



CONT



ENTS

**HALLENSTEIN
GLASSON** HOLDINGS
LIMITED

HIGHLIGHTS **02**

CHAIRMAN'S REPORT **04**

SUSTAINABILITY MATTERS **06**

HALLENSTEINS **12**

GLASSONS **14**

INDEPENDENT AUDITOR'S REPORT **16**

FINANCIAL STATEMENTS **20**

GENERAL DISCLOSURES **53**

CORPORATE GOVERNANCE STATEMENT **58**

SHAREHOLDER INFORMATION **67**

DIRECTORY & CALENDAR **69**

THIS ANNUAL REPORT IS DATED 31 OCTOBER 2025
AND IS SIGNED ON BEHALF OF THE BOARD BY



PETER STEENSON
DIRECTOR



WARREN BELL
CHAIRMAN

HIGHLIGHTS

TEAM MEMBERS

2,588

TOTAL STORES

121

SALES

\$470.74_M

UP 8.1%

PROFIT AFTER TAX

\$39.46_M

UP 14.4%



TOTAL EQUITY

\$111.90_M

TOTAL ASSETS

\$231.22_M



BASIC EARNINGS PER
ORDINARY SHARE

66.2_{CENTS}



CHAIRMAN'S REPORT

GROUP SALES

\$470.7_M

ONLINE SALES

18.0% OF GROUP
TURNOVER

THE COMPANY ADVISES THAT GROUP SALES FOR THE 12 MONTHS TO 1 AUGUST 2025 WERE \$470.7 MILLION, AN INCREASE OF 8.1% ON THE PRIOR YEAR (\$435.6 MILLION).

Gross margin at 59.3% was consistent with the 59.4% realised in the prior year despite a continued challenging foreign exchange rate for inventory purchases, which was lower than the prior corresponding period. The audited net profit before tax for the 12 months was \$58.4 million, an increase of +12.1% on the prior corresponding period (\$52.1 million).

Group audited net profit after tax was \$39.5 million, an increase of +14.4% on the prior corresponding period (\$34.5 million).

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

GLASSONS – AUSTRALIA

Sales in Australia were \$251.5 million which was an increase of +15.3% on the prior corresponding period inclusive of sales from new and refurbished stores. Net profit before tax was \$34.2 million, an increase of +16.1% on the prior year (\$29.5 million).

Two new stores were opened during the year. A store in Sunshine Coast, Queensland, and Harbour Town Adelaide opened in March 2025. Throughout the year, the Werribee store in Victoria was relocated and expanded, and the Northland store in Victoria was refurbished. In total we now have 40 stores in Australia, and we continue to explore new store opportunities in the Australian market when the right opportunities arise. Glassons Australia is currently working with its landlord on a new purpose-built larger warehouse with improved automation which will ensure the business is prepared for future growth. The warehouse is expected to be ready in the second half of the 2026 financial year.

GLASSONS – NEW ZEALAND

Sales in New Zealand for the year were \$111.9 million, an increase of +1.7% on the prior corresponding period. Net profit before tax was \$19.2 million, an increase of +27.4% on the prior corresponding period (\$15.0 million), continuing on from the foundations set in the first half.

Over the year, the LynnMall, Shirley and Queen Street stores were refurbished to ensure the look of the stores represented the brand through consistency with the rest of the store network. A new store was opened at the Manawa Bay Outlet Centre near Auckland Airport in September, and a new store was opened in Frankton, Queenstown in July 2025. The Timaru store was closed at the end of August 2024. Post year end, the Hamilton central store has been refurbished and has reopened in late August.

HALLENSTEINS

Sales for the 12-month period of \$107.3 million (including Australia), were flat on the prior corresponding period. Net profit before tax was \$4.8 million, a decrease of -36.4% on the prior corresponding period (\$7.5 million). While a challenging year for the brand, the second half saw encouraging improvements on the prior corresponding period.

During the year, a new store concept design was rolled out in the new Silverdale store in Auckland in November, and a new store was also opened in Manawa Bay Outlet Centre in September. Our Queen Street store has moved to an improved location and reopened in October. At the end of July 2025, the Upper Hutt store in Wellington was closed. Post year end, our Hamilton central store was refurbished and reopened in September, and our LynnMall store will be refurbished prior to Christmas to ensure they maintain brand standards. In Australia, the Robina pop-up store has closed post end of year but will be replaced by a larger permanent site in November 2025. We continue to look for further opportunities as they arise in Australia.

E-COMMERCE AND DIGITAL

Digital sales represented 18.0% of Group revenue for the year, in line with the prior period, with overall online sales growing +6.7% year-on-year. Customers continue to embrace a true omni-channel approach – browsing, buying, and engaging seamlessly across both physical stores and digital platforms.

The Group remains focused on delivering a connected, frictionless experience across all channels.

Looking ahead, we remain committed to adopting new technology and optimising our digital platforms to ensure an industry-leading experience across desktop, mobile, and in-store touchpoints.

DIVIDEND

The Directors have declared a final dividend of 30.5 cents per share (partially imputed at 56.5%) (26.5 cents per share partially imputed at 75.6% last year) to be paid on 12th December 2025. Together with the interim dividend of 24.5 cents per share that was paid on 17th April 2025, the full year dividend is 55.0 cents per share. The dividend payment has grown as the Company's balance sheet continues to remain strong, and inventory levels are well controlled.

FUTURE OUTLOOK

The first seven weeks of the new financial year have delivered a solid start, with Group sales up +12.9% on the prior corresponding period, driven primarily by the Australian market and the ongoing contribution from stores opened or refurbished in FY2025. Current trading performance should not be seen as indicative of results through the key trading months in the lead up to Christmas.

In New Zealand, trading conditions remain mixed, with cost-of-living pressures continuing to impact discretionary spend across both brands despite some moderate signs of improvement.

A further update will be provided at the Annual Meeting of Shareholders in December 2025.



WARREN BELL
CHAIRMAN

SUSTAINABILITY MATTERS

**IT HAS BEEN 6 YEARS SINCE WE RELEASED OUR
FIRST SUSTAINABILITY REPORT BACK IN 2020.**

Made with care[®] continues to embrace every facet of our operation –
from sourcing fabrics and supporting factory conditions, to reducing our
environmental footprint and nurturing a supportive culture for our people.

"AT THE HEART OF EVERYTHING WE DO IS HIGH QUALITY FASHION THAT IS ACCESSIBLE TO EVERYONE, ALONGSIDE UNPARALLELED CUSTOMER SERVICE."

Following is a summary of the report, but you can read the full version on the Group website at <https://www.hallensteinglasson.co.nz/sustainability> once it is released by the end of November.

OUR VISION IS TO BUILD A BUSINESS ON A FIRM FOUNDATION OF INTEGRITY.

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

Our sustainability framework communicates our strategy to staff, customers and shareholders.

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

GOVERNANCE – ESG LEADERSHIP

We take ESG — Environmental, Social and Governance — responsibilities seriously. Our Sustainability Committee leads the Group’s overall sustainability strategy. It’s made up of Board members, executive leaders and team members from across the business who bring specialised knowledge and insight. When ESG issues have a wider impact on the company, major decisions are escalated to the full Board for review and approval.





PRODUCT PILLAR

DESIGN & LIFECYCLE: OUR PRODUCT MANAGEMENT FOCUS

The fashion industry's sustainable resource priorities are shaped by diverse forces, from consumer behaviour to regulation. At HGHL, our focus on 'building in' sustainability continues; this includes sourcing responsibly, producing quality garments and offering end-of-life solutions for our products.

QUALITY COMMITMENT

At the heart of our journey is an unwavering commitment to quality — a value deeply rooted in our brand's heritage. Now, two years into our dedicated efforts to elevate quality control we've built a strong foundation to deliver quality that sets us apart.

TEXTILE WASTE

Over the last 5 years we've reported on the partnerships we've developed to reduce the amount of our textile going to landfill. We are proud to say that our sample recycling, repurposing and upcycling is now part of everyday life at HGHL and our relationships continue to grow and strengthen.



OUR SUPPLY CHAIN

We don't own or operate the factories that make our products. But as an ethical fashion brand, we're very careful about who does. Our product currently comes from factories in China, India, Bangladesh and Vietnam. We're proud to have long-standing relationships with suppliers who understand what we expect and share our values. Managing a supply chain is complex and we're constantly working to improve visibility and accountability across every layer. To help get our supply chain transparency, we often rely on trusted third-party audits and recognised industry certifications.



PLANET PILLAR

Within our sustainability framework you'll see Carbon Footprint, Climate Change Preparation and Environmental Impact are our focus areas. We continue our efforts to address these priorities.



TOWARDS CLIMATE RESILIENCE

Climate action for HGHL has been steadily 'ramping up' over a number of years – and we've shared our reporting and results with you along the way. Over the last 24 months, we've stepped it up to another gear. Together with our environmental agency Tadpole, we have been laser-focussed on understanding where our carbon footprint is now, where we are headed, and our plans to reduce it in future.

This approach encompasses two things:

- i) understanding and mitigating our contribution to climate change,
- ii) building a climate resilient business. While we've been working on point one for a number of years, building resilience is a relatively new and exciting focus for HGHL.

You can read the full version on the Group website at hallensteinglasson.co.nz/climate-related-disclosures. Our FY25 Climate Related Disclosures will be available by the end of November.

PEOPLE PILLAR

Fostering diversity, promoting inclusion, and recognising our unconscious biases are foundational values at HGHL and are important in building a respectful workplace, part of our Made with Care philosophy. That means we treat each other with respect, communicate thoughtfully, and follow our organisational values, Code of Conduct, and the law. Respect is powerful; people who feel valued, work better together and create a positive atmosphere.

In FY25 we engaged specialist training for our teams.

Respectful Workplaces training — helping us to recognise our unconscious biases

Aggressive Customer Training — providing managers with practical tools and knowledge to spot the early warning signs of aggressive behaviour, how to de-escalate situations, and keep everyone safe at work.

Our sustainability report provides the opportunity to share our journey, progress and challenges with our stakeholders. We look forward to reporting over the coming years.



HALLENSTEINS

41
STORES
NEW ZEALAND

5
STORES
AUSTRALIA



TOTAL SALES
\$107.30M







35
STORES

NEW ZEALAND

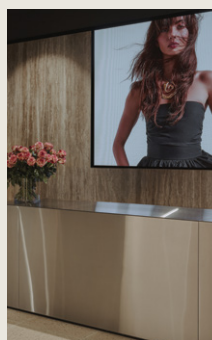
40
STORES

AUSTRALIA

NEW ZEALAND SALES

\$111.91M

UP 2%



AUSTRALIAN SALES

\$251.52M

UP 15%



INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF HALLENSTEIN GLASSON HOLDINGS LIMITED

Our opinion

In our opinion, the accompanying consolidated financial statements (the financial statements) of Hallenstein Glasson Holdings Limited (the Company), including its subsidiaries (the Group), present fairly, in all material respects, the financial position of the Group as at 1 August 2025, its financial performance, and its cash flows for the year then ended in accordance with New Zealand Equivalents to International Financial Reporting Standards (NZ IFRS) and International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

What we have audited

The Group's financial statements comprise:

- the consolidated statement of financial position as at 1 August 2025;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

Independence

We are independent of the Group in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the *International Code of Ethics for Professional Accountants (including International Independence Standards)* issued by the International Ethics Standards Board for Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key audit matters

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

INDEPENDENT AUDITOR'S REPORT

Description of the key audit matter	How our audit addressed the key audit matter
Inventory valuation As at 1 August 2025, the Group held \$31.3 million of finished goods, net of inventory adjustments of \$0.2 million. Given the size of the inventory balance, and the estimates and judgements described below, the valuation of inventory required significant audit attention and is a key audit matter. As disclosed in note 3.2, inventories are held at the lower of cost and net realisable value. At year end, the valuation of inventory is reviewed by management and its cost is reduced where inventory is forecasted to be sold below cost. The inventory adjustment is determined based on various factors including historical data, inventory ageing, current trends and specific product information from buyers. Determining the appropriate level of provisioning involves judgement and the application of assumptions including management's estimation of future selling prices.	Our audit procedures included: • testing, on a sample basis, the accuracy of inventory costing to supporting documentation and calculations; • considering the level of aged inventory, inventory turnover levels and enquiries with management; • performing analytical procedures on balances supporting inventory provisions to assess their reasonableness and that the provision amounts were within expectations; • considering the results of our testing and in conjunction with management enquiries determined whether any specific write downs were required; and • reviewing the appropriateness of disclosures in the financial statements.

Our audit approach

Overview



Overall group materiality: \$2.9 million, which represents approximately 5% of Group profit before tax.

We chose Group profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark.

Our Group audit scoping focussed on those components that are financially significant to the Group. Specified audit and/or analytical procedures were performed over certain residual components.

As reported above, we have one key audit matter, being inventory valuation.

INDEPENDENT AUDITOR'S REPORT

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

Materiality

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

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

How we tailored our group audit scope

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

Other information

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

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

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

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

Responsibilities of the Directors for the financial statements

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the financial statements

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

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

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

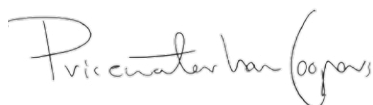
This description forms part of our auditor's report.

Who we report to

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

The engagement partner on the audit resulting in this independent auditor's report is Indumin Senaratne (Indy Sena).

For and on behalf of



PricewaterhouseCoopers
26 September 2025

Auckland

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 1 AUGUST 2025

\$'000	NOTE	2025	2024
Sales revenue	2.1	470,740	435,635
Cost of sales	2.1	(191,476)	(176,904)
Gross profit		279,264	258,731
Other operating income	2.2	475	353
Selling expenses		(161,183)	(152,844)
Distribution expenses		(16,959)	(15,552)
Administration expenses		(40,565)	(36,392)
Total expenses		(218,707)	(204,788)
Operating profit		61,032	54,296
Finance income	2.1	2,035	1,957
Finance expense	2.1, 2.2	(4,689)	(4,168)
Profit before income tax		58,378	52,085
Income tax expense	6.1	(18,917)	(17,599)
Net profit after tax attributable to the shareholders of the Holding Company	2.1	39,461	34,486
Other comprehensive income			
- Items that will not be reclassified to profit or loss			
Fair value (Loss)/Gain (net of tax) on revaluation of land and buildings	6.1	(20)	(421)
- Items that may be subsequently reclassified to profit or loss			
Fair value (Loss)/Gain (net of tax) in cash flow hedge reserve	6.1	(635)	(63)
Movement in foreign currency translation reserve		265	-
Total comprehensive income for the year attributable to the shareholders of the Holding Company		39,071	34,002
Earnings per share			
Basic earnings per share	2.4	66.2	57.8
Diluted earnings per share	2.4	66.1	57.8

The Notes to the Consolidated Financial Statements form an integral part of and are to be read in conjunction with these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 1 AUGUST 2025

\$'000	NOTE	2025	2024
Equity			
Contributed equity	5.1	29,279	29,279
Asset revaluation reserve		26,085	26,105
Cashflow hedge reserve		301	936
Foreign currency translation reserve		265	-
Share option reserve		37	-
Retained earnings		55,928	46,887
Total Equity		111,895	103,207
Represented by			
Current assets			
Cash and cash equivalents	3.1	58,333	45,915
Trade and other receivables		366	407
Advances to employees		732	847
Prepayments		3,646	5,841
Inventories	3.2	31,274	27,484
Derivative financial instruments	7.5	1,062	1,317
Total current assets		95,413	81,811
Non-current assets			
Property, plant and equipment	4.2	62,155	58,779
Right of use assets	4.1	63,785	67,029
Investment property	4.3	3,020	3,080
Intangible assets		1,273	993
Deferred tax	6.2	5,570	7,323
Total non-current assets		135,803	137,204
Total assets		231,216	219,015
Current liabilities			
Trade payables		11,341	9,828
Employee benefits	7.1	9,877	8,928
Other payables		18,448	15,400
Lease liabilities	4.1	26,680	26,691
Derivative financial instruments	7.5	639	2
Taxation payable		2,376	2,466
Total current liabilities		69,361	63,315
Non-current liabilities			
Lease liabilities	4.1	49,960	52,493
Total liabilities		119,321	115,808
Net assets		111,895	103,207

The Notes to the Consolidated Financial Statements form an integral part of and are to be read in conjunction with these Consolidated Financial Statements. The Consolidated Financial Statements are signed for and on behalf of the Board and were authorised for issue on 26 September 2025.



GRAEME POPPLEWELL
DIRECTOR
26 SEPTEMBER 2025



PETER STEENSON
DIRECTOR
26 SEPTEMBER 2025

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 1 AUGUST 2025

\$'000		SHARE	TREASURY	ASSET	CASH	SHARE	FOREIGN	RETAINED	TOTAL
	NOTE	CAPITAL	STOCK	REVALUATION	FLOW	OPTION	CURRENCY	EARNINGS	EQUITY
				RESERVE	HEDGE	RESERVE	TRANSLATION		
				RESERVE	RESERVE		RESERVE		
Balance at 1 August 2023		29,279	(1,139)	26,526	999	294	-	40,717	96,676
Comprehensive income									
Profit for year		-	-	-	-	-	-	34,486	34,486
Revaluation net of tax	6.1	-	-	(421)	-	-	-	-	(421)
Cash flow hedges net of tax	6.1	-	-	-	(63)	-	-	-	(63)
Total comprehensive income		-	-	(421)	(63)	-	-	34,486	34,002
Transactions with owners									
Sale of treasury stock	5.1, 5.2	-	141	-	-	-	-	-	141
Dividends	2.3, 5.1	-	29	-	-	-	-	(28,632)	(28,603)
Increase in share option reserve		-	-	-	-	43	-	-	43
Share options exercised	5.1	-	948	-	-	-	-	-	948
Transfer of share option reserve to retained earnings		-	-	-	-	(337)	-	337	-
(Gain) / Loss on sale of treasury stock transferred to retained earnings	5.1	-	21	-	-	-	-	(21)	-
Total transactions with owners		-	1,139	-	-	(294)	-	(28,316)	(27,471)
Balance at 1 August 2024		29,279	-	26,105	936	-	-	46,887	103,207
Comprehensive income									
Profit for year		-	-	-	-	-	-	39,461	39,461
Revaluation net of tax	6.1	-	-	(20)	-	-	-	-	(20)
Cash flow hedges net of tax	6.1	-	-	-	(635)	-	-	-	(635)
Foreign currency translation reserve		-	-	-	-	-	265	-	265
Total comprehensive income		-	-	(20)	(635)	-	265	39,461	39,071
Transactions with owners									
Dividends	2.3	-	-	-	-	-	-	(30,420)	(30,420)
Increase in share option reserve		-	-	-	-	37	-	-	37
Total transactions with owners		-	-	-	-	37	-	(30,420)	(30,383)
Balance at 1 August 2025		29,279	-	26,085	301	37	265	55,928	111,895

The Notes to the Consolidated Financial Statements form an integral part of and are to be read in conjunction with these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 1 AUGUST 2025

\$'000	NOTE	2025	2024
Cash flows from operating activities			
Cash was provided from:			
Sales to customers		471,282	435,154
Rent received	2.2	231	248
Interest income	2.1	2,031	1,951
Interest on debtors	2.1	4	6
		473,548	437,359
Cash was applied to:			
Payments to suppliers		278,908	252,304
Payments to employees		84,356	78,808
Interest paid on leases	2.2	4,689	4,168
Taxation paid		16,990	16,769
		384,943	352,049
Net cash flows from operating activities		88,605	85,310
Cash flows from investing activities			
Cash was provided from:			
Proceeds from sale of property, plant and equipment and intangible assets		89	168
Repayment of employee advances		115	261
		204	429
Cash was applied to:			
Purchase of property, plant and equipment and intangible assets	4.2	15,830	15,944
		15,830	15,944
Net cash flows applied to investing activities		(15,626)	(15,515)
Cash flows from financing activities			
Cash was provided from:			
Sale of treasury stock and dividends	5.1, 5.2	-	170
		-	170
Cash was applied to:			
Dividend paid	2.3	30,420	28,632
Lease liability payments	4.1	30,141	27,896
		60,561	56,528
Net cash flows applied to financing activities		(60,561)	(56,358)
Net increase/(decrease) in funds held		12,418	13,437
Cash and cash equivalents at the beginning of the year		45,915	32,478
Cash and cash equivalents at the end of the year	3.1	58,333	45,915

The Notes to the Consolidated Financial Statements form an integral part of and are to be read in conjunction with these Consolidated Financial Statements.

CONSOLIDATED STATEMENT OF CASHFLOWS CONTINUED
FOR THE YEAR ENDED 1 AUGUST 2025
RECONCILIATION OF PROFIT AFTER TAXATION TO CASH FLOWS FROM OPERATING ACTIVITIES

\$'000	NOTE	2025	2024
Net profit after taxation		39,461	34,486
Add/(deduct) items classified as investing or financing activities			
Loss/(Gain) on sale of plant and equipment	2.2	2	528
Add/(deduct) non cash items			
Depreciation and amortisation	2.2	40,629	38,516
Gain on termination of lease	2.2	-	(112)
Net fair value loss on investment property	2.2	60	128
Deferred taxation	6.2	2,017	(1,045)
Share option expense		37	43
Foreign currency translation reserve		265	-
Add/(deduct) movements in working capital items			
Taxation payable		(90)	1,876
Trade and other receivables and prepayments		2,236	(499)
Trade and other payables and employee benefits		7,778	7,868
Inventories		(3,790)	3,521
Net cash flows from operating activities		88,605	85,310

The Notes to the Consolidated Financial Statements form an integral part of and are to be read in conjunction with these Consolidated Financial Statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

1. BASIS OF PREPARATION

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

1.1 GENERAL INFORMATION

Reporting entity

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

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

Statutory base

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

The financial statements were approved for issue by the Board of Directors on 26 September 2025.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

1. BASIS OF PREPARATION (CONTINUED)

1.2 GENERAL ACCOUNTING POLICIES

Statement of compliance

These financial statements for the year ended 1 August 2025 have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (GAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), other New Zealand accounting standards and authoritative notices that are applicable to entities that apply NZ IFRS. The financial statements comply with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards).

Basis of preparation of financial statements

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

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

Entities reporting

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

Principles of consolidation

Subsidiaries

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

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

INVESTMENTS IN SUBSIDIARIES

PRINCIPAL SUBSIDIARIES	INTEREST HELD BY PARENT AND GROUP		PRINCIPAL ACTIVITIES
	2025	2024	
Hallenstein Bros Limited	100%	100%	Retail of menswear in New Zealand
Hallensteins Australia Pty Limited	100%	100%	Retail of menswear in Australia
Glassons Limited	100%	100%	Retail of womenswear in New Zealand
Glassons Australia Pty Limited	100%	100%	Retail of womenswear in Australia
Hallenstein Properties Limited	100%	100%	Property ownership in New Zealand

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

1. BASIS OF PREPARATION (CONTINUED)

Historical cost convention

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

CLIMATE RELATED RISKS

Transactions and balances

As part of its risk management framework, the Group continues to monitor its exposure to risk, including climate related risks and regulatory related reporting requirements. For the year ended 1 August 2025, the Group completed its second climate related risk assessment in accordance with the Aotearoa New Zealand Climate Standards. Based on this assessment, no climate-related risks or opportunities were identified that have a material impact on the financial statements, and there are no specific disclosures to note. The identified climate related risks and opportunities including both physical and transitional impacts have been considered as part of the below critical accounting estimates, judgements and assumptions.

Our Climate Related Disclosure will be published by the end of November 2025 on our website - <https://www.hallensteinglasson.co.nz/climate-related-disclosures>.

Critical accounting estimates, judgements and assumptions

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

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

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

Revaluation of land and buildings: The fair value of the Group's land and buildings is determined by the Board following an independent valuation undertaken at least every three years. The basis of the valuation is assessed within a range indicated by two valuation approaches: discounted cash flow analysis and an income capitalisation approach. The key assumptions are disclosed in note 4.2.

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

FOREIGN CURRENCY TRANSLATION

Functional and presentation currency

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

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

1. BASIS OF PREPARATION (CONTINUED)

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- Income and expenses for each statement of comprehensive income are translated at average exchange rates; and
- All resulting exchange differences are recognised in other comprehensive income.

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

2. PERFORMANCE

2.1 SEGMENT INFORMATION

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

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

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

The reportable segments derive their revenues primarily from the retail sale of clothing. The revenues from external parties reported to the Board of Directors are measured in a manner consistent with that in the consolidated statement of comprehensive income. There are no material revenues derived from a single external customer.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

2. PERFORMANCE (CONTINUED)

SEGMENT RESULTS

For the year ended 1 August 2025

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

For the year ended 1 August 2024

\$'000	GLASSONS NEW ZEALAND	GLASSONS AUSTRALIA	HALLENSTEINS	PROPERTY	PARENT	TOTAL GROUP
INCOME STATEMENT						
Segment revenue	120,303	219,440	108,359	-	1,002	449,104
Intercompany segment revenue	(10,241)	(1,317)	(909)	-	(1,002)	(13,469)
Sales revenue from external customers	110,062	218,123	107,450	-	-	435,635
Cost of sales	(49,191)	(83,862)	(43,851)	-	-	(176,904)
Finance income	348	721	718	-	170	1,957
Finance expense	(1,415)	(1,625)	(1,105)	-	(23)	(4,168)
Depreciation and amortisation	(11,143)	(16,593)	(10,166)	(524)	(90)	(38,516)
Profit/(loss) before income tax	15,039	29,466	7,479	258	(157)	52,085
Income tax expense	(4,255)	(9,969)	(2,141)	(1,278)	44	(17,599)
Net profit/(loss) after income tax	10,784	19,497	5,338	(1,020)	(113)	34,486
STATEMENT OF FINANCIAL POSITION						
Current assets	24,170	26,072	22,052	6,010	3,507	81,811
Non-current assets	40,704	53,510	22,253	20,737	-	137,204
Current liabilities	16,600	30,969	15,360	396	(10)	63,315
Non-current Liabilities	17,535	25,785	9,173	-	-	52,493
Purchase of property, plant and equipment and intangibles assets	3,774	8,029	4,131	10	-	15,944

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

2. PERFORMANCE (CONTINUED)

2.2 INCOME AND EXPENSES

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

Revenue is recognised as follows:

Sales of goods — Retail

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

The Group offers customers the option of purchasing gift cards. This is considered deferred revenue until such time where the customer redeems the gift card on future purchases. A contract liability for the purchase of a gift card is recognised at the time of the sale. Revenue is recognised when the gift card is redeemed, or, for the portion not expected to be redeemed (breakage), in line with expected redemption patterns, with any remaining balance recognised when they expire.

As at 1 August 2025, the gift card liability balance recognised under "Other payables" was \$2.47M (2024: \$2.22M, 2023: \$2.61M).

Interest income

Interest income is recognised using the effective interest method.

Rental income

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

2. PERFORMANCE (CONTINUED)

2.2 INCOME AND EXPENSES (CONTINUED)

INCOME AND EXPENSES

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

\$'000	2025	2024
Other operating income		
Rental income	231	248
Insurance proceeds	244	105
Expenses		
Occupancy costs	9,514	9,355
Auditor's Remuneration		
Audit of Financial Statements — PwC New Zealand	337	249
Other Services - Performed by PwC Australia ¹	-	18
Directors' fees	718	698
Wages, salaries and other short term benefits	85,305	80,753
Depreciation of property, plant and equipment	11,504	11,415
Depreciation of right of use assets	28,526	26,604
Amortisation of software	599	497
Total depreciation and amortisation	40,629	38,516
Net fair value loss on investment property	60	128
Interest on leases	4,689	4,168
Gain on termination of lease	-	(112)
Loss/(gain) on disposal of property, plant and equipment	2	528

¹ Amount paid in respect of tax compliance and tax advisory services provided in Australia.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

2. PERFORMANCE (CONTINUED)

2.3 DIVIDENDS

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

DIVIDENDS	2025 Cents per share	2024 Cents per share	2025 \$'000	2024 \$'000
Final dividend for the year ended 1 August 2024	26.50		15,806	
Interim dividend for the year ended 1 August 2025	24.50		14,614	
Final dividend for the year ended 1 August 2023		24.00		14,316
Interim dividend for the year ended 1 August 2024		24.00		14,316
Total	51.00	48.00	30,420	28,632

Dividends paid were partially imputed. Supplementary dividends of \$244,972 (2024: \$177,160) were paid to shareholders not resident in New Zealand for tax purposes for which the Group received a foreign investor tax credit.

2.4 EARNINGS PER SHARE

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

BASIC

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

DILUTED

Diluted earnings per share is calculated by adjusting profit after tax and the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. The Group has granted shares under a Long-Term Incentive Plan (LTIP) during the financial year. These are considered potential ordinary shares and included in the calculation of diluted earnings per share. The impact of these potential shares is to increase the weighted average number of shares outstanding by 36,873 in 2025 (2024: Nil). Subsequent to the end of the financial year, these LTIP shares have lapsed and will not result in the issuance of ordinary shares.

Earnings per share

\$'000	2025	2024
Profit after tax	39,461	34,486
Weighted average number of ordinary shares outstanding	59,649	59,649
Basic earnings per share (cents per share)	66.2	57.8
Effect of LTIP share scheme diluted weighted average number of shares	37	-
Diluted earnings per share (cents per share)	66.1	57.8

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

3. WORKING CAPITAL

3.1 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash at bank, cash on hand, EFTPOS (electronic funds transfer point of sale) transactions which have not been cleared by the bank at balance date, deposits held at call with financial institutions, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

Consolidated statement of cash flows

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

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

Cash and cash equivalents

\$'000	2025	2024
Cash at bank	56,641	44,470
Short term bank deposits	1,604	1,364
Cash on hand	88	81
Total cash and cash equivalents	58,333	45,915

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

3.2 INVENTORIES

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

Inventories

\$'000	2025	2024
Finished goods	31,479	27,659
Inventory adjustments	(205)	(175)
Net inventories	31,274	27,484

Inventory adjustments are provided at year end for stock obsolescence within cost of sales in the Consolidated Statement of Comprehensive Income. The cost of inventories recognised as an expense and included in cost of sales amounted to \$189,677,388 (2024: \$176,649,177).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

4. LONG TERM ASSETS

4.1 LEASES

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

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

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

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

Short term leases where the Group is the lessee

Leases in which a material portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the profit or loss in the Consolidated Statement of Comprehensive Income on a straight line basis over the period of the lease.

The Group is the lessor

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

4. LONG TERM ASSETS (CONTINUED)

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

Right of use assets

\$'000	2025	2024
Opening net book value	67,029	65,285
Depreciation	(28,526)	(26,604)
Modifications and additions	25,267	30,253
Lease terminations	-	(2,104)
FX impact	15	199
Carrying amount	63,785	67,029

Lease liabilities

\$'000	2025	2024
Opening lease liabilities	79,184	76,325
Lease modifications and additions	27,619	32,724
Interest for the period	4,689	4,168
Lease payments made	(34,830)	(32,064)
Lease terminations	-	(2,216)
FX impact	(22)	247
Closing lease liabilities	76,640	79,184

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

4. LONG TERM ASSETS (CONTINUED)

Lease liabilities maturity analysis for the year ended 1 August 2025

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

Lease liabilities maturity analysis for the year ended 1 August 2024

\$'000	MINIMUM LEASE PAYMENTS	INTEREST	PRESENT VALUE
Due within one year	30,354	(3,663)	26,691
One to two years	24,640	(2,413)	22,227
Two to five years	30,225	(2,143)	28,082
Later than five years	2,267	(83)	2,184
Total	87,486	(8,302)	79,184
Current			26,691
Non-current			52,493
Total			79,184

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

\$'000	2025	2024
Depreciation	28,526	26,604
Rent on short-term leases	9,514	9,355
Gain on lease termination	-	(112)
Interest on leases	4,689	4,168
Total	42,729	40,015

Lease payments included in the consolidated statement of cash flows:

\$'000	2025	2024
Interest paid on leases (operating activities)	4,689	4,168
Payments for lease liabilities principal (financing activities)	30,141	27,896
Total cash outflows from leases	34,830	32,064

Lease commitments

The Group currently has no non-cancellable short-term operating lease agreements as at 1 August 2025 (2024: \$Nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

4. LONG TERM ASSETS (CONTINUED)

4.2 PROPERTY, PLANT AND EQUIPMENT

Recognition and measurement

Land and buildings located in Napier were valued on 1 August 2025 by CBRE Limited, Land and buildings located in East Tamaki and Christchurch were valued on 1 August 2024 by Fordbaker Valuation Limited and Colliers International respectively, (collectively "the valuers"), who are independent registered valuers and associates of The New Zealand Institute of Valuers. The valuers have recent experience in the location and category of the item being valued. The fair values of the assets represent the estimated price for which a property could be sold on the date of valuation in an orderly transaction between market participants.

The adopted valuation has been assessed within a range indicated by two valuation approaches: Income capitalisation approach and discounted cash flow analysis. These valuation approaches and the key assumptions used by the valuers to arrive at fair value have been summarised in Note 4.3.

At each reporting date, where an external valuation report is not obtained the most recent valuation reports are reviewed by the management team. Valuations are performed with sufficient regularity to ensure that the fair value does not differ materially from its carrying amount. Confirmation was obtained from the valuers that the valuations from 1 August 2024 were still appropriate as at 1 August 2025.

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

Both the income capitalisation approach and discounted cash flow analysis contain unobservable inputs in determining fair value. These have been disclosed in the 2024 Annual Report which can be accessed via the website:

<https://www.hallensteinglasson.co.nz/annual-report>

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

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

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

Depreciation

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

— Buildings	67 years
— Plant and equipment	2 – 5 years
— Furniture and fittings	5 – 10 years

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

Impairment

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

4. LONG TERM ASSETS (CONTINUED)

Impairment (continued)

The value in use calculation evaluates recoverability based on the stores' forecasted discounted cash flows, which incorporate estimated sales, margin & expense growth based upon current plans for the store.

Key assumptions in the determination of recoverable amount are:

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

The Group has performed an assessment to determine whether there is any sensitivity to changes in key assumptions. As a result of the sensitivity analysis and impairment testing performed, it was determined that no material risks of impairment existed as at 1 August 2025 (2024: \$Nil).

Disposal

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These are included in the consolidated statement of comprehensive income.

FOR THE YEAR ENDED 1 AUGUST 2025

\$'000	LAND AT FAIR VALUE	BUILDINGS AT FAIR VALUE	FIXTURES & FITTINGS	PLANT & EQUIPMENT	TOTAL
Opening NBV	11,235	18,636	22,353	6,555	58,779
Additions	-	70	9,735	5,108	14,913
Disposals	-	-	(65)	(60)	(125)
Depreciation	-	(615)	(7,725)	(3,164)	(11,504)
Revaluations	-	(28)	-	-	(28)
FX Impact	-	-	89	31	120
Closing NBV	11,235	18,063	24,387	8,470	62,155
Cost/Valuation	11,235	18,616	82,536	33,840	146,227
Accumulated depreciation	-	(553)	(58,238)	(25,401)	(84,192)
FX Impact	-	-	89	31	120
Closing NBV	11,235	18,063	24,387	8,470	62,155

FOR THE YEAR ENDED 1 AUGUST 2024

\$'000	LAND AT FAIR VALUE	BUILDINGS AT FAIR VALUE	FIXTURES & FITTINGS	PLANT & EQUIPMENT	TOTAL
Opening NBV	11,025	20,138	19,789	5,415	56,367
Additions	-	-	10,562	4,593	15,155
Disposals	-	-	(308)	(354)	(662)
Depreciation	-	(626)	(7,690)	(3,099)	(11,415)
Revaluations	210	(876)	-	-	(666)
Closing NBV	11,235	18,636	22,353	6,555	58,779
Cost/valuation	11,235	18,636	76,709	29,630	136,210
Accumulated depreciation	-	-	(54,356)	(23,075)	(77,431)
Closing NBV	11,235	18,636	22,353	6,555	58,779

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

4. LONG TERM ASSETS (CONTINUED)

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

\$'000	2025	2024
Land	4,270	4,270
Buildings	12,862	12,792
Cost	17,132	17,062
Accumulated depreciation	(3,250)	(2,993)
Net book amount	13,882	14,069

4.3 INVESTMENT PROPERTY

Recognition and measurement

Investment property consists of a portion of land and buildings for the purpose of retail. Land and buildings were valued on 1 August 2025 by Telfer Young (Hawkes Bay) Limited ("the valuer") who are independent registered valuers and associates of The New Zealand Institute of Valuers. The valuer has recent experience in the location and category of the item being valued. The fair values of the assets represent the estimated price for which a property could be sold on the date of valuation in an orderly transaction between market participants.

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

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

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

The loss of \$60,000 on the fair value revaluation of Investment Property was recognised as an operating expense in the Consolidated Statement of Comprehensive Income (2024: \$128,000). Subsequent revaluation surpluses or losses will be recognised through the Consolidated Statement of Comprehensive Income.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

4. LONG TERM ASSETS (CONTINUED)

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

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

		RANGE OF SIGNIFICANT UNOBSERVABLE INPUTS		SENSITIVITY
CLASS OF PROPERTY	INPUTS USED TO MEASURE FAIR VALUE	2025	2024	
Land and Buildings – Retail and Investment Property	Net Market Rent	\$327 per m ²	\$355 per m ²	The higher the market rent and growth rate, the higher the fair value
	Rental growth rate	1.50% -2.00%	2.00% -2.50%	
	Capitalisation rate (yield)	6.97%	6.76%	
	Discount rate	7.92%	7.89%	The higher the capitalisation rates and discount rate, the lower the fair value.
	Terminal Capitalisation Rate	6.72%	7.50%	
	Expenses growth	1.80% -2.0%	2.0% -3.0%	The higher the expenses, the lower the fair value.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Investment Property

\$'000	2025	2024
Opening balance	3,080	3,208
Net loss from fair value adjustment	(60)	(128)
Closing balance	3,020	3,080

Lease receivables

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

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

\$'000	2025	2024
Due within one year	150	83
One to two years	150	-
Two to five years	374	-
Total lease receivables	674	83

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

5. EQUITY

5.1 SHARE CAPITAL

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

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

Treasury stock

Under the legacy executive share scheme, shares purchased on-market were initially recognised as treasury stock at cost. On vesting to employees, treasury stock was credited to equity and an employee loan was recorded, initially at fair value and subsequently measured at amortised cost.

As at 1 August 2025, the scheme has no treasury stock remaining, with employees continuing to repay outstanding loans through the application of dividends on the shares held.

No treasury stock is held in relation to the current Long-Term Incentive Plan, as equity awards are satisfied through an award of new shares if certain performance conditions are met.

Reserves

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

CONTRIBUTED EQUITY

	2025 SHARES	2024 SHARES	2025 \$000's	2024 \$000's
Balance at beginning of year	59,649,061	59,452,061	29,279	28,140
Sale of treasury stock	-	25,000	-	141
Dividends	-	-	-	29
Share options exercised	-	172,000	-	948
Loss/(gain) on sale of treasury stock transferred to retained earnings	-	-	-	21
Balance at end of year	59,649,061	59,649,061	29,279	29,279
Representing:				
Share capital	59,649,061	59,649,061	29,279	29,279
Treasury stock (net of dividends)	-	-	-	-
Total	59,649,061	59,649,061	29,279	29,279

All shares are fully paid and rank equally.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

5. EQUITY (CONTINUED)

5.2 EXECUTIVE SHARE SCHEME

Equity-settled share-based compensation benefits were historically provided to certain employees under the Group's executive share scheme. The fair value of share rights granted was recognised as an employee benefit expense with a corresponding increase in equity, measured at grant date and expensed over the vesting period using a Black Scholes pricing model.

The scheme involved the purchase of shares on-market funded by limited recourse, interest-free loans provided by the Company. Shares were held by directors as custodians and dividends on the shares were applied to repay the loans. Shares vested after three years, subject to continued employment. On vesting, the share option reserve was transferred to retained earnings.

This scheme is now closed to new participation, with no treasury stock remaining. Employees continue to repay outstanding loans through dividends on the shares held. No shares were issued during the 2025 financial year (2024: Nil).

Current Long-Term Incentive Plan (LTIP)

During the current year, the Group established a new Long-Term Incentive Plan. The Plan provides for both cash-settled phantom shares and equity-settled awards:

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

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

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

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

For the year ended 1 August 2025, the Group recognised costs in relation to the Long-Term Incentive Plan (LTIP) in accordance with NZ IFRS 2 Share-based Payment.

An amount of \$37,000 has been recognised as a provision for incentive with a corresponding charge to employee benefits in respect of cash-settled awards.

In addition, \$37,000 has been recognised as a credit to the Share Option Reserve in respect of equity-settled awards, with a corresponding charge to employee benefits. This reflects the expected settlement of awards through the issue of new shares, subject to vesting conditions.

Legacy Executive share scheme	YEAR ENDED 1 AUGUST 2025		YEAR ENDED 1 AUGUST 2024	
	Number of shares	Average exercise price per share option	Number of shares	Average exercise price per share option
Balance at beginning of financial year	-	-	197,000	\$6.74
Forfeited during the year	-	-	(25,000)	\$5.62
Exercised during the year	-	-	(172,000)	\$6.65
Balance at end of financial year	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

5. EQUITY (CONTINUED)

In accordance with NZ IFRS 2 Share-based Payment, the below amount represents the fair value of equity instruments granted, measured at the grant date. The total long-term performance right of \$222,344 has been determined based on 36,873 shares granted at a grant date fair value of \$6.03 per share.

LONG-TERM PERFORMANCE RIGHTS

GRANT DATE	OPENING BALANCE	GRANTED DURING THE YEAR	VESTED DURING THE YEAR	LAPSED DURING THE YEAR	CLOSING BALANCE
2/08/2024	-	222,344	-	-	222,344

6. TAXATION

6.1 INCOME TAX EXPENSE

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

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

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

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

GOODS AND SERVICES TAX (GST)

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

6. TAXATION (CONTINUED)

Income tax expense

\$'000	2025	2024
The tax expense comprises:		
Current tax expense	16,920	17,567
Prior period adjustment	(67)	1,077
Deferred tax expense (note 6.2)		
- Future tax expense current year	128	459
- Prior period adjustment	1,936	(1,504)
Total income tax expense	18,917	17,599

Reconciliation of income tax expense to tax rate applicable to profits

Profit before income tax expense	58,378	52,085
Tax at 28% (2024: 28%)	16,346	14,584
Tax effect of:		
- Income not subject to tax	-	35
- Expenses not deductible for tax	247	245
- Adjustment due to different rate in different jurisdictions	614	605
- Utilisation of tax losses by group companies	(159)	-
- Prior period adjustment	1,869	(427)
- Removal of tax base on buildings	-	2,557
Total income tax expense	18,917	17,599

The effective tax rate for the year was 32.4% (2024: 33.8%).

During the financial year, upon re-domiciliation the Group's Australian subsidiaries ceased to be members of the New Zealand consolidated tax group and are now accounted for as separate subsidiaries. As a result, Australian tax losses became available to offset against the taxable profits of those subsidiaries. These losses were fully utilised during the year ended 1 August 2025.

Accordingly, no tax losses remain available to carry forward at year end (2024: Nil), and the Group has no unrecognised temporary differences (2024: Nil).

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

\$'000	2025			2024		
	BEFORE TAX	TAX CREDIT	AFTER TAX	BEFORE TAX	TAX CHARGED	AFTER TAX
Fair Value (Loss)/Gains (net of tax) on Revaluation of Land and Buildings	(28)	8	(20)	(666)	245	(421)
Fair Value (Loss)/Gain (net of tax) in Cash Flow Hedge Reserve	(892)	257	(635)	(91)	28	(63)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

6. TAXATION (CONTINUED)

6.2 DEFERRED TAX

\$'000	2025	2024
Amounts recognised in profit or loss		
Depreciation	349	2,583
Provisions and accruals	3,376	3,042
Right of use assets	(20,179)	(21,145)
Lease liabilities	22,139	22,979
	5,685	7,459
Amounts recognised directly in equity		
Asset revaluation reserve	8	245
Cash flow hedges	(123)	(381)
Total amount recognised	5,570	7,323
Movements		
Balance at beginning of year	7,323	6,005
Credited/(Charged) to the Income Statement	(128)	(459)
Prior period adjustment	(1,936)	1,504
Charged to equity	265	273
FX impact	46	-
Balance at end of the year	5,570	7,323

6.3 IMPUTATION CREDITS

\$'000	2025	2024
Imputation credits available for subsequent reporting periods	3,592	3,691

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

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

7. OTHER

7.1 EMPLOYEE BENEFITS

WAGES AND SALARIES, ANNUAL LEAVE AND SICK LEAVE

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

Employee benefits

\$'000	2025	2024
Holiday pay accrual and other benefits	9,877	8,928

7.2 CONTINGENCIES

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

Contingencies

\$'000	2025	2024
Bank guarantee provided to the New Zealand Stock Exchange Limited	75	75

Letters of credit

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

7.3 CAPITAL EXPENDITURE COMMITMENTS

\$'000	2025	2024
Commitments in relation to store and distribution centre fitouts	1,863	986

7.4 RELATED PARTY TRANSACTIONS

During the year, the Company advanced and repaid loans to its subsidiaries by way of internal current accounts. In presenting the financial statements of the Group, the effect of transactions and balances between fellow subsidiaries and those with the Parent have been eliminated.

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

\$'000	2025	2024
T C Glasson		
Rent payments on retail premises	1,478	1,373
Balance as at year end - lease liabilities	4,955	4,143

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

7. OTHER (CONTINUED)

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

\$'000	DIRECTORS' FEES		DIVIDENDS	
	2025	2024	2025	2024
Ms J Appleyard	86	86	-	-
Mr W J Bell	145	141	-	-
Ms K Bycroft	102	99	-	-
Mr M Ford	112	106	5	4
Mr J C Glasson	-	-	224	41
Mr T C Glasson	86	86	4,789	5,338
Mr G Popplewell	101	94	85	91
Ms S Vincent	86	86	24	22
	718	698	5,127	5,496

During the financial year, consulting fees of \$14,000 (2024: \$10,000) were paid to Karen Bycroft. There was no balance outstanding as at 1 August 2025 (2024: \$Nil).

Total remuneration of \$988,000 was paid by the Company to close family members of the Board of Directors for individuals that were either employed or engaged as consultants by the Company in the year ended 1 August 2025 (2024: \$702,000).

Key management compensation was as follows:

\$'000	2025	2024
Short term employee benefits	3,779	3,864
Share scheme benefit	74	43

The Company operates an employee share scheme for certain senior executives and is outlined in Note 5.2.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

7. OTHER (CONTINUED)

7.5 FINANCIAL RISK MANAGEMENT

Fair value estimation

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

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

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

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

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

Derivatives

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

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

Cash flow hedge

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

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

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

Derivatives that do not qualify for hedge accounting

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

7. OTHER (CONTINUED)

7.5.1 FINANCIAL RISK FACTORS

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

7.5.2 LIQUIDITY RISK

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

The Group manages liquidity risk by maintaining adequate reserves, and by regularly monitoring cash flow.

At balance date, the Group had \$58.333 million (2024: \$45.915 million) in cash reserves and accordingly, management consider liquidity risk to be relatively low.

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

AS AT 1 AUGUST 2025

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

AS AT 1 AUGUST 2024

\$'000	LESS THAN 3 MONTHS	3-12 MONTHS	TOTAL	CARRYING VALUE
Trade and other payables	25,228	-	25,228	25,228
	25,228	-	25,228	25,228
Forward foreign exchange contracts				
Cash flow hedges:				
— Outflow	(24,318)	(40,613)	(64,931)	(64,931)
— Inflow	25,038	41,176	66,214	66,246
Net	720	563	1,283	1,315

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

7. OTHER (CONTINUED)

7.5.3 CREDIT RISK

Credit risk is the risk of the failure of a debtor or counterparty to honour its contractual obligations resulting in financial loss to the Group. The Group incurs credit risk from trade receivables and transactions with financial institutions. The Group places its cash, short-term investments, and derivative financial instruments with high credit quality financial institutions. Retail sales are predominantly settled in cash or by using major credit cards. 0.1 % (2024: 0.0%) of sales give rise to trade receivables. This maximum exposure to credit risk is the carrying amount of trade receivables.

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

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

7.5.4 MARKET RISK

Foreign exchange risk

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

The Board has established a Treasury Risk Policy to manage the foreign exchange risk. The policy is reviewed on a regular basis, and management report monthly to the Board to confirm policy is adhered to. All committed foreign currency requirements are fully hedged, and approximately 50% (2024: 50%) of anticipated foreign currency requirements are hedged on a rolling twelve month basis.

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

Forward exchange contracts — cash flow hedges

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

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

At balance date the Group had entered into forward exchange contracts to sell the equivalent of NZ\$84.658 million (2024: NZ\$64.931 million), primarily in US and AU Dollars. At balance date these contracts are represented by net assets of \$0.423 million (2024: assets of \$1.315 million). When foreign exchange contracts are not designated and tested as an effective hedge, the gain or loss on the foreign exchange contract is recognised in the profit or loss in the Consolidated Statement of Comprehensive Income.

At balance date there are no such contracts in place (2024: Nil).

Interest rate risk

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

Sensitivity analysis

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

- Proportional foreign exchange movement of -10% (depreciation of NZD) and +10% (appreciation of NZD) against the USD, from the year end rate of \$0.5881 (2024: \$0.5949).
- Proportional foreign exchange movement of -10% (depreciation of NZD) and +10% (appreciation of NZD) against the AUD, from the year end rate of \$0.9139 (2024: \$0.9151).
- A parallel shift of +2% / -2% in the market interest rates from the year end deposit rate of 3.0% (2024: 5.5%) .

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

7. OTHER (CONTINUED)

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

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

AS AT 1 AUGUST 2024		INTEREST RATE				FOREIGN EXCHANGE RATE			
\$'000	CARRYING AMOUNT	-2%		+2%		-10%		+10%	
		PROFIT	EQUITY	PROFIT	EQUITY	PROFIT	EQUITY	PROFIT	EQUITY
FINANCIAL ASSETS									
Loans and receivables									
Cash and cash equivalents	45,915	(918)	(918)	918	918	2,365	2,365	(1,935)	(1,935)
Accounts receivable	407	-	-	-	-	-	-	-	-
Advances to employees	847	-	-	-	-	-	-	-	-
Derivatives used for hedging									
Derivatives designated as cash flow hedges (forward foreign exchange contracts)	1,315	-	-	-	-	-	5,297	-	(4,334)
FINANCIAL LIABILITIES									
Liabilities at amortised cost									
Trade and other payables	25,228	-	-	-	-	(1,541)	(1,541)	1,261	1,261
Total increase / decrease		(918)	(918)	918	918	824	6,121	(674)	(5,008)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 1 AUGUST 2025

7. OTHER (CONTINUED)

7.5.5 CAPITAL RISK MANAGEMENT

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

7.6 EVENTS SUBSEQUENT TO BALANCE DATE

Subsequent to year end, the Board has resolved to pay a final dividend of 30.5 cents per share (partially imputed at 56.5%) (2024: 26.5 cents partially imputed 75.6%). The dividend will be paid on 12th December 2025 to all shareholders on the Company's register as at 5:00pm, 5th December 2025.

7.7 STANDARDS, AMENDMENTS AND INTERPRETATIONS TO EXISTING STANDARDS

Certain new accounting standards, amendments to accounting standards and interpretations have been published that are mandatory for the 1 August 2025 reporting period have been adopted by the Group and have no material impact. There were also certain new accounting standards, amendments to accounting standards and interpretations that have been published which are not mandatory for the 1 August 2025 reporting period and have not been early adopted by the Group. These standards, amendments or interpretations are yet to be assessed for the disclosure impacts for the future reporting periods.

GENERAL DISCLOSURES

Board of Directors

Directors of the Company in office at the end of the year ended 1 August 2025 or who ceased to hold office during the year ended 1 August 2025

Director	Qualifications / Experience	Special Responsibilities
Warren James Bell	M Com FCA. Appointed December 1986. Mr Bell holds appointments on a number of boards of both public and private companies and is a professional director.	Chairman of the Board Non-executive Non-independent Director
Timothy Charles Glasson	Appointment November 1985 on merger with Hallensteins. Tim is the founder of Glassons womenswear retail chain and has a wealth of experience in retail previously holding the CEO role within the business for a number of years.	Non-executive Non-independent Director
Graeme James Popplewell	B Com FCA. Appointed March 1985. Graeme has a wealth of experience in finance and retail previously holding CFO and CEO roles within the business for a number of years.	Non-executive Independent Director
Malcolm Ford	Appointed June 2010. Background includes 20 years with experience in direct sourcing particularly in Asia. Mr Ford also has experience in brand management across wholesale and retail markets.	Non-executive Independent Director
Karen Bycroft	BSC, Postgrad Marketing. Appointed November 2014. Background includes 30 years in Retail in the UK and Australia with Marks and Spencer, Sears, Woolworths, Spotlight and Country Road. Experience in Strategy, Marketing, and Leadership. Also a Leadership Facilitator and Executive Coach.	Non-executive Independent Director
Sandra Vincent	Appointed October 2020. Background includes 40 years of experience in the wholesale and retail fashion industry. Sandra is also a beneficial Owner and Managing Director of Harper's Fashions Ltd trading as Hartleys which has 16 retail stores across New Zealand.	Non-executive Independent Director
James Glasson	Appointed April 2021. James joined Glassons Australia in 2013, after completing a Master of Arts; Fashion Retail at the London College of Fashion (University of Arts), Master of Science; Real Estate at the University of Reading, Bachelor of Arts; Art History at the University of Canterbury. Taking on various roles within the business over the last 12 years, including Brand Manager, General Manager, Acting National Retail Manager, James was appointed as CEO of Glassons Australia in October 2017.	CEO — Glassons Australia Non-independent executive Director
Joanne Appleyard	Appointed November 2022. Jo is a partner at Anderson Lloyd and is a well-regarded senior practitioner with over 30 years' experience. Jo specialises in employment, commercial and resource management law. Jo was a member of the NZ Markets Disciplinary Tribunal between 2011 and 2020.	Non-executive Independent Director

Principal activities of the Group

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

GENERAL DISCLOSURES

Review of operations

(a) Consolidated results for the Year Ended 1 August 2025

\$'000	2025	2024
Operating revenue	470,740	435,635
Profit before income tax	58,378	52,085
Income tax	(18,917)	(17,599)
Profit for the year	39,461	34,486

(b) Dividend

Subsequent to the balance date the Directors have declared a final dividend of 30.5 cents per share payable 12 December 2025 (partially imputed at 56.5%).

(c) Donations

During the financial year ended 1 August 2025, the Group made no donations (2024: \$895).

Directors

(a) Remuneration and all other benefits

The table below sets out the total of the remuneration and the value of other benefits received by each Director during the financial year ended 1 August 2025.

Remuneration of Directors	2025			2024		
	DIRECTORS FEES	OTHER PAYMENTS/BENEFITS	TOTAL REMUNERATION	DIRECTORS FEES	OTHER PAYMENTS/BENEFITS	TOTAL REMUNERATION
\$'000						
Ms J Appleyard	86	-	86	86	-	86
Mr W J Bell	145	-	145	141	-	141
Ms K Bycroft	102	14	116	99	10	109
Mr M Ford	112	-	112	106	-	106
Mr J Glasson*	-	934	934	-	826	826
Mr T C Glasson	86	-	86	86	-	86
Mr G Popplewell	101	-	101	94	-	94
Ms S Vincent	86	-	86	86	-	86
	718	947	1,666	698	836	1,534

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

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

(b) Shareholdings

As at 1 August 2025 the Directors of the Company had the following relevant interests in the Company's shares.

Beneficially held	2025	2024
M Ford	10,000	10,000
J Glasson	812,991	515,064
T C Glasson	10,709,278	11,408,757
G J Popplewell	203,604	203,604
S Vincent	29,600	50,300

GENERAL DISCLOSURES

(c) Interests in share dealing

In accordance with the Companies Act 1993, between 2 August 2024 and 1 August 2025 the Board received the following disclosures from Directors of acquisitions and dispositions of relevant interests in shares issued by the Company and details of such dealings were entered in the Company's interests register.

	DATE	PURCHASE / (SALE) NUMBER OF SHARES	\$
Mr W Bell*			
On Market Sale	31 March - 27 May 2025	(500,000)	(3,823,515)
Mr T Glasson**			
Off Market Sale	27 June 2025	(699,479)	(5,400,000)
Mr J Glasson**			
Off Market Purchase	27 June 2025	297,927	2,300,000
Mrs S Vincent			
On Market Sale	22 - 25 November 2024	(20,700)	(155,065)

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

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

d) Disclosures of interests by Directors

In accordance with section 140(2) of the Companies Act 1993 the Company maintains an interests register in which Directors' interests are recorded. The following are particulars of general disclosures of interest by Directors holding office at 1 August 2025.

W J Bell

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

S Vincent

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

J Appleyard

Partner Chapman Tripp
 Trustee Community Law Canterbury

J Glasson

Director Glasson Trustee Limited
 Director JCG Trustee Limited

T C Glasson

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

M Ford

Trustee Hallenstein Glasson Staff Benefit Trust

K Bycroft

None

G J Popplewell

Trustee Hallenstein Glasson Staff Benefit Trust

GENERAL DISCLOSURES

(e) Subsidiary Companies

The persons who held office as Directors of subsidiary companies at 1 August 2025 are as follows:

Hallenstein Bros Limited

Mr W J Bell, Mr M Ford, Mr T C Glasson and Mr G J Popplewell

Hallensteins Australia Pty Limited

Mr W J Bell, Mr J C Glasson, Mr T C Glasson and Mr G J Popplewell

Glassons Limited

Mr W J Bell, Mr T C Glasson and Mr G J Popplewell

Glassons Australia Pty Limited

Mr W J Bell, Mr J C Glasson, Mr T C Glasson and Mr G J Popplewell

Hallenstein Properties Limited

Mr W J Bell, Mr T C Glasson and Mr G J Popplewell

(f) Directors' Insurance and Indemnity

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

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

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

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

State of Affairs

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

GENERAL DISCLOSURES

Employee Remuneration

The number of employees with the Group (other than Directors) receiving remuneration and benefits above \$100,000 in relation to the year ended 1 August 2025 was:

Employee Remuneration	2025	2024
100,000-109,999	16	16
110,000-119,999	11	8
120,000-129,999	12	9
130,000-139,999	12	4
140,000-149,999	6	5
150,000-159,999	3	4
160,000-169,999	8	2
170,000-179,999	2	3
180,000-189,999	3	3
190,000-199,999	1	-
200,000-209,999	2	2
210,000-219,999	3	-
220,000-229,999	3	1
230,000-239,999	-	1
240,000-249,999	-	1
250,000-259,999	-	1
260,000-269,999	1	1
270,000-279,999	2	1
280,000-289,999	1	-
320,000-329,999	-	1
350,000-359,999	-	2
360,000-369,999	1	-
380,000-389,999	3	1
400,000-409,999	1	2
410,000-419,999	1	-
420,000-429,999	-	1
430,000-439,999	1	-
440,000-449,999	1	-
470,000-479,999	1	2
490,000-499,999	-	1
500,000-509,999	-	1
530,000-539,999	2	-
590,000-599,999	1	-
620,000-629,999	-	1
630,000-639,999	1	-
940,000-949,999	1	-

Chief Executive Remuneration

	SALARY	SHORT-TERM INCENTIVE	LONG-TERM INCENTIVE	OTHER BENEFITS	TOTAL REMUNERATION
Group Chief Executive Officer — Chris Kinraid	731,915	145,000	-	68,493	945,408

The remuneration of the Group Chief Executive Officer comprises fixed and performance payments. Fixed remuneration includes a base salary, contributions to KiwiSaver, health insurance and a carpark. The Group Chief Executive Officer received a short-term incentive of \$145,000. The STI was approved by the Board and is linked to the Group's financial performance against set targets.

Remuneration to Auditors

The fee for the audit of the Company and its subsidiaries, paid to PricewaterhouseCoopers, was \$336,779.

CORPORATE GOVERNANCE STATEMENT

The Board of Directors (the **Board**) of Hallenstein Glasson Holdings Limited (**HGHL**) is committed to maintaining best-practice standards of corporate governance. This corporate governance statement provides an overview of HGHL's key corporate governance arrangements and the policies and practices that HGHL and its subsidiaries (the **Group**) have developed and implemented, in line with the NZX Corporate Governance Code dated 31 January 2025 (the **Code**) and the NZX Listing Rules.

This corporate governance statement outlines each principle contained in the Code and how HGHL is applying the corresponding Code recommendations. Where HGHL is not currently following a particular Code recommendation, the reason for HGHL not following the Code recommendation and a description of the alternative governance practice adopted by HGHL (and approved by the Board) is provided (refer to the table on page (66) of this report).

This corporate governance statement is current as at 26 September 2025 (except where specified otherwise), and has been approved by the Board.

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

PRINCIPLE 1 - ETHICAL STANDARDS

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

CODE OF ETHICS

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

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

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

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

FINANCIAL PRODUCT TRADING POLICY

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

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

These trading windows are:

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

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

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

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

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 2 – BOARD COMPOSITION AND PERFORMANCE

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

THE BOARD

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

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

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

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

BOARD COMPOSITION AND INDEPENDENCE

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

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

INDEPENDENT DIRECTORS:

Malcolm Ford
Karen Bycroft
Graeme Popplewell
Sandra Vincent
Joanne Appleyard
Peter Steenson

NON INDEPENDENT DIRECTORS:

Warren Bell (Chairman)
Timothy Glasson
James Glasson

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

- Timothy Glasson is not an independent director because of his substantial shareholding in HGHL (refer to the shareholder information section on page (68) of this report).
- Warren Bell is not an independent director because of his close business connections with Timothy Glasson.
- James Glasson is not an independent director because he is also an executive of the Group.

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

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

Joanne Appleyard was until 29 August 2025 a partner at Chapman Tripp which has provided legal services to HGHL within the last 12 months. The Board does not consider that Joanne’s previous association with Chapman Tripp impacts her independence in any way.

CORPORATE GOVERNANCE STATEMENT

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

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

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

A list of the directors and their profiles, experience and qualifications is on page (53) of this report. A list of their relevant ownership interests is on page (55) of this report.

NOMINATION AND APPOINTMENT OF DIRECTORS

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

DIVERSITY

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

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

Details of gender composition of HGHL's directors, officers* and senior leaders** as at 1 August 2025 (being HGHL's most recent balance date) are as follows:

Gender diversity as at 1 August	2025	2024
Directors		
Female	3	3
Male	5	5
Officers*		
Female	1	1
Male	5	4
Senior Leaders**		
Female	8	6
Male	4	3

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

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

EDUCATION, TRAINING AND PERFORMANCE

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

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

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 3 – BOARD COMMITTEES

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

OVERVIEW OF BOARD COMMITTEES

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

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

DIRECTOR ATTENDANCE AT BOARD AND COMMITTEE MEETINGS FOR THE YEAR ENDED 1 AUGUST 2025

	Board	Remuneration	Audit & Risk	Nominations	Sustainability
Number of meetings held	12	2	2	2	3
	Attended	Attended	Attended	Attended	Attended
Warren Bell	12	2	2	2	-
Timothy Glasson	12	-	-	-	-
Graeme Popplewell	12	2	1	2	-
Malcolm Ford	12	-	2	-	-
Karen Bycroft	10	-	-	-	3
Sandra Vincent	12	2	-	2	1
James Glasson	12	-	-	-	3
Joanne Appleyard	12	2	2	2	3

REMUNERATION COMMITTEE

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

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

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

AUDIT & RISK COMMITTEE

The Audit & Risk Committee is comprised of non-executive members of the Board and is chaired by Peter Steenson. The other members of the Audit & Risk Committee are Warren Bell, Graeme Popplewell and Malcolm Ford. Warren, Graeme and Peter are each Fellows of Chartered Accountants Australia New Zealand (CAANZ) with an extensive accounting and financial background. The Audit & Risk Committee comprises a majority of independent directors. HGHL therefore complies with Code Recommendation 3.1 as updated during the 2025 financial year.

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

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

CORPORATE GOVERNANCE STATEMENT

NOMINATIONS COMMITTEE

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

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

SUSTAINABILITY COMMITTEE

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

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

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

HEALTH & SAFETY COMMITTEE

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

The Health and Safety Committee oversees:

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

The Health and Safety Committee met three times during the year ended 1 August 2025.

The Health and Safety Committee Charter is available on the Group's website.

TAKEOVER RESPONSE

The Board has implemented protocols that set out the procedures to be followed if a takeover offer is received by HGHL.

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 4 – REPORTING AND DISCLOSURE

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

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

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

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

SUSTAINABILITY

The Group publishes a sustainability report on an annual basis (refer to the Group’s sustainability report on page (6) of this report). The Sustainability Committee appointed by the Board has to date developed the following key areas of focus for the Group in relation to environmental, social and governance factors:

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

CLIMATE-RELATED DISCLOSURES

HGHL is a Climate Reporting Entity for the purposes of Part 7A of the Financial Markets Conduct Act 2013.

HGHL publicly reports on the Group’s climate-related risks and opportunities in accordance with the Aotearoa New Zealand Climate Standards. HGHL’s Climate Related Disclosure for the period ending 1 August 2025 will be published by 30 November 2025 on HGHL’s website at <https://www.hallensteinglasson.co.nz/climate-related-disclosures>

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 5 – REMUNERATION

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

Details of directors’ and the former Group Chief Executive Officer’s remuneration during the year ended 1 August 2025 are shown on page (54 and 57) of this report.

Shareholders are asked to approve any increases to the pool of directors’ fees from time to time as required by the NZX Listing Rules. Fees are generally established using independent surveys covering New Zealand based organisations of a similar scope and size to HGHL.

Key executive remuneration comprises a base salary together with short term and long term incentives. Key executives are eligible for short term incentives each season based on internal profit before tax targets. HGHL entered into long term incentive arrangements with key executives in the 2025 financial year. The Remuneration Committee seeks independent advice where appropriate when setting key executive remuneration.

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

PRINCIPLE 6 – RISK MANAGEMENT

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

RISK MANAGEMENT FRAMEWORK

The Board is responsible for reviewing and approving HGHL’s risk management strategy. The Board has adopted a robust risk management framework that identifies and seeks to proactively manage risks throughout the Group. The Board has placed particular emphasis on integrating climate-related risks into the risk management framework to ensure the accuracy of HGHL’s climate related disclosures.

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

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

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

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

RESPONSIBILITY FOR RISK MANAGEMENT

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

INSURANCE

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

CORPORATE GOVERNANCE STATEMENT

HEALTH & SAFETY

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

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

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

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

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

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

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

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

During the 2025 financial year the Group recorded 132 injuries, 23 near misses and 205 sessions initiated by Group employees with Raise. There were no instances of fatalities from work related ill health or injury.

PRINCIPLE 7 – AUDITORS

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

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

The Audit Independence Policy covers the following areas:

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

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

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

CORPORATE GOVERNANCE STATEMENT

INTERNAL AUDIT

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

PRINCIPLE 8 – SHAREHOLDERS’ RIGHTS AND RELATIONS

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

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

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

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

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

AREAS OF DIVERGENCE FROM THE NZX CORPORATE GOVERNANCE CODE DATED 31 JANUARY 2025

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

SHAREHOLDER INFORMATION

ANALYSIS OF SHAREHOLDING AS AT 26 SEPTEMBER 2025

RANGE	HOLDER COUNT	HOLDER COUNT %	HOLDING QUANTITY	HOLDING QUANTITY %
1 to 499	598	11.8	125,035	0.2
500 to 999	468	9.2	321,310	0.5
1,000 to 1,999	982	19.4	1,297,083	2.2
2,000 to 4,999	1,378	27.2	4,149,250	7.0
5,000 to 9,999	787	15.5	5,179,802	8.7
10,000 to 49,999	746	14.7	13,388,464	22.5
50,000 to 99,999	65	1.3	4,316,566	7.2
100,000 to 499,999	26	0.5	4,668,414	7.8
500,000 to 999,999	3	0.1	1,745,279	2.9
1,000,000 Over	10	0.2	24,457,858	41.0
Total	5,063		59,649,061	100

SHAREHOLDER INFORMATION

TOP 20 SHAREHOLDING AS AT 26 SEPTEMBER 2025

RANK	NAME	UNITS	% OF UNITS
1	Timothy Charles Glasson	10,709,278	17.95
2	Citibank Nominees (New Zealand) Limited – NZCSD	1,864,596	3.13
3	New Zealand Depository Nominee Limited	1,836,337	3.08
4	Accident Compensation Corporation – NZCSD	1,780,009	2.98
5	HSBC Nominees (New Zealand) Limited – NZCS	1,665,239	2.79
6	BNP Paribas Nominees (NZ) Limited – NZCSD	1,645,184	2.76
7	Custodial Services Limited	1,416,126	2.37
8	Forsyth Barr Custodians Limited	1,263,900	2.12
9	HSBC Nominees (New Zealand) Limited – A/C State Street – NZCSD	1,229,334	2.06
10	FNZ Custodians Limited	1,047,855	1.76
11	JCG Trustee Limited	671,758	1.13
12	Tea Custodians Limited Client Property Trust Account – NZCSD	573,521	0.96
13	Joanna Hickman	500,000	0.84
14	PT (Booster Investments) Nominees Limited	492,292	0.83
15	JBWere (NZ) Nominees Limited	410,159	0.69
16	HSBC Nominees A/C NZ Superannuation Fund Nominees Limited – NZCSD	391,103	0.66
17	NZX WT Nominees Limited	319,677	0.54
18	GMH 38 Investments Limited	230,000	0.39
19	Graeme James Popplewell	203,604	0.34
20	JPMORGAN Chase Bank NA NZ Branch-Segregated Clients ACCT – NZCSD	188,550	0.32
Totals: Top 20 Holders Of Ordinary Shares		28,438,522	47.68
Total Remaining Holders Balance		31,210,539	52.32

SUBSTANTIAL PRODUCT HOLDERS

As at 1 August 2025, HGHL's only substantial product holder was Timothy Charles Glasson. Mr Glasson held 10,709,278 ordinary shares in HGHL at that date according to both disclosures made by Mr Glasson and HGHL's records. The total number of voting securities (fully paid ordinary shares) of HGHL as at 1 August 2025 was 59,649,061.



DIRECTORY

AUDITORS

PRICEWATERHOUSECOOPERS

BANKERS

ANZ BANK
NEW ZEALAND LTD

REGISTERED OFFICE

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

POSTAL ADDRESS

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AUCKLAND MAIL CENTRE AUCKLAND 1141

SHARE REGISTRAR

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

WEBSITES

HALLENSTEINGLASSON.CO.NZ GLASSONS.COM
HALLENSTEINS.COM

CALENDAR

ANNUAL BALANCE DATE

01 AUGUST

PRELIMINARY PROFIT
ANNOUNCEMENT

SEPTEMBER

REPORTS AND ACCOUNTS
PUBLISHED

OCTOBER

HALF YEAR RESULTS

MARCH

INTERIM DIVIDEND

APRIL

ANNUAL GENERAL MEETING

DECEMBER

A fashion advertisement featuring two models in a forest. The primary model, a young man with curly brown hair, stands in the foreground wearing a dark green quilted puffer jacket over a light grey ribbed sweater and blue jeans. His hands are in his pockets, and his jacket has some water droplets on it. In the background, another man in a light grey quilted puffer jacket and dark trousers is walking away. The setting is a dense forest with tall, thin trees and a ground covered in fallen leaves.

GLASSONS HALLENSTEINS

[HALLENSTEINS.COM](https://hallensteins.com)

[GLASSONS.COM](https://glassons.com)

[HALLENSTEINGLASSON.CO.NZ](https://hallensteinglasson.co.nz)