

INTEGRATED ANNUAL REPORT 2026

THE FOSCHINI GROUP LIMITED
for the year ended 31 March 2026



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Strategic Project

Phambili programme Omni-distribution and demand-led supply chain

The Phambili programme has delivered a R1 billion omnichannel distribution centre (DC) in Riverfields, Johannesburg, and has enabled a shift to a demand-led supply chain. Instead of relying mainly on forecasts, which is particularly challenging in fashion retail, the new model uses real-time store sales as the signal for replenishment and allocation.

As items sell through, demand is captured and analysed so inventory can be rapidly replenished or reallocated to the locations where it is emerging. This enables TFG to respond quickly and dynamically to real-time customer demand, increasing availability and improving stock-holding metrics.

During FY 2026 the distribution centre reduced replenishment lead times from 4,6 to 2,6 days and improved product availability from 85% to 89%.

In addition, by in-sourcing central e-commerce fulfilment, Phambili reduced DC costs by 50%, improved customer experience through fewer parcels per order, and reduced pressure on store fulfilment during peak trading periods such as Black Friday.

As part of our decarbonisation plan, a 780 kilowatt-peak (kWp) photovoltaic system was installed at Riverfields.

About this report

Reporting boundary and scope



The 2026 Integrated Annual Report (IAR) of The Foschini Group Limited and its subsidiaries (collectively referred to as “TFG” or “the Group”) covers the financial year from 1 April 2025 to 31 March 2026.

The reporting boundary for this report has been determined in accordance with the principles of the <IR> Framework and reflects management’s assessment of the matters that materially affect the Group’s ability to create, preserve or erode value over the short, medium and long term.

The reporting boundary comprises two interconnected dimensions. The first is the financial reporting entity, which includes the Company, its subsidiaries and those entities over which the Group exercises control or significant influence in accordance with International Financial Reporting Standards.

This boundary forms the foundation of the Group’s financial disclosures and provides the primary reference point for reporting on strategy, governance, performance and resource allocation.

The second dimension extends beyond the statutory financial reporting boundary to include material risks, opportunities and outcomes attributable to, or associated with, relationships and activities across the Group’s broader value chain and stakeholder ecosystem. In determining this broader boundary, the Group considers those external factors, entities and stakeholder relationships that could substantively influence its ability to create, preserve or erode value over time, even where the Group does not exercise direct control.

Accordingly, this IAR may include discussion of matters relating to stakeholders where such matters are considered material to the Group’s long-term sustainability, resilience and value creation prospects. This includes consideration of the Group’s impacts and dependencies across the capitals, including financial, manufactured, intellectual, human, social and relationship, and natural capital.

The determination of the reporting boundary is informed by the Group’s materiality assessment process, through which material matters are identified, evaluated and prioritised based on their actual or potential effect on the Group’s strategy, business model, governance, performance and future outlook. The process incorporates management judgement, stakeholder engagement, risk management processes and oversight by the Board and its relevant committees.

In practice, the reporting boundary may therefore encompass matters occurring outside the legal structure of the Group where these have a significant bearing on the Group’s ability to create value. Examples may include supply chain resilience, labour and human rights practices, customer behaviour, environmental impacts, regulatory developments, technology changes and broader socioeconomic conditions. While every effort has been made to provide complete, balanced and reliable disclosure, practical limitations may affect the extent of information available in respect of entities and activities outside the Group’s direct control. Where appropriate, the report identifies such limitations and outlines the steps being taken to enhance data quality, availability and reporting coverage over time.

The reporting boundary is reviewed annually to ensure continued alignment with the Group’s evolving business model, strategic priorities, stakeholder expectations and external operating environment.

About this report

Materiality

We considered materiality when compiling our reporting suite. This report focuses on matters that significantly affect our ability to create sustainable value and explains how they impact our business strategy while considering stakeholder perspectives.

The material matters apply to the Group with varying likelihood and impact.

Further details on our materiality process and material matters are provided on pages 41-49 of the report.

Integrated reporting process

The Group's integrated reporting process is managed by the Strategy and Investor Relations teams. Each year, the process begins with a thorough evaluation of the prior year's report, incorporating detailed feedback from an integrated reporting specialist. This is further informed by benchmarking against peers, assessment of emerging trends and best practice, and consideration of the information needs of the Group's diverse stakeholders.

Individual reports are prepared through structured engagement with executives, subject-matter experts and Board committee papers. Drafts are reviewed sequentially by content owners, the Strategy and Investor Relations teams, the CFO and the CEO. The Audit Committee provides oversight of the Integrated Annual Report and Annual Financial Statements, while the Supervisory Board carries out a final review before approving publication.

Forward-looking statements

TFG has acted in good faith and has made every reasonable effort to ensure the accuracy and completeness of the information contained in this document, including all information that may be defined as "forward-looking statements" within the meaning of US securities legislation.

Forward-looking statements may be identified by words such as "believe", "anticipate", "expect", "plan", "estimate", "intend", "project", "target", "predict" and "hope". Forward-looking statements are not statements of fact, but statements by the management of TFG based on its current estimates, projections, expectations, beliefs and assumptions regarding the Group's future performance.

No assurance can be given that forward-looking statements will be correct, and undue reliance should not be placed on these statements.

The risks and uncertainties inherent in the forward-looking statements contained in this document include changes to IFRS and the interpretations, applications and practices subject thereto as they apply to past, present and future periods; domestic and international business and market conditions such as exchange rate and interest rate movements; changes in the domestic and international regulatory and legislative environments; changes to domestic and international operational, social, economic and political risks; and the effects of both current and future litigation.

TFG does not undertake to update any forward-looking statements contained in this document and does not assume responsibility for any loss or damage arising as a result of the reliance by any party on these statements, including loss of earnings, profits, or consequential loss or damage. These forward-looking statements have not been reviewed or reported on by the Group's external auditors.

Board responsibility

The Board of Directors acknowledges its responsibility for the integrity of the Integrated Annual Report. The directors confirm that the report fairly represents the Group's performance for the period under review, its growth strategies, material matters, risks and opportunities, and its prospects.

The Board is satisfied that the report was prepared in line with the International Integrated Reporting <IR> Framework and presents the Group's strategy and its ability to sustainably create value over the short, medium and long term.

The Board approved the 2026 Integrated Annual Report on 30 July 2026.

Board members

Michael Lewis Chairman	Anthony Thunström Chief Executive Officer	Ralph Buddle Chief Financial Officer	Graham Davin Lead independent director	Bridgitte Backman Non-executive director	Colin Coleman Non-executive director	David Friedland Non-executive director
Boitumelo Makgabo-Fiskerstrand Non-executive director	Mamongae Mahlale Non-executive director	Eddy Oblowitz Non-executive director	Jan Potgieter Non-executive director	Nkululeko Sowazi Non-executive director	Ronnie Stein Non-executive director	Gcina Zondi Non-executive director

About this report

A FOCUS ON GOVERNANCE



King IV™:
Principle 15

Assurance of external reports (including Annual Financial Statements)

Governing documents:

- Integrated assurance policy and integrated assurance plan
- Risk and resilience policy
- Internal audit charter and internal audit plan
- External audit plan and terms of engagement

Oversight by:

Board of Directors • Group Executive Committee • Audit Committee • Risk Committee • Internal audit • External audit

TFG governs the assurance of its external reports through an integrated assurance model that aligns with King IV™'s recommendation for a combined assurance approach to support the integrity of information published by companies.

The Audit Committee, comprised entirely of independent non-executive directors, holds primary responsibility for overseeing this process, specifically reviewing and recommending for Board approval the Annual Financial Statements, interim reports, and the Integrated Annual Report. This oversight is further supported by the Risk Committee, which sets the high-level direction for Enterprise Risk Management and approves the annual integrated assurance plan, ensuring all significant risks and material matters, such as reputational risk and material litigation, are comprehensively addressed. To the same end, the Social and Ethics Committee coordinates its activities with other committees to ensure the Integrated Annual Report and Inspired Living Reports accurately reflect TFG's standing as a responsible corporate citizen.

The Group's governance structure ensures these committees do not work in isolation. At least one member of the Risk Committee must also be a member of the Audit Committee to ensure alignment, and the Risk Committee is mandated to liaise with other committees, such as the Social and Ethics Committee, to ensure that adequate controls are in place for regulatory compliance.

This governance framework creates value for the Group and its stakeholders by ensuring that external reporting is rooted in objectivity, professional scepticism, and transparency. By integrating multiple lines of assurance, TFG provides stakeholders with a high degree of confidence in the reliability of its disclosures. Ultimately, the assurance environment supports sound decision-making and protects long-term stakeholder interests by fostering trust in TFG's ability to govern effectively and reflect truthfully its results and impacts.

Read more about our integrated assurance model on page 19 of the [Governance Report 2026](#).



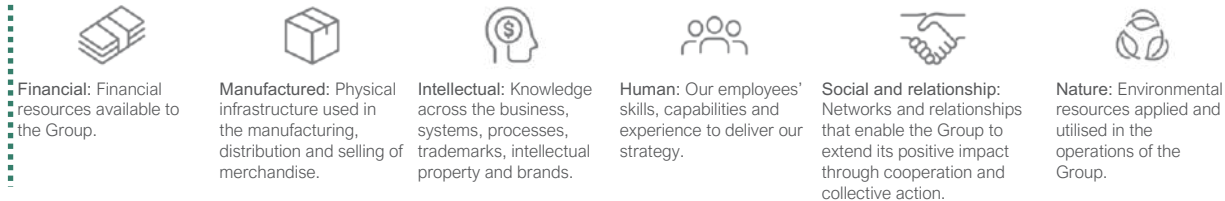
About this report

This interactive report contains hyperlinks that allow you to find the information you need, including additional details where we reference the website or other reports. For ease of understanding and navigation of the report, icons have been used to indicate where further detail on our capitals, stakeholders and strategic pillars can be found in the report.

Capitals

These contribute to our ability to achieve our strategic objectives and create value.

Six capitals



Stakeholders

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

Stakeholders



Strategy

Our strategy, BOLTS, has five pillars that contribute to our ability to create shareholder value over the short, medium and long term. The strategy is reviewed by the Board regularly.



Sustainability

Our Inspired Living framework is structured around three key objectives.



Integrated reporting suite

Our reporting suite is designed to provide a balanced overview of TFG's strategy and performance, meet diverse stakeholder needs, and provide streamlined access to all relevant documents.

Reports are available at www.tfglimited.co.za under Investor Relations.

Integrated Annual Report Reporting to shareholders and interested stakeholders on TFG's strategy, performance and governance.		Integrated Annual Report
Financial reports Primarily reporting to shareholders, investment community and analysts on the Group's financial position and performance.		Annual Financial Statements Results announcement Results presentation and webcast
Sustainability reports Reporting to all stakeholders based on data-led, stakeholder-focused and material sustainability impacts. It provides a view of the Group's socioeconomic and environmental impact.		Inspired Living Report CDP questionnaire B-BBEE credentials and scorecard
Governance reports Reporting to all stakeholders on governance structures, processes, remuneration and policies aligned with King IV™ principles.		Governance Report Remuneration Report
Notice of AGM Documents for shareholders and investors to consider when voting at the annual general meeting (AGM).		Notice of AGM Proxy form

Reporting frameworks and standards

This reporting suite was compiled in accordance with the following frameworks and standards:

Mandatory frameworks:

- Integrated Reporting <IR> Framework (2021)
- IFRS® Accounting Standards
- IoDSA King IV Report on Corporate Governance™ for South Africa, 2016*
- JSE Limited Listings Requirements
- Companies Act of South Africa, No. 71 of 2008, as amended

The IoDSA King V Report on Corporate Governance™ for South Africa, 2025 was released on 31 October 2025 by the IoDSA. In terms of the JSE Listings Requirements, all Issuers will be required to report on their implementation of King V for financial years beginning on or after 1 January 2026. Accordingly, we have prepared this reporting suite with reference to King IV™ and the reporting suite for our year ending 31 March 2027 will be prepared with reference to King V™.

Reference frameworks:

- JSE Sustainability Disclosure Guidance
- United Nations (UN) Sustainable Development Goals (SDGs)

We welcome the release of the ISSB sustainability reporting standards and, although not yet mandatory in South Africa, are considering the impact of these standards as part of our commitment to global best practice. We have been reporting in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which provides a strong foundation for alignment with IFRS S2. A gap analysis has been completed this year to assess requirements and evaluate readiness across the core pillars of governance, strategy, risk management, and metrics and targets. A cross-functional task team, including sustainability, finance and risk, will coordinate efforts across regions to support alignment. TFG Australia has completed its first mandatory AASB S2 climate-related disclosure requirements, supporting the Group's broader IFRS S1 and S2 reporting readiness.

2026 at a glance

“FY 2026 was a demanding year for retailers globally. Against a backdrop of subdued consumer demand, geopolitical volatility, rising energy costs and intensifying digital disruption, TFG’s financial performance reflects this reality.”

Anthony Thunström, Group CEO

Group performance

Revenue
R67,1 billion

+7,2%

Gross profit margin
48,2%

-120 bps

Operating profit
before brand impairments and acquisition costs
R4,9 billion

-22,1%

Headline earnings per share
-33,5%

675,4 cents

Total dividend
270,0 cents

-30,8%

Return on capital employed
excluding brand impairments and acquisition-related costs

10,9%

Strategic performance

Group online sales contribution

14,8%

TFG Africa SA and SADC
regional sourcing

81,4%

TFG Africa new jobs and
workplace opportunities

3 614



Our history

The story of TFG is best understood through five major eras:

In the Beginning 1924 – 1957

Founded by George Ivan Rosenthal in 1924, Foschini set out to offer South African women affordable, well-made, fashionable clothing, originally sourced from American out-of-season stock. The first store opened on 27 November 1925 on Pritchard Street in Johannesburg, followed soon after by Cape Town. By 1927, Foschini had nine branches, and in 1941, Foschini Dresses (Pty) Ltd became the JSE's first listed clothing retailer.

Number of stores



25
(FY 1958)

Number of brands



1
(FY 1958)

The Stanley Lewis Era 1958 – 1999

In 1958, Stanley Lewis acquired a major shareholding in Foschini Ltd and took control of the business. The Stanley Lewis era was a turning point for Foschini, marked by major acquisitions, developing strong in-house brands, sustained profitability, and significant structural and technological change. It transformed the business from a single-brand retailer into one of South Africa's largest diversified retail groups.

Number of stores



1 069
(FY 1999)

Number of brands



7
(FY 1999)



Key acquisitions

1967 American Swiss

1968 Markham

1993 Sterns

1997 Sportscene



Our history

Building TFG for the 21st Century 2000 – 2014

Through strategic reinvention, TFG repositioned itself for the 21st century. During this period the Group diversified further into a portfolio of businesses across multiple categories. The formal change to TFG Ltd reflected this shift, alongside investments in supply chain agility, new brand acquisitions, and expansion into sports, homeware, and lifestyle retail.

2001 @home launched

2010 Foschini Ltd becomes TFG Ltd

2010 Development of agile manufacturing supply chain

2010-2014 Diversification into sports apparel, homeware, cellular services and furniture



Acquisitions

2000 Total Sports

2011 Fabiani

2012 Prestige Clothing



Going Global and Digital Transformation 2015 – 2020

This era was defined by targeted international expansion, omnichannel development and greater use of digital platforms and data. Acquisitions in the UK and Australia, together with pandemic-driven online acceleration, reshaped TFG into an increasingly diverse, multinational Group.

2015 Phase Eight acquired and becomes TFG London

2017 RAG acquired and becomes TFG Australia

2018 Launch of myTFGworld.com, South Africa's first major online fashion marketplace



Acquisitions

2015 Phase Eight (TFG London)

2016 Whistles (TFG London)

2017 Hobbs (TFG London)

2017 Retail Apparel Group (TFG Australia)

2020 Jet



Present: An era of Innovation 2021 – present day

This era has been driven by the launch of Bash as an omnichannel ecosystem, supported by investments in logistics and fulfilment. Together with strategic acquisitions and large-scale store technology enablement, these initiatives have deepened the integration between digital and physical retail, redefining how customers engage with TFG brands.

2023 Launch of Bash.com

2023 Bash extends into physical retail through Bash-powered in-store technology

2023 Fulfilment network scales to support Bash

2024 Launch of the 75 000m² Riverfields omni-enabled distribution centre in Midrand



Acquisitions

2021 Granny Goose

2021 Quench (online delivery)

2022 Tapestry

2023 Street Fever

2024 White Stuff (TFG London)

Number of stores



2 111

(FY 2014)

Number of brands



17

(FY 2014)

Number of stores



4 083

(FY 2020)

Number of brands



29

(FY 2020)

Number of stores



4 914

(FY 2026)

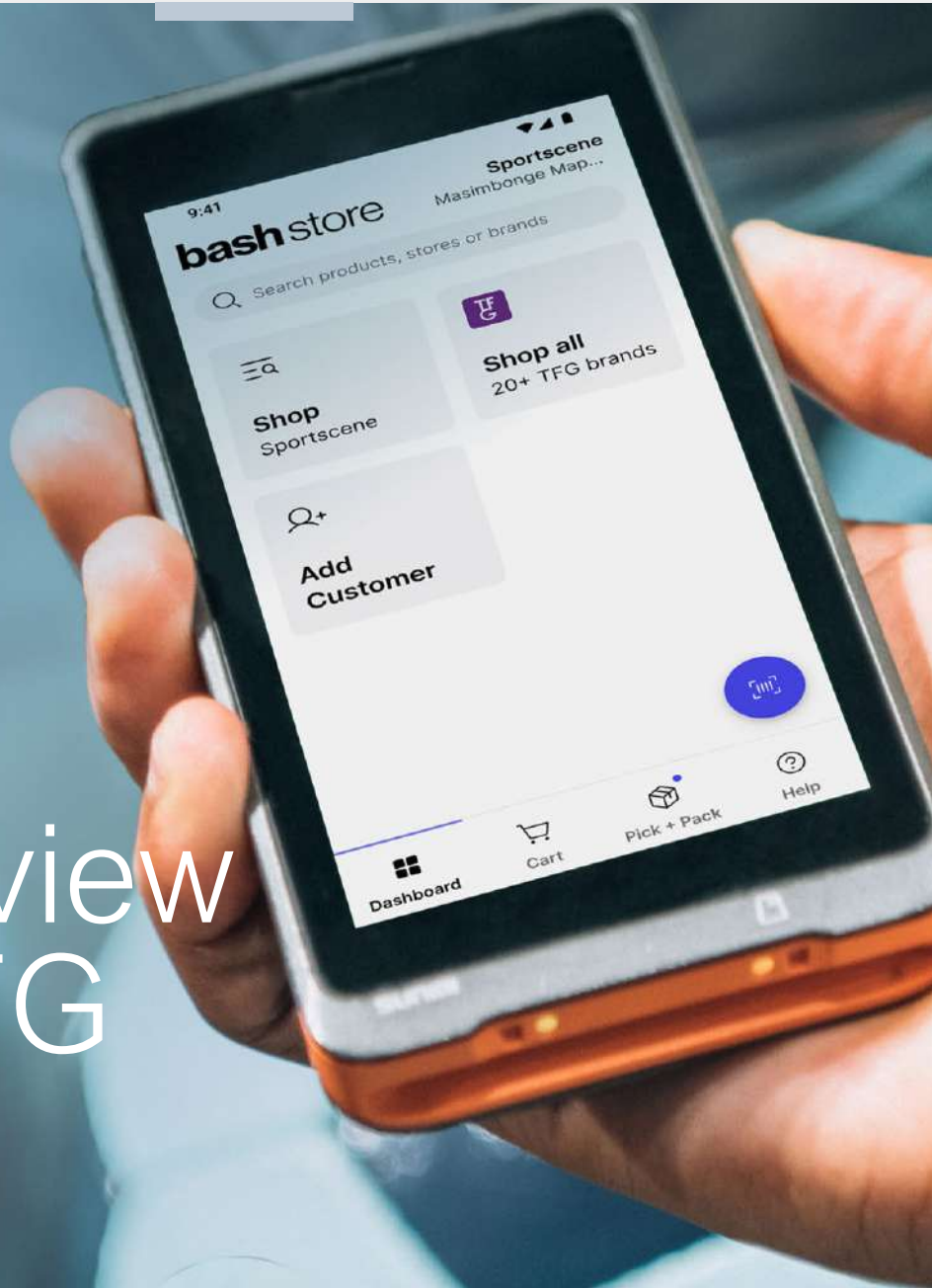
Number of brands



40

(FY 2026)

An overview of TFG



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Strategic Project

OmniStore

Bridging physical and digital retail

This project expands TFG's omnichannel capability by deploying in-store devices that connect the physical store to the Group's digital retail platform.

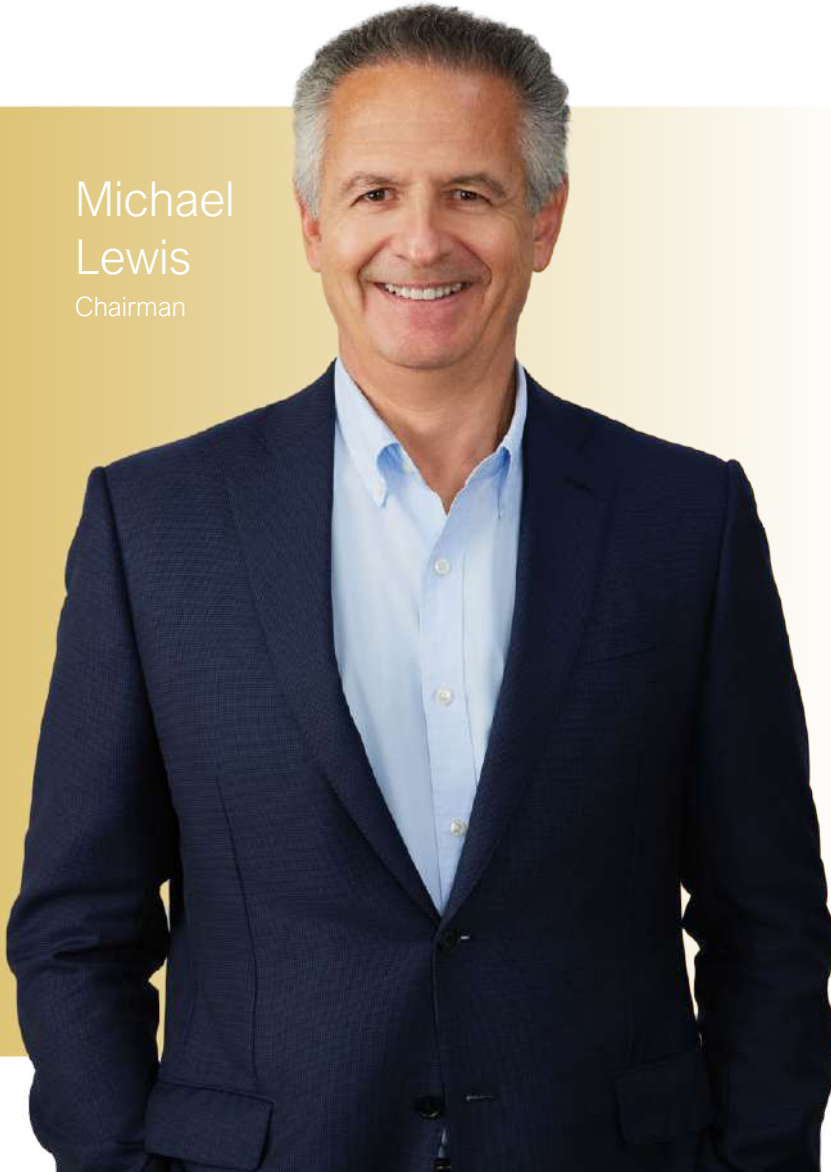
Store teams are equipped with devices powered by a white-labelled Bash platform, providing access to the Group's full online catalogue. This enables sales to be completed when a product, size or colour is unavailable in-store and allows customers to purchase products across TFG brands through a single interface. Sales concluded through the platform also provide store teams with additional incentive-earning opportunities, supporting increased take-home pay.

The solution introduces an "endless-aisle" capability, extending product availability beyond the physical store while delivering a more seamless omnichannel customer experience.

During FY 2026, more than 3 000 devices were deployed, generating sales of over R550 million, an increase of more than 300% compared with FY 2025.

Message from our Chairman

Michael
Lewis
Chairman



Review of the year

The year under review tested TFG more than most in recent memory. Conditions were demanding across all three of our markets to a greater degree than we, and indeed many economists and analysts had anticipated. Our international businesses, in particular, navigated genuinely tough conditions. Geopolitical events, near-zero growth in the United Kingdom, and an interest rate reversal in Australia eroded household spending power.

Our business has immense underlying strengths, and the Board and management team are resolved for this to manifest themselves in a greater level of profitability. The business' response is therefore decisive and well under way.

Group retail turnover grew 7,1%, but headline earnings declined by 33,5%, as did the total dividend, by 30,8%. TFG Africa's operational EBIT fell by 14,8% whilst Australia and the UK by 27,2% and 65,4%, respectively. I do not in any way wish to portray this result as anything other than disappointing. I do though ask stakeholders to see this in the context of sustained and extreme pressure on consumers in our three operating markets. This is evidenced by the sharp derating experienced by many listed retail shares in South Africa, Australia and the UK.

However, our confidence in TFG's intrinsic value is more than a statement – evidenced by the share repurchase undertaken last year. For a more detailed review of the Group's performance and its response to the tough trading conditions mentioned above, please refer to the CEO's report.

Strategic progress

Over the past five years TFG has made deliberate investments in digital, supply chain, the value segment and technology. These were made through the cycle, in the conviction that businesses that fail to invest for the future do so at their peril. This year tested that conviction; it did not change it.

We are also witnessing a changing credit environment, and we are adapting our model to take advantage of the intersection of our credit offerings, customer Rewards base and Value-Added Services, to further increase their combined scale and profitability.

At the advent of the digital revolution, it was a common refrain that online retail would be less applicable to South Africa than to more developed international markets. Whilst it has taken longer to become mainstream, the year under review will be recorded as the moment this changed. TFG Africa's omnichannel sales grew at a rapid rate of 49% and was 8,2% of sales compared to 5,8% last year. This trend continues to gather momentum and TFG, through Bash and its heavy investment in technology and logistics, is very well positioned for this change.

Last year I referenced how artificial intelligence (AI) was likely to have profound implications. Further investment is occurring in AI-enabled planning systems and multiple other AI applications are at various stages of implementation. Stakeholders should expect to see further AI investment continue. To some degree this will be offset by less capital expenditure on the physical store base which will contract in the years ahead. We are increasingly ready for this profound and evolving change.

A message from our Chairman

The South African context

For many years I have argued in these reports that the slow pace of structural reform has held back South Africa's growth potential and the economy's capacity to create jobs. Unfortunately, that view has not changed: unemployment remains far too high, and the paltry pace of economic growth is a blot on the government's record over many years. We had hoped for more from the Government of National Unity. This failure is a great sadness for those without work and has direct implications for the economy at large, the consumer and hence TFG.

The above notwithstanding, TFG continues to work constructively with government to support localisation and the long-term sustainability of South Africa's clothing, textile, footwear and leather sector. For example, the TFG Accelerated Manufacturing Growth Project, undertaken in partnership with the National Skills Fund, focuses on developing industry skills and strengthening the local manufacturing value chain.

This cooperation is of fundamental importance. Our ability to keep growing employment and sourcing locally, under great strain because of the macroeconomic failures mentioned above, depends on supportive policy and a level playing field. I single out global online platforms in particular. Although some progress has been made with government on this topic, these platforms continue to compete under rules not applied to those of us who manufacture and employ here. We will continue to make that case, constructively and firmly, because we believe a regulatory framework that supports local manufacturing, investment and employment is in South Africa's long-term economic interest.

Transformation and sustainability

Transformation remains fundamental at TFG. We are clear about our responsibilities to South Africa. I am pleased that the Group retained its Level 2 B-BBEE rating, reflecting sustained investment in people, local manufacturing and economic opportunity.

The Group is proud of its support for community investment initiatives, including its ongoing commitment to the Youth Employment Service and the social impact programme, Emakhaya, which addresses access to clean water, amongst other important community needs. These commitments carry real cost, but the Board considers them money well spent, and part of what it means to build a business worthy of the country it serves.

Governance

TFG continues to treat governance as the practical framework through which a business of this scale and complexity is properly overseen, and as far more than a compliance exercise.

The Board transformation process referenced in previous reports and which began three years ago continues. Ronnie Stein and David Friedland will retire from the Board at the 2026 AGM and further changes can be expected to ensure the right blend of skill, experience, acumen, independence and diversity is maintained. I am encouraged that the approach we have taken and the changes we have made continue to gather support from our shareholders.

I make no apology for returning, as I do each year, to the competition for talent. It remains one of the most consequential matters the Board oversees. TFG has built a deep and capable team over many years and at considerable cost. We compete for these people against established rivals, new entrants, private-equity-backed operators and global digital platforms alike. The costs associated with losing talent are not immediately apparent, but that doesn't mean they aren't immense.

This poses a particular question in a year such as this one when total remuneration is muted due to lack of financial performance. We will maintain proper oversight of remuneration policy while ensuring that too narrow a reading of it never leaves TFG uncompetitive for the talent on which its future depends. The Board's focus on remuneration is also highlighted on page 17.

Leadership

The Board also supported an evolution of the Group's leadership during the year, with a dedicated Africa Executive established beneath the Group Executive to sharpen focus on our African priorities and strengthen leadership succession – the CEO sets out the detail in his report.

Prospects

In times of great economic, financial and geopolitical uncertainty we must plan with caution while not shrinking from the strategic direction we believe to be correct or from the investments that are necessary to support it.

We do not expect significantly improved conditions in our three core markets in the year ahead, though there may be some relief from lower oil prices if the Middle East agreement proves sustainable.

Given these times, my message is that the stringent action now underway to cut costs, simplify our operating model and rationalise our brand and store portfolios where appropriate, leaves the business in a better position to limit the impact on profitability of adverse conditions. Greater details of the strategic direction can be found in the CEO report on pages 51-55.

A message from our Chairman

Appreciation and thanks

It remains my privilege to thank the people who make TFG what it is, never more so than in a year that asked so much of them. My thanks and gratitude go to:

- Anthony Thunström and his management team, for their resolve in confronting a hard and unusually volatile year. It has been a rewarding experience to work with them in confronting the challenges.
- Every member of our 50 861 international family, and the families who support them: thank you for your commitment to our customers, so often in trying circumstances. The character of a business shows in difficult years, and I commend and thank you all.
- My fellow non-executive directors and committee Chairpersons for their wise counsel during a demanding year requiring their time and judgement.
- Ronnie Stein, who steps down after 30 years with the Group, 16 as CFO and 11 as a non-executive director. His detailed understanding of the business, concise approach and sound judgement will be greatly missed.
- David Friedland, who is retiring after 13 years of valued counsel. His forensic approach and keen understanding of all financial aspects of the business combined to make his contribution very valuable.

It is hard to imagine the TFG Board without Ronnie and David, and on behalf of the Board, I wish them well for the future.

- Our suppliers, including our own factories, for their flexibility and partnership in very trying circumstances.
- Our customers, for their loyalty. We never take this for granted and we value their patronage greatly and understand clearly that they can spend their money wherever they wish. Our guiding philosophy is to satisfy them each and every day.
- To our shareholders, who have endured a very difficult year alongside us: thank you for your forbearance. Restoring the returns you rightly expect of TFG is the clear priority of this Board, and we are determined to deliver it.

Michael Lewis

Chairman

30 July 2026



Our Board

Our Board of Directors

All directors exercise unfettered discretion in fulfilling their duties, and there exists a balance of power and authority among the members of the Board.

[Read the biographies of our Board here.](#)

The table on this page shows the TFG directors as at 30 July 2026.

Bridgitte Backman (63)³
Independent non-executive director



Tenure: 1 year
BSc (Chemistry), MBA
(Rotterdam)

S&E

Colin Coleman (63)
Independent non-executive director



Tenure: 6 years
BA (Architecture)

REM

David Friedland (73)¹
Non-executive director



Tenure: 12 years
BCom, CA(SA)

RC

Boitumelo Makgabo-Fiskerstrand (52)
Non-executive director



Tenure: 13 years
BA (International Relations)

RC

S&E

Mamongae Mahlare (51)
Independent non-executive director



Tenure: 1 year
BSc Engineering (Chemical),
MBA

Eddy Oblowitz (69)
Non-executive director



Tenure: 15 years
BCom, CA(SA), CPA(Isr)

RC

Jan Potgieter (57)
Independent non-executive director



Tenure: 3 years
BCompt (Hons), CTA, CA(SA)

RC

AC

Nkululeko Sowazi (63)
Independent non-executive director



Tenure: 2 years
BA, MA (Planning)

REM

NC

Ronnie Stein (77)¹
Non-executive director



Tenure: 26 years
BCom, CA(SA)

Gcina Zondi (53)²
Independent non-executive director



Tenure: 1 year
BCompt (Hons), AGA (SA)

AC

RC

S&E

Executive directors

Independent non-executive directors

Non-executive directors

AC Audit Committee

NC Nomination Committee

REM Remuneration Committee

RC Risk Committee

S&E Social and Ethics Committee

Chairman

Board as at publication date

¹To retire at 2026 AGM.

²Appointed effective 12 June 2025.

³Appointed effective 1 September 2025.

⁴Appointed effective 1 July 2026.

Our Board

Board of Directors' outputs in 2026

The Board of Directors holds ultimate accountability for governance within the Group. It operates according to an annual Board cycle, which ensures that all governance matters are addressed systematically. The Board charter defines the responsibilities and scope of work for the Board.

During the year, the Board undertook several discussions and debates focused on the execution of the Group's strategy, the effectiveness of its governance frameworks, and the key drivers of performance.

Value-creating activities during FY 2026

Among other matters, the Board:

- Approved and monitored the execution of a R1 billion share repurchase programme.
- Approved the appointments of Gcina Zondi and Bridgitte Backman, enhancing Board expertise and diversity, as well as various other changes to the composition of Board committees.
- Reviewed and approved the budget, interim and year-end financial results.
- Focused on management's actions to address cost pressures and protect profitability in a challenging trading environment, including tighter cost control and disciplined capital allocation.
- Deliberated on the acceleration of the Group's digital transformation and omnichannel ambitions.
- Considered the integration of AI into the organisation alongside the mitigation of escalating cybersecurity threats.
- Discussed the rollout of JD Sports stores and the launch of BeautyBox, a new own-brand beauty offering.
- Initiated a gap analysis and amendment process to align the Group's charters and disclosures with the new King V™ Code on Corporate Governance.
- Affirmed the importance of the ongoing three-year glide path for director independence to address concerns received from shareholders in the past regarding long-tenured non-executive directors.
- Held discussions regarding a critical supplier breach at a Newcastle factory, extending into a review of the Group's compliance framework, approach and progress.
- Monitored progress against the Group's sustainability pillars, including targets for sustainable sourcing and the rollout of the Group's integrated energy plan.
- Discussed the future adoption of IFRS S1 and S2 sustainability disclosure standards.
- Discussed the implications and addressed the requirements of the recent amendments to the Employment Equity Act.

Determinations

The Board is satisfied that it fulfilled its responsibilities in accordance with its charter during FY 2026.

Changes to Board membership during FY 2026

Appointments

- Gcina Zondi was appointed as an independent non-executive director effective 12 June 2025.
- Bridgitte Backman was appointed as an independent non-executive director effective 1 September 2025.

Retirements

- Doug Murray retired as a non-executive director effective 4 September 2025.

Reclassifications (independence Status)

- Under the Board's 2023 independence policy, independent directors with a tenure exceeding 12 years were to be transitioned to non-independent status over a three-year glide path.
- Michael Lewis, Ronnie Stein and Eddy Oblowitz were recategorised from independent non-executive directors to non-executive directors effective 12 June 2025.

Changes to Board membership after 31 March 2026

- David Friedland and Boitumelo Makgabo-Fiskerstrand were recategorised from independent non-executive directors to non-executive directors effective 1 July 2026.
- Mamongae Mahlare was appointed as an independent non-executive director effective 1 July 2026.
- Ronnie Stein and David Friedland, both non-executive directors of the Company, who were due to retire by rotation at the Company's AGM on 3 September 2026, have indicated that they will not offer themselves for re-election. They will therefore be retiring from the Board with effect from 3 September 2026.

For more details on TFG's Corporate Governance approach and performance, please refer to our [Governance Report 2026](#).

Our Board

A FOCUS ON GOVERNANCE



Remuneration

Governing documents: • Remuneration policy

Oversight by: Board of Directors • Remuneration Committee • Social and Ethics Committee

TFG governs remuneration through the Remuneration Committee, which provides independent oversight and makes recommendations to the Board for ultimate approval. Comprising at least three non-executive directors, the majority of whom are independent, the Remuneration Committee ensures that the Group's remuneration philosophy and policy are specifically aligned with its strategy, risk appetite, and values, in accordance with King IV™ Principle 14. This framework covers all aspects of pay, including fixed benefits, short-term incentives (STI), and long-term share-based plans, and ensures that remuneration supports prudent risk-taking and discourages behaviours that could jeopardise long-term value creation. The process embeds fair and responsible pay practices across the organisation, including periodic external benchmarking and pay equity analyses.

By approving executive performance scorecards that balance financial and operational targets with ESG outcomes, the Remuneration Committee incentivises leadership to pursue the Board-approved strategy. These practices help attract, motivate, and retain skilled talent necessary for the Group's long-term commercial success. Malus and clawback provisions contribute to accountability by allowing variable pay to be reduced or recovered when justified, which protects the Group's assets and brand reputation.

The Remuneration Committee is also responsible for preparing comprehensive decision-useful Remuneration and Implementation Reports for annual shareholder approval, enabling shareholder feedback on whether pay outcomes are equitable and aligned with organisational performance. Provision is made for a binding shareholder vote on the Remuneration and Implementation Reports at each AGM. By maintaining open communication with shareholders before and after the AGM through roadshows and individual meetings, TFG fosters a culture of trust and demonstrates its commitment to being a responsible corporate citizen.

More details on our remuneration policy and its implementation can be found in our [Remuneration Report 2026](#).



This is TFG

TFG is a leading fashion, lifestyle and speciality retail group in South Africa, with an international presence through TFG London and TFG Australia. Our portfolio offers a wide range of speciality products, including fashion apparel, jewellery, cosmetics, sporting apparel, electronics, homeware and furniture and value-added services. Credit account facilities are available in TFG Africa. TFG is recognised as one of South Africa's largest and most diversified retailers and has established itself as the leading omnichannel retailer in the country.

TFG Africa's one-of-a-kind integrated retail ecosystem

29

Africa brands

41,4 million

Rewards members

3 600 +

Africa stores

35,5 million

social media followers

R10,1 billion

OTB credit facilities

8,1 million +

Bash downloads

>80%

locally sourced
apparel

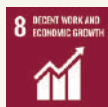


This is TFG



Sustainability

Sustainability is fundamental to how we work. Through our Inspired Living framework, we bring this to life through three clear objectives: fashion that connects us to our people and communities, shares our commitment to responsible sourcing and restores our relationship with the environment. Our Inspired Living Report explores these objectives and progress in detail. Our work prioritises four Sustainable Development Goals (SDGs) across the Group:



Strategy overview

Our BOLTS strategy has five pillars that drive sustainable value creation over the short, medium and long term:

B

BUILD OUT
diversified, high-brand equity businesses

O

OPTIMISE
our sourcing mix and supply chain efficiency

L

LEVERAGE
our customer data, store footprint, talent and product assortment

T

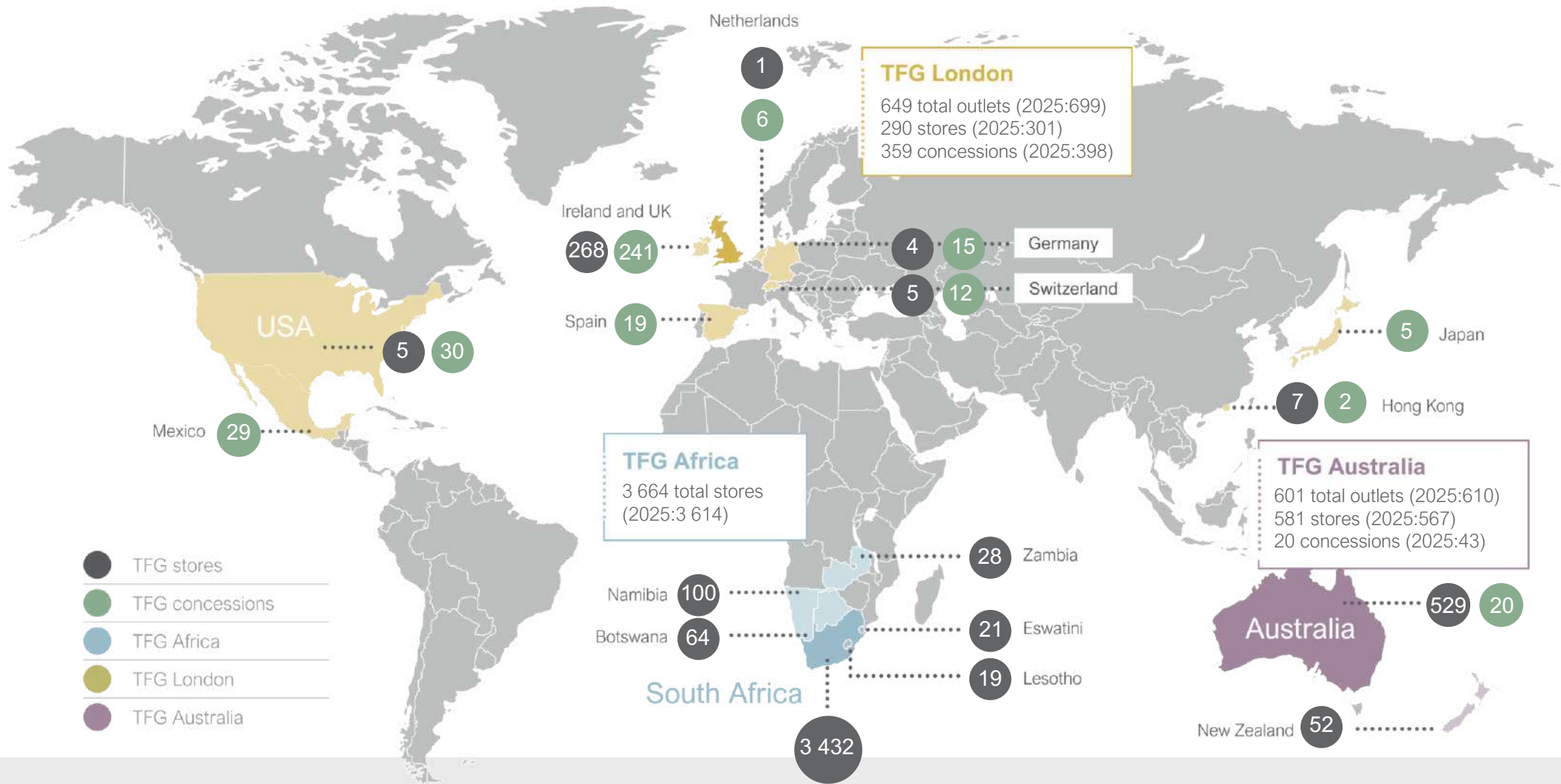
TRANSFORM
into a true omnichannel retailer and platform business

S

SUSTAIN
ourselves and stakeholders into the future

Our strategy implementation and performance against these strategic pillars are detailed in the CEO report, pages 51-55, and in Our strategy, pages 56-69.

Our footprint



We have a
**global footprint
of 4 914 outlets**

operating
on **five
continents**

and in **18
countries**

Geographic turnover diversification

TFG Africa
68%

TFG London
18%

TFG Australia
14%

Our brands

We are a diversified retail group offering a broad portfolio of brands across a wide range of lifestyle categories and price points.

TFG Africa's brands are based in South Africa and organised into business stacks aligned to customer segments and product categories. TFG London primarily serves the formal womenswear and menswear markets and has recently expanded its portfolio through the acquisition of a casual-wear business. TFG Australia's brands are focused predominantly on the value and mid-market menswear segments. A high-level overview of the financial and market share performance of the business stacks is provided on page 80.

Our portfolio comprises a combination of organically developed and acquired high-equity brands. We aim to build and maintain market-leading positions across the key categories in which we compete. For a detailed breakdown of our brands visit our website at www.tfglimited.co.za/our-brands/. The performance of our business stacks can be found on page 80.



OUR BRANDS

TFG Africa				
		Value market	Mid market	Mid and upper market
Value	Retail Brand	EXACT Jet		
	House Brand	RFO Jet HOME		
Ladies and family	Retail Brand	FOSCHINI	THE FIX	
	House Brand	Luella		
Men's fashion	Retail Brand	MARKHAM	RELAY JEANS	FABIANI
	House Brand	Relay		G-STAR RAW
Sports and Lifestyle	Retail Brand	SNEAKER FACTORY	ARCHIVE sportscene TOTALSPORTS	JD
	House Brand		Redbat Anatomy	
Specialty Brands	Retail Brand	BEAUTY GALAXY*CO	mojobeds good nite. STERNS 1896 VOLPES THE HOME OF LINEN	AMERICAN SWISS DIAL-A-BED
	House Brand	Colours Ltd FF Beauty	Forty Winks Tempo MX	@homelivingspace @home CORICRAFT 8 9 6 GRANNY GOOSE
Omnichannel	Retail Brand		bash	
	House Brand		Canvas Iconography	

TFG London	
Mid market	Upper market
WHITE STUFF	HOBBS LONDON
	Inside Story
	Phase Eight
	WHISTLES

TFG Australia	
Value market	Mid market
AXL+CO	Johnny
CONNOR	TAROCASH
ROCKWEAR	yd.

The context in which we create value

In this section

Our operating context	23
Our value-creating business model	29
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Strategic Project

Emakhaya Integrated community investment

Emakhaya (isiZulu for "at home") is TFG's flagship social impact programme and represents the next phase of the RippleEffect initiative. Building on TFG Africa's solar-powered borehole projects, the programme expands beyond clean-water access to deliver a more integrated rural development model. The first integrated site, in KwaMzwezwe, KwaZulu-Natal, combines access to safe drinking water with menstrual health support and early childhood development interventions.

The programme recognises that challenges such as unreliable access to water and period poverty can negatively affect health, education, safety and economic participation. By addressing these barriers, Emakhaya aims to promote dignity, strengthen community resilience and create more sustainable pathways to opportunity.

By 2030, the programme aims to reach approximately 100 000 people in rural communities across South Africa. To date, it has provided access to safe drinking water to more than 50 000 people.

More details on our community programmes can be found in our [Inspired Living Report 2026](#).

Our operating context

The three main geographies in which TFG operates - South Africa, the United Kingdom and Australia – each present their own set of macroeconomic conditions, consumer dynamics, and retail challenges and opportunities.

FY 2026 presented one of the more challenging trading environments TFG has navigated in recent years, with weak and uneven consumer demand across all three geographies weighing on profitability even as the Group continued to grow its top line and expand its brand and channel capabilities.

At the same time the global retail landscape is being redefined by a range of shifts emanating from changing consumer patterns, volatile economics, the emergence of online-first retailers, but, above all, technology, particularly artificial intelligence (AI). At TFG we are confident that we are well aligned with these trends, which, whilst presenting challenges, also create significant opportunities for our business.

Socioeconomic and political trends

FY 2026 was characterised by a convergence of geopolitical volatility and fragile global economic recovery, testing consumer resilience across TFG's operating footprint. The escalation of the conflict in the Middle East constituted a significant disruption to the global oil market. As a result, the IMF revised global growth down to 3,1%, with headline inflation rising to 4,4% under a base-case scenario. According to the IMF, a prolonged conflict carried the risk of pushing global growth below 2%.

These shocks exposed and amplified existing structural vulnerabilities within TFG's key markets. In South Africa, a gradual consumer recovery – supported by moderating inflation and interest rate cuts – was complicated by renewed energy price uncertainty and US tariff measures affecting key commodities. In the United Kingdom, above-target inflation, elevated labour costs and lower consumer confidence created a structurally difficult environment for retailers. In Australia, a period of recovering retail conditions was interrupted by a sharp fall in consumer confidence in early 2026 in the wake of the energy crisis. Collectively, these conditions required heightened focus on consumer behaviour and spending dynamics.



Our operating context

Region

Impact on TFG

Africa



South Africa entered 2026 with modest momentum: GDP growth of about 1,5 – 2,0%, inflation at 3,5% and 150 basis points of rate cuts since late 2024. But unemployment remained elevated, with youth unemployment above 46%, while logistics bottlenecks, weak investment, red tape and high electricity costs continued to constrain growth. The critical Q3 Christmas trading period was sharply weaker than anticipated. Late in FY 2026, US tariffs and the Iran-linked energy shock added pressure to commodity prices and the rand.

Weak discretionary spend limited sales growth. Price sensitivity remained high, especially in value retail, although the segment still offers strong growth potential. Higher energy and logistics costs pressured margins, while rand volatility lifted import costs.

While TFG Africa reported turnover growth of 5%, the 15% drop in EBIT reflected the negative operating leverage, higher net bad debt and cost growth that outpaced sales in the second half.

TFG's response

Against a backdrop of continued weak GDP growth, structurally high unemployment and a challenging macroeconomic environment in South Africa, which continued to weigh on consumer confidence and discretionary spending, TFG's response into FY 2027 includes:

- Leveraging Bash and its omnichannel fulfilment network to drive capital-light growth.
- Optimising its store footprint as online sales continued to exceed 10% of total sales.
- Strengthening its Financial Services business through new leadership and strategic direction.
- Reviewing its portfolio of marginal brands to simplify the business and reduce complexity.

Region

Impact on TFG

London



The UK entered FY 2026 with weak growth of about 1,0% as restrictive monetary policy and higher energy costs kept pressure on households. Consumer confidence stayed subdued, over half of consumers planned to cut discretionary clothing spend, and retail insolvencies rose in 2025. Health, beauty and food outperformed apparel, with clothing improving briefly in late 2025 before softening again in early 2026.

In the United Kingdom, above-target inflation, elevated labour costs and sustained pressure on consumer confidence created one of the most structurally demanding retail environments in recent memory. Consumer sentiment fell to near-pandemic lows, with non-food discretionary spend the first casualty of squeezed household budgets. Lower footfall and smaller baskets weighed on revenue. Online sales remained at about 45% of total sales, while shoppers became more selective and promotion-led. Operational EBIT declined by 65% amid the lower margins and cost pressures.

TFG's response

In response to the continued challenging retail environment, TFG London continued to optimise its footprint by reducing its exposure to department store concessions. During FY 2025, White Stuff was acquired, broadening the Group's apparel offering and strengthening its presence in the value and menswear segments.

Hobbs, White Stuff and Whistles continue to transition from concession formats to owned stores, while online sales, which account for more than 45% of total sales, remain a significant growth opportunity. Investments in artificial intelligence (AI) and marketing technology are supporting this transition by enhancing customer engagement and improving the performance of digital sales channels.

A key strategic priority for FY 2027 is to accelerate the right-sizing of Phase Eight's store footprint and cost base to improve profitability and support sustainable long-term growth.

Our operating context

Region

Impact on TFG

Australia



Australia's retail sector was resilient early in FY 2026, with retail spend up 5% in January and clothing, footwear and accessories up 6%. Wage growth and lower inflation supported a February 2026 rate cut, but sentiment remained fragile amid geopolitical tension, higher energy prices and recession fears. A three-year structural grind has depleted household savings buffers and crowded out discretionary apparel spend. Value remained a clear consumer priority, with about 75% of Australians seeking more value purchases, while global fast-fashion competition intensified.

Consumer price sensitivity intensified, negatively impacting conversion rates and increasing markdown risk in full-price retail. While revenue was steady during FY 2026, rising operating costs – particularly wages, logistics and energy – pressured EBIT margins. The apparel sector remained broadly flat.

TFG's response

TFG Australia's response to consumer behaviour and suppressed consumer demand, has focused on optimising its store network and enhancing its digital infrastructure. Store optimisation and selective refurbishments have improved sales density, while AI-enabled planning and process automation are already delivering cost efficiencies. The benefits of these initiatives are expected to increase materially over the coming years.

Strategically, TFG Australia is reviewing its store footprint as online sales approach 10% of total revenue and is rationalising its portfolio of marginal brands. The business is also reassessing the scale of its New Zealand operations in response to the significant deterioration in that country's economic environment.

Reading the economic context

TFG's three distinct markets are each shaped by their own economic cycles. Monitoring a consistent set of macroeconomic indicators allows the Group to anticipate shifts in consumer demand, calibrate inventory and pricing, and allocate capital across our brand portfolio.

GDP growth signals the overall health of an economy and, by extension, consumers' capacity to spend on discretionary categories like fashion and homeware. It also underpins the medium-term turnover and earnings targets we set for each of our operating geographies.

Inflation affects input costs, pricing power and the real purchasing power of our customers' wages – directly shaping sales volumes and gross margin outcomes.

Interest rates determine the cost of consumer credit and debt servicing, influencing both discretionary spend and the performance of our Financial Services division, where lending volumes and bad debt are sensitive to rate movements.

Retail spending is the most direct read on category demand, helping us track market share and trading momentum in real time across our brand portfolio.

Consumer confidence captures sentiment ahead of actual spending, often the earliest signal of a turn in the cycle – positive or negative – in any of our three markets.

Unemployment shapes household income security and, over time, the depth and durability of consumer demand; persistently high unemployment, particularly in Southern Africa, remains a structural constraint on discretionary spending even when other indicators improve.

Together, these indicators inform how and where TFG invests, prices and manages risk through the cycle.

Our operating context

Retail trends

The global retail landscape is navigating one of the most complex operating environments in recent memory. At TFG, we respond decisively to these conditions. Across our markets, the forces reshaping retail are converging, driven by technological change, economic pressure and, most importantly, the evolving needs and expectations of our customers.

We have identified six defining shifts shaping our business: the imperative of inventory excellence, the shift in global sourcing, the structural shift toward value, the rise of health, wellbeing and self-care, the necessity of never

missing a sale, and the accelerating pace of digital transformation. We believe that disciplined, proactive execution against these shifts positions TFG competitively across our markets.

Two additional forces continue to reshape the retail sector. The rapid growth of online-first retailers is redefining consumer expectations around price, convenience and speed. The emergence of AI-based commerce is transforming how businesses discover, merchandise, personalise and sell. TFG is actively harnessing these technologies to create value for our stakeholders.

Across all eight shifts, TFG's response is grounded in the same approach that has driven our growth over the past few years: that a diversified, platform-led ecosystem – built on deep customer relationships, local manufacturing strength and data-powered decision-making – is uniquely positioned to drive this business forward.

Here is an overview of these shifts and how we are responding to them:

	Description	Impact	TFG's response	Related TFG risks*
Retail shift	Inventory excellence Inventory excellence is a key profit driver in fashion retail, with higher stock turns strongly correlated to stronger EBIT margins. In a weak demand environment, disciplined buying, faster replenishment and lower markdown dependency are essential.	For TFG, poor inventory management raises markdown risk, ties up cash and erodes margin. Even small gains in stock turns can materially lift earnings at Group scale.	TFG is shifting from a push model to a demand-led supply chain by upgrading planning systems, expanding quick-response manufacturing and consolidating distribution centres to improve replenishment and full-price sell-through.	2 3 5
	Sourcing shifts The global sourcing landscape has undergone a structural reset. China has lost its labour-cost advantage to markets such as Vietnam, India and Bangladesh, accelerating nearshoring through to 2030. For retailers still reliant on far-field sourcing, the implications are significant: longer lead times, higher freight costs, greater markdown risk and reduced agility. The winners will be those who have built resilient, close-to-market manufacturing capability.	For TFG, this shift creates both pressure and opportunity. Offshore sourcing is under pressure from cost inflation and geopolitical volatility, while TFG's earlier localisation investments leave it better placed to benefit from nearshoring. South Africa's manufacturing base and market proximity give TFG a strategic edge in agility, resilience and speed to market.	TFG's Africa's localisation strategy has achieved meaningful scale: apparel sourcing is 81,4% and homeware 54,1%. Specialised homeware factories now produce furniture, textiles, bedding and mattresses. The next focus is denim, TFG's biggest apparel category at 20% of sales, with an aim to increasingly shift to onshore production.	2 4 5

* The risk numbers listed here are detailed on page 44

Our operating context

	Description	Impact	TFG's response	Related TFG risk*
Retail shift	Shift to value Consumers across TFG's markets remain under financial strain. In South Africa, real income has fallen sharply, with 69% of consumers earning below R10 000 per month. SA shoppers are among the most price-sensitive globally. Consumer confidence remains weak in the UK, while Australia's household debt is among the highest in the OECD.	This shift creates a meaningful opportunity for TFG, given its broad portfolio across price tiers. From Jet to G-Star RAW and Fabiani, the Group can serve customers across spending levels. Its multi-brand architecture helps customers stay within the portfolio as their budgets adapt to pressure.	TFG's value strategy delivers quality at every price point within one loyalty ecosystem. From Jet's entry-level denim offering to G-Star's premium ranges, TFG combines brand breadth, supply chain strength and buying scale to offer strong price-value outcomes. We aim to continue to scale the value-stack, supported by value engineering and vendor consolidation. TFG Australia also has a deliberate value and mid-market focus.	3 4 7 8
	Health, wellbeing & self-care The global wellness industry is growing rapidly and is projected to reach \$9 trillion by 2028. Beauty, healthy eating, weight management and physical activity are leading the growth. Since the pandemic, fitness, mental wellness, beauty and self-care have shifted from being viewed as discretionary to essential spend for many customers.	Health, wellbeing and self-care offer TFG a strong growth opportunity across sportswear, beauty and wellness products. South African consumers are highly engaged beauty buyers, and performance wear continues to expand into lifestyle. TFG's sports brands and growing beauty business positions it well to capture this spend, with private-label beauty margins often exceeding 50%.	We continue to invest in our sports stack. Our beauty strategy continues to scale quickly, particularly across private label, in-store departments and stand-alone formats. At TFG Australia, its Rockwear stores have undergone a major store refresh to benefit from this trend.	3 7 8
	Never missing a sale In an era of near-infinite choice, lost sales are usually lost for good. When items are out of stock, many shoppers switch immediately to another store, website or online retailer. For fashion retailers with seasonal demand swings and broad store networks, product availability is now a commercial imperative.	Every missed sale means lost revenue and a weaker customer relationship. With 4 914 stores and a growing omnichannel footprint, giving customers access to any product from any channel is a core operational challenge. Across 40 brands, availability gaps translate directly into lost sales and lower loyalty.	TFG's response has three pillars: Bashstore gives staff access to network inventory, digitally assisted sales are incentivised, and a new store incentive programme lifts execution across teams and managers. The Vela field operations programme strengthens the operating backbone through a simpler field structure, a central operations hub and streamlined processes.	2 5 8

* The risk numbers listed here are detailed on page 44

Our operating context

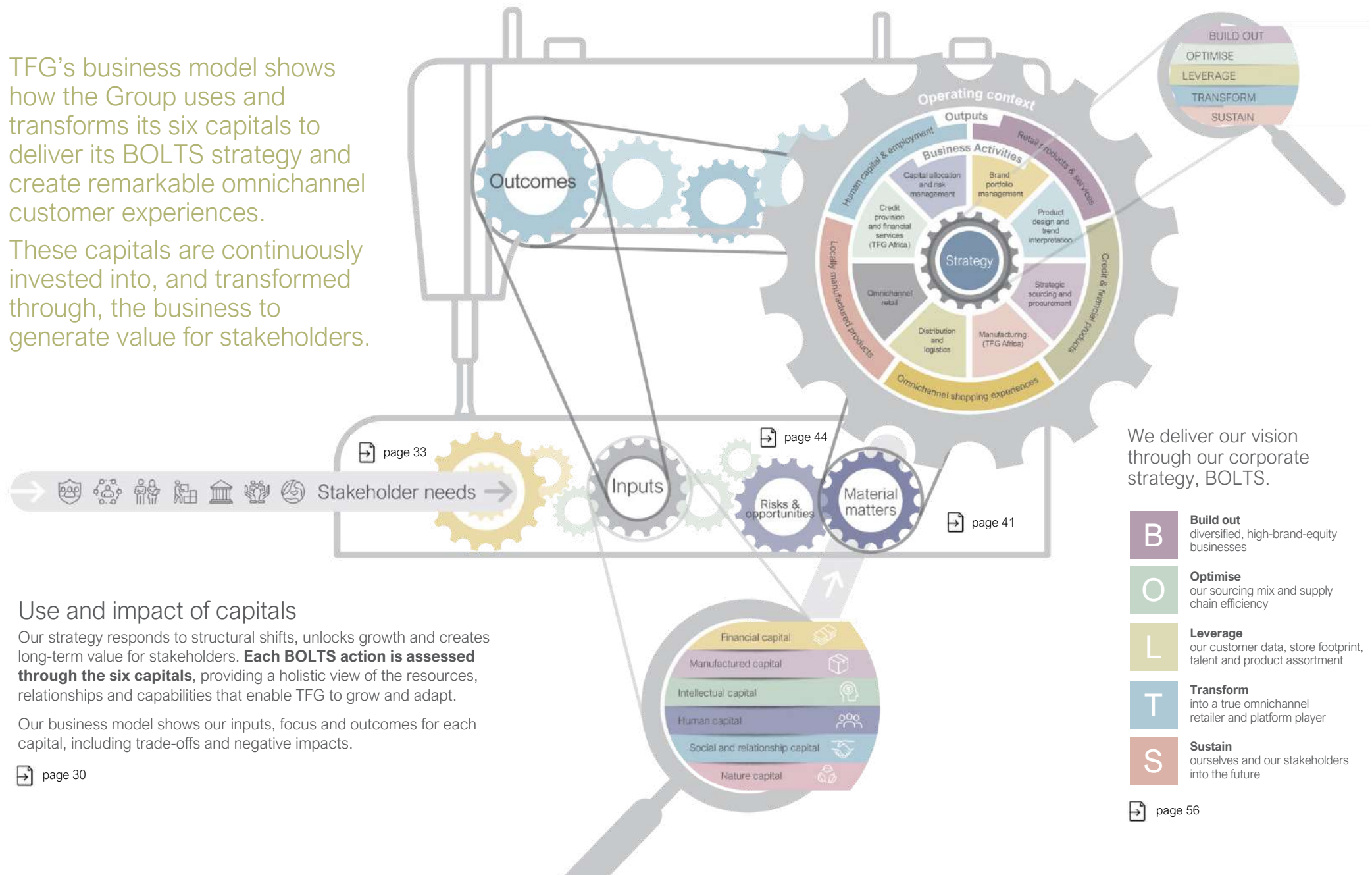
	Description	Impact	TFG's response	Related TFG risk*
Retail shift	Digital acceleration Digital adoption continues to reshape retail. As fashion spend shifts online, retailers that offer fast, intuitive and reliable digital experiences are pulling ahead. Customers who have a poor digital experience churn quickly and often do not return.	Digital acceleration is a strategic opportunity as fashion spend moves online. Bash is now a major competitive asset, with R3,5 billion in online revenue. Sustaining this lead requires constant innovation, strong logistics and an excellent customer experience.	TFG's digital ecosystem is comprehensive. The Bash App – SA's #1 fashion and lifestyle app - drives 71% of online revenue. Bash Web adds 135 million visits, while Bash Pay has processed R1,38 billion across eight payment methods. In stores, Bash Store, Omni+ and Click and Collect transform store teams into active digital-commerce participants. TFG London and TFG Australia, where online sales account for 45% and 8% of sales respectively, continued their strong digital focus and have evolved their digital marketing strategies.	1 2 7 8
	Growth of online retailers Online-only retailers are reshaping global fashion. Platforms such as Amazon, Shein, and Africa-focused e-commerce players compete on price, assortment and delivery speed at scale. Shein's ultra-fast model, enabled by AI-driven demand sensing, is resetting expectations on speed, relevance and value. In South Africa, Takealot, Superbalist and international entrants are expanding their retail offering, raising customer expectations and intensifying competition for online spend.	These competitors put direct pressure on TFG's volumes and margins, especially in price-sensitive, less differentiated categories. Without physical store costs, they can price more aggressively and outspend on digital marketing. The threat is most acute for TFG's mid-market and value brands. If customers find a cheaper online option from Shein, Temu or Amazon at acceptable quality, they may not return.	Bash is TFG's main response to the rise of online retail. Built to compete in a digital-first market, it links loyalty, credit, store experience and local production. TFG's edge remains its blend of digital and physical retail, supported by quick-response manufacturing and omnichannel availability. In South Africa, the Group has engaged with government to advocate for a level playing field between online-first retailers and established retailers that have made significant investments in localisation, job creation and skills development.	3 7 8
	Rise of AI-based commerce Artificial intelligence (AI) is becoming a core engine of global retail, reshaping forecasting, pricing personalisation, visual search and content creation. In fashion, AI can help predict trend shifts from social and behavioural data, improving speed, relevance and efficiency across inventory, supply chain and logistics. Used well, it is a structural productivity and personalisation advantage; for laggards, the gap will widen.	AI is a strategic lever across TFG's value chain. It can improve demand sensing, inventory allocation and markdown management, while personalisation helps unlock more value from 41,4 million Rewards members. In supply chain and customer experience, AI can lift availability, basket size and frequency.	TFG's AI strategy is already underway and has executive support. AI is being deployed in forecasting, inventory optimisation, rewards personalisation and operational efficiencies. Its data advantage is significant: in South Africa, TFG has known-customer turnover of 83,4% from its more than 41,4 million registered TFG Rewards customers.	2 7 8

* The risk numbers listed here are detailed on page 44

Our value-creating business model

TFG's business model shows how the Group uses and transforms its six capitals to deliver its BOLTS strategy and create remarkable omnichannel customer experiences.

These capitals are continuously invested into, and transformed through, the business to generate value for stakeholders.



We deliver our vision through our corporate strategy, BOLTS.

- B** **Build out**
diversified, high-brand-equity businesses
- O** **Optimise**
our sourcing mix and supply chain efficiency
- L** **Leverage**
our customer data, store footprint, talent and product assortment
- T** **Transform**
into a true omnichannel retailer and platform player
- S** **Sustain**
ourselves and our stakeholders into the future

Our value-creating business model - The six capitals

Our six capitals

Capital	Inputs	Strategic focus	Positive outcomes ✓	Negative outcomes / Trade-offs ✕
Financial	- Equity: R24,9 billion - Short- and long-term debt facilities - Retained earnings and reinvestment - Cash generated from operations - Revenue from merchandise and value-added services	- Turnover growth and market share expansion - Positive gross margin through vertical integration - Ecosystem profitability - Disciplined capital allocation and reinvestment - Dividend and shareholder return delivery	- Revenue: R67,1 billion (+7,2%) - Gross profit: R30,1 billion (+4,5%) - Gross margin: 48,2% - Total dividend: 270 cents per share - Stable debt position	- Investment in strategic platforms compressed short-term returns - Exposure to FX volatility in TFG London and TFG Australia earnings - Operational EBIT: R4,9 billion (-22,1%) - Profit after tax: R1,3 billion (-58,7%)
Manufactured	4 914 stores and concessions (outlets) across 18 countries - Nine owned manufacturing hubs (TFG Africa) - Riverfields omnichannel DC - IT systems and e-commerce platforms - In-store omni-selling devices	- QR manufacturing capability and local sourcing - Scalable, omnichannel-enabled store network - Full operational deployment of Riverfields DC - Rollout of in-store Bashstore omnichannel selling devices - Digital infrastructure for e-commerce and customer data	233 new outlets added - TFG Africa trading density up 12,7% (FY 2021 to FY 2026) 14,8% of Group revenue from online channel - Riverfields DC full operational, improved inventory availability 3 000 stores equipped with Bash omnichannel devices	- Large capital expenditure programme (Riverfields, Bash) reduces free cash flow in the near term - Physical store network creates fixed-cost exposure in difficult trading environments - Risk of technology obsolescence in a fast-evolving digital landscape
Intellectual	40 high-equity retail brands - Integrated in-house design capability (TFG Africa) - Bash platform and digital ecosystem 41 million+ TFG Rewards members - Quick-response and private-label IP - Brand integration and acquisition capabilities	- Platform capabilities, data monetisation and personalisation via Bash and Rewards - Private-label development and brand equity protection - Launch of organic brand extensions (TFG BeautyBox) - Digital and AI capability build across the Group	- Bash: SA's No. 1 fashion and lifestyle platform; 8,1 million + downloads; reached breakeven ahead of schedule - Online sales exceed 10% for the first time - Successful integration of White Stuff into TFG London - Leading brands with 25-50% market share - Deep customer insight enabling targeted merchandising	- Brand reputation risk from product, ethical or sustainability failures - Data privacy and cyber risk associated with large customer database
Human	50 861 employees - Experienced Group Executive Committee - In-house design, tech, finance and merchandise talent - R169 million training and development spend	- Upskilling and reskilling for an omnichannel and data-driven retail environment - Retail leadership pipeline development - Attracting and retaining top talent - Youth employment (YES programme participation)	3 614 new jobs and workplace opportunities created in FY 2026 - R169 million invested in training and development - R11,6 billion salaries and benefits paid 97,3% employment equity in TFG Africa - Level 2 B-BBEE rating maintained	- Intensifying competition for digital, tech and data talent - Cost pressures from above-inflation wage demands
Social & Relationship	41 million+ TFG Rewards members - Long-term supplier relationships (local and international) - Government, regulatory engagement - Non-profit and community partnerships - R1,3 billion spend with Black-owned EMEs and QSEs	- Building long-term customer relationships through data, personalisation and loyalty - Sustainable supply chain partnerships - Job creation and B-BBEE transformation (TFG Africa) - Community investment and enterprise development - Local supplier and small business development	- Added 1,4 million Rewards members in FY 2026 - R51,7 million contributed to community organisations - Level 2 B-BBEE rating maintained - R270 million invested in YES programme since inception - R77,6 million support to Black-owned businesses 81,4% of TFG Africa apparel locally sourced (supporting SA industry)	- Reputational risk from supplier non-compliance with labour or environmental standards - Customer credit default risk creates tension between financial inclusion and financial sustainability - Social media amplification of brand or service complaints
Nature	- Raw materials: cotton, synthetic fibres, wood, leather - Energy consumption (stores, DCs, offices and manufacturing) - Water consumption (manufacturing and operations) - Packaging materials	- Increasing local and responsible sourcing - Product circularity programmes - Renewable energy adoption and energy efficiency improvements - Preferred cotton sourcing - Waste reduction and recycling - Packaging recycling and reuse	47,7% of Group cotton sourced as preferred cotton - Increased local sourcing reduces transport-related emissions - Lower-impact denim production enabled through local capability and technical partnership - TFG London: 75% renewable electricity coverage	- Group GHG emissions: 715 588 tCO₂e - Environmental impacts from upstream farming, dyeing, printing and manufacturing at supplier level - Single-use packaging and distribution-waste - Water consumption in upstream manufacturing processes

Our value-creating business model - Resource trade-offs

As a diversified omnichannel retailer, TFG continually balances the allocation of our six capitals. Guided by integrated thinking, we look beyond immediate financial outcomes to weigh the broader impacts on our stakeholders and the environment. While this may place short-term pressure on specific capitals, our goal is always to make decisions that drive sustainable, long-term value creation and preservation.

Evaluating trade-offs

Significant capital allocation decisions are integrated into our strategy, capital allocation, and ERM processes. This is actively overseen by our Group Executive Committee, Audit Committee, Risk Committee and Board of Directors.

Every major trade-off is evaluated against:

- Strategic alignment with our BOLTS framework
- Expected financial returns and capital efficiency
- Impact on employees, suppliers and communities
- Broader stakeholder and environmental consequences
- Risk, resilience, and sustained value creation

Strategic trade-offs

Strategic trade-off	The decision and rationale	Value created / eroded
Physical retail expansion versus digital platform investment	We accelerated investment in digital platforms (such as Bash) and omnichannel capabilities. This decision builds a highly scalable, data-driven foundation that is essential for our future growth and long-term market relevance.	Value created: Delivers an enhanced omnichannel customer experience, builds robust data capabilities and secures future market share. Value eroded: High initial capital expenditure reduces near-term free cash flow and slows immediate physical store expansion.
Strategic pillar	B O L T S	
Capitals impacted	  	

Strategic trade-off	The decision and rationale	Value created / eroded
International diversification versus geographic concentration	We have strategically allocated capital to expand and support our international operations (in the UK and Australia) rather than concentrating on our home market. This decision is driven by the need to diversify our revenue streams, hedge against regional macroeconomic volatility, and access new consumer growth markets.	Value created: Generates hard currency earnings, significantly reduces geographic concentration risk, and allows for the sharing of global intellectual capital and retail best practices across the Group. Value eroded: Increases overall operational and management complexity, requires significant capital outlay, and exposes the business to unfamiliar regulatory and regional market risks.
Strategic pillar	B O L T S	
Capitals impacted	 	

Our value-creating business model

Strategic trade-off	The decision and rationale		Value created / eroded
Sustainability investment versus business expansion opportunities	We committed financial and human capital to essential environmental initiatives (such as GHG emission reduction and resource efficiency) rather than allocating those funds strictly to short-term commercial expansion projects. Transitioning to sustainable retail practices is non-negotiable for preserving our licence to operate and mitigating long-term climate and regulatory risks.		Value created: Protects our brand reputation, ensures environmental compliance, and builds long-term operational resilience that meets stakeholder expectations. Value eroded: Increases short-term operating costs and diverts financial capital away from immediate, revenue-generating commercial projects.
Strategic pillar	B O L T S		
Capitals impacted	  		
Strategic trade-off	The decision and rationale		Value created / eroded
Local manufacturing versus imported sourcing	We increased our investment in local manufacturing capabilities rather than relying exclusively on traditionally cheaper international sourcing. This builds crucial supply chain resilience against global disruptions, supports local economic development, and drastically improves our speed to market for key product lines.		Value created: Superior supply chain agility, faster speed-to-market, mitigation of global shipping risks, and significant local job creation. Value eroded: Potentially higher unit production costs in the short term compared to large-scale international sourcing, alongside the upfront capital investment required for local facilities.
Strategic pillar	B O L T S		
Capitals impacted	    		
Strategic trade-off	The decision and rationale		Value created / eroded
People investment versus cost optimisation	We are committing financial and human capital to create a workforce that is equipped to deal with the changing economic context we are facing. While this commitment requires additional capital in the short term, the long-term human capital investment in the right skill set is critical to ensuring retail success. During the current process of closing loss-making stores, we will seek to ensure that we retain appropriately skilled employees in the wider Group.		Value created: Improving execution of our strategy, building a strong leadership pipeline, improving customer experience, and creating a future-ready organisation. Value eroded: Potentially higher cost structure in the short term.
Strategic pillar	B O L T S		
Capitals impacted	  		

The value we offer our stakeholders



Our stakeholders

TFG operates across different markets and engages with a diverse range of stakeholders whose interests shape, and are shaped by, the Group's activities. Meaningful stakeholder engagement is central to TFG's integrated approach to value creation and forms an essential part of how we manage material matters and deliver on our BOLTS strategy.

We identify seven primary stakeholder groups whose interests are most material to TFG's ability to create and preserve value: employees, customers, suppliers, government and regulators, communities, the investment community, including debt providers, as well as the environment.

As one of South Africa's leading and most diversified retailers, we are at the forefront of efforts to drive economic growth, job creation, transformation and support industrialisation. We seek to enable continued investment in our employees and operations, to the benefit of our customers, and, in turn, create value for our shareholders and other stakeholders.

Understanding what our stakeholders need and expect from us is essential to how we do business. Their feedback and insights play a key role in shaping our definition of materiality, allowing us to focus on the issues that are vital for creating sustainable value and guiding our business strategy.

Our methods of engagement vary, ranging from more formal settings – such as presentations and meetings – to more informal engagements or activities related to the execution of business operations.

The quality of our engagement with each group is assessed on an ongoing basis and informs our reporting, our risk management and our strategic priorities. Each profile below sets out the stakeholders' goals and expectations, the channels through which we engage, and TFG's own goals and quality of relationship with each group.

The value we offer our stakeholders



Employees

TFG's 50 861 employees are central to the delivery of its omnichannel customer experience and the execution of the BOLTS strategy. Our people represent the Group's most important operational resource.

In FY 2026, TFG paid R11,6 billion in salaries and benefits and invested R169 million in training and development. TFG Africa maintained its Level 2 B-BBEE rating status and achieved 97,3% employment equity across its workforce. We offer a diverse and inclusive culture that prioritises well-being and opportunities for career growth and skills development.

The Group created 3 614 new jobs and workplace opportunities during the year, at a time when other retailers have been right-sizing their operations.

Their goal

Secure, meaningful employment with fair remuneration, career development opportunities, a safe working environment and an inclusive workplace culture.

Our goal

To attract, retain and develop a high-performing, diverse and engaged workforce capable of leading TFG through an accelerating omnichannel and digital transformation.

What they want

Competitive pay and benefits, career growth pathways, skills development, recognition for performance and a supportive workplace.

What we want

Skilled, motivated employees who are aligned to TFG's values, embrace innovation and are capable of executing the BOLTS strategy.

How we engage

Employee surveys and listening channels; internal communications platforms; performance reviews and development plans; union and works council engagement; health and safety committees; YES programme participation; workplace forums; culture committees.

Quality of relations

During FY 2026, continued high employment equity levels and sustained investment in training reflected a constructive relationship. Going forward, as we close more marginal stores, we will also prioritise engagement and redeployment. Competition for digital and technology talent and above-inflation wage demands are ongoing management priorities.



The value we offer our stakeholders



Customers

TFG's 41 million+ TFG Rewards members represent one of Africa's largest retail loyalty databases, providing deep insight across the Group's 40 brands, while Bash surpassed eight million downloads in the current year, significantly expanding TFG Africa's digital selling capabilities. Store visits remain our main interaction with consumers.

We offer customers a diversified portfolio of design-led speciality brands at accessible price points and provide consistent customer-centric service across all channels.

Consumer affordability remains under pressure across all three territories, driven by high household debt, inflation and the impact of global trade tensions. TFG's strategy to strengthen value retail propositions, deepen personalisation and maintain seamless omnichannel experiences is designed to sustain customer loyalty in this challenging environment.

Their goal

Access to quality, affordable fashion and lifestyle products through convenient and personalised shopping experiences across physical and digital channels.

Our goal

To build deep, lasting customer relationships that drive loyalty, repeat purchase and lifetime value across all channels and brand portfolios.

What they want

Value for money, product variety, reliable service, ethical sourcing practices, ease of returns and personalised engagement through preferred channels.

What we want

Loyal, engaged customers who trust TFG's brands and platforms and consistently choose TFG as their preferred fashion and lifestyle destination.

How we engage

TFG Rewards loyalty programme; Bash app and digital platforms; in-store experience; customer service centres; social media; Bashstore omnichannel devices; customer data and analytics.

Quality of relations

Growth in Rewards membership and Bash adoption reflect strengthening customer engagement. Consumer affordability pressures and intensified competition from global fast-fashion platforms require continued strategic vigilance. The closure of marginal stores will require that we direct customers online or to convenient physical alternatives.

The value we offer our stakeholders



Suppliers

TFG's supply chain spans owned manufacturing facilities, local and nearshore suppliers and international sourcing.

In FY 2026, 81,4% of TFG Africa's apparel units were manufactured in South Africa and the SADC.

TFG Africa operates nine owned manufacturing hubs, providing a key competitive differentiator through quick-response capability and reduced lead times. In South Africa, we prioritise sourcing from local Group-owned factories and small Black and female-owned businesses.

Our supplier code of conduct promotes ethical labour practices and requires compliance with relevant regulations as well as social, ethical, environmental and health standards.

Supply chain resilience remains a top material matter, with geopolitical instability, global trade tensions and infrastructure constraints continuing to create risk. Ethical sourcing, sustainable raw material procurement and supplier financial stability are central to TFG's supply chain approach.

Non-merchandise suppliers include our landlords from whom we rent the properties for our stores. It is a critical relationship as illustrated by the R7 billion we spent on occupancy costs during FY 2026.

Their goal

Reliable, long-term commercial partnerships with fair terms, prompt payment, volume certainty and collaborative development opportunities.

Our goal

To build a resilient, diversified and ethical supply chain that supports speed-to-market, product quality, margin protection and sustainability objectives across all territories.

What they want

Predictable order volumes, transparent pricing, access to TFG's scale and design expertise, and support for sustainable and ethical business practices.

What we want

Reliable, high-quality suppliers who are financially stable, ethically compliant and capable of responding quickly to TFG's ranging and fulfilment requirements.

How we engage

Supplier management and procurement processes; supplier audits and ESG assessments; supplier development programmes; direct commercial negotiations; Open Apparel Registry participation (TFG London); supplier diversification (TFG Australia) framework.

Engagements with our landlords are primarily via the annual rental and account management negotiations.

Quality of relations

Supply chain partnerships are generally stable, underpinned by significant local sourcing investment. Geopolitical instability, trade tariff uncertainty and infrastructure disruptions continue to create material supply chain risk. We are engaging with our suppliers to ensure minimal disruption to their businesses as we phase out loss-making and marginal businesses.

The value we offer our stakeholders



Investment community

TFG's shareholders and institutional investors provide the financial capital that underpins the Group's growth and strategic investment capacity. Their confidence in TFG's leadership, governance and long-term performance is fundamental to the Group's ability to access capital markets on favourable terms.

In FY 2026, TFG delivered disappointing results, reflecting the strong economic headwinds faced by the business. Shareholders would understandably be disappointed with the Group's share price, which has declined by 43% since March 2025. While this is reflective of the wider clothing retail sector on the JSE, we believe that over time the share price will reflect the successful implementation of our strategy. We continued to pay dividends, though they were lower than in FY 2025. Our debt providers are assured repayments in line with our obligations to them.

TFG remains committed to transparent, regular and substantive engagement with its investor base through multiple formal and informal channels.

Their goal

To achieve risk-adjusted returns on investment and long-term capital appreciation across all economic cycles.

Our goal

To deliver sustainable earnings growth, maintain a strong balance sheet and return capital to shareholders through dividends and value-accretive investment.

What they want

Consistent dividends, earnings growth, sound governance, transparent reporting, a clear long-term strategy and responsible capital allocation.

What we want

Long-term investor confidence, access to equity and debt capital on favourable terms, fair market valuation and support for strategic growth initiatives.

How we engage

Results presentations and roadshows; JSE SENS announcements; IAR; investor days; analyst briefings; one-on-one institutional meetings; AGM.

Quality of relations

Investor sentiment remains mixed amid the poor operational results of the Group, which is reflected in the subdued share price and reduced dividend payments. The poor share price performance will remain a watchpoint in our relationship with shareholders. We continue to brief them on the macroeconomic and political developments as well as retail trends that impact our business.

The value we offer our stakeholders



Government, legislators and regulators

TFG operates across multiple regulatory jurisdictions, with material interactions with government bodies, regulators and standard-setters. We comply with national agendas by paying taxes and levies, which supports the economic and social agenda of the countries we operate in.

In South Africa, TFG engages constructively with the JSE and other regulators, as well as contributing to national development priorities through employment creation and B-BBEE transformation. As a Top 5 contributor to the South African YES programme, we also provide workplace opportunities to unemployed youth.

Growing ESG reporting requirements represent an area of increasing regulatory focus and compliance investment.

The Group participates in industry associations and policy forums. Trade tariff volatility and evolving data protection obligations are actively managed within TFG's enterprise risk framework.

Their goal

Fair fiscal contributions through tax payments, corporate compliance with applicable laws and regulations, contribution to national economic and social development priorities, and transparent, ethical corporate conduct.

Our goal

To maintain full regulatory compliance across all jurisdictions while actively supporting national development priorities and adapting proactively to evolving regulatory requirements.

What they want

Timely and full tax payments. Adherence to financial, labour, environmental, data protection and consumer regulations and active B-BBEE transformation (SA).

What we want

A stable, fair, predictable regulatory environment; supportive trade and investment policies; carbon tax and reporting frameworks that are equitable.

How we engage

Regulatory submissions and compliance reporting; industry association participation; government engagement on policy; Risk Committee oversight.

Quality of relations

TFG maintains a constructive relationship with government and regulators in all three territories and engages them on issues that impact the retail industries in these countries. Global trade tensions, localisation support and threats from online-first imports and retailers represent areas of proactive regulatory engagement.

The value we offer our stakeholders



Communities and non-profit organisations

TFG's community impact includes corporate social investment, enterprise development, and broad-based employment creation, given its significant economic and social footprint particularly in South Africa.

In FY 2026, TFG contributed R51,7 million to community organisations and has invested more than R270 million in the YES (Youth Employment Service) programme since its inception. The Group's local sourcing strategy supports livelihoods across the region's manufacturing sector.

We give back by partnering with non-profit and community organisations to drive positive change while promoting circularity. Our initiatives support socioeconomic and enterprise development, helping to create opportunities and build more resilient communities.

Their goal

A responsible corporate citizen that contributes positively to local economies, supports job creation and invests in community wellbeing.

Our goal

To operate as a responsible, trusted corporate citizen that creates meaningful social value alongside financial returns, maintaining a strong social licence to operate.

What they want

Investment in education, skills development and community programmes; ethical trading practices; meaningful B-BBEE transformation.

What we want

Thriving, stable communities in which TFG's employees and customers live and work; a social licence to operate built on trust, positive impact and authentic engagement.

How we engage

CSI programmes and community partnerships; YES programme participation; enterprise and supplier development; Inspired Living Framework disclosures; community stakeholder forums.

Quality of relations

TFG's sustained investment in community development and transformative employment programmes maintains strong goodwill. Growing stakeholder expectations around ESG disclosure represent an area of increasing accountability.

The value we offer our stakeholders



Environment

The environment underpins TFG's ability to create long-term value. As a leading apparel and homeware retailer with a broad product range and extensive geographic footprint, we are committed to reducing our environmental impact through responsible sourcing, more sustainable materials, improved resource efficiency, renewable energy and waste reduction initiatives.

Our environmental footprint is significantly influenced by the materials we use. Cotton, a key fibre, remains a focus of our sustainable materials programme.

Through supplier engagement and support for emerging designers, we encourage the adoption of more sustainable practices across our value chain.

TFG's Inspired Living Framework guides the Group's sustainability approach through responsible sourcing, environmental stewardship, and support for people and communities. Group greenhouse gas emissions totalled 715 588 tCO₂e in FY 2026.

Their goal

To reduce the environmental impact of our manufacturing and retail operations.

Our goal

To advance responsible product stewardship across our value chain while minimising our environmental impact through responsible sourcing, resource efficiency and product stewardship.

What they want

Responsible use of resources across our retail operations.

Greater transparency in materials sourcing and emissions.

Compliance with evolving local and international ESG frameworks.

What we want

Minimise our environmental impact across all the countries in which we operate.

Increase the use of more sustainable materials.

Mitigate environmental risks.

How we engage

Track and report environmental data across the Group.

Implement a more sustainable materials programme across all operating territories.

Supplier engagement to support the Group's long-term decarbonisation efforts.

Quality of relations

TFG is making steady progress in achieving its environmental objectives:

- We limited the increase in our Scope 1, 2 and 3 emissions during FY 2026 to 1,2%.
- We strengthened the Group's environmental data and reporting capabilities to support improved decision-making and disclosure.
- All three business segments increased their sourcing of preferred cotton.

Our material risks and material matters

The Group's ability to create and protect long-term value depends on how effectively it identifies, manages and responds to the material forces shaping its operating environment. Material matters are those that substantively affect TFG's ability to create, preserve, or erode value over the short, medium and long term, and influence the decisions of providers of financial capital and other key stakeholders.

The 2026 material matters reflect continued headwinds across all three territories, including consumer affordability pressures, geopolitical instability, accelerating digitalisation and cyber threats, and intensifying competitive disruption from global fast-fashion entrants. These material matters are linked to TFG's ERM process and are informed by the identification, assessment and monitoring of the Group's top risks.

TFG's Organisational Risk and Resilience Policy, approved by the Risk Committee in November 2025, provides the overarching approach to enterprise risk and resilience, with strong governance ensuring clear accountability and Board-level oversight of material matters and top risks.

TFG's risk governance framework, which ensures resilience, is embedded at the highest levels of the organisation. Strong governance creates clear accountability, oversight and escalation protocols across all tiers, with ultimate accountability for risk governance sitting with the Board of Directors. The Risk Committee has direct oversight, reviewing and ensuring identification, assessment and monitoring of top risks and material matters and reporting these to the Board.

Refer to TFG's [Governance Report](#) for further information on the Group's approach to risk governance and oversight.

A FOCUS ON GOVERNANCE



Risk

Governing documents:

- Risk and resilience policy
- Group assurance policy and plan
- Group risk register
- Business continuity policy

Oversight by:

- Board of Directors
- Group Executive Committee
- Risk Committee
- Audit Committee
- Social and Ethics Committee
- Governance Risk Committee

TFG's risk governance is anchored by the Board, which holds ultimate accountability for the Group's strategy and risk governance as an integral part of its decision-making process.

Oversight is primarily executed through the Risk Committee, which assists the Board in setting the direction for ERM and integrated assurance within established risk appetite and tolerance levels. The risk and resilience policy operationalises this approach by identifying, assessing, and mitigating enterprise-wide risks while ensuring alignment between operational activities and the Board's strategic direction.

In alignment with King IV™ principles, the Group manages risk through a multi-layered approach involving the Risk and Resilience Forum, Governance Risk Committee (GRC) and the Group Executive Committee, which are responsible for the day-to-day management of risk.

The Risk Committee actively monitors the risk register to identify and address the most material issues impacting the Group, including operational, legal, ethical, and cybersecurity risks. This is supported by the integrated assurance plan and periodic reviews of the Group's internal controls and risk management.

This approach to risk fosters organisational resilience, enabling TFG to anticipate, respond to, and recover from disruptions while safeguarding the continuity of critical operations. By embedding risk management into daily strategic and operational activities, the Group protects its assets and brand reputation, particularly through a zero-tolerance approach to corruption and ethical breaches. For stakeholders, this framework ensures long-term sustainability and protects their interests by ensuring that the Group remains capable of achieving its strategic goals even in a volatile business environment.

Our material risks and material matters

TFG's material matters for 2026

TFG's material matters are those issues that can influence the Group's ability to create and sustain long-term value. These are identified through a structured process in which all Group risks are assessed, debated with executives and validated by the Risk Committee. Each material matter groups together related risks that collectively impact value creation and preservation. The six material matters below are aligned to the Group's top risks presented on the following pages.

MM 1

Supply chain resilience, efficiency and sustainability

Supply chain resilience is critical to supporting product availability, margin protection and working capital across Africa, Australia and the UK. This is increasingly challenged by infrastructure constraints in South Africa, particularly in ports, rail and logistics, which elevate costs and execution risk. Heightened geopolitical instability, shifting trade policies, and climate-related disruptions further increase supply uncertainty and volatility. Third-party dependencies heighten concentration and business continuity risks.

Linked risks:



MM 3

Cyber security, data protection and technology resilience

Increased reliance on AI and digital technologies increases cyber exposure risk, with data breaches threatening revenues, customer trust and brand reputation. Third-party technology dependencies heighten operational risks and require specific focus and actions in the light of cyber incidents experienced globally during 2025.

Linked risks:



MM 5

People capability and AI integration

Decentralised execution relies on skilled leadership and digital capability across the Group. AI adoption is driving the need for reskilling and robust governance oversight, while ongoing competition for talent and increasing regulatory requirements continue to impact long-term sustainability and our corporate culture.

Linked risks:



MM 2

Stagnant economic climate and financial resilience

Consumer spending remains sensitive to affordability pressures across all regions, with discretionary spend impacted by inflation, interest rates and currency volatilities which affect pricing and margins. The high unemployment rate in South Africa and recent energy price hikes place additional constraints on consumer spending powers. Strict financial discipline, store assessment and management and balance sheet resilience are critical to sustaining growth and profitability.

Linked risks:



MM 4

Infrastructure constraints and operational continuity

Electricity instability, water shortages and logistics inefficiencies in South Africa disrupt operations and inventory flow, while broader infrastructure unreliability increases costs and reduces planning certainty.

Linked risks:



MM 6

Competition and evolving consumer behaviours

Global e-commerce disruptors are intensifying price and assortment pressure, challenging margins and market share, while pureplay digital retailers and circular economy platforms continue to reshape customer value perception. This is compounded by a sustained shift to value-seeking behaviour. In South Africa, the growth of online gambling has further reduced discretionary spend. Customers are increasingly seeking seamless omnichannel experiences which presents a growth opportunity.

Linked risks:



Our material risks and material matters

Our ERM Framework

Our ERM Framework supports the identification of issues and risks that may directly or indirectly influence our ability to create sustainable value over the short, medium, and long term. The methodology assesses the impact of risks on value creation and preservation, incorporating social and environmental considerations. Sustainability risks and opportunities are now integrated into the ERM methodology, ensuring that the materiality assessment considers financial, operational as well as social and environmental impacts.

Our ERM process provides a comprehensive approach to identifying and managing risk, covering Group-level risks, their underlying drivers, risk ratings, mitigation measures, and emerging events and trends that could affect them.

TFG uses a Governance Risk and Compliance (GRC) technology platform that offers unified oversight. TFG's assurance model coordinates activities among the various assurance providers across the Group. The objective is to optimise governance oversight, avoid duplication, and enhance the efficiency of risk management and controls, aligned with the King IV™ principles of integrated assurance.

The nine-step ERM process is illustrated in this diagram:

1. Risk identification

informed by management input, and ongoing assessment of our operating environment.

2. Inherent risk assessment

evaluating the likelihood and impact of risks before the application of any mitigating measures.

3. Risk response

and mitigation actions identified, agreed and assigned to responsible owners.

4. Residual risk assessment

evaluating the likelihood and impact of risks after considering the adequacy and effectiveness of mitigation measures.

5. Assurance review

to independently evaluate the design and operating effectiveness of mitigation measures.



6. Risk monitoring and review

provides ongoing oversight of significant risks to ensure they remain within risk appetite and controls remain effective and adequate.

7. Key risk monitoring

focusing on the Group's top risks, with tracking and reporting to assess changes in exposure and the continued adequacy of controls.

8. Horizon scanning

to identify and track emerging trends, threats and opportunities which may impact the Group.

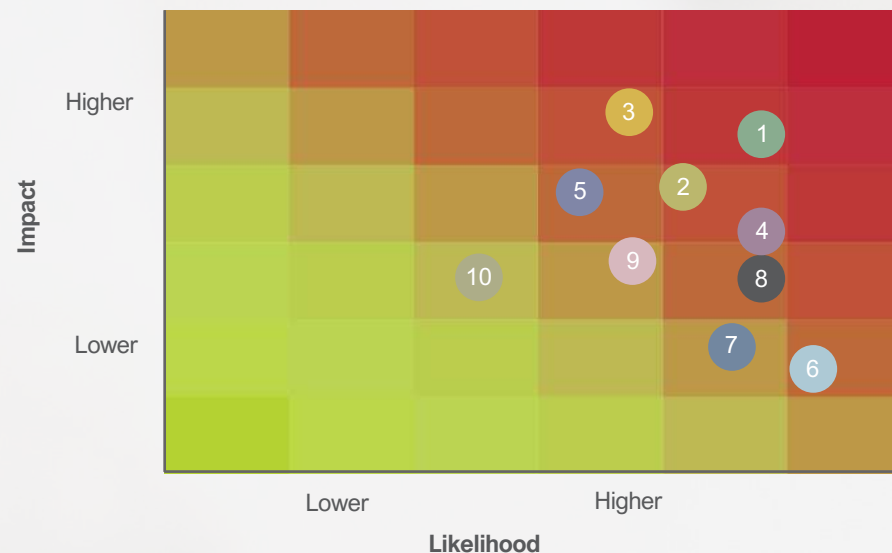
9. Reporting of risk assessments, emerging risks and changes in risk ratings for review and approval by the Group Executive Committee and the Risk Committee.

Our material risks and material matters

TFG's top risks

Through our ERM process, TFG identifies and prioritises top risks as shown in the adjacent heat map. Our top risks are discussed on the following pages.

Risks represent specific uncertainties that may negatively impact TFG. The Group's risks inform our material matters. Material matters are the strategic themes that substantively affect TFG's ability to create sustainable value over time. Mitigating actions are then developed that recognise, where relevant, the different regional contexts in which our business operates, i.e., TFG Africa, TFG London or TFG Australia.



Top risks

- 1 Cyber and information security
- 2 Supply chain disruptions
- 3 Stagnant economic climate and reduced consumer spending
- 4 Geopolitical and socioeconomic instability
- 5 Continuity, reliability and sustainability of key suppliers, vendors and third parties
- 6 Critical infrastructure disruption
- 7 Intensified competition and market disruption
- 8 Shifts in consumer behaviour and expectations
- 9 Ability to attract, train and retain talent
- 10 Increase in and complexity of relevant legislation and regulations

Our material risks and material matters

1 Cyber and information security

Description

Cybersecurity threats – including data breaches, ransomware attacks and system intrusions – can result in financial losses, operational disruptions, IP theft and reputational damage. Cybersecurity remains TFG's top-rated risk and is actively discussed at Board level.

Key risk factors

- Continued increase in phishing, social engineering and ransomware attacks
- Reliance on third-party systems and processes heightening exposure
- Advancements in AI technology enabling more sophisticated attacks
- Loss of sensitive data and potential POPIA/GDPR non-compliance

Key mitigations, controls and opportunities

- Centre for Internet Security (CIS) security compliance frameworks implemented across the Group
- Business continuity and cyber incident plans maintained and tested
- Cyber insurance cover in place
- Advancement of AI allows for more sophisticated forms of monitoring

Strategic pillars



Links to Capitals



Material matters

MM 3

2 Supply chain disruptions

Description

Supply chain disruptions arising from natural disasters, geopolitics, transportation delays or supplier failures can impact product and raw material availability, lead times and costs. Disruptions across TFG's three territories – particularly TFG Africa – remain elevated due to infrastructure, geopolitical and climate-related pressures.

Key risk factors

- Geopolitical and socioeconomic instability, in particular the conflict between Israel, the US and Iran, influencing trade corridors, pricing and shipping
- Global trade tensions and escalating tariffs on key sourcing origins
- Climate change disruptions causing raw material shortages and infrastructure damage
- Economic/political events in supplier territories (Bangladesh, China, Vietnam)

Key mitigations, controls and opportunities

- Continuous monitoring of supply chain delivery status and related channels to identify disruptions early
- Maintain strong local alternative supply base in Africa
- Supplier diversification process embedded in procurement

Strategic pillars



Links to Capitals



Material matters

MM 1 MM 4

Our material risks and material matters

3 Stagnant economic climate and reduced consumer spending

Description

A stagnant economic climate negatively affects TFG customers' purchasing power and reduces margins across all three territories. Affordability pressures, high household debt and recent fuel and tariff policies create a challenging consumer environment across all markets.

Key risk factors

- Decrease in consumer disposable income driven by high unemployment, stagnant wages and high household debt
- Inflationary pressures (particularly in South Africa) driving input costs up and negatively affecting margins
- Increased crime, fraud and corruption impacting the SA retail environment
- US tariff policies creating currency and trade uncertainty
- Instability in the Middle East contributed to elevated energy prices and inflationary pressures

Key mitigations, controls and opportunities

- Stringent cost control with overheads measured against turnover
- Continued focus on the value retail business and accessible price points
- Credit management to support customer affordability with responsible lending
- Advancement of AI to optimise the deployment of resources and ensure efficiency

Strategic pillars



Links to Capitals



Material matters

MM 2 MM 6

4 Geopolitical and socioeconomic instability

Description

Geopolitical and socioeconomic instability – including developments in the Middle East, trade restrictions, civil unrest and social movements – creates uncertainty and disrupts business and supply chain operations. TFG's multi-regional footprint increases both exposure and opportunity to navigate these dynamics.

Key risk factors

- Global currency volatility (Rand, AUD, Pound) affecting margins and planning
- Ongoing conflicts, particularly in the Middle East, affecting oil and energy prices
- Supply chain disruptions from political events in key supplier territories
- US tariff and trade policies affecting global trade flows
- Prolonged disruption to TFG from riot/strike action or labour unrest (SA)
- Fuel price volatility and broader energy cost increases

Key mitigations, controls and opportunities

- Continued diversification of supplier base to reduce geographic concentration
- Maintain strong local supplier base in Africa
- Regular hedging policy review at executive level

Strategic pillars



Links to Capitals



Material matters

MM 1 MM 2 MM 4

Our material risks and material matters

5 Continuity, reliability and sustainability of key suppliers, vendors and third parties

Description

TFG's operational model depends on critical third-party relationships across product supply, logistics, technology and financial services. The financial fragility of key partners and concentration in specific geographies represent material continuity risks.

Key risk factors

- Availability of raw materials or critical electronic components constrained by global dynamics
- Supply chain disruptions due to economic/ geopolitical events in key supplier territories
- Stagnant economic climate undermining the financial stability of key suppliers
- Reliance on key strategic partners and brand suppliers without adequate backup

Key mitigations, controls and opportunities

- Critical suppliers identified and continuity assessed regularly
- Quick response capability developed in the TFG Africa supply chain
- Continued diversification and localisation of supplier base embedded in procurement strategy

Strategic pillars



Links to Capitals



Material matters

MM 1 MM 3

6 Critical infrastructure disruption

Description

Disruption to essential utilities – including water, electricity and sanitation – impacts operations, employee productivity and customer experience. Extended outages can lead to store closures, supply chain delays, social unrest and health and safety risks.

Key risk factors

- Ageing infrastructure and lack of maintenance across water, sanitation and electricity networks
- Increased frequency and severity of natural disasters and climate change impacts
- Availability of water and electricity directly affecting store operations
- Increased cost of operations driven by infrastructure failures (generators, water procurement)
- Increased health and safety risks for employees and customers

Key mitigations, controls and opportunities

- Business continuity plans continuously tested for key infrastructure failure scenarios
- Water response plans developed; major facilities equipped with tanks/boreholes
- Loadshedding/power response plans in place; backup power systems installed across key sites
- Store-level contingency plans regularly tested

Strategic pillars



Links to Capitals



Material matters

MM 1 MM 3 MM 4

Our material risks and material matters

7 Intensified competition and market disruption

Description

Intensified competition from both established players and new entrants continues to challenge TFG's market position. Global fast-fashion platforms are gaining market share rapidly while local digital firms reshape consumer expectations across all product categories.

Key risk factors

- Inability to innovate in fashion, retail and digital transformation at the required pace
- Pure-play digital competitors meeting customer expectations and growing market share
- Increasing consumer demand for value, convenience and seamless omnichannel experiences
- Fast-fashion disruptors gaining market share through low-cost models
- AI-driven innovation creating new competitive dynamics

Key mitigations, controls and opportunities

- Focus on seamless customer experience across all channels and touchpoints
- Continued investment in value retail brands and proposition strengthening
- Investment in customer acquisition and loyalty programme enhancement
- Continued investment in TFG Africa's e-commerce marketplace, Bash

Strategic pillars



Links to Capitals



Material matters

MM **2** MM **6**

8 Shifts in consumer behaviour and expectations

Description

Shifts in consumer behaviour regarding shopping channels, value retailing, digital preferences and ethical sourcing may lead to reduced customer loyalty, declining sales and reputational damage. The rapid pace of change – driven by AI, social media and economic pressures – is accelerating.

Key risk factors

- Continued AI-driven innovation creating new market disruptions and customer expectations
- Decrease in customer confidence due to economic pressures
- Increasing demand for ethical, sustainable and environmentally responsible products
- Rise of digital platforms, AI-driven personalisation and social media
- Increased spending on online gambling and experiences diverting discretionary spend (SA)

Key mitigations, controls and opportunities

- Focus on seamless and omnichannel customer experience across all channels
- Continued investment in value retail brands and ethical sourcing practices
- Increased focus on data and analytics to understand customer expectations and trends
- Ensuring sustainable sourcing while remaining cost-competitive

Strategic pillars



Links to Capitals



Material matters

MM **6**

Our material risks and material matters

9 Ability to attract, train and retain talent

Description

Talent attraction and retention are key to managing employee turnover, addressing skills shortages, and competing for critical roles.

Key risk factors

- Globalisation impacting talent mobility and competition for skills
- Future of work and evolving job requirements widening the skills gap and affecting the availability of critical capabilities
- AI enhancement and adoption driving the need for reskilling and stronger governance oversight
- Declining education outcomes in South Africa affecting the quality and availability of skills
- Scarcity of critical skills across key functions

Key mitigations, controls and opportunities

- Remuneration benchmarking reviewed regularly against market expectations
- Talent strategy reviewed and challenged annually
- Focus on employee wellbeing and continued development, including AI-specific training

Strategic pillars



Links to Capitals



Material matters

MM 5

10 Increase in and complexity of relevant legislation and regulations

Description

Increasing regulatory complexity and change heighten the risk of non-compliance with existing requirements and place additional pressure on the Group to respond effectively to new and evolving legislation, including employment equity targets and expanding ESG disclosure requirements across key markets such as the UK and Australia.

Key risk factors

- Complex and evolving regulatory landscape across multiple jurisdictions, including differing local requirements
- Rising compliance costs driven by increasing and more complex regulatory demands
- Heightened regulatory scrutiny and external pressure
- Evolving ESG and ethical standards driving new requirements for transparency, sustainability and corporate responsibility
- Changing employment equity requirements in South Africa, including EE targets and potential challenges in meeting them

Key mitigations, controls and opportunities

- Active monitoring of legislation and proposed regulatory changes, with engagement and lobbying through industry bodies to manage potential impacts
- Legal compliance frameworks and training to support ongoing awareness and adherence to key regulatory requirements

Strategic pillars



Links to Capitals



Material matters

MM 5

CEO report and strategic value creation



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Strategic Project

Beauty project

Building a scalable beauty platform

The Beauty project leverages TFG Africa's centralised beauty team to extend its expertise beyond Foschini, creating a scalable, multi-brand beauty platform across the Group. The initiative strengthens the Group's ability to capture growth in the beauty category while driving greater scale, consistency and operational efficiency.

The project comprises the following:

- Developing private-label beauty ranges tailored to key brands, including Markham, Foschini, Totalsports and Sportscene.
- Introducing dedicated beauty departments within Jet stores to serve the value and mass-market segments.
- Rolling out standalone Beauty Box stores showcasing the Group's private-label beauty portfolio.
- Strengthening product stewardship through centralised quality assurance and governance to support high standards of product safety, quality, regulatory compliance and responsible sourcing across the Group's beauty portfolio.

A message from our CEO

Anthony
Thunström
CEO



FY 2026 was a year marked by deteriorating macroeconomic conditions across all three of our operating geographies, weakening consumer confidence and demand, the need to deal with the build of stock, and, as a result, negative operating leverage across our businesses. At the same time, it has been a year in which TFG has taken decisive action: protecting the strategic brands and assets it has built, recalibrating the business where required, and charting a clear course toward stronger returns.

Revenue growth
7,2%

Gross margin
48,2%

Operational EBIT growth
-22,1%

Net debt / EBITDA*
1,44x

Total dividend
-30,8%

HEPS
-33,5%

* Excluding brand impairments and acquisition-related costs (pre-IFRS 16)

A difficult trading year

FY 2026 was a demanding year for retailers globally, and TFG's financial performance reflects this reality. TFG reported Group retail turnover of R62,4 billion for the year ended 31 March 2026, representing growth of 7,1% on FY 2025. However, an operational EBIT decline of 22,1% to R4,9 billion, and a 33,5% drop in HEPS to 675,4 cents are clear indications of the headwinds we have been facing.

FY 2026 was disappointing from a results perspective, and well below what we believed was achievable at the beginning of the year, albeit under different circumstances. While some of these factors were outside of our control, how we responded was not.

In times when our turnover and gross margins are under pressure, the relatively high fixed-cost base associated with our multi-brand model places significant pressure on operating margins. The inverse is true when trading conditions improve.

However, given the very uncertain global outlook, we cannot and will not simply wait for conditions to improve – we are taking the decisive, strategic action required now to protect and improve profitability, productivity and capital returns.

The BOLTS strategy – Build Out, Optimise, Leverage, Transform and Sustain – has now substantially delivered the platform we committed to build for TFG Africa: a portfolio of highly desired and market-leading brands, a locally rooted supply chain, a world-class omnichannel capability in Bash, a Rewards platform of scale, and values-led sustainability commitments. Whilst the platform has been successfully delivered and is already starting to show some of the benefits we envisaged, current conditions require us to do more to streamline our structures, reduce the fixed components of our cost of doing business where possible and ensure that the full suite of our platform benefits is realised.

A message from our CEO

Navigating a complex external environment

FY 2026 was challenging across all three geographies, and conditions deteriorated sharply. Internationally, trading conditions were extremely challenging, while in Africa the market saw almost no growth in three separate months – something we have rarely experienced before.

In South Africa, lower interest rates offered a degree of relief to some consumers. However, the recovery failed to reach the mass market. Unemployment rose to 33% and expanded unemployment reached 44% – levels that represent a structural, not merely cyclical, challenge. The critical Q3 Festive trading period, which typically generates over half our annual African profit, was sharply weaker than anticipated across the market.

In the United Kingdom, above-target inflation, elevated labour costs and sustained pressure on consumer confidence created one of the most structurally demanding retail environments in recent memory. Consumer sentiment fell to near-pandemic lows, with non-food discretionary spend the first casualty of squeezed household budgets.

In Australia, a brief period of improving economic conditions in the first half was undermined by a reversal in the rate cycle, further eroding real disposable incomes and pushing consumer confidence to multi-year lows. A three-year structural grind has depleted household savings buffers and crowded out discretionary apparel spend.

In all three markets, our teams acted decisively on cost management, inventory control and promotional activity.

For more details on our operating context see pages 23-28.

BOLTS: substantially complete and evolving

A hallmark of TFG's approach over the past five years has been the willingness to invest through economic cycles, building capabilities that would create long-term competitive advantage. That investment phase is now substantially complete. The five pillars of BOLTS are all well advanced and create the retail platform we need to position us for future growth and profitability.

Under **Build Out**, we opened 141 new stores and closed 91 underperforming and marginal ones for TFG Africa. For a store portfolio of our scale, ongoing refinement of the estate is a normal and necessary part of disciplined retail management. This includes selectively pruning stores where trading conditions have weakened, particularly in marginal shopping nodes, while continuing to reinvest behind stronger locations, new shopping centre developments and in our digital ecosystem. This investment recognises evolving customer behaviours, including the increasing contribution from e-commerce, which crossed the 10% level for the first time.

Across the Group, we opened 233 new outlets and closed 242, ending the year with 4 914 stores (FY 2025: 4 923); in the UK in particular, we reduced our exposure to department store concessions.

Our Home Programme is making strides in integrating the Group's seven homeware brands to create South Africa's leading integrated home platform. White Stuff was acquired and integrated into TFG London, broadening the premium British womenswear offering.

Under **Optimise**, the Riverfields omnichannel distribution centre – a R1 billion investment in demand-led supply chain capability – was fully operationalised during FY 2026, reducing replenishment lead times from 4,6 to 2,6 days and improving product availability from 85% to 92%. Locally manufactured apparel reached 81,4% of total sourcing and homeware 54,1%.

Under **Leverage**, Rewards membership grew to over 41 million known customers, with 83% of turnover now attributed to known customers. EBIT from value-added services and mobile now exceeds R1 billion, representing a meaningful diversification of our earnings base.

Under **Transform**, TFG Africa's online turnover surpassed R3,5 billion and Bash achieved profitability two years ahead of plan – a milestone that validates our digital investment since 2020. Bash accounted for over 10% of TFG Africa's retail turnover in Q4 of FY 2026. Bashstore omnichannel devices, deployed in over 3 000 stores, generated R550 million in incremental assisted sales, representing 306% year-on-year growth. The omnichannel model is working.

Under **Sustain**, TFG maintained its B-BBEE Level 2 rating and launched Emakhaya – our most ambitious social impact initiative to date – extending community investment to address freshwater access, period poverty and quality education.



A message from our CEO

The strategic recalibration now under way is the natural evolution of BOLTS. The build phase is substantially complete. Great businesses and brands have been built and invested in – the imperative now is to align the platform with the realities of the current environment. We have four clear priorities to reset profitability and returns.

- Leverage Bash and fulfilment capabilities to make our business more efficient. With online now exceeding 10% of TFG Africa sales – and Bash growing at 49% year-on-year at equivalent gross margins to our stores business – the economics of physical expansion are changing. The additional R1,1 billion in Bash sales this year would have required opening more than 100 new stores, at approximately R500 million in capex and inventory investment. Going forward we will leverage Bash and our fulfilment capabilities to drive a more capital-light model, reducing new store requirements while preserving and growing revenue.
- Close underperforming and marginal stores and sharpen our brand portfolio. Strong e-commerce growth enables rationalisation of our store network: we are accelerating the closure of underperforming and marginal stores across all three geographies to improve trading densities and returns. We have identified approximately 300 underperforming and marginal stores and are working through these with discipline. Approximately 100 were closed in FY 2026. In parallel, we are simplifying our brand architecture in Africa. The next phase of Project Vela – our programme to organise brands into operating 'stacks' – will simplify structures, remove layers and improve agility, with marginal brands folded into more efficient operating models.
- A sustained reduction of the Group's cost base. Our cost base grew ahead of sales in FY 2026, driven by new store costs and inflationary expense pressure. We pulled back more than R600 million in planned H2 capex and implemented significant short-term savings across all three geographies. The strategic actions we are now implementing go further: tight control of capex and inventories, an aggressive reduction in structural operating expenses and further cutting corporate overheads now that the build phase is reaching completion. AI-enabled process automation and decision-support is already contributing to cost efficiencies, and we expect this contribution to increase materially over the next few years.
- Enhance our Fintech and credit capabilities. TFG's credit, Bash, Value-Added Services and Rewards platforms collectively serve over 41 million known customers and have now been placed under a single leadership structure to allow for more agile and profitable growth.

Our commitment to sustainability

Sustainability at TFG is embedded in the S of our BOLTS strategy and is fundamental to the long-term resilience and legitimacy of our business. The Group employed over 50 000 people across its three geographies, reflecting both the scale of our operations and the important role we play as a major employer in South Africa and in the broader markets in which we operate. Our B-BBEE Level 2 status reflect genuine transformation in ownership, leadership, skills development and supplier diversity.

Over 80% of our apparel is locally manufactured in South Africa and neighbouring SADC countries, supporting thousands of jobs in the textile and manufacturing sector and underpinning our competitive supply chain advantage.

For more details on our sustainability programmes see page 70 and review our [Inspired Living Report](#).

Outlook for FY 2027

Looking ahead to FY 2027, we are very cautious and realistic, however we remain confident in the quality of our platform and the clarity of our strategic agenda. We do not expect a rapid normalisation of consumer conditions in any of our three markets. What we can control – and what we are focused on – is decisive action to improve the quality and returns of the business we operate.

In South Africa, the structural reforms that have already been implemented, together with those that are still in progress, are an overdue but welcome step in the right direction, however they have yet to deliver any measurable upside in GDP growth. Our priority is to protect and build on our market-leading positions in our strongest categories, accelerate the capital-light growth enabled by Bash, and drive the Fintech restructure that will unlock the next phase of our financial services business.

Across all three businesses, the strategic priorities I have described are being executed with urgency. Capital allocation will remain disciplined and defensive while preserving the growth potential we have created. We will maintain a restrained approach to investment in FY 2027: holding capex tight, investing only where the business case is de-risked and solid and reducing store capex where online can replace it. The Group's balance sheet remains sound, with net debt of R8 billion and a net debt/EBITDA ratio of 1,44x (pre-IFRS 16), with a well-structured debt repayment profile.

I firmly believe that the longer-term investment case for TFG remains compelling. We own a diversified, resilient and genuinely differentiated platform business, with market-leading positions across Southern Africa's most important retail categories, an unmatched customer data and loyalty ecosystem, a locally anchored supply chain, and a digital platform that is growing rapidly and generating returns.

The BOLTS strategy has delivered what it was designed to build. The next chapter is ensuring that every part of the platform generates the returns our shareholders expect and positions the business for the next cycle of growth.

A message from our CEO

Group performance

The pressure on Group returns in FY 2026 was not evenly distributed. Africa, our largest business, held up relatively well; it was our two international businesses that accounted for the bulk of the decline in Group returns. That distinction shapes how we are responding in each market.

The trajectory through the year is just as important as the headline. Group operating profit fell by around 10% in the first half and then by roughly 30% in the second, deteriorating into a festive period that is normally our strongest - which is precisely why we chose to act decisively rather than wait.

Our response on capital was deliberate. We pulled back TFG Africa's planned capex and directed what we did spend toward lower-intensity, digital investment. Holding capital back while continuing to protect the platform is the discipline that runs through each of the divisional reviews that follow.

TFG Africa



TFG Africa remains the engine of the Group. Even in a year this difficult it delivered the substantial majority of Group operating profit, more than 80% and, encouragingly, outperformed the broader market as measured by the RLC, in 10 of the 12 months. That resilience is a direct result of the leading positions we hold across our major categories,

Within Africa the picture was mixed, in a way that points clearly to our levers. Womenswear and beauty grew strongly and are categories we will keep pushing; menswear and sports, our two largest stacks, felt the most pressure and are where we have bought more conservatively for the year ahead. We are already seeing a meaningful margin recovery in sports.

The strategic priorities for Africa – the capital-light pivot as Bash scales, the Fintech build across credit, Bash, Value-Added Services and Rewards, and the simplification of our brand structures – are those I set out earlier in this report. The task now is execution: making a strong business leaner and more profitable, not simply larger.

TFG London



In the UK, the strong reported growth this year reflects the inclusion of White Stuff, which has traded well; underneath that, the legacy portfolio was broadly flat and profitability fell materially. It is important not to let the consolidation flatter the underlying picture.

That said, we own three genuinely good brands in Hobbs, White Stuff and Whistles, each with real upside when conditions normalise and roughly half their sales already online. Phase Eight is the exception and faces the greatest challenge, and our focus for the year ahead is to right-size its footprint and cost base while we continue to grow our own customer channels.

TFG Australia



Australia had a difficult year. Sales held broadly steady but, with costs continuing to rise, negative operating leverage pulled profitability lower.

What this masks is the quality of the asset. We own the largest standalone menswear business on the continent, with healthy through-cycle margins and a disciplined local team that has weathered this downturn better than most. To put the environment in perspective, listed Australian apparel retailers saw their share prices fall by roughly 50% over the year, against an ASX up 3,5%. While both our international businesses had a hard year, their combined operating profit growth has outperformed Africa in five of the past ten. That is a reminder of why our geographic diversification matters. The specific actions for Australia, including the store-footprint review and our reassessment of New Zealand, are as I described earlier.

A message from our CEO



FROM LEFT TO RIGHT

Anthony Thunström (56)

BCom (Hons Acc), CA(SA)
Chief Executive Officer
Joined the Group in 2015

Shani Naidoo (58)

BSocSc (Hons), MA (Ind Psych),
AMP (Harvard)
Group Chief Retail Officer
Joined the Group in 2005

Stuart Baird (60)

Group Chief Retail Officer
Joined the Group in 1986

Vusiwe Nkomo (49)

BCom (Hons IS), MBA (Strategy),
MBA (Marketing),
MSc (SC and Logistics)
Chief Information and Logistics Officer
Joined the Group in 2021

Ralph Buddle (59)

CA(SA)
Chief Financial Officer
Joined the Group in 2023

Senta Morley (56)

By invitation
BSocSc
Chief People and Culture
Officer
Joined the Group in 2002

Jacques De Kock (56)

By invitation
BEng, MBA
Chief Operating Officer
Joined the Group in 2020

Our Group Executive

The TFG Group is managed by an experienced team, reflecting the strength of our leadership across our three geographic divisions and key enabling capabilities.

We also refined the way the Group is led. The Group Executive, previously known as the Operating Board, has always held a mandate across all three of our geographies.

We have established a dedicated Africa Executive, with a simplified focus on the performance of our African business and the delivery of the strategic actions set out in our results presentation. Separating the leadership of our offshore operations from that of Africa allows each forum to operate with greater clarity of purpose: the Group Executive setting the overall strategy, capital allocation and direction across all three geographies, and the Africa Executive driving execution where the majority of our profit is generated.

Within the newly constituted Africa Executive, we have also placed responsibility for Credit, Rewards, Value-Added Services, Mobile as well as our digital platform, Bash, under the leadership of a Chief Operating Officer, in recognition of the value that we believe can be unlocked through these related areas of our business. The role also encompasses the Group's manufacturing operations and related enablement functions.

This structure also reflects a deliberate and responsible approach to succession. The Africa Executive brings forward the next generation of TFG's leaders, giving them

direct accountability for some of our most significant operational priorities, and preparing them, over time, to take on broader leadership roles across the Group.

I want to thank our suppliers, customers and stakeholders for their continued support, and my fellow directors and executives for their commitment and guidance through a demanding year.

Finally, and most importantly, to my 50 000+ colleagues I want to express my sincerest gratitude for your dedication in delivering exceptional customer service despite the challenges we are currently facing. With your commitment and hard work, I am confident that we have set TFG on the right track for future growth and prosperity.

Anthony Thunström

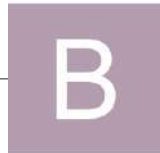
Chief Executive Officer

30 July 2026

Our strategy

We deliver our vision through our corporate strategy, framed by the acronym BOLTS.

Delivering **sustainable growth** and **stakeholder value** across our **five pillars**



Build out diversified, high-brand-equity businesses



Optimise our sourcing mix and supply chain efficiency



Leverage our customer data, store footprint, talent and product assortment



Transform into a true omnichannel retailer and platform player



Sustain ourselves and our stakeholders into the future

Strategic enablers

Delivering our strategy requires more than direction; it demands the right foundations to activate, accelerate, and sustain value creation. These strategic enablers underpin our ability to execute across the BOLTS pillars, translating ambition into measurable outcomes. Each plays a distinct role in supporting the Group's agility, resilience, and long-term competitiveness.

Customer data and loyalty

Drives personalisation, repeat engagement, and precision marketing aligned to value and frequency



Read about how we utilise customer insights on page 62

Talent capability

Builds future-fit leadership and embeds strategic execution at frontline and management levels



Read about our people strategy in our [Inspired Living Report](#)

Supply chain infrastructure

Enables Quick Response (QR) responsiveness and cost efficiency, supporting local sourcing and inventory excellence



Read about supply chain engagement in our [Inspired Living Report](#)

Technology and platforms

Powers omnichannel integration and operational agility through Bash, point-of-sale and fulfilment technology



Read about Bash on page 64

Capital allocation

Funds high-return initiatives and aligns investment with long-term value creation



Read about how we allocate capital on page 57

Our BOLTS strategy

TFG's corporate strategy focuses on building a platform-led, inclusive and scalable retail group that creates long-term value for all its stakeholders across the markets in which it operates. This ambition is given form through BOLTS – an acronym that encapsulates five integrated strategic pillars: Build out, Optimise, Leverage, Transform and Sustain.

Introduced to guide the Group's growth trajectory five years ago, BOLTS has delivered market share gains and operational progress through an extended period of volatility, including COVID-19, loadshedding, political uncertainty and subdued consumer demand. It has substantially achieved the platform-building objectives it was designed to deliver, namely a retail ecosystem that is differentiated in every material respect: a locally anchored manufacturing capability, a demand-led supply chain, a world-class omnichannel platform, a growing Rewards programme, and a values-led sustainability plan.

The Board and management ensure that BOLTS remains current and relevant through a continuous Strategy Development Process. This process entails regular assessment of the global and regional economic environments as well as structural shifts shaping fashion retail and testing the Group's strategic response against these trends.

The conditions of FY 2026 have confirmed that the time has come to align the strategy with the reality of a tougher, more competitive environment. We seek to extract more value from what we have built, improve the return on capital deployed, and ensure that our brands are the right ones for the next phase of TFG's growth.

During FY 2027 we will provide more details on these actions and will update the market in due course.

Our strategy

A FOCUS ON GOVERNANCE



King IV™:
Principle 4

Strategy

Governing documents:

- Corporate strategy

Oversight by:

- Board of Directors
- Group Executive Committee
- Remuneration Committee

The Board of Directors is ultimately accountable for TFG's strategy, direction, and performance, ensuring that risk governance remains an integral component of its decision-making process. While the Group Executive Committee is responsible for strategy formulation and the day-to-day management of operations, the Risk Committee provides critical oversight by identifying opportunities and associated risks during strategy development and monitoring their impact on strategic objectives. This strategic governance is further supported by the Finance Committee, which reviews strategic financial plans and capital allocation structures to ensure they support the Group's long-term goals. Additionally, the Nomination Committee ensures the Board maintains a diverse range of perspectives and expertise necessary for the effective stewardship and management of the Group's strategic path.

Executive remuneration is structured to ensure members of the Group Executive Committee and senior management are incentivised through performance scorecards linked directly to the Group's strategy and risk appetite.

This alignment is cascaded through the organisation, with executives setting team scorecards that support the achievement of their own objectives. In this way, individual and team performance measures are linked to broader Group outcomes, thereby reinforcing strategic focus and long-term performance delivery.

CAPITAL ALLOCATION IN SERVICE OF BOLTS

Allocating capital to accelerate strategy and create long-term value

At TFG, capital allocation translates strategy into long-term value creation. Capital is deployed where it creates durable value, balancing near-term performance with long-term capability building, financial discipline with growth investment, and competing strategic priorities.

BOLTS provides the architecture for deploying capital across the Group, linking strategy, resource allocation, execution and value creation. We prioritise opportunities that strengthen competitive advantage and resilience, improve customer experiences, enhance cash generation and ROI, support long-term growth and create value across all six capitals.

This approach has guided investment in Bash, Riverfields, QR manufacturing, customer data platforms, Rewards, AI-enabled retailing, local sourcing, financial services and category expansion. While some investments require significant upfront expenditure, they strengthen the Group's capacity to generate sustainable future returns.

Our capital allocation hierarchy

1. Maintain financial resilience: A strong balance sheet provides flexibility to navigate cycles, fund working capital, support growth and respond to emerging opportunities. We first ensure liquidity, funding capacity and balance sheet flexibility remain appropriate.
2. Invest in organic growth: Our first growth priority is opportunities where we have established capabilities, customer relationships or competitive advantages. Recent projects include Beauty, Jet and Volpes expansion, supported by store refurbishments, category development and omnichannel enablement.
3. Accelerate strategic capabilities: We invest in capabilities that improve long-term competitiveness across brands, categories and channels, including Bash, omnichannel fulfilment, Riverfields, QR manufacturing, Rewards, data, analytics and AI, and automation.
4. Pursue disciplined acquisitions: Acquisitions remain part of our growth strategy where they accelerate strategic objectives, strengthen category leadership, improve portfolio quality or generate returns above our cost of capital. Recent acquisitions have strengthened positions in value retail, homeware and international markets.
5. Return surplus capital to shareholders: Surplus capital is returned through dividends and share repurchases, balancing growth, shareholder returns and capital discipline.

Our strategy

The five strategic pillars



Build out diversified, high-brand-equity businesses

Why it matters?

Growth remains a key part of TFG's long-term value creation objective. Our Build Out strategy ensures we reach customers across all market tiers and geographies – through new stores, revamps, digital channels, categories and acquisitions. Growing digital adoption and the structural shift toward value retail create compelling expansion opportunities. Our proven ability to acquire and integrate new businesses demonstrates our disciplined approach to profitable growth.

Overview

Expanding category leadership and future growth platforms

Build Out focuses on investments that expand market share, strengthen category leadership and increase future earnings capacity. Capital flows toward the Group's growth platforms – through store expansion, refurbishment, new category development and selective acquisitions.

These investments create value by widening customer reach, diversifying earnings and deepening market positions that are difficult for competitors to replicate. In FY 2026, the Group opened 141 new stores and revamped 52 across Africa, and launched BeautyBox as a standalone, private-label beauty format, achieving gross margins above 50%. Built on TFG's existing supplier relationships and store footprint, BeautyBox creates a scalable, high-return category platform.

TFG also completed the integration of White Stuff to extend TFG London's market opportunity. Investment in value retail through Jet continues to yield category diversification into homeware and beauty, alongside improving digital integration.

Capital trade-off: *Build Out investments require capital today in exchange for mid- to long-term earnings growth and market leadership.*

Strategies to achieve our objectives

- Open new stores in high-growth nodes, prioritising strong ROI and incremental customer reach.
- Revamp existing stores to improve trading density and enhance the customer experience.
- Scale online channels to grow Bash into a sustainable and profitable platform business.
- Leverage online to optimise footprint.
- Convert stores based on profitability and close loss-making and marginal stores.
- Pursue strategic acquisitions that leverage the TFG platform and broaden our brand portfolio.

Targets for FY 2027 onward

- Optimise our store chain and improve our trading densities by closing loss-making stores and reviewing marginal stores for closure.
- Open new stores in stacks with proven ROI and higher net profitability.
- Build out Volpes store footprint and accelerate the furniture and homeware category growth through the Home Programme.

Progress against our strategy for FY 2026

- Opened 141 new stores and revamped 52 stores across Africa.
- Closed 91 marginal and loss-making stores in Africa, lowering the cost of doing business.
- Signed two leases for Connor's entry into Southeast Asia, expanding internationally.
- Integrated White Stuff, adding new market opportunities for TFG London.
- Launched BeautyBox, a 100% private-label beauty format with gross margins above 50%.
- Launched the Home Programme across the Group's Homeware and Furniture portfolio.

Targets beyond FY 2029

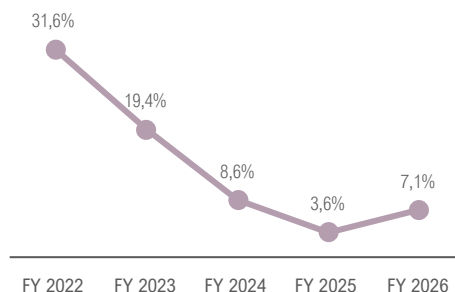
- Build out the Value stack through refurbishments, new stores and new category offerings.
- Build the Homeware stack to a R10 billion business.
- Establish Connor in Southeast Asia as a scalable and profitable menswear business.

Our strategy

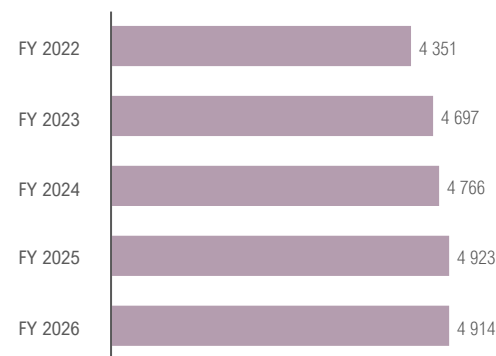
Key performance indicators



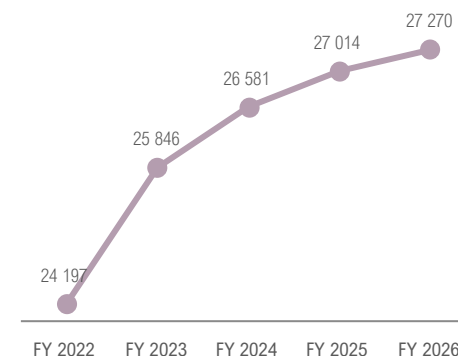
Group retail turnover growth (%)



Group outlets (number)



Trading density (R/m²)



Why it matters	Is TFG successfully growing customer demand?	Is TFG expanding its physical footprint and customer reach?	Are we efficiently managing our inventory?
What success looks like	Sustained growth ahead of market and category growth	Opening stores in attractive locations with strong ROI	Measures number of new stores, refurbishments and acquisitions, as well as divestments from stores with low ROI
Link to strategy	Measures sales productivity of existing stores	Higher sales per m² and improved store productivity	Reflects successful optimisation of the store network while growing profitably

KPIs related to online performance are disclosed under the Transformation pillar

Our strategy



Optimise our sourcing mix and supply chain efficiency

Why it matters?

Supply chain excellence is a core competitive advantage for TFG. By optimising our sourcing mix, supporting local manufacturing and building a demand-led supply chain, we improve availability, reduce markdowns and enhance gross margins. With over 80% of apparel already locally manufactured, Optimise creates structural margin uplift across the portfolio.

Overview

Improving productivity, margins and returns

Optimise directs capital toward generating greater value from existing assets and capabilities - improving stock turns, reducing markdowns, strengthening gross margins and enhancing returns on capital employed. The R1 billion Riverfields omnichannel distribution centre is TFG's most significant investment in supply chain capability.

Beyond warehousing, Riverfields enables a shift from forecast-driven to demand-led operations: real-time store sales signal replenishment and allocation, so inventory moves rapidly to where demand is emerging. As omnichannel volumes scale through Bash and the omnistore rollout, Riverfields' business improves with increased throughput. QR manufacturing capability strengthens speed to market and trend responsiveness, reducing markdown risk across fast-fashion brands. The target is further gross margin improvement, supported by AI-enabled planning system upgrades.

Capital trade-off: *Optimisation investments generate less visible short-term growth but improve the economics of the entire business over time.*

Strategies to achieve our objectives

- Invest in demand-led supply chain capabilities.
- Upgrade planning systems using AI to improve stock turns and reduce markdowns.
- Onshore denim production using advanced laser finishing to cut stock days and improve margins.
- Improve fulfilment speed and cost through Riverfields omnichannel distribution centre.
- Consolidate the furniture distribution centres to improve ROCE for the Homeware stack.

Targets for FY 2027 onward

- Deliver gross margin improvement from demand-led supply chain.
- Maintain stock turn through planning system upgrades.
- Support local denim production.
- Commence the consolidation of seven furniture distribution centres to two, generating efficiencies and improving the home stack profit margin.

Progress against our strategy for FY 2026

- Increased local and SADC apparel sourcing to 81,4%, homeware and furniture to 54,1%.
- Delivered Riverfields omni-DC, reducing replenishment lead times from 4,6 to 2,6 days.
- Improved product availability from 85% to 92% following DC and planning investments.
- Moved 40% of inventory to holdback, enabling a more reactive replenishment model.
- Launched IPaT (Integrated Planning and Trade), a strategic initiative to modernise TFG's merchandise planning capabilities.

Targets beyond FY 2029

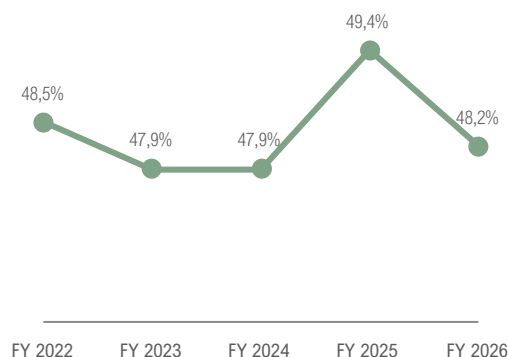
- Enhance denim production using laser technology.
- Improve Group gross margin driven by local sourcing and demand-led supply.
- Build an integrated, demand-driven supply chain across all major product categories.
- Improve stock holding by deploying a fully integrated planning and assortment system.

Our strategy

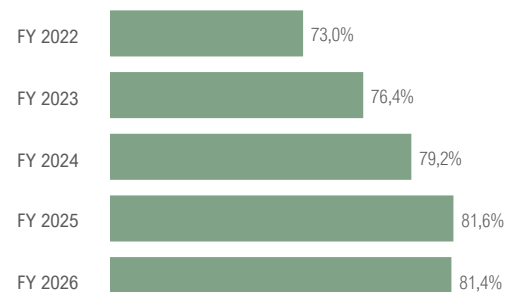
Key performance indicators



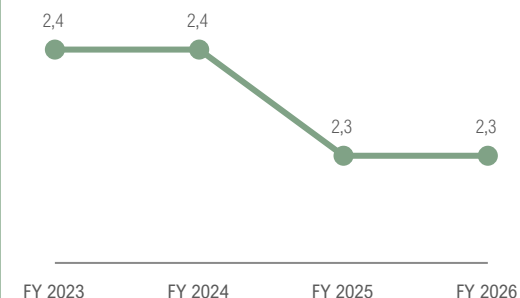
Group gross margin (%)



TFG Africa locally sourced apparel (%)



Group stock turn (times)



Why it matters

Measures economic outcome of supply chain management decisions

Measures progress in local manufacturing and quick-response capability

Are we efficiently managing our inventory?

What success looks like

Consistent expansion in gross margin

Increasing local sourcing while maintaining competitiveness, responsiveness and inventory efficiency

Lower stock days with high availability and fewer markdowns

Link to strategy

Increased profitability through an improved supply chain

Local sourcing is central to TFG's QR and manufacturing strategic advantage

Reflects a more responsive, demand-led supply chain

Our strategy



Leverage our customer data, store footprint, talent and product assortment

Why it matters?

TFG's unique ecosystem - over 41 million Rewards members, 3 600+ stores, an over R11 billion credit book and South Africa's leading fashion app – creates extraordinary leverage opportunities. By maximising the value of our customer data, store footprint, brand portfolio and financial services capabilities, we unlock incremental revenue with minimal additional capital. Our Rewards programme demonstrably drives a 22% uplift in customer spend. Leverage also extends to financial services, value-added services and our media offering.

Overview

Unlocking greater value from existing assets and relationships

Leverage concentrates capital on increasing returns from assets and customer relationships already within the Group – primarily the Rewards ecosystem, financial services, customer data and media. With more than 41 million Rewards members and 85,7% of African turnover attributed to known customers, TFG's data advantage is a structural differentiator that enables precision marketing, hyper-personalisation and cross-brand selling with minimal incremental capital.

The long-term ambition is to leverage the Rewards platform while expanding TFG Connect mobile subscribers, device rentals and digital-wallet adoption across the base.

In FY 2026, value-added services and mobile EBIT exceeded R1 billion – a milestone that validates the Group's strategy of monetising its customer ecosystem beyond the retail transaction. Financial services remain a core capability supporting customer acquisition, retention and credit decisioning. TFG's 1,5 million monthly media subscriptions reinforce its position as Africa's largest magazine business and extend the reach of its media and insurance income streams.

Capital trade-off: *Leverage investments often require significant upfront capability investment before monetisation benefits are fully realised.*

Strategies to achieve our objectives

- Maximise frequency and basket size of Rewards members through precision marketing and increased personalisation.
- Expand financial services across credit, fintech, mobile and value-added services.
- Leverage customer data and known turnover to drive cross-sell and category migration.
- Grow TFG's media and insurance income by deepening engagement across the store network.
- Scale value-added services and mobile income toward sustained EBIT above R1 billion.
- Launch TFG's device rental offering.

Targets for FY 2027 onward

- Grow Rewards membership beyond 41 million with increased turnover contribution from known customers.
- Scale mobile and value-added services EBIT contribution on a sustained basis.
- Launch, scale and grow hiFlex, TFG's device rental offer.

Progress against our strategy for FY 2026

- Rewards membership grew to over 41 million, with 85,7% of turnover attributed to known customers.
- More than 8 million+ Bash app downloads recorded in the current year.
- EBIT from value-added services and mobile exceeded R1 billion for the first time.
- 1,5 million monthly media subscriptions, maintaining TFG as Africa's largest magazine business.
- Strengthened financial services across the value customer segment.
- Launched Payflex and PayJustNow.

Targets beyond FY 2029

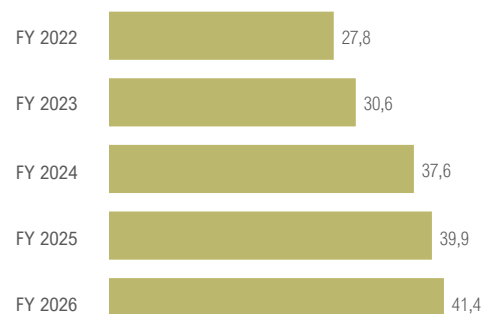
- Leverage the Rewards ecosystem to drive incremental value.
- Expand TFG Connect mobile subscribers, device rental customers and digital wallet adoption across the customer base.
- Build TFG media and financial services into a diversified income stream.

Our strategy

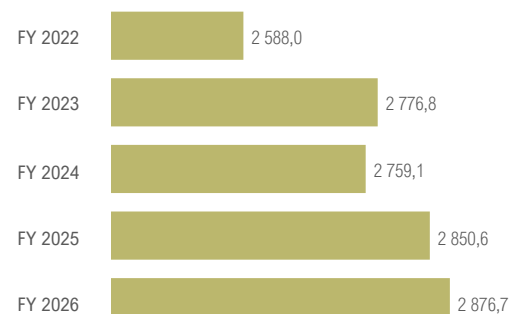
Key performance indicators



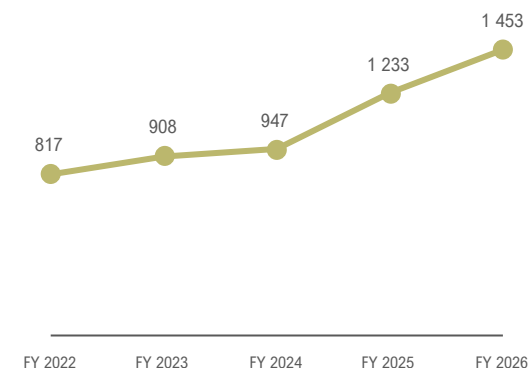
TFG Rewards customers (million)



TFG Money customers ('000)



Value-Added Services and Insurance revenue (Rm)



Why it matters

Measures growth of the customer ecosystem

Are our credit and financial services platforms achieving critical reach?

Measures growth in our customers' share of wallet

What success looks like

Growing active membership and engagement

Increasing revenue through growth of our credit book

Increasing the contribution from insurance, digital and other services

Link to strategy

Rewards is the foundation of data-driven customer leverage

Financial services and customer ecosystem expansion are core to the growth of our business

Demonstrates successful monetisation of the customer ecosystem

Our strategy



Transform into a true omnichannel retailer and platform player

Why it matters?

Creating remarkable omnichannel experiences is TFG's defining ambition for the next decade. The Transform pillar is the engine behind our shift from a traditional retailer to a fully integrated platform business. With e-commerce growing five times faster than the economy, 77% of South Africans shopping on their phones, and digital channels displacing sales that fail to close in-store, Bash is the digital heart of this transformation.

Overview

Building the future retail platform

Transform positions TFG for omnichannel growth, by allocating capital to Bash, artificial intelligence, omnichannel fulfilment, automation and digital infrastructure. These investments create scalable platform advantages and support a more capital-light operating model over time.

The results in FY 2026 demonstrate the strategy is working: Bash surpassed R3 billion in turnover and achieved profitability two years ahead of plan, with 8,1 million app downloads and 71% of revenue generated via mobile. Omni-selling devices were deployed in over 3 000 stores, giving every frontline associate access to the full Group inventory and enabling an endless-aisle capability. Bash Delivery completed 1,7 million parcels at 34% lower cost than third-party logistics.

The Group's ambition is to establish Bash as South Africa's undisputed number-one fashion and lifestyle e-commerce platform, with Bash Delivery handling the majority of TFG parcels. This is supported by AI deployment across product design, marketing, planning, credit decisioning and technology operations – improving productivity, decision-making quality and customer outcomes across the Group.

Capital trade-off: *Transform investments frequently involve near-term earnings pressure in exchange for long-term strategic and platform advantage.*

Strategies to achieve our objectives

- Scale Bash as South Africa's leading fashion and lifestyle omnichannel platform and app.
- Deploy Bashstore omni-selling devices to every frontline sales associate across all TFG stores.
- Invest in AI-powered planning, personalisation and customer engagement capabilities.
- Build and scale TFG's own last-mile delivery capability through Bash Delivery.
- Enable all stores as omnichannel stores, integrating full Group inventory into every sales touchpoint.

Targets for FY 2027 onward

- Drive omnichannel sales turnover through the Bashstore rollout across all stores.
- Expand AI capabilities across planning, personalisation and demand sensing across the Group.

Progress against our strategy for FY 2026

- Bash surpassed R3 billion in turnover and achieved profitability two years ahead of plan.
- Omni-selling devices deployed in 3 000+ stores, with all stores now omni-enabled at point of sale.
- Bash app achieved more than 8 million downloads, with 71% of revenue from the mobile app.
- Bash Delivery completed 1,7 million parcels at 34% lower cost than third-party logistics.
- New Vela operational backbone launched, simplifying store processes and freeing staff for selling.

Targets beyond FY 2029

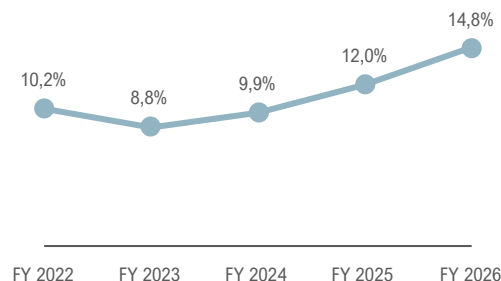
- Further entrench Bash as the undisputed number-one South African fashion and lifestyle e-commerce platform.
- Grow Bash Delivery to handle the majority of TFG parcels.
- Build a fully connected omnichannel ecosystem where every customer interaction is seamlessly integrated.

Our strategy

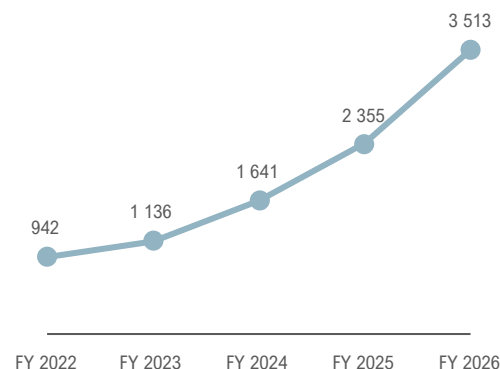
Key performance indicators



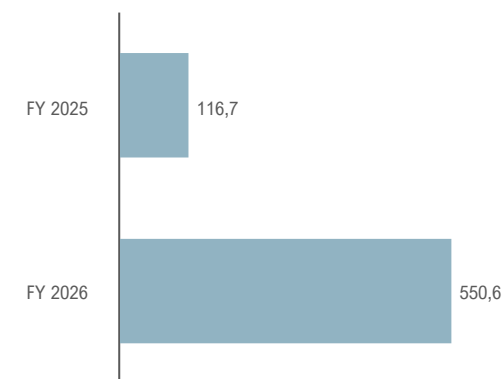
Group e-commerce turnover to total retail turnover (%)



TFG Africa e-commerce turnover (Rm)



Bash store turnover (Rm)



Why it matters

Measures digital adoption and channel transformation

Measures scale of the online business

Shows sales generated through omni-enabled stores, leveraging our physical footprint

What success looks like

Increasing contribution from online sales

Sustained and profitable online growth

Growing store-enabled omnichannel sales

Link to strategy

Reflects progress towards omnichannel retailing

Shows that digital investments are delivering revenue

Demonstrates successful integration of stores and our digital network

Our strategy

S

Sustain ourselves and our stakeholders into the future

Why it matters?

The Sustain pillar supports long-term value creation by strengthening business resilience, responsible growth and TFG's licence to operate. Sustainability is embedded in every pillar of TFG's BOLTS strategy through responsible sourcing, environmental stewardship and investment in people and communities. Local manufacturing has been a strategic priority, supporting economic growth, supplier development, skills development and employment. Together with our B-BBEE Level 2 contributor status, youth employment initiatives, community investment programmes and commitment to preferred materials, these initiatives strengthen TFG's social and environmental impact.

Overview

Building the future retail platform

Sustain invests in the long-term health and resilience of the business – in people, local manufacturing, supplier ecosystems, responsible sourcing and community investment. These commitments reinforce stakeholder trust and underpin the licence to operate across TFG's three-geography footprint. Over the past five years, more than 20 000 jobs and workplace opportunities have been created across the Group, B-BBEE rating has improved from Level 6 to Level 2, and localised apparel manufacturing has reached 81,4% – reducing textile waste while supporting local livelihoods and supply chain resilience.

On the environmental front, preferred cotton now accounts for 47,7% of the Group's cotton consumption, with 100% of Tier 1 factories mapped. The newly launched Emakhaya programme extends our capital allocation to community investments in freshwater access, period poverty and early childhood development interventions, with a target of reaching 100 000 South Africans with clean drinking water by 2030.

Local manufacturing capability is simultaneously a sustainability commitment and a supply chain advantage, delivering faster response times, reduced lead times and improved availability.

Capital trade-off: Sustain investments may not always generate immediate financial returns but build the foundations and resilience for future value creation.

Strategies to achieve our objectives

- Embed sustainability into business decision-making through the Inspired Living Framework, governance and ESG data.
- Strengthen responsible sourcing through local manufacturing, expanded supply chain mapping and responsible purchasing practices.
- Transition to preferred materials and advance circularity.
- Improve resource efficiency through energy, transport, packaging and waste reduction initiatives.
- Advance the Group's decarbonisation programme through energy efficiency, renewable energy and emissions reduction initiatives.
- Strengthen people and community outcomes through investment in skills development, transformation and partnerships.

Targets for FY 2027 onward

- Expand supplier mapping across tiers.
- Maintain local and SADC manufacturing above 79% of own-brand apparel production.
- Progress preferred cotton sourcing toward 50%.
- Advance implementation of the Group's climate strategy and regional roadmaps.
- Continued participation in all youth programmes including YES.

Progress against our strategy for FY 2026

- Maintained B-BBEE Level 2 rating and created 10 234 jobs and workplace opportunities over the past three years.
- Localised 81,4% of own-brand apparel manufacturing in SA and SADC, supporting livelihoods.
- Increased preferred cotton sourcing to 47,7% of Group cotton consumption.
- 93% of all own-brand manufacturing sites have valid audit, reports with 100% of Tier 1 factories and 80% of Tier 2 fabric mills mapped.
- Launched Emakhaya, an integrated rural-support model, combining access to clean water, menstrual health support and early-learning interventions.

Targets beyond FY 2029

- Strengthen responsible sourcing through supply chain mapping, compliance, and traceability.
- Sustain local and regional manufacturing to support economic growth and employment.
- Increase the use of preferred materials and expand circular product solutions.
- Deliver measurable reductions in operational and value chain emissions.
- Advance transformation and skills development and community investment.

Our strategy

Key performance indicators

S	Workplace opportunities via YES and LAI* programmes (TFG Africa) FY 2022 2 890 FY 2023 2 076 FY 2024 2 199 FY 2025 2 758 FY 2026 2 792	TFG Africa sustainably sourced cotton (%) FY 2023 13,8% FY 2024 29,3% FY 2025 39,6% FY 2026 41,7%	B-BBEE level FY 2022 3 FY 2023 3 FY 2024 2 FY 2025 2 FY 2026 2
Why it matters	Showcases TFG's contribution to employment and economic inclusion	Measures progress in responsible sourcing	Measures our transformation performance
What success looks like	Increasing employment opportunities and skills development	Continued increase in sustainably sourced cotton	Maintain or improve our B-BBEE rating
Link to strategy	Supports inclusive growth and community impact in South Africa	Supports environmental stewardship and ethical sourcing	Supports inclusive growth and stakeholder value

*Learnerships, apprenticeships and internships

Our strategy

Key strategic projects

In 2025, the Board and management announced extensions to the BOLTS strategy, each designed to accelerate what is already working.

While the BOLTS strategy has now substantially delivered the platform it was designed to build, these extensions will continue to build on the pillars of the strategy, namely a locally based supply chain, a world-class omnichannel capability, a Rewards platform of scale, and values-led sustainability commitments.

Some of the projects are profiled on the divider pages. Below is a brief summary of all of them:



Phambili project – Omnichannel distribution and demand-led supply chain (page 2)

The Phambili programme delivered a R1 billion omnichannel distribution centre in Riverfields, Johannesburg, that shifted TFG from forecast-based replenishment to a demand-led supply chain driven by real-time store sales. Now fully operationalised, the centre reduced replenishment lead times from 4,6 to 2,6 days, lifted product availability from 85% to 92%, and reduced logistics costs to 3,3% of sales. Looking ahead, the focus is on deepening demand-led capability across the network to sustain these efficiency and availability gains as the model scales further.



OmniStore project – Bridging physical and digital retail (page 11)

This project expands TFG's omnichannel capability by deploying in-store devices that connect the physical store to the Group's digital retail platform. Store teams are equipped with devices powered by a white-labelled Bash platform, providing access to the Group's full online catalogue. This enables sales to be completed even when a product, size or colour is unavailable in-store, and allows customers to purchase products across TFG brands through a single interface. In FY 2026, over 3 000 devices were rolled out, driving R550 million in sales, a 300% increase on FY 2025, as Bash grew 49% year-on-year. Going forward, accelerating Bash sales should support a more capital-light store model, reducing new store capex while preserving revenue growth.



Emakhaya – Integrated community investments (page 22)

EmaKhaya (isiZulu for "at home") is TFG's flagship social impact programme and the next phase of the Ripple Effect initiative. Building on TFG Africa's solar-powered borehole projects, it expands beyond clean water access to deliver a more integrated rural development model. The first site, in KwaMzwezwe, KwaZulu-Natal, combines safe drinking water with menstrual health support and early childhood development. By 2030, the programme aims to reach approximately 100 000 people in rural communities across South Africa. To date, it has provided access to safe drinking water for more than 50 000 people.



Beauty project – Building a scalable beauty platform (page 50)

The Beauty project positions TFG to capture strong global growth in beauty, particularly among younger consumers, by building a scalable, multi-brand platform. This includes developing private-label ranges for key brands such as Markham, Foschini, TotalSports and Sportscene, introducing dedicated beauty departments within Jet stores for value and mass-market customers, and rolling out standalone Beauty Box formats that bring the Group's private-label ranges together. The project is progressing across these workstreams, with continued rollout of beauty departments and Beauty Box formats expected to extend TFG's reach into a fast-growing category over the medium term.

Our strategy

Denim and Quick Response (QR) build out (page 73)

The Denim and Quick Response (QR) build out strengthens TFG's quick-response manufacturing capability, supported by strategic partners, allowing the business to scale production of winning styles quickly while limiting exposure to slower-selling lines, a critical capability in fast-changing womenswear brands such as Foschini and The FIX. A key subset, the Denim Project, focuses on onshoring denim production, TFG's largest apparel category, and using next-generation laser technology to trial new fits, washes and finishes rapidly. The programme continues to build partner capacity and onshore capability, supporting faster trend response and reduced markdown risk over time.



Home Programme - Transforming TFG's homeware and furniture portfolio (page 81)

The Home Programme is a strategic growth and transformation initiative spanning the Group's Homeware and Furniture portfolio, including @home, Coricraft, Volpes, Dial-a-Bed and Mojo Beds, designed to unlock growth through expansion, category development and operational integration. Commenced in FY 2025, it includes integrating Tapestry Group businesses into TFG's systems, beginning with Volpes and followed by Coricraft and others. Core transformation activities are expected to be substantially complete by FY 2027, with growth initiatives continuing to FY 2030. The programme is expected to deliver accelerated revenue growth, improved margins and stronger returns across the portfolio over time.



Vela – Empowering simpler, smarter stores

Project Vela, launched in 2023, is a major transformation in TFG Africa's approach to store operations, simplifying and standardising processes to drive efficiency and empower teams to deliver outstanding customer experiences. Key initiatives include standardised operating processes, intuitive dashboards and the Vela Academy, launched in May 2024, which has trained over 1 100 store and field team members. The recently launched Retail Operations Hub marks the programme's next phase, strengthening coordination between head office and stores and improving risk oversight as Vela becomes embedded as a scalable, sustainable operating model.



IPaT/Merchandise Programme – Modernising merchandise planning

The IPaT (Integrated Planning and Trade) Programme is modernising TFG's merchandise planning capabilities through an integrated, data-driven platform, replacing legacy systems and streamlining planning across buying, planning and supply chain functions. Having commenced in October 2025 following vendor selection, the programme is being delivered in three phases. Phase 1 (Merch Financial Planning) piloted in three brands from June 2026, with rollout across all brands over 18 months; Phases 2 (Assortment Planning) and 3 (Trade) are planned to pilot in FY 2028 and FY 2029, respectively. The programme is expected to improve planning accuracy, inventory holding, responsiveness and collaboration across the Group.



hiFlex device rental – TFG's device rental offer

South African cellular retail is shifting from upfront cash purchases towards affordable monthly payment options. TFG has responded by supplementing its TFG Money offer with hiFlex, a device-rental solution that provides customers access to higher-value devices at an affordable monthly price. hiFlex underwent successful technical testing in the Group's standalone "hi" stores from April 2026 and is being rolled out in phases to the remaining trading divisions from July 2026. Beyond strengthening the customer value proposition, hiFlex is expected to support market share gains at key price points and further build TFG's Fintech capabilities in retail.



Our commitment to sustainability

Sustainability embedded in strategic value creation

TFG's sustainability approach forms part of the Group's integrated value creation process and supports its ability to create, preserve and protect value for customers, employees, suppliers, communities and shareholders. It connects the Group's purpose, BOLTS strategy, Inspired Living framework, stakeholder perspectives and material sustainability impacts to the way TFG manages risk, responds to changing expectations and implements its strategy across the retail value chain.

Sustainability is represented by the Sustain pillar of BOLTS, while the Inspired Living framework provides the structure through which TFG organises its material sustainability impacts and connects Group-level priorities to implementation across its regions, brands, operations and value chain.

The Inspired Living framework is structured around three interconnected pillars – Connects, Shares and Restores – with governance and trust underpinning all three. Connects focuses on people and communities, including employee wellbeing, skills development, diversity and inclusion, and social impact. Shares focuses on responsible sourcing and purchasing practices, supply chain visibility and agility. Restores focuses on environmental stewardship, including energy, emissions, materials, circularity, waste, packaging, water stewardship and biodiversity considerations.

The way TFG implements these priorities differs across its regions and value chain activities. TFG Africa, TFG London and TFG Australia operate in different markets, regulatory and sourcing contexts, and the Group's level of control or influence varies across the value chain. This reinforces the need to focus effort where TFG can have the greatest practical impact, supported by stronger systems, partnerships, data and accountability.

Together, these priorities provide a practical structure for focusing action where TFG can have the greatest impact, while supporting resilience, responsible growth and long-term stakeholder value.

Inspired Living at a glance

Connects:

People and communities

Supporting employee wellbeing, skills, diversity and inclusion, and community resilience.

Shares:

Responsible sourcing

Responsible sourcing and purchasing practices, supply chain transparency and traceability and supply chain agility.

Restores:

Environmental stewardship

Managing climate, energy, materials, circularity, waste, packaging, water and broader environmental impacts.

Governance and trust:

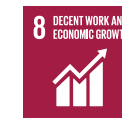
Cross-cutting foundation

Embedding oversight, ethics, accountability, data quality, regulatory alignment and transparent disclosure.



These priority SDGs reflect TFG's measurable contributions

TFG uses the United Nations Sustainable Development Goals as an external reference point for its Inspired Living priorities. The Group prioritises SDGs 8, 9, 12 and 13, where its business model and value chain have the strongest alignment. The descriptors below indicate TFG's main areas of contribution.



Decent work and economic growth

Economic participation, youth pathways and decent work



Industry, innovation and infrastructure

Local manufacturing, supplier development and resilient value chains



Responsible consumption and production

Responsible sourcing, materials, circularity, waste and packaging



Climate action

Climate resilience, energy, emissions and resource stewardship

Our commitment to sustainability

FY 2026 progress and forward focus

FY 2026 marked further progress in delivering TFG's Inspired Living objectives, with data, systems and accountability supporting practical action across the Group's people, supply chain and environmental priorities.

Governance, trust and disclosure readiness

TFG continued to advance disciplined sustainability management and reliable disclosure, with work across disclosure readiness, environmental governance, data ownership and the structured refresh of material sustainability priorities. These developments support consistent decision-making, while keeping sustainability-related matters connected to governance, risk management, business planning and performance oversight.

- IFRS S1 and S2 disclosure gap analysis completed
- Group Environmental Policy under review
- Structured refresh of material sustainability priorities initiated
- Sustainability-linked metrics included in the FY 2026 Single Incentive

People, transformation and social value

TFG's social impact is shaped by the scale of its workforce, its role as an employer and its ability to support more inclusive and resilient communities. During FY 2026, the Group continued to invest in workforce capability, transformation and community impact. In TFG Africa, the community portfolio was further shaped into a more strategic social impact model focused on building economic participation and protecting dignity, safety and basic human security. A recently launched rural-support initiative extends TFG Africa's water-access work into a broader programme that combines water access, menstrual health support, early-learning interventions and longer-term social and economic participation in underserved communities.

- Level 2 B-BBEE rating maintained
- 505 000+ employee learning completions in TFG Africa in FY 2026
- 3 614 new jobs and workplace opportunities created through FirstStart, TFG Africa's youth employment and skills programme
- 53 716 people reached cumulatively through community water-access projects

A FOCUS ON GOVERNANCE



King IV™
Principle 3

Climate governance

Governance documents:

- Social and Ethics Committee charter
- ERM framework

Oversight by:

- Board of Directors
- Group Executive Committee
- Social and Ethics Committee

The Board of Directors is accountable for climate-related oversight with specific responsibilities delegated to the Risk Committee and the Social and Ethics Committee. These committees inform the Board on material strategic, existing and emerging risks and opportunities, including those related to climate impacts, metrics, and targets. The Audit Committee is tasked with input and governance over all risks that could impact the Group's financials and financial reporting. This may extend to climate and sustainability risks and opportunities if material.

The Group Executive Committee, led by the CEO, is responsible for the execution of strategy and the day-to-day management of operations, including sustainability risks. The CEO is informed of significant sustainability risks through the Risk Governance Committee and reports any significant climate-related issues to the Board.

The identification, assessment and management of climate-related risks is integrated into our ERM Framework, using the same processes as other risks that might have a material impact on our ability to create sustainable value in the short, medium and long term. The Group's definition of a significant risk considers quantitative and qualitative thresholds.

Read more on Sustainability governance in the [Inspired Living Report](#)

Our commitment to sustainability

Responsible supply chains

Responsible supply chain management remains central to TFG's sustainability approach, particularly in the value chain where many significant social and environmental impacts occur upstream. During FY 2026, the Group advanced supplier visibility through supply chain mapping, audit coverage, supplier engagement and corrective action follow-through. Local and regional manufacturing support TFG Africa's resilience by strengthening speed to market, supply continuity, domestic manufacturing capability and economic participation, while TFG London and TFG Australia continued to advance supply chain visibility and accountability.

- 81,4% of TFG Africa apparel units manufactured in South Africa and SADC
- 100% of TFG Africa Tier 1 suppliers mapped, covering 480 suppliers and 1 007 declared Tier 1 manufacturing sites
- 93% of TFG Africa declared manufacturing sites independently audited, with 82% within compliance thresholds
- 100% of TFG London Tier 1 factories publicly disclosed through Open Supply Hub
- 157 supplier audits and 135 inspections completed in TFG Australia

Environmental stewardship

Climate resilience is increasingly integral to business resilience, influencing how TFG manages risk, resources and continuity across its operations and value chain. During FY 2026, TFG made progress in identifying and managing climate-related risks and opportunities, while advancing resource stewardship.

Recent examples of initiatives supporting each sustainability principle include:

- Renewable-energy use: Riverfields PV plant generates renewable solar energy.
- TFG partners with the Better Cotton Initiative (BCI™) whose mission is to improve cotton farming globally.
- Circular design: The Sustainable Design Incubator applies circular design principles.
- Reuse: DC cartons are reused across operations.
- Repair: TCB Repair extends product life through repairs.
- Recycling and upcycling: The sleeping bag project repurposes surplus materials.
- Waste diversion: E-waste is responsibly collected and recycled.
- Lower-waste operations: Insourced textile waste management reduces operational waste.
- Group-wide climate scenario analysis completed.
- 96,9% of TFG Africa textile waste diverted from landfill.
- 64,7% of TFG Africa business waste diverted from landfill.
- 47,7% of Group cotton sourced as preferred cotton.
- 2,1-megawatt peak (MWp) installed solar capacity in TFG Africa.

Looking ahead

TFG will continue to embed our Inspired Living framework and principles into business decision-making and value creation, with emphasis on practical action, disciplined execution and performance measurement across the Group's regions, brands and value chains.

Implementation will reflect the different operating contexts, maturity levels and areas of influence across TFG Africa, TFG London and TFG Australia, while continuing to embed sustainability into business planning, operations and reporting.

Further detail on TFG's sustainability approach, FY 2026 performance and supporting disclosures is available in the [Inspired Living Report](#).



CFO report and value creation through performance

In this section

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Strategic Project

Denim and QR build out programme

The Denim and Quick Response (QR) build out programme strengthens quick response manufacturing, supported by strategic partners. The QR model allows the business to react quickly to fashion trends by scaling production of winning styles while limiting exposure to slower movers – critical in fast-changing womenswear brands like Foschini and The FIX.

A key subset is the Denim project, which focuses on onshoring denim (the largest apparel category) and using next-generation laser technology to trial new fits, washes and finishes rapidly. The use of these technologies supports lower-impact denim manufacturing by reducing water, energy and chemical consumption during selected finishing processes.

More details on our responsible sourcing and environmental programmes can be found in our [Inspired Living Report](#).

A message from our CFO

Ralph
Buddle
CFO

Revenue:
R67,1 billion
(+7,2%)

Retail turnover:
R62,4 billion
(+7,1%)

Gross profit:
R30,1 billion
(+4,5%)

Operational EBIT*:
R4,9 billion
(-22,1%)

HEPS:
675,4 cents
(-33,5%)

Net debt:
R8,0 billion
(FY 2025: R6,8 billion)

ROCE*:
10,9%
(FY 2025: 14,8%)

Total dividend:
270,0 cents
(-30,8%)

* Excluding brand impairments and acquisition-related costs (excl. goodwill)

FY 2026 was a challenging year for TFG as weaker consumer demand, margin pressure and deteriorating trading conditions across all three operating regions impacted profitability. Despite these headwinds, the Group demonstrated resilience through disciplined execution, proactive cost management and continued investment in the capabilities that will support long-term growth and value creation.

Group revenue increased by 7,2% to R67,1 billion from R62,6 billion in FY 2025 and retail turnover grew by 7,1%. Gross profit increased by 4,5% to R30,1 billion, while gross margin declined by 120 basis points to 48,2%. Operational EBIT before brand impairments and acquisition-related costs declined by 22,1% to R4,9 billion and headline earnings per share decreased by 33,5% to 675,4 cents.

Summarised Financials are provided on pages 77-79.

Delivering resilience in a difficult operating environment

The second half of the financial year proved significantly more challenging than the first. Consumer demand weakened across all operating regions, with peak-season trading underperforming expectations.

The Group recognised non-cash impairment charges against the Phase Eight brand in the United Kingdom and the Tarocash and yd. brands in Australia, reflecting revised long-term cash flow expectations for these businesses.

Management acted decisively to reduce costs, manage inventory, preserve cash and strengthen business resilience. Approximately R300 million of planned expenditure was removed during the second half as management responded to changing trading conditions.

A message from our CFO

TFG Africa

TFG Africa continued to underpin Group performance, contributing 68,3% of Group sales and remaining the Group's primary earnings contributor. Revenue increased by 5,3% to R47,3 billion compared with R44,9 billion in FY 2025.

Market share increased by 50 basis points in womenswear and by 40 basis points in homeware and furniture. Online sales increased by 49,2%, with online contributing 8,2% of total sales and reaching a 10% contribution during the fourth quarter.

Credit sales increased by 4,6%, contributing 25,8% of TFG Africa sales. The debtors' book increased by 5,5% to R9,4 billion as the Group maintained a prudent approach to credit granting.

The continued scaling of Bash represents an important inflection point in TFG's omnichannel strategy. Increasing digital penetration, combined with the Group's fulfilment capabilities and customer ecosystem, supports a progressively more capital-light growth model.

TFG London

Trading conditions in the United Kingdom remained challenging throughout FY 2026. Sales increased by 29,4% to £488 million (FY 2025: £377 million), largely reflecting the inclusion of White Stuff. Excluding White Stuff, sales remained broadly flat.

White Stuff continued to perform strongly, while the legacy portfolio was impacted by weakness in occasion-wear categories, softer department store trading and disruption caused by a cyber incident affecting a key online concession partner.

Management remains focused on improving productivity, optimising the store portfolio and protecting profitability through disciplined operational execution.

TFG Australia

Australia experienced another difficult year as subdued consumer confidence, inflationary pressures and increased promotional activity affected retail demand.

Sales declined by 1,5% to A\$734 million (FY 2025: A\$745 million), with like-for-like sales declining by 3,4%. Expenses continued to grow ahead of sales due to inflationary pressures and costs associated with store expansion initiatives.

Management continues to focus on improving operational performance, productivity and long-term returns across the international portfolio.

Capital allocation, cash generation and balance sheet management

Disciplined capital allocation remained a central focus throughout FY 2026. Management prioritised liquidity, working capital efficiency and investment in strategic capabilities while preserving balance sheet flexibility.

Inventory increased by only 1,7% to R14,5 billion, reflecting disciplined inventory management. The debtors' book increased by 5,5% to R9,4 billion as the Group maintained a prudent approach to credit granting.

Net debt increased to R8,0 billion from R6,8 billion in the prior year, while net debt to EBITDA (pre-IFRS 16) increased to 1,44x. Despite these pressures, the balance sheet remained appropriately structured to support the Group's strategic priorities.

ROCE excluding brand impairments and acquisition-related costs (excluding goodwill) declined to 10,9% as profitability came under pressure during the year. Restoring returns and improving capital productivity remain key management priorities.

Store portfolio optimisation

During FY 2026, the Group opened 233 stores and closed 242 stores, ending the year with 4 914 stores across 18 countries. These actions reflect the Group's continued focus on optimising its store portfolio, closing underperforming locations and improving overall capital productivity.

Driving resilience and restoring returns

Management remains focused on four strategic priorities that will drive resilience and restore returns:

- Leverage Bash and fulfilment leadership to make the business more capital-light and efficient.
- Close underperforming and marginal stores while sharpening the brand portfolio.
- Enhance fintech and credit capabilities.
- Reduce complexity in the operating model and structurally lower the cost of doing business.

These priorities are intended to improve profitability, strengthen capital productivity and position the Group to deliver sustainable long-term value creation.

A message from our CFO

Outlook

The outlook for FY 2027 remains uncertain.

In South Africa, constrained disposable income and subdued economic growth are expected to continue placing pressure on consumer demand. The United Kingdom remains a challenging retail market, while inflationary pressures and interest rate dynamics continue to influence consumer confidence in Australia.

Despite these challenges, the Group enters FY 2027 with a diversified portfolio of brands, a scaled digital and fulfilment platform, disciplined financial management and a clear strategic focus on restoring returns and strengthening resilience. Our focus remains firmly on disciplined capital allocation, prudent inventory management, improving productivity across the store portfolio and leveraging our digital and logistics capabilities to support long-term growth and improved returns.

While macroeconomic conditions remain uncertain and consumer demand is expected to remain under pressure in the near term, management remains focused on improving

profitability, strengthening productivity and restoring returns through disciplined execution of its strategic priorities.

Appreciation

I would like to thank our employees, customers, suppliers, business partners and shareholders for their continued commitment and support during a demanding year. The resilience demonstrated across the Group reflects the dedication of our people, the strength of our brands and the quality of our partnerships.

Ralph Buddle

Chief Financial Officer

30 July 2026



Summarised financials

Group income statement

	FY 2026 (Rm)	FY 2025 (Rm)	Change
Revenue	67 070	62 558	7,2 %
Retail turnover	62 423	58 271	7,1 %
Cost of turnover	(32 366)	(29 505)	9,7 %
Gross profit	30 057	28 766	4,5 %
Interest income	2 132	2 128	0,2 %
Insurance revenue	392	284	38,0 %
Other income	2 123	1 875	13,2 %
Net bad debt	(1 694)	(1 388)	22,0 %
Insurance service expense	(167)	(122)	36,9 %
Trading expenses	(27 908)	(25 209)	10,7 %
Operational EBIT	4 935	6 334	(22,1%)
Acquisition costs	–	(63)	(100%)
Impairment of brands	(1 019)	(63)	<100%
EBIT	3 916	6 208	(36,9%)
Finance costs	(2 051)	(1 884)	8,9 %
Profit before tax	1 865	4 324	(56,9%)
Income tax	(549)	(1 135)	(51,6%)
Profit after tax	1 316	3 189	(58,7%)
EBITDA	10 264	12 140	(15,5%)
EBITDA (pre-IFRS16)	4 509	6 781	(33,5%)

Summarised financials

Group balance sheet

	FY 2026 (Rm)	FY 2025 (Rm)	Change
ASSETS			
Non-current assets			
Property, plant and equipment	6 824	6 524	4,6%
Goodwill and intangible assets	9 895	10 940	(9,6%)
Right-of-use assets	12 136	11 747	3,3%
Investments	401	368	9,0%
Insurance contract assets	440	301	46,2%
Deferred taxation assets	1 470	1 468	0,1%
	31 166	31 348	(0,6%)
Current assets			
Inventory	14 529	14 293	1,7%
Trade receivables - retail	9 424	8 936	5,5%
Other receivables and prepayments	1 445	1 437	0,6%
Concession receivables	437	419	4,3%
Taxation receivables	87	3	>100%
Cash and cash equivalents	3 117	3 228	(3,4%)
	29 039	28 316	2,6%
Total assets	60 205	59 664	0,9%

	FY 2026 (Rm)	FY 2025 (Rm)	Change
EQUITY AND LIABILITIES			
TOTAL EQUITY	24 907	25 609	(2,7%)
LIABILITIES			
Non-current liabilities			
Interest-bearing debt	7 605	7 662	(0,7%)
Other payables	198	–	100,0%
Lease liabilities	9 439	9 134	3,3%
Deferred taxation liabilities	841	1 138	(26,1%)
Post-retirement defined benefit plan	236	216	9,3%
	18 319	18 150	0,9%
Current liabilities			
Interest-bearing debt	3 474	2 372	46,5%
Trade and other payables	8 495	8 718	(2,6%)
Contract liabilities	399	382	4,5%
Lease liabilities	4 561	4 229	7,9%
Taxation payables	50	204	(75,5%)
	16 979	15 905	6,8%
Total liabilities	35 298	34 055	3,6%
Total equity and liabilities	60 205	59 644	0,9%

Summarised financials

Group cash flow statement

	FY 2026 (Rm)	FY 2025 (Rm)
Cash flows from operating activities		
Operating profit before working capital changes	11 561	12 405
Increase in working capital	(834)	(2 761)
Cash generated from operations	10 727	9 644
Interest income received	123	146
Finance costs paid	(2 051)	(1 886)
Taxation paid	(1 034)	(1 022)
Dividends received	33	52
Dividends paid	(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	(1 021)	(325)
Net increase in interest-bearing debt	1 116	1 341
Lease liabilities capital payments	(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	3 117	3 228

Performance of our brands

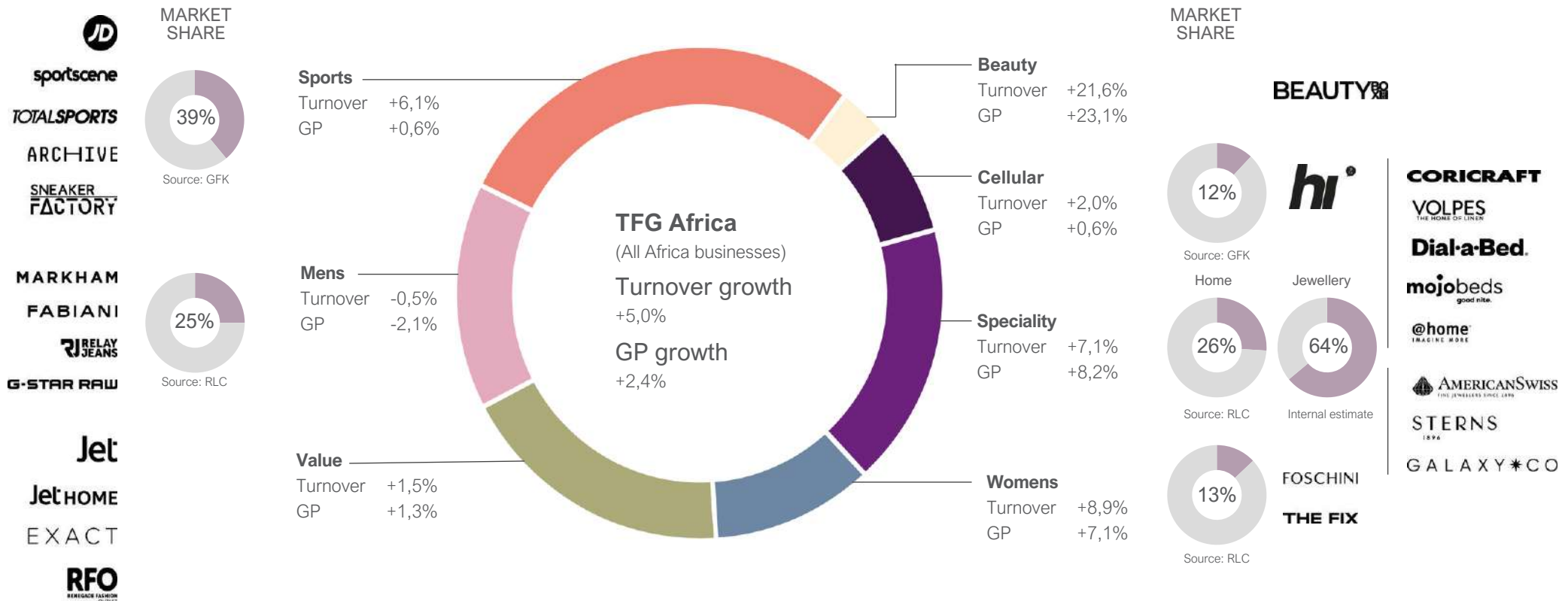
TFG Africa organises its retail brands into a portfolio of distinct trading stacks, each built around a defined customer need. TFG London and TFG Australia are treated as standalone stacks.

Each stack is tracked individually against turnover and gross profit growth, allowing the Group to identify where investment, space and marketing support will generate the strongest returns. This structure reflects TFG's broader strategy of building a diversified, multi-brand platform rather than relying on any single retail format or customer segment.

The stack-based model remains central to how TFG allocates capital, measures performance and identifies future brand-led growth.

The graphic below shows the high-level financial (turnover and gross profit (GP) growth year-on-year) and market share performance of the TFG Africa stacks. During FY 2026, TFG London's turnover and GP grew by 29,4% and 19,8% respectively while TFG Australia's turnover and GP declined by 1,3% and 0,6%, respectively.

More details on our brands at www.tfglimited.co.za/our-brands/.



Excludes Bash own-brand sales

Appendices

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Strategic Project

Home programme

The Home Programme is a strategic transformation initiative across the Group's Homeware and Furniture portfolio, positioning the business for sustainable long-term value creation. The programme spans several brands the Group houses, including @home, Coricraft, Volpes, Dial-a-Bed and Mojo Beds.

It is designed to support organic expansion, category development, operational integration and efficiency improvements.

Core transformation activities are expected to be substantially completed by FY 2027, with various initiatives and performance tracking continuing through to FY 2030.

Volpes will begin sourcing BCI Cotton from FY 2027, supporting the Group's preferred cotton sourcing objectives. Details on these objectives are provided in the [Inspired Living Report 2026](#).

Share price and exchange rate information

Share price

	2026	2025
Market price per share (cents)		
– year-end	7 057	12 432
– highest	13 820	17 445
– lowest	6 765	9 290
– average	10 411	13 643
Number of beneficial shareholdings	13 831	14 930
Price to earnings ratio at year-end (multiple)	17,2	12,7
Dividend yield (%)	3,8	3,1
Number of shares traded during the year (millions)	476,6	409,8
Volume traded/number of shares in issue (%)	144,0	123,8
Market capitalisation (Rm)	23 361	41 153

Exchange rate

	2026	2025
Closing US\$ conversion rate	17,18	18,32
Average US\$ conversion rate	17,35	18,24
Closing GBP conversion rate	22,65	23,70
Average GBP conversion rate	23,26	23,28
Closing AUD conversion rate	11,77	11,44
Average AUD conversion rate	11,46	11,91

Our 10-year statistics

Years ended	2026	2025	2024	2023	2022	2021	2020	2019 ³	2018 ⁴	2017
Profitability										
Retail turnover (Rm)	62 423	58 271	56 221	51 778	43 370	32 950	35 323	34 101	28 520	23 549
Operating profit before acquisition costs, gain on bargain purchase and impairment of goodwill and intangible assets (Rm) ¹	4 935	6 334	5 957	5 417	4 871	1 547	4 685	4 883	4 127	3 811
Profit (loss) before tax – continuing operations (Rm)	1 865	4 324	4 176	4 043	4 029	(1 713)	3 349	3 578	3 351	3 204
Profit (loss) attributable to equity holders of The Foschini Group Limited (Rm)	1 316	3 189	3 031	3 026	2 910	(1 862)	2 444	2 640	2 407	2 351
Adjusted headline earnings (Rm) ²	2 162	3 303	3 148	3 124	3 255	600	2 717	2 745	2 528	2 333
Statement of financial position										
Non-current assets (Rm)	31 166	31 348	28 842	26 469	19 243	18 088	21 403	20 088	11 193	7 629
Current assets (Rm)	29 039	28 316	25 321	26 635	24 070	21 186	20 755	17 554	16 599	14 408
Total assets (Rm)	60 205	59 664	54 163	53 104	43 313	39 274	42 158	37 642	27 792	22 037
Total shareholders' interest (Rm)	24 907	25 609	24 141	21 653	19 138	17 211	15 943	14 049	13 122	10 515
Non-controlling interest (Rm)	–	–	–	–	–	–	–	–	5	4
Non-current liabilities (Rm)	18 319	18 150	15 573	14 606	11 427	10 068	12 447	12 877	6 279	5 350
Current liabilities (Rm)	16 979	15 905	14 448	16 845	12 748	11 995	13 769	10 715	8 387	6 166
Total equity and liabilities (Rm)	60 205	59 664	54 162	53 104	43 313	39 274	42 159	37 641	27 793	22 035
Cash flow statement										
Cash flows from operating activities – continuing operations (Rm)	6 616	5 751	8 714	3 116	5 812	8 184	3 954	3 987	857	1 014
Cash flows from investing activities – continuing operations (Rm)	(2 124)	(2 876)	(2 144)	(5 081)	(1 704)	(1 119)	(1 101)	(868)	(3 796)	(871)
Cash flows from financing activities – continuing operations (Rm)	(4 609)	(3 398)	(7 010)	(33)	(3 081)	(5 094)	(1 102)	(3 294)	3 401	(47)
Net (decrease) increase in cash (Rm)	(117)	(523)	(440)	(1 998)	1 027	1 971	1 751	(175)	462	96
Cash at the beginning of the year (Rm)	3 228	3 775	4 095	5 746	4 843	2 969	1 111	1 206	879	889
Cash held in non-controlling interest (Rm)	–	–	–	–	–	–	–	(6)	–	–
Effect of exchange rate fluctuations on cash held (Rm)	6	(24)	120	348	(125)	(97)	106	86	(134)	(107)
Cash at the end of the year – continuing operations (Rm)	3 117	3 228	3 775	4 096	5 745	4 843	2 968	1 111	1 207	878

Notes

¹ Operating profit before finance charges excludes the impact of acquisition costs.

² Adjusted headline earnings is calculated to remove the impact of the acquisition costs.

³ Financial year ended March 2019 restated due to the change in the IFRS 16 accounting policy.

⁴ Financial year ended March 2018 restated due to the change in the IFRS 15 accounting policy.

Our 10-year statistics

Years ended	2026	2025	2024	2023	2022	2021	2020	2019 ³	2018 ⁴	2017
Performance measures/ratios										
Turnover growth (%)	7,1	3,6	8,6	19,4	31,6	(6,7)	3,6	19,6	21,4	11,6
Same store turnover growth (TFG Africa) (%)	3,5	3,2	2,0	5,1	17,8	(10,2)	1,5	5,6	2,2	2,8
Same store turnover growth (TFG Australia) (%)	(3,4)	(1,8)	(8,2)	12,0	15,8	2,8	2,8	7,8	N/R	N/R
Operating margin – continuing operations (%)	6,3	10,7	10,6	10,5	11,1	(2,2)	13,3	14,3	14,5	16,2
Debt-to-equity ratio – continuing operations (%)	88,2	78,8	70,6	83,4	51,5	55,2	106,4	117,8	62,0	65,3
Total liabilities to shareholders' interest (times)	1,4	1,3	1,2	1,5	1,3	1,3	1,6	1,7	1,1	1,1
Net retail borrowings (Rm)	21 962	20 169	17 033	18 067	9 853	9 501	16 958	16 550	8 145	6 871
Current ratio – continuing operations (times)	1,7	1,8	1,8	1,6	1,9	1,8	1,5	1,6	2,0	2,3
HEPS – continuing operations ² (cents)	675,4	1 015,6	970,7	968,9	1 009,0	197,9	1 029,3	1 187,9	1 124,1	1 099,2
Change in HEPS from continuing operations (%)	(33,5)	4,6	1,8	(40,1)	409,8	(80,8)	(13,3)	5,7	3,4	4,1
Distribution declared per ordinary share (DPS) (cents)	270,0	390,0	350,0	320,0	500,0	–	335,0	780,0	745,0	720,0
Dividend yield (%)	3,8	3,1	3,5	3,7	3,4	–	5,0	4,8	3,3	4,7
Tangible net asset value per ordinary share (cents)	4 761	4 530	4 273	3 672	3 756	3 064	2 678	2 360	2 358	2 729
Price to earnings ratio at year-end (multiple)	17,2	12,7	10,7	8,5	16,0	(20,0)	6,4	14,3	20,9	13,9
Share statistics										
Number of ordinary shares in issue (millions)	331,0	331,0	331,0	331,0	331,0	331,0	236,8	236,8	236,8	219,5
Number of ordinary shares on which headline earnings per share is calculated (millions)	320,1	325,2	324,3	322,4	322,6	303,2	264,0	231,1	224,9	212,2
Net number of ordinary shares on which net asset value per share is calculated (millions)	315,3	323,8	324,9	322,4	325,2	323,4	231,7	231,3	231,3	214,0
Number of shares traded during the year (millions)	476,6	409,8	505,2	465,0	403,3	556,8	370,1	315,9	391,8	378,8
Volume traded/number of shares in issue (%)	144,0	123,8	152,6	140,5	121,8	168,2	156,3	133,4	165,5	172,6
Closing share price (cents)	7 057	12 432	9 955	9 095	14 738	12 279	6 767	16 300	22 375	15 449
Market capitalisation (Rm)	23 361	41 153	32 951	29 324	47 928	40 647	16 021	38 591	52 974	33 913
Outlet information										
Number of outlets – TFG	4 914	4 923	4 766	4 697	4 351	4 284	4 083	4 085	4 034	3 328
Number of outlets – TFG Africa	3 664	3 614	3 621	3 524	3 087	2 929	2 577	2 631	2 652	2 589
Number of outlets – TFG London	649	699	547	589	688	801	972	971	935	739
Number of outlets – TFG Australia	601	610	598	584	576	554	534	483	447	N/R
Floor area (gross square metres) (TFG Africa) ⁵	1 450 143	1 420 088	1 412 844	1 411 315	1 237 043	1 187 502	811 971	809 505	794 232	767 347
Floor area (gross square metres) (TFG Australia) ⁵	105 500	102 298	96 686	93 332	83 836	82 126	79 861	70 798	57 165	N/R

Notes

³ Financial year ended March 2019 restated due to the change in the IFRS 16 accounting policy.

⁴ Financial year ended March 2018 restated due to the change in the IFRS 15 accounting policy.

⁵ TFG London's footprint consists mostly of concessions. As concessions by nature change floor space on a continuous basis, the Group does not report on same store turnover growth for this business segment.

N/R: not reported, prior to acquisition.

Abbreviations and acronyms

A2X	A stock exchange based in South Africa
AI	Artificial intelligence
AGM	Annual general meeting
B-BBEE	Broad-Based Black Economic Empowerment
Better Cotton Initiative (BCI™)	World's leading sustainability initiative for cotton
Board of Directors	Non-executive and executive directors of TFG
BOLTS	TFG's Strategic Pillars: Build out, Optimise, Leverage, Transform, Sustain
CAGR	Compound annual growth rate
CEO	Chief Executive Officer
CFO	Chief Financial Officer
Capex	Capital expenditure
Companies Act	Companies Act of South Africa, No. 71 of 2008, as amended
Concessions	Concession arrangements with key department store where an agreed floor space area is occupied. Applicable to TFG London and TFG Australia
Debt-to-equity ratio	Net borrowings expressed as a percentage of total equity
Dividend cover	Basic earnings per share divided by dividend declared
EBIT	Earnings, excluding acquisition costs, before finance costs and tax
EBITA	Earnings, excluding acquisition costs, before finance costs, tax and amortisation
EBITDA	Earnings, excluding acquisition costs, before finance costs, tax, depreciation and amortisation
ERM	Enterprise Risk Management
ESG	Environmental, Social and Governance
Executive directors	CEO and CFO
Finance charge cover	Operating profit before finance costs divided by finance costs

FY	Financial year: 1 April to 31 March
Governance Report	Detailed information on governance aspects aligned with the King IV™ principles
GNU	Government of National Unity in South Africa
GRC	Governance, Risk and Compliance
Gross square metres	Total leased store area including stock rooms
Group Executive Committee	CEO, CFO and executive management
HEPS	Headline earnings divided by the weighted average number of shares in issue for the year
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 – adjusted	Headline earnings adjusted for the impact of acquisition costs incurred
IAR	Integrated Annual Report
IFRS	IFRS® Accounting Standards
ILR	Inspired Living Report
IP	Intellectual Property
JSE	Johannesburg Stock Exchange based in South Africa
King IV™	King IV Report on Corporate Governance™ for South Africa, 2016
LTI	Long-term incentive
m²	Metres squared
MNVO	Mobile Virtual Network Operator, a company that provides mobile phone services but doesn't own or operate its own network infrastructure
Market capitalisation	Market price per share at year-end multiplied by the number of ordinary shares in issue at year-end
MT CO₂e	Metric tonnes of carbon

Abbreviations and acronyms

NPAT	Net profit after tax
Net debt	Interest-bearing debt, lease liabilities and non-controlling interest loans reduced by preference share investment (where relevant) and cash
Omnichannel	Describes the integrated multi-channel retailing (e-commerce, online sales, mobile app sales and stores)
Operating margin	Operating profit before finance costs expressed as a percentage of retail turnover
Operational EBIT	Operating profit excluding brand impairments and acquisition-related costs
Outlets	Combination of stores and concessions
QR	Quick Response Manufacturing, using own local manufacturing factories
R-CTFL	Retail, clothing, textile, footwear and leather
R-CTFL masterplan	Initiative by the Department of Trade Industry and Competition that aims to grow the South African retail industry with focus on clothing, textile, footwear and leather in collaboration with retailers, manufacturers, workers and government
ROCE	EBIT divided by average capital employed
Rm	SA Rand millions
SA	South Africa
SDGs	Sustainable Development Goals
STI	Short-term annual incentive
Same store	Stores that traded out of the same trading area for the full current and previous financial years
Social media	Facebook, Instagram and TikTok followers
Stacks	Merchandise segments: Sports and lifestyle, Ladies and family, Men's fashion, Value, and Speciality

Tangible net asset value per ordinary share	Total net asset value, after non-controlling interest, excluding goodwill and intangible assets, divided by the net number of ordinary shares in issue at year-end
Tapestry	Homeware and furniture brands – Coricraft, Dial-a-Bed, The Bed Store and Volpes
TFG	The Foschini Group Limited, listed on the JSE
TFG Africa	Reporting segment trading in South Africa, Botswana, Eswatini, Lesotho, Namibia and Zambia
TFG Australia	Reporting segment trading in Australia and New Zealand
TFG London	Reporting segment primarily trading in UK and Ireland, with other operations in USA, Mexico, selected EU countries, Hong Kong and Japan
TFG Rewards	Customer loyalty programme for South African customers
Trading expenses	Costs incurred in the normal course of business including, among others, depreciation, amortisation, employee costs, occupancy costs, net bad debt and other operating costs
UK	United Kingdom
VAS	Value-added services
VAT	Value-added tax in South Africa
VWAP	Volume weighted average price
YES	Youth Employment Service programme in SA
ZAR	South Africa Rand

Company information and shareholders' calendar

Company information

The Foschini Group Limited

Registration number: 1937/009504/06
JSE and A2X share codes: TFG - TFGP
ISIN: ZAE000148466 – ZAE000148516
LEI: 3789PT07LG718IG59F97

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Shareholders' calendar

Financial year-end 31 March 2026
Integrated Annual Report publication date 30 July 2026
Annual general meeting (89th) 3 September 2026
Interim profit announcement (FY 2027) 6 November 2026



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BY CORNER

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BEAUTY

CONNOR

CORICRAFT

Dial-a-Bed.

18 96

EXACT

FABIANI

THE FIX

FOSCHINI

GALAXY*CO

GRANNY
GOOSE

G-STAR RAW

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HOBBS
LONDON

Inside Story

JD

Jet

Jet HOME

Johnny

MARKHAM

mojobeds
good nite.

Phase Eight

RELAY
JEANS

RFO
REINFORCE PROTECT

ROCKWEAR

SNEAKER
FACTORY

sportscene

STERNS
1982

TAROCASH

TOTALSPORTS

VOLPES

WHISTLES

WHITE
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