in issue
South Africa	243 194 553	73,5
United States of America and Canada	40 359 959	12,2
United Kingdom	6 407 544	1,9
Rest of Europe	38 953 262	11,8
Rest of world ¹	2 111 982	0,6
Total	331 027 300	100,0

¹ Represents all shareholdings except those in the above regions

Appendix 1:

Shareholdings of The Foschini Group Limited for the year ended 31 March 2026

Analysis of shareholders – preference shares

Beneficial shareholdings greater than 5%

Beneficial interests – direct and indirect, as per share register as at 27 March 2026.

	Holding	% of shares in issue
Public shareholder	14 200	7,1
Non-public shareholders	171 759	85,9
Linda Lombard	57 044	28,5
Old Sillery (Pty) Ltd	47 100	23,6
Michael Goulding	35 280	17,6
Angus Macdonald	32 335	16,2
	185 959	93,0

Shareholding spread

Category	No of holders	% of total shareholders	No of shares held	% of shares in issue
Public	15	78,8	28 241	14,1
Non-public shareholders	4	21,2	171 759	85,9
Linda Lombard	1	5,3	57 044	28,5
Old Sillery (Pty) Ltd	1	5,3	47 100	23,6
Michael Goulding	1	5,3	35 280	17,6
Angus Macdonald	1	5,3	32 335	16,2
	19	100,0	200 000	100,0

Appendix 2: Definitions

For the year ended 31 March 2026

Companies Act of South Africa

Concessions

Companies Act of South Africa, No. 71 of 2008, as amended

In addition to their own stand-alone stores, TFG London and TFG Australia have concession arrangements with key department store partners from whom they occupy an agreed floor space area (referred to as “mat”) dedicated to their product

Debt-to-equity ratio

Net borrowings expressed as a percentage of total equity

EBIT

Earnings, excluding acquisition costs, before finance costs and tax

EBITDA

Earnings before finance costs, tax, depreciation and amortisation

Headline earnings

Net income attributable to ordinary shareholders adjusted for the effect, after tax, of specific adjustments in terms of The South African Institute of Chartered Accountants (SAICA) - Circular 1/2023

Headline earnings per ordinary share

Headline earnings divided by the weighted average number of shares in issue for the year

Omnichannel

Describes the integrated multi-channel retailing (e-commerce, online sales, mobile app sales)

Operating profit

Profit earned from normal business operations

Return on capital employed (ROCE)

Earnings before interest and tax (EBIT)/capital employed

Same store

Stores that traded out of the same trading area for the full current and previous financial years

VWAP

Volume weighted average price

Company information

Executive directors:	A E Thunström, R R Buddle
Non-executive directors:	M Lewis (Chairman), B S M Backman, C Coleman, G H Davin, D Friedland, B L M Makgabo-Fiskerstrand, E Obblowitz, J N Potgieter, N L Sowazi, R Stein, G C Zondi
Company Secretary:	D van Rooyen
Registered office:	Stanley Lewis Centre, 340 Voortrekker Road, Parow East, 7500, South Africa
Registration number:	1937/009504/06
LEI number:	3789PTO7LG718IG59F97
Tax reference number:	9925/133/71/3P
JSE / A2X share code:	TFG
Ordinary share code:	TFG
ISIN:	ZAE000148466
Preference share code:	TFGP
ISIN:	ZAE000148516
Transfer secretaries:	Computershare Investor Services Proprietary Limited Rosebank Towers, 15 Biermann Avenue, Rosebank, Johannesburg, 2196, South Africa
Sponsor:	RAND MERCHANT BANK (A division of First Rand Bank Limited)
Auditors:	Deloitte & Touche.
Website:	www.tfglimited.co.za



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AND JEWELLERY SINCE 1891

ARCHIVE

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EXACT

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GALAXY*CO

GRANNY
GOOSE

G-STAR RAW

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HOBBS
LONDON

Inside Story

JD

Jet

Jet HOME

Johnny

MARKHAM

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Phase Eight

RELAY
JEANS

RFO
REINFORCEMENT
FOOTWEAR

ROCKWEAR

SNEAKER
FACTORY

sportscene

STERNS
1994

TAROCASH

TOTALSPORTS

VOLPES
THE POINT OF ENTRY

WHISTLES

WHITE
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