Lewis Group Ltd

INTEGRATED ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2025

2025

Contents

ADDITIONAL ONLINE CONTENT

The Integrated report is supplemented by additional reports which are also available online at **www.lewisgroup.co.za**

- **Annual financial statements 2025**
- **Five-year financial review**
- **Corporate governance report**
- **Application of King IV principles**
- **Social, ethics and transformation committee report**
- **Annual general meeting**
  - **Notice to shareholders**
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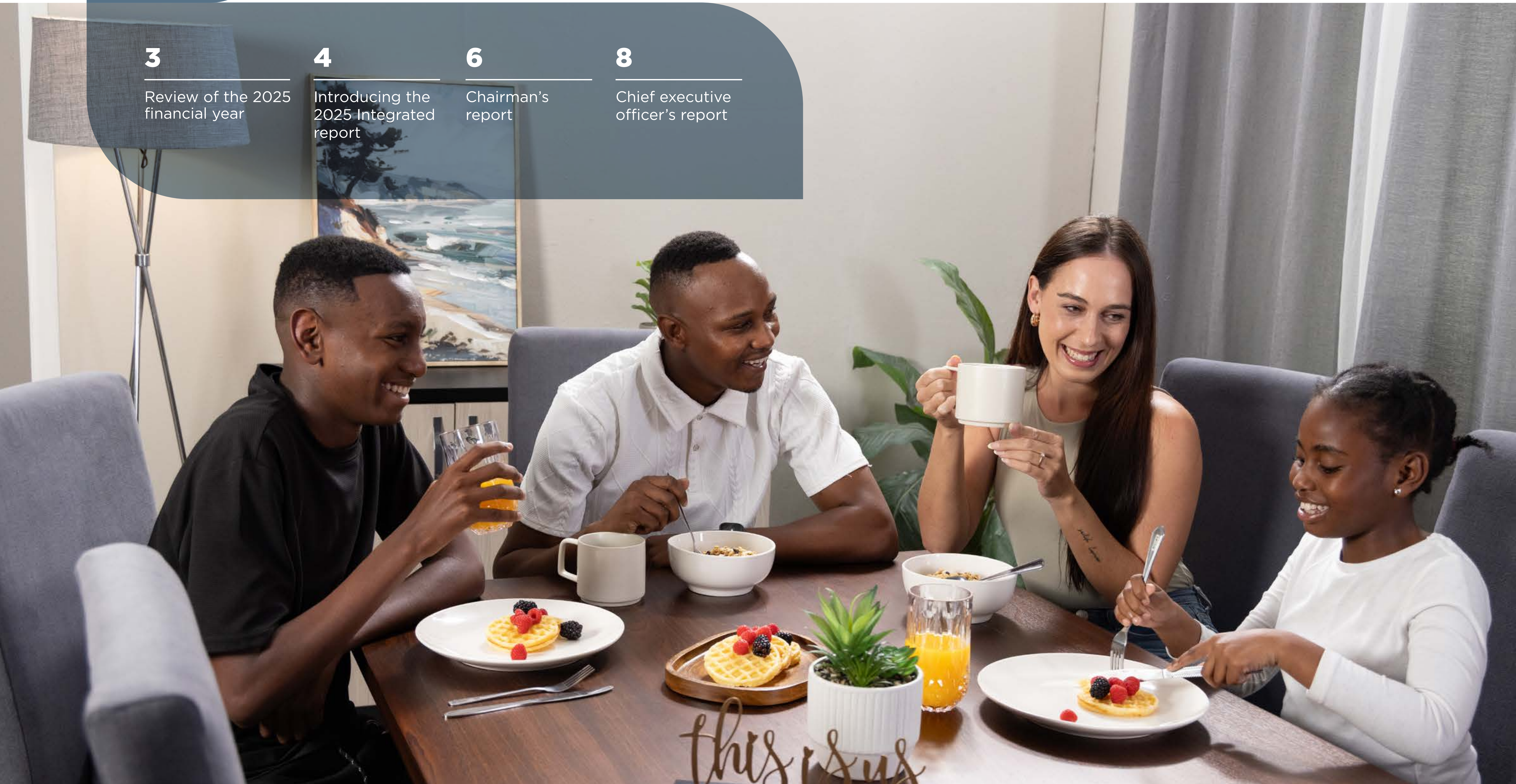
01 OVERVIEW



Review of the 2025 financial year

Merchandise sales increased by
9.2%
to R5.1 billion

Revenue increased by
13.5%
to R9.3 billion

Gross profit margin improved from 43.1% to
43.4%

Satisfactory paid accounts at
83.5%
up from 81.3%

Debtors book grew by
14.5%

Operating profit increased by
66.9%
to R1.2 billion

Operating profit margin at
22.7%
up from 14.8%

Earnings per share increased by
80.7%
to 1 457 cents

Headline earnings per share increased by
60.3%
to 1 483 cents

Total dividend increased by
60.0%
to 800 cents per share

Return on equity at
15.4%
up from 9.3%

Introducing the 2025 Integrated report

It was encouraging to witness the stability in the country following the formation of the Government of National Unity (GNU) in June 2024, along with the early signs of a recovery in consumer confidence.

However, escalating geopolitical tensions since the first quarter of the 2025 calendar year have created uncertainty across international markets, heightening business risks in our local environment. These challenges have been compounded by the recent instability within the GNU.

This uncertainty has slowed the country's economic recovery and dampened growth prospects, with a sustained turnaround in retail spending likely to take longer to materialise than previously anticipated.

Our 2025 Integrated report demonstrates how the Group has not only successfully navigated these challenging trading conditions, but also capitalised on opportunities to create value for our shareholders and other stakeholders.

Reporting scope and boundary

The report covers material information relating to the integrated performance and activities of the Group, which includes the main operating company, Lewis Stores (Proprietary) Limited, and its subsidiaries (the Group) for the period 1 April 2024 to 31 March 2025. The Group operates primarily in South Africa, where 85% of the revenue is generated, as well as Namibia, Botswana, Eswatini and Lesotho.

REPORTABLE SEGMENTS

During the year, the Group revised its reporting operating segments due to the acquisition of new businesses which prompted a strategic reorganisation. As a result, the composition of the reportable segments has changed.

The new reportable segments are:

- **Traditional**, comprising Lewis, Best Home & Electric and Beares
- **Speciality**, comprising United Furniture Outlets (UFO), Bedzone and Real Beds

There have been no other changes in the reporting scope and boundary over the past year.

Forward-looking information in the report focuses on the strategic objectives, operating plans and outlook for the 2026 financial year as well as the Group's short- and medium-term financial and operating targets.

The principle of materiality has again been applied in preparing the content and disclosure in this report. Materiality is determined by the board and is applied to internal and external issues that could positively or negatively affect the Group's ability to create value over time, and are likely to have a material impact on revenue, profitability, assets and liabilities. This excludes the disclosure of price-sensitive information or detail that could compromise the Group's competitive position.

Reporting governance and compliance

The Integrated report reflects the Group's commitment to good corporate governance, underpinned by the reporting principles of integrity, ethics, accountability, transparency, balance and materiality.

Reporting complies with the requirements of the Companies Act 71 of 2008 (Companies Act) and the JSE Listings Requirements. The summarised consolidated financial statements presented in this report are extracted from the audited annual financial statements for the year ended 31 March 2025. The audited financial statements were prepared in accordance with International Financial Reporting Standards (IFRS). The full set of audited financial statements is available on our website at *https://www.lewisgroup.co.za/investors/annual-financial-results/*. The King Code on Corporate Governance (King IV*) was applied throughout the reporting period and the directors confirm that the Group has, in all material respects, applied the principles of King IV. The Group's application of the principles of the code is outlined in the King IV report available on *https://www.lewisgroup.co.za/governance/king-iv/*

Integrated Reporting Framework

The guiding principles of the Integrated Reporting Framework of the IFRS Foundation have been applied in preparing this report.

The framework recommends reporting to shareholders in terms of the six capital resources applied in the creation, preservation or erosion of value which are as follows:

Financial capital
relates to the financial resources received from providers of capital and deployed by the Group.

Manufactured capital
is the physical infrastructure used in the selling of merchandise, including retail stores (rented and owned), online stores, storerooms and the Group's head office.

Human capital
focuses on the competency, capability and experience of the board, management and employees.

Intellectual capital
addresses the collective knowledge and expertise in the business as well as systems, processes, intellectual property and brands.

Social and relationship capital
covers stakeholder relationships and engagement, corporate reputation and values.

Natural capital
deals with the environmental resources applied and utilised by the Group.

The impact of the six capitals on the Group's operations and performance is addressed in the relevant sections throughout the report and detailed in the Value creating business model report on page 12.

Introducing the 2025 Integrated report continued

Independent assurance

Reporting	Assurance process
Annual financial statements	The Group's external auditor, Ernst & Young Inc. (EY), provided assurance on the annual financial statements and expressed an unqualified audit opinion.
Integrated report	The Integrated report was reviewed by the board and management. The report has not been independently assured. EY reviewed the summary consolidated financial statements that are included in the Integrated report.
Sustainability information	The sustainability information disclosed in the report has been approved by the board's social, ethics and transformation committee. Independent, accredited service providers assisted with or verified selected non-financial indicators as follows: • **Broad-based black economic empowerment (B-BBEE) rating:** Reviewed and verified by AQRate • **Carbon emissions:** Assessed by The Green House sustainability consulting firm Management verified the processes for measuring all other sustainability information.

Board approval

The board acknowledges its responsibility to ensure the integrity of the Integrated report. The directors collectively confirm that the Integrated report addresses all material issues, strategy and integrated performance as well as the Group's prospects.

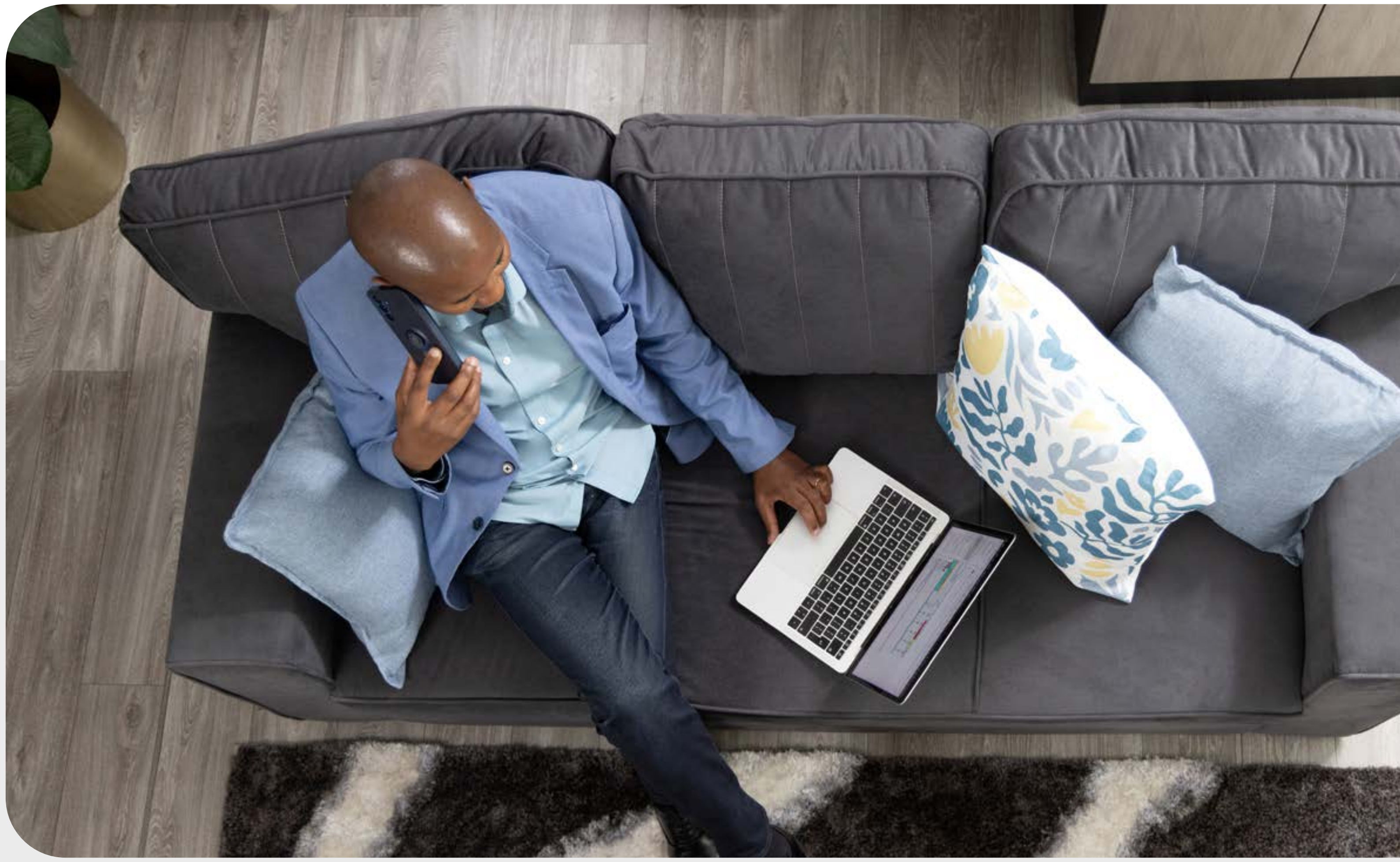
The audit committee has oversight of the preparation of the Integrated report and recommended the report for approval by the board.

The 2025 Integrated report was approved by the board on 26 June 2025.

Hilton Saven
Independent non-executive chairperson

Johan Enslin
Chief executive officer

Jacques Bestbier
Chief financial officer



Forward-looking statements

The Integrated report includes forward-looking statements which relate to the possible future financial position and results of the Group's operations. These are not statements of fact but rather statements by management based on current estimates and expectations of future performance. No assurance can be provided that these forward-looking statements will prove to be correct, and shareholders are advised to exercise caution in this regard.

The Group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events.

The forward-looking statements are the responsibility of the board and have not been reviewed or reported on by the Group's external auditor.

Forward-looking statements made at the time of releasing the Group's 2025 financial results were informed by the business plans, budgets, financial and economic forecasts as at the end of March 2025.

Chairman's report

Hilton Saven

The directors once again demonstrated their confidence in the Group's strong cash-generating ability and growth prospects by increasing the total dividend for the year by 60.0% to 800 cents per share.

The formation of South Africa's Government of National Unity (GNU) in June 2024, along with its commitment to addressing long-standing economic challenges, signalled the start of structural reforms, improved growth prospects and much-needed relief for cash-strapped consumers.

Consumer sentiment was buoyed by the smoother-than-expected transition to coalition politics, together with declining inflation, the strengthening of the currency and the suspension of load shedding.

Sustained lower inflation allowed the South African Reserve Bank the ability to initiate its interest rate reduction cycle in September 2024. Reductions totalling 100 basis points brought the repo rate down to 7.25% by May 2025. Additional consumer relief followed with the implementation of the two-pot retirement system in September 2024.

These factors supported what many commentators expected to be the beginning of a long-awaited recovery in consumer disposable income, which was expected to positively impact the retail sector.

However, the early months of 2025 saw the mood of optimism give way to growing uncertainty due to developments in the United States which heightened geopolitical tensions and instability across global markets. Domestically, divisions within the coalition GNU surfaced as fundamental policy disagreements raised concerns about the government's stability and long-term viability.

Economic momentum stalled in the first quarter of 2025, with South Africa's gross domestic product expanding by only 0.1% as subdued consumer spending and persistently high unemployment weighed on growth.

While South Africa has made encouraging progress in political restructuring and monetary policy over the past year, global uncertainty due to the US-led tariff war is likely to dominate the economic landscape in the months ahead.

Creating shareholder value

Against this background, the Group delivered an industry-leading trading and financial performance for the year as operating profit increased by 66.9% to R1.2 billion and the operating profit margin expanded by 790 basis points to 22.7%. Headline earnings increased by 53.5% to R768 million and headline earnings per share by 60.3% to 1 483 cents, supported by the positive leverage from the Group's earnings-enhancing share repurchase programme.

Importantly, the Group outperformed its medium-term target for return on equity of 15%, improving the return from 9.3% to 15.4% through higher profitability and the strategically executed share repurchase programme.

This performance was achieved while continuing to fund the longer-term growth and sustainability of the business, mainly through the investment in the debtors book and the store portfolio. In the past year, R1 billion was invested in the debtors book, bringing the total investment in the past four years to R2.5 billion. Over the same period, the Group's retail footprint increased from 807 to 918 stores.

The directors once again demonstrated their confidence in the Group's strong cash-generating ability and growth prospects by increasing the final dividend by 66.7% to 500 cents per share. The total dividend for the year of 800 cents per share represents an increase of 60.0% on the prior year. This equates to an attractive dividend yield of 11.3% at the date of the declaration, with an average annual yield of 10.5% over the past five years. The board has consistently maintained the dividend payout ratio at 55% or higher, reflecting our commitment to delivering sustainable returns to shareholders.

Share repurchases are a key component of the Group's capital management strategy. Since the listing on the JSE, we have repurchased 47.8% of the Group's issued shares, returning over R1.8 billion to shareholders in the process.

Chairman's report continued

During the first half of the financial year, 0.9 million shares were repurchased at a cost of R43.9 million, at an average price of R47.00 per share. Since the start of the current share repurchase programme in 2017, the Group has bought back 36.7 million shares at an aggregate cost of R1.3 billion. No repurchases were undertaken in the second half of the year and the board has resolved not to pursue further repurchases in the short term.

The Group has delivered an annual return to shareholders of 17.8% per annum over the past five years.

The trading and financial performance is detailed in the *Chief executive officer's report on pages 8 to 9* and the *Chief financial officer's report on pages 48 to 50.*

Company of the Year 2025

The past year marked the 20th year since Lewis Group listed on the JSE. Over these past two decades, the Group has navigated countless challenges in the volatile economic and trading environment, from the global financial crisis of 2008/2009 and the Covid-19 pandemic, to political uncertainty, load shedding, high unemployment, civil unrest, natural disasters and periods of sustained low economic growth.

Despite the shorter-term impacts of these and other challenges, together with prolonged pressure on consumer spending, the Group's business model has consistently proven its resilience and sustainability.

This was acknowledged when Lewis Group was named Company of the Year in the News24 Business Awards 2025, which recognise excellence in corporate South Africa. Judged on a range of performance criteria and informed by the views of the investment community, this external recognition is a strong endorsement of the dedication and leadership of our management team and the commitment of our staff across the Group.

Board governance

Our board is diverse, stable and independent, with a healthy balance of more recently appointed and longer-serving directors. This fosters robust debate and ensures continuity in our independent oversight. The board's strong commitment and engagement are reflected in the 100% attendance at all board and committee meetings for the past two years.

There were no changes in the board composition during the year. The chairperson is elected every two years and I was re-elected by my board colleagues in November 2024, a responsibility I gladly accepted.

At the forthcoming annual general meeting in October 2025, independent non-executive directors Prof Fatima Abrahams and Brendan Deegan will be proposed for re-election by shareholders.

As chairperson of the Group's remuneration and social, ethics and transformation committees, Fatima brings a wealth of wide-ranging expertise in human capital, remuneration and ESG, complemented by deep insight into the retail sector gained from serving on the boards of major listed companies. As our lead independent director since 2021, Fatima plays a pivotal leadership role in the Group's governance and oversight.

Brendan has made a significant contribution to the board as well as the audit, risk, remuneration and nominations committees since his appointment three years ago. His extensive experience in financial reporting, governance, risk and assurance adds considerable value to board deliberations.

Board diversity is essential to ensure that the interests of all stakeholder groups are considered and addressed. We have maintained the voluntary board diversity targets of 30% female and black director representation. Currently, 37.5% of board members are female and 37.5% are black in terms of the Broad-based Black Economic Empowerment (B-BBEE) Act.

However, in addition to meeting these targets, we embrace a broader approach to diversity, seeking to achieve a balance across age, board tenure, culture, skills and experience to support effective governance and strategic insight.

Appreciation

Thank you to my fellow non-executive directors for your active participation in the boardroom and diligent oversight of the Group's affairs.

The performance of the past year can be attributed to the outstanding teamwork of our people. On behalf of the board, I extend our thanks and congratulations to chief executive officer, Johan Enslin, and his executive team for their leadership and for delivering a market-leading performance. Thank you to our management and staff of more than 10 400 in South Africa and the neighbouring countries for your contribution and commitment.

Thank you to our shareholders for your continued belief in the Group's investment case and to our external stakeholders, including our customers, suppliers, regulators and business associates, for your ongoing support and engagement.

Hilton Saven
Independent non-executive chairman

Chief executive officer's report

Johan Enslin

It was a year marked by strong growth in credit sales and the debtors book, expansion in both gross as well as operating profit margins, record customer payment levels and the addition of 49 stores.

Milestone year for Lewis Group

After encountering several challenges over the past decade, the Group embarked on a strategic rebuilding phase a few years ago, realigning its business model and driving sustained improvements in performance in recent years.

This transformation culminated in the Group delivering one of its strongest and most balanced performances to date in the 2025 financial year.

It was a year marked by strong growth in credit sales and the debtors book, expansion in both gross as well as operating profit margins, record customer payment levels and the addition of 49 stores.

It was also the year in which we celebrated the 90th anniversary of the Group's founding and were honoured as the Company of the Year in the News24 Business Awards 2025.

Sales exceed R5 billion mark

Merchandise sales increased by 9.2% to R5.1 billion for the year. After increasing by 8.5% for the first half of the year, merchandise sales growth accelerated to 9.8% for the second six months.

Merchandise sales in the traditional retail segment, which accounted for 89.5% of sales, increased by 8.5%. The speciality segment, comprising predominantly of UFO, Bedzone and Real Beds, generated merchandise sales of R533 million. Comparable store sales across all brands grew by 5.9%.

The 144 stores outside South Africa, which make up 15.7% of the store base, grew sales by 11.9% and contributed 18.3% of Group merchandise sales.

The strong credit sales growth trend continued, with credit sales increasing by 12.1%, highlighting the resilience of the Group's business model in the difficult consumer spending environment. Cash sales increased by 3.4%. Credit sales grew at a compound annual rate of 15.3% over the past three years and now account for 68.0% of total merchandise sales, compared to 66.2% last year. The Group's social media strategy is supporting credit sales growth, with sales generated through online and social media channels accounting for 9.6% of merchandise sales compared to 7.0% in the prior year. Active customer engagement drove a 23.0% increase in the Group's Facebook following to over 3.7 million.

Other revenue benefited from the strong credit sales growth in recent years and increased by 19.1%. Total revenue, comprising merchandise sales and other revenue, increased by 13.5% to R9.3 billion.

The gross profit margin strengthened by 30 basis points to 43.4%, supported by lower negotiated shipping rates on imported merchandise in the second half of the year as well as the favourable movement in the Rand/US dollar exchange rate.

The financial performance is covered in the Chief financial officer's report on pages 48 to 50.

Chief executive officer's report continued

Record debtor payment performance

The quality of the Group's debtors book continued to improve over the past year, with satisfactory paying customers reaching a record level of 83.5%, up from 81.3% in 2024. This increase led to an additional 68 000 customers being rated as satisfactorily paid, supporting repeat sales as further credit is extended to good paying customers.

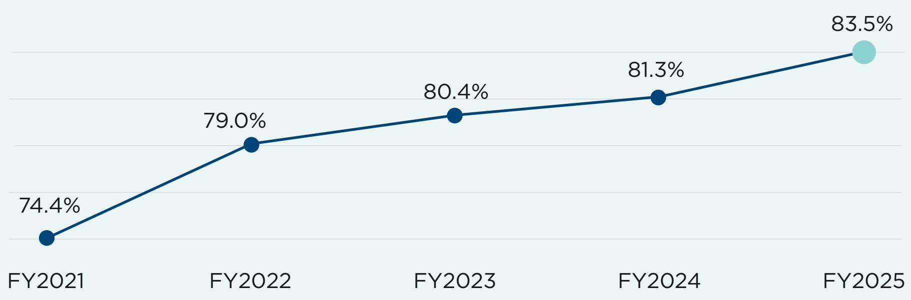
The Group delivered a third consecutive year of strong growth in the debtors book, which increased by 14.5% to R8.0 billion. Encouragingly, debtor costs reduced by 2.6%, with debtor costs as a percentage of debtors at gross carrying value improving to 15.0% from 17.6%.

Improved collection strategies contributed to a 17.4% increase in instalment sales collections, with the collection rate ending the year at a solid 78.9% compared to 79.7% in the prior year. Non-performing accounts decreased from 5.5% to 4.1% of all credit customers.

Shareholders can take confidence that the Group has continued to apply its prudent credit granting standards in the constrained spending environment, with the credit application decline rate increasing to 38.5% from 35.1% in 2024.

Refer to the Managing credit risk report on page 45 for further analysis of the debtors book.

Satisfactory paid accounts



Expanding store footprint

The store footprint increased to 918, with the opening of a net 33 new stores, far exceeding the store opening target of 20. A further 16 stores were added through the acquisition of Real Beds, a cash retail bed specialist with 12 stores in South Africa and 4 in Botswana.

New stores were opened across Lewis (net 13 stores), Best Home & Electric (net 14), Beares (net 4) and Bedzone (net 3). One underperforming UFO store was closed.

During the year, 170 stores across the portfolio were refurbished to ensure that stores remain modern and appealing to promote merchandise. Stores are refurbished on average every five years.

In the new financial year, we will continue to seek opportunities to acquire well-located trading space to support our store expansion strategy, with plans to open at least 20 new traditional retail stores and 20 specialist bed stores. The first 10 Real Beds stores opened early in the new year.

Outlook

Increasing geopolitical tensions have created uncertainty across global markets and this uncertainty has been compounded in the domestic market by the recent instability within the Government of National Unity, adding further complexity to the local investment environment.

These challenges slowed the country's economic recovery and dampened growth prospects, with a sustained turnaround in retail spending now expected to take longer than previously anticipated.

Despite the constrained retail environment, the Group will continue to invest for long-term growth in its debtors book and store portfolio. We expect consumer demand for credit to remain high, and the Group aims to drive sales growth through its proven merchandise and marketing strategies, executed by the experienced executive and operational management team. The momentum in merchandise sales and account collections reported for the full year has continued into the first two months of the new financial year.

Appreciation

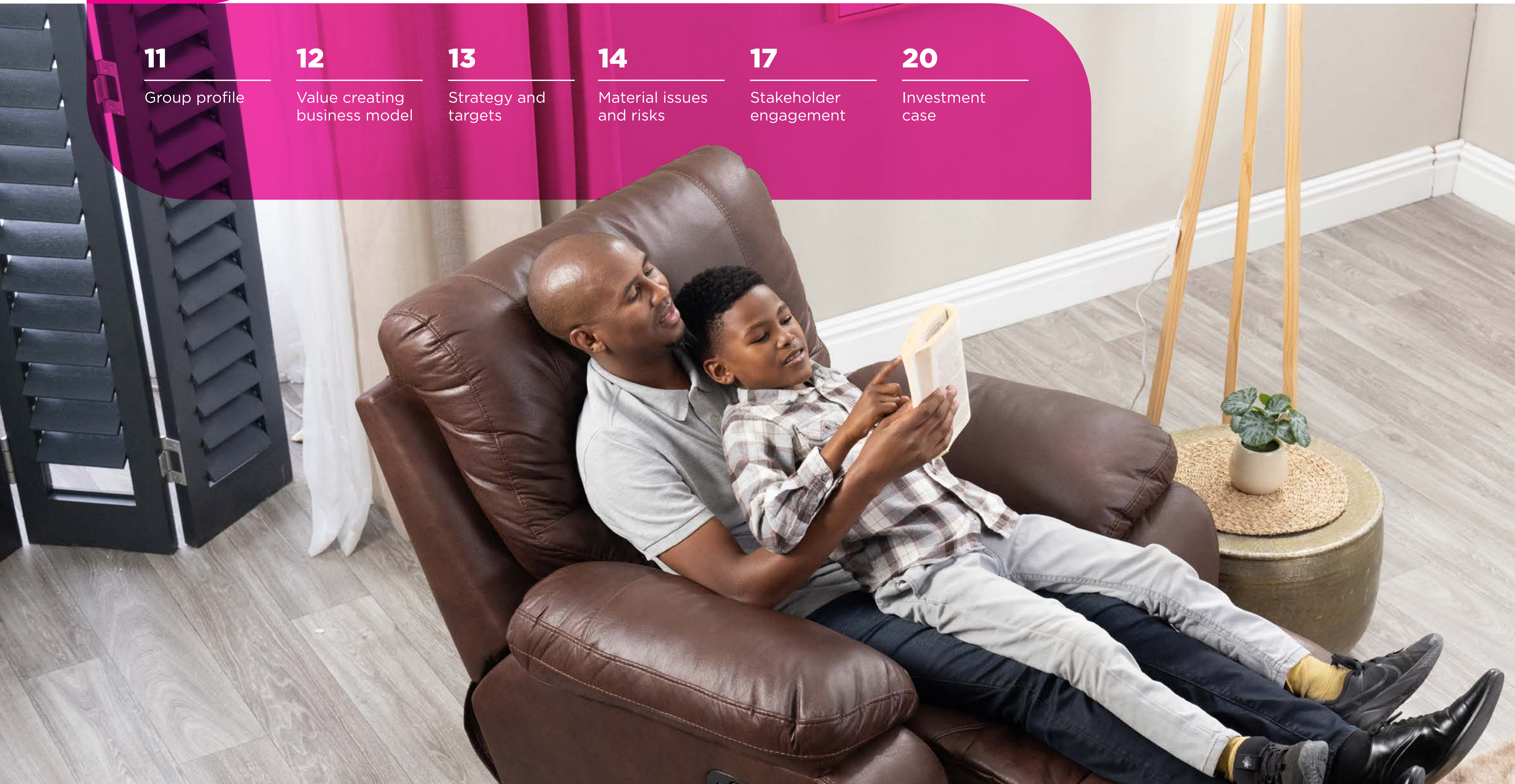
As we close this milestone year, we recognise that this is not the finish line, but rather a strong foundation for our next growth phase. We are committed to building on this momentum and are well-positioned to create further value for our shareholders in the year ahead.

The Group continues to reap the benefits of a highly experienced board and management team. Thank you to our chairperson Hilton Saven and our non-executive directors for their astute leadership, strategic guidance and wise counsel. I also extend my appreciation to my executive management colleagues for their support and commitment.

The management and staff at head office and the stores across southern Africa are committed to delivering outstanding service to our customers, and I thank everyone for their contribution to a highly successful year for the Group.

Johan Enslin
Chief executive officer

02 CREATING VALUE FOR STAKEHOLDERS



Group profile

Lewis Group is a leading retailer of furniture, home appliances, electrical goods and homeware through its trading brands Lewis, Best Home & Electric, Beares, UFO, Bedzone and Real Beds.

Founded in Cape Town in 1934, Lewis Group has been listed on the JSE since 2004. The Group employs over 10 400 permanent staff and is committed to promoting socio-economic change through its retail operations and supply chain, being a strong supporter of the local furniture manufacturing sector.

Stores outside SA

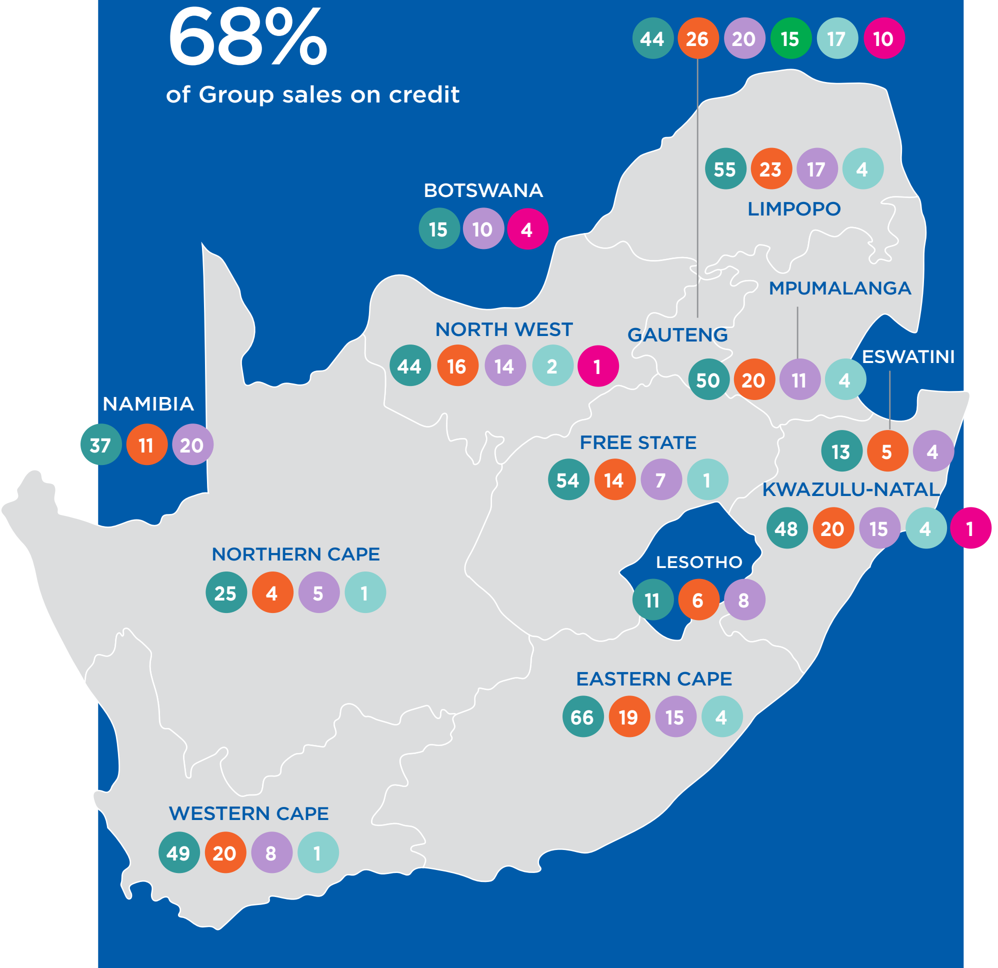
144 Stores

18.3% of Group's sales

90% Merchandise deliveries completed within 24 hours of the sale

>705 000 Active credit customers

68% of Group sales on credit



EXPANDING BRAND PORTFOLIO

The Group has expanded its portfolio beyond the traditional Lewis chain by developing brands internally and acquiring established retail chains, while following a strategy of diversifying across income groups, market segments and product offering.

PRESENCE OUTSIDE SOUTH AFRICA

Lewis was one of the first South African retailers to expand into southern African countries as far back as the late 1960s. In 2016, the Group significantly increased its store presence outside South Africa through the acquisition of 56 stores in Botswana, Lesotho, Namibia and Eswatini.

CREDIT MANAGEMENT

Lewis Group has extensive experience in managing credit risk in the lower- to middle-income market. Credit is offered to customers of the Lewis, Best Home & Electric, Beares and Bedzone brands.

Credit is granted centrally at head office to ensure that credit risk policies are consistently applied and to avoid subjectivity in the credit granting process. A compliance call centre ensures that governance and regulatory issues relating to credit contracts are explained to customers.

Stores are responsible for cash collections and payment follow-ups with customers, supported by a comprehensive debit order strategy.

Customers purchasing merchandise on credit are offered insurance cover by Monarch Insurance Company Ltd (Monarch), a subsidiary of Lewis Group, which offers direct insurance in South Africa and reinsurance in Botswana, Lesotho and Eswatini. The insurance product is optional for customers purchasing goods on an instalment sale basis and provides cover for death, disability, loss of income, theft or damage to goods.

CUSTOMER COMMITMENT

The Group has high levels of repeat sales to existing customers which is evidence of service satisfaction, trust and customer loyalty. As part of the commitment to service excellence, Lewis strives to be an integral part of the communities in which it operates. Stores are responsible for managing all aspects of the customer relationship. Customers in the traditional retail brands are served by staff from their local communities in their own languages, with stores being located close to the places where customers live, work and shop. Convenient store locations make it easy for credit customers to pay their account in-store, and regular engagement with customers creates further sales opportunities.

COMMITMENT TO SUSTAINABILITY

Lewis Group recognises its responsibilities towards society and the environment in which it operates and is committed to entrenching sound environmental, social and governance practices across the business. *Read more about the Group's activities undertaken in support of this commitment in the* *Sustainability report on pages 22 to 35.*

TRADITIONAL SEGMENT

89.5% Group sales

Lewis – South Africa's largest furniture chain which is synonymous with furniture retailing in the country.
LSM* 4-7
STORE FOOTPRINT: **435** Inside SA | **76** Outside SA

Best Home and Electric – Established in 2008, selling home appliances as well as furniture ranges.
LSM* 4-7
STORE FOOTPRINT: **162** Inside SA | **22** Outside SA

Beares – Established in 1930, was acquired in 2014 as the Group diversified into a higher-income target market.
LSM* 7-9
STORE FOOTPRINT: **112** Inside SA | **42** Outside SA

SPECIALITY SEGMENT

10.5% Group sales

UFO Furniture – A luxury furniture chain acquired in 2018 marked the Group's diversification into cash retailing and targeting the higher-income customers.
LSM* 9+
STORE FOOTPRINT: **38** Inside SA

Bedzone – Established in 2022 as a specialist retailer of base sets.
LSM* 4-9
STORE FOOTPRINT: **15** Inside SA

Real Beds – Specialised bedding chain acquired by the Group in 2024.
LSM* 4-10
STORE FOOTPRINT: **12** Inside SA | **4** Outside SA

* *Based on Living Standards Measure (LSM), a market research segmentation tool applied in South Africa to classify standard of living and disposable income. The population is divided into 10 groups, where 10 is the highest living standard level and one is the lowest level. The LSM tool groups consumers according to criteria including ownership of assets and appliances, access to wealth, education, level of urbanisation as well as access to basic services.*

Value creating business model

OPERATING ENVIRONMENT

- Weak macroeconomic environment with constrained consumer spending
- Declining consumer price inflation and lower borrowing costs supporting spending
- Reduced load shedding positive for retail trading and consumer sentiment
- Weak labour market with ongoing high unemployment levels
- Heightened global uncertainty due to rising geopolitical tensions

INPUTS

CAPITAL RESOURCES AND RELATIONSHIPS APPLIED IN THE GROUP'S BUSINESS ACTIVITIES

FINANCIAL CAPITAL

- Equity of R5.0 billion (2024: R4.7 billion)
- Funding facilities of R2.1 billion (2024: R1.8 billion)
- Net borrowings of R880 million (2024: R551 million)
- Borrowings ratio of 17.3% (2024: 11.7%)

MANUFACTURED CAPITAL

- 918 stores (2024: 869)
  - 144 stores outside SA (2024: 138)
  - 273 small-format Lewis stores (2024: 259)
- Online and social media platforms

HUMAN CAPITAL

- 10 423 average permanent employees (2024: 10 004)
- Extensive investment in training and skills development
- Highly experienced, stable board and management

INTELLECTUAL CAPITAL

- Decentralised, store-based business model
- Robust risk and governance framework
- Leading-edge credit risk management systems
- Brand equity and reputation

SOCIAL AND RELATIONSHIP CAPITAL

- 705 362 active customers (2024: 640 543)
- 43% repeat customers (2024: 44%)
- Social media followers
  - Over 3.7 million Facebook followers (2024: 3.1 million)
  - 196 916 Instagram followers (2024: 176 101)
- Long-term relationships with offshore and local suppliers
- Commitment to corporate social investment

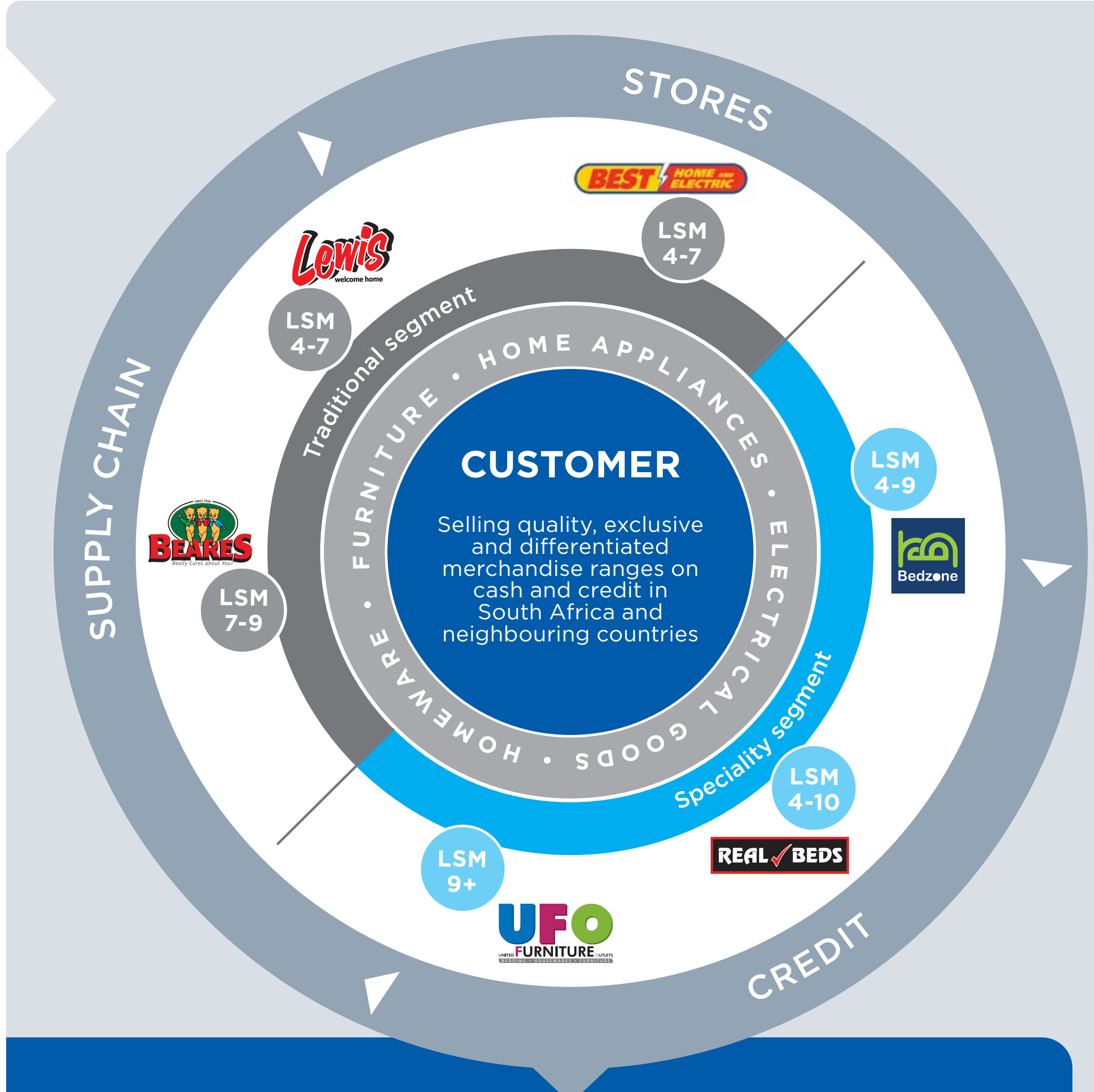
NATURAL CAPITAL

- Materials used in products and packaging
- Fuel and electricity consumption in business activities
- Investment in solar power generation

Capital resources are aligned with the following United Nations Sustainable Development Goals.

Refer to Sustainability report on pages 22 to 35

CUSTOMER-FOCUSED BUSINESS MODEL



OPERATING MODEL

Supply chain

- Merchandise delivered directly by local suppliers to stores
- No distribution centres or centralised warehouses for traditional retail brands
- Customers offered an optional delivery service
- Stores responsible for deliveries to traditional retail customers
- Third-party logistics providers undertake deliveries for speciality segment customers

Refer to Merchandise, supply chain and stores report on pages 42 to 44

Stores

- Stores accountable for all aspects of customer relationship
- Traditional retail customers serviced by staff from their local communities in their own language
- Traditional retail stores located close to where customers live, work and shop

Refer to Merchandise, supply chain and stores report on pages 42 to 44

Credit

- Credit granted centrally to ensure credit policies are consistently applied
- Compliance call centre ensures that all critical elements of contracts are explained to customers
- Stores responsible for collections and follow-up of defaulting customers

Refer to Managing credit risk report on pages 45 to 46

- Monarch, the Group's insurer, underwrites customer protection insurance offered to customers purchasing goods on an instalment sale basis
- The insurance product offered is optional and provides cover to the Group's credit customers in the event of death, disability, loss of income, or loss or damage to the goods purchased
- Monarch launched an additional range of competitively priced products which include: funeral benefit, legal expense cover, household contents cover, homeowners cover and personal accident cover

OUTPUTS

Revenue **R9.3 billion** (2024: R8.2 BILLION)	Cost of merchandise sales **R2.8 billion** (2024: R2.6 BILLION)
Operating profit **R1.2 billion** (2024: R690 MILLION)	Carbon emissions **83 296** tonnes CO_2e (2024: 78 308 TONNES CO_2e)

OUTCOMES

VALUE CREATED FOR OUR STAKEHOLDERS IN THE 2025 FINANCIAL YEAR

SHAREHOLDERS

- Operating profit increased by 66.9% to R1.2 billion (2024: R690 million)
- Headline earnings per share increased by 60.3% to 1 483 cents (2024: 925 cents)
- R461 million (2024: R436 million) returned to shareholders through share buy-back programme and dividends
- Total dividend per share 800 cents (2024: 500 cents)
- Return on equity 15.4% (2024: 9.3%)
- Cash generated from operations R933 million (2024: R694 million)

CUSTOMERS

- Merchandise sales of R5.1 billion (2024: R4.7 billion)
- Opened a net 49 new stores; total stores now 918
- Acquired Real Beds brand of 16 stores
- 170 (2024: 150) stores refurbished
- 403 964 (2024: 356 275) new customers
- Extensive social support in communities where customers live

EMPLOYEES

- R1.7 billion (2024: R1.5 billion) paid to employees
- R56.4 million (2024: R59.5 million) invested in training and development
- Over R1.2 million (2024: over R1.2 million) in educational assistance provided to employees and their dependants
- 23 570 (2024: 29 151) staff training interventions
- 98% black (2024: 97%) and 58% female (2024: 58%) employees

SUPPLIERS

- R5.6 billion (2024: R5.1 billion) paid to suppliers of goods and services
- Majority of merchandise procured locally

Strategy and targets

Lewis Group's strategy is to provide exclusive merchandise to customers across all market segments and income groups in southern Africa, offering furniture, home appliances, electrical goods and homeware on credit and cash.

Strategy

Medium-term growth strategies are developed by executive management and reviewed and approved by the board. These strategies are further supported by detailed business plans and budgets, information technology (IT) solutions, human capital requirements and operational policies and procedures.

Medium-term targets are determined to measure the Group's progress in the implementation of its strategies.

Material issues and risks that could impact on the Group's strategy, stakeholders and ability to sustain growth are reviewed annually as part of the strategic planning process (*refer to* *Material issues and risks report on pages 14 to 16*).

Strategic objectives are developed to deliver the medium-term strategies and manage material impacts on the Group.

Strategic objectives

The directors believe that the strategic objectives remain relevant in the current environment and should ensure sustainable value creation for shareholders, and therefore remain unchanged for the year ahead.

PLANS TO DELIVER ON STRATEGIC OBJECTIVES IN 2026:

1 Expand the credit customer base

- Capitalise on the ongoing consumer demand and appetite for credit
- Maintain strict credit-granting criteria
- Expand opportunities for customer engagement through social media and online channels

2 Maintain collection rates in a challenging collection environment

- Increase the number of customers paying instalments on monthly debit orders
- Improve collections on failed debit orders
- Increase capacity to follow up with customers paying instalments in stores
- Expand the credit call centre to support store-based collections

3 Attract customers through exclusive merchandise ranges and ensure high levels of stock availability

- Maintain focus on quality, exclusivity and differentiation of merchandise
- Introduce new merchandise ranges
- Invest in effective marketing campaigns
- Increase sales of higher margin furniture and appliance product categories
- Invest in local and imported stock to meet customer demand and mitigate supply chain challenges

4 Expand retail presence through new store openings

- Open 20 new stores across the traditional retail brands
- Open 20 new speciality bed set stores
- Complete the integration of the Real Beds acquisition
- Expand the footprint of smaller-format Lewis stores
- Target to refurbish 150 stores

5 Improve UFO performance

- Ongoing strict cost management
- Introduce exclusive merchandise offerings
- Improve social media marketing strategies

6 Enhance shareholder returns through efficient capital management

- Ongoing investment in the growth of the debtors book through increased credit sales
- Continue to return capital to shareholders
- Seek shareholder approval at the annual general meeting for renewal of the share repurchase mandate

7 Capitalise on the experienced and motivated management team and workforce to unlock value for stakeholders

- Capitalise on the Group's positioning and customer loyalty to gain market share
- Maintain momentum in credit sales and collections to support future earnings

8 Support the sustainability of the business through robust environmental, social and governance practices

- Maintain an efficient governance and compliance framework
- Ongoing alignment of the sustainability programme with selected United Nations Sustainable Development Goals (SDGs)
- Improve B-BBEE rating
- Enhance and expand climate-related reporting

Targets

Targets %

STRATEGIC FOCUS AREAS	PERFORMANCE INDICATORS	2025 ACHIEVED (%)	2025	2026	MEDIUM-TERM
MERCHANDISE AND SUPPLY CHAIN	Gross profit margin	43.4	**40–42**	40–42	41–43
CREDIT MANAGEMENT	Satisfactory paid customers	83.5	**77–80**	78–82	78–82
	Debtor costs as a percentage of debtors at gross carrying value	15.0	**13–17**	13–16	12–15
OPERATIONAL MANAGEMENT	Operating margin	22.7	**12–16**	16–20	16–20
	Increase in operating costs (including insurance service expenses)	13.9	**6–10**	7–11	6–10
CAPITAL MANAGEMENT	Borrowings ratio (excluding IFRS 16 lease liabilities)	17.3	**<25**	<25	<25
	Gearing ratio (including IFRS 16 lease liabilities)	36.6	**<50**	<50	<50

Material issues and risks

Material issues have been identified which could significantly impact the Group's ability to deliver its strategy and create and sustain long-term value for stakeholders.

These material issues are reviewed by the board and executive management annually as part of the Group's strategic planning process, while the key risks are monitored by the board's risk committee.

The material issues are unchanged for the 2026 financial year.

Factors influencing material issues

In determining these material issues, the directors consider several internal and external factors including the following:

- **Global and local political environment**
- **International and domestic economic factors**
- **Retail trading environment**
- **Competitor landscape**
- **Industry trends and consumer behaviour**
- **External opportunities and threats**
- **Group's strategic objectives**
- **Key Group risks**
- **Business threats and weaknesses**
- **Legislation and regulation**
- **Needs, expectations and concerns of primary stakeholders**

Material issues

- 01 Retail trading environment
- 02 Global and local supply chain challenges
- 03 Credit risk management
- 04 Capital management
- 05 Cyber risk
- 06 Attraction and retention of human capital
- 07 Regulatory and legislative compliance

Material issues and risks continued

01 Retail trading environment

The macroeconomic environment in South Africa has a significant impact on the Group's operations, and the weak trading conditions impact both sales and collections across the trading brands.

RELATED RISKS

- Geopolitical tensions, including conflicts and trade disruptions place significant pressure on South Africa's economy
- Constrained consumer spending as a result of weak economic conditions
- High unemployment rates place further pressure on consumer spending, particularly impacting the Group's lower- to middle-income target market
- Constrained utility supply limiting the ability of stores to trade and adversely impacting economic growth
- Civil unrest poses risks to customer and employee safety, threatens property, and may lead to physical and business interruption losses

RISK MITIGATION

- The Group's business model has proven resilient through all economic cycles, while the current executive team has led the business through several downturns and disruptive events
- The strength of the Group's balance sheet provides protection against the current economic headwinds
- Back-up and alternate power solutions at stores and at head office limit the impact of load shedding on trading
- Business continuity plans across the Group are regularly reviewed and enhanced
- The wide geographic distribution of the store base mitigates the negative impact on trading that could result from civil unrest
- Adequate business insurance coverage is maintained and reviewed annually

02 Global and local supply chain challenges

Global and local challenges can impact the production and transportation of merchandise and the consistency of supply to stores and customers, while higher supply chain costs can adversely impact margins.

RELATED RISKS

- Climate change, including the increase in extreme weather events and water scarcity, impacting continuity of supply
- Higher levels of working capital are required to maintain increased stock levels as a buffer against supply chain disruptions
- Unstable utility supply impacting the ability of suppliers to meet their order obligations
- Lack of availability of raw materials impacting imports and locally produced merchandise
- Volatility in sea freight costs affecting imports and rail freight costs impacting transport from local ports
- Infrastructure failures and inefficiencies at local ports cause delays in imported merchandise
- Industrial action or civil unrest disrupt production, warehousing and transportation of merchandise

RISK MITIGATION

- The Group strategically maintains higher stock levels when needed to mitigate supply chain disruptions and ensure sufficient stock to meet customer demand
- Earlier placement of orders to enable timeous delivery of imported and local merchandise
- Products are sourced from a wide range of local and international suppliers which enables the Group to increase localisation if required
- Broader range of shipping lines and service providers is utilised to enhance supply chain resilience
- Financial support, in the form of supplier development loans, provided to local suppliers to assist with increased costs of production

03 Credit risk management

Effective credit risk management aims to optimise the quality of the debtors book by reducing debtor costs through improved collections and lower bad debts.

RELATED RISKS

- Inability to manage credit risk effectively could result in higher bad debts, slower collections, limited new account growth and fewer customers being able to buy on credit
- External factors including weak economic conditions, high unemployment, industrial action and civil unrest impact on the Group's ability to maintain the optimal quality of the debtors book

RISK MITIGATION

- Refining credit risk policies and processes to mitigate risks
- Ensuring continued focus on collections productivity and efficiency to increase collection rates and reduce bad debts
- Converting more customers to the debit order payment platform to support collections
- Focusing on increasing the number of satisfactory paying customers
- Ensuring compliance with the credit application process through the in-house compliance call centre
- Sophisticated technology-driven controls to mitigate credit risk

Refer to Managing credit risk report on pages 45 and 46 for further detail

04 Capital management

Efficient management of capital, financial risks and liquidity is key to the Group's financial stability and to improving returns to shareholders.

RELATED RISKS

- Inefficient capital management could impact on profitability and returns to shareholders
- Volatility of exchange rate impacting on margin, pricing and merchandise planning

RISK MITIGATION

- Ensure efficient allocation of and access to capital at all times
- Continued investment in organic growth and in the debtors book
- Return capital to shareholders through dividend payments
- Manage borrowing levels within risk appetite, and within the targeted range communicated to shareholders
- Manage currency exposure and risk, and hedge against currency fluctuations

Material issues and risks continued

05 Cyber risk

Leading IT systems are critical to protect the Group against the threat of cybercrime and limit the risk of breaches of data security and customer privacy, and avoid business interruption due to the unavailability of key operating systems.

RELATED RISKS

- Cybercrime threats could result in the breach of personal information, identity theft, loss of intellectual property and financial loss
- Cybersecurity breaches can result in legal liability and reputational damage
- Business disruptions owing to the unavailability of main operating systems and disruption to critical services could impact on revenue and profitability
- Artificial intelligence (AI)-powered cyber attacks make breaches harder to detect and defend

RISK MITIGATION

- IT governance is monitored through the IT steering committee, with regular risk updates provided to the risk committee
- Continuous investment in cybersecurity include AI-driven threat detection, autonomous response technology and a managed detection and response solution for rapid threat identification and mitigation
- Implemented secure web gateway and data loss prevention solutions, regular penetration testing, and vulnerability scanning to enhance security and prevent data breaches
- Disaster recovery plans are regularly reviewed and employees are educated on emerging cybersecurity threats through awareness programmes
- Comprehensive cyber insurance coverage is maintained

07 Regulatory and legislative compliance

Ensuring compliance with relevant legislation and regulations and limit impact of legislative changes on margins and profitability.

RELATED RISKS

- Legal sanctions for regulatory non-compliance could result in material financial loss and reputational damage
- Changes in legislation and regulations could adversely affect margins and profitability
- Inability to respond effectively to ongoing regulatory changes

RISK MITIGATION

- Monitor compliance with regulations and legislation through in-house legal and compliance teams
- Implement mitigation measures and disciplinary processes to ensure regulatory compliance
- Engage with regulators on proposed legislative changes
- Ensure the business operates efficiently and pursues an active strategy of diversification
- Focus on complying with licencing and related requirements of applicable legislation

06 Attraction and retention of human capital

Attracting, motivating and retaining scarce and skilled retail and financial services talent is key to the sustainability of the Group and the delivery of its strategic objectives.

RELATED RISKS

- Inability to attract, motivate, develop and retain competent people
- Skills shortage in retail and financial services sectors increases employee mobility
- Loss of key people and challenge of attracting and retaining staff in current climate
- High levels of staff turnover

RISK MITIGATION

- Ensure remuneration packages for key staff are competitive and externally benchmarked
- Improved recruitment and selection practices as well as appointment of internal succession candidates to fill vacancies where possible
- Enhance transformation to further improve diversity at all levels in the Group
- Continued investment in training and development as well as leadership development for employment equity candidates
- Enhance mentoring and coaching programmes

Stakeholder engagement

The stakeholder engagement programme focuses mainly on the five primary stakeholders that management believes are most likely to influence the Group's ability to create value in the short, medium and long term. Proactive and transparent relationships enable the Group to identify and address the needs and expectations of these stakeholder groups and respond appropriately.

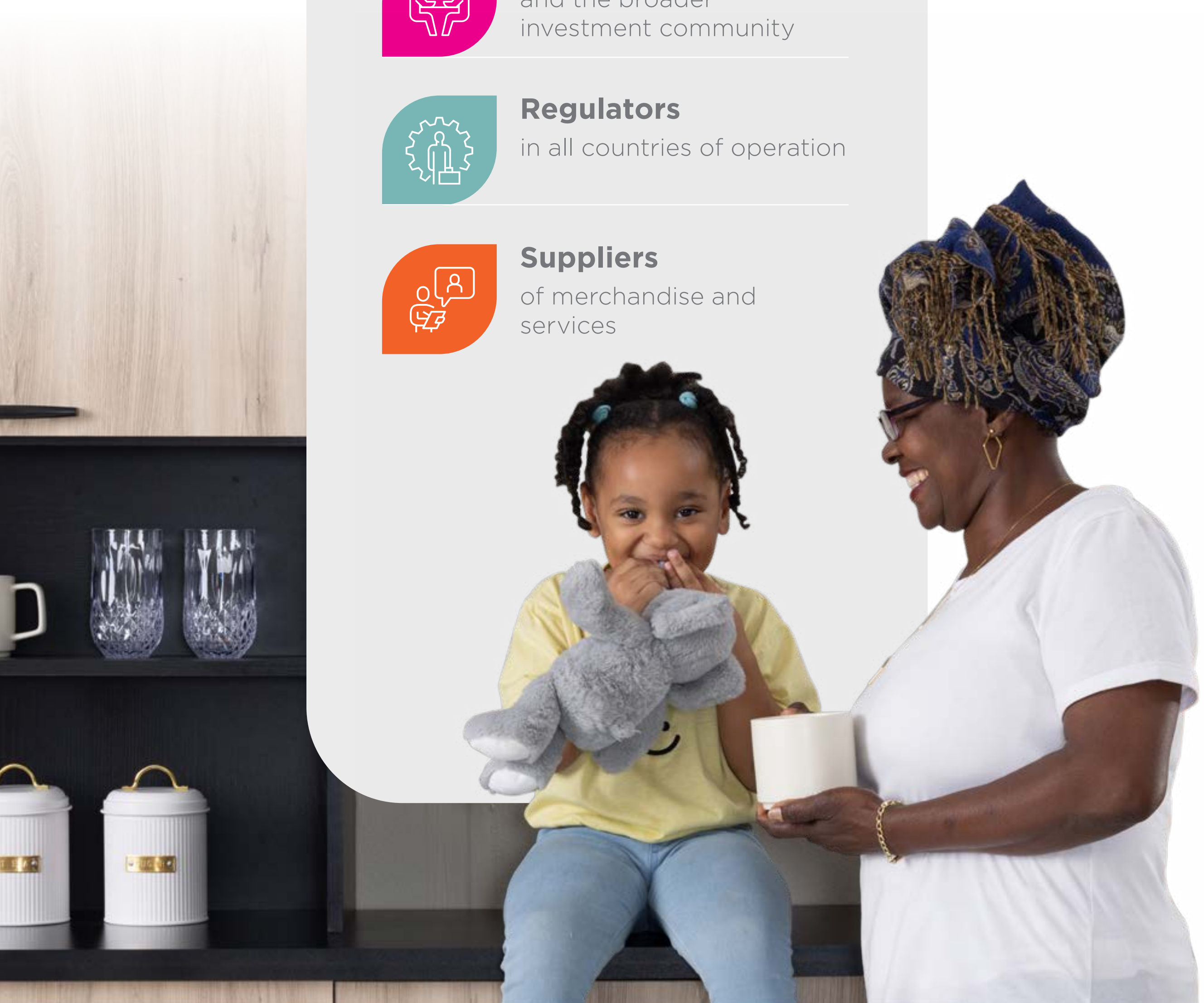
Employees
at head office and stores across the Group

Customers
of the Group

Shareholders
and the broader investment community

Regulators
in all countries of operation

Suppliers
of merchandise and services



Employees

10 423 employees

58.3% female

98.0% black

NEEDS AND EXPECTATIONS

- A secure and healthy work environment that supports work-life balance
- Competitive remuneration and benefits
- Effective personal development
- Investment in training and skills development
- Career advancement opportunities
- Protection of labour and human rights
- Working environment which embraces transformation and diversity
- Promote an ethical working culture

KEY ENGAGEMENT AREAS IN 2025

- Employee wellness
- Training and development
- Labour and human rights
- Transformation and diversity
- Succession planning
- Ethics training

OUR APPROACH TO ENGAGEMENT

Why we engage:
The Group's performance and success is determined by the contribution of its employees who provide their talent, skills and experience.

How we engage:
Through daily, weekly and monthly in-store review meetings, induction and training courses, feedback through performance management, electronic media channels in stores, as well as ongoing engagement with labour unions.

OUR RESPONSE TO ENGAGEMENT AREAS

- Wellness counselling available to all employees
- Continued focus on leadership and skills development programmes, with more than 80% of nominated employees from previously disadvantaged backgrounds
- Bursary programme and education assistance for children of employees
- The Group remains committed to employment equity. Following the finalisation of the retail sector targets of the Employment Equity Amendment Act, the Group will ensure it is positioned to meet the targets
- Remuneration regularly reviewed against industry benchmarks
- Incentives to encourage high performance culture
- Continuous ethics training and encouraging employees to report unethical behaviour
- Commit to investigate and resolve ethics complaints within 30 days

Stakeholder engagement continued

Customers

NEEDS AND EXPECTATIONS

- Exclusive and differentiated merchandise
- High-quality products
- Competitive and value-for-money pricing
- Responsible lending practices
- Excellent customer service
- Appealing store environment
- Conveniently located stores
- Protection of personal information

Over **705 000** active credit customers

Over **3.9** million social media followers across platforms

KEY ENGAGEMENT AREAS IN 2025

- Stock availability
- Product quality
- Credit applications
- Online presence

OUR APPROACH TO ENGAGEMENT

Why we engage:
Customers are the Group's main source of revenue through merchandise sales and related credit offerings, and cover credit and cash customers in South Africa, Botswana, Eswatini, Lesotho and Namibia.

How we engage:
Primarily through direct engagement with customers in stores, traditional and social media advertising, in-store promotions, call centres, online channels and through market research.

OUR RESPONSE TO ENGAGEMENT AREAS

- Ensure stores are well stocked to meet customer demand through effective stock management
- Customer-friendly online credit application process
- Continued store footprint expansion and refurbishment programme
- Extensive online and in-store promotional campaigns
- Prioritising customer service through ongoing employee coaching and training
- Ensure compliance with the Protection of Personal Information Act by safeguarding customers' personal information

Shareholders

NEEDS AND EXPECTATIONS

- Business model and strategy and its impact on sustainable, long-term returns
- Transparent, relevant and regular communications
- Clearly articulated growth strategy
- Strong balance sheet
- Quality management team
- Robust corporate governance structures
- Effective risk management

4 037 shareholders

16.4% shares held outside South Africa

KEY ENGAGEMENT AREAS IN 2025

- Challenging consumer environment
- Trading and financial performance
- Supply chain challenges
- Capital management
- Trading outlook and earnings growth prospects

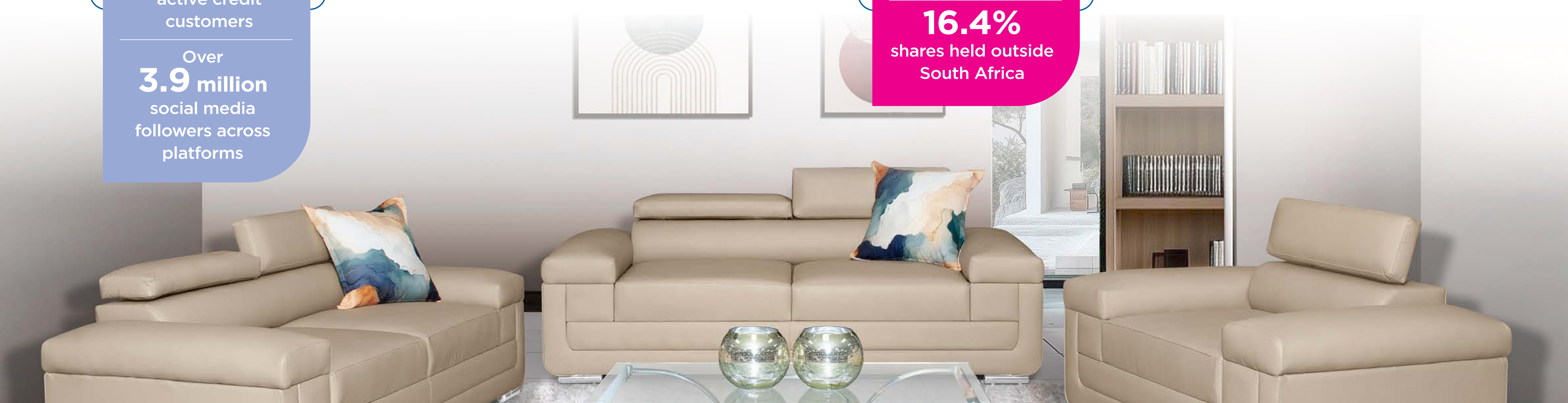
OUR APPROACH TO ENGAGEMENT

Why we engage:
Shareholders are the Group's primary providers of financial capital. Engagement with shareholders is the responsibility of the chief executive officer and chief financial officer and is mainly focused on local and international institutional fund managers and private investors.

How we engage:
Direct and indirect engagement through results presentations, meetings with local and international investors, shareholder meetings, investor conferences, SENS announcements, Integrated annual report and investor website.

OUR RESPONSE TO ENGAGEMENT AREAS

- Management addresses all the key engagement issues directly with investors through the interim and annual results presentations, post results meetings, broker conferences and one-on-one meetings, trading updates on SENS and the Integrated report.



Stakeholder engagement continued

Regulators

NEEDS AND EXPECTATIONS

- Legislative and regulatory compliance
- Tax compliance
- Submission of statutory returns
- Ethical business practices
- Protection of consumer, human and environmental rights
- Adherence to occupational health and safety
- Commitment to black economic empowerment and transformation

KEY ENGAGEMENT AREAS IN 2025

- Status of South Africa's grey listing
- Implementation of the revised retail sector targets of the Employment Equity Amendment Act
- Cybersecurity readiness and opportunities/dangers of artificial intelligence
- B-BBEE compliance

OUR APPROACH TO ENGAGEMENT

Why we engage:
Regulatory compliance ensures the Group's ability to trade. The key regulators are the National Credit Regulator, JSE Limited, South African Revenue Service, Prudential Authority of the South African Reserve Bank and the Financial Sector Conduct Authority, government departments including the Department of Trade, Industry and Competition, Department of Employment and Labour and regulatory authorities in all countries of operation.

How we engage:
Primarily through statutory reporting, regulatory submissions, liaison with regulators and membership of industry bodies and forums.

OUR RESPONSE TO ENGAGEMENT AREAS

- Enhance anti-money laundering and counter terrorist measures
- Address compliance with the Financial Intelligence Centre Act
- Following finalisation of the retail sector targets of the Employment Equity Amendment Act, the Company will ensure compliance and draft a new five-year employment equity plan in line with the retail sector targets
- Adequate controls to mitigate cyber security risk

Suppliers

NEEDS AND EXPECTATIONS

- Fair and ethical business practices
- Meeting contractual terms and obligations
- Long-term beneficial relationships
- Preferential procurement aligned with B-BBEE legislation
- Long-term sustainability of suppliers

Majority of merchandise is manufactured in South Africa

Main sources of imported merchandise are China, Malaysia and Brazil

KEY ENGAGEMENT AREAS IN 2025

- Security of supply due to weak economic conditions affecting manufacturers
- Consistency of supply due to global shipping challenges and port delays
- Factory sustainability owing to increased operational costs and funding requirements
- Consistency of supply and orders during periods of low and peak demand
- Impact of load shedding on the supply chain
- Inflationary pressures on product sustainability
- Lease renewal negotiations as well as assessing new store opportunities with property landlords

OUR APPROACH TO ENGAGEMENT

Why we engage:
Suppliers provide merchandise and other goods and services, and include local and international manufacturers, sales agents, property landlords and professional service providers. We engage to source high-quality products and services at the best price and ensure sustainable and ethical business practices.

How we engage:
Regular supplier meetings, factory visits, supplier audits, quality control assessments and service level agreements.

OUR RESPONSE TO ENGAGEMENT AREAS

- Contractual agreements with freight forwarding companies to ensure consistent supply of imported products
- Relationships with multiple forwarding companies
- Diversification of supply base
- Third-party logistics provider assists in minimising the impact of local port delays
- Orders with suppliers are placed well in advance to allow for sufficient planning and execution time
- Regular engagement with suppliers as well as financial and operational support provided in certain cases
- Agility to increase stock levels, when necessary, to ensure sufficient stock on hand to meet customer demands and store base growth
- Regular engagement with suppliers to mitigate inflationary pressures and ensure the supply of affordable products
- New leases and lease renewals concluded at market-related rates
- Ongoing financial risk and viability assessment of suppliers

Investment case

Lewis Group offers investors exposure across southern Africa's retail customer markets and channels through its portfolio of well-established brands.

The directors believe the investment case should support competitive longer-term returns for shareholders.

This investment case should be read together with the *Strategy and targets report on page 13*.

1 Resilient business model

- The Group's strategy is executed through a decentralised store-based business model supported by sophisticated technology-driven controls and has proven resilient through all economic cycles
- A combination of store-based collections, an integrated debit order payment strategy and a dedicated collections call centre resulted in a record high level of satisfactory paying customers supported by solid collection rates
- Brands diversified across the income spectrum

2 Favourable positioning for growth

- Brands are well positioned to gain market share across all market segments through the extensive retail footprint, credit offering and exclusive merchandise
- Opportunity to expand into new specialist product categories, including the bedding base set market

3 Extensive and expanding retail footprint

- Ongoing expansion of the store base with a target to open at least 20 stores across the traditional brands each year
- Deep penetration of the retail market with 918 stores across urban and rural areas in southern Africa
- Expansion into the higher-income segment through the UFO chain of 38 stores
- Strong presence of 144 stores in neighbouring African markets

4 Exclusive merchandise supported by strong supplier relationships

- Differentiated, exclusive and quality product ranges across all brands
- Products that appeal to the needs of a specific market are sourced locally and offshore
- Strong relationships across the supply chain ensure optimal stock levels

5 Proven credit risk management and customer loyalty

- Extensive expertise in managing credit risk in the lower- and middle-income market is a strategic advantage
- Centralised credit approval and sophisticated credit-granting systems ensure quality credit risk management
- High levels of brand awareness and trust are supported by an extensive social media following

6 Strong balance sheet and effective capital management

- Robust balance sheet and commitment to reinvestment for growth in the debtors book and store footprint
- Average annual return to shareholders of 17.8% over the past five years (share price appreciation, share buy-backs and dividend payments)
- Dividend payout ratio consistently maintained at 55% or over
- Borrowings ratio of 17.3%, maintained within management's target range

7 Leadership team

- Stable and highly experienced executive team with an average of 20 years' service with the Group
- Current leadership team has led the business successfully through previous economic downturns
- Executive incentive schemes are closely aligned with shareholder interests

03 SUSTAINABILITY

Sustainability report

A people-centred approach rooted in Ubuntu and social impact.

"I am because we are."

Sustainability through Ubuntu

As Lewis marks over 90 years of trading in southern Africa, our commitment to people, purpose and performance remains central to our sustainability ambitions. This report reflects how those commitments are integrated across the business.

In 2025 the principle of Ubuntu, the belief that we are defined through our relationships with others, continued to shape how Lewis approaches value creation. It informs the way we work through long-standing customer relationships, a stable workforce and a deep understanding of the communities we serve.

Over the years, we have made good progress. We began applying global sustainability frameworks including the International Sustainability Standards Board (ISSB) standards, the Task Force on Climate-related Financial Disclosures (TCFD) and the United Nations Sustainable Development Goals (SDGs). We also initiated climate scenario planning, advanced transformation goals and contributed to social development in the markets where we operate.

Notably, we are rethinking how we define and measure impact and moving beyond compliance or outputs to focus on relationships, relevance and trust. This integrated approach is central to how we see the future, not as a set of disconnected activities but as a coherent strategy built on shared value.

OUR COMMITMENT TO SUSTAINABILITY

We recognise our responsibilities as a business operating within society and the environment. The Group has committed to adhere to sustainable business practices by ensuring appropriate sustainability governance practices are embedded in the business. At Lewis, sustainability means creating value for our stakeholders through responsible practices and long-term thinking. We achieve this by:

- Offering affordable, exclusive and quality household goods for customers
- Supporting employees, customers and communities
- Creating long-term value for shareholders
- Ensuring that the business model remains sustainable
- Meeting our responsibilities in sustaining the environment

Sustainability report continued

A YEAR OF MILESTONES

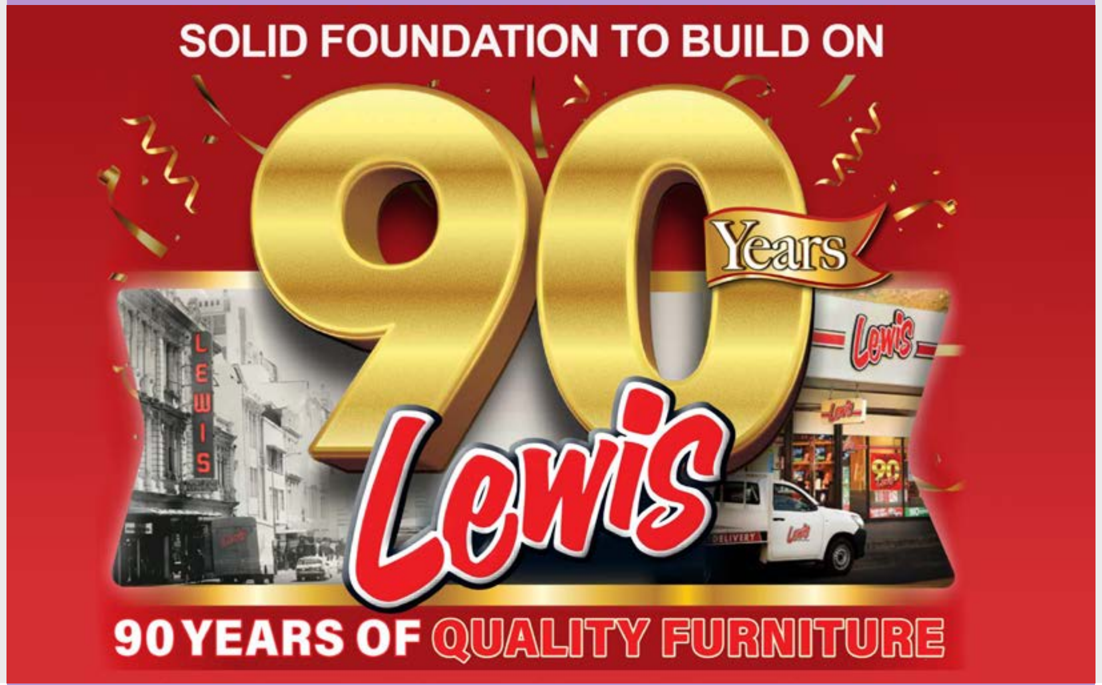
This year held particular significance as Lewis received external recognition for the values that continue to shape our journey. We were named Company of the Year 2025, an honour that reflects both our commercial resilience and the enduring dedication of our people.

In addition, we received the Wholesale and Retail Sector Education and Training Authority (W&RSETA) Ambassador Award, which affirms our leadership in skills development and our contribution to a more inclusive and empowered retail sector. These awards reflect a long-standing commitment to investing in people and creating value through stable employment, continuous learning and shared growth. For over 90 years, this focus has underpinned the way we do business.

During our Annual Awards events, **chief executive officer Johan Enslin reminded us that:**

"The success of this Company depends, and has always depended, on the success of all of us… of each of us."

This was more than symbolism. It was a recognition that our success rests in the shared efforts of teams and individuals across every level of the business.



WHAT WE ACHIEVED THIS YEAR

LEWIS GROUP COMPANY OF THE YEAR AWARD 2025

Lewis Group was named Company of the Year at the prestigious News24 Business Awards 2025 which recognise excellence in corporate South Africa.

The award recognises the JSE-listed company that has created strong shareholder value over the medium term, while also excelling in performance, transforming the business landscape in South Africa through strategic leadership and innovation and maintaining transparency in its communications.

Chief executive officer, Johan Enslin, said the external endorsement of the investment community and News24's financial team made the award particularly meaningful to the Company.

"Everybody in our Company worked really hard to rebuild this business to what it is today. This award is a tribute to the energy, commitment and resilience of our staff of over 10 400 across our operations in South Africa and our neighbouring countries. We have great plans to expand the business and believe the award will motivate our employees to continue to go the extra mile in serving our customers."

Sustainability report continued

Alignment with the SDGs

The Group supports the SDGs, a global framework that addresses the world's most pressing environmental, social and economic challenges. These goals guide our efforts to contribute meaningfully to inclusive growth, social well-being and environmental stewardship.

Our sustainability commitments are aligned with the following SDGs:

Environmental, social and governance

We are aware of our impact on the world around us and remain committed to doing business in a way that is responsible, ethical and sustainable. Our approach reflects a conscious decision to integrate ESG considerations into how we operate and report. Measuring our performance in these areas helps make better decisions, reduce harm, unlock new opportunities and contribute positively to the people and communities connected to our business.

Sustainability report continued

Sustainability governance

The Lewis Group social, ethics and transformation committee reports to the board of directors. Its responsibilities include oversight of employment equity, social investment, ethics management and climate-related governance. The committee supports the board in monitoring the Group's performance in relation to its social licence to operate and its alignment with applicable legislation and codes of best practice.

At an operational level, the Lewis Stores social, ethics and transformation working group reports to the chief executive officer. The working group is responsible for driving implementation across the business, including workforce transformation, sustainability initiatives, community investment and internal reporting. It ensures that the Group's sustainability priorities are embedded in day-to-day operations and provides regular feedback to the executive team.

SUSTAINABILITY GOVERNANCE

BOARD OF DIRECTORS

The board of directors provides strategic oversight of sustainability and ESG matters

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE COMPOSITION

- Three independent non-executive directors
- The chairperson serves on the committee in his capacity as a non-executive director, not as chairperson of the board
- Chief executive officer

SOCIAL, ETHICS AND TRANSFORMATION WORKING GROUP COMPOSITION

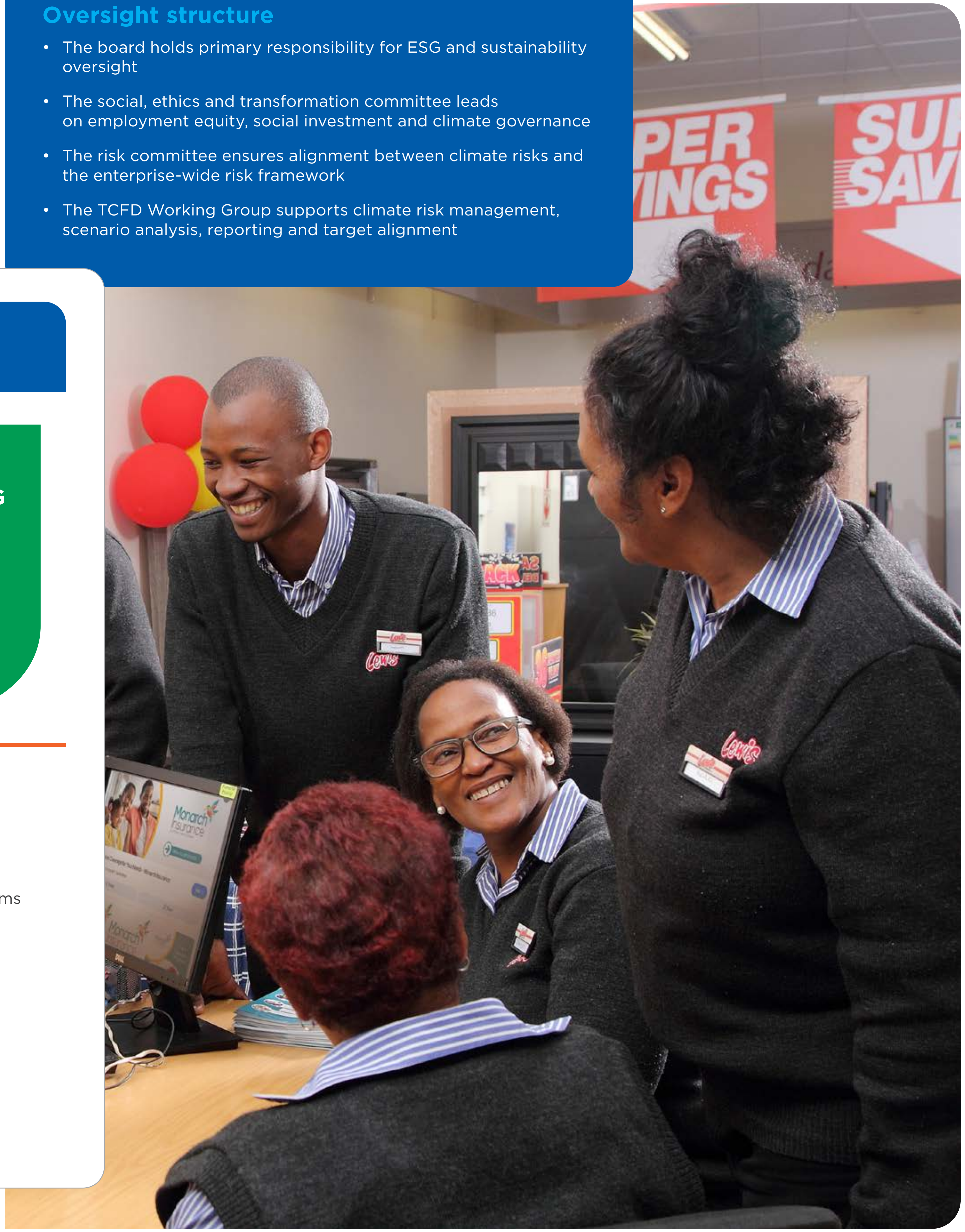
- Human resources director
- Chief financial officer
- Chief risk officer
- Operations director
- Human resources manager
- Company secretary

KEY FOCUS AREAS IN 2025

- Monitoring the application of the code of ethics, including values and ethics awareness
- Monitoring customer relationships and compliance with consumer laws
- Increasing focus on ESG reporting
- Oversight of the employment equity plan aimed at increasing representation of all designated groups in terms of race and gender, particularly in management categories
- Monitoring skills development through learning and development initiatives and leadership programmes
- Supporting learnerships for disabled unemployed learners
- Supporting learnerships for junior IT software developers
- Monitoring initiatives aimed at improving retention rates of branch managers and regional controllers
- Supporting enterprise and supplier development partners
- Monitoring continued support for socio-economic development programmes
- Recommending key policies for board approval including the environmental policy and stakeholder engagement policy.

Oversight structure

- The board holds primary responsibility for ESG and sustainability oversight
- The social, ethics and transformation committee leads on employment equity, social investment and climate governance
- The risk committee ensures alignment between climate risks and the enterprise-wide risk framework
- The TCFD Working Group supports climate risk management, scenario analysis, reporting and target alignment



Sustainability report continued

Investing in our people

TRAINING, TALENT AND SKILLS DEVELOPMENT

The Group's training and development programmes create opportunities for all employees, ranging from basic sales and product knowledge to preparing high-potential staff for branch and management roles. The training department is accredited with the W&RSETA and delivers a mix of classroom-based and e-learning programmes across retail, management and leadership topics.

A central learning and development facility supports the training of store operations managers across all five countries where the Group operates, reflecting a consistent commitment to staff development.

WHAT WE ACHIEVED THIS YEAR

SKILLS DEVELOPMENT AND RECOGNITION

R56.4 million
Invested in employee training

98%
Training spend on previously disadvantaged employees

23 570
Training initiatives

20
Employees completed the senior management development programme

We believe learning is a journey – not just of skill, but of identity. In 2025, we also deepened our coaching and mentoring platforms to support new leaders from underrepresented groups.

EMPLOYER RECOGNITION

W&RSETA Ambassador Award

Championing skills development from shop floor to sectoral voice

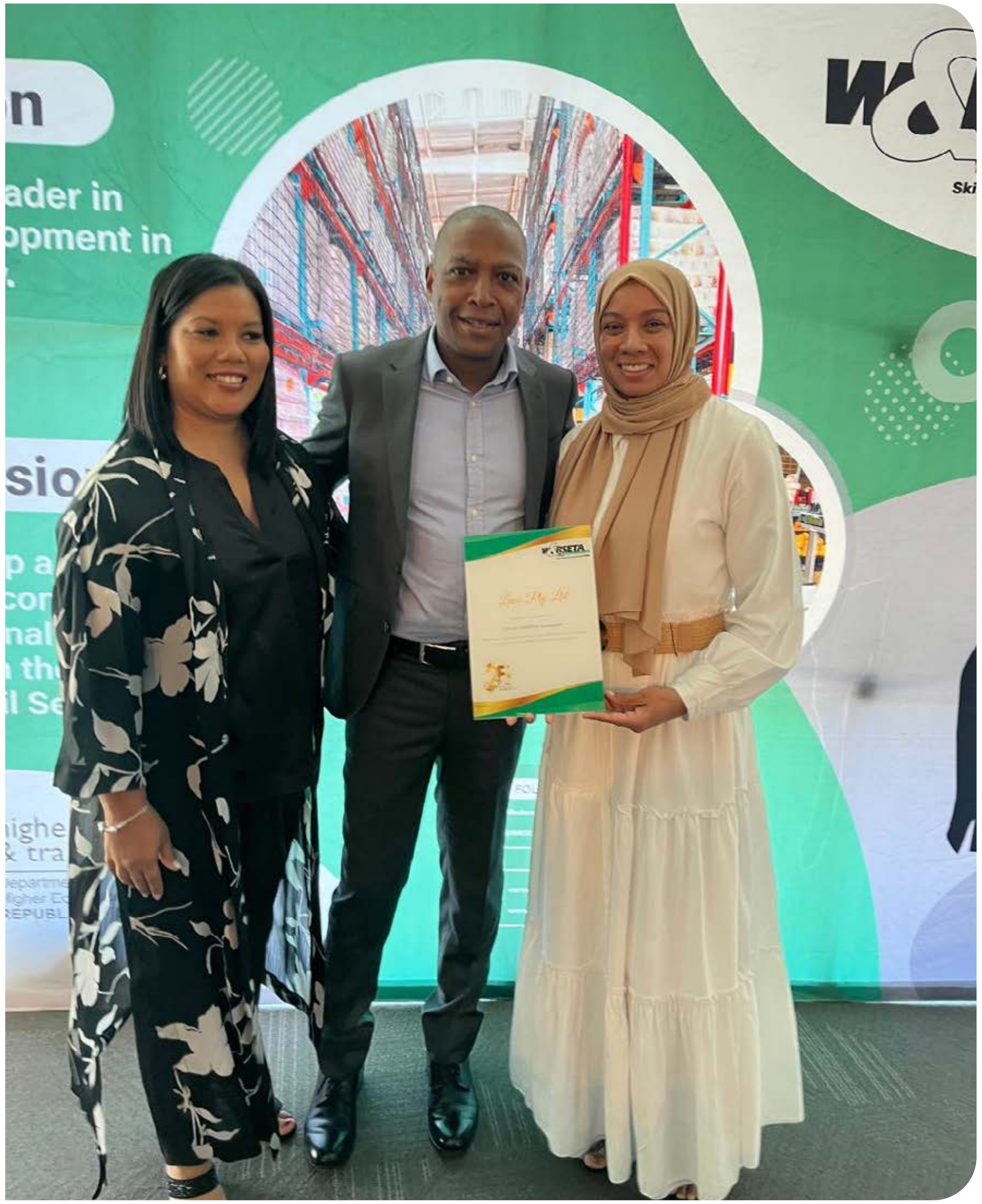
At the W&RSETA CEO Stakeholder Engagement held on 16 April 2025, Lewis received the 2025/2026 W&RSETA Ambassador Award. This national honour recognises organisations that lead in developing people within the wholesale and retail sector. The award reflects Lewis's ongoing investment in employee training and its broader impact in the communities where it operates.

As a W&RSETA Ambassador, Lewis now serves as a visible advocate for quality skills development, sector-wide improvement and meaningful transformation. The recognition affirms the Group's belief that learning is a cultural priority that requires consistent effort.

Through formal training, workplace mentorship and community-based initiatives, Lewis continues to build an environment where learning is accessible, relevant and sustained.

"There are many things that make us Lewis. But the most important is the spirit of Ubuntu – the knowledge that 'I am, because we are'".

HR Director Waleed Achmat



Sustainability report continued

Our people, our strength

"Because we are, I am."

Our people are central to our strategy. In 2025, this belief guided our investment in skills development, our recognition of excellence and our leadership approach rooted in empathy and accountability. Coaching practices, performance frameworks, award programmes and transformation initiatives all evolved to reflect a stronger culture of listening, learning and collective growth.

The Great Employee Movement (GEM)

The GEM campaign was initiated to encourage and reward employees who are committed to service excellence.

Our goal is to create and enforce a strong sense of excellent customer service in all employees.

Our management team is committed to customer care and satisfaction and expect the same commitment from every employee.

Our head office service excellence team assesses service standards and manages reward programmes that recognise and provide incentives to employees who deliver outstanding service to our customers.


Frans Masenya – Top Stock Clerk Award Winner


Lethiba Moela – Collection Star Award Winner


Thandeka Ceyana-Sindi – Collection Star Award Winner


Veena Ramatar – Millionaires Club Award Winner


Welcome Siyo – Antonia Seerane – Irene Hlatsi – CEO Award Winners


Marius Snygans – Irene Hlatsi – Top Regional Controller and CEO Award Winner


Welcome Siyo – GEM Award Winner with **Roan Koen**


Yvonne Openshaw – GEM Award Winner with **Waleed Achmat**

Sustainability report continued

INVESTMENT IN STAFF

264
Learners part of unemployed learnerships initiative (including 250 disabled learners)

35
Bursaries to dependants of staff

Black female staff comprise
57%
of total workforce

253
Interns/learners offered full-time positions

217
Dependants of staff provided educational assistance

43
Bursaries granted to staff

- No reports of health and safety non-compliance
- Employment equity targets exceeded across all employment categories
- Achieved **level 5** B-BBEE rating
- Continued rollout of ethics and integrity training
- Wellness counselling offered to all staff

WORKFORCE PROFILE

10 423
permanent employees across southern Africa

98%
black representation

58%
women in the workforce

38%
black directors

38%
female directors

These figures reflect our progress as well as our continued commitment to fair representation, leadership diversity, and community-rooted employment.

Sustainability report continued

TRANSFORMATION

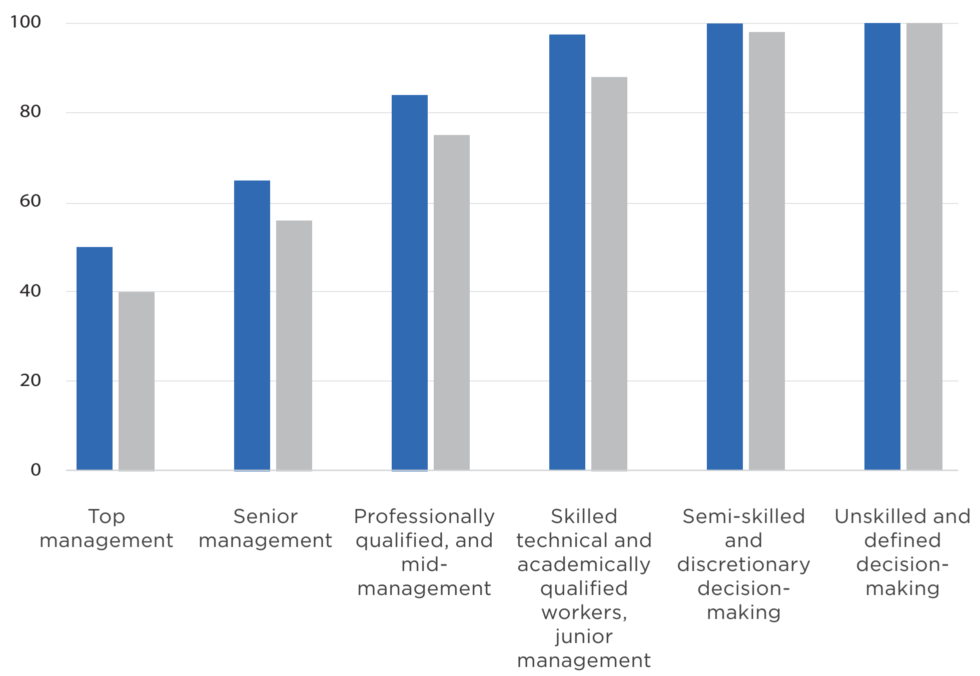
Employment equity

The Group's employment equity plan focuses on increasing the representation of designated groups, mainly in the senior management and professionally qualified areas. Strategies have been developed to achieve internal employment equity targets, including the implementation of a comprehensive learning and development plan, in-service training of retail management students, granting bursaries, job profiling and performance assessments.

Management is also committed to ensuring that the Group's employee profile is representative of the customer base it serves and the communities in which it trades.

Equity targets across all employment categories exceeded.

EMPLOYMENT EQUITY



	Top management	Senior management	Professionally qualified, and mid-management	Skilled technical and academically qualified workers, junior management	Semi-skilled and discretionary decision-making	Unskilled and defined decision-making
Target 2025	**50.00%**	**63.89%**	**80.41%**	**97.33%**	**99.85%**	**100.00%**
% Black employees	**40.00%**	**56.00%**	**75.00%**	**88.00%**	**98.00%**	**100.00%**

Black economic empowerment

The Group supports the principles and objectives of B-BBEE as outlined in the 2015 Amended Codes of Good Practice. The board recognises its responsibility in overseeing transformation and empowerment efforts across all elements of the B-BBEE scorecard.

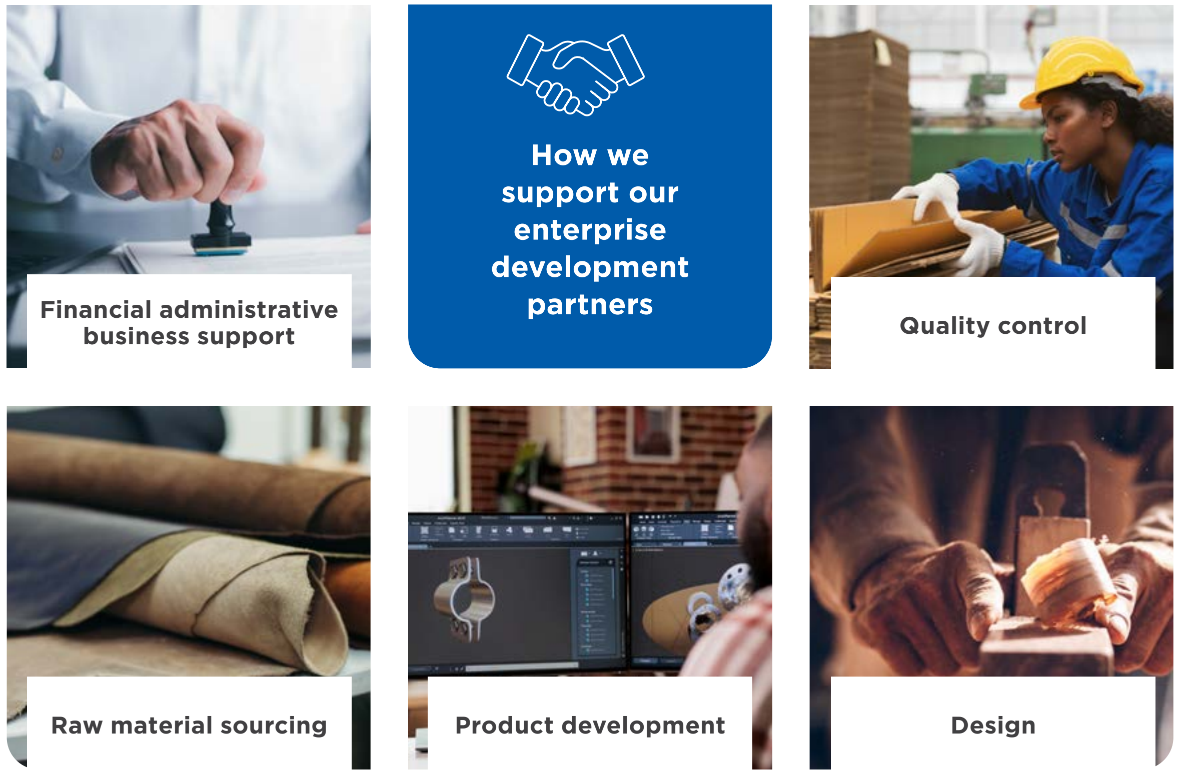
In 2025, the Group maintained a level 5 rating, verified by AQRate, an accredited empowerment rating agency. Efforts remain focused on strengthening performance to meet the objectives of the B-BBEE Act 46 of 2013.

B-BBEE Element	Weighting	2025	2024	2023
Equity ownership	25	**5.69**	6.50	5.95
Management control	19	**12.06**	12.14	11.39
Skills development	20	**21.07**	20.77	19.21
Enterprise and supplier development	42	**36.87**	37.18	36.01
Socio-economic development	5	**5.00**	5.00	5.00
Total score		**80.69**	**81.59**	**77.56**
B-BBEE rating		**Level 5**	Level 5	Level 6

Enterprise and supplier development

During the past year, Lewis focused on increasing its local supplier base and continued to support the local furniture industry through a focused enterprise development strategy to stimulate job creation in the domestic economy.

Large volumes of locally sourced merchandise, goods and services are purchased from small businesses which are mainly black-owned.



Our supplier agreements are aligned with and supportive of the 10 principles of the United Nations Global Compact. These establish core values in:

- HUMAN RIGHTS
- LABOUR STANDARDS
- THE ENVIRONMENT
- ANTI-CORRUPTION FOR COMPANIES

Sustainability report continued

Supporting communities that support us

Lewis works to improve the quality of life of all stakeholders by making a positive impact. We aim to be an active part of the communities where we operate, recognised as a dependable, caring and ethical corporate citizen.

Most of the initiatives we support focus on education and nutrition, followed by health and social development. We place emphasis on supporting women and children at risk.

We partner with large-scale projects located in the communities where our employees and customers live. Our aim is to develop replicable models that lead to sustainable and independent community initiatives over time. We achieve this by:

- **Engaging in socio-economic participation** from every level of the organisation by actively seeking employee community involvement opportunities
- **Communicating** these projects through our internal communication channels
- **Encouraging** stakeholders to get involved
- **Actively pursue** our integrated socio-economic development strategy in a transparent manner

Although primarily focused in South Africa, the programme includes communities in the neighbouring countries of Botswana, Lesotho, Namibia and Eswatini where the Group has a retail presence.

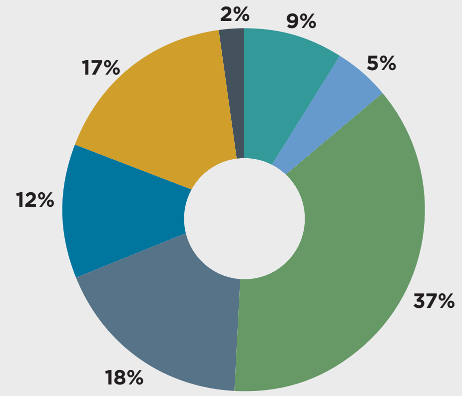
The Group is committed to direct and indirect financial investment in socially responsible initiatives and activities and allocates funds throughout each financial year for this specific purpose.

DIRECT	Financial support
INDIRECT	Contribution in kind for a project including resources, merchandise, materials

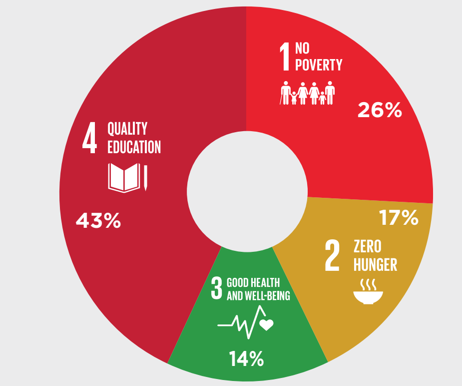
We aim to invest 1% of our Group after-tax profits on socio-economic development initiatives. This spend is reviewed and approved annually and the Group has a proven history of achieving 100% for this element on the B-BBEE scorecard.

Our core socio-economic strategy is reflected in our motto:
Supporting communities that support us.

Click here to see our CSI initiatives on ***https://www.lewiscsi.co.za.***



FOCUS AREAS
- Community upliftment
- Development programmes
- Education
- Sport development
- Health
- Orphans and vulnerable children
- Feeding and nutrition



ALIGNING CSI SPEND WITH PRIORITY SDGS
- No poverty
- Zero hunger
- Good health and well-being
- Quality education

Over R25 million invested
in supporting children of our employees over the years through school and tertiary funding

8 students supported
through the Kay Mason Foundation honouring the legacy of Alan Smart, the former chief executive officer of Lewis Group

1 150 learners fed daily
through our primary project – Peninsula School Feeding Association

Over R4 million donated
to positively impact the lives of children at Durbanville Children's Home and SA Children's Home over the years

Sustainability report continued

Upliftment and upskilling stories of impact

Learning to earn, and to dream again.

We believe real sustainability begins with human possibility. In 2025, our continued support of Learn to Earn enabled dozens of South Africans to build lives defined not by circumstance, but by capacity and courage. As Sharon Röhm, Head of CSI, reminds us: *"Although Lewis funds these projects, we are not the heroes. The heroes are those on the ground bringing them to life."*

The human heart of our sustainability journey

Behind every metric in this report there is a person. And behind every strategy, a story. The projects we support reflect our belief that sustainability is not just what a company does – it is what it makes possible.

These are not mere CSI case studies, but real human lives, quietly and continually transformed by access, belief, and opportunity, where upliftment, though not easy, becomes lasting and far-reaching when approached with humility.

The following are partnerships that embody this principle. Each one reflects a different facet of our long-term commitment to enablement, dignity, and community-rooted transformation.

Lesedi la Batho project

The Lesedi la Batho Centre in Mabopane, Tshwane, was established to equip unemployed individuals with practical skills such as sewing, beadwork, computer literacy and baking. These skills enable participants to produce and sell goods, helping them generate an income and build self-reliance. One of the centre's key initiatives, Amogelang Diphetogo, is supported by Beares and focuses on the production of teddy bears. This initiative provides a source of income for women in the community while also donating the teddy bears to children in hospitals and children's homes.

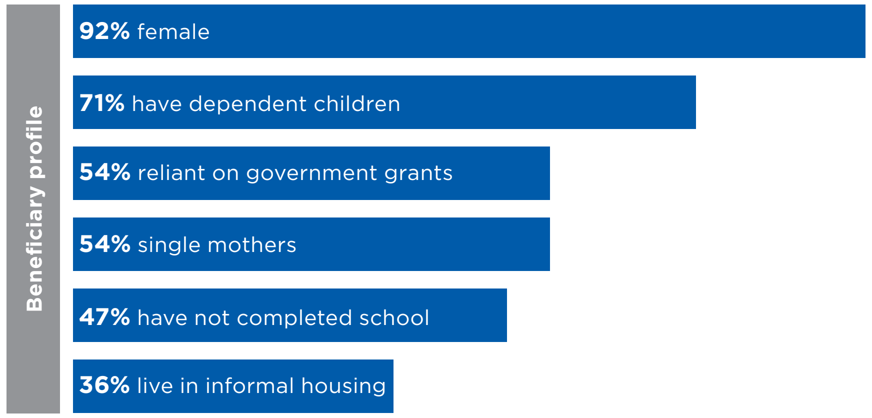
Learn to Earn

A cornerstone of our social investment portfolio, Learn to Earn is more than a training provider, it is a catalyst for human potential. Focused on developing entrepreneurial and vocational skills, the programme equips graduates not just to find work, but to reshape their lives and communities. Many of the stories shared in this report, from small business founders to bakery and factory employees, trace their first steps back to Learn to Earn's model of empowerment.

Sustainability report continued

Bergzicht Training

For over a decade, Lewis has partnered with Bergzicht Training, a skills development organisation that empowers unemployed and unskilled individuals, particularly women, in the Western Cape. Through our support, Bergzicht has delivered accredited training programmes in frail care, early childhood development, hospitality and office administration. These programmes equip participants with practical skills and a renewed sense of confidence and agency. Testimonials from graduates consistently highlight a shared message: with the right support, transformation becomes possible and sustainable.



Nourish Eco Village – FCD Skills Centre

Nourish Eco Village is an integrated community platform located in Mpumalanga. It delivers food security, conservation and education initiatives in a shared space. The FCD Skills Centre forms the core of the village and offers hands-on training in trades, crafts and sustainability-linked enterprise. As part of our commitment to social investment and inclusive development, Lewis has supported the centre's growth and extended its reach, helping communities build resilient livelihoods where opportunities are limited. The project demonstrates our shared commitment to sustainability that uplifts both people and the environment.

Fisantekraal Skills Centre

Fisantekraal Skills Centre has empowered unemployed individuals through skills training since 2010. Its programmes include the following training, bake for profit, barista training, beauty and nail care, childcare, English with confidence, frail care, handyman, hospitality, housekeeping, job readiness, office basics, sew for profit and trade for profit. These programmes build practical skills alongside the values and attitudes needed to remain economically active, helping participants regain their dignity and self-esteem.

Sustainability report continued

Managing climate change

Climate change is one of the most critical challenges of our time, with far-reaching implications for businesses, governments, and society.

As the impact of climate change becomes increasingly evident, there is a growing need for businesses to assess and address climate-related risks and opportunities. The impacts of climate change, including physical risks such as extreme weather events and transition risks arising from policy changes and market shifts, can have significant consequences for retail operations.

The Group operates an extensive network of retail outlets, manages a complex global supply chain and handles local distribution operations. Understanding these physical and transitional climate risks is crucial in ensuring our Group's long-term sustainability and resilience. This includes how we use energy, engage with resource efficiency, and align operations with emerging regulatory and stakeholder expectations around environmental stewardship.

LEWIS GROUP'S CLIMATE CHANGE STRATEGIC PATHWAY

2021 – Developed a strategic TCFD-aligned implementation pathway

2022 – First TCFD-aligned report published

2023 – Commenced with climate-related risk and opportunity identification

2024 – Scenario-based climate risk identification and assessment

2025 – **Board-approved risks, opportunities and targets, with advanced reporting on first full scenario analysis**

In 2025, the Group extended its commitment to conducting business in a manner that actively reduces harmful impacts on the environment. From scenario-based climate risk assessments to investments in smart metering and solar infrastructure, the Group is embedding environmental responsibility into its strategy and operations to ensure sustainable value creation.

CLIMATE GOVERNANCE

The Group is committed to reducing greenhouse gas emissions in alignment with international goals to limit global warming to 1.5°C above pre-industrial levels. This commitment is reflected not only in the business operations but also how climate considerations are embedded into governance, risk, and strategy.

Climate disclosures and risk assessments have historically followed the recommendations of the TCFD, which provided a global framework for identifying and managing climate-related risks and opportunities. Following the disbanding of the TCFD and its integration into the ISSB, the Group's focus is now on aligning with the ISSB's General Sustainability (IFRS S1) and Climate-related (IFRS S2) Disclosure Standards, which both incorporate the TCFD principles. The adoption of IFRS S1 and S2 is not yet mandatory in South Africa and no timing has been prescribed for the adoption of the standards. The Group continues to draw on the JSE's Climate and Sustainability Disclosure Guidance which provides local context to the evolving global framework.

This multi-tiered approach reflects our belief that climate governance should be both strategic and operational, being embedded across leadership, responsive to regulatory change, and grounded in a culture of accountability.

Climate governance framework

Climate oversight

BOARD

Mandate

- Sets the direction and drives a climate-conscious culture
- Provides overall guidance to management on the climate-related strategy and implementation through an annual risk review

Climate management

EXECUTIVE COMMITTEE

Mandate

- Identification, assessment, mitigation and management of material climate-related risks and opportunities
- Review of TCFD working group implementation

Social, ethics and transformation committee

Three independent non-executive directors and the chief executive officer

Mandate

- Delegated responsibility to oversee TCFD-aligned climate implementation and continual improvement of climate performance

Risk committee

Six independent non-executive directors, chief executive officer and the chief financial officer

Mandate

- Risk management oversight and monitoring of the impact of material climate-related risks and opportunities

TCFD working group

Chief financial officer, chief risk officer and the general manager finance

Mandate

- Engaging with specialist carbon consultants, GCX, to assist with the implementation of the TCFD recommendations
- Driving implementation of TCFD recommendations

Sustainability report continued

CLIMATE RISKS, OPPORTUNITIES AND SCENARIO ANALYSIS

The Group has progressed its identification of climate risks and opportunities, working towards impact quantification using scenario analysis.

The Network for Greening Financial Systems (NGFS) has been selected as the basis for the Group's scenario analysis. The NGFS consists of seven plausible future scenarios from which management selected the Hot House World and Disorderly Transition scenarios. These scenarios cover a wide range of physical and transition risks and are categorised according to the increasing level of these risks.

The Group believes these are the two most likely future scenarios, considering physical and transition risks.

- **Hot House World:** a scenario where current policies persist, resulting in high physical risks
- **Disorderly Transition:** a late but forceful response to limit warming to below 2°C, with high transitional disruption

The risks were assessed qualitatively using the Group's enterprise-wide risk assessment ratings of impact and likelihood, to determine the inherent risk level of each of the identified risks, against each scenario over the short, medium and long term.

The five major climate risks identified from the scenario analysis (not ranked in order of importance) as requiring the most attention over the long term in the strategic risk management process, have been grouped according to the Group's material issues and risks are as follows:

Material issues and risks *Refer to pages 14 to 16*	Risk
01 Retail trading environment	Compounded macroeconomic impacts, resulting in decreased disposable income and reduced revenue Costs or inability to transition to lower emissions technology
02 Global and local supply chain challenges	Disruption in global and local supply chains
07 Regulation	Carbon pricing resulting in increased operational costs Increased requirements for climate change disclosures

Following the inherent risk assessment, all associated control and mitigation measures were outlined. The impact of existing control measures was factored into a final residual risk assessment, concluding that management is satisfied that all identified risks have adequate control measures in place.

The climate risk matrices will be reviewed and evaluated according to the enterprise risk management system annually and additional controls will be implemented, where necessary.

METRICS, TARGETS AND PERFORMANCE

While the Group's approach to tracking, monitoring and reporting performance has evolved in recent years, management is still in the process of identifying meaningful targets.

The Group is investing in a smart metering and utility management system. This will enable management to accurately measure consumption data in real time, removing the current administrative challenges in obtaining this data. Accurate base data will allow for robust reduction targets to be determined for the long term.

CARBON FOOTPRINT REPORTING

Since 2018 the Group has measured and calculated its carbon footprint according to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition), which includes Scope 1 and 2 emissions and certain Scope 3 emissions.

Scope 1 and 2 emissions breakdown (tonnes CO_2e)

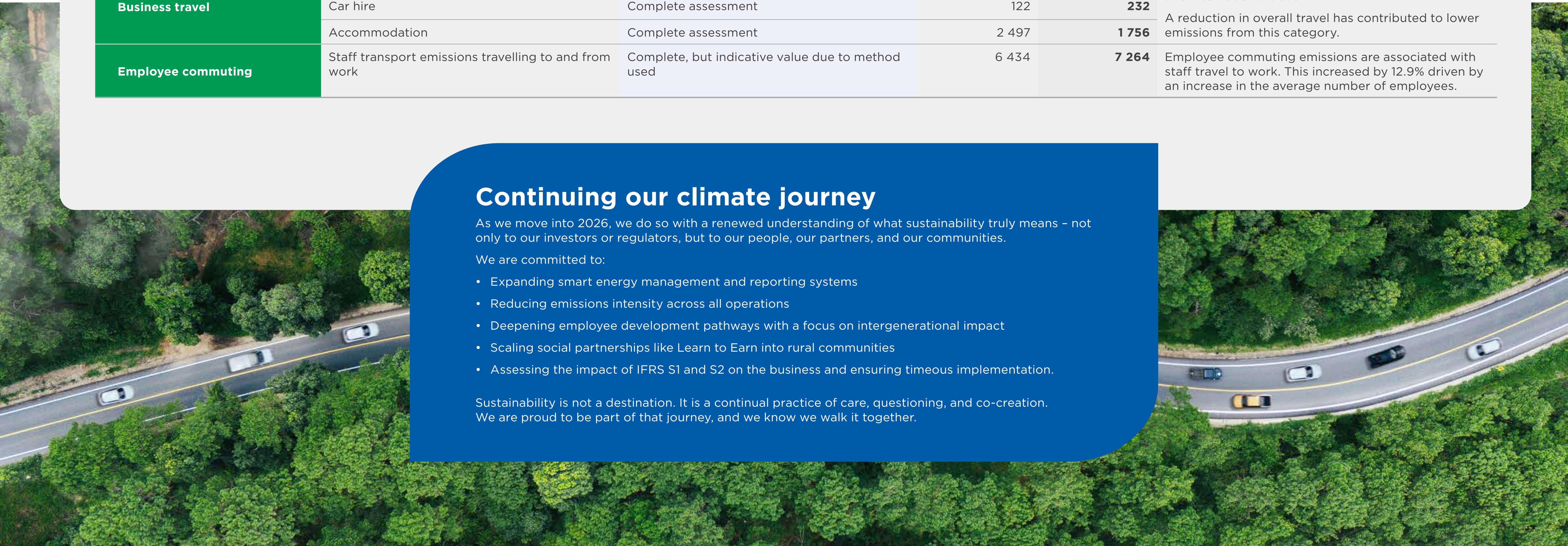
Scope	Source	2024	2025	Commentary
Scope 1 Scope 1 emissions result from fuel consumption by company-owned vehicles as well as diesel generators.	South Africa fuel	18 605	**19 200**	The increase in fuel consumption measured under Scope 1 can be attributed to higher sales which results in increased stock movements and deliveries.
	International fuel	2 595	**2 901**	
	Total scope 1	21 200	**22 101**	
Scope 2 Scope 2 emissions result from the generation of purchased electricity by the company.	South Africa electricity	19 874	**22 571**	Scope 2 increase was impacted by electricity grid emission factors driven by the inefficiency of Eskom's coal stations.
	International electricity	3 313	**3 527**	
	Total scope 2	23 187	**26 098**	
TOTAL SCOPE 1 & 2		44 387	**48 199**	The overall increase in Scope 1 and 2 emissions was driven primarily by the store expansion within the Group, with an additional 49 stores opened and acquired during the year.
Total South Africa		38 479	**41 770**	
Total international		5 908	**6 429**	

An 8.5% reduction in head office emissions achieved over the six-month period following the installation of solar panels.

Sustainability report continued

Summary of assessed Scope 3 emissions (tonnes CO_2e)

Scope 3	Emission source	Comment	2024	2025	Commentary
Fuel and energy-related activities	Oil, gas and coal extraction, transport and conversion to liquid fuels; transmission and distribution losses of the electricity grid	Complete assessment	16 971	**17 710**	Fuel- and energy-related activities emissions increased by 4% due to increased fuel (petrol and diesel) consumption and increased electricity consumption(Scope 1 and 2 emissions).
Upstream transportation and distribution	Outsourced road distribution in South Africa	Partial assessment: Outsourced transport within South Africa; Outsourced transport from the movement of stock from South Africa to Botswana, Lesotho, Eswatini and Namibia; does not include shipping or other transport	6 951	**7 691**	Emissions associated with upstream transportation and distribution for the Group could only be calculated for road distribution. Road distribution is outsourced mainly to one large service provider. Although international shipping from suppliers to South African ports as well as local furniture manufacturing would also contribute to this category, quantifying the emissions from our supply chain remains a challenge. The increase in emissions is as a result of higher fuel consumption driven by business operational requirements as well as the increased store footprint.
Business travel	Domestic and international flights	Complete assessment	946	**444**	Business travel emissions include domestic, regional and international travel. A reduction in overall travel has contributed to lower emissions from this category.
	Car hire	Complete assessment	122	**232**	
	Accommodation	Complete assessment	2 497	**1 756**	
Employee commuting	Staff transport emissions travelling to and from work	Complete, but indicative value due to method used	6 434	**7 264**	Employee commuting emissions are associated with staff travel to work. This increased by 12.9% driven by an increase in the average number of employees.



Continuing our climate journey

As we move into 2026, we do so with a renewed understanding of what sustainability truly means – not only to our investors or regulators, but to our people, our partners, and our communities.

We are committed to:

- Expanding smart energy management and reporting systems
- Reducing emissions intensity across all operations
- Deepening employee development pathways with a focus on intergenerational impact
- Scaling social partnerships like Learn to Earn into rural communities
- Assessing the impact of IFRS S1 and S2 on the business and ensuring timeous implementation.

Sustainability is not a destination. It is a continual practice of care, questioning, and co-creation. We are proud to be part of that journey, and we know we walk it together.

04 LEADERSHIP

Directors and executive management

01 Hilton Saven
02 Daphne Motsepe
03 Tapiwa Njikizana
04 Fatima Abrahams
05 Jacques Bestbier
06 Adheera Bodasing
07 Brendan Deegan
08 Johan Enslin
09 Rinus Oliphant
10 Waleed Achmat
11 Marisha Gibbons

Board of directors

Hilton Saven
(72)

INDEPENDENT NON-EXECUTIVE CHAIRPERSON

BCom (Hons); CA(SA)

Appointed 2004
Appointed as the chairperson in 2017

INV: AC | RC | REM | C: NOM | SET

Expertise and experience

Corporate governance, strategy and finance

Hilton is an experienced company director and chartered accountant. He is the former chairperson of Mazars South Africa, an international accounting firm, as well as the former chairperson of Praxity Alliance, an international alliance of accounting firms.

Specific contribution to the board

Hilton's extensive experience in corporate governance, strategy, accounting and finance supports the board in fulfilling its statutory obligations and financial oversight responsibilities. He performed these roles over a number of years for both listed and large private companies.

Directorships:

Truworths International Limited (Chairman)
Balwin Properties Limited (Chairman)
Monarch Insurance Company Limited (Chairman)

Fatima Abrahams
(62)

LEAD INDEPENDENT DIRECTOR

BEcon (Hons); MCom; DCom

Appointed 2005
Appointed as lead independent director in 2021

INV: AC | RC | C: REM | NOM | C: SET

Expertise and experience

Human resources, remuneration and ESGG

Fatima is an academic, experienced company director and a registered industrial psychologist. She is an emeritus professor at the University of the Western Cape, having also served as Dean of the Faculty of Economic and Management Sciences.

Specific contribution to the board

Fatima has served as a non-executive director on the board of large listed companies, particularly in the retail sector. She built up extensive business experience over the years, particularly in the areas of remuneration, human capital and ESG, and has added substantial value to the board in these areas. She performed similar roles for other listed and unlisted entities over a number of years.

Directorships:

BP Southern Africa
Marsh Associates (Pty) Ltd
Monarch Insurance Company Limited

Jacques Bestbier
(52)

EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

BCom (Hons); BCompt (Hons); CA(SA)

Appointed to the board 2018

INV: AC | RC

Expertise and experience

Accounting and finance

Jacques is an experienced chartered accountant with a background in short-term insurance, banking and retail. He joined the Group in 2012 and served as general manager: administration prior to his appointment as chief financial officer.

Specific contribution to the board

Jacques is the chief financial officer and an executive director of the Group.

Directorship:

Lewis Stores (Pty) Limited

Adheera Bodasing
(51)

INDEPENDENT NON-EXECUTIVE DIRECTOR

BA; LLB

Appointed 2017

INV: AC | RC | REM | NOM

Expertise and experience

Legal and compliance

Adheera practised at two of South Africa's leading law firms where she specialised in intellectual property law, gambling law and financial sector law and policy. She headed the legal division of the National Treasury before starting Polarity Consulting which provides legal guidance and advisory services to local and international businesses in highly regulated industries.

Specific contribution to the board

Adheera engages regularly with parliament and the various financial sector regulators which allows her to advise the board on current and proposed regulations and policies impacting the business. Her broad understanding of the business' legal and regulatory framework also enables her to contribute on matters relating to regulatory compliance as well as other legal aspects.

Directorship:

Polarity Consulting (Pty) Limited

COMMITTEES

AC AUDIT | RC RISK | REM REMUNERATION | NOM NOMINATIONS | SET SOCIAL, ETHICS AND TRANSFORMATION

C CHAIRPERSON | INV BY INVITATION

Board of directors continued

Brendan Deegan
(63)
INDEPENDENT NON-EXECUTIVE DIRECTOR

BCompt; CA(SA)

Appointed 2022

AC RC REM NOM

Expertise and experience

Accounting, finance, governance, assurance and risk

Brendan is a former partner of PricewaterhouseCoopers (PwC) in South Africa. His roles at PwC included head of the South Africa and Africa audit/assurance practices, chairperson of the Africa governance board and head of the global internal audit practice. He was involved with and advised many large multinational companies over a number of years.

Specific contribution to the board

Brendan serves as a non-executive director of Lewis Group and Monarch Insurance Company Limited. He is an experienced accountant and former auditor with expertise in financial reporting, leadership and governance, and assurance and risk.

Directorships:

Truworths International Limited
Monarch Insurance Company Limited

Johan Enslin
(51)
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

Appointed to the board 2009

AC (INV) RC REM (INV) NOM (INV) SET

Expertise and experience

Operations, strategy and governance

Johan has 32 years' credit furniture retail experience. He joined Lewis Group as a salesman in 1993 and rose rapidly through the ranks, holding positions including branch manager, regional controller, divisional general manager, general manager: operations and operations director of Lewis Stores. He was the chief operating officer responsible for the retail operations of the Group prior to his appointment as chief executive officer.

Specific contribution to the board

Johan is the chief executive officer and an executive director of the Group, and has a wealth of retail experience gained through all stages of the economic cycle.

Directorship:

Lewis Stores (Pty) Limited

Daphne Motsepe
(68)
INDEPENDENT NON-EXECUTIVE DIRECTOR

BCompt; MBA

Appointed 2017

AC (C) RC (C) REM NOM SET

Expertise and experience

Finance, banking, governance and leadership

Daphne was formerly the chief executive of card and unsecured lending at Absa Bank and also served as managing director of Postbank.
She previously served as a non-executive director of Investec Bank, Highveld Steel and Vanadium, Edcon, Mercantile Bank, Woolworths Financial Services, Rand Mutual Assurance and Thebe Investment Corporation.

Specific contribution to the board

Daphne's experience includes serving as chairperson of remuneration as well as social, ethics and transformation committees of other boards and serving as a member of the audit, risk and nominations/directors affairs committees.

Directorships:

Truworths International Limited
Kapela Holdings (Pty) Limited
NEC XON Holdings (Pty) Limited
Toyota Tsusho Africa
CFAO Motors South Africa (Pty) Limited

Tapiwa Njikizana
(49)
INDEPENDENT NON-EXECUTIVE DIRECTOR

BCompt (Hons); CTA, CA(SA); JSE Registered IFRS Advisor

Appointed 2019

AC RC REM NOM

Expertise and experience

Accounting, financial reporting and consulting

Tapiwa is an executive director at W.consulting SA (Pty) Limited. He previously served as a non-executive director on the board of Iliad Africa Limited and Mercantile Bank Holdings Limited.

He was recognised for his contribution to the consulting industry receiving the "Top Consulting Professional" at the Sanlam South African Professional Services Awards. Tapiwa held roles in leading industry bodies and committees including being a member of the Accounting Practice Committee of SAICA, and a member of the Financial Reporting Investigation Panel of the JSE.

Specific contribution to the board

Tapiwa is an experienced non-executive director with expertise in the financial services sector, including experience chairing audit and technology committees for other entities, as well as experience on the remuneration and nominations committees of Lewis Group.

Directorships:

W.consulting SA (Pty) Limited
Sasfin Holdings Limited
Sasfin Bank Limited

Marisha Gibbons
(34)
COMPANY SECRETARY

LLB; LLM

Appointed 2022

Expertise and experience

Legal and corporate governance

Marisha is an admitted attorney. She joined the Group from Quantum Foods Holdings Limited where she worked as the company secretary and head of legal for four years. She completed her articles in the corporate commercial department at ENSafrica and served as a legal advisor for two years at Lactalis SA (formerly Parmalat SA).

COMMITTEES

AC AUDIT | RC RISK | REM REMUNERATION | NOM NOMINATIONS | SET SOCIAL, ETHICS AND TRANSFORMATION

C CHAIRPERSON | INV BY INVITATION

Executive management

Johan Enslin
(51)

CHIEF EXECUTIVE OFFICER

Expertise and experience

32 years of service

Johan has extensive credit furniture retail experience. He joined Lewis Group as a salesman in 1993 and rose rapidly through the ranks, holding positions including branch manager, regional controller, divisional general manager, general manager: operations and operations director of Lewis Stores.

He was the chief operating officer responsible for the retail operations of the Group prior to his appointment as chief executive officer in 2009.

Waleed Achmat
(62)

HUMAN RESOURCES DIRECTOR

BA Hons (Industrial Psychology)

Expertise and experience

8 years of service

Waleed is an experienced human resources practitioner with a background in mining, retail and education.

He joined the Group in 2017 as the human resources director. He is responsible for driving and managing the implementation of both strategic and operational human resources throughout the business.

Jacques Bestbier
(52)

CHIEF FINANCIAL OFFICER

BCom (Hons); BCompt (Hons); CA(SA)

Expertise and experience

13 years of service

Jacques is an experienced chartered accountant with a background in short-term insurance, banking and retail.

He joined the Group in 2012 and served as general manager: administration prior to his appointment as chief financial officer in 2018.

Rinus Oliphant
(50)

OPERATIONS DIRECTOR

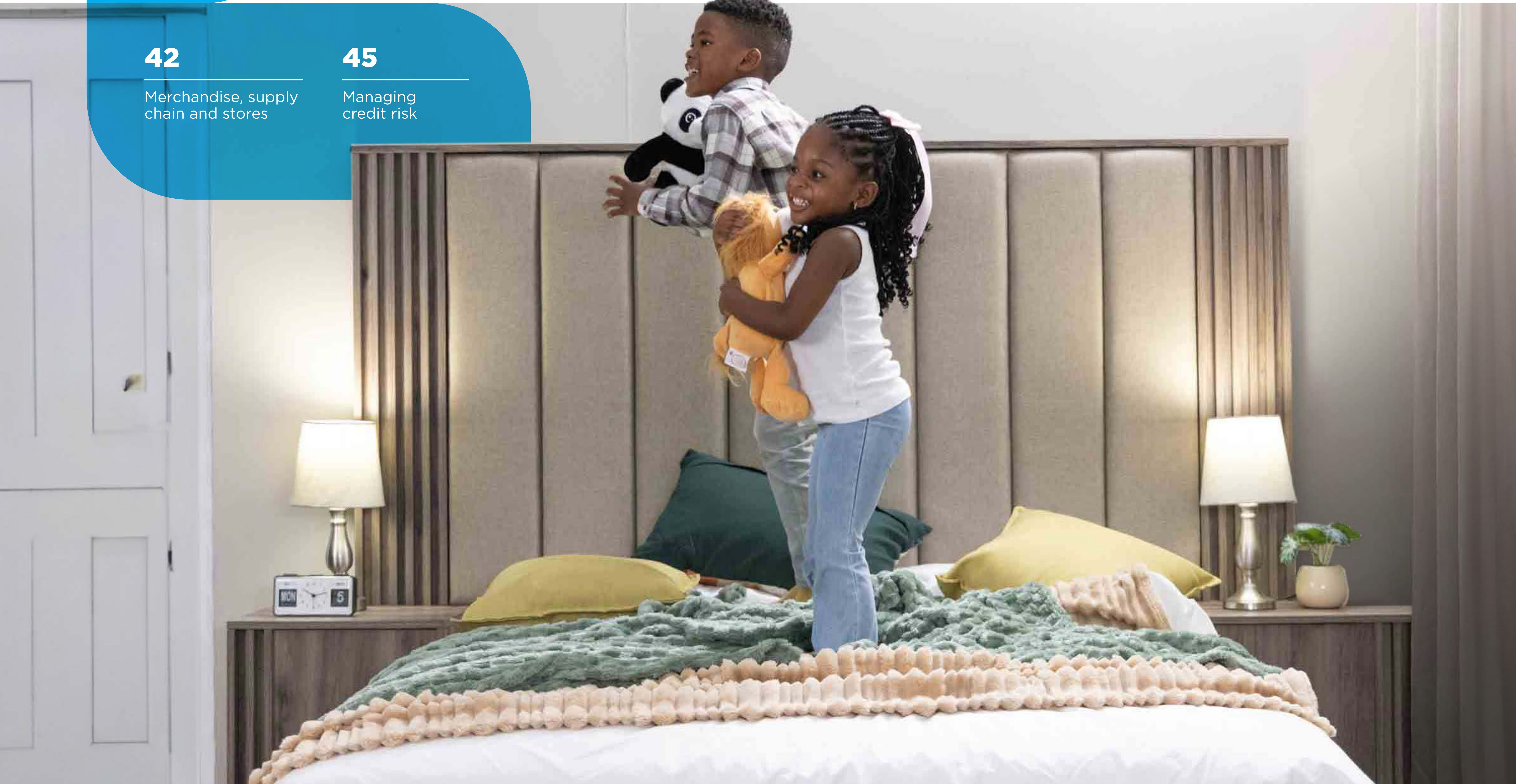
Expertise and experience

27 years of service

Rinus has 27 years' experience in credit furniture retail. He joined the Group in 1998 as a salesman and rose through the ranks, holding positions including branch manager, regional controller and divisional general manager of Lewis Stores.

Rinus was appointed as the credit director in 2014 prior to being promoted to operations director in 2017. He is responsible for the retail operations of the Group.

05 OPERATIONS REVIEW



Merchandise, supply chain and stores

Merchandise strategy

The Group's merchandise strategy is aimed at offering customers differentiated product ranges through innovative sourcing and capitalising on the strength of long-term relationships with local and international suppliers.

New merchandise ranges are launched frequently across all brands to offer customers ongoing newness. Added-value features and components ensure differentiation and enhance the value of the merchandise.

In the current constrained economic environment, sales are increasingly promotionally driven as customers seek value.

Our traditional retail brands target the lower to middle income groups, the focus is on offering quality, value-for-money merchandise ranges. Products are sourced to meet the specific needs of this customer base.

UFO offers luxury exclusive furniture to cash customers in the higher income market.

The Group provides affordable high-quality bed sets and accessories through its specialised brands, Bedzone and Real Beds which cater to a broad spectrum of income categories.

Merchandise offering

The merchandise offering covers three core product categories:

Furniture

Bedroom suites, bedroom units, bed sets, mattresses, lounge and dining room suites, wall units and kitchen units. Lounge suites and bed sets account for 64.7% of sales in this category.

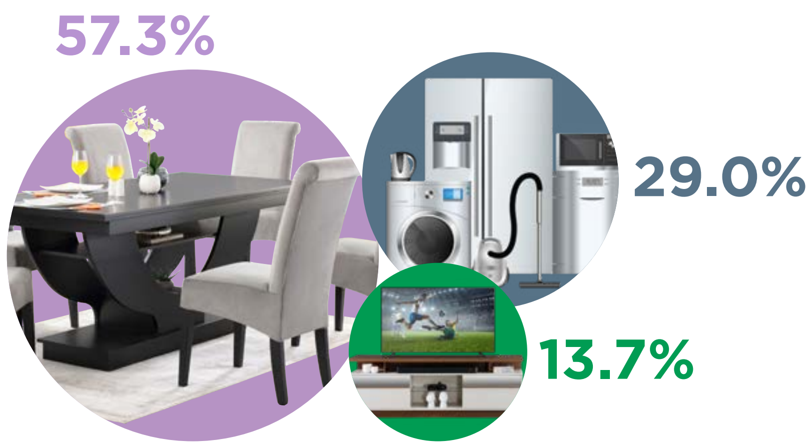
Appliances

Refrigerators, freezers, stoves, washing machines, microwave ovens and small electrical appliances, including well-known brands such as Defy, Russell Hobbs, KIC, LG, Samsung and Kelvinator.

Audio/visual

Mainly television sets, audio equipment and laptop computers from leading brands Hisense, Sinotec, LG, Panasonic, HP, Samsung and Lenovo.

Sales contribution by product category



Management continues to focus on increasing sales of the higher-margin furniture and appliance product categories, while more contemporary lines are offered in each furniture sub-category.

The gross profit margin strengthened by 30 basis points to 43.4%, supported by lower negotiated shipping rates on imported merchandise in the second half of the year as well as the favourable movement in the Rand/US dollar exchange rate.

IN EACH CATEGORY THE GROUP FOLLOWS A SELL-UP STRATEGY OF "GOOD", "BETTER", "BEST" OR "MORE FOR LESS".

ELECTRONIC MERCHANDISE CATALOGUE

An electronic merchandise catalogue is installed in all traditional retail stores, providing customers with access to the complete merchandise range, despite space limitations in stores.

The full product range, including all available colour and fabric options, is displayed on a large touch screen.

Merchandise, supply chain and stores continued

Merchandise sourcing

Products are sourced from a wide range of local and international suppliers to ensure that customers are offered exclusive merchandise ranges. Local supply accounted for the majority of stock purchases in the reporting period.

As a member of Proudly South African, the Group is committed to promoting social and economic change. The Group sources locally by investing and partnering with local manufacturers, making a meaningful contribution to building a better South African economy, alleviating unemployment and retaining existing employment opportunities.

Products are supported by local and international after-sales service to ensure quality standards are maintained. Prior to consignments being dispatched from suppliers, samples of all products are assembled and tested for quality purposes.

Supply chain and distribution

The Group's supply chain model is based on merchandise being delivered directly to stores, supported by leading shipping and logistics providers for imported and certain local stock.

As the Group does not operate distribution centres or centralised warehouses for the traditional retail brands, each store has a storage facility which is located close to the store, generally in areas with lower rentals than retail space. This strategy limits the build-up of obsolete stock and reduces markdowns.

Traditional retail stores have dedicated delivery vehicles which enable an average of 90% of deliveries to be completed within 24 hours.

When necessary, the Group maintains buffer inventory to counter supply chain disruptions and meet customer demand.

Stores

The Group's store base increased to 918 following the opening of a net 33 stores and the acquisition of 16 Real Beds stores in the past financial year. This includes 144 stores in the neighbouring countries of Namibia, Botswana, Lesotho and Eswatini.

In the 2026 financial year, the Group targets to open at least 20 traditional retail stores and 20 specialist bed stores.

TRADITIONAL RETAIL

Traditional retail stores are generally located in main streets and town centres, close to places where target customers live, work and shop. Customers are serviced by staff from their own communities, in their own language.

The flagship Lewis brand carries a comprehensive range of merchandise and caters for specific markets and regional differences. Stores have an average trading space of around 300m² and the smaller-format stores are approximately 250m². The smaller-format store allows the chain to gain access to high traffic areas at more affordable rentals. This store format offers customers key merchandise lines, with the full range available on the electronic catalogue and display screens in-store. Lewis now has 273 (2024: 259) small-format stores in its portfolio.

An active store refurbishment programme ensures that stores remain modern and appealing to customers, with stores being refurbished on average every five years. During the reporting period, 170 (2024: 150) stores across the portfolio were refurbished, bringing the number of stores revamped in the past five years to 720.

Stores are responsible for managing all aspects of the customer relationship. The personal and relationship-based interaction with customers in the stores create trust and confidence while ensuring high levels of customer loyalty.

In the traditional retail brands, a significant volume of credit sales are generated from existing customers. This is largely attributable to the success of the customer re-serve programme which identifies existing customers for potential further credit, based on their payment history.

Lewis – welcome home	BEST HOME AND ELECTRIC	BEARES – Really Cares about You!
TOTAL STORES **511**	TOTAL STORES **184**	TOTAL STORES **154**
435 stores in SA	**162 stores** in SA	**112 stores** in SA
76 stores outside SA	**22 stores** outside SA	**42 stores** outside SA
153 655 m² trading space	**23 557 m²** trading space	**54 537 m²** trading space
Average store size **301 m²**	Average store size **128 m²**	Average store size **354 m²**

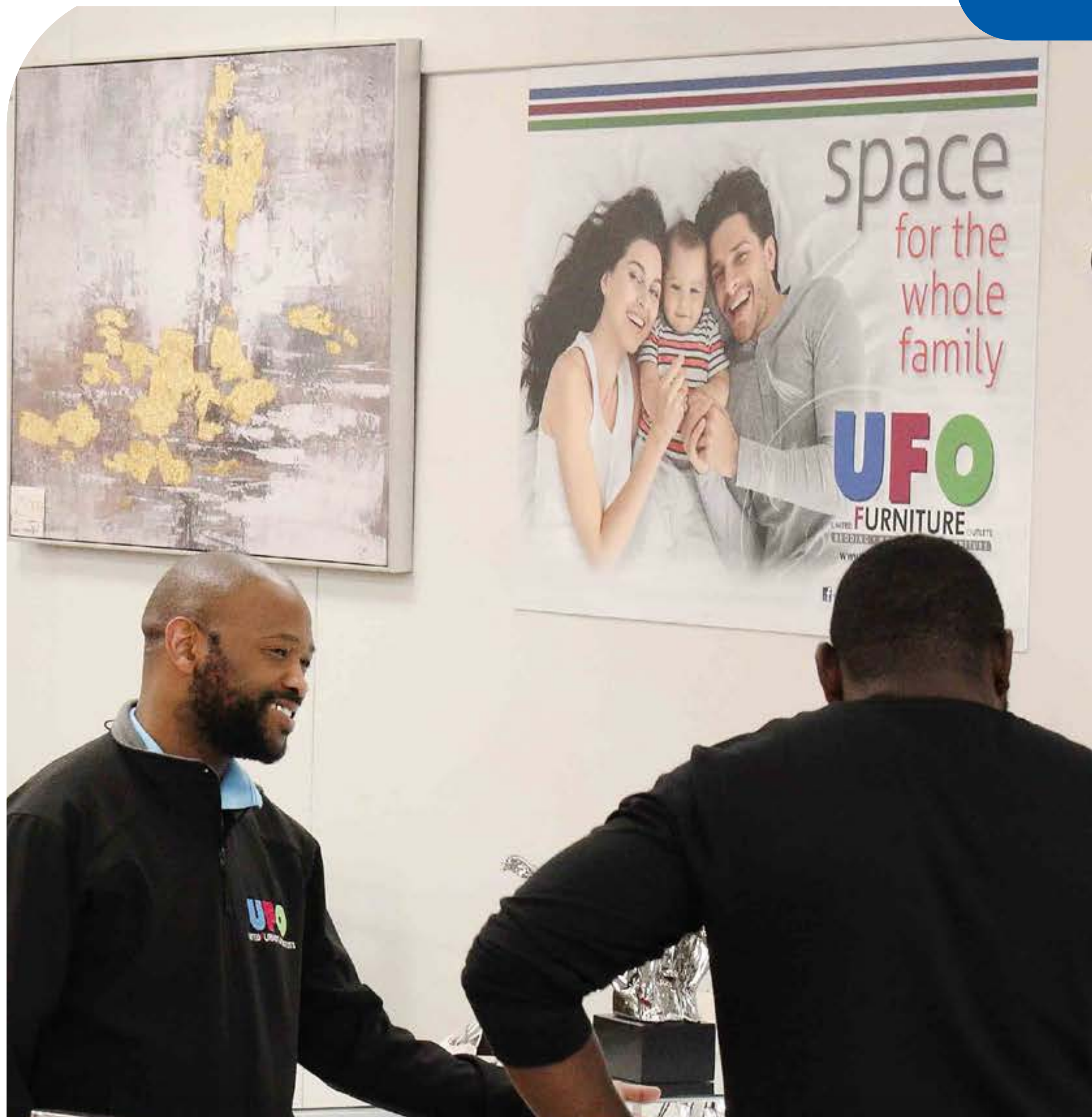
Merchandise, supply chain and stores continued

SPECIALITY RETAIL

UFO stores are located in high-end malls and shopping centres, with the chain's flagship store in Marlboro, Johannesburg, recognised as a destination shopping location.

Bedzone specialises in high-quality bed sets, trading from 15 stores in Gauteng.

Real Beds, which was acquired in 2024, has enabled the Group to extend its presence in the market for affordable, quality beds. The brand trades from 12 stores in South Africa and four stores in Botswana.



UFO FURNITURE

TOTAL STORES 38

38 stores in SA

24 731 m² trading space

Average store size **651 m²**

Bedzone

TOTAL STORES 15

15 stores in SA

3 437 m² trading space

Average store size **229 m²**

REAL BEDS

TOTAL STORES 16

12 stores in SA

4 stores outside SA

4 432 m² trading space

Average store size **277 m²**

CUSTOMER ENGAGEMENT *VIA* SOCIAL MEDIA

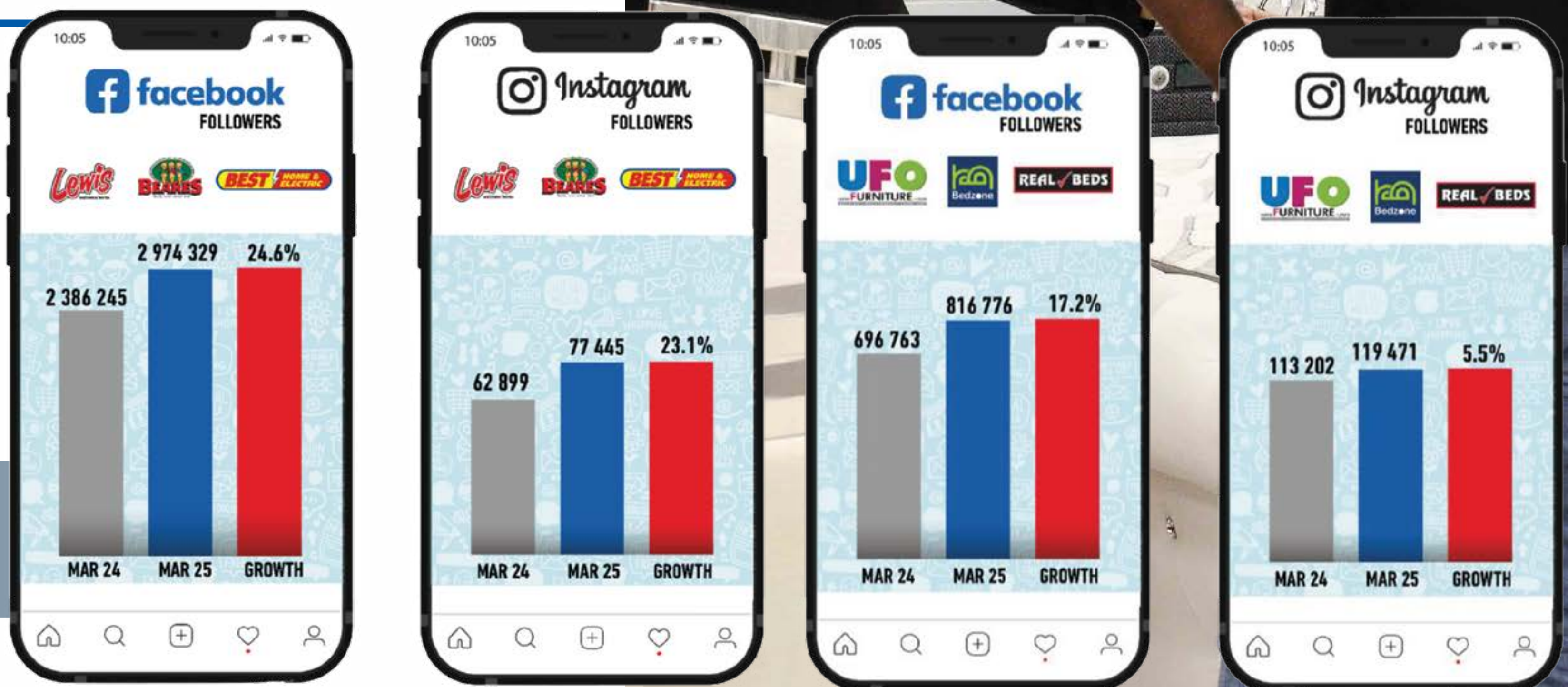
Digital marketing channels are a highly efficient and cost-effective means of engaging with customers and generating sales leads to support stores in attracting new customers.

The Group uses direct marketing channels to engage, generate sales and foster loyalty, enabling customers to access brochures and apply for credit.

Sales generated from social media accounted for approximately 10% (2024: 7%) of the Group's merchandise sales in the past year.

The Group's following on social media increased by 22% to 3.9 million in the past year. The traditional brands have a strong social media presence and increased their combined following on Facebook and Instagram to 3 million, an increase of 25% on the prior year. The speciality segment had an increase of 16% in social media followers to nearly 1 million.

The Group now has over 3.7 million Facebook followers



Managing credit risk

In an environment of constrained consumer spending and economic pressures on the Group's credit customer base, prudent credit risk management and enhanced collection strategies have contributed to the continued improvement in the quality of the Group's debtors book, with satisfactory paying customers reaching a record high of 83.5%.

Improving quality of the debtors book

The debtors book continued to strengthen, with debtor costs reducing by 2.6%, a notable achievement given the 14.5% or R1.0 billion increase in the debtors book to R8.0 billion. Debtor costs as a percentage of debtors at gross carrying value improved to 15.0% from 17.6% in the prior year.

Collection rates ended the year at 78.9% (2024: 79.7%), while non-performing accounts reduced from 5.5% to 4.1% of all credit customers. Net bad debts as a percentage of debtors at gross carrying value reduced to 10.6% from 11.2% in the prior year. The debtors impairment provision as a percentage of debtors at gross carrying value reduced to 37.2% from 37.5% in the prior year.

The debtor performance is covered in the *Chief financial officer's report on page 49*.

Credit ratios and statistics		2025	2024
Increase in credit sales	%	**12.1**	15.8
Credit sales as a percentage of total sales	%	**68.0**	66.2
Gross debtors	Rm	**7 955**	6 949
Increase in gross debtors	%	**14.5**	15.6
Collection rates from instalment sales	%	**78.9**	79.7
Total collections from instalment sales	Rm	**6 201**	5 282
Debtors impairment provision	Rm	**2 959**	2 606
Debtors impairment provision as a percentage of gross debtors at carrying value	%	**37.2**	37.5
Debtor costs	Rm	**1 193**	1 225
Debtor costs as a percentage of debtors at gross carrying value	%	**15.0**	17.6
Net bad debts as a percentage of debtors at gross carrying value	%	**10.6**	11.2
Satisfactory paid accounts as a percentage of total customers	%	**83.5**	81.3
Credit application decline rate	%	**38.5**	35.1
Active credit customer base		**705 362**	640 543

Credit offering

In Lewis, Best Home & Electric, Beares and Bedzone credit contracts are offered over 12, 24, 30 or 36 months.

The credit offering is supported by Monarch, the Group's insurer, which offers a range of optional microinsurance products to customers purchasing merchandise on credit. Insurance cover is offered in the event of death, disability, retrenchment, and accidental loss of goods. Monarch is a licensed micro insurer registered with the Financial Sector Conduct Authority.

Credit risk management

Credit is granted centrally to ensure that credit risk policies are consistently applied, removing subjectivity in the credit granting process. As a responsible credit provider, an important factor to consider when granting credit is the level of indebtedness of an applicant as this impacts directly on their ability to service debt. A comprehensive affordability assessment is conducted for all credit applications which includes assessing Lewis' data, credit bureau information as well as the customer's priority living expenses.

Advanced credit granting systems are used to assess the customer through the credit underwriting process summarised below:

- **Credit scoring:** Information is gathered on the customer from credit bureaus and third parties, including employers, and processed through credit scorecards. For new customers, application risk scorecards predict the risk based on the information from these external parties. For existing customers, behavioural scorecards assess the risk through predictive behaviour based mainly on the customer's payment record with Lewis, taking account of credit bureau and third-party data.
- **Assessing customer affordability:** Information is collected on the applicants' income, expenses and current debt obligations. Lewis uses its own priority expense model as well as the National Credit Regulator's expense table in determining the customer's minimum living expense.
- **Credit limit:** The applicants' risk score determined by the scorecard, together with the expense assessment and outstanding obligations, are used to calculate a credit limit within the customer's affordability level.

These credit-granting scorecards are used to determine the Group's appetite for risk. In determining the acceptable level of risk, the potential loss is weighed up against the potential revenue using the predictive behavioural models inherent in the credit granting system. The Group monitors any variances from the level of risk that has been adopted and refines the scorecards, as necessary.

Managing credit risk continued

Credit-granting compliance

When entering into credit agreements, customers are interviewed by the store manager and all the salient terms of the credit sale, as well as the benefits of the optional products and services, are explained to the customer.

Prior to completing the transaction, the store manager ensures that customers engage with a compliance call centre agent in one of the nine official South African languages of their choice. This call centre was established to further improve compliance, transparency and oversight of the in-store sales and credit application process as well as to limit potential misunderstandings of the cost of credit, services offered and fees to be paid by customers. The call centre is housed at the Group's head office and employs approximately 70 permanent staff, increasing to 150 agents during peak periods.

All calls are recorded and stored to protect the interests of the customer and Lewis Group. Only once the call centre agent has successfully completed the interview with the customer, will the transaction be approved by the call centre. Without this approval, no transaction exists, and the goods cannot be delivered or invoiced.

Instalment collections

Lewis operates a hybrid credit collection process, with both store-based follow-up and cash collections as well as customers paying monthly instalments *via* debit order.

The store-based collections model has proven to be highly effective as stores are located close to where customers live, work and shop. Store collection staff are often from the same community and can communicate in the customer's preferred language, which benefits collection rates.

The debit order strategy further supports collections and has created more capacity for in-store staff to focus on following up with defaulting customers.

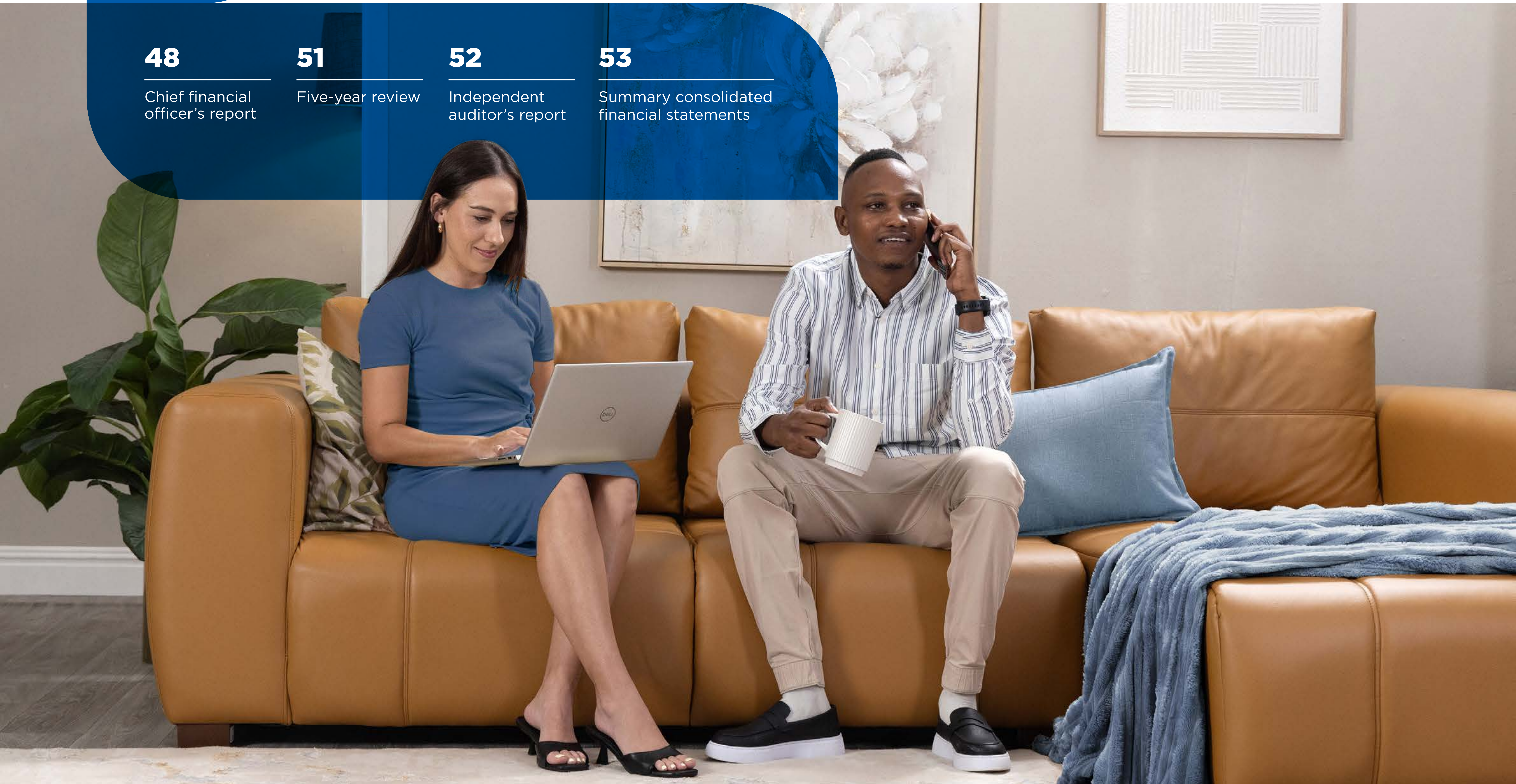
Bad debts

Accounts in default are written off where the customer's payment behaviour cannot be rehabilitated after all reasonable collection methods have been exhausted. Bad debts arise where the customer's account balance has been written off. Write-offs predominantly occur in the following categories:

- Customers significantly in arrears
- Non-performing customers in terms of the business' credit management practices
- Customers with out-of-term accounts

Refer to note 2 of the summary consolidated financial statements on pages 56 to 57 for detail on the determination of the impairment provision and the calculation of contractual arrears, as well as the combined impairment and contractual arrears tables.

06 FINANCIAL REVIEW



Chief financial officer's report

Jacques Bestbier

It is pleasing to report on a year of strong all-round growth for the Lewis Group and significantly improved returns for our shareholders.

The main drivers of the Group's performance were continued strong credit sales, expanding gross profit, robust growth in other revenue and the ongoing improvement in the quality of the debtors portfolio. The performance for the year translated into an increase in operating profit of 66.9% to R1.2 billion.

Headline earnings increased by 53.5% to R768.2 million (2024: R500.4 million). Earnings per share increased by 80.7% to 1 457 cents (2024: 806 cents) and headline earnings per share by 60.3% to 1 483 cents (2024: 925 cents), reflecting the positive leverage effect of the Group's share repurchase programme.

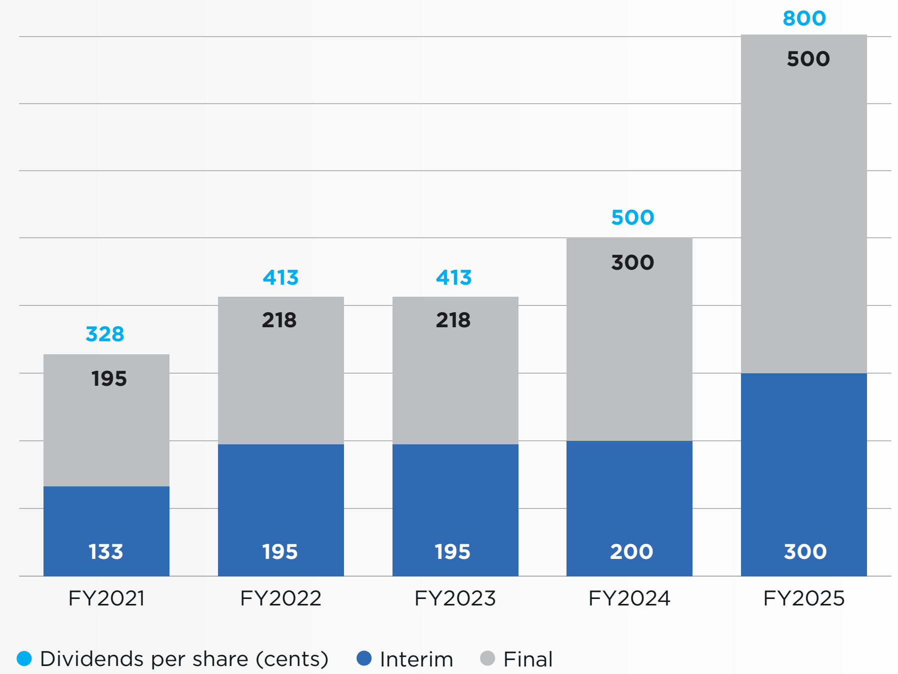
The final dividend was increased by 66.7% to 500 cents per share (2024: 300 cents per share), bringing the total dividend for the year to 800 cents per share (2024: 500 cents per share). This equates to an earnings payout ratio of 55.3% (2024: 61.3%).

Over the past four years, the Group generated cash flows of R5.7 billion from trading, invested R2.5 billion in the debtors book, while returning R1.8 billion to shareholders in dividend payments (R1 030 million) and share repurchases (R843 million) demonstrating a balanced approach to capital allocation and shareholder value creation.

A key highlight in this strong financial performance was the improvement in the return on equity from 9.3% to 15.4%, exceeding the Group's medium-term target of 15%. This was driven by the increased profitability and the successful execution of the strategic share repurchase programme aimed at maximising shareholder returns.

Dividends

DIVIDENDS PER SHARE



Average dividend yield of 10.5% over past 5 financial years

Chief financial officer's report continued

SEGMENTAL REPORTING

During the year, the Group changed the composition of its reportable segments due to a strategic reorganisation following the acquisition of Real Beds. The traditional segment now comprises Lewis, Best Home & Electric and Beares, while the new speciality segment comprises predominantly of UFO, Bedzone and Real Beds. Comparative information has been adjusted to align with the new reportable segments.

FINANCIAL PERFORMANCE

The following review of the Group's financial performance should be read in conjunction with the *audited summary financial statements on pages 53 to 62.*

Revenue

Merchandise sales increased by 9.2% to R5 081 million (2024: R4 653 million).

Comparable store sales across all brands grew by 5.9%.

Credit sales grew by 12.1% and cash sales by 3.4%. Credit sales accounted for 68.0% of total merchandise sales compared to 66.2% in the prior year.

Other revenue, consisting of effective interest income and ancillary services income, as well as insurance revenue, benefited from the strong credit sales growth in recent years and increased by 19.1%.

Total revenue, comprising merchandise sales and other revenue, increased by 13.5% to R9 288 million (2024: R8 184 million).

Gross profit

The gross profit margin strengthened by 30 basis points to 43.4% (2024: 43.1%), supported by lower negotiated shipping rates on imported merchandise in the second half of the year, as well as the favourable movement in the Rand/US dollar exchange rate.

Operating costs

Operating cost growth of 13.0% was contained below revenue growth. Costs were impacted by performance and growth-related variable costs following the addition of a net 49 stores. Operating costs as a percentage of revenue were consistent at 34.5% (2024: 34.6%).

Debtor performance

	2025	2024
Debtors book (Rm) (+14.5%)	**7 955**	6 949
Collections from instalment sales (Rm) (+17.4%)	**6 201**	5 282
Collection rate	**78.9%**	79.7%
Contractual arrears (Rm)	**1 863**	1 706
% of debtors at gross carrying value	**23.4%**	24.5%
Debtor costs (Rm) (-2.6%)	**1 193**	1 225
• Net bad debts written off	**840**	782
• Debtors impairment provision	**353**	443
Debtor costs as a % of debtors at gross carrying value	**15.0%**	17.6%

The quality of the Group's debtors portfolio continued to improve, with satisfactory paying customers increasing to another record level of 83.5% (2024: 81.3%).

Collections from instalment sales increased by 17.4% or R919 million over the prior year and collection rates ended the year at 78.9% (2024: 79.7%). Arrear instalments as a percentage of total debtors at gross carrying value improved to 23.4% (2024: 24.5%).

Debtor costs reduced by 2.6%, a notable achievement given the 14.5% increase in the debtors book. Debtor costs as a percentage of debtors at gross carrying value improved to 15.0% from 17.6%. The debtors impairment provision as a percentage of debtors at gross carrying value reduced to 37.2% (2024: 37.5%).

Operating profit

Operating profit increased by 66.9% to R1 152 million (2024: R690 million) and the operating margin improved by 790 basis points from 14.8% to 22.7%.

Finance costs

Net finance costs were R67 million higher at R205 million, mainly due to higher borrowing costs over the reporting period.

SEGMENTAL PERFORMANCE

Merchandise sales in the traditional segment increased by 8.5% and accounted for 89.5% of total Group sales, while the speciality segment generated merchandise sales of R533 million. Further details on the brands are included in the *Merchandise, supply chain and stores report on pages 42 to 44.*

	Group		Traditional		Speciality	
	2025	2024	**2025**	2024*	**2025**	2024*
Revenue (Rm)	**9 288**	8 184	**8 704**	7 707	**584**	477
Merchandise sales (Rm)	**5 081**	4 653	**4 548**	4 190	**533**	463
Operating costs incl insurance service expenses (Rm)	**4 051**	3 557	**3 816**	3 369	**235**	188
Operating profit /(loss) before impairments and capital items (Rm)	**1 171**	756	**1 145**	759	**26**	(3)
Operating profit /(loss) (Rm)	**1 152**	690	**1 144**	786	**8**	(96)
Operating margin:						
Before impairments and capital items (%)	**23.0**	16.2	**25.2**	18.1	**4.8**	(0.7)
After impairments and capital items (%)	**22.7**	14.8	**25.2**	18.8	**1.6**	(20.7)

** Comparatives have been updated to align with the change in the reportable segments.*

Chief financial officer's report continued

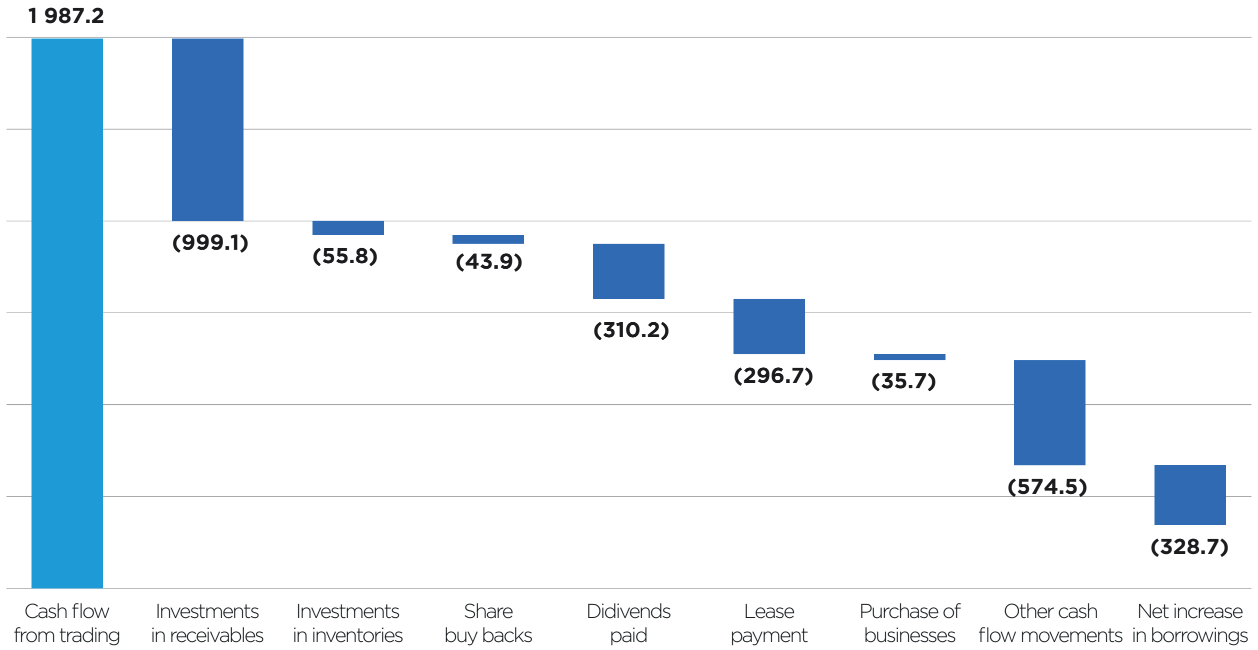
CASH AND CAPITAL MANAGEMENT

The Group's cash and capital management strategy is focused on investing in the longer-term growth of the business and returning capital to shareholders through dividend payments and share repurchases.

Cash flow from operations increased by 34% to R933 million (2024: R694 million). The Group ended the year on net borrowings of R880 million (2024: R551 million).

The Group repurchased 0.9 million shares at a cost of R43.9 million in the first half of the financial year, at an average price of R47.00 per share. No repurchases were undertaken in the second half and the Group is not planning further repurchases in the short term. Since listing, the Group bought back 47.8% of the shares in issue at a cost of R1.8 billion, and an average price of R39.40 per share.

Capital management (Rm)

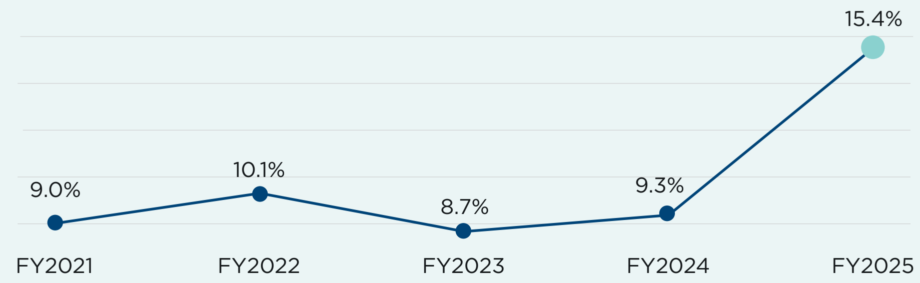


The total dividend for the year amounted to R417 million (2024: R267 million).

The gearing ratio, including lease liabilities, increased to 36.6% (2024: 31.7%) and the borrowings ratio, being the gearing ratio excluding lease liabilities, increased to 17.3% (2024: 11.7%). The higher borrowings relate mainly to the increased investment in the debtors book. Both ratios are well within the board's risk appetite levels and management's guided ranges.

The Group's balance sheet remains strong, and the net asset value increased by 10.9% to R98.64 per share (2024: R88.91).

Return on equity



Capital ratios (%)	2025	2024
Return on equity (after-tax)	**15.4**	9.3
Return on average capital employed (after-tax)	**13.4**	8.6
Return on average assets managed (pre-tax)	**15.0**	10.0
Gearing ratio (including IFRS 16 lease liabilities)	**36.6**	31.7
Borrowings ratio (excluding IFRS 16 lease liabilities)	**17.3**	11.7

FINANCIAL AND OPERATING TARGETS

The financial and operating targets have been reviewed and revised to reflect the expected performance for 2026 and over the medium term.

Performance indicators	2025 Actual %	2026 Targets %	Medium-term Targets %
Gross profit margin	43.4	**40 – 42**	41 – 43
Increase in operating costs (including insurance service expenses)	13.9	**7 – 11**	6 – 10
Satisfactory paid customers	83.5	**78 – 82**	78 – 82
Debtor costs as a % of debtors at gross carrying value	15.0	**13 – 16**	12 – 15
Operating profit margin	22.7	**16 – 20**	16 – 20
Borrowings ratio (excluding lease liabilities)	17.3	**<25**	<25
Gearing ratio (including lease liabilities)	36.6	**<50**	<50

APPRECIATION

Thank you to our shareholders for your continuing support and we welcome those institutions who invested in the Company for the first time this year. I would also like to thank the broader investment community for your interest and engagement with management. I extend my appreciation to my Group finance colleagues for their ongoing support and commitment to delivering high standards of corporate reporting.

Jacques Bestbier
Chief financial officer

Five-year review

Ratios and Statistics		2025	2024	2023 Restated	2022	2021
Returns						
Return on equity (after-tax)	(%)	**15.4**	9.3	8.7	10.1	9.0
Return on average capital employed (after-tax)	(%)	**13.4**	8.6	7.9	8.8	8.7
Return on average assets managed (pre-tax)	(%)	**15.0**	10.1	9.2	10.4	10.5
Margins						
Gross profit margin	(%)	**43.4**	43.1	40.6	40.5	41.8
Operating profit margin before impairments and capital items	(%)	**23.0**	16.2	16.0	17.5	18.7
Operating profit margin	(%)	**22.7**	14.8	13.7	15.2	17.7
Productivity						
Number of stores		**918**	869	840	819	807
Revenue per store	(R'000)	**10 117**	9 417	8 877	8 860	8 334
Operating profit per store	(R'000)	**1 255**	794	725	816	862
Average number of permanent employees		**10 423**	10 004	9 524	8 952	8 847
Revenue per employee	(R'000)	**891**	818	783	811	760
Operating profit per employee	(R'000)	**111**	69	64	75	79
Trading space	(m^2)	**264 349**	255 162	253 135	250 643	249 758
Revenue per square metre	(R)	**35 135**	32 073	29 456	28 950	26 930
Operating profit per square metre	(R)	**4 359**	2 705	2 407	2 665	2 785
Inventory turn	(times)	**3.8**	3.7	3.0	2.6	2.4
Credit ratios						
Credit sales	(%)	**68.0**	66.2	59.9	51.4	49.1
Bad debts as a percentage of debtors at gross carrying value	(%)	**10.6**	11.2	13.1	14.5	16.2
Debtor costs as a percentage of debtors at gross carrying value	(%)	**15.0**	17.6	12.0	12.3	14.3
Debtors impairment provision as a percentage of debtors at gross carrying value	(%)	**37.2**	37.5	36.0	40.4	42.6
Satisfactory paid accounts as a percentage of total customers	(%)	**83.5**	81.3	80.4	79.0	74.4
Arrear instalments on satisfactory paid accounts as a percentage of debtors at gross carrying value	(%)	**10.3**	10.0	10.2	10.4	10.4
Arrear instalments on slow-paying and non-performing accounts as a percentage of debtors at gross carrying value	(%)	**13.1**	14.5	17.6	22.7	25.7
Credit applications decline rate	(%)	**38.5**	35.1	34.7	36.1	38.1
Collection rate	(%)	**78.9**	79.7	80.8	79.0	71.8

Ratios and Statistics		2025	2024	2023 Restated	2022	2021
Solvency and liquidity						
Financing cover	(times)	**5.8**	5.3	8.4	24.6	5.6
Gearing ratio	(%)	**36.6**	31.7	24.1	15.3	7.4
Borrowings ratio	(%)	**17.3**	11.7	4.0	(4.8)	(9.2)
Current ratio	(times)	**2.6**	3.5	3.4	3.6	3.9
Cash conversion ratio	(%)	**60.2**	61.8	69.2	78.9	88.1
Net debt to EITDA	(times)	**0.6**	0.5	0.2	(0.2)	(0.4)
Share performance						
Earnings per share	(cents)	**1 456.9**	806.3	695.6	730.7	576.4
Headline earnings per share	(cents)	**1 482.5**	924.6	863.5	848.7	616.5
Cash flow per share	(cents)	**1 799.6**	1 282.1	1 255.7	1 305.8	1 217.7
Net asset value per share	(cents)	**9 864.4**	8 890.7	8 220.4	7 526.5	6 814.1
Share price:						
Closing price	(R)	**70.90**	43.50	41.00	47.00	30.71
High	(R)	**89.16**	44.99	54.87	54.00	31.00
Low	(R)	**42.60**	35.00	37.51	28.35	12.22
Price earnings ratio	(times)	**4.9**	5.4	5.9	6.4	5.3
Dividend per share	(cents)	**800.0**	500.0	413.0	413.0	328.0
Dividend payout ratio	(%)	**55.3**	61.3	58.5	55.0	55.0
Dividend yield	(%)	**11.3**	11.5	10.1	8.8	10.7
Volume of shares traded	(million)	**14.2**	13.6	20.5	24.4	38.0
Value of shares traded	(million)	**873.9**	545.9	994.8	370.7	631.1
Market capitalisation	(million)	**3 651.4**	2 301.2	2 341.1	2 946.9	2 195.8
Number of shareholders		**4 037**	3 426	3 542	3 788	2 225
Number of shares in issue	('000)	**51 482**	52 896	57 085	62 672	71 509

Explanatory notes:

1. *All ratios are based on figures at the end of the period unless otherwise disclosed.*
2. *Total assets for ratio purposes exclude the deferred tax asset.*
3. *The 2023 figures were restated for IFRS 17.*
4. *Foreign exchange gains and losses are included under operating costs from the 2025 financial year. Comparatives for 2024 have been restated accordingly.*

Independent auditor's report

To the shareholders of Lewis Group Limited

OPINION

The summary consolidated financial statements of Lewis Group Limited, which comprise the summary consolidated balance sheet as at 31 March 2025, summary consolidated income statement, summary consolidated statements of comprehensive income, the summary consolidated statement of changes in equity and summary consolidated cash flow statement for the year then ended, and related notes set out on pages 53 to 62 are derived from the audited consolidated financial statements of Lewis Group Limited for the year ended 31 March 2025.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the requirements of the JSE Limited Listings Requirements, as set out in Note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements. The summary consolidated financial statements and the audited consolidated financial statements do not reflect the effects of events that occurred subsequent to the date of our report on the audited consolidated financial statements.

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The summary consolidated financial statements do not contain all the disclosures required by IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa as applicable to annual financial statements. Reading the summary consolidated financial statements and the auditor's report thereon, therefore, is not a substitute for reading the audited consolidated financial statements and the auditor's report thereon.

THE AUDITED CONSOLIDATED FINANCIAL STATEMENTS AND OUR REPORT THEREON

We expressed an unmodified audit opinion on the audited consolidated financial statements in our report dated 29 May 2025. That report also includes the communication of key audit matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period.

DIRECTOR'S RESPONSIBILITY FOR THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the summary consolidated financial statements in accordance with the requirements of the JSE Limited Listings Requirements, set out in Note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), Engagements to Report on Summary Financial Statements.

Ernst & Young Inc.

Ernst & Young Inc
Director: Tina Lesley Rookledge
Registered Auditor
Chartered Accountant (SA)

3rd Floor, Waterway House
3 Dock Road, V&A Waterfront

Cape Town
29 May 2025

Summary consolidated financial statements

INCOME STATEMENT

for the year ended 31 March 2025

	Notes	2025 Audited Rm	2024 Audited Rm
Revenue		**9 287.8**	8 183.8
Retail revenue	3	**6 059.6**	5 543.3
Merchandise sales		**5 080.6**	4 652.7
Ancillary services		**979.0**	890.6
Effective interest income		**2 047.4**	1 654.6
Insurance revenue		**1 180.8**	985.9
Cost of merchandise sales	4	**(2 873.3)**	(2 646.5)
Operating costs		**(3 203.0)**	(2 834.0)
Debtor costs	2.2	**(1 193.2)**	(1 225.1)
Bad debts net of recoveries		**(840.7)**	(781.5)
Movement in debtors impairment provision		**(352.5)**	(443.6)
Insurance service expenses		**(847.8)**	(722.5)
Operating profit before impairments and capital items		**1 170.5**	755.7
Impairments and capital items	8	**(18.2)**	(65.4)
Operating profit		**1 152.3**	690.3
Investment income – Insurance		**36.0**	37.3
Interest expense	5.3	**(226.9)**	(161.2)
Interest received	5.3	**22.3**	23.7
Profit before taxation		**983.7**	590.1
Taxation	11	**(228.8)**	(153.7)
Net profit attributable to ordinary shareholders		**754.9**	436.4
Earnings per share (cents)	9	**1 456.9**	806.3
Diluted earnings per share (cents)	9	**1 403.1**	781.2

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2025

	2025 Audited Rm	2024 Audited Rm
Net profit for the year	**754.9**	436.4
Items that may be subsequently reclassified to income statement:		
Movement in other reserves	**14.6**	(5.6)
Fair value adjustments	**21.9**	(10.8)
Changes in the fair value of debt instruments at fair value through other comprehensive income – FVOCI debt investments	**30.0**	(14.8)
Tax effect	**(8.1)**	4.0
Disposal of FVOCI debt investments	**1.4**	–
Disposal	**1.9**	–
Tax effect	**(0.5)**	–
Foreign currency translation reserve	**(8.7)**	5.2
Items that may not be subsequently reclassified to income statement:		
Retirement benefit remeasurements	**1.7**	(5.7)
Remeasurements of the retirement asset and liabilities	**2.3**	(7.8)
Tax effect	**(0.6)**	2.1
Other comprehensive income/(loss)	**16.3**	(11.3)
Total comprehensive income for the year attributable to equity shareholders	**771.2**	425.1

Summary consolidated financial statements continued

BALANCE SHEET

as at 31 March 2025

	Notes	2025 Audited Rm	2024 Audited Rm
Assets			
Non-current assets			
Property, plant and equipment		**467.1**	442.3
Right-of-use assets		**847.6**	793.7
Intangible assets and goodwill		**126.5**	110.4
Deferred taxation		**86.2**	64.4
Retirement benefit asset		**118.5**	109.0
Financial assets – insurance investments	6	**159.8**	242.5
		1 805.7	1 762.3
Current assets			
Inventories		**765.9**	723.6
Trade and other receivables	2.1	**5 162.0**	4 483.2
Insurance contract asset	7	**239.6**	196.5
Taxation		**2.4**	8.6
Financial assets – insurance investments	6	**289.1**	134.9
Cash-on-hand and deposits	5.1	**175.4**	224.3
		6 634.4	5 771.1
Total assets		**8 440.1**	7 533.4
Equity and liabilities			
Capital and reserves			
Share capital and premium		**0.9**	0.9
Treasury shares		**(37.6)**	(8.2)
Other reserves		**68.6**	42.6
Retained earnings		**5 046.5**	4 667.5
		5 078.4	4 702.8
Non-current liabilities			
Lease liabilities		**711.1**	699.4
Long-term interest-bearing borrowings	5.1	**–**	350.0
Deferred taxation		**62.6**	59.9
Retirement benefit liability		**80.3**	78.6
		854.0	1 187.9
Current liabilities			
Trade payables, other payables and provisions		**832.5**	698.5
Payments in advance		**194.7**	184.4
Short-term interest-bearing borrowings	5.1	**1 055.4**	425.6
Lease liabilities		**265.7**	240.9
Taxation		**159.4**	93.3
		2 507.7	1 642.7
Total equity and liabilities		**8 440.1**	7 533.4

STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2025

	2025 Audited Rm	2024 Audited Rm
Share capital and premium		
Opening balance	**0.9**	0.9
Cost of own shares acquired	**(43.9)**	(170.0)
Transfer of cost of cancelled shares	**43.9**	170.0
	0.9	0.9
Treasury shares		
Opening balance	**(8.2)**	(8.3)
Share awards to employees	**46.8**	51.6
Cost of own shares acquired	**(76.2)**	(51.5)
	(37.6)	(8.2)
Other reserves		
Opening balance	**42.6**	35.5
Other comprehensive income:		
Changes in fair value of FVOCI debt investments	**21.9**	(10.8)
Disposal of FVOCI debt investments	**1.4**	–
Foreign currency translation reserve	**(8.7)**	5.2
Equity-settled share-based payments	**34.7**	30.8
Transfer of share-based payments reserve to retained earnings on vesting	**(23.3)**	(18.1)
	68.6	42.6
Retained earnings		
Opening balance previously reported	**4 667.5**	4 664.5
Net profit attributable to ordinary shareholders	**754.9**	436.4
Distribution to shareholders	**(310.2)**	(224.2)
Transfer of cost of cancelled shares	**(43.9)**	(170.0)
Transfer of share-based payments reserve to retained earnings on vesting	**23.3**	18.1
Retirement benefit remeasurements	**1.7**	(5.7)
Share awards to employees	**(46.8)**	(51.6)
	5 046.5	4 667.5
Balance as at 31 March	**5 078.4**	4 702.8

Summary consolidated financial statements continued

CASH FLOW STATEMENT

for the year ended 31 March 2025

	Notes	2025 Audited Rm	2024 Audited Rm
Cash flow from operating activities			
Cash flow from trading	12.1	**1 987.2**	1 714.9
Changes in working capital	12.2	**(1 054.7)**	(1 021.0)
Cash flow from operations		**932.5**	693.9
Interest received other than from trade receivables	5.3	**22.3**	23.7
Interest paid	12.3	**(199.7)**	(157.4)
Taxation paid		**(194.8)**	(101.5)
		560.3	458.7
Cash utilised in investing activities			
Purchases of insurance investments		**(319.0)**	(60.7)
Disposals of insurance investments		**315.4**	102.0
Purchase of businesses	12.5	**(35.7)**	–
Additions to property, plant and equipment and intangible assets		**(127.9)**	(124.6)
Proceeds on disposal and scrapping of property, plant and equipment		**5.2**	6.3
		(162.0)	(77.0)
Cash flow from financing activities			
Dividends paid		**(310.2)**	(224.2)
Payment of principal portion of lease liabilities		**(296.7)**	(302.8)
Borrowings:		**(350.0)**	350.0
Advances		**–**	600.0
Repayments		**(350.0)**	(250.0)
Purchase of own shares		**(120.1)**	(221.5)
		(1 077.0)	(398.5)
Net decrease in cash and cash equivalents		**(678.7)**	(16.8)
Cash and cash equivalents at the beginning of the year		**(201.3)**	(184.5)
Cash and cash equivalents at the end of the year	5.1	**(880.0)**	(201.3)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the year ended 31 March 2025

1. BASIS OF REPORTING

The summary consolidated financial statements are prepared in accordance with the requirements of the JSE Limited Listings Requirements and the requirements of the Companies Act applicable to summary financial statements. The Listings Requirements require summary consolidated financial statements to be prepared in accordance with the framework concepts; and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB) and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and to also, as a minimum, contain the information required by IAS 34 Interim Financial Reporting.

The accounting policies applied in the preparation of the consolidated financial statements from which the summary consolidated financial statements were derived are consistent with those accounting policies applied in the preparation of the previous consolidated annual financial statements.

These financial statements are a summary of the Group's audited annual financial statements for the year ended 31 March 2025. The audited annual financial statements were prepared by the Group's Finance Department under the supervision of Mr J Bestbier CA(SA). A copy of the full set of the audited financial statements is available on the Group's website, *www.lewisgroup.co.za.*

These summary consolidated financial statements for the year ended 31 March 2025 have been audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. The auditor also expressed an unmodified opinion on the annual financial statements from which these summary consolidated financial statements were derived. The audited financial statements and the auditor's report thereon are available for inspection at the Company's registered office and on the Group's *website, www.lewisgroup.co.za.*

Summary consolidated financial statements continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the year ended 31 March 2025

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS

2.1 Trade and other receivables

		2025 Audited Rm	2024 Audited Rm
Trade receivables		**7 955.2**	6 948.6
Provision for impairment		**(2 958.6)**	(2 606.1)
Trade receivables (net)		**4 996.6**	4 342.5
Due within 12 months		**3 052.4**	2 665.4
Due after 12 months		**1 944.2**	1 677.1
Other receivables		**165.4**	140.7
Total trade and other receivables		**5 162.0**	4 483.2
Debtors impairment provision as a percentage of debtors at gross carrying value	(%)	**37.2**	37.5

Amounts due from trade receivables after one year are reflected as current, as they form part of the normal operating cycle.

The credit terms of trade receivables are up to a maximum of 36 months.

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Impairment modelling

In accordance with paragraph 5.5.15(a)(ii) of IFRS 9, the Group has elected to apply the simplified model and measures the impairment allowance at an amount equal to the lifetime ECL. This methodology has been applied across the entire portfolio of trade receivables.

The lifetime ECL is determined by assessing the historical cash flows and projecting future cash flows on a probability-weighted basis. These are then discounted at the effective interest rate (including initiation fees). For the current financial year, the discount rate used was 28.9% (2024: 28.4%).

The probability-weighted cash flows are calculated using the following:

- A transitional matrix, calculated for each country in which the Group trades, that reflects the probability of any given account transitioning to a future payment state.
- Payment performance for each payment state.

Payment states used in the transitional matrices are defined as follows:

- The customer's actual payments received relative to their contractual instalments due (this value is expressed as a Lifetime Payment Rating).
- The age of the account in months.
- The term of the account in months.

The transition matrix is derived from the observed payment behaviour of the Group's customer base over a 36-month period and a 12-month rolling average is used to determine the historical payment performance for each state.

Forward-looking information

IFRS 9 requires that the ECL impairment provision considers potential future changes in the economic environment. To achieve this, an economic overlay model has been developed by performing a regression analysis between key economic variables and the Group's default rates, where default rate is defined as the percentage of performing accounts rolling into non-performing states in the following 12 months. This analysis is done on at least an annual basis to identify the relevant economic variables and assess the degree of correlation with the non-performing category.

The assessment for 2025 has identified the South African Reserve Bank Repo Rate and Private Consumption (year-on-year percentage changes) as the key economic variables with the strongest statistical significance and the most relevant in predicting the payment behaviour of the Group's customer base. For 2024, Real Durable Consumption (adjusted to account for GDP growth) was used. The selected economic variables are used to determine the base, upside and downside scenarios and a weighted average scenario is calculated to determine the expected default rates.

Summary consolidated financial statements continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
for the year ended 31 March 2025

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Forward-looking information continued

High levels of uncertainty are affecting both the current global and local environments. Key global uncertainties include the United States' trade policies, persistent inflation, geopolitical tensions and war as well as elevated global debt levels. Locally, factors such as political uncertainty, the deteriorating fiscal position and infrastructure failures contribute to adverse conditions. The combined impact of the aforementioned will limit economic growth in the Group's markets and place strain on the disposable income of the Group's customers. Consequently, management has maintained a probability of 70% to the downside scenario, 25% to the base scenario and 5% to the upside scenario in its assessment of the forward-looking overlay. Additionally, the United States' posture towards South Africa presents a further risk to the local economy, especially with the potential expiration of the African Growth and Opportunity Act (AGOA), therefore this was factored into the forward-looking macroeconomic model. As a result, the total forward-looking overlay amounts to R517.0 million (2024: R347.0 million).

Payment ratings

The customer's payment profile is managed by using payment ratings. Payment ratings are determined on an individual customer level and measure the customer's actual payments received over the lifetime of the account relative to the instalments due in terms of the contract. There are 13 payment ratings with customers being allocated to one of these 13 payment ratings in accordance with their payment behaviour. For the purpose of managing the business, the 13 payment ratings are summarised into three main groupings, namely:

- **Satisfactory paid**

These represent customers with a payment rating of between 9 and 13, with the lowest rated customers having paid an average of approximately 70% over the contract period.

- **Slow payers**

These represent customers with a payment rating of 7 and 8, with the lowest rated customers having paid an average of approximately 55% of amounts due over the contract period.

- **Non-performing accounts**

These represent customers not classified as Satisfactory paid or Slow payers with a payment rating of 6 and lower.

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Combined impairment and contractual arrears table

31 March 2025

Customer grouping	Number of customers Total	Gross carrying value R'000	Impairment provision R'000	Impairment provision %	Total arrears R'000	Instalments in arrears ≤3 months R'000	Instalments in arrears >3 months R'000
Satisfactory paid	**588 856**	**6 194 306**	**1 544 932**	**24.9**	**817 563**	**538 476**	**279 087**
(%)	**83.5**	**77.9**	**52.2**				
Slow payers	**87 324**	**1 200 224**	**927 212**	**77.3**	**695 537**	**239 420**	**456 117**
(%)	**12.4**	**15.1**	**31.3**				
Non-performing accounts	**29 182**	**560 626**	**486 459**	**86.8**	**349 518**	**92 279**	**257 239**
(%)	**4.1**	**7.0**	**16.5**				
Total	**705 362**	**7 955 156**	**2 958 603**	**37.2**	**1 862 618**	**870 175**	**992 443**

31 March 2024

Customer grouping	Number of customers Total	Gross carrying value R'000	Impairment provision R'000	Impairment provision %	Total arrears R'000	Instalments in arrears ≤3 months R'000	Instalments in arrears >3 months R'000
Satisfactory paid	520 512	5 328 692	1 351 020	25.4	695 162	461 622	233 540
(%)	81.3	76.7	51.8				
Slow payers	84 615	1 034 860	738 066	71.3	611 937	216 922	395 015
(%)	13.2	14.9	28.3				
Non-performing accounts	35 416	585 036	517 024	88.4	398 403	102 071	296 332
(%)	5.5	8.4	19.9				
Total	640 543	6 948 588	2 606 110	37.5	1 705 502	780 615	924 887

Summary consolidated financial statements continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the year ended 31 March 2025

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS CONTINUED

2.1 Trade and other receivables continued

Interest rate risk

Interest rates charged to customers are fixed at the date the contract is entered into. Consequently, there is no cash flow interest rate risk associated with these contracts during the term of the contract.

The weighted average contractual interest rate on trade receivables is 24.1% (2024: 23.4%).

Fair value

In terms of paragraph 29(a) of IFRS 7, the carrying amounts reported in the balance sheet approximate fair value.

4.1 Debtor costs

		2025 Audited Rm	2024 Audited Rm
Bad debts		**919.2**	875.0
Bad debts before adjustment for interest on credit impaired accounts		**1 020.2**	969.5
Adjustment for interest on credit impaired accounts		**(101.0)**	(94.5)
Bad debt recoveries		**(78.5)**	(93.5)
Movement in debtors impairment provision		**352.5**	443.6
Closing balance		**2 958.6**	2 606.1
Opening balance		**(2 606.1)**	(2 162.5)
Total debtor costs		**1 193.2**	1 225.1
Debtor costs as a percentage of debtors at gross carrying value	(%)	**15.0**	17.6

"Bad debts before adjustment for interest on credit impaired accounts" is the gross carrying amounts of the trade receivables written off. For credit impaired accounts, interest income is recognised by applying the effective interest rate to the amortised cost (gross carrying value less impairment provision), resulting in lower bad debts.

3. RETAIL REVENUE

	Traditional Rm	Speciality Rm	Group Rm
31 March 2025			
Merchandise sales			
– Cash	**1 116.4**	**509.6**	**1 626.0**
– Credit	**3 431.4**	**23.2**	**3 454.6**
Ancillary services			
– At a point in time	**224.8**	**10.1**	**234.9**
– Over time	**739.3**	**4.8**	**744.1**
	5 511.9	**547.7**	**6 059.6**
31 March 2024*			
Merchandise sales			
– Cash	1 126.2	445.7	1 571.9
– Credit	3 063.7	17.1	3 080.8
Ancillary services			
– At a point in time	208.2	9.0	217.2
– Over time	672.7	0.7	673.4
	5 070.8	472.5	5 543.3

* *Comparative information has been updated which aligns with the new reportable segments. For further information, refer note 10.*

4. GROSS PROFIT

		2025 Audited Rm	2024 Audited Rm
Merchandise sales		**5 080.6**	4 652.7
Cost of merchandise sales		**(2 873.3)**	(2 646.5)
Merchandise gross profit		**2 207.3**	2 006.2
Gross profit margin	(%)	**43.4**	43.1

Summary consolidated financial statements continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the year ended 31 March 2025

5. BORROWINGS, CASH AND NET FINANCE COSTS

		2025 Audited Rm	2024 Audited Rm
5.1	Borrowings, banking facilities and cash		
	Long-term interest-bearing borrowings	**–**	(350.0)
	Cash and cash equivalents:	**(880.0)**	(201.3)
	Short-term interest-bearing borrowings	**(1 055.4)**	(425.6)
	Cash-on-hand and deposits	**175.4**	224.3
	Net borrowings	**(880.0)**	(551.3)
	Total banking facilities	**2 100.0**	1 800.0

Total facilities include long-term revolving credit facilities and short-term overnight facilities (interest-bearing borrowings). The interest rates on the revolving credit facilities are linked to three-month JIBAR. The interest rates on the overnight facilities are based on rates as determined by each of the banks based on market conditions. JIBAR is to be replaced by the South African Rand Overnight Index Average (ZARONIA) at a date yet to be announced by the South African Reserve Bank and an assessment of the impact on the Group will be performed.

Interest rate profile

The weighted average interest rate applicable at the end of the reporting period was 9.1% (2024: 10.0%).

Domestic Medium-Term Note programme

The Group has an established Domestic Medium-Term Note programme (DMTN) under which the Group can issue notes up to R2 billion.

			2025 Audited Rm	2024 Audited Rm
5.2	Capital management			
	Net debt		**1 856.8**	1 491.6
	Shareholders' equity		**5 078.4**	4 702.8
	Gearing ratio	(%)	**36.6**	31.7
	Borrowings ratio	(%)	**17.3**	11.7

The borrowings ratio is calculated as net debt excluding lease liabilities, divided by equity capital.

5. BORROWINGS, CASH AND NET FINANCE COSTS CONTINUED

		2025 Audited Rm	2024 Audited Rm
5.3	Net finance costs		
	Interest expense	**(226.9)**	(161.2)
	Borrowings	**(116.2)**	(81.6)
	Lease liabilities	**(81.6)**	(75.8)
	Liability for incurred claims	**(19.5)**	(15.5)
	Other	**(9.6)**	11.7
	Interest received	**22.3**	23.7
	Bank	**21.0**	21.4
	Other	**1.3**	2.3
		(204.6)	(137.5)

In the prior year, foreign exchange gains of R0.8 million was included in net finance costs. This disclosure has been updated to include foreign exchange gains/losses in operating costs.

6. FINANCIAL ASSETS – INSURANCE INVESTMENTS

Fair value hierarchy

The following table presents the assets recognised and subsequently measured at fair value:

	Level 2 Rm	Total Rm
31 March 2025		
Insurance investments:		
Fixed income securities – FVOCI	**159.8**	**159.8**
Money market floating rate notes – FVTPL	**289.1**	**289.1**
	448.9	**448.9**
31 March 2024		
Insurance investments:		
Fixed income securities – FVOCI	242.5	242.5
Money market floating rate notes – FVTPL	134.9	134.9
	377.4	377.4

The categorisation of the valuation techniques used to value the assets at fair value are as set out in IFRS 13. Insurance investments are valued with reference to observable market data on the JSE and are categorised under Level 2. Refer note 9.1 in the full set of the audited financial statements.

Summary consolidated financial statements continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
for the year ended 31 March 2025

7. INSURANCE CONTRACT ASSET

The insurance contract asset relates to Customer Protection Insurance ("CPI") contracts sold in South Africa, Botswana, Lesotho, Eswatini and Namibia.

	2025 Audited Rm	2024 Audited Rm
The insurance contract asset comprises of:		
Asset for remaining coverage	**313.8**	275.2
Liability for incurred claims	**(74.2)**	(78.7)
	239.6	196.5

8. IMPAIRMENTS AND CAPITAL ITEMS[1]

	2025 Audited Rm	2024 Audited Rm
Impairment of right-of-use assets	**17.3**	5.7
Impairment of goodwill	**–**	59.9
Total impairments	**17.3**	65.6
Loss/(Profit) on disposal of fixed assets	**0.9**	(0.2)
	18.2	65.4

[1] *This includes the before tax effect of all re-measurements and capital items excluded from headline earnings per share in accordance with the guidance contained in SAICA Circular 1/2023: Headline Earnings.*

9. EARNINGS AND DIVIDENDS PER SHARE

		2025 Audited	2024 Audited
Weighted average number of shares			
Weighted average	('000)	**51 817**	54 123
Diluted weighted average	('000)	**53 804**	55 860
Headline earnings			
Attributable earnings	(Rm)	**754.9**	436.4
Loss/(Profit) on disposal of fixed assets	(Rm)	**0.7**	(0.1)
Impairment of right-of-use assets	(Rm)	**12.6**	4.2
Goodwill impairment	(Rm)	**–**	59.9
Headline earnings	(Rm)	**768.2**	500.4
Earnings per share			
Earnings per share	(cents)	**1 456.9**	806.3
Diluted earnings per share	(cents)	**1 403.1**	781.2
Headline earnings per share			
Headline earnings per share	(cents)	**1 482.5**	924.6
Diluted headline earnings per share	(cents)	**1 427.8**	895.8
Dividends per share			
Dividends paid per share			
Final dividend 2024 (2023)	(cents)	**300.0**	218.0
Interim dividend 2025 (2024)	(cents)	**300.0**	200.0
	(cents)	**600.0**	418.0
Dividends declared per share			
Interim dividend 2025 (2024)	(cents)	**300.0**	200.0
Final dividend 2025 (2024)	(cents)	**500.0**	300.0
	(cents)	**800.0**	500.0

Summary consolidated financial statements continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the year ended 31 March 2025

10. REPORTABLE SEGMENTS

Primary	Note	Traditional Rm	Speciality Rm	Group Rm
For the year ended 31 March 2025				
Revenue		**8 704.1**	**583.7**	**9 287.8**
Merchandise sales		**4 547.8**	**532.8**	**5 080.6**
Segment operating profit before impairments and capital items		**1 144.9**	**25.6**	**1 170.5**
Segment operating margin before impairments and capital items	(%)	**25.2**	**4.8**	**23.0**
Impairments and capital items	8	**(0.9)**	**(17.3)**	**(18.2)**
Segment operating profit		**1 144.0**	**8.3**	**1 152.3**
Segment operating margin	(%)	**25.2**	**1.6**	**22.7**
Segment assets[1]		**5 591.4**	**171.1**	**5 762.5**
For the year ended 31 March 2024*				
Revenue		7 706.4	477.4	8 183.8
Merchandise sales		4 189.9	462.8	4 652.7
Segment operating profit/(loss) before impairments and capital items		758.8	(3.1)	755.7
Segment operating margin before impairments and capital items	(%)	18.1	(0.7)	16.2
Impairments and capital items	8	27.5	(92.9)	(65.4)
Segment operating profit/(loss)		786.3	(96.0)	690.3
Segment operating margin	(%)	18.8	(20.7)	14.8
Segment assets[1]		4 914.9	151.2	5 066.1

[1] Segment assets include net trade receivables of R4 996.6 million (2024: R4 342.5 million) and inventory of R765.9 million (2024: R723.6 million).

** During the year, the Group changed the composition of its reportable segments due to a strategic reorganisation prompted by the acquisition of the new businesses. Comparative information has been updated which aligns with the new reportable segments. For further information, refer note 17 in the full set of the audited financial statements.*

Geographical	South Africa Rm	Namibia Rm	BLE[1] Rm	Group Rm
For the year ended 31 March 2025				
Revenue	**7 881.6**	**706.2**	**700.0**	**9 287.8**
For the year ended 31 March 2024				
Revenue	6 941.3	610.5	632.0	8 183.8

[1] Botswana, Lesotho and Eswatini.

11. TAXATION

Tax rate reconciliation		2025 Audited Rm	2024 Audited Rm
Profit before taxation		**983.7**	590.1
Taxation calculated at a tax rate of 27%		**265.6**	159.3
Differing tax rates in foreign countries		**3.0**	4.8
Disallowances		**16.4**	35.6
Exemptions		**(60.3)**	(62.0)
Foreign withholding tax		**28.0**	15.1
Prior years		**(21.7)**	2.0
Tax rate change		**(2.2)**	(1.1)
Taxation per income statement		**228.8**	153.7
Effective tax rate	(%)	**23.3**	26.0

12. CASH FLOW FROM OPERATIONS

		Notes	2025 Audited Rm	2024 Audited Rm
12.1	Cash flow from trading		**1 987.2**	1 714.9
	Operating profit		**1 152.3**	690.3
	Adjusted for:			
	Share-based payments		**77.2**	57.1
	Depreciation and amortisation		**377.4**	368.8
	Impairment of right-of-use assets and goodwill	8	**17.3**	65.6
	Loss/(Profit) on disposal of fixed assets		**0.9**	(0.2)
	Change in debtors impairment provision	2.2	**352.5**	443.6
	Change in other provisions		**28.2**	85.3
	Other movements		**(18.6)**	4.4

Included in cash flow from trading is interest earned on trade receivables of R2 148.4 million (2024: R1 749.1 million).

Summary consolidated financial statements continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the year ended 31 March 2025

12. CASH FLOW FROM OPERATIONS CONTINUED

	2025 Audited Rm	2024 Audited Rm
12.2 Changes in working capital	**(1 054.7)**	(1 021.0)
(Increase)/Decrease in inventories	**(55.8)**	137.7
Increase in trade and other receivables	**(999.1)**	(976.9)
Increase in insurance contract asset	**(62.6)**	(86.5)
Increase/(Decrease) in trade and other payables	**52.5**	(90.1)
Increase/(Decrease) in payments in advance	**10.3**	(5.2)
12.3 Interest paid per cash flow statement	**(199.7)**	(157.4)
Interest paid per the income statement	**(226.9)**	(161.2)
Other movements	**27.2**	3.8

12.4 Lease liability payments

The total lease payments amount to R456.3 million (2024: R416.8 million), which include the capital portion of R296.7 million (2024: R302.8 million) reflected under financing activities, and the remaining balance included in cash flow from trading.

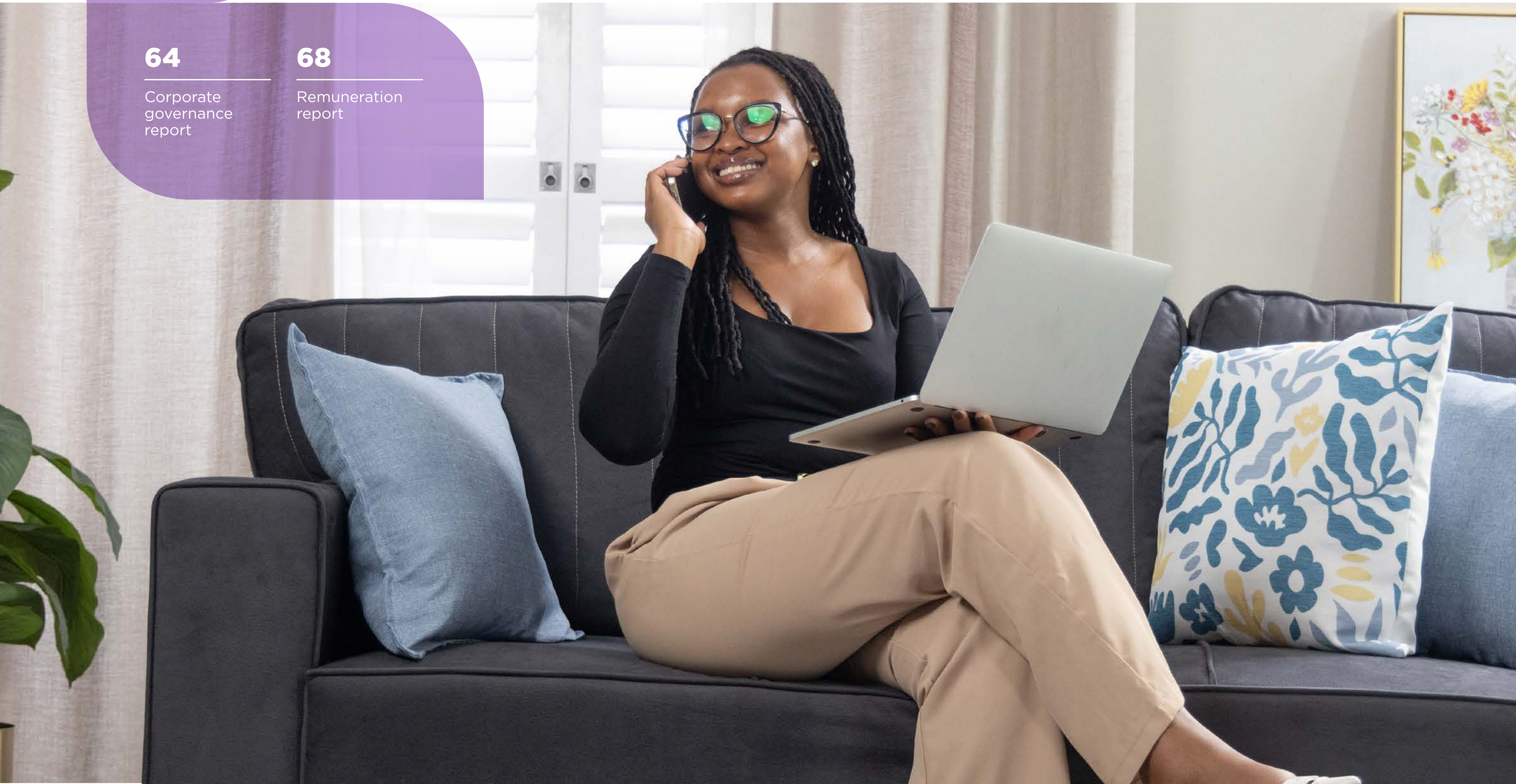
12.5 Real Beds acquisition

With effect 29 June 2024, the Group acquired the trading assets and certain assumed liabilities from businesses trading under the Real Beds brand for a total purchase consideration of R20.4 million. An additional four stores were acquired in Botswana with effect 1 November 2024, for a purchase consideration of R15.3 million. The acquisitions had an immaterial impact on the financial results and financial position of the Group for the year ended 31 March 2025.

13. POST BALANCE SHEET EVENTS

There were no significant post balance sheet events that occurred between the year end and the date of approval of the financial statements by the directors.

07 GOVERNANCE



Corporate governance report

Introduction

The Group aims to achieve key governance outcomes including an ethical culture, good performance, effective control and legitimacy by applying the King IV report on Corporate Governance for South Africa, 2016 (King IV).

The board confirms that the Group has, in all material respects, applied King IV during the reporting period. A report on the Group's application of the principles is presented on the website at *https://www.lewisgroup.co.za/governance/king-iv/*.

This report is a summary of the detailed Corporate governance report available at *https://www.lewisgroup.co.za/governance/corporate-governance-report/*.

Board composition

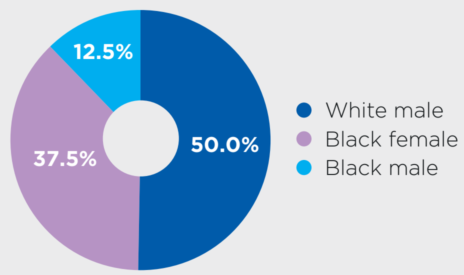
The board consists of six independent non-executive directors and two executive directors.

The board is satisfied that it has a diverse mix of knowledge, skills, industry experience, background, gender and race to objectively discharge its governance role and responsibilities.

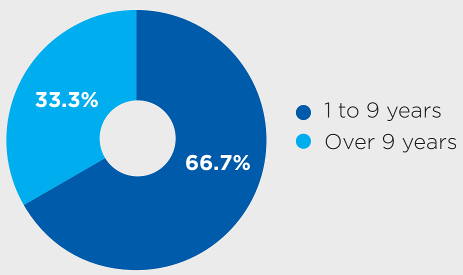
There is a clear distinction between the roles of the chairperson and the chief executive officer. Hilton Saven, an independent non-executive director, is the chairperson of the board. The implementation of the strategy and the ongoing management of the business is delegated to Johan Enslin, the chief executive officer.

The age, tenure, experience and expertise of board members are set out briefly in the Board of directors' report on pages 38 to 39.

Board diversity



Non-executive directors' tenure



Key responsibilities

The board is governed in terms of a charter that sets out its key role and responsibilities, which include:

- Reviewing and approving the Group's strategy, as developed by management
- Providing oversight of performance against targets and objectives
- Providing effective leadership based on an ethical foundation
- Overseeing key performance and risk areas
- Ensuring effective risk management and internal control
- Overseeing IT governance
- Overseeing legislative, regulatory and governance compliance
- Ensuring appropriate remuneration policies and practices
- Overseeing relationships with stakeholders along sound governance principles;
- Ensuring that the Group is a responsible corporate citizen; and
- Ensuring accountability.

Corporate governance report continued

BOARD OF DIRECTORS

There were no changes in the composition of the board during the year.

Directors appointed during the year are required to have their appointment ratified at the following AGM. The chairperson is elected every second year by the board. Hilton Saven was unanimously re-elected as chairperson of the board in November 2024.

Directors do not have a fixed term of appointment and are subject to retirement by rotation and re-election by shareholders at the AGM at least every three years. Directors are required to retire at the next AGM after they turn 70, unless the board decides at its discretion that a director may continue to hold office.

Executive directors are subject to 12 to 24-month notice periods.

INDEPENDENCE OF DIRECTORS

Directors are required to annually evaluate their independence and declare their interests in other entities. They are required to declare any conflict of interest in relation to matters on the agenda at board meetings. The nominations committee further reviews the independence of the non-executive members when reviewing the composition of the board.

The board was satisfied that all directors exercise independent judgement and act in an independent manner.

BOARD DIVERSITY

The board's diversity policy is aimed at enhancing broader diversity at board level, which focuses specifically on diversity attributes of gender, race, culture, age, knowledge, skills and experience.

In 2025, the board retained the voluntary targets for female representation and racial diversity on the board at 30%. Currently, 37.5% of board members are female and 37.5% are black in terms of the B-BBEE Act. Independent non-executive director Tapiwa Njikizana is Zimbabwean by birth and is therefore not included for purposes of the B-BBEE Act calculation.

BOARD EVALUATION

All directors participate in the annual evaluation of the board's performance. The questionnaire-based evaluation covers the board's role and agenda setting; the size, independence and composition of the board; director orientation and development; board meetings; board committees; board accountability and governance practices. The process also includes an assessment of the performance of the chairperson and chairpersons of board committees, chief executive officer and the company secretary. In addition, the chairperson of the board has individual sessions with each director where necessary.

The 2025 board evaluation concluded that the board was satisfied with its overall functioning and governance.

CHIEF FINANCIAL OFFICER AND FINANCE FUNCTION EVALUATION

The audit committee conducted a formal evaluation of the appropriateness of the expertise of the chief financial officer, adequacy of the resources in the finance function, and the experience of senior members of management responsible for the financial function.

The committee is satisfied that the expertise and experience of the chief financial officer are appropriate and that the finance function is sufficiently resourced to meet the required responsibilities of the function.

COMPANY SECRETARY

Marisha Gibbons is the Group company secretary. The company secretary acts as adviser to the board and plays a pivotal role in ensuring compliance with regulations, the induction of new directors, providing advice to directors on governance, compliance and their fiduciary responsibilities, and is responsible for liaising with the JSE and the Companies and Intellectual Property Commission.

The company secretary acts as secretary for all board committees.

The directors have unrestricted access to the advice and services of the company secretary. They are entitled to seek independent professional advice at the Company's expense after consultation with the chairperson of the board. No directors exercised this right during the year.

The board conducted a formal evaluation of the company secretary and was satisfied that she has the requisite competence, qualifications and experience to perform the role as set out in section 88 of the Companies Act.

The board is satisfied that it has an arm's-length relationship with the company secretary and confirms that the company secretary is independent, is not a director of any of the Group companies and is not related to any of the directors.

GOVERNANCE STRUCTURE

The board of directors delegated specific responsibilities to five board committees and the management committee.

Board committees are all chaired by independent non-executive directors. Each committee is governed by its terms of reference which outline its composition, authority and responsibilities, and functions according to a year plan. Committee members annually confirm that the committee functioned in accordance with its respective terms of reference. The committee charters are available at *https://www.lewisgroup.co.za/governance/board-committees*.

Refer to the Corporate governance report on *https://www.lewisgroup.co.za/governance/corporate-governance-report/* for details of board committees.

BOARD MEETINGS

2025 meeting attendance

	B	AC	RC	REM	NOM	SET
Number of meetings	4	5	4	2	2	2
Non-executive directors						
Hilton Saven	4+	5*	4	2	2+	2
Prof. Fatima Abrahams	4	5*	4	2+	2	2+
Adheera Bodasing	4	5*	4	2	2	–
Brendan Deegan	4	5	4	2	2	–
Daphne Motsepe	4	5+	4+	2	2	2
Tapiwa Njikizana	4	5	4	2	2	–
Executive directors						
Johan Enslin	4	5*	4	2*	2*	2
Jacques Bestbier	4	5*	4	–	–	–

\+ *Chairperson*
* *Attends by invitation*

COMMITTEE KEY B BOARD AC AUDIT RC RISK REM REMUNERATION NOM NOMINATIONS SET SOCIAL, ETHICS AND TRANSFORMATION

Corporate governance report continued

RISK MANAGEMENT

The board is responsible for the oversight of the risk management process and has delegated specific responsibility to the risk committee.

The risk committee is responsible for ensuring that the Group implemented an effective policy and plan for risk, and that disclosure regarding risks is comprehensive, timely and relevant.

The chief risk officer is responsible for the risk management process to identify, assess and manage potential risks and opportunities that may affect the Group's strategies and objectives. The risk management framework includes the risk management policy, risk appetite, relevant responsibilities and the risk management plan.

The risk working group (RWG) is responsible for designing and implementing the risk management process and monitoring ongoing progress. Senior executives and line management within each business unit are accountable for managing risks in achieving their financial and operational objectives.

The focus of the risk management process is on strategic and key operational risks. The business units in the Group assess the risks on a quarterly basis.

The RWG reviews the registers with a focus on:

- Completeness of risks identified across the Group
- Causes of risks
- The residual risk ratings
- The tolerance levels based on risk indicators
- The need for further management action

The RWG also develops the risk appetite and obtains board approval through the risk committee. Senior executives and line management are responsible for implementing the risk appetite and reporting any material deviations above the approved threshold limits.

The risks identified by the business units are consolidated by the category of risk in the Group register and the results of the Group risk assessment are reported to the Lewis Group risk committee and the Monarch audit and risk committee.

Key risks are documented in the Material issues and risks report on pages 14 to 16 of the Integrated report.

The Group's external insurance and self-insurance programmes cover a wide range of risks. The insurance levels and insured events are reviewed annually to ensure adequate cover and are amended after taking into account changed processes and emerging risks.

INTERNAL CONTROL

The Group's well-established control environment incorporates risk management and internal control procedures. The internal controls provide reasonable, but not absolute, assurance that assets are safeguarded and the risks facing the business are adequately managed.

The board confirms that during the period under review, the Group maintained an efficient and effective process to manage key risks.

EXTERNAL AUDIT

Ernst & Young Inc. (EY) provided external audit services to the Company and its subsidiaries, for the financial year ended 31 March 2025, excluding Lewis Stores (Lesotho) (Pty) Ltd which is audited by Sheeran & Associates and Lewis Stores (Eswatini) (Pty) Ltd which is audited by David Walker & Company, as EY does not have a presence in Lesotho and Eswatini.

The audit committee monitors the audit process and evaluates the effectiveness of the external audit and independence of the external auditors.

The audit committee has executed its responsibilities, conducting the required assessments in terms of section 3.84(g) of the Listings Requirements.

Refer to the audit committee report in the annual financial statements on pages 5 to 8.

INTERNAL AUDIT

The internal audit function provides information to assist in the establishment and maintenance of an effective system of internal control to manage the risks associated with the business. Internal audit performed a written assessment confirming the effectiveness of the Group's system of internal control and risk management, including internal financial controls.

The role of internal audit is detailed in the internal audit charter which is approved annually by the audit committee.

Refer to the audit committee report in the annual financial statements on pages 5 to 8.

IT GOVERNANCE

IT governance is integrated into the Group's operations, and governance practices and frameworks are reviewed as part of the annual internal audit plan. The IT steering committee is responsible for IT governance and reports to the risk committee.

Corporate governance report continued

LEGAL COMPLIANCE

The board is responsible for governance and compliance with applicable laws and regulations as well as any adopted non-binding rules, codes and standards.

The Group has a zero-tolerance policy in respect of non-compliance or breach of compliance measures.

The board confirms that the Company complies with the provisions of the Companies Act, specifically relating to its incorporation, and operates in compliance with its memorandum of incorporation.

The Group's approach to compliance is risk-based and guided by the Company's regulatory universe as well as the King IV principles. Compliance is monitored by the risk committee which, in turn, has delegated the execution of compliance to the RWG. The Group's compliance obligations include legal and regulatory compliance as well as non-regulatory compliance.

The Group completed a risk assessment of the statutes to determine the seriousness and probability of non-compliance in order to compile an implementation plan based on the high-risk compliance requirements.

Credit compliance

As a registered credit provider, the Group prioritises compliance with the National Credit Act and responsible lending.

Credit is granted centrally to ensure that credit risk policies are consistently applied, removing all subjectivity in the credit-granting process. Advanced credit-granting systems are in place involving collection of relevant information used to assess the creditworthiness of the customer and determine an acceptable level of risk.

The in-store credit sale application process includes a comprehensive affordability assessment and an interview with the store manager during which the components of the contract are explained, including the optional services and fees, and the total cost of credit. Following completion of this process, final approval is subject to a successful interview with the specialised compliance call centre. Customers can engage with a call centre agent in one of the nine official South African languages of their choice. The call between the customer and the call centre agent is undertaken without an intervention from the store manager or store staff.

Call centre agents ensure that customers understand all critical elements of the contract. All calls are recorded and stored to protect the interests of customers and the business. Only once the call centre agent has successfully completed the review with the customer will the transaction be approved.

Without this approval, no transaction exists, and the goods will not be delivered nor invoiced.

The Company considers all complaints received as serious. Matters referred from the National Credit Regulator are monitored by the social, ethics and transformation committee until resolved.

NON-REGULATORY COMPLIANCE

The Group subscribes to the Consumer Goods and Services Code. All complaints referred from the Consumer Goods and Services Ombud are resolved expeditiously and efficiently. The social, ethics and transformation committee has oversight of all complaints received and monitors their status until resolved.

The Group is also a member of various industry bodies, including the Consumer Goods Council of South Africa, the Credit Industry Forum and the South African Insurance Industry Association.

BEHAVIOURAL AND ETHICAL COMPLIANCE

Ethics remain a key focus for the board and management. The board-approved ethics framework, code of conduct and core values (code of ethics) outline the standards of honesty, integrity and mutual respect which employees are required to observe.

The social, ethics and transformation committee established a sub-committee, the social and ethics working group, to support the committee in achieving its objectives. The sub-committee monitors the Group's activities with a specific focus on prevailing codes of best practice and ethical compliance throughout the Group.

The code of ethics provides guidance on conflicts of interest which is aimed at ensuring that employees act in the best interests of the Group and do not profit from their position. The policy governs employees' relationships with suppliers, serving as office bearers on external organisations and industry bodies, and receiving gifts and hospitality from suppliers.

The corporate fraud policy sets out the responsibility of staff and management in the detection, prevention and reporting of fraud. An anonymous tip-off hotline, which is managed by an independent service provider, is available to all employees and other stakeholders to report suspected fraud or dishonesty. The tip-offs and outcomes of incidents investigated are reported quarterly to the audit committee.

PERSONAL SHARE DEALINGS

An insider trading policy restricts directors and specific staff from dealing in the shares of Lewis Group during closed periods. The closed periods are effective from the end of the interim and annual reporting periods until the financial results are disclosed on SENS. Embargoes are also placed on internal share dealings when the Group is trading under a cautionary statement or engaged in price sensitive negotiations.

Directors are required to obtain written clearance from the chairperson of the board prior to dealing.

The chairperson is required to obtain written permission from the chairperson of the audit committee prior to dealing.

All share dealings by directors are disclosed on SENS.

NON-COMPLIANCE

The directors confirm that, to their knowledge, the Group was not involved in nor associated with any material transgressions or associated penalties in the reporting period.

Remuneration report

Committee Chairperson's report

I am pleased to present the Lewis Group Remuneration report, which sets out the Group's remuneration policy and the implementation report. The board, through the remuneration committee (the committee), continues to strive to create a performance-oriented culture which fairly rewards staff for their contribution in achieving the Group's strategic, financial and operational objectives.

SCOPE OF REPORT

The Remuneration report for the 2024 financial year covered the period ended 31 May 2024. Consequently, this year's report covers the period from 1 June 2024 to the date of this report, being 30 May 2025.

COMMITTEE COMPOSITION AND MEETINGS

The committee met on 28 May 2024, 12 March 2025 and 26 May 2025.

The composition of the committee to the date of this report was as follows:

Director	Status
Prof. Fatima Abrahams	Independent non-executive director (chairperson)
Adheera Bodasing	Independent non-executive director
Daphne Motsepe	Independent non-executive director
Tapiwa Njikizana	Independent non-executive director
Hilton Saven	Independent non-executive director
Brendan Deegan	Independent non-executive director

The chief executive officer attends meetings at the invitation of the committee.

NON-BINDING ADVISORY VOTES

At the annual general meeting held on 18 October 2024, the Remuneration policy was endorsed by shareholders and received 90.8% (2023: 96.6%) of the votes cast, while the Implementation report received 91.2% support (2023: 83.4%).

KEY FOCUS AREAS

The main areas of focus of the committee during the year were as follows:

- Considered an executive remuneration survey conducted against comparable companies (mainly in the retail sector) performed by REM Solutions, an independent remuneration consultancy
- Considered and approved the total guaranteed pay for executive directors and the internal audit executive for the 2026 financial year
- Reviewed and approved the remuneration policy and implementation report included in the 2025 Integrated report
- Set the Group's performance targets for all share incentive schemes, the cash-settled plan and cash-based performance bonus for the 2026 financial year
- Considered the measurement of the actual performance against targets for the 2025 financial year for the Lewis 2019 Executive Performance Scheme (2019 LEPS), the Lewis 2021 Executive Performance Scheme (2021 LEPS), Cash-Settled Long-Term and Short-Term Executive Performance Plan (CSLSPP) and the Lewis 2022 Cash-Settled Executive Performance Plan (2022 CSPP).
- Considered the measurement of the actual performance against targets for the 2025 financial year for the cash-based performance bonus.
- Approved the awards to be granted in the 2026 financial year under the Lewis 2022 Executive Retention Scheme (2022 LERS), Lewis 2023 Executive Performance Scheme (2023 LEPS) and the 2021 LEPS.

The committee is satisfied that it has fulfilled the requirements of its charter and that the objectives of the Remuneration policy have been met without material deviation.

Prof. Fatima Abrahams
Chairperson
30 May 2025

Remuneration policy

REMUNERATION PHILOSOPHY

Lewis Group strives to create a performance-oriented culture which fairly rewards staff for their contribution in achieving the Group's strategic, financial and operational objectives. Key to the Group's remuneration philosophy is recognising employees' contribution to the success of the business. The growth and sustainability of the business is dependent on the Group's ability to attract, retain and motivate competent people.

REMUNERATION PRINCIPLES

Remuneration practices are structured to encourage sustainable, long-term wealth creation through the following:

- Aligning remuneration practices with the Group's strategy
- Aligning executive reward systems with the interests of stakeholders
- Promoting a performance-based culture across the business
- Offering appropriate short-term and long-term performance-related rewards that are fair and achievable
- Attracting and retaining talented individuals in the furniture retail and financial services industries
- Rewarding, retaining and motivating talented people while still managing employment costs effectively.

REMUNERATION GOVERNANCE

The board is accountable for the remuneration philosophy, policy and practices. Responsibility for oversight of the Group's remuneration policies and practices has been delegated to the committee.

The committee is chaired by an independent non-executive director, and the chief executive officer attends meetings at the invitation of the committee. The committee may, at its discretion, invite other executives or external advisers to attend meetings, but no executive may be present during any discussion on their own performance or remuneration.

The responsibilities of the committee are as follows:

- Ensuring the Remuneration policy is aligned with the Group's strategic objectives and encourages superior individual performance
- Reviewing and approving compensation of executive management, executive and non-executive directors and the internal audit executive
- Ensuring executive directors are equitably rewarded based on market trends, surveys, individual performance and contribution
- Reviewing incentive and bonus schemes to ensure continued alignment to the enhancement of shareholder value
- Approving the award of share incentives for equity and cash-settled schemes
- Approving the performance targets for the incentive and bonus schemes
- Ensuring employee benefits are suitably disclosed
- Recommending non-executive directors' fees for shareholder approval based on market information
- Ensuring practices are compliant with relevant legislation and regulation.

NON-BINDING ADVISORY VOTE

The Group's Remuneration policy and Implementation report are subject to non-binding advisory votes by shareholders at the AGM each year.

This enables shareholders to express their views on the Remuneration policy and the implementation of the policy, and for the board to take these views into account.

In the event that either the Remuneration policy or the Implementation report are not adopted by a vote of at least 75%, the committee shall follow a shareholder engagement process and take proactive measures to address shareholders' concerns.

REMUNERATION BENCHMARKING

Remuneration is market-based and competitive owing to the portability of skills in the retail and financial services sectors. External remuneration surveys are used to benchmark executive and non-executive remuneration in comparable positions. Market surveys assist in ensuring executives are competitively rewarded in line with their performance and contribution.

Remuneration packages are determined by considering market trends, the importance of a position relative to the Group's business, the required skills set, job-specific expertise, performance and contribution of individuals.

REMUNERATION STRUCTURE

Remuneration is optimised through a combination of annual guaranteed pay, benefits, and short- and long-term incentives.

Executive directors and senior management

The remuneration structure of executive directors and senior management is closely linked to the achievement of the Group's financial and operating targets, and is therefore closely aligned to the interests of shareholders.

Executive director and senior management remuneration packages comprise the following elements, with a significant portion of remuneration being performance-related:

1. Annual guaranteed pay
2. Annual cash-based performance bonus
3. Medium- and long-term share-based incentives.

The chief executive officer and chief financial officer have employment contracts which are subject to 24-month and 12-month notice periods from either party respectively.

Annual guaranteed pay

Annual guaranteed pay includes a cash salary and employer contributions to retirement and healthcare funding. Cash salaries are benchmarked against peers in comparable positions in similar companies. Salaries are reviewed annually by the committee and the level of increase is merit-based in relation to individual and Group performance, and also considers market pay movements. Increases are effective from 1 April, at the start of the financial year.

Annual cash-based performance bonus

Executive directors and senior management participate in a performance bonus scheme which is linked to their salary. No portion of any participants' bonus is guaranteed. Bonus payments are based on the Group's performance relative to board-approved budgeted targets. During this year, a broader approach was adopted and additional measures included, resulting in the following targets being applied:

- Revenue
- Gross profit margin
- Operating cost management
- Satisfactory paid customers
- Collection rates
- Net profit before taxation.

The individual performance of the executive directors and senior management is also evaluated against personal performance and bonuses are adjusted downwards where targets are not met.

The actual performance against the above targets for the 2025 financial year is disclosed on page 73. The above targets for the 2026 financial year are not disclosed as this is considered by the board to be market and price-sensitive information.

The sustainability of the Group's business is critical in determining remuneration and performance targets and are designed to discourage increased risk-taking by the executives.

The bonus conditions for the executive team in respect of the 2025 financial year are:

- Below 90% of target results, no bonus would accrue
- Between 90% and 100% of target, 25% of cash salary increasing *pro-rata* to 75% (for the chief executive officer: 95%) of cash salary at 100% of target
- In the event of target results being exceeded by 6%, the bonus amount would result in a *pro-rata* increase from 75% (for the chief executive officer: 95%) to 150% of cash salary (for the chief executive officer: 190%) at 106%.

Annual cash-based performance bonus for executive directors and senior management

Percentage of annual cash salary for performance bonus	Below threshold (<90% of target)	Between 90% and 100% of target	Between 100% and 106% of target
Chief executive officer, chief financial officer and executive team (based on total guaranteed pay)	0%	25% increasing *pro rata* to 75% (chief executive officer – 95%)	75% (chief executive officer – 95%) increasing *pro rata* to 150% (chief executive officer – 190%)
Senior management (based on cash salary)	0%	12.5% to 17.5% increasing *pro rata* to 25% to 35%	25% to 35% increasing *pro rata* to 50% to 70%

The achievement of targets is reviewed by the committee before any incentive payments are made to executive directors. Bonuses are paid at the end of the first quarter of the following financial year.

Medium- and long-term share-based incentives

Share incentive schemes are aimed at motivating executive directors and senior management to contribute to the long-term growth and sustainability of the Group, attracting and retaining talented people and aligning rewards with shareholder interests. The Group's equity-settled share schemes are operated through the Lewis Employee Incentive Scheme Trust specifically for this purpose. Awards will only be paid if the participant is in the employ of the Group at the time of vesting, other than in the event of death, ill-health, retirement or retrenchment.

The Group has adopted cash-settled schemes from May 2019, which mirrors many of the terms and conditions of the equity-settled schemes operated through the Lewis Employee Incentive Scheme Trust. The main difference is that, instead of delivery of shares, the value of shares is paid in cash.

Participation in both the equity and cash-settled schemes is at the discretion of the committee and limited to the executive directors of Lewis Group and the directors, general managers and selected senior management (executives) of Lewis Stores, the Group's main operating subsidiary. Awards are usually made annually in June. Special awards can be made when the committee deems it appropriate.

Incentive awards to the management group are split into two groups, those participating in the equity-settled schemes and the remainder in the cash-settled scheme. This limits the shareholder dilution.

Lewis 2022 Executive Retention Scheme (2022 LERS)

This scheme was approved at the AGM held on 28 October 2022.

The 2022 LERS is aimed at retaining executives who play a key role in the operation of Lewis Group and can influence the performance of the business. The Lewis Group operates a cash-based performance bonus scheme in terms of which bonuses are determined and paid annually based on Lewis Group's performance relative to board-approved targets. Executives will be offered the opportunity to invest a portion of their net after-tax annual performance bonus in the Company's shares. The maximum percentage that can be invested in the scheme is set by the committee, which can be between 25% and 100% of the net bonus payable.

Selected executives will be required to hold (or, additionally, provide an irrevocable undertaking to hold) a beneficial interest in respect of a prescribed number of Company shares before such executive may be eligible to participate in the scheme. This requirement was introduced to ensure that there is even greater alignment between the interest of the executives and those of the Company's shareholders.

The formula to determine the qualification shares is as follows:

A = $[(B \times 12) \times C] / D$

where

A = the minimum number of qualifying shares;

B = monthly cash salary in the calendar month prior to the month in which the award is granted;

C = in respect of the chief executive officer, C shall be equal to 2; in respect of the chief financial officer, C shall equal to 1.5; and in respect of any other executive, C shall be equal to 1

D = the market value of the shares, which shall be the average closing price of the shares over the last three business days during which shares were traded on the JSE prior to the relevant date determined by the remuneration committee.

The qualifying shares must be held as follows:

- Hold direct beneficial shares in Lewis Group, but which exclude invested shares which form part of the various retention schemes
- Provide an irrevocable undertaking for all or a portion of the matching share options which can be exercised no later than six months after the beginning of the financial year in which the award is to be made and the invested shares related to that matching award, such that the shares subject to the undertaking will be transferred into the executive's name as a direct beneficial holding on vesting.

Executives elect the percentage of their net bonus to be invested in shares, subject to a minimum of 10% of their respective net bonuses and the maximum being the percentage of the bonus set by the committee for each participant. Shares are then purchased on the market on behalf of the executive. These invested shares are held on the executive's behalf in a nominee capacity for a period of three years, whereafter the registered ownership of the shares is transferred to the executive. These invested shares are exposed to normal market fluctuations like any other shareholder.

Remuneration report continued

Where invested shares are acquired, the Company issues matching share options to the executive at no consideration in a pre-determined ratio, such that the value of the matching share option at the date of grant is equivalent to the percentage of the gross bonus which the executive elected to invest. As executives have already met the performance targets and/or standards determined by the committee, there is an additional requirement to hold qualification shares for the duration of the award. The matching share options vest on the third anniversary of the grant date of the matching share options, provided that the executive remains in the employ of the Lewis Group.

The trust will purchase shares for the purpose of the 2022 LERS on the open market to avoid dilution of ordinary shareholders. It remains Company policy not to allow the trust to purchase shares on the open market during closed periods. The Company will utilise a maximum of 1.5 million shares for purposes of the 2022 LERS, irrespective of the source of those shares. The maximum number of shares that can be awarded to an individual executive is 600 000 shares over the lifetime of the 2022 LERS.

The Group is entitled to a clawback of shares through the repurchase and cancellation of shares held by the participant and/or an equivalent in money where shares have not been repurchased and cancelled where the executive:

- is dismissed for misconduct involving fraud, misrepresentation and/or dishonesty and failure to materially perform their duties
- where the executive is accused of serious misconduct that would warrant dismissal, he or she resigns from his/her employment prior to the outcome of the disciplinary proceedings.

Lewis 2019 Executive Retention Scheme (2019 LERS)

The final outstanding award made under this scheme was on 6 July 2022. No further awards under this scheme will be made as the scheme limits have been reached.

This scheme contains substantially the same terms as were contained in the 2022 LERS, except that selected executives were not required to hold (or, additionally, provide an irrevocable undertaking to hold) a beneficial interest in respect of a prescribed number of Company shares before such executive may be eligible to participate in the scheme. This requirement was introduced for the first time under the 2022 LERS.

Lewis 2023 Executive Performance Scheme (2023 LEPS), Lewis 2021 Executive Performance Scheme (2021 LEPS), Lewis 2019 Executive Performance Scheme (2019 LEPS) (collectively “Executive Performance Schemes”)

This section deals with the 2023 LEPS, 2021 LEPS and the 2019 LEPS collectively as the terms and conditions for these schemes are substantially the same.

The 2023 LEPS was approved in October 2023 and the first award granted on 12 June 2024.

The 2021 LEPS was approved by shareholders at the AGM on 22 October 2021. The awards granted under this scheme include short-term awards granted on 6 July 2022, 5 June 2023 and 12 June 2024 and long- term awards granted on 6 July 2022.

The 2019 LEPS was approved by shareholders at the AGM held on 25 October 2019. Currently, short-term awards made under this scheme include those on 6 July 2022 and 5 June 2023.

The purpose of the Executive Performance Schemes is to:

- motivate executives to continue to contribute to the growth and sustainability of the Lewis Group and to maintain a performance-oriented culture
- align executive rewards with the interests of stakeholders
- attract and retain talented individuals in the furniture retail and financial services industries; and
- offer appropriate short-term and long-term performance-related rewards that are fair and achievable.

Granting awards to executives provides them with the opportunity to acquire shares, thereby aligning the interests of Lewis Group and its stakeholders.

Awards made under the Executive Performance Schemes offer executives the right to acquire shares for no consideration, subject to the achievement of performance targets determined by the committee.

The following awards may be granted in terms of the Executive Performance Schemes:

Short-term awards

- Three-year awards which vest three years after the grant date.

Long-term awards

- Four-year awards which vest as follows:
  - 50% on the third anniversary of the grant date
  - 50% on the fourth anniversary of the grant date.
- Five-year awards which vests as follows:
  - One-third on the third anniversary of the grant date
  - One-third on the fourth anniversary of the grant date
  - One-third on the fifth anniversary of the grant date.
- Alternate awards on such vesting dates as the committee may determine. It is anticipated that this type of award will only be used in exceptional circumstances.

Performance targets for short-term awards

Performance targets can either be set at the grant date for the entire performance period or for each financial year during the performance period, which shall be determined by the committee within three months after the commencement of each financial year or such later date as the committee may determine if extraordinary circumstances exist, as determined by the committee.

The committee shall select any or all of the following performance criteria for determining the performance targets in respect of short-term awards:

- Headline earnings per share
- Quality of the debtors book
  - satisfactory paid accounts
  - debtor costs as a percentage of net debtors; and
- Gross profit margin.

Performance targets for long-term awards

Performance targets will be set for the performance period as at the grant date. The performance criteria set by the committee shall be as follows:

- Headline earnings per share; and
- At least one of the following performance criteria:
  - return on average shareholders’ equity
  - after tax return on average capital employed
  - pre-tax return on average capital employed
  - pre-tax return on average assets managed
  - gearing ratio.

General

The committee has the discretion to determine what portion of an award shall relate to a particular performance target, such that if some, but not all of the performance targets are met, then only the specified portion shall vest. Furthermore, the committee has the ability to allocate a greater proportion of an award to performance targets which the executive has the ability to influence, having due regard to his/her employment responsibilities.

Performance targets may be adjusted, where material changes (both positive and negative), have been made to accounting policies resulting from IFRS becoming effective after the grant date. The committee shall be entitled, in exceptional circumstances, (both positive and negative), to amend performance targets, having regard to all circumstances including, but not limited to, changes to international and national macroeconomic circumstances, the performance of the Lewis Group relative to the industry in which it operates, and any corporate actions undertaken by the Lewis Group during the relevant performance period.

The scheme allows for a vesting at certain percentages where the performance target was not met. The table below sets out the percentages:

Equal or greater than 100% of target	100% vested
97.5% to 100% of target	25% vested
95% to 97.5% of target	10% vested
Less than 95% of target	No vesting

The Lewis Employee Incentive Scheme Trust (trust) will purchase shares for the purpose of the Executive Performance Schemes on the open market to avoid dilution of ordinary shareholders.

It is Company policy not to allow the trust to purchase shares on the open market during closed periods. The Company will utilise a maximum of 1.75 million shares for the 2023 LEPS, 1.75 million shares for the 2021 LEPS and 2.25 million shares for purposes of the 2019 LEPS, irrespective of the source of those shares. The maximum number of shares that can be awarded to an individual executive is 875 000 shares for the 2023 LEPS, 700 000 shares for the 2021 LEPS and 850 000 shares for 2019 LEPS over the lifetime of the schemes.

The Group is entitled to a clawback of shares through the repurchase and cancellation of shares held by the participant and/or an equivalent in money where shares have not been repurchased and cancelled where the executive:

- is dismissed for misconduct involving fraud, misrepresentation and/or dishonesty and failure to materially perform his/her duties
- where the executive is accused of serious misconduct that would warrant dismissal, he/she resigns from his/her employment prior to the outcome of the disciplinary proceedings.

Remuneration report continued

New equity-settled schemes

New equity-settled schemes for both the Retention and Performance Schemes to be utilised in June 2026 will be proposed on substantially the same rules as the existing schemes for approval by the shareholders at the annual general meeting to be held in October 2025.

Cash-Settled Executive Performance Plan (2022 CSPP)

The committee approved an updated cash-settled plan being the 2022 CSPP which is aligned with the 2023 LEPS, 2021 LEPS and 2019 LEPS, other than the requirement of a cash-settled plan to pay the value of shares in cash at date of vesting, rather than delivery of shares. The outstanding awards under this plan are on 6 July 2022, 5 June 2023 and 12 June 2024.

It is the intention of the Group to continue to use the scheme to incentivise management and to eliminate the dilution of shareholders that is a consequence of equity-settled schemes. The Group will voluntarily disclose the number of notional shares issued under this plan and the Lewis Cash-Settled Long-Term and Short-Term Executive Performance Scheme to provide equivalent disclosure required for equity-settled schemes.

Cash-Settled Long-Term and Short-Term Executive Performance Plan (CSLSPP)

The committee approved a cash settled plan in May 2019 which was based on the old Lewis Long-Term and Short-Term Executive Performance Scheme. The plan operates on a similar basis as the 2019 LEPS described above, except for the following:

- It is a cash-settled plan. No shares are delivered, but the value of shares at date of vesting will be paid in cash. The performance targets in the CSLSPP plan are the same as that of the equity settled performance schemes
- Vesting is at 100% only, i.e. vesting only occurs when the performance targets are met. In other words, there is no vesting at all if the performance target is not met
- There is no clawback clause in the CSLSPP as there is in the 2019 LEPS.

There are no outstanding awards under this scheme. With the introduction of the 2022 CSPP, the committee has decided not to grant any further awards under the CSLSPP and that all new awards will be under the 2022 CSPP.

Setting of performance targets

Targets are set for the bonus and share incentive schemes in a rigorous manner, both for short-term and long-term targets. All targets are realistic stretch targets and are based on what is achievable at the time of setting the target.

For short-term targets, a budget for the next year is prepared. As a starting point, the Company's budget is based on the prior year and is adjusted for all once-off items and other IFRS adjustments not likely to recur, to determine a revised base, irrespective of whether the adjustment is positive or negative. Assumptions of the main drivers of the Company's growth, namely sales growth and collections, are added to form the basis of the new budget. These assumptions are subject to an assessment of the economic environment (in particular, the state of the consumer spending), the cyclical nature of the industry and Company-specific factors at the time of setting the target.

For long-term targets, a five-year budget is prepared, taking into consideration the long-term and medium-term targets of the Company and the required shareholder returns.

The targets are set and approved by the committee prior to the annual audited results being released and are not changed during the performance period.

MANAGEMENT

Managers and selected staff of Lewis Stores receive an annual guaranteed salary, which includes retirement and healthcare benefits. They may also participate in the annual performance bonus scheme and the medium- and long-term share-based incentive schemes described above, at the discretion of the committee. Salaries are reviewed annually and the level of increase is based on Group and individual performance.

STAFF

Staff receive a base salary, performance-linked incentives or a 13th cheque, retirement and healthcare funding. The Group subsidises membership of designated healthcare schemes in each of the countries in which it operates. Staff benefits include educational bursaries, discounts on staff purchases and low-cost funeral and personal accident insurance. Membership of one of the Group's retirement funds is compulsory for all permanent staff. Salaries are reviewed annually and the level of increase is based on Group and individual performance.

Salespersons earn a commission on gross profit once a gross profit threshold is exceeded. Operational management are incentivised on a balanced set of targets including sales, collections, debtor write-offs, stock management and expense control.

NON-EXECUTIVE DIRECTORS

Non-executive directors are paid a fee for their service as directors.

In addition, fees are paid for serving on board committees. The fees are benchmarked externally against comparable companies and based on an assessment of the non-executive director's time commitment and increased regulatory and governance obligations.

In line with best governance and remuneration practice, non-executives do not participate in the Group's incentive schemes. None of the non-executive directors have service contracts with the Group.

Benchmarking exercises were performed this year by REM Solutions, an independent remuneration consultancy, to ensure that the non-executive directors' remuneration is aligned to the market. The remuneration of non-executive directors is reviewed annually by the committee and recommended to shareholders for approval at the AGM.

Remuneration report continued

Implementation report 2025

APPROVALS GRANTED BY SHAREHOLDERS

The Group's Remuneration policy and Implementation report were proposed to shareholders for non-binding advisory votes at the AGM on 18 October 2024. The Remuneration policy and Implementation report were endorsed by shareholders and received 90.8% and 91.2% support respectively as set out below:

Resolution	Votes for % 2025	Votes for % 2024	Votes against % 2025	Votes against % 2024	Abstentions % 2025	Abstentions % 2024
Approval of the Company's remuneration policy	**90.8**	96.6	**4.9**	2.9	**4.3**	0.5
Approval of the Company's Implementation report	**91.2**	83.4	**4.3**	16.1	**4.5**	0.5

Shareholders also approved the fees payable to non-executive directors for the 2025 financial year by a vote of 89.4%.

ANNUAL SALARY INCREASE

The average staff increase was 5.3% for April 2025 (2024: 6.5%). Increases for senior management and executives were merit-based and averaged 6.1% in April 2025 (2024: 6.4%). Increases as a result of promotions were excluded from these averages.

2025 REMUNERATION BENCHMARKING SURVEY

A remuneration benchmarking survey was conducted in 2025 by independent remuneration specialists, REM Solutions, who were appointed on the recommendation of the committee. The scope of the remuneration survey was to benchmark the total guaranteed pay, short- and long-term incentives, remuneration mix and performance levels in relation to short-term incentives with a peer group which included mainly listed retail companies. A review of non-executive directors' fees was also included.

The recommendations of the above survey were as follows:

- The total guaranteed pay of the chief executive officer was below the peer group
- A review of the non-executive pay indicated that the level of non-executive remuneration was in line with the peer group with the exception of the fees for the risk committee. Adjustments have been made to these proposed fees to more closely align with the peer group.

ANNUAL CASH-BASED PERFORMANCE BONUS SCHEME

The comparison of actual performance against the targets is set out below:

Measure	Targets	Actual	
Revenue	R8 999 million	R9 288 million	Achieved
Gross profit margin	40.5%	43.4%	Achieved
Operating costs	R3 092 million	R3 168 million*	Achieved
Satisfactory paid customers	77%	83.5%	Achieved
Collection rates	78%	78.9%	Achieved
Profit before tax	R657 million	R984 million	Achieved

* *Exchange gains and losses excluded.*

The committee approved the achievement of the operating cost target on the basis that the operating cost target was set at 34.4% of target revenue and the actual achieved was 34.1% of revenue.

The profit before taxation target was exceeded by 49.8% and consequently, in terms of the rules of the scheme, executives and senior management are to be paid maximum cash bonuses.

LEWIS 2022 EXECUTIVE RETENTION SCHEME

The 2022 LERS allows executives, who have the requisite qualification shares, to invest their net cash bonus in Lewis Group shares and the Company issues matching share options to executives at no cost. The matching share options vest on the third anniversary, subject to the executive still being in the employ of the Company. The details of the outstanding awards as at 30 May 2025 are reflected below:

Year	Vesting date	Average share price of award	Total shares purchased for executives	Total matching share awards
July 2024 Awards	18/07/2027	R55.92	327 273	595 041

LEWIS 2019 EXECUTIVE RETENTION SCHEME

This scheme is similar to the 2022 LERS with the exception that the scheme does not have a requirement for qualification shares for the executive to be eligible to participate. The details of the outstanding awards as at 30 May 2025 are reflected below:

Year	Vesting date	Average share price of award	Total shares purchased for executives	Total matching share awards
July 2022 Awards	06/07/2025	R48.67	299 142	543 894

EXECUTIVE PERFORMANCE SCHEMES AND PLANS

Short-term awards – three-year awards

The performance targets are set by the committee at the beginning of each of the three years and are based on a weighting set for each executive, depending on their employment responsibilities, of the following:

- Headline earnings per share
- Quality of the debtors book
  - Level of satisfactory paid customers
  - Debtor costs as a percentage of net debtors
- Gross profit margin.

The committee has also approved the new short-term awards under these schemes to be granted in June 2025. This will be communicated on SENS at the time.

Below are the targets that were set for the 2023 LEPS, 2021 LEPS and 2019 LEPS schemes which are all performance-related schemes. For details of these schemes, refer to the Remuneration policy.

2025 financial year

The targets and actual results for the 2025 financial year are as follows:

2025 Targets	2025 Target	2025 Actual	2025 Award
Headline earnings per share	921.6 cents	1 482.5 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 77.0%	83.5%	Achieved
– Debtor costs as percentage of net debtors	<= 17.0%	15.0%	Achieved
Gross profit margin	>= 40.5%	43.4%	Achieved

Prior years

The targets and actual results for the prior years are as follows:

2024 Targets	2024 Target	2024 Actual	2024 Award
Headline earnings per share	680.8 cents	924.6 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 77.0%	81.3%	Achieved
– Debtor costs as percentage of net debtors	<= 15.5%	17.6%	Not achieved
Gross profit margin	>= 40.6%	43.1%	Achieved

Remuneration report continued

2023 Targets	2023 Target	2023 Actual	2023 Award
Headline earnings per share	789.3 cents	856.9 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 76.0%	80.4%	Achieved
– Debtor costs as percentage of net debtors	<= 13.5%	12.3%	Achieved
Gross profit margin	>= 40.5%	40.6%	Achieved

2022 Targets	2022 Target	2022 Actual	2022 Award
Headline earnings per share	550.5 cents	848.7 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 72.0%	79.0%	Achieved
– Debtor costs as percentage of net debtors	<= 14%	12.3%	Achieved
Gross profit margin	>= 40.5%	40.5%	Achieved

Long-term awards – five-year awards

A long-term award being a five-year award was granted to executives on 6 July 2022 under the Lewis 2021 LEPS, details are set out below.

As required by the scheme rules, the performance target for long-term awards are set at the grant date for the whole period of the award. The five-year award has three vesting dates being: the third anniversary of the grant (6 July 2025), the fourth anniversary (6 July 2026) and the fifth anniversary (6 July 2027). One-third of the award shall vest at each vesting date, subject to the performance targets below.

The performance targets are based on weightings of the following:

- Return on average shareholders' equity (ROE), weighted at 50%
- Headline earnings per share (HEPS), weighted at 30%; and
- Gearing ratio, weighted at 20%.

The performance targets at each vesting date are as follows:

Measure	Third anniversary	Fourth anniversary	Fifth anniversary
ROE	13.6%	14.2%	15.0%
HEPS (cents)	1 240	1 425	1 654
Gearing ratio	50%	50%	50%

As the first vesting date is 6 July 2025, the actual performance against target is as follows:

Measure	2025 Target	2025 Actual	2025 First Vesting Date
ROE	13.6%	15.4%	Achieved
HEPS (cents)	1 240	1 482.5	Achieved
Gearing ratio	50%	36.6%	Achieved

The committee has also approved the new long-term awards under these schemes to be granted in June 2025. An appropriate SENS announcement will be made at the time.

2023 LEPS

Awards made under the 2023 LEPS offer executives the right to acquire shares for no consideration, subject to the achievement of performance targets determined by the committee. This scheme's rules have been detailed in the Remuneration policy. The outstanding awards under this scheme are as follows:

Lewis 2023 LEPS	2024 Share Award	Total Share Awards
Share price at award date	R50.78	
	Number of shares	
Three-year awards	305 632	**305 632**
Forfeitures: staff leaving		
Forfeitures: non-performance		
Shares vested		
Shares awards 31 March 2025	**305 632**	**305 632**

2021 LEPS

Awards made under the 2021 LEPS offer executives the right to acquire shares for no consideration, subject to the achievement of performance targets determined by the committee. This scheme's rules have been detailed in the Remuneration policy. The outstanding awards under this scheme are as follows:

Lewis 2021 LEPS	2022 Share Award	2023 Share Award	2024 Share Award	Total Share Awards
Share price at award date	R48.77	R39.43	R50.78	
	Number of shares	Number of shares	Number of shares	
Three-year awards	226 518	425 709	266 247	**918 474**
Forfeitures: staff leaving				
Forfeitures: non-performance	(9 061)	(17 028)	–	**(26 089)**
Shares vested				
Total three-year awards	217 457	408 681	266 247	**892 385**
Five-year awards	464 461			**464 461**
Total forfeitures staff leaving	(53 783)			**(53 783)**
Forfeitures non-performance				
Shares vested				
Total five-year awards	410 678			**410 678**
Shares awards 31 March 2025	**628 135**	**408 681**	**266 247**	**1 303 063**

2019 LEPS

Awards made under the 2019 LEPS offer executives the right to acquire shares for no consideration, subject to the achievement of performance targets determined by the committee. The outstanding awards under this scheme are as follows:

Lewis 2019 LEPS	2021 Share Award	2022 Share Award	2023 Share Award	Total Share Awards
Share price at award date	R33.47	R48.77	R39.43	
	Number of shares	Number of shares	Number of shares	
Three-year awards	549 496	257 722	150 670	**957 888**
Forfeitures: staff leaving	(47 451)	(53 783)		**(101 234)**
Forfeitures: non-performance	(19 133)	(8 158)	(6 027)	**(33 318)**
Shares vested	(482 912)			**(482 912)**
Shares awards 31 March 2025	**–**	**195 781**	**144 643**	**340 424**

CSLSPP

As noted above, this plan operates on the same basis as the 2019 LEPS, except for the following:

- It will be a cash-settled scheme. This means that no shares are delivered, but the value of shares at date of vesting will be paid in cash
- Vesting is at 100% only, i.e. vesting only occurs when the performance targets are met. In other words, there is no vesting at all if the performance target is not met; and
- There is no clawback clause in the CSLSPP plan as there is in the 2019 LEPS scheme.

There are no outstanding awards under this scheme as set out below:

Lewis CSLSPP	2021 Notional Share Award	Total Notional Share Awards
Share price at award date	R33.47	
	Number of shares	Number of shares
Three-year awards	529 439	**529 439**
Forfeitures: staff leaving		
Forfeitures: non-performance	(24 539)	**(24 539)**
Shares vested	(504 900)	**(504 900)**
Shares remaining 31 March 2025	**–**	**–**

Remuneration report continued

Below is a table setting out the movements for 2025 and 2024 financial years (i.e. from 1 April to 31 March):

Lewis CSLSPP – Notional Shares	2025	2024
Beginning of the year	**529 439**	1 530 517
Granted		
Forfeited	**(24 539)**	
Vested	**(504 900)**	(1 001 078)
End of the year	**–**	**529 439**

2022 CSPP

As noted above, this scheme operates on the same basis as the 2023 LEPS, 2021 LEPS and 2019 LEPS described above, except that it is a cash-settled scheme, which means that no shares are delivered, but the value of shares at date of vesting will be paid in cash.

The committee has approved new short-term awards under this plan to be granted in June 2025.

The outstanding awards under this scheme are as follows:

Lewis 2022 Cash Settled Executive Performance Plan	2022 Notional Share Award	2023 Notional Share Award	2024 Notional Share Award	Total Notional Share Awards
Share price at award date	R48.77	R39.43	R50.78	
	Number of shares	Number of shares	Number of shares	Number of shares
Three-year awards	437 713	605 516	510 500	**1 553 729**
Total Forfeitures Staff leaving				
Total Forfeitures – non-performance	(19 918)	(26 278)		**(46 196)**
Shares vested				
Shares Remaining – 31 March 2025	417 795	579 238	510 500	**1 507 533**

Below is a table setting out the movements for 2025 and 2024 financial years (i.e. from 1 April to 31 March):

Lewis Cash-Settled 2022 Executive Performance Plan – Notional Shares	2025	2024
Beginning of the year	**1 043 229**	437 713
Granted	**510 500**	605 516
Forfeited	**(46 196)**	–
Vested	**–**	–
End of the year	**1 507 533**	**1 043 229**

SUMMARY OF ALL EQUITY-SETTLED AWARDS AS AT 31 MARCH 2025

2025	Lewis 2023 Executive Performance Scheme	Lewis 2021 Executive Performance Scheme	Lewis 2019 Executive Performance Scheme
Beginning of the year		**1 062 905**	**832 929**
Granted	**305 632**	**266 247**	
Forfeited	**–**	**(26 089)**	**(33 318)**
Vested		**–**	**(459 187)**
End of the year	**305 632**	**1 303 063**	**340 424**
Maximum awards available over the life of the scheme	**1 750 000**	**1 750 000**	**2 250 000**
Utilised for the scheme to date	**305 632**	**1 303 063**	**1 921 867**

2025	Lewis 2022 Executive Retention Scheme	Lewis 2019 Executive Retention Scheme
Beginning of the year		**964 653**
Granted	**595 041**	
Forfeited		
Vested		**(420 759)**
End of the year	**595 041**	**543 894**
Maximum awards available over the life of the scheme	**1 500 000**	**1 500 000**
Utilised for the scheme to date	**595 041**	**1 273 759**
Invested shares	**327 273**	**299 142**

2024	Lewis 2019 Executive Retention Scheme	Lewis 2021 Executive Performance Scheme	Lewis 2019 Executive Performance Scheme
Beginning of the year	1 213 734	637 196	1 681 104
Granted	–	425 709	150 670
Forfeited	–	–	–
Vested	(249 081)	–	(998 845)
End of the year	964 653	1 062 905	832 929
Maximum awards available over the life of the scheme	1 500 000	1 750 000	2 250 000
Utilised for the scheme to date	1 273 759	1 062 905	1 955 185
Invested shares	530 599		

SHAREHOLDER DILUTION

As at 31 March 2025, the maximum potential dilution is 3 088 054 shares, i.e. 6% of issued share capital. The dilution as calculated in terms of IAS 33 to determine the diluted weighted average shares in issue is 1 987 701 shares, taking into consideration the number of shares that could be acquired at fair value less the number of shares that would be issued on the vesting of the awards.

Remuneration report continued

EXECUTIVE DIRECTORS' REMUNERATION DISCLOSURE FOR 2025 FINANCIAL YEAR

			J Enslin (Chief executive officer)			J Bestbier (Chief financial officer)	
Executive director's remuneration	Number of shares	Share price	2025 R000's	2024 R000's	Number of shares	2025 R000's	2024 R000's
Cash remuneration							
Total guaranteed pay			**7 760**	7 120		**4 300**	4 000
Cash performance bonus			**10 100**	–		**5 172**	–
Total GP and CPB			**17 860**	7 120		**9 472**	4 000
Share awards							
LERS – matching award			**6 428**	3 731		**3 965**	2 325
– Face value of award	126 533	33.44	**4 231**	1 754	78 047	**2 610**	1 093
– Share price performance	126 533	17.36	**2 197**	1 977	78 047	**1 355**	1 232
LSPS – three-year award			**10 280**	17 296		**6 280**	10 668
– Face value of award	202 362	33.44	**6 767**	6 541	123 618	**4 134**	4 034
– Performance criteria							
– Share price performance	202 362	17.36	**3 513**	10 755	123 618	**2 146**	6 634
Total share awards			**16 708**	21 027		**10 245**	12 993
Total earned remuneration			**34 568**	28 147		**19 717**	16 993

OUTSTANDING SHARES FOR EXECUTIVE DIRECTORS AS AT 31 MARCH 2025

	2025		2024	
	J Bestbier	J Enslin	J Bestbier	J Enslin
Lewis 2019 Executive Performance Scheme				
9 June 2021 – Short-term award			128 769	210 794
6 July 2022 – Short-term award	**94 942**		98 898	
5 June 2023 – Short-term award		**144 643**		150 670
Lewis 2021 Executive Performance Scheme				
6 July 2022 – Short-term award		**217 457**		226 518
6 July 2022 – Long-term award	**79 119**	**226 518**	79 119	226 518
5 June 2023 – Short-term award	**125 933**	**144 642**	131 180	150 669
12 June 2024 – Short-term award	**127 019**			
Lewis 2023 Executive Performance Scheme				
12 June 2024 – Short-term award		**305 632**		
Lewis 2019 Executive Retention Scheme				
9 June 2021			78 047	126 533
6 July 2022	**88 469**	**144 536**	88 469	144 536
Lewis 2022 Executive Retention Scheme				
18 July 2024	**92 502**	**180 616**		
Total	**607 984**	**1 364 044**	**604 482**	**1 236 238**

In terms of the following schemes, the trust holds the following invested shares on behalf of the above directors by virtue of the investment of their bonuses into the scheme:

Invested shares	2025	2024
Lewis 2019 Executive Retention Scheme	**128 153**	240 672
Lewis 2022 Executive Retention Scheme	**150 215**	
Total	**278 368**	**240 672**

Remuneration report continued

NON-EXECUTIVE DIRECTORS' FEES (R'000)

2025	Directors' fees	Audit committee member	Risk committee member	Remuneration committee member	Nomination committee member	SET committee member	Monarch directors' fees	Monarch Audit and risk committee member	Total non-executive directors' fees
H Saven	**892***	**171**	**124**	**94**	**132***	**95**	**372***	**49**	**1 929**
F Abrahams	**400**	**171**	**124**	**191***	**57**	**190***	**225**	**195***	**1 553**
A Bodasing	**400**	**171**	**124**	**94**	**57**				**846**
B Deegan	**400**	**171**	**124**	**94**	**57**		**225**	**97**	**1 168**
D Motsepe	**400**	**397***	**199***	**94**	**57**	**95**			**1 242**
T Njikizana	**400**	**171**	**124**	**94**	**57**				**846**
Total	**2 892**	**1 252**	**819**	**661**	**417**	**380**	**822**	**341**	**7 584**
2024									
H Saven	825*	160	112	89	124*	88	305*	91	1 794
F Abrahams	364	160	112	179*	53	179*	213	184*	1 444
A Bodasing	364	160	112	89	53				778
B Deegan	364	160	112	89	53		213	91	1 082
D Motsepe	364	374*	179*	89	53	88			1 147
T Njikizana	364	160	112	89	53				778
Total	**2 645**	**1 174**	**739**	**624**	**389**	**355**	**731**	**366**	**7 023**

* *Chairperson*

PROPOSED NON-EXECUTIVE DIRECTORS' FEES FOR 2026

Board/committee position (R'000)	% Increase	Proposed fees for 2026	Fees earned for 2025
Non-executive chairperson	**6.0%**	**965**	**910**
Non-executive director	**5.9%**	**434**	**410**
Audit committee chairperson	**5.5%**	**425**	**403**
Audit committee member/invitee	**5.8%**	**183**	**173**
Risk committee chairperson	**20.1%**	**245**	**204**
Risk committee member	**12.5%**	**144**	**128**
Remuneration committee chairperson	**5.7%**	**204**	**193**
Remuneration committee member	**5.2%**	**101**	**96**
Nomination committee chairperson	**6.0%**	**142**	**134**
Nomination committee member	**5.2%**	**61**	**58**
Social, ethics and transformation committee chairperson	**5.7%**	**204**	**193**
Social, ethics and transformation committee member	**5.2%**	**101**	**96**

DIRECTORS' INTEREST

At 31 March 2025, the directors' beneficial direct and indirect interest in the Company's issued shares were as follows:

	2025		2024	
	Direct	Indirect	Direct	Indirect
H Saven		**6 440**		6 440
J Bestbier	**257 982**	**99 534**	236 034	91 584
J Enslin	**706 689**	**178 834**	697 258	149 088
Total	**964 671**	**284 808**	**933 292**	**247 112**

08 SHAREHOLDER INFORMATION

Shareholder analysis

Shareholders' spread as at 31 March 2025

	Number of shareholders		Number of shares	
	Total	%	Total	%
1 – 1 000 shares	3 084	76.39	466 340	0.89
1 001 – 10 000 shares	656	16.25	2 264 634	4.34
10 001 – 100 000 shares	215	5.33	6 905 003	13.24
100 001 – 1 000 000 shares	71	1.76	22 012 273	42.20
1 000 001 shares and over	11	0.27	20 511 038	39.33
Total	4 037	100.00	52 159 288	100.00

Distribution of shareholders as at 31 March 2025

	Number of shareholders		Number of shares	
	Total	%	Total	%
Public	4 031	99.86	49 743 301	95.36
Banks and brokers	44	1.09	15 559 232	29.83
Unit trusts/mutual funds	86	2.13	15 856 302	30.40
Retirement and pension funds	108	2.68	6 668 384	12.78
Other	3 793	93.97	11 659 383	22.35
Non-public	6	0.14	2 415 987	4.64
Lewis Employee Incentive Scheme Trust	1	0.02	676 889	1.30
Directors:				
Lewis Group Limited				
Direct	2	0.05	964 671	1.85
Indirect	3	0.07	284 808	0.55
Lewis Stores Proprietary Limited				
Direct	2	0.05	330 043	0.63
Indirect	2	0.05	159 576	0.31
	4 037	100.00	52 159 288	100.00

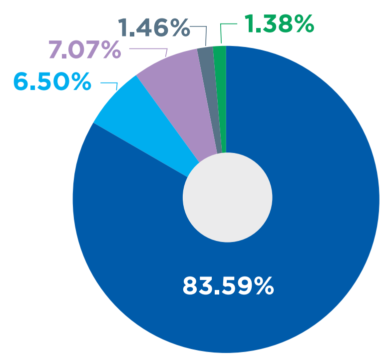
Major shareholdings as at 31 March 2025

According to the Company's register of disclosures of beneficial interests made by registered shareholders acting in a nominee capacity, and the disclosures made by fund managers in terms of section 56 of the Companies Act of 2008, the following entities owned in excess of 5% of the Company's shares as at 31 March 2025:

	Number of shares	
	Total	%
Beneficial shareholders		
Coronation Fund Managers (SA)	8 249 269	15.82
Peresec Prime Brokers (SA)	5 135 365	9.85
By fund manager		
Coronation Fund Managers (SA)	12 852 728	24.64
Peresec Prime Brokers (SA)	5 135 365	9.85

Geographic analysis of shareholders

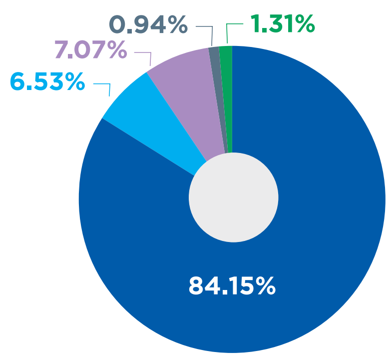
Beneficial shareholders



Number of shares

- South Africa
- United States of America and Canada
- United Kingdom
- Europe
- Rest of World

By fund manager



Number of shares

- South Africa
- United States of America and Canada
- United Kingdom
- Europe
- Rest of World

Shareholders' diary

Record date for voting at the annual general meeting	17 October 2025
Annual general meeting	24 October 2025
Interim results announcement	20 November 2025
Financial year-end	31 March 2026
Final results announcement	May 2026
Final dividend declared	May 2026
Integrated report published	June 2026

Corporate information

Lewis Group Limited

Independent non-executive directors:	Hilton Saven (Chairperson) Prof. Fatima Abrahams Adheera Bodasing Brendan Deegan Daphne Motsepe Tapiwa Njikizana
Executive directors:	Johan Enslin (Chief executive officer) Jacques Bestbier (Chief financial officer)
Company secretary:	Marisha Gibbons
Transfer secretaries:	Computershare Investor Services Proprietary Limited Level 1 and 2 Rosebank Towers 15 Biermann Avenue Rosebank, 2196 (Private Bag X9000, Saxonwold, 2132)
Auditors:	Ernst & Young Inc.
Sponsor:	The Standard Bank of South Africa Limited
Debt sponsor:	Absa Corporate and Investment Bank, a division of Absa Bank Limited
Registered office:	53A Victoria Road, Woodstock, 7925
Registration number:	2004/009817/06
Share code:	LEW
ISIN:	ZAE 000058236
Bond code:	LEWI

Group Ltd

www.lewisgroup.co.za