

## **JAMES MCLAUCHLAN – HALLENSTEINS CEO ADDRESS TO SHAREHOLDERS ON 10 DECEMBER 2025**

Good morning shareholders, board members, and partners.

As I reflect on my first 12 months as CEO, I am proud of the progress we've made and energised by the opportunities ahead to further strengthen the Hallensteins brand.

It has been a challenging year for retail in New Zealand, with tighter discretionary spending and pressure across the sector. Despite this, Hallensteins has remained resilient, and we have taken deliberate steps to position the brand for long-term, sustainable growth.

I want to acknowledge our entire team from our distribution centre to our store teams and support office. Their commitment to protecting margin, keeping product flowing to stores, and delivering positive customer experiences through one of the toughest trading environments in recent years has been outstanding. Our people are one of our greatest advantages, and their dedication continues to drive our momentum.

Hallensteins is an iconic brand with a proud heritage, a loyal customer base, and a network of close to 50 stores across New Zealand and Australia. But the market has evolved, and we are evolving with it. Our online channels continue to deliver strong growth and remains an increasingly important way we serve and connect with customers.

This year, a key focus has been broadening our appeal to a wider customer set. Tailored and smart-casual apparel once a core strength of the brand was heavily impacted during COVID, but demand is returning. We are rebuilding these categories and refining our product offer to better reflect a wider customer across New Zealand and Australia.

We have also strengthened our internal capability, ensuring the right people are in the right roles. New team members have joined to simplify operations, lift execution, and strengthen our buying and product teams to help us get back to basics. At the same time, we've reset expectations across the business with a renewed focus on margin, operational discipline, and consistently higher standards.

Refreshing our store network has been another important priority. This year we invested in several new and upgraded locations, including Silverdale, Queen Street in Auckland, Hamilton CBD, Lynn Mall in West Auckland, Robina in Australia, and a pop-up in Parramatta Westfield our first store in New South Wales.

These investments ensure our physical network reflects the direction and ambition of the brand and we will continue to invest in and upgrade our store network whilst looking for the right new opportunities as they present themselves in both countries.

Looking ahead, by improving operational discipline, sharpening our product strategy, appealing to a broader customer base, and maintaining a strong focus on margin and bottom-line performance, Hallensteins is well positioned for sustainable growth.

Thank you for your ongoing support.

**James McLauchlan**  
**Hallensteins CEO**  
**10th December 2025**