

JAMES GLASSON – GLASSONS AU CEO ADDRESS TO SHAREHOLDERS ON 10 DECEMBER 2025

Good morning everyone and thank you for attending today.

My name is James Glasson, CEO of Glassons Australia. It's a privilege to speak with you today and to provide an update on how the business has performed over the past financial year, and how we are positioning ourselves for the years ahead.

The past year has presented a complex retail environment across both Australia and New Zealand. Consumer sentiment has been softer in New Zealand and more variable in Australia, and ongoing movements in FX, freight costs, and the general cost of doing business have required careful management. Against this backdrop, Glassons has continued to perform well, with steady contributions from both sides of the Tasman.

In Australia, Glassons delivered sales of \$251.5 million, an increase of 15% on last year, while New Zealand delivered \$111.9 million, a lift of 2%. April and I are pleased with these results, but we view them with the knowledge we still have plenty to do.

Our priority is not to chase expansion but to ensure we are creating a sustainable, long-term platform for the brand, for our teams, and for our customers. Glassons was started over 100 years ago on Lichfield St less than 800 metres away from where we sit today, and every strategic decision we make is in the hope we make it last another 100 years for the benefit of yourselves, our teams, and our customers.

The strength of our performance this year reflects that approach. We have focused on operational agility, lean inventory positions, strong in-store experience, and maintaining a healthy Net Profit to Sales percentage. These fundamentals remain the backbone of our business, and we intend to protect them carefully.

One of the areas we are most proud of this year is our continued investment in customer experience — both in-store and online. Our ambition is to lead the market in this space, and we have made meaningful progress.

A major leap forward has been the integration of Radio Frequency Identification or RFID technology into both our warehouses and our stores. This is more than just an operational improvement; it enhances the customer and team experience directly. With RFID in place, we can complete stocktakes more frequently and far more accurately, improving replenishment speed and ensuring customers find the products they expect on our shelves. It also reduces manual workload for our teams, allowing them to focus on the customer rather than the back room.

This technology has already improved our stock accuracy, the efficiency of our replenishment cycles, and the quality of our in-store execution. It also provides a stronger foundation for future omnichannel activity, as accurate stock data is fundamental for the customer journey whether it begins online or in-store.

Our digital and e-commerce channels performed steadily throughout the year. Web sales grew at 6% across the Glassons eCommerce platforms in the Australasian markets. Australia saw good sales growth with the NZ market with its higher saturation harder. The continued refinement of imagery and development of video content are priorities to continue to drive sales growth.

We have paused further expansion into the US due to the changing tariff environment. While this slowed that particular channel, it also presented an opportunity. We have redirected some focus into other markets, where customer response has been positive. This pivot has allowed us to continue refining our international capability without overcommitting capital or operations.

Should the tariff landscape in the US shift, or should we find a more streamlined way of doing business there, we remain open to re-engaging. But for now, we are comfortable with our approach and the performance of our digital channels.

Strengthening our supply chain remains a core priority. Our sourcing strategy continues to centre around India, China, and Bangladesh, and we remain optimistic about the ongoing potential of these regions. If the New Zealand government can secure an Indian Free Trade Agreement, that would of course be advantageous, particularly as we continue to manage margins.

This year, we also made strong progress in our warehouse relocation project. I want to acknowledge the work of Sam Glasson and Chris Reid, whose leadership has been much appreciated.

The new warehouse — more than 7,000 square metres under one roof, compared with roughly 3,500 square metres spread across three buildings today — represents a significant step forward in our capability and efficiency.

We are also looking to build on current operational efficiencies with a level of automation to increase the speed and accuracy of our picking and streamline our teams.

The project remains on track to open in mid-2026, and it will materially improve our operating rhythm, our distribution capacity, and ultimately our customer experience. I look forward to updating you next year on it.

Discipline around cost control remains central to how we run the business. We monitor Net Profit to Sales closely and are intent on preserving the strength of that ratio as the business grows.

In Australia, Glassons delivered a Net Profit Before Tax of \$34.2 million, an increase of 16.1% on the prior year. New Zealand delivered \$19.2 million, up 27%. April and I are really proud of these results; significant increases in Net Profit are due to companywide performance and the results of all different departments contributing.

Our focus on cost control extends primarily across rent negotiations, logistics, marketing investment, and inventory planning. Our goal is to build a business that grows responsibly and sustainably.

On the store side, we continue to take a steady approach to expansion. Over the year, we opened stores on the Sunshine Coast, Harbour Town Adelaide, Manawa, Frankton, and expanded or refurbished Queen St (Auckland), Werribee, and Northland in Victoria.

We see opportunities to grow existing stores and to open in new locations where there are clear geographic gaps or strategic benefits. We all know that new stores are at a minimum 5-year commitments, so we don't make decisions lightly.

For the current financial year ahead, in Australia we have opened a new store in Sydney at Burwood, and have relocated and expanded Castle Towers and Parramatta, we have also committed so far to another two new locations. New Zealand has refurbished Lynn Mall and Hamilton.

Inventory discipline continues to be one of our core operational strengths. Running lean weeks of cover allows us to stay close to trend, move quickly where demand signals are strong, and protect margin where demand softens. This approach reduces risk and increases agility, and it will remain a central part of how we operate.

To close, I want to acknowledge our teams across Australia and New Zealand. The consistency of our performance in volatile and hyper competitive markets is a direct reflection of their hard work, their adaptability, and their commitment to delivering the best experience for our customers. I'd like to thank April for her leadership and partnership over the last year, the results from Glassons New Zealand are outstanding. I also want to thank the board for their continued support and advice and shareholders for their ongoing support and for the confidence placed in our business.

We remain optimistic. We see opportunities, but our focus remains on operational excellence, responsible investment, and maintaining a strong customer connection — the foundations that have allowed Glassons to perform well over many years.

Thank you for your time.

James Glasson
Glassons AU CEO & Executive Director
10th December 2025