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INTEGRATED ANNUAL REPORT

FOR THE YEAR ENDED 31 MARCH 2026

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ADDITIONAL ONLINE CONTENT

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

- **Annual financial statements 2026**
- **Five-year financial review**
- **Corporate Governance Report**
- **Application of King IV™ principles**
- **Social, Ethics and Transformation Committee Report**
- **Annual general meeting**
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NAVIGATING ICONS

This report contains icons and hyperlinks that enable readers to easily access information, including additional content online.

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More information can be found online

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OVERVIEW

REVIEW OF THE 2026 FINANCIAL YEAR

REVENUE increased by
11.1%
to R10.3 billion

MERCHANDISE SALES increased by
7.3%
to R5.5 billion

OTHER REVENUE increased by
15.7%
to R4.9 billion

GROSS PROFIT MARGIN improved from 43.4% to
43.7%

DEBTORS BOOK grew by
15.2%

OPERATING PROFIT increased by
12.8%
to R1.3 billion

EARNINGS PER SHARE increased by
13.0%
to 1 646 cents

HEADLINE EARNINGS PER SHARE increased by
18.3%
to 1 753 cents

TOTAL DIVIDEND increased by
12.1%
to 897 cents per share

RETURN ON EQUITY up from 15.4% to
16.2%

INTRODUCING THE 2026 INTEGRATED ANNUAL REPORT

We are pleased to present Lewis Group's Integrated Annual Report for the 2026 financial year, a period in which the Group delivered competitive returns to shareholders while continuing to invest for longer term growth, despite an environment of constrained discretionary spending.

Improving macroeconomic conditions in South Africa for much of the year supported a gradual recovery in consumer spending. However, the outbreak of hostilities in the Middle East in February 2026 heightened global economic uncertainty, contributing to increased volatility in international energy and financial markets. This in turn adversely affected the domestic consumer environment, with sharply rising fuel costs creating significant inflationary pressure.

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 2025 to 31 March 2026. The Group operates primarily in South Africa, where 85% of the revenue is generated, as well as Namibia, Botswana, Eswatini and Lesotho.

The reportable segments are as follows:

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

There have been no 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 2027 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 Annual 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 its amendments as well as 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 2026. The audited annual financial statements were prepared in accordance with International Financial Reporting Standards (IFRS).

The annual reporting suite is available on our website at

https://www.lewisgroup.co.za/reporting-and-financial-results

The Institute of Directors in Southern Africa NPC (IoDSA) King IV Code on Corporate Governance for South Africa, 2016™ (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/king-iv

The Group is committed to aligning its governance practices and reporting with the recent amendments to the Companies Act as well as preparing for the transition to the IoDSA King V Code on Corporate Governance for South Africa, 2025™ (King V™) which will apply to the Group from the 2027 financial year.

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:

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.

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.

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

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

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.

INTRODUCING THE 2026 INTEGRATED ANNUAL 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 Annual Report	The Integrated Annual 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 Annual 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. Where applicable, the measurement of sustainability information involved the use of estimates and approximations. No independent assurance was obtained on other sustainability disclosures.

Forward-looking statements

The Integrated Annual 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 2026 financial results were informed by the business plans, budgets, financial and economic forecasts as at the end of March 2026.

Board approval

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

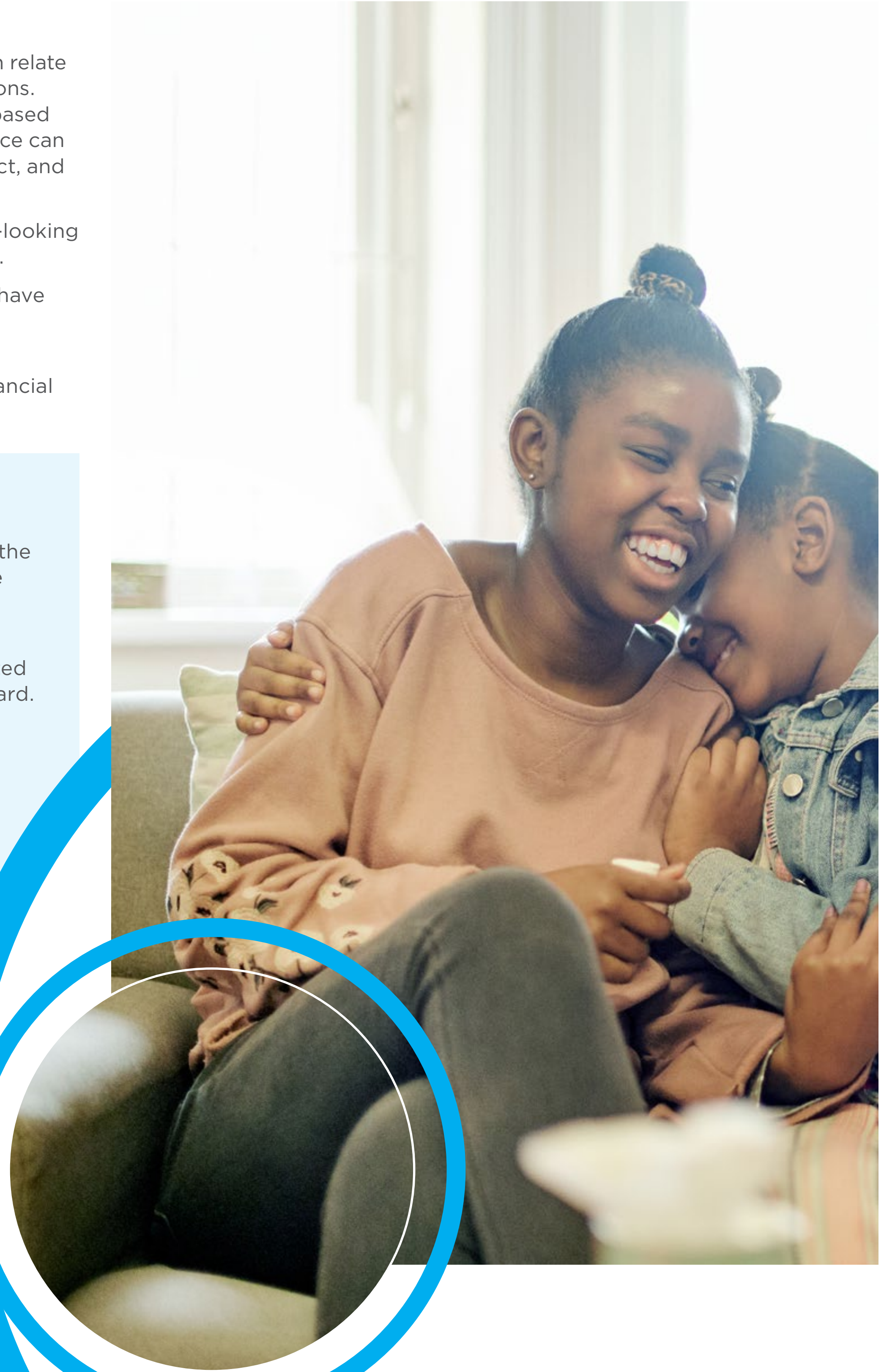
The audit committee has oversight of the preparation of the Integrated Annual Report and recommended the report for approval by the board.

The 2026 Integrated Annual Report was approved by the board on 30 July 2026.

Hilton Saven
Independent non-executive chairperson

Johan Enslin
Chief executive officer

Jacques Bestbier
Chief financial officer



CHAIRMAN'S REPORT

"Against a backdrop of global uncertainty and continued pressure on consumers, the Group delivered resilient growth, strengthened shareholder returns and remained firmly focused on sustainable long-term value creation."

Hilton Saven

The 2026 financial year was characterised by a rapidly evolving operating environment, shaped by geopolitical uncertainty, global economic volatility and continued pressure on household finances. While domestic macroeconomic conditions improved as the year progressed, these positive developments were largely offset by heightened instability in the global environment.

The economic landscape in the early part of the financial year was dominated by the US-led trade tariff war, while the outbreak of hostilities in the Middle East in February 2026 intensified global economic uncertainty, resulting in increased volatility in international energy and financial markets.

On the domestic front, improving macroeconomic conditions were supported by greater political stability within the Government of National Unity. Moderating inflation and lower lending rates provided some relief to consumers and contributed to early signs of a recovery in household spending.

However, high levels of household indebtedness continued to constrain discretionary spending despite the lower interest rate environment. Furthermore, South Africa's unemployment rate remained stubbornly high at 32.7% in the first quarter of 2026, with approximately 8.1 million people unemployed. The Group's core customer base in the lower- to middle-income segment remains particularly vulnerable to the weak labour market, while ongoing pressures within the agricultural sector have adversely affected employment in many rural communities where the Group has a significant store presence.

The conflict in Iran and the Gulf states has resulted in sharply higher fuel prices and increased supply chain costs, which continue to place pressure on consumers and retailers, and are expected to delay the pace of economic recovery.

Against this backdrop, the Group's business model continued to demonstrate resilience, supported by the strength of its trading brands, differentiated merchandise ranges, customer loyalty and prudent credit management. The Group remains well positioned to gain market share and deliver sustainable long-term growth.

Creating shareholder value

In this severely constrained trading environment, the Group increased revenue by 11.1%, expanded both gross and operating profit margins, and grew the debtors book by 15.2%. This performance translated into an 18.3% increase in headline earnings per share to 1 753 cents.

The Group achieved or exceeded six of its seven financial and operating targets, with the increase in operating costs being the only metric outside the targeted range. The board and management have reviewed the targets for the new financial year and increased the operating profit margin target to reflect the expected performance for the year ahead and over the medium term.

The Group continued its track record of shareholder value creation. The total dividend for the year was increased by 12.1% to 897 cents per share, more than double the dividend declared just three years ago. The dividend represents an attractive yield of 11.4% at the date of the declaration, with the yield averaging 10.7% over the past five years. The board has consistently maintained the dividend payout ratio at 55% or higher, reflecting our commitment to delivering sustainable and attractive returns to shareholders.

CHAIRMAN'S REPORT continued

Return on equity improved further to 16.2% from 15.4% in the prior year and has increased steadily from 8.7% three years ago, reflecting the sustained improvement in the Group's profitability and capital efficiency.

The Group remains highly cash generative while continuing to invest for longer-term growth. Over the past five years, the business generated R6.3 billion in cash after income tax and interest, invested R3.7 billion in expanding the debtors book, returned R2.3 billion to shareholders through dividend payments and share repurchases, and invested R368 million in capital expenditure. This disciplined allocation of capital has enabled the Group to balance growth, shareholder returns and investment in future value creation.

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.

Board governance

Our board remains independent, stable and diverse, with an effective balance of recently appointed and longer-serving directors which fosters robust debate and ensures continuity in our independent oversight.

We welcomed Mholi Shandu as an independent non-executive director in April 2026, following the financial year-end. Mholi has extensive experience in the insurance industry and has developed a thorough understanding of the Group's business through his service as a director of Monarch Insurance Company Limited, the Group's insurance subsidiary, over the past four years.

Mholi has also been appointed to the risk, remuneration and nominations committees. We believe his wealth of insurance, finance and governance experience will enable him to make a significant contribution to our board and committee deliberations.

At the forthcoming annual general meeting in October 2026, Adheera Bodasing and myself will be proposed for re-election by shareholders, in addition to the ratification of Mholi Shandu's appointment.

In my role as chairperson, I provide leadership to the board and help in ensuring continuity in the Group's governance and oversight. My experience in governance, strategy and accounting, together with widespread knowledge of the retail sector gained through serving on the boards of major listed and private companies, enables me to support the board in fulfilling its statutory and financial oversight responsibilities.

Adheera continues to make a valuable contribution to the board. Her extensive legal and compliance expertise, combined with a strong understanding of the Group's legislative and regulatory framework, enables her to guide the board on the increasingly complex legislative and regulatory landscape affecting the business.

Board diversity

As a Group and as a board, we are committed to transformation and advancing the principles of broad-based black economic empowerment (B-BBEE). Our board is diverse in its composition and experience which ensures that the interests of all stakeholder groups are addressed in the boardroom.

The board continues to meet its voluntary diversity targets of 30% female and 30% black director representation. Following the appointment of our most recent director, black representation increased to 44% (2025: 38%) and female representation is 33% (2025: 38%), as measured in terms of the B-BBEE Act.

Importantly, we not only aim to achieve our targets but also 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

On behalf of the board, I extend my appreciation to our chief executive officer, Johan Enslin, and his executive team for their outstanding leadership and disciplined execution in the challenging retail trading environment. I also thank our management and staff of more than 10 900 employees in South Africa and the neighbouring countries for their hard work and commitment in ensuring the Group's continued success.

I extend my gratitude to my fellow non-executive directors for their guidance, counsel and independent oversight as well as their commitment to the highest standards of corporate governance.

Thank you to our shareholders for their continued investment and we welcome those who invested in the Group for the first time during the year, 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

Total revenue passed the R10 billion milestone for the first time as the Group delivered a highly competitive financial performance, with headline earnings increasing by 18.4% to R909.4 million.

This performance is particularly noteworthy given the challenging operating environment. Global geopolitical tensions, ongoing conflicts, supply chain disruptions and exchange rate volatility continued to create uncertainty, while consumers faced pressure from constrained discretionary spending, elevated household indebtedness and persistently high unemployment.

Against this backdrop, the Group's resilient business model, strategic focus and operational execution enabled it to deliver another year of strong growth and value creation.

Revenue exceeds R10 billion mark

Merchandise sales increased by 7.3% to R5.5 billion. After increasing by 6.7% in the first half of the year, merchandise sales growth gained momentum to 7.8% in the second six months.

Sales in the traditional retail segment, which accounted for 89.7% of sales, increased by 7.5%. The speciality segment, comprising predominantly of UFO, Real Beds and Bedzone, grew sales by 5.4%. Comparable store sales across all brands grew by 4.8%.

The 146 stores outside South Africa, which represent 15% of the store base, grew sales by 6.9% and contributed 18.2% of Group merchandise sales.

The strong credit sales growth trend continued, with credit sales increasing by 9.6%, highlighting the resilience of the Group's business model in the difficult consumer spending environment. Cash sales increased by 2.5%. Credit sales now account for 69.4% of total merchandise sales, compared to 68.0% last year.

Credit sales growth is being supported by the Group's social media strategy. Sales generated through online and social media channels accounted for 11.1% of merchandise sales compared to 9.6% in the prior year. Active customer engagement drove a 21.2% increase in the Group's Facebook following to 4.6 million.

Other revenue benefited from the strong credit sales growth in recent years and increased by 15.7%. Total revenue, comprising merchandise sales and other revenue, increased by 11.1% to R10.3 billion.

The gross profit margin strengthened by 30 basis points to 43.7%, supported by the introduction of new merchandise ranges 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

Strong growth in debtors book

The debtors book grew by 15.2% to R9.2 billion as the credit customer base increased by 11% through effective customer acquisition and retention strategies.

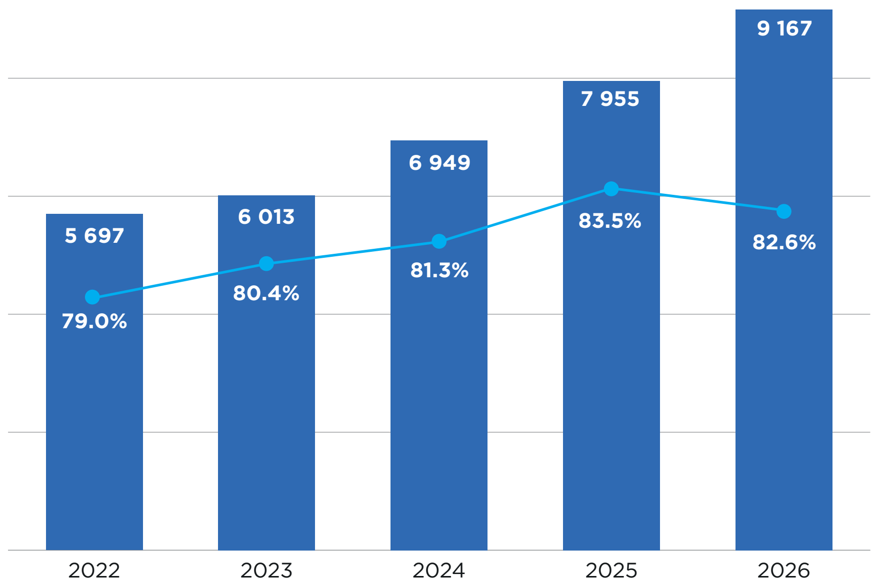
The quality of the debtors portfolio remains sound, with satisfactory paying customers at 82.6% (2025: 83.5%). This translates into more than 57 000 additional customers being classified as satisfactory paid, supporting repeat sales as further credit is extended to customers with a good payment record.

Debtor costs increased by 9.8%, with debtor costs as a percentage of debtors at gross carrying value improving to 14.3% (2025: 15.0%).

Improved collection strategies contributed to a 13.6% increase in instalment sales collections, with the collection rate ending the year at a solid 78.1% compared to 78.9% in the prior year.

Refer to the Managing Credit Risk Report on page 45 for further analysis of the debtors book.

GROWTH IN GROSS DEBTORS BOOK (Rm)



● Debtors book size ● Satisfactory paid %

Record store openings

The Group opened a record 58 net new stores,far exceeding the target of 40 new stores, and increased the store base to 976. This included 36 new outlets for the specialist bedding chain, Real Beds, which expanded its footprint to 52 stores. Other new stores were opened across Lewis (net 4), Best Home & Electric (net 14) and Beares (net 7), while three underperforming UFO stores were closed.

Over the past three years, the Group has opened a net 136 new stores.

During the year, 100 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 40 new stores, including 25 traditional retail stores and 15 speciality bedding stores.

Outlook

The war in the Middle East has led to global economic uncertainty and volatility in international energy markets which has resulted in record fuel prices. Inflationary pressure from higher fuel and transport costs will adversely impact domestic consumer spending.

We enter the new financial year with a clear and well-defined strategy, a good quality debtors portfolio with the highest number of reservable customers in the Group's history and a resilient balance sheet.

In these uncertain times, our experienced executive management team remains focused on the disciplined execution of the Group's strategic and operational priorities. We will continue to invest for long-term growth in the debtors book and store portfolio and remain well positioned to gain market share. Credit sales will be the primary driver of sales growth and we will continue to focus on affordability, maintaining good stock availability and introducing new exclusive merchandise ranges to support future growth.

Appreciation

Thank you to our chairman Hilton Saven for his decisive leadership and to my fellow directors for their strategic guidance, wise counsel and diligent oversight of the Group's affairs. I also extend my appreciation to our highly experienced executive team for their leadership of the business during this challenging trading period.

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 another 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, Real Beds and Bedzone.

Founded in Cape Town in 1934, Lewis Group has been listed on the JSE since 2004. The Group employs almost 11 000 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.

90%
Merchandise deliveries completed within 24 hours of the sale

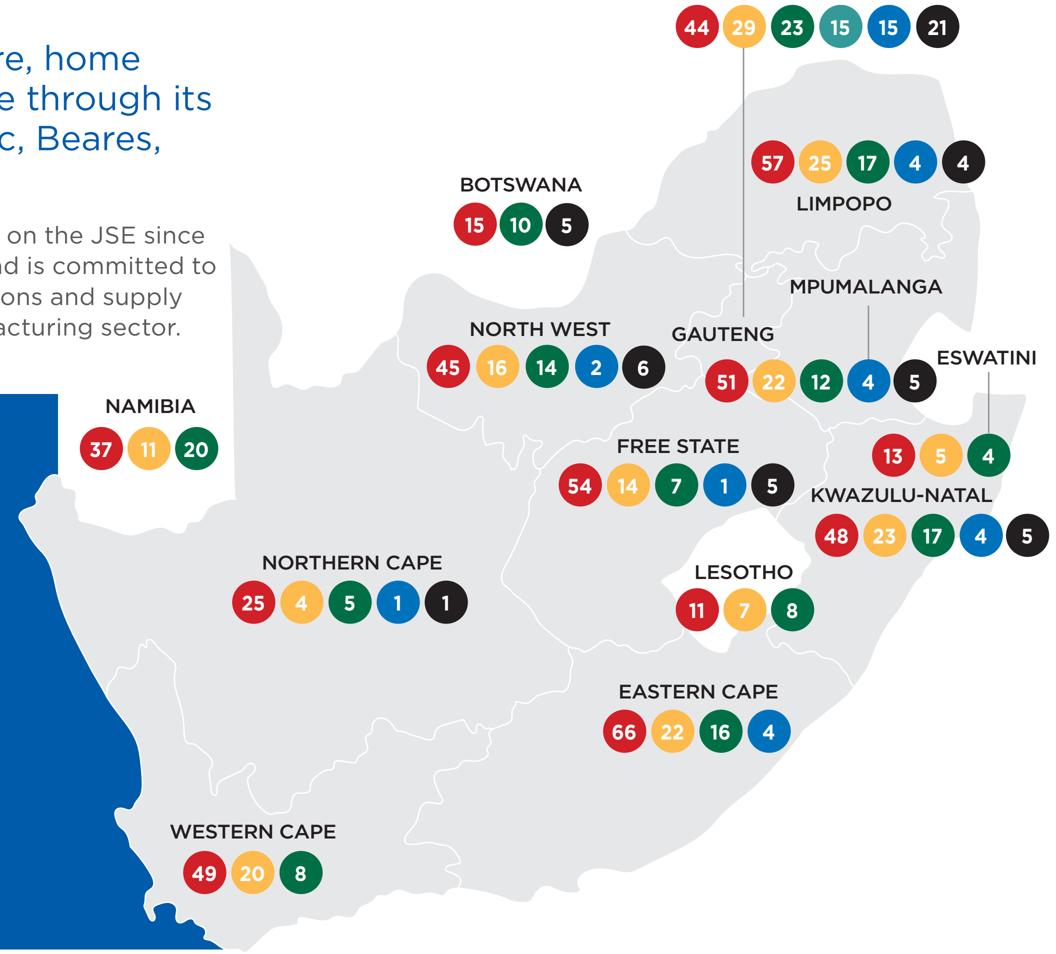
>782 000
Active credit customers

69.4%
of Group sales on credit

STORES OUTSIDE SA

146
Stores

18.2%
of Group's sales



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, Real Beds 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 ultimately responsible for cash collections and payment follow-ups with customers, aided by a comprehensive debit order strategy and call centre support.

Customers purchasing merchandise on credit are offered insurance cover by Monarch Insurance Company Ltd (Monarch), a wholly owned 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's high levels of repeat sales to existing customers reflect 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 are served by staff from their local communities in their own languages. Stores are conveniently located close to where customers live, work and shop, making it easy for credit customers to pay their accounts in-store, while regular engagement with customers creates additional sales opportunities.

Commitment to sustainability

Lewis Group acknowledges its obligations to society and the environment and has integrated sustainability into its operating model and governance frameworks. The Group is committed to maintaining robust environmental, social, and governance standards throughout its operations.

Further details on the Group's initiatives supporting this commitment are covered in the Sustainability Report on pages 22 to 35.

RETAIL BRANDS — TRADITIONAL SEGMENT

89.7% GROUP SALES

Lewis (welcome home)
South Africa's largest furniture chain which is synonymous with furniture retailing in the country.
LSM* 4–7
STORE FOOTPRINT: Inside SA **439** | Outside SA **76**

Best Home and Electric
Established in 2008, selling home appliances as well as furniture ranges.
LSM* 4–7
STORE FOOTPRINT: Inside SA **175** | Outside SA **23**

Beares
Established in 1930 and acquired in 2014 as the Group diversified into a higher-income target market.
LSM* 7–9
STORE FOOTPRINT: Inside SA **119** | Outside SA **42**

RETAIL BRANDS — SPECIALITY SEGMENT

10.3% GROUP SALES

UFO Furniture
A luxury furniture chain acquired in 2018, marked the Group's diversification into cash retailing and targeting the higher-income market.
LSM* 9–10
STORE FOOTPRINT: Inside SA **35**

Real Beds
Specialised bedding chain acquired by the Group in 2024.
LSM* 4–10
STORE FOOTPRINT: Inside SA **47** | Outside SA **5**

Bedzone
Established by the Group in 2022 as a specialist retailer of base sets.
LSM* 4–10
STORE FOOTPRINT: Inside SA **15**

* *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

- Global uncertainty and higher fuel prices due to Middle East conflict
- Consumer price inflation adversely impacted by significant increase in fuel costs
- Consumer spending highly constrained
- Lower borrowing costs positive for consumers
- Weak labour market with ongoing high unemployment and limited job creation

INPUTS

Capital resources and relationships applied in the Group's business activities

Financial capital
- Equity of R5.5 billion (2025: R5.0 billion)
- Funding facilities of R2.5 billion (2025: R2.1 billion)
- Net borrowings of R1.2 billion (2025: R880 million)
- Borrowings ratio of 22.4% (2025: 17.3%)

Manufactured capital
- 976 stores (2025: 918)
  - 146 stores outside SA (2025: 144)
  - 282 small-format Lewis stores (2025: 273)
- Online and social media platforms

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

Human capital
- 10 942 average permanent employees (2025: 10 423)
- Extensive investment in training and skills development
- Highly experienced, stable board and management

Social and relationship capital
- 782 881 active customers (2025: 705 362)
- 41% repeat customers (2025: 43%)
- Social media followers
  - 4.6 million Facebook followers (2025: over 3.7 million)
  - 224 261 Instagram followers (2025: 196 916)
- 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.

1 NO POVERTY | 2 ZERO HUNGER | 3 GOOD HEALTH AND WELL-BEING | 4 QUALITY EDUCATION | 8 DECENT WORK AND ECONOMIC GROWTH | 13 CLIMATE ACTION

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 customers of traditional retail brands
- Third-party logistics providers undertake deliveries for speciality segment customers

Refer to Merchandise, Supply Chain and Stores Report on pages 42 to 44.

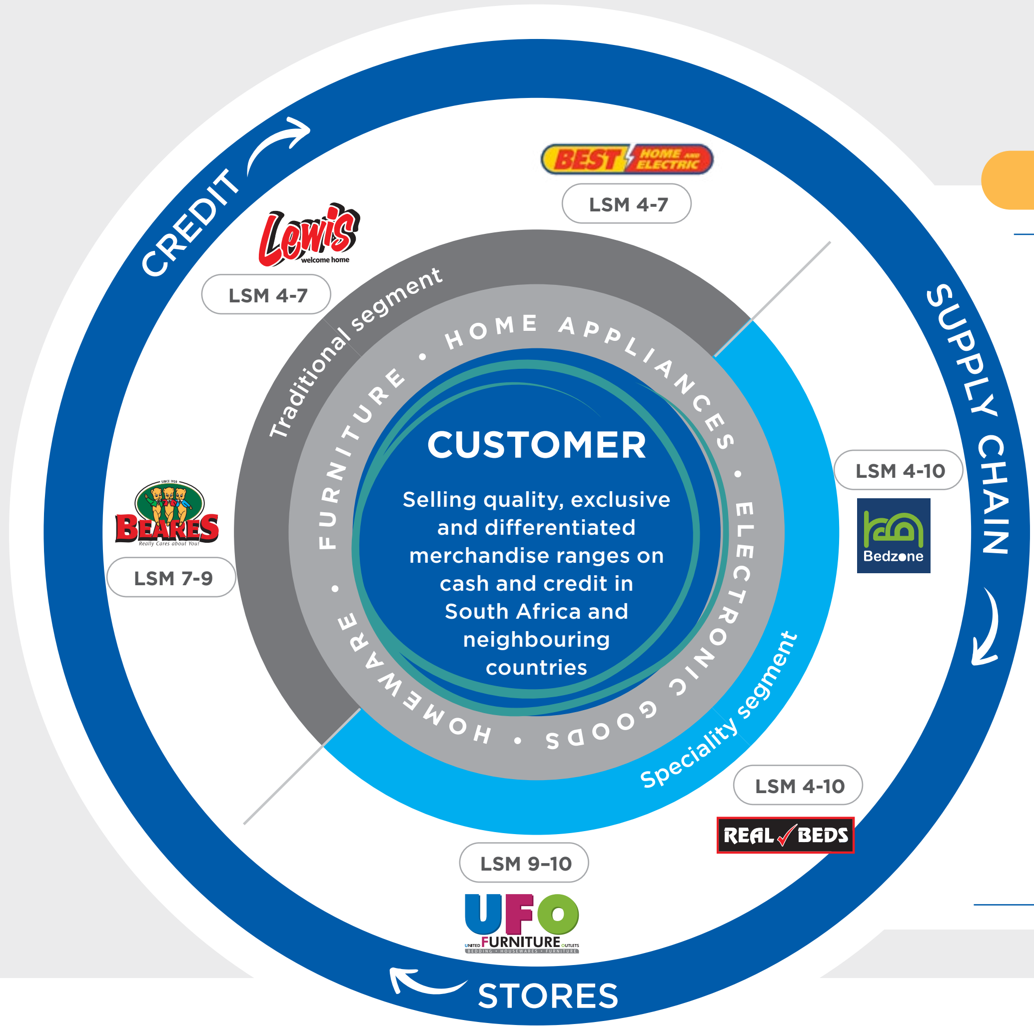
Stores
- Stores accountable for all aspects of customer relationship
- Traditional retail customers serviced by staff from their local communities in their own language
- Traditional retail stores located close to where customers live, work and shop

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 Insurance
Our Focus • Your Protection

- 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 also offers 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
R10.3 billion
(2025: R9.3 billion)

Cost of merchandise sales
R3.0 billion
(2025: R2.8 billion)

Operating profit
R1.3 billion
(2025: R1.2 billion)

Carbon emissions
81 558 tonnes CO_2e
(2025: 77 920* tonnes CO_2e)

* *Revised emissions due to correction of spend-to-kWh conversions.*

Refer to Sustainability Report on pages 22 to 35 for further information.

OUTCOMES

Value created for our stakeholders in the 2026 financial year

Shareholders
- Operating profit increased by 12.8% to R1.3 billion (2025: R1.2 billion)
- Headline earnings per share increased by 18.3% to 1 753 cents (2025: 1 483 cents)
- Total dividend per share increased by 12.1% to 897 cents (2025: 800 cents)
- Return on equity 16.2% (2025: 15.4%)
- Cash generated from operations R1.1 billion (2025: R933 million)
- Closing share price 7 900 cents (2025: 7 090 cents)

Customers
- Merchandise sales of R5.5 billion (2025: R5.1 billion)
- Opened a net 58 new stores; total store footprint now 976
- Refurbished 100 (2025: 170) stores
- Gained 459 590 (2025: 403 964) new customers
- Extensive social investment in communities where customers live

Employees
- R1.9 billion (2025: R1.7 billion) paid to employees
- R68.0 million (2025: R56.4 million) invested in training and development
- Over R1.7 million (2025: over R1.2 million) invested in educational assistance to employees and their dependants
- 32 480 (2025: 23 570) staff training interventions
- 99% black (2025: 98%) employees and 59% female (2025: 58%) employees

Suppliers
- R6.0 billion (2025: R5.6 billion) paid to suppliers of goods and services
- Majority of merchandise procured locally

STRATEGY AND TARGETS

Lewis Group's strategy is to provide accessible retail and credit solutions by offering exclusive merchandise to customers across all market segments and income groups in southern Africa. The Group's offering includes furniture, home appliances, electrical goods and homeware available for purchase on credit or 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 2027:

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

02 Maintain collection rates in a challenging collection environment
- Strengthen resilience to macroeconomic pressures
- 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 the store
- Expand the credit call centre to support store-based collections

03 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

04 Expand retail presence through new store openings
- Open 25 new stores across the traditional retail brands
- Open 15 new speciality bedding stores
- Expand the footprint of smaller-format Lewis stores
- Target to refurbish 150 stores

05 Strengthen the performance and profitability of speciality segment
- Ongoing strict cost management
- Introduce exclusive merchandise offerings
- Improve social media marketing strategies

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

07 Leverage the expertise of a high-performing management team and workforce to drive sustainable value creation for stakeholders
- Maintain performance-driven and customer-centric culture
- Capitalise on the Group's positioning and customer loyalty to gain market share
- Maintain momentum in credit sales and collections to support earnings

08 Support long-term sustainability of the business through robust environmental, social and governance practices
- Maintain a strong governance and compliance framework
- Ongoing alignment of the sustainability strategy with selected United Nations Sustainable Development Goals
- Improve B-BBEE rating
- Enhance and expand climate-related reporting

STRATEGIC FOCUS AREAS
- **Merchandise and supply chain**
- **Operational management**
- **Credit management**
- **Capital management**

PERFORMANCE INDICATORS	ACHIEVED 2026 (%)	TARGETS (%) 2026	2027	MEDIUM-TERM
Gross profit margin	43.7	40–42	40–42	41–43
Increase in operating costs (including insurance service expenses)	12.7	7–11	7–11	6–10
Operating margin	23.8	16–20	18–22	18–22
Debtor costs as a percentage of debtors at gross carrying value	14.3	13–16	13–16	12–15
Satisfactory paid customers	82.6	78–82	78–82	78–82
Borrowings ratio (excluding IFRS 16 lease liabilities)	22.4	<25	25–30	25–30
Gearing ratio (including IFRS 16 lease liabilities)	40.0	<50	45–55	45–55

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 as part of the Group's annual strategic planning process, while the key risks are monitored by the board's risk committee. Following this review, the material issues are unchanged for the 2027 financial year.

Factors influencing material issues

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

- Global geopolitical events and the potential impact on the domestic economy
- 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 conflicts and global trade disruptions place pressure on the South African economy, contributing to increased volatility in input costs, consumer confidence, and economic growth
- Weak domestic economic conditions constrain consumer spending, negatively impacting sales and collections
- High unemployment rates place further pressure on consumer spending, particularly impacting the Group's lower- to middle-income target market
- Civil unrest and social instability pose risks to customer and employee safety, threaten physical assets, and may result in business interruption and associated financial losses

RISK MITIGATION

- The Group's diversified business model and experienced executive team have demonstrated resilience across multiple economic cycles and periods of disruption
- The strength of the Group's balance sheet provides protection against the current economic headwinds
- Business continuity plans are regularly reviewed and enhanced to ensure operational resilience during periods of disruption
- The Group's wide geographic distribution of stores reduces concentration risk and mitigates the trading impact of localised civil unrest
- Comprehensive business insurance coverage is maintained and reviewed annually to limit financial exposure from insured events

02 Global and local supply chain challenges

Global and local supply chain challenges can disrupt the production, transportation and availability of merchandise, affecting the consistency of supply to stores and customers. These challenges, together with elevated logistics and input costs, may adversely impact margins, working capital requirements and overall trading performance.

RELATED RISKS

- Geopolitical conflict, including disruptions to global oil supplies, impacts the availability and cost of fuel in South Africa, increasing supply chain and logistic costs while placing additional pressure on consumer disposable income
- Climate change risks, including an increase in extreme weather events and water scarcity, may disrupt manufacturing, logistics and the continuity of merchandise supply
- Increased working capital requirements arising from higher inventory levels maintained as a buffer against supply chain disruptions may place pressure on cash flows and returns
- Constrained and unreliable utility supply may limit suppliers' ability to meet production and delivery obligations
- Limited availability of raw materials may negatively affect both imported and locally manufactured merchandise
- Volatility in sea freight and rail transport costs may increase the cost of imported and locally sourced merchandise and disrupt delivery timelines
- Infrastructure failures and inefficiencies at local ports cause delays in imported merchandise
- Industrial action or civil unrest may disrupt production, warehousing and transportation of merchandise

RISK MITIGATION

- The Group strategically maintains higher stock levels when required, to mitigate supply chain disruptions and ensure sufficient stock availability to meet customer demand
- Earlier placement of orders to enable timeous delivery of imported and local merchandise
- Merchandise is sourced from a diverse base of local and international suppliers, allowing the Group to increase localisation where 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
- Sustained focus on collections productivity and efficiency, aimed at improving collection rates and reducing 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, particularly in the debtors book
- Return capital to shareholders through dividend payments
- Active management of borrowing levels within approved risk appetite parameters and targeted ranges communicated to shareholders
- Management of foreign currency exposure, including the use of hedging strategies, to mitigate the impact of exchange rate volatility

MATERIAL ISSUES AND RISKS continued

05 Cyber risk

Robust and resilient information technology 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
- Disruption or unavailability of critical operating systems and supporting services may result in business interruption, adversely impacting revenue, profitability, and customer service. Increasingly sophisticated, AI-enabled cyber attacks heighten the complexity of threat detection and defence, increasing the risk of successful breaches

RISK MITIGATION

- IT governance monitored through the IT steering committee, with regular risk updates provided to the risk committee
- Ongoing investment in cybersecurity capabilities, including AI-driven threat detection, autonomous response technology and a managed detection and response solution, supports rapid threat identification and mitigation of cyber threats
- Preventive security controls are implemented, including secure web gateway and data loss prevention solutions, regular penetration testing, and vulnerability scanning
- Third-party cyber and technology risks are managed through vendor risk assessment processes, including due diligence, contractual safeguards, and ongoing monitoring of critical service providers
- Disaster recovery plans, including dependencies on key third-party providers, are reviewed and tested regularly to support continuity of critical operations
- Employees educated on emerging cybersecurity threats through awareness programmes
- Comprehensive cyber insurance coverage is maintained

06 Attraction and retention of human capital

The ability to attract, develop, motivate and retain skilled retail and financial services talent is critical to the sustainability of the Group and the successful execution of its strategic objectives.

RELATED RISKS

- Inability to attract, motivate, develop and retain competent people
- Skills shortages in the retail and financial services sectors increase employee mobility and heighten competition for scarce talent
- Loss of key people, coupled with challenges in attracting and retaining staff in the current climate may disrupt continuity and institutional knowledge
- High levels of staff turnover may increase recruitment and training costs and negatively impact productivity and service delivery

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
- Mentoring and coaching programmes are strengthened to support employee development, engagement, and retention

07 Regulatory and legislative compliance

Ensuring compliance with applicable legislation and regulations is essential to protecting the Group's licence to operate and reputation, while effectively managing the impact of regulatory change on margins, profitability, and operational flexibility.

RELATED RISKS

- Regulatory non-compliance could result in legal sanctions, material financial loss and reputational damage
- Changes in legislation and regulation may increase compliance costs or adversely affect margins and profitability
- Inability to respond effectively to ongoing regulatory changes

RISK MITIGATION

- Compliance with regulations and legislation is monitored through in-house legal and compliance teams
- Appropriate mitigation measures and disciplinary processes are implemented to ensure regulatory compliance
- Active engagement 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

STAKEHOLDER ENGAGEMENT

The stakeholder engagement programme focuses mainly on the five key 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 in a manner that supports mutual objectives and sustainable value creation.

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

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

Our approach to engagement

Why we engage:

The Group recognises that its overall 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 meetings, induction and training courses, feedback through performance management, electronic media channels in stores, as well as ongoing engagement with labour unions.

Key engagement areas in 2026

- Employee wellness
- Training and development
- Labour and human rights
- Transformation and diversity
- Talent management
- Ethics training

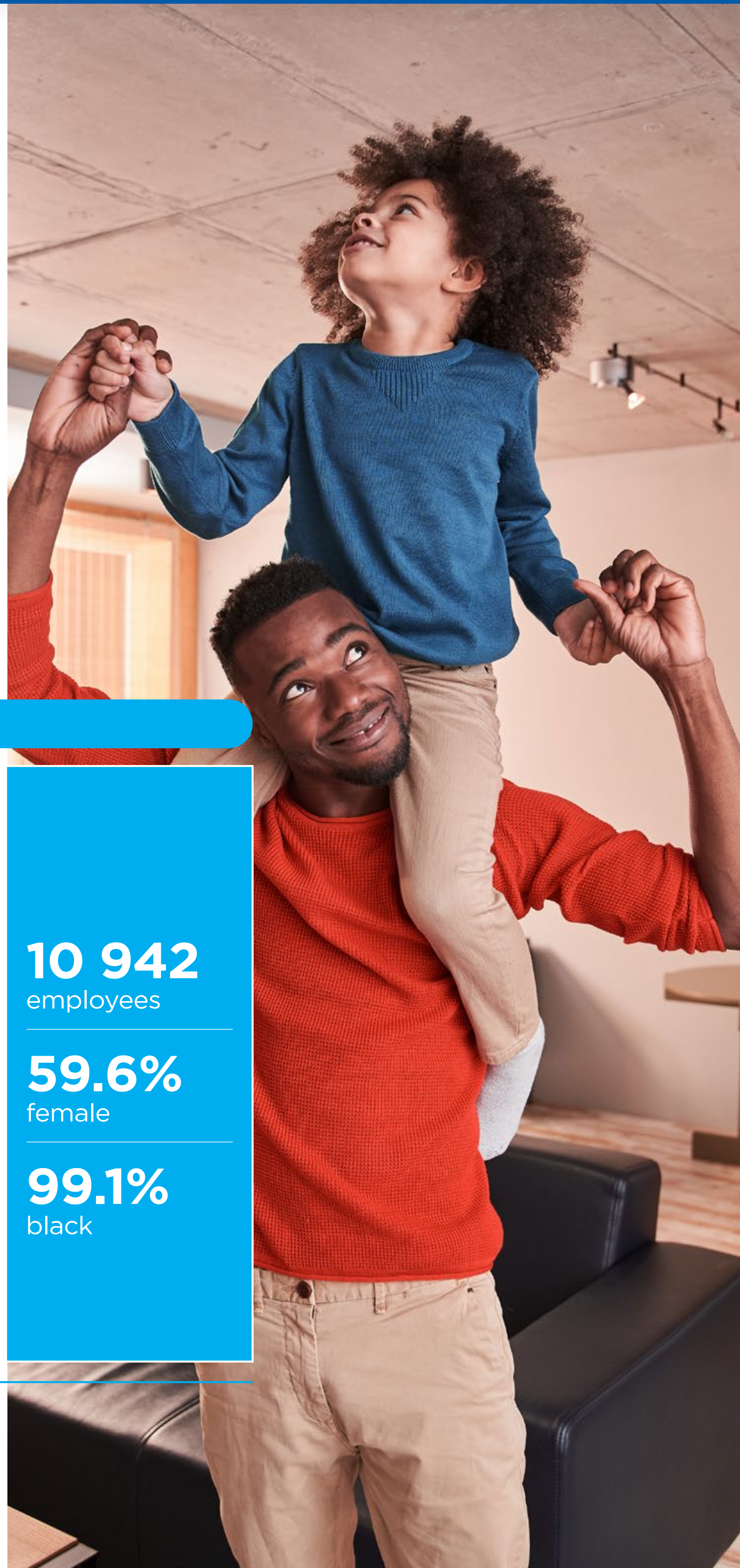
Our response to engagement areas

- Wellness counselling available to all employees
- Continued focus on leadership and skills development programmes, with more than 95% of nominated employees from previously disadvantaged backgrounds
- Bursary programme and education assistance for children of employees
- Regularly review remuneration against industry benchmarks
- Incentives structured to encourage a high-performance culture
- The Great Employee Movement (GEM) campaign was initiated to acknowledge service excellence and honour employees for their committed long service
- Ongoing ethics training, with employees encouraged to report unethical behaviour
- Commitment to investigate and resolve ethics complaints within 30 days

10 942 employees

59.6% female

99.1% black



STAKEHOLDER ENGAGEMENT continued

CUSTOMERS

Needs and expectations

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

Our approach to engagement

Why we engage:

Customers represent the Group's primary source of revenue through merchandise sales and related credit offerings. Engaging with customers is essential for sustaining business growth and maintaining market share. The Group serves a diverse customer base which includes both 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, targeted marketing and promotional campaigns, call centres, online channels and through market research.

Key engagement areas in 2026

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

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 targeted digital 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
- Grow customer engagement through digital channels, including SMS-based communication, while reducing costs and supporting environmental objectives

782 881 active credit customers

Over **4.8 million** social media followers across platforms

11.1% of Group merchandise sales generated through social media leads

SHAREHOLDERS

Needs and expectations

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

Our approach to engagement

Why we engage:

Shareholders are the Group's primary providers of financial capital. Their investment and support are fundamental to the organisation's growth and ongoing operations. Engagement with shareholders is the responsibility of the CEO and CFO and is 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.

Key engagement areas in 2026

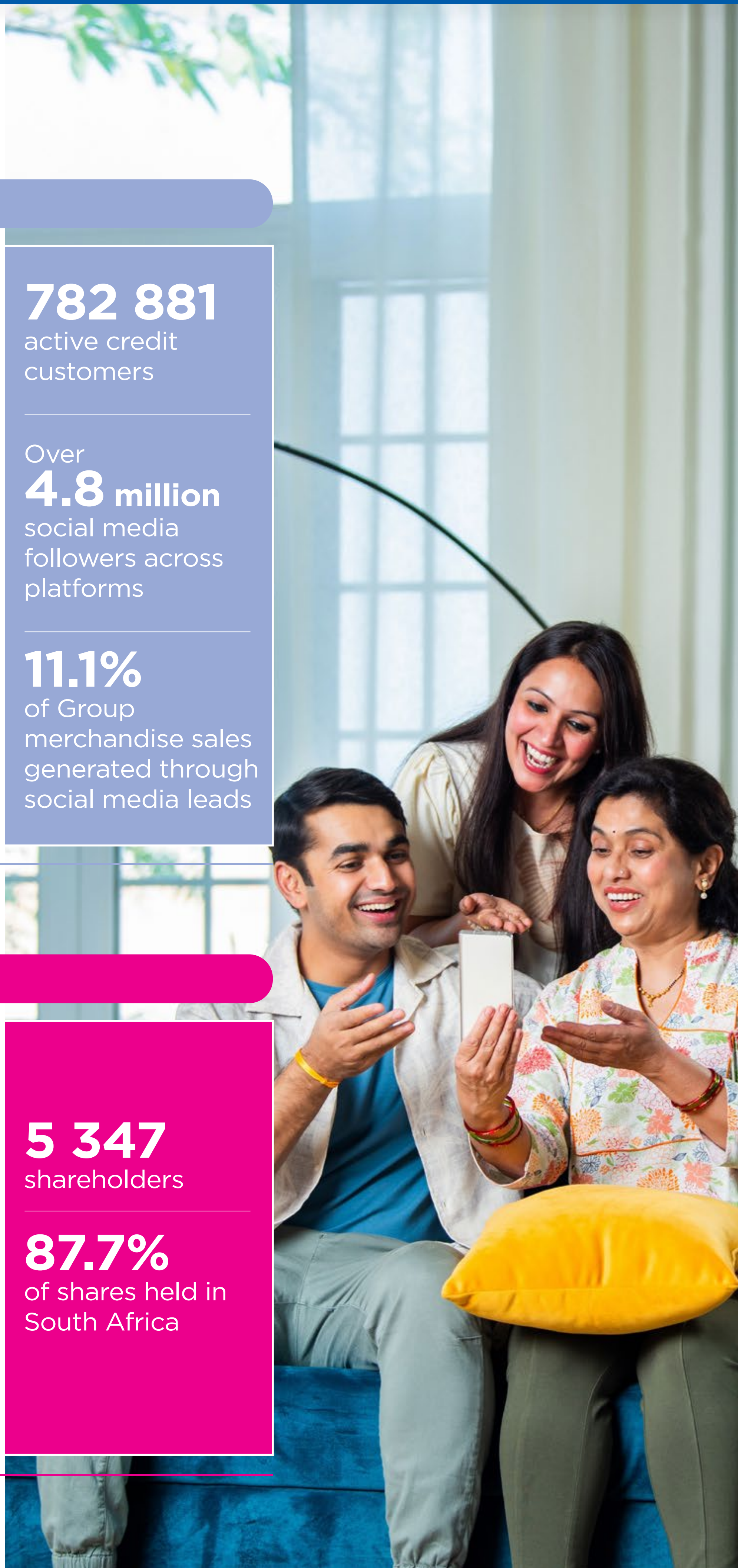
- Challenging consumer environment
- Trading and financial performance
- Store expansion programme
- Supply chain challenges
- Capital management
- Trading outlook and earnings growth prospects

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 Annual Report.

5 347 shareholders

87.7% of shares held in South Africa



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

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 Department of Trade, Industry and Competition, and 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.

Key engagement areas in 2026

- Assessing effectiveness of controls for anti-money laundering, counter financing of terrorism and counter proliferation financing
- Implementing the revised retail sector targets of the Employment Equity Amendment Act
- Cybersecurity readiness, and opportunities and challenges presented by artificial intelligence
- B-BBEE compliance

Our response to engagement areas

- Enhance anti-money laundering and counter terrorism measures
- Developed a new employment equity plan aligned to the retail sector targets of the Employment Equity Amendment Act, with the Group positioned to achieve targets by 2030
- Address compliance with the Financial Intelligence Centre Act
- Adequate controls to mitigate cybersecurity 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
- Competitive pricing

Our approach to engagement

Why we engage:

The Group engages with a diverse range of suppliers who provide merchandise and other goods and services. These suppliers include both local and international manufacturers, sales agents, property landlords and professional services providers. We engage to source high-quality products and service at the best price while upholding sustainable and ethical business practices.

How we engage:

Regular supplier meetings, factory visits, supplier audits, quality control assessments and service level agreements.

Key engagement areas in 2026

- Security of supply due to weak macroeconomic 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 of orders during periods of low and peak demand
- Deteriorating infrastructure impacting local supply chain
- Inflationary pressures on product sustainability
- Lease renewal negotiations as well as assessing new store opportunities with property landlords

Majority of merchandise is manufactured in South Africa

Main sources of imported merchandise are China, Malaysia and Brazil

Our response to engagement areas

- Contractual agreements with freight forwarding companies to ensure consistent supply of imported products
- Developed 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
- Ongoing financial risk and viability assessment of suppliers
- Agility to increase stock levels, when necessary, to ensure sufficient stock 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 competitive rates

INVESTMENT CASE

Lewis Group presents a compelling investment proposition, underpinned by a strong track record of delivering solid shareholder returns and maintaining a consistent dividend payout. The Group's portfolio of well-established retail brands provides investors with diversified exposure to customer markets and channels across southern Africa, supporting sustainable value creation and positioning the Group as an attractive investment in the consumer sector.

This investment case should be read together with the Strategy and Targets Report on page 13.

01 Resilient business model

- The Group executes its strategy through a decentralised store-based operating model supported by sophisticated, technology-driven controls, which has demonstrated its resilience through all economic cycles
- A combination of store-based collections, an integrated debit order payment strategy and a dedicated collections call centre delivers a high proportion of satisfactory paying customers and consistently solid collection rates

02 Favourably positioned 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 offering into new specialist product categories

03 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 976 stores across urban and rural areas in southern Africa
- Expansion into the higher-income segment through the UFO chain of 35 stores
- Strong presence of 146 stores in neighbouring African markets

04 Exclusive merchandise supported by strong supplier relationships

- Differentiated, exclusive and quality product ranges across all brands
- Merchandise that appeals to the needs of specific markets is sourced locally and offshore
- Long-standing relationships across the supply chain ensure optimal stock management

05 Proven credit risk management and customer loyalty

- Extensive expertise in managing credit risk within 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 customer trust are supported by an extensive social media following

06 Strong balance sheet and effective capital management

- Robust balance sheet and commitment to reinvestment for growth in debtors book and store footprint
- Delivered an average annual return to shareholders of 17.0% over the past five years through share price appreciation, share buy-backs and dividend payments
- Dividend payout ratio consistently maintained at 55% or higher

07 Leadership team

- Stable and highly experienced executive team, with an average of 21 years' service with the Group
- Current leadership team has led the business successfully through previous economic downturns
- Executive incentive schemes are closely aligned with long-term shareholder value creation

03

SUSTAINABILITY

SUSTAINABILITY REPORT

"The human touch is our competitive advantage"
Waleed Achmat, director of Human Resources, Lewis Stores

Sustainability through people

Lewis Group's sustainability journey is rooted in people. Across brands and regions, Lewis is a people business: technology helps people work smarter, but it is empathy, warmth and authenticity that bring customers back. Unity and a culture of upliftment continue to define how the Group serves, leads and grows – keeping the human connection at the centre of everything it does.

Our commitment to sustainability

Lewis recognises its responsibilities as a business operating within society and the environment. The Group is committed to adhering 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. Lewis achieves this by:

- Offering affordable, exclusive and quality goods to 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

Lewis embeds a people-first service culture across the Group. In a challenging consumer environment, our teams prioritise excellent customer experiences and support, a practical expression of our Ubuntu ethos, which contributes directly to resilient performance and long-term value for stakeholders.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

The Group is aware of its impact on the world around it and remains committed to conducting business in a responsible, ethical and sustainable manner. The Group's approach reflects a conscious decision to integrate ESG considerations into how it operates and reports. Measuring our performance in these areas supports better decision-making, reduces harm, unlocks new opportunities and contributes positively to the people and communities connected to the business.

People are at the centre of everything that the Lewis Group does.

E
Environmental: Manage climate risk.

S
Social: Transformation, investment in Lewis' people, and support for the communities in which it operates.

G
Governance: Social, ethics and transformation committee reporting to the board.

SUSTAINABILITY REPORT continued

Achieved in 2026

People *highlights*

Strengthened customer-first service culture through structured recognition programmes and performance frameworks, supporting improved service consistency and customer retention.

Achieved national recognition with second place in the Super Large Retail Companies category at the W&RSETA Good Practice Awards.

Maintained a strong focus on skills development through accredited training programmes across retail, management and leadership levels with

R68 million

invested in employee training.

32 480 training **initiatives**

Group's record high

The Group made a **considerable investment in CSI initiatives** during 2026, supporting its commitment to positive social impact.

R2.7 million

invested towards SDG 4: Quality Education, supporting educational advancement across various stages of learning.

Continued investment in leadership development, with internal progression reinforcing succession planning and organisational stability.

More than

1 800 employees have over 10 years service, reflecting a stable and experienced workforce.

Named "Company of the Year"
at the News24 Business Awards (2025), recognising performance, resilience and organisational culture.

Please see the sections on People are the Group's strength (page 28) and Investing in our people (page 27) for more information.

SUSTAINABILITY REPORT continued

Environmental *highlights*

141 tonnes
of paper recycled at head office,
3 669 **trees saved,**
5 422 kL water,
13 308 kWh **energy saved**
and avoiding 146 976 kg pollutants and 425m³ landfill waste.

19% annual reduction

in head office **electricity consumption** following solar installation.

OPERATIONAL SUSTAINABILITY INITIATIVES

The Group accelerated the integration of sustainability into both customer engagement and operational processes. A significant digital shift reduced paper consumption and emissions, including delivering the majority of monthly customer statements *via* SMS and rolling out Mobiz digital marketing campaigns, replacing historically paper-driven channels.

The Group also advanced its energy-efficiency strategy, completing a 25-store pilot of smart meters. Real-time data insights have already shaped behavioural interventions to curb energy use, with potential for a broader rollout once the pilot results are fully assessed.

Completion of smart meter project across
25 stores.

Digital migration

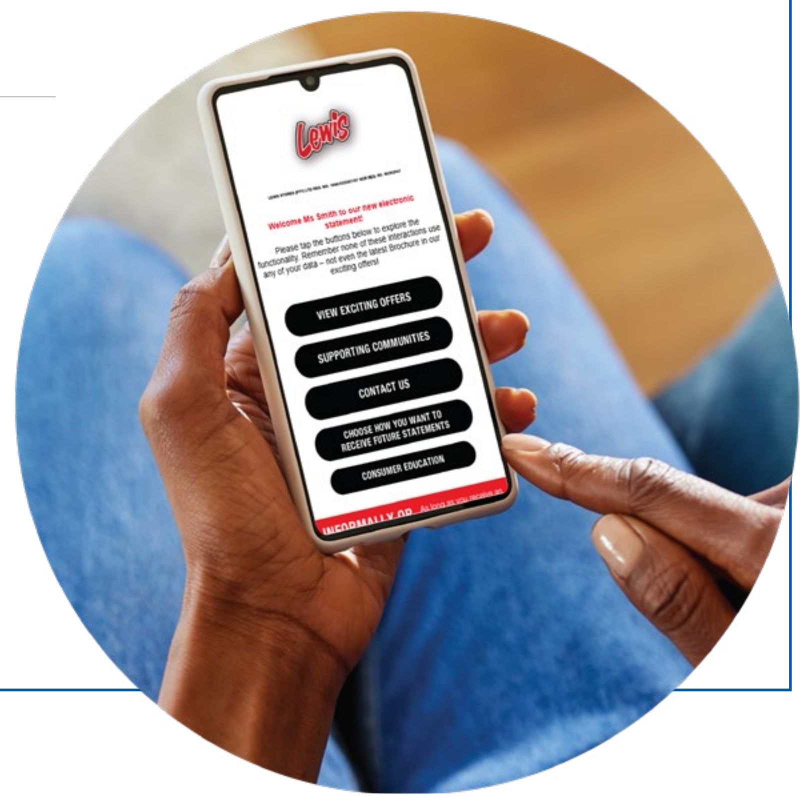
of customer statements and marketing material reduced paper usage and distribution-related emissions.

Logistics partner committed to

30%

Scope 1 emission reduction

by 2030, supported by efficient fleet upgrades, route optimisation and fuel monitoring.



SUSTAINABILITY REPORT continued

Alignment with the SDGs

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

The Group's sustainability commitments are aligned with the following SDGs:

SDG 1: NO POVERTY | SDG 2: ZERO HUNGER | SDG 3: GOOD HEALTH AND WELL-BEING

In support of SDG 1, SDG 2, and SDG 3, the Group is committed to allocating a minimum of 1% of annual profits after tax to socio-economic development initiatives aligned with the SDGs. These investments focus on addressing basic needs, improving access to nutrition and healthcare, and strengthening community resilience in the areas where the Group operates.

SDG 8: DECENT WORK AND ECONOMIC GROWTH

In support of SDG 8, the Group remains committed to inclusive skills development and equitable participation in economic opportunity. This includes maintaining training spend on previously disadvantaged employees at no less than 90% each year, strengthening pathways to meaningful employment and career progression. The Group continues to expand access to work opportunities through unemployed disabled learnership programmes, with the intent to increase participation from 300 to 350 candidates by the 2027 financial year, while ensuring that employment equity candidates constitute more than 90% of individuals nominated for leadership development programmes. These efforts are underpinned by a strong commitment to employee well-being, with ongoing adherence to all occupational health and safety regulations and a sustained record of zero occupational disease cases reported.

SDG 4: QUALITY EDUCATION

In support of SDG 4, the Group focuses its socio-economic development initiatives on expanding access to quality education. This includes the continued rollout of bursary and school support programmes, aimed at strengthening long-term learning outcomes. In addition, the Group is introducing consumer financial education initiatives to equip customers with practical financial knowledge and skills, supporting informed decision-making and contributing to greater economic resilience within the communities it serves.

SDG 13: CLIMATE ACTION

In support of SDG 13, the Group continues to integrate climate considerations into operational and customer-engagement practices. Ongoing investment in digital marketing supports the reduction of paper use and associated emissions, while the further rollout of smart meters across stores enables real-time energy monitoring and promotes behavioural change to reduce consumption. Sustainability principles and energy-efficiency considerations will increasingly be embedded into store layout and design as part of revamp programmes. In addition, the Group's third-party logistics partner, Value Logistics, remains committed to reducing its carbon footprint through targeted initiatives aimed at achieving a 30% reduction in Scope 1 carbon emissions by 2030.

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.

Please see page 33 for further detail on the Group's approach to climate 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 of the Group's social, ethics and sustainability priorities across the business, including workforce transformation, sustainability initiatives, community investment and internal reporting. It ensures that the Group's sustainability priorities are embedded into day-to-day operations and provides regular feedback to the executive team.

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 a 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.

FOCUS AREAS IN 2026

- **Ethical leadership and responsible governance,** with oversight of ethics awareness, customer conduct, compliance with consumer legislation and key governance policies supporting responsible business practices.
- **Transformation and people development,** including oversight of the preparation of the new five-year employment equity plan with targets for 2030, leadership and skills development initiatives and actions to strengthen management continuity and retention.
- **Inclusive economic and social contribution,** through continued support for learnerships, enterprise and supplier development, and targeted socio-economic development programmes.
- **ESG oversight,** ensuring appropriate monitoring of ESG disclosures and alignment with governance and regulatory expectations.

FUTURE FOCUS AREAS

- **Continued oversight of ethics, transformation and ESG priorities,** with a focus on embedding responsible practices and long-term people and social outcomes across the Group.
- **Preparation for evolving sustainability disclosure requirements,** including oversight of management's readiness for the potential adoption of IFRS S1 and IFRS S2.

OVERSIGHT STRUCTURE:

- The board holds primary responsibilities 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.

SUSTAINABILITY REPORT continued

4 QUALITY EDUCATION
8 DECENT WORK AND ECONOMIC GROWTH

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 by the W&RSETA and delivers a mix of classroom-based 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.

A HUMAN-CENTRED APPROACH TO ARTIFICIAL INTELLIGENCE (AI)

As technological capabilities evolve, Lewis is committed to a just transition that enables employees to adapt to rapidly changing technology.
The Group's approach ensures that roles are supported, not displaced, by AI. This reflects its belief that technology enhances human potential, it does not replace it, and preserves the sense of humanity that defines the Group's customer engagement model.

What we achieved this year

SKILLS DEVELOPMENT AND RECOGNITION

19
employees completed the **senior management development programme**

98%
training spend on **previously disadvantaged employees**

> Lewis believes that learning is a journey – that shapes not only skills, but also identity. These outcomes reinforce the Group's customer-centric culture and complement formal training by recognising applied behaviours on the job.

Employer recognition

W&RSETA GOOD PRACTICE AWARDS

The W&RSETA Good Practice Awards recognise outstanding wholesale and retail companies, training providers, and individuals for their contributions to skills development in South Africa.

The annual awards honour excellence, innovation, and impact across 16 categories, including learners, bursary recipients, women in leadership, and enterprises of varying sizes.

Lewis achieved national recognition securing second place in the Super Large Retail Companies category. This award underscores the Group's ongoing commitment to overall staff development and community advancement, especially with regard to unemployed disabled learnerships.

Workforce profile

10 942
permanent employees across southern Africa

99.1%
black representation

59.6%
women in the workforce

Black female staff comprises
58.8%
of total workforce

WORKFORCE GROWTH

The increase in Lewis's total workforce to almost 11 000 employees is primarily driven by the continued expansion of the Group's store footprint, alongside broader business growth and the scaling of customer-facing call centre operations. This growth reflects the Group's continued focus on strengthening customer experience capacity and ensuring that every customer interaction is met with humanity, care and responsiveness.

Investment in staff

300
disabled learners part of the **unemployed learnership initiative**

289
interns/learners **offered full-time positions**

47
bursaries granted to staff

45
bursaries granted to dependents of staff

150
dependents of staff provided **educational assistance**

Achieved **level 5 B-BBEE rating**

Employment equity targets exceeded across all employment categories

Continued the **rollout of ethics and integrity training**

Wellness counselling offered to all staff

No reports of health and safety non-compliance

People are the Group's strength

People underpin the Group's long-term performance and differentiation.

In 2026, Lewis continued to invest in skills development, leadership development and recognition frameworks that reinforce accountability, empathy and high-performance. These efforts further strengthened a culture of listening, learning and collective growth across the business.

Long service recognition continued to reflect the depth of loyalty and stability within the Group's workforce, while leadership recognition and internal progression highlighted a strong pipeline of performance-driven talent. Even within core collection processes, the Group's people-first approach remains evident, with customers engaging with trusted individuals from their community who can communicate in the customer's preferred language. Our staff understand our customers' circumstances and challenges, reinforcing continuity, trust and care at every interaction.

THE GREAT EMPLOYEE MOVEMENT (GEM)

The GEM campaign was established to encourage and recognise employees who demonstrate a strong commitment to service excellence. The initiative reinforces the Group's focus on delivering consistent, high-quality customer service across all levels of the organisation.

The management team is committed to customer care and satisfaction and expects the same standard from all employees. To support this, the Group's head office service excellence team evaluates service standards, while managers implement recognition programmes that reward and incentivise employees who deliver outstanding customer experiences.

As part of the Group's social licence and ethics mandate, the Group actively recognises and rewards behaviours that reinforce its values, through initiatives such as the GEM service excellence campaign, long-service awards and leadership performance recognition. These programmes strengthen organisational culture and anchor employee engagement within the Group's broader sustainability oversight.

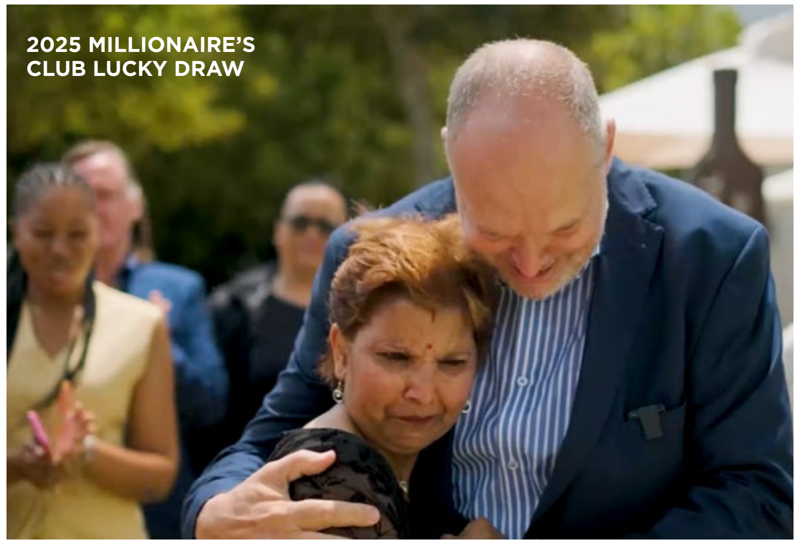
THE HUMAN HEART OF SERVICE

At the most recent annual awards Lewis celebrated three Diamond GEM service excellence winners. These employees each received more than 25 nominations, the majority of which were customer-driven, with record totals of 26, 33 and 39 nominations, respectively. Their stories demonstrate how human connection and care translate into sustained customer trust.

A DEEPLY COMMITTED WORKFORCE

The Group is proud to have more than 1 800 employees with over 10 years of service. This depth of tenure is a powerful reflection of the culture of belonging, stability and shared purpose within the organisation. It demonstrates that people do not just work at Lewis – they build their careers and lives there.

CEO AWARDS FOR SERVICE EXCELLENCE



"People come to see the team, not the technology… Lewis is, and always will be, a people business"
Johan Enslin, Group CEO

SUSTAINABILITY REPORT continued

Transformation

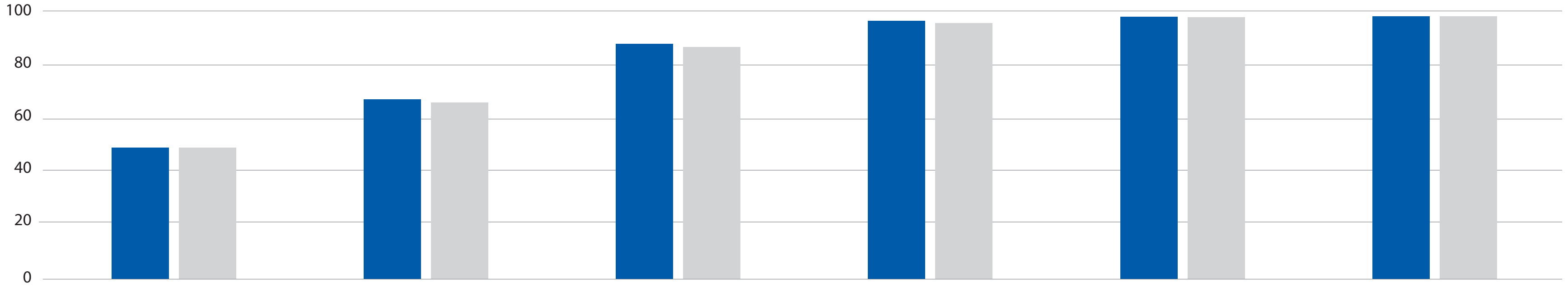
EMPLOYMENT EQUITY

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 - MARCH 2026



	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 2026	**50%**	**67.11%**	**88.34%**	**97.43%**	**99.66%**	**100.00%**
% Black employees	**50%**	**68.35%**	**89.51%**	**98.29%**	**99.92%**	**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 2026, 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	2026	2025	2024
Equity ownership	25	**5.81**	5.69	6.50
Management control	19	**12.64**	12.06	12.14
Skills development	20	**20.91**	21.07	20.77
Enterprise and supplier development	42	**36.28**	36.87	37.18
Socio-economic development	5	**5.00**	5.00	5.00
Total score		**80.64**	**80.69**	**81.59**
B-BBEE rating		**Level 5**	Level 5	Level 5

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.

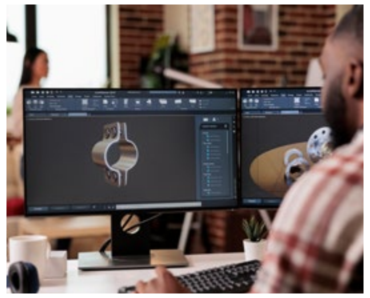
How the Group supports enterprise development partners:

Financial administrative business support

Quality control

Raw material sourcing

Product development



Design

The Group 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 Lewis

Lewis works to improve the quality of life of all stakeholders by making a positive impact. The Group aims to be an active part of the communities where it operates, recognised as dependable, caring and an ethical corporate citizen.

Most of the initiatives that Lewis supports focus on education and nutrition, followed by health and social development. The Group places emphasis on supporting women and children at risk.

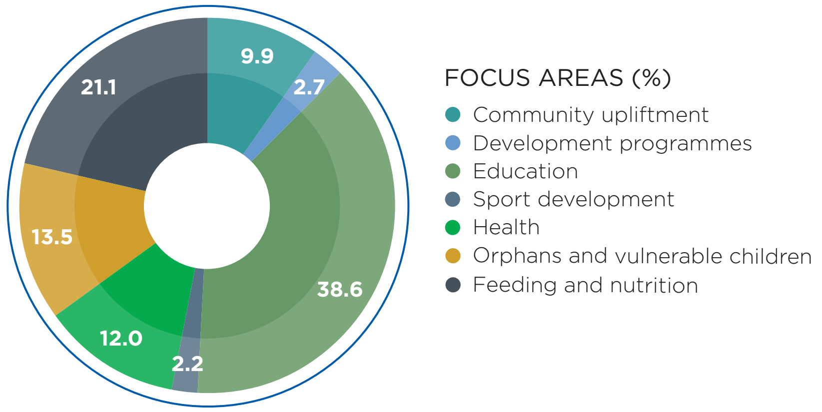
Lewis partners with large-scale projects located in the communities where the Group's employees and customers live. The Group aims to develop replicable models that lead to sustainable and independent community initiatives over time. Lewis achieves this by:

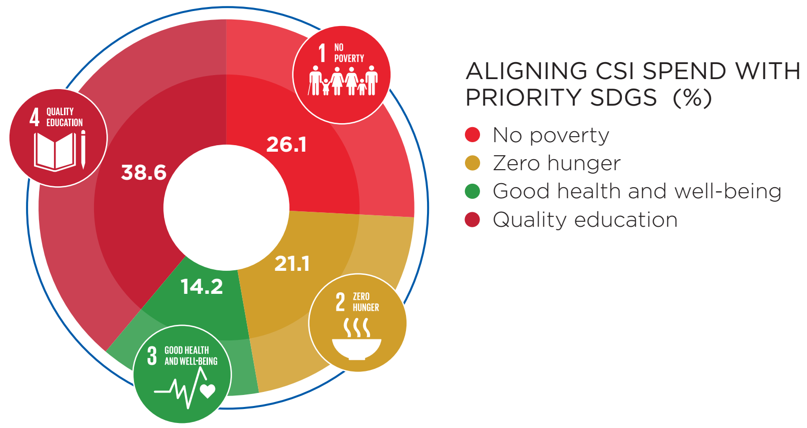
- **Engaging in socio-economic participation** from every level of the organisation by actively seeking employee community involvement opportunities.
- **Communicating** these projects through internal communication channels.
- **Encouraging** stakeholders to get involved.
- **Actively pursuing** the Group's 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	Indirect
Financial support.	Contribution in kind for a project including resources, merchandise and materials.





SUSTAINABILITY REPORT continued

Uplifting and upskilling stories of impact

Lewis believes real sustainability begins with human possibility. Within the 2026 financial year, the Group's social investment focused on creating the conditions that allow children and communities to thrive – supporting nutrition, safety, learning and play in under-resourced early childhood centres through the partnership with the South African Education Project. By strengthening the foundations for healthy growth and development, these initiatives enabled children not only to be cared for, but to grow, learn and belong.

"Meaningful impact is made possible through strong partnerships with organisations rooted in the communities they serve."

The human heart of the Lewis sustainability journey

Behind every metric in this report there is a person. And behind every strategy, a story. The projects that Lewis support reflects the 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 the Group's long-term commitment to enablement, dignity, and community-rooted transformation.

PENINSULA SCHOOL FEEDING ASSOCIATION

For more than 18 years, Lewis has partnered with the Peninsula School Feeding Association (PSFA) to address childhood hunger – one of the most significant barriers to learning and development. Since 2008, the partnership has grown from 4 to 11 adopted schools and has supported more than 20 000 learners through the provision of over 7.7 million nutritious meals. In 2025 alone, the programme reached approximately 1 050 learners daily. With a cumulative investment of nearly R10 million, this long-standing initiative enables learners to attend school regularly, concentrate in class and achieve improved educational outcomes, reflecting the Group's sustained commitment to uplifting the communities where employees and customers live.

KAY MASON FOUNDATION

The Group continues its long-standing support of the Kay Mason Foundation, an organisation that provides educational scholarships to high-potential learners from low-income households. Lewis' contribution supports access to quality education, mentorship and psychosocial support – helping students not only enter high-performing schools but succeed within them. Many scholarship recipients have gone on to pursue tertiary studies and meaningful careers, creating intergenerational impact for their families and communities.

SUSTAINABILITY REPORT continued

SUPPORTING EARLY INTERVENTION AND INCLUSIVE LEARNING THROUGH THE CAREL DU TOIT CENTRE

Through its long-standing partnership with the Carel du Toit Centre and Trust, Lewis supports access to early intervention services for children who are deaf or hard of hearing, enabling them to develop listening and speech skills during the early stages of life. The Centre provides specialised auditory-verbal education, therapy and family support, working closely with children from birth through the foundation phase to build strong communication outcomes.

Lewis has contributed through ongoing operational funding and, in 2011, supported the construction of a dedicated classroom wing to expand the Centre's learning capacity. In 2025, the Group further strengthened this partnership by committing funding towards the extension of the Centre's early intervention CHAT facility. These investments support children from low and no-income households to access critical therapies and educational support, reinforcing Lewis' commitment to inclusion, early learning and long-term human development.

PARTNERING WITH THE SOUTH AFRICAN EDUCATION PROJECT TO SUPPORT EARLY CHILDHOOD DEVELOPMENT

Through its partnership with the South African Education Project (SAEP), Lewis supports a holistic programme aimed at strengthening early childhood development outcomes in under-resourced communities in Philippi. The initiative focuses on creating safe, enabling environments where young children can learn, play and thrive.

Lewis supported the installation of child-safe jungle gyms at selected early childhood development (ECD) centres, transforming outdoor spaces into vibrant play areas that encourage physical activity and support children's social and emotional development. Recognising the link between nutrition and learning, the partnership also provides consistent nutrition support through food parcels and practical nutrition education for practitioners and parents, helping to address hunger as a barrier to early learning.

In addition, Lewis invested in first aid and fire safety training to strengthen safety and compliance across participating ECD centres. Certified training, along with the provision of safety equipment, has improved emergency preparedness and ensured that children learn and grow in safer, more resilient environments.

Managing climate risk

Climate change is one of the most critical challenges of our time, with far-reaching implications for businesses, governments and society. People enablement is the foundation for climate delivery through training and accountability.

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 the Group's long-term sustainability and resilience. This includes how the Group uses energy, engages with resource efficiency, and aligns operations with emerging regulatory and stakeholder expectations around environmental stewardship.

Lewis Group's climate change strategic pathway

STRATEGIC APPROACH TO CLIMATE-RELATED RISKS AND OPPORTUNITIES

The Group continues to monitor developments in climate-related governance and sustainability disclosure, including the evolving South African regulatory landscape and global reporting standards.

In line with IFRS S2 expectations, the Group completed its annual review of the climate risk register and updated scenario analysis, confirming that effective controls remain in place to manage material physical and transition risks.

This strategic approach ensures that climate-related risks and opportunities are increasingly integrated into governance, risk management and operational decision-making as the Group prepares for the broader adoption of global sustainability reporting standards.

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

2026 – **Commenced with integration of sustainability-aligned principles across customer engagement and store operations**

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 Task Force on Climate-Related Financial Disclosures (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 International Sustainability Standards Board (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 the 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 leadership

BOARD

MANDATE

- Determines 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

SOCIAL, ETHICS AND TRANSFORMATION COMMITTEE

Three independent non-executive directors and the chief executive officer

MANDATE

Delegated responsibility to oversee and monitor the impact of the Group's activities, products and services on the environment

RISK COMMITTEE

Seven 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

Climate management

EXECUTIVE COMMITTEE

MANDATE

- Identification, assessment, mitigation and management of material climate-related risks and opportunities
- Responsible for the integration of sustainability-aligned principles across the business operations

SUSTAINABILITY REPORT continued

Climate risks, opportunities and scenario analysis

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

The Network for Greening Financial Systems (NGFS) was 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 that were previously identified and still remain relevant for the current year 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	Risk
Retail trading environment	• Compounded macroeconomic impacts, resulting in decreased disposable income and reduced revenue • Costs or inability to transition to lower emissions technology
Global and local supply chain challenges	• Disruption in global and local supply chains
Regulatory and legislative compliance	• Carbon pricing resulting in increased operational costs • Increased requirements for climate change disclosures

Refer to Material Issues and Risks Report on pages 14 to 16.

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 piloting 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.

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.

OPERATIONAL EMISSIONS-REDUCTION INITIATIVES

The Group continued delivering tangible environmental improvements during the year. A key milestone was the installation of solar panels at head office, reducing electricity consumption by 19% in the 12 months post-installation.

The Group also piloted smart metering across 25 stores, enabling real-time visibility of energy consumption and informing behavioural changes to reduce waste. Pending evaluation of pilot outcomes, a wider rollout is under consideration.

In transport, the Group's logistics partner progressed towards its 2030 target of a 30% reduction in Scope 1 emissions, through initiatives such as fuel monitoring, route optimisation and fleet efficiency enhancements.

SCOPE 1 AND 2 EMISSIONS BREAKDOWN (tonnes CO_2e)

The Group's approach to emissions reduction is supported by measurable operational initiatives. During the year, 141 tonnes of paper-based products were recycled, and the solar installation at head office delivered a 19% reduction in electricity consumption. These operational measures complement the Group's emissions monitoring under the Greenhouse Gas (GHG) Protocol (Scope 1, 2, and selected Scope 3).

Scope		Source	2025	2026
SCOPE 1	**Scope 1 emissions result from fuel consumption by Company-owned vehicles as well as diesel generators**	South African fuel	19 200	**20 556**
		International fuel	2 901	**2 424**
		Total scope 1	22 101	**22 980**
SCOPE 2	**Scope 2 emissions result from the generation of purchased electricity by the Company**	South African electricity	18 013	**17 918**
		International electricity	3 460	**3 376**
		Total scope 2	21 473*	**21 294**
TOTAL SCOPE 1 & 2			43 574	**44 274**
Total South African			37 213	**38 474**
Total international			6 361	**5 800**

Increase in fuel consumption by Company vehicles measured under Scope 1 supporting the growth in sales and subsequent deliveries.

Despite an increase in the number of stores over the past year, average electricity consumption per store declined by 9.4%. This was largely offset by higher grid emission factors, driven by Eskom's coal-intensive generation mix, resulting in a marginal net reduction in emissions of 0.5%.

The overall increase in Scope 1 and 2 emissions was driven primarily by the store expansion within the Group, with a record 58 new stores opened during the year.

** Revised emissions due to correction of spend-to-kWh conversions.*

SUSTAINABILITY REPORT continued

SUMMARY OF ASSESSED SCOPE 3 EMISSIONS (tonnes CO_2e)

SCOPE 3

	Emission source	Comment	2025	2026	
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	16 959*	**18 211**	Fuel and energy-related activities emissions increased by 7% due to increased petrol consumption by Company vehicles and increased electricity emission factors (Refer to Scope 1 and 2 emissions breakdown on page 34).
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 international shipping or other transport	7 691	**8 824**	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 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	444	**280**	Business travel emissions include domestic, regional and international travel. A significant decrease in the air travel emission factor has contributed to lower emissions from this category.
	Car hire	Complete assessment	232	**331**	
	Accommodation	Complete assessment	1 756	**1 106**	
Employee commuting	Staff transport emissions travelling to and from work	Complete, but indicative value due to method used	7 264	**8 532**	Employee commuting emissions are associated with staff travel to work. This increased by 17% driven by an increase in the average number of employees.

** Revised emissions due to correction of spend-to-kWh conversions.*

The Greenhouse Gas Protocol is currently revising its Corporate Standard, with one of the proposed amendments being that full Scope 3 emissions reporting would be required (Greenhouse Gas Protocol, 2025). The complete draft revised Corporate Standard is due to be released in mid-2026 for public consultation.

Should the proposed requirements be adopted, the Group will need to expand its reported carbon footprint to include all relevant Scope 3 emission categories across its value chain. The potential impact of this will be assessed once the final requirements and effective implementation dates have been confirmed.

Continuing the climate journey

As Lewis looks ahead to 2027, the Group's understanding of sustainability continues to deepen. It is increasingly shaped not only by evolving regulatory and investor expectations, but by the responsibility to create enduring value for Lewis's people, partners and the communities in which the Group operates.

Lewis is 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
- **Supporting** early childhood development and nutrition through strategic partnerships with organisations such as SAEP and PSFA
- **Assessing** the impact of IFRS S1 and S2 on the business and ensuring timeous implementation should adoption become mandatory

Sustainability at Lewis is defined by the human choices made every day, guided by care, responsibility and long-term thinking, to create value for the Group's people, communities and the business.

04

LEADERSHIP

DIRECTORS AND EXECUTIVE MANAGEMENT

01 **Hilton** Saven

02 **Fatima** Abrahams

03 **Jacques** Bestbier

04 **Adheera** Bodasing

05 **Brendan** Deegan

06 **Johan** Enslin

07 **Daphne** Motsepe

08 **Tapiwa** Njikizana

09 **Mholi** Shandu

10 **Waleed** Achmat

11 **Rinus** Oliphant

BOARD OF DIRECTORS

Hilton Saven (73)

INDEPENDENT NON-EXECUTIVE CHAIRPERSON

INV AC RC REM C NOM SET

BCom (Hons); CA(SA)

Appointed 2004
Appointed as chairperson in 2017

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 (Chairperson), Balwin Properties Limited (Chairperson) and Monarch Insurance Company Limited (Chairperson)

Fatima Abrahams (63)

LEAD INDEPENDENT DIRECTOR

INV AC RC C REM NOM C SET

BEcon (Hons); MCom; DCom

Appointed 2005
Appointed as lead independent director in 2021

Expertise and experience

Human resources, remuneration and ESG

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 and Monarch Insurance Company Limited

Jacques Bestbier (53)

EXECUTIVE DIRECTOR AND CHIEF FINANCIAL OFFICER

INV AC RC

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

Appointed to the board in 2018

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.

Directorships:

Lewis Stores (Pty) Limited

Adheera Bodasing (52)

INDEPENDENT NON-EXECUTIVE DIRECTOR

INV AC RC REM NOM

BA; LLB

Appointed 2017

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.

Directorships:

Polarity Consulting (Pty) Limited

Brendan Deegan (64)

INDEPENDENT NON-EXECUTIVE DIRECTOR

AC RC REM NOM

BCompt; CA(SA)

Appointed 2022

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 is an experienced accountant and former auditor with expertise in financial reporting, leadership and governance, and assurance and risk.

Directorships:

Truworths International Limited and Monarch Insurance Company Limited

COMMITTEES: AC AUDIT RC RISK REM REMUNERATION NOM NOMINATIONS SET SOCIAL, ETHICS AND TRANSFORMATION C CHAIRPERSON INV BY INVITATION

BOARD OF DIRECTORS continued

Johan Enslin (52)

EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER

INV INV INV
AC RC REM NOM SET

Appointed to the board 2009

Expertise and experience

Operations, strategy and governance

Johan has 33 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.

Directorships:

Lewis Stores (Pty) Limited

Daphne Motsepe (69)

INDEPENDENT NON-EXECUTIVE DIRECTOR

C C
AC RC REM NOM SET

BCompt; MBA
Appointed 2017

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 and CFAO Motors South Africa (Pty) Limited

Tapiwa Njikizana (50)

INDEPENDENT NON-EXECUTIVE DIRECTOR

AC RC REM NOM

BCompt (Hons); CTA, CA(SA); JSE Registered IFRS Advisor
Appointed 2019

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 boards 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 in 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 and Sasfin Bank Limited

Mholi Shandu (37)

INDEPENDENT NON-EXECUTIVE DIRECTOR

INV
AC NOM RC REM

BEcon; BCom (Hons)
Appointed in April 2026

Expertise and experience

Insurance, finance and governance

Mholi is an executive director of Seermont Investment Company (Pty) Ltd and the managing director of Palucron Financial Services (Pty) Ltd. He is also a non-executive director of Monarch Insurance Company Limited (Monarch), the Group's insurance subsidiary company. He was previously managing director of Workers Life Assurance Company Limited and an executive director of Workers Life Insurance Limited.

Specific contribution to the board

Mholi has extensive experience in the insurance industry and has developed a thorough understanding of the Group's business through his directorship of Monarch over the past four years.

Directorships:

Monarch Insurance Company Limited, Seermont Investment Company (Pty) Ltd, Palucron Financial Services (Pty) Ltd and PalletBiz SADC.

COMMITTEES: AC AUDIT · RC RISK · REM REMUNERATION · NOM NOMINATIONS · SET SOCIAL, ETHICS AND TRANSFORMATION · C CHAIRPERSON · INV BY INVITATION

BOARD OF DIRECTORS continued

EXECUTIVE MANAGEMENT

Johan Enslin
(52)
CHIEF EXECUTIVE OFFICER

Expertise and experience

33 years of service

Johan has extensive credit furniture retail experience and has led the Group for over 16 years. 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
(63)
HUMAN RESOURCES DIRECTOR

BA Hons (Industrial Psychology)

Expertise and experience

9 years of service

Waleed is an experienced human resources practitioner with a background in the mining, retail and education sectors. 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
(53)
CHIEF FINANCIAL OFFICER

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

Expertise and experience

14 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
(51)
OPERATIONS DIRECTOR

Expertise and experience

28 years of service

Rinus 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, with responsibility for the retail operations of the Group.

COMPANY SECRETARY

Marisha Gibbons
(35)
COMPANY SECRETARY

LLB; LLM

Expertise and experience

4 years of service

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 adviser for two years at Lactalis SA (formerly Parmalat SA).

05

OPERATIONS REVIEW

MERCHANDISE, SUPPLY CHAIN AND STORES

Merchandise strategy

The Group's merchandise strategy is aimed at offering customers differentiated, affordable 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.

The traditional retail brands target lower- to middle-income groups and focus 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.

Affordable, high-quality base sets and accessories are offered through the specialised brands, Real Beds and Bedzone, which cater to a broader range of income categories.

Electronic merchandise catalogue

Electronic merchandise catalogues are installed in all traditional and bedding 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 offering

The merchandise offering covers three core product categories:

Audiovisual
14.0%

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

Furniture
57.7%

Bedroom suites, beds, base sets, mattresses, lounge and dining room suites, wall units and kitchen units. Lounge suites and base sets account for 66.3% of sales in this category.

Appliances
28.3%

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.

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

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.

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 the 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 domestic 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 international suppliers, samples of all imported 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 by suppliers to stores, supported by leading shipping and logistics providers for imported 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 **976** following the opening of a net **58** stores in the past financial year. This includes **146** stores in the neighbouring countries of Namibia, Botswana, Lesotho and Eswatini.

In the 2027 financial year, the Group targets to open at least 25 traditional stores and 15 speciality 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 approximately 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 282 (2025: 273) small-format stores, equating to 55% of 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, 100 (2025: 170) 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

439 stores in SA | **76 stores** outside SA

153 536m² trading space

Average store size **298m²**

TOTAL STORES: 515

BEST HOME AND ELECTRIC

175 stores in SA | **23 stores** outside SA

25 241m² trading space

Average store size **127m²**

TOTAL STORES: 198

BEARES Really Cares about You!

119 stores in SA | **42 stores** outside SA

57 056m² trading space

Average store size **354m²**

TOTAL STORES: 161

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 47 stores in South Africa and five stores in Botswana.

UFO FURNITURE

35 stores in SA

22 782m² trading space

Average store size **651m²**

TOTAL STORES: 35

REAL BEDS

47 stores in SA | **5 stores** outside SA

9 445m² trading space

Average store size **182m²**

TOTAL STORES: 52

Bedzone

15 stores in SA

3 437m² trading space

Average store size **229m²**

TOTAL STORES: 15

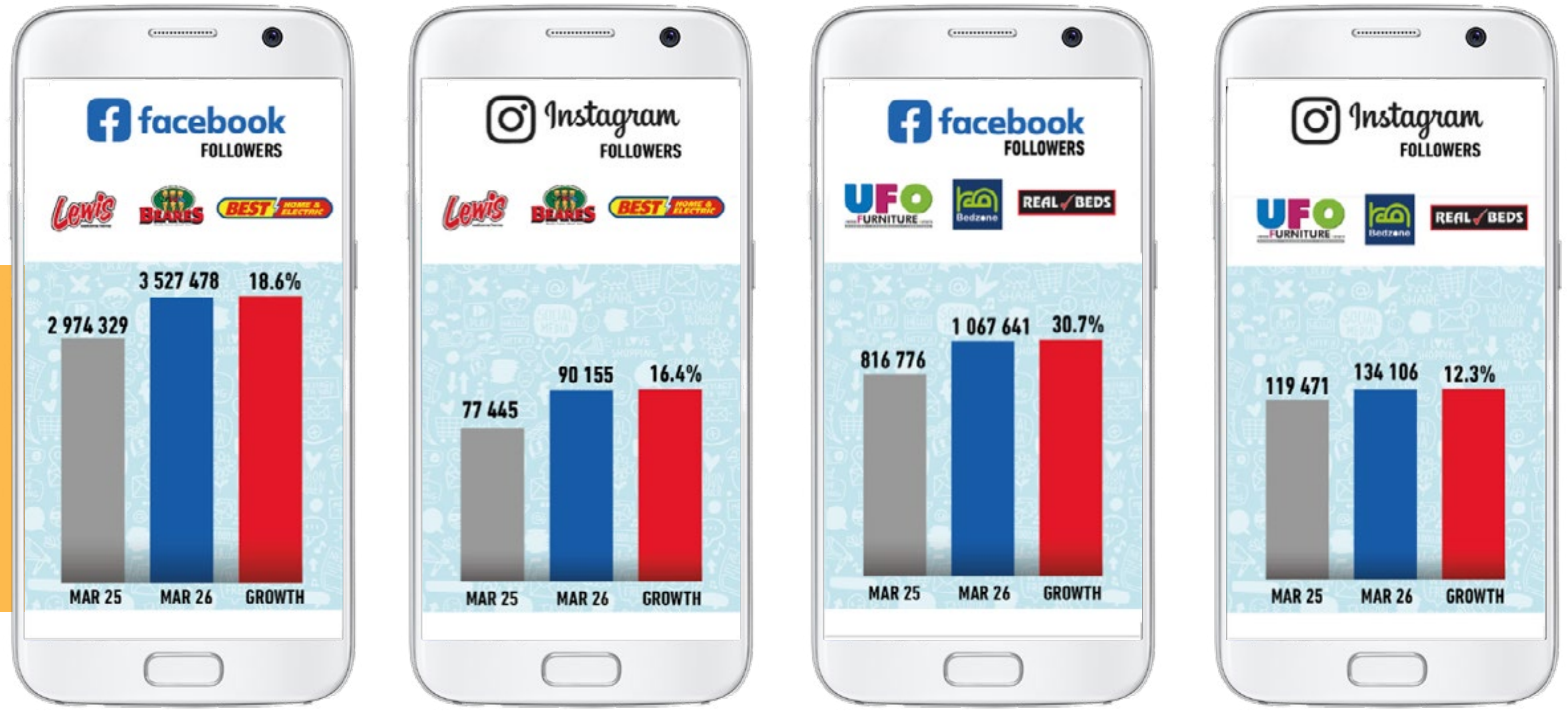
Customer engagement *via* social media

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 the direct marketing channel to engage, generate sales and foster loyalty, enabling customers to access brochures and apply for credit. Sales generated from social media accounted for approximately 11% (2025: 10%) of the Group's merchandise sales in the past year.

The Group's following on social media increased by 20.8% to 4.8 million in the past year. The traditional brands have a strong social media presence and increased their combined following on Facebook and Instagram to 3.6 million, an increase of 18.5% on the prior year. The specialist segment had an increase of 28.4% in social media followers to 1.2 million.

THE GROUP NOW ENJOYS **4.6 MILLION** FACEBOOK FOLLOWERS



MANAGING CREDIT RISK

In the constrained consumer spending environment, the appeal of the Group's credit offering, together with demand for quality merchandise, contributed to an 11.0% increase in the active credit customer base and a 15.2% growth in the debtors book in the past year.

High-quality debtors book

The quality of the Group's debtors portfolio remains sound, with the book increasing by R1.2 billion to R9.2 billion. Collection rates ended the year at 78.1% (2025: 78.9%), with satisfactory paying customers at 82.6% (2025: 83.5%). Debtor costs as a percentage of debtors at gross carrying value improved to 14.3% from 15.0% in the prior year.

The debtors impairment provision as a percentage of debtors at gross carrying value slightly increased to 37.7% from 37.2%.

The debtor performance is covered in the *Chief Financial Officer's Report on page 49*.

Credit ratios and statistics		2026	2025
Increase in credit sales	%	**9.6**	12.1
Credit sales as a percentage of total sales	%	**69.4**	68.0
Gross debtors	Rm	**9 167**	7 955
Increase in gross debtors	%	**15.2**	14.5
Collection rates from instalment sales	%	**78.1**	78.9
Total collections from instalment sales	Rm	**7 101**	6 253
Debtors impairment provision	Rm	**3 459**	2 959
Debtors impairment provision as a percentage of gross debtors at carrying value	%	**37.7**	37.2
Debtor costs	Rm	**1 310**	1 193
Debtor costs as a percentage of debtors at gross carrying value	%	**14.3**	15.0
Net bad debts as a percentage of debtors at gross carrying value	%	**8.8**	10.6
Satisfactory paid accounts as a percentage of total customers	%	**82.6**	83.5
Credit application decline rate	%	**41.8**	38.5
Active credit customer base		**782 881**	705 362
Increase in active credit customer base	%	**11.0**	10.1

MANAGING CREDIT RISK continued

Credit offering

Lewis, Best Home & Electric, Beares, Real Beds and Bedzone offer credit contracts to a maximum term of 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 microinsurer registered with the Financial Sector Conduct Authority.

Credit risk management

Core to the Group's business model is the central granting of credit. This ensures that credit risk policies are consistently applied and removes 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 pay instalments. 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 as follows:

- **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.

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 all customers engage with a compliance call centre agent, in one of the nine official languages of their choice. The purpose of the compliance call centre is to further improve compliance, transparency and oversight of the in-store sales and credit application process, as well as 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 58 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

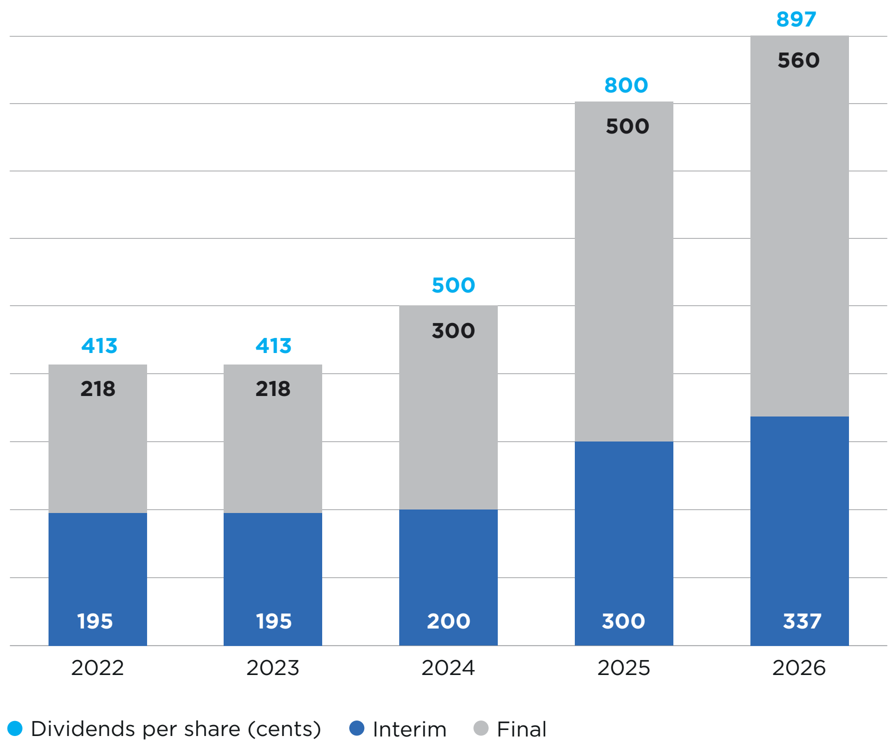
This performance was supported by the continuing good quality of the debtors portfolio, which contributed to a 12.8% increase in operating profit to R1.3 billion.

Headline earnings increased by 18.4% to R909.4 million (2025: R768.2 million). Earnings per share increased by 13.0% to 1 646 cents (2025: 1 457 cents) and headline earnings per share by 18.3% to 1 753 cents (2025: 1 483 cents).

The final dividend was increased by 12.0% to 560 cents per share (2025: 500 cents per share), bringing the total dividend for the year to 897 cents per share (2025: 800 cents per share). This equates to an earnings payout ratio of 55.0% (2025: 55.3%), in line with the Group's track record of consistently maintaining a payout ratio of 55% or higher. The Group continued to generate competitive returns to shareholders, with the return on equity strengthening to 16.2% from 15.4% in the prior year, and up significantly from the 8.7% reported in 2023.

Over the past five years, the Group generated cash of R6.3 billion after income tax and interest, invested R3.7 billion in the debtors book and R368 million in capital projects, while returning R2.3 billion to shareholders in dividend payments (R1 466 million) and share repurchases (R843 million).

DIVIDENDS



Average
DIVIDEND YIELD of
10.7%
over the past
five financial years

Financial performance

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

Revenue

Merchandise sales increased by 7.3% to R5 452 million (2025: R5 081 million). Comparable store sales across all brands grew by 4.8%.

Credit sales grew by 9.6% and cash sales by 2.5%. Credit sales accounted for 69.4% of total merchandise sales compared to 68.0% 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 15.7%.

Total revenue, comprising merchandise sales and other revenue, increased by 11.1% to R10 320 million (2025: R9 288 million).

Gross profit

The gross profit margin strengthened by 30 basis points to 43.7% (2025: 43.4%).

Operating costs

Operating cost growth of 9.6% was contained below revenue growth. Costs were impacted by performance and growth-related expenses, including the accelerated expansion of the store base. Operating costs as a percentage of revenue reduced to 34.0% (2025: 34.5%). Insurance revenue increased by 16.7% while insurance service expenses increased by 24.3%, impacted by a slightly higher claims ratio. Operating costs including insurance service expenses increased by 12.7%.

Debtor performance

	2026	2025
Debtors book (Rm) (+15.2%)	**9 167**	7 955
Collections from instalment sales (Rm) (+13.6%)	**7 101**	6 253*
Collection rate	**78.1%**	78.9%
Contractual arrears (Rm)	**2 331**	1 863
% of debtors at gross carrying value	**25.4%**	23.4%
Debtor costs (Rm) (+9.8%)	**1 310**	1 193
• Net bad debts written off	**810**	840
• Debtors impairment provision	**500**	353
Debtor costs as a % of debtors at gross carrying value	**14.3%**	15.0%

** Correction to prior year figure.*

The quality of the Group's debtors book remains sound, with satisfactory paying customers at 82.6% (2025: 83.5%) and the collection rate at 78.1% (2025: 78.9%). The collections from instalment sales increased by 13.6% to R7.1 billion.

Debtor costs increased by 9.8%, with debtor costs as a percentage of debtors at gross carrying value improving to 14.3% (2025: 15.0%). The debtors impairment provision as a percentage of debtors at gross carrying value increased to 37.7% (2025: 37.2%).

Operating profit

Operating profit increased by 12.8% to R1 300 million (2025: R1 152 million) and the operating margin expanded by 110 basis points to 23.8%. Impairments and capital items totalled R76.2 million (2025: R18.2 million) relating mainly to the impairment of right-of-use assets in the speciality segment.

Segmental performance

Merchandise sales in the traditional segment increased by 7.5% and accounted for 89.7% of total Group sales, while the speciality segment grew sales by 5.4%. Further detail on the brands is included in the Merchandise, Supply Chain and Stores Report on pages 42 to 44.

	GROUP		TRADITIONAL		SPECIALITY	
	2026	2025	2026	2025	2026	2025
Revenue (Rm)	**10 320**	9 288	**9 633**	8 704	**687**	584
Merchandise sales (Rm)	**5 452**	5 081	**4 890**	4 548	**562**	533
Operating costs incl insurance service expenses (Rm)	**4 564**	4 051	**4 243**	3 816	**321**	235
Operating profit before impairments and capital items (Rm)	**1 376**	1 171	**1 356**	1 145	**20**	26
Operating profit/(loss) (Rm)	**1 300**	1 152	**1 353**	1 144	**(53)**	8
Operating margin:						
Before impairments and capital items (%)	**25.2**	23.0	**27.7**	25.2	**3.5**	4.8
After impairments and capital items (%)	**23.8**	22.7	**27.7**	25.2	**(9.5)**	1.6
Number of stores	**976**	918	**874**	849	**102**	69

CHIEF FINANCIAL OFFICER'S REPORT continued

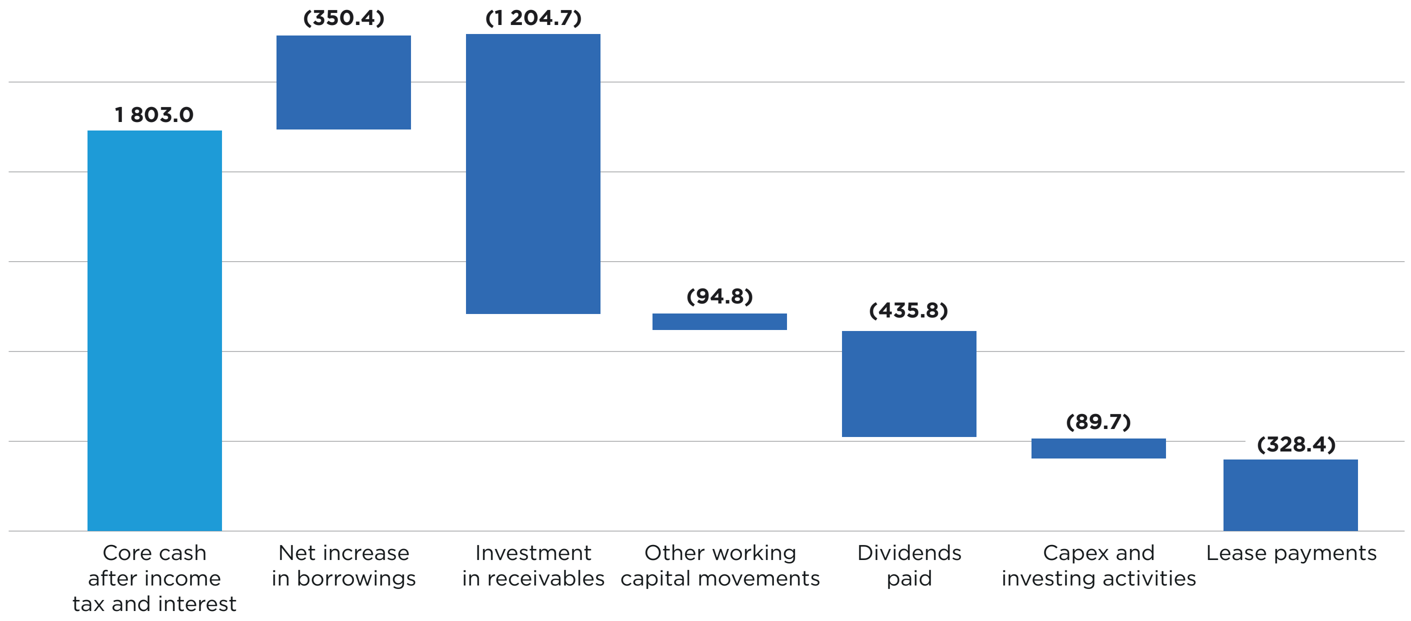
Cash and capital management

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.

Cash flow from operations increased by 19.9% to R1 119 million (2025: R933 million).

The total dividend for the year amounted to R469 million (2025: R417 million). No share repurchases were undertaken during the year.

CAPITAL MANAGEMENT (Rm)



The Group's net borrowings totalled R1 231 million at year-end (2025: R880 million). The gearing ratio (including lease liabilities) increased to 40.0% (2025: 36.6%) and the borrowings ratio (gearing ratio, excluding lease liabilities) increased to 22.4% (2025: 17.3%). The higher borrowings relate mainly to the increased investment in the debtors book and store expansion. Both ratios are well within the board's risk appetite and management's guided ranges.

The Group's balance sheet remains strong and the net asset value increased by 7.7% to R106.22 per share (2025: R98.64).

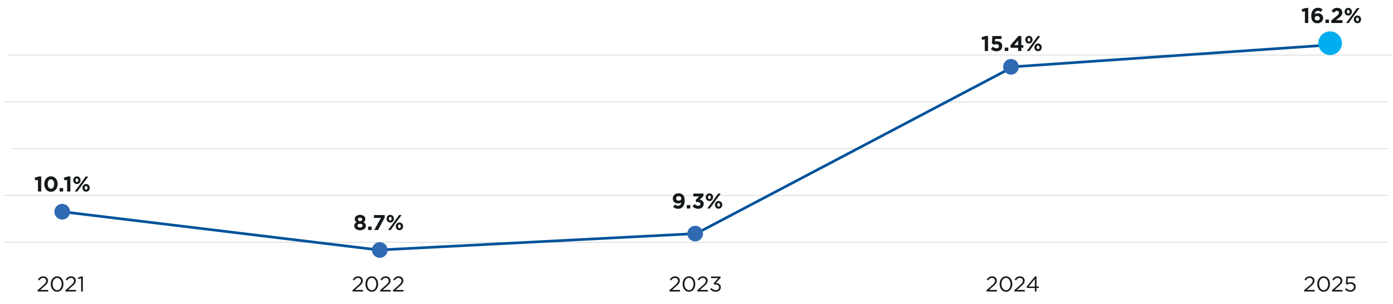
Financial and operating targets

The financial and operating targets have been reviewed and revised to reflect the expected performance for 2027 and over the medium-term.

Performance indicators	2026 Actual %	2027 Targets %	Medium-term Targets %
Gross profit margin	43.7	**40 – 42**	41 – 43
Increase in operating costs (including insurance service expenses)	12.7	**7 – 11**	6 – 10
Satisfactory paid customers	82.6	**78 – 82**	78 – 82
Debtor costs as a % of debtors at gross carrying value	14.3	**13 – 16**	12 – 15
Operating profit margin	23.8	**18 – 22**	18 – 22
Borrowings ratio (excluding lease liabilities)	22.4	**25 – 30**	25 – 30
Gearing ratio (including lease liabilities)	40.0	**45 – 55**	45 – 55

Return on equity

RETURN ON EQUITY (%)



Capital ratios (%)	2026	2025
Return on equity (after-tax)	**16.2**	15.4
Return on average capital employed (after-tax)	**13.4**	13.4
Return on average assets managed (pre-tax)	**15.3**	15.0
Borrowings ratio (excluding IFRS 16 lease liabilities)	**22.4**	17.3
Gearing ratio (including IFRS 16 lease liabilities)	**40.0**	36.6
Interest cover (times)	**9.8**	9.4

Appreciation

Thank you to the investment community for your interest in the Group and engagement with management over the past year. We acknowledge the continued support of our loyal shareholders. I also extend my thanks to my colleagues in the Group finance team for their ongoing support and commitment to maintaining high standards of financial reporting.

Jacques Bestbier
Chief financial officer

FIVE-YEAR REVIEW

Ratios and statistics

		2026	2025	2024	2023 Restated	2022
Returns						
Return on equity	(%)	**16.2**	15.4	9.3	8.7	10.1
Return on average capital employed (after-tax)	(%)	**13.4**	13.4	8.6	7.9	8.8
Return on average assets managed (pre-tax)	(%)	**15.3**	15.0	10.1	9.2	10.4
Margins						
Gross profit margin	(%)	**43.7**	43.4	43.1	40.6	40.5
Operating profit margin before impairments and capital items	(%)	**25.2**	23.0	16.2	16.0	17.5
Operating profit margin	(%)	**23.8**	22.7	14.8	13.7	15.2
Productivity						
Number of stores		**976**	918	869	840	819
Revenue per store	(R'000)	**10 574**	10 117	9 417	8 877	8 860
Operating profit per store	(R'000)	**1 332**	1 255	794	725	816
Average number of permanent employees		**10 942**	10 423	10 004	9 524	8 952
Revenue per employee	(R'000)	**943**	891	818	783	811
Operating profit per employee	(R'000)	**119**	111	69	64	75
Trading space	(m^2)	**271 497**	264 349	255 162	253 135	250 643
Revenue per square metre	(R)	**38 011**	35 135	32 073	29 456	28 950
Operating profit per square metre	(R)	**4 787**	4 359	2 705	2 407	2 665
Inventory turn	(times)	**4.0**	3.8	3.7	3.0	2.6
Credit ratios						
Credit sales	(%)	**69.4**	68.0	66.2	59.9	51.4
Bad debts as a percentage of debtors at gross carrying value	(%)	**8.8**	10.6	11.2	13.1	14.5
Debtor costs as a percentage of debtors at gross carrying value	(%)	**14.3**	15.0	17.6	12.0	12.3
Debtors impairment provision as a percentage of debtors at gross carrying value	(%)	**37.7**	37.2	37.5	36.0	40.4
Satisfactory paid accounts as a percentage of total customers	(%)	**82.6**	83.5	81.3	80.4	79.0
Arrear instalments on satisfactory paid accounts as a percentage of debtors at gross carrying value	(%)	**10.5**	10.3	10.0	10.2	10.4
Arrear instalments on slow paying and non-performing accounts as a percentage of debtors at gross carrying value	(%)	**14.9**	13.1	14.5	17.6	22.7
Credit applications decline rate	(%)	**41.8**	38.5	35.1	34.7	36.1
Collection rate	(%)	**78.1**	78.9	79.7	80.8	79.0

		2026	2025	2024	2023 Restated	2022
Solvency and liquidity						
Financing cover	(times)	**6.6**	5.8	5.3	8.4	24.6
Gearing ratio	(%)	**40.0**	36.6	31.7	24.1	15.3
Borrowings ratio	(%)	**22.4**	17.3	11.7	4.0	(4.8)
Current ratio	(times)	**4.9**	2.6	3.5	3.4	3.6
Cash conversion ratio	(%)	**62.5**	60.2	61.8	69.2	78.9
Net debt to EBITDA	(times)	**0.7**	0.6	0.5	0.2	(0.2)
Share performance						
Earnings per share	(cents)	**1 646.2**	1 456.9	806.3	695.6	730.7
Headline earnings per share	(cents)	**1 753.4**	1 482.5	924.6	863.5	848.7
Cash flow per share	(cents)	**2 156.6**	1 799.6	1 282.1	1 255.7	1 305.8
Net asset value per share	(cents)	**10 621.5**	9 864.4	8 890.7	8 220.4	7 526.5
Share price:						
Closing price	(R)	**79.00**	70.90	43.50	41.00	47.00
High	(R)	**96.94**	89.16	44.99	54.87	54.00
Low	(R)	**62.00**	42.60	35.00	37.51	28.35
Price earnings ratio	(times)	**4.8**	4.9	5.4	5.9	6.4
Dividend per share	(cents)	**897.0**	800.0	500.0	413.0	413.0
Dividend payout ratio	(%)	**55.0**	55.3	61.3	58.5	55.0
Dividend yield	(%)	**11.4**	11.3	11.5	10.1	8.8
Volume of shares traded	(million)	**8.7**	14.2	13.6	20.5	24.4
Value of shares traded	(Rm)	**703.9**	873.9	545.9	994.8	370.7
Market capitalisation	(Rm)	**4 076.4**	3 651.4	2 301.2	2 341.1	2 946.9
Number of shareholders		**5 347**	4 037	3 426	3 542	3 788
Number of shares in issue	('000)	**51 646**	51 482	52 896	57 085	62 672

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.*

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 2026, 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 of the Integrated Annual Report.

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 28 May 2026. 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: Pierre du Plessis
Registered Auditor
Chartered Accountant (SA)

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

28 May 2026

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS

INCOME STATEMENT

for the year ended 31 March 2026

	Notes	2026 Audited Rm	2025 Audited Rm
Revenue		**10 319.9**	9 287.8
Retail revenue	3	**6 558.1**	6 059.6
Merchandise sales		**5 452.1**	5 080.6
Ancillary services		**1 106.0**	979.0
Effective interest income		**2 383.4**	2 047.4
Insurance revenue		**1 378.4**	1 180.8
Cost of merchandise sales	4	**(3 070.1)**	(2 873.3)
Operating costs		**(3 509.9)**	(3 203.0)
Debtor costs	2.2	**(1 310.2)**	(1 193.2)
Bad debts net of recoveries		**(810.2)**	(840.7)
Movement in debtors impairment provision		**(500.0)**	(352.5)
Insurance service expenses		**(1 053.8)**	(847.8)
Operating profit before impairments and capital items		**1 375.9**	1 170.5
Impairments and capital items	8	**(76.2)**	(18.2)
Operating profit		**1 299.7**	1 152.3
Investment income – insurance investments		**37.7**	36.0
Interest expense	5.3	**(224.7)**	(226.9)
Interest received	5.3	**22.2**	22.3
Profit before taxation		**1 134.9**	983.7
Taxation	11	**(281.1)**	(228.8)
Net profit attributable to ordinary shareholders		**853.8**	754.9
Earnings per share (cents)	9	**1 646.2**	1 456.9
Diluted earnings per share (cents)	9	**1 587.1**	1 403.1

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 31 March 2026

	2026 Audited Rm	2025 Audited Rm
Net profit for the year	**853.8**	754.9
Items that may be subsequently reclassified to income statement:		
Movement in other reserves	**3.0**	14.6
Fair value adjustments	**16.5**	21.9
Changes in the fair value of debt instruments at fair value through other comprehensive income – FVOCI debt investments	**22.6**	30.0
Tax effect	**(6.1)**	(8.1)
Disposal of FVOCI debt investments	**–**	1.4
Disposal	**–**	1.9
Tax effect	**–**	(0.5)
Foreign currency translation reserve	**(13.5)**	(8.7)
Items that may not be subsequently reclassified to income statement:		
Retirement benefit remeasurements	**14.5**	1.7
Remeasurements of the retirement asset and liabilities	**19.9**	2.3
Tax effect	**(5.4)**	(0.6)
Other comprehensive income	**17.5**	16.3
Total comprehensive income for the year attributable to equity shareholders	**871.3**	771.2

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

BALANCE SHEET
as at 31 March 2026

	Notes	2026 Audited Rm	2025 Audited Rm
Assets			
Non-current assets			
Property, plant and equipment		**482.1**	467.1
Right-of-use assets		**795.4**	847.6
Intangible assets and goodwill		**107.7**	126.5
Deferred taxation		**58.4**	86.2
Retirement benefit asset		**147.6**	118.5
Financial assets – insurance investments	6	**182.3**	159.8
		1 773.5	1 805.7
Current assets			
Inventories		**768.7**	765.9
Trade and other receivables	2.1	**5 876.1**	5 162.0
Insurance contract asset	7	**271.2**	239.6
Taxation		**13.0**	2.4
Financial assets – insurance investments	6	**295.4**	289.1
Cash-on-hand and deposits	5.1	**161.2**	175.4
		7 385.6	6 634.4
Total assets		**9 159.1**	8 440.1
Equity and liabilities			
Capital and reserves			
Share capital and premium		**0.9**	0.9
Treasury shares		**(43.0)**	(37.6)
Other reserves		**78.3**	68.6
Retained earnings		**5 449.4**	5 046.5
		5 485.6	5 078.4
Non-current liabilities			
Lease liabilities		**674.0**	711.1
Long-term interest-bearing borrowings	5.1	**1 350.1**	–
Deferred taxation		**62.3**	62.6
Retirement benefit liability		**84.7**	80.3
		2 171.1	854.0
Current liabilities			
Trade payables, other payables and provisions		**873.6**	832.5
Payments in advance		**202.0**	194.7
Short-term interest-bearing borrowings	5.1	**41.6**	1 055.4
Lease liabilities		**289.6**	265.7
Taxation		**95.6**	159.4
		1 502.4	2 507.7
Total equity and liabilities		**9 159.1**	8 440.1

STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2026

	2026 Audited Rm	2025 Audited Rm
Share capital and premium		
Opening balance	**0.9**	0.9
Cost of own shares acquired	**–**	(43.9)
Transfer of cost of cancelled shares	**–**	43.9
	0.9	0.9
Treasury shares		
Opening balance	**(37.6)**	(8.2)
Share awards to employees	**72.6**	46.8
Cost of own shares acquired	**(78.0)**	(76.2)
	(43.0)	(37.6)
Other reserves		
Opening balance	**68.6**	42.6
Other comprehensive income for the year:		
Changes in fair value of FVOCI debt investments	**16.5**	21.9
Disposal of FVOCI debt investments	**–**	1.4
Foreign currency translation reserve	**(13.5)**	(8.7)
Equity-settled share-based payments	**49.7**	34.7
Transfer of share-based payments reserve to retained earnings on vesting	**(43.0)**	(23.3)
	78.3	68.6
Retained earnings		
Opening balance	**5 046.5**	4 667.5
Net profit attributable to ordinary shareholders	**853.8**	754.9
Distribution to shareholders	**(435.8)**	(310.2)
Transfer of cost of cancelled shares	**–**	(43.9)
Transfer of share-based payments reserve to retained earnings on vesting	**43.0**	23.3
Retirement benefit remeasurements	**14.5**	1.7
Share awards to employees	**(72.6)**	(46.8)
	5 449.4	5 046.5
Balance as at 31 March	**5 485.6**	5 078.4

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

CASH FLOW STATEMENT
for the year ended 31 March 2026

	Notes	2026 Audited Rm	2025 Audited Rm
Cash flow from operating activities			
Cash flow from trading	12.1	**2 418.0**	1 987.2
Changes in working capital	12.2	**(1 299.5)**	(1 054.7)
Cash flow from operations		**1 118.5**	932.5
Interest received other than from trade receivables	5.3	**22.2**	22.3
Interest paid	12.3	**(225.4)**	(199.7)
Taxation paid	12.4	**(333.8)**	(194.8)
		581.5	560.3
Cash utilised in investing activities			
Purchases of insurance investments		**(46.7)**	(319.0)
Proceeds from insurance investments		**78.2**	315.4
Purchase of businesses	12.5	**–**	(35.7)
Additions to property, plant and equipment and intangible assets		**(129.0)**	(127.9)
Proceeds on disposal and scrapping of property, plant and equipment		**7.8**	5.2
		(89.7)	(162.0)
Cash flow from financing activities			
Dividends paid		**(435.8)**	(310.2)
Payment of principal portion of lease liabilities		**(328.4)**	(296.7)
Advances of long-term interest-bearing borrowings		**1 400.0**	–
Revolving credit facilities		**900.0**	–
DMTN – floating rate note		**500.0**	–
Repayments of long-term interest-bearing borrowings – revolving credit facilities		**(50.0)**	(350.0)
Purchase of own shares		**(78.0)**	(120.1)
		507.8	(1 077.0)
Net increase/(decrease) in cash and cash equivalents		**999.6**	(678.7)
Cash and cash equivalents at the beginning of the year		**(880.0)**	(201.3)
Cash and cash equivalents at the end of the year	5.1	**119.6**	(880.0)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS
for the year ended 31 March 2026

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 2026. 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 annual financial statements is available on the Group's website, www.lewisgroup.co.za.

These summary consolidated financial statements for the year ended 31 March 2026 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.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2026

2. TRADE, OTHER RECEIVABLES AND DEBTOR COSTS

2.1 Trade and other receivables

		2026 Audited Rm	2025 Audited Rm
Trade receivables		9 167.3	7 955.2
Provision for impairment		(3 458.6)	(2 958.6)
Trade receivables (net)		5 708.7	4 996.6
Due within 12 months		3 496.0	3 052.4
Due after 12 months		2 212.7	1 944.2
Other receivables		167.4	165.4
Total trade and other receivables		**5 876.1**	5 162.0
Debtors impairment provision as a percentage of debtors at gross carrying value	(%)	37.7	37.2

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 expected credit losses (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 28.5% (2025: 28.9%).

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 2026 has identified Gross Domestic Product (GDP) and Debt-to-Disposable Income (D2DI) (year-on-year changes) as the primary macroeconomic drivers of default rate. These variables were selected based on their economic relevance and observed relationship with default behaviour. GDP represents growth in economic activity and income levels, and D2DI reflects the burden of household debt relative to income. Both are relevant to the repayment capacity of the Group's customer base. For 2025, South African Reserve Bank Repo Rate and Private Consumption (year-on-year percentage changes) were 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 CONTINUED

for the year ended 31 March 2026

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 current global environments due to global wars, specifically in the Middle East, and geopolitical tensions which have resulted in significant price increases and supply disruptions in oil and other critical commodities. These pressures will flow into the South African economy through deteriorating terms of trade, exchange rate volatility, a constrained interest rate environment, slower economic growth and rising inflation, particularly food and transport costs which have a direct material impact on the Group's customer base. 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. As a result, the total forward-looking overlay amounts to R595.1 million (2025: R517.0 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 2026

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	**646 541**	**6 931 817**	**1 660 542**	**24.0**	**960 955**	**509 661**	**451 294**
(%)	**82.6**	**75.6**	**48.0**				
Slow payers	**95 291**	**1 406 588**	**1 079 095**	**76.7**	**826 304**	**180 698**	**645 606**
(%)	**12.2**	**15.3**	**31.2**				
Non-performing	**41 049**	**828 889**	**719 009**	**86.7**	**544 118**	**100 133**	**443 985**
accounts (%)	**5.2**	**9.1**	**20.8**				
Total	**782 881**	**9 167 294**	**3 458 646**	**37.7**	**2 331 377**	**790 492**	**1 540 885**

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	449 461	368 102
(%)	83.5	77.9	52.2				
Slow payers	87 324	1 200 224	927 212	77.3	695 537	158 823	536 714
(%)	12.4	15.1	31.3				
Non-performing	29 182	560 626	486 459	86.8	349 518	74 046	275 472
accounts (%)	4.1	7.0	16.5				
Total	705 362	7 955 156	2 958 603	37.2	1 862 618	682 330	1 180 288

* *Instalments in arrears for the comparative period have been restated to accurately allocate arrears between ≤3 months and >3 months for a discrete category of accounts. The impact of the reallocation is R187.8 million as at 31 March 2025.*

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2026

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 23.9% (2025: 24.1%).

Fair value

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

2.2 Debtor costs

		2026 Audited Rm	2025 Audited Rm
Bad debts		**904.3**	919.2
Bad debts before adjustment for interest on credit impaired accounts		**1 009.0**	1 020.2
Adjustment for interest on credit impaired accounts		**(104.7)**	(101.0)
Bad debt recoveries		**(94.1)**	(78.5)
Movement in debtors impairment provision		**500.0**	352.5
Closing balance		**3 458.6**	2 958.6
Opening balance		**(2 958.6)**	(2 606.1)
Total debtor costs		**1 310.2**	1 193.2
Debtor costs as a percentage of debtors at gross carrying value	(%)	**14.3**	15.0

"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 2026			
Merchandise sales			
– Cash	**1 132.4**	**534.0**	**1 666.4**
– Credit	**3 757.9**	**27.8**	**3 785.7**
Ancillary services			
– At a point in time	**255.8**	**10.0**	**265.8**
– Over time	**830.0**	**10.2**	**840.2**
	5 976.1	**582.0**	**6 558.1**
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

4. GROSS PROFIT

		2026 Audited Rm	2025 Audited Rm
Merchandise sales		**5 452.1**	5 080.6
Cost of merchandise sales		**(3 070.1)**	(2 873.3)
Merchandise gross profit		**2 382.0**	2 207.3
Gross profit margin	(%)	**43.7**	43.4

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED
for the year ended 31 March 2026

5. BORROWINGS, CASH AND NET FINANCE COSTS

	2026 Audited Rm	2025 Audited Rm
5.1 Borrowings, banking facilities and cash		
Long-term interest-bearing borrowings	(1 350.1)	–
Revolving credit facilities	(850.0)	–
Floating rate note – refer "DMTN" programme below	(500.1)	–
Cash and cash equivalents	119.6	(880.0)
Short-term interest-bearing borrowings	(41.6)	(1 055.4)
Cash-on-hand and deposits	161.2	175.4
Net borrowings	(1 230.5)	(880.0)
Total facilities including issued notes	2 500.0	2 100.0

Total facilities include long-term revolving credit facilities and short-term overnight facilities (interest-bearing borrowings). The interest rates on the overnight facilities are based on rates as determined by each of the banks based on market conditions. The interest rates on the revolving credit facilities are linked to three-month Johannesburg Interbank Average Rate (JIBAR).

The South African Reserve Bank has announced that the JIBAR will be gradually phased out and replaced by the South African Overnight Index Average (ZARONIA) as the primary reference rate for all rand-denominated floating rate borrowings. This transition aims to align South Africa with global best practices for benchmark rates, improving transparency, reliability and robustness in financial markets. Of the R1 billion revolving credit facilities, R700 million includes rate reform language for the anticipated transition to ZARONIA. The transition to ZARONIA for the remaining revolving credit facility balance and the DMTN note is being actively managed. The Group does not foresee any material impact.

Domestic Medium-Term Note (DMTN) programme
The Group has established a DMTN programme under which notes of up to R2 billion can be issued. On 30 September 2025, the Group issued a three-year, R500 million floating rate note through a private placement. The bond was issued at an interest rate equivalent to three-month JIBAR plus a margin of 135 basis points and has a maturity date of 30 September 2028.

Interest rate profile
The weighted average interest rate applicable at the end of the reporting period was 8.3% (2025: 9.1%).

5. BORROWINGS, CASH AND NET FINANCE COSTS CONTINUED

		2026 Audited Rm	2025 Audited Rm
5.2 Capital management			
Net borrowings		1 230.5	880.0
Net debt		2 194.1	1 856.8
Shareholders' equity		5 485.6	5 078.4
Gearing ratio	(%)	40.0	36.6
Borrowings ratio	(%)	22.4	17.3

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

	2026 Audited Rm	2025 Audited Rm
5.3 Net finance costs		
Interest expense	(224.7)	(226.9)
Borrowings	(134.4)	(116.2)
Lease liabilities	(90.4)	(81.6)
Liability for incurred claims	(9.1)	(19.5)
Other*	9.2	(9.6)
Interest received	22.2	22.3
Bank	20.7	21.0
Other	1.5	1.3
	(202.5)	(204.6)

* *For the current year, this amount primarily comprises a reversal of interest accrued in prior years.*

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2026

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 2026		
Insurance investments:		
Fixed income securities – FVOCI	182.3	182.3
Money market floating rate notes – FVTPL	295.4	295.4
	477.7	477.7
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

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 annual financial statements.

7. INSURANCE CONTRACT ASSET

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

	2026 Audited Rm	2025 Audited Rm
The insurance contract asset comprises:		
Asset for remaining coverage	351.8	313.8
Liability for incurred claims	(80.6)	(74.2)
	271.2	239.6

8. IMPAIRMENTS AND CAPITAL ITEMS[1]

	2026 Audited Rm	2025 Audited Rm
Impairment of right-of-use assets[2]	65.1	17.3
Impairment of trademark	10.4	–
Total impairments	75.5	17.3
Loss on disposal of fixed assets	0.7	0.9
	76.2	18.2

[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.*

[2] *Refer note 7 in the full set of the audited annual financial statements.*

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2026

9. EARNINGS AND DIVIDENDS PER SHARE

		2026 Audited	2025 Audited
Weighted average number of shares			
Weighted average	('000)	51 864	51 817
Diluted weighted average	('000)	53 797	53 804
Headline earnings			
Attributable earnings	(Rm)	853.8	754.9
Loss on disposal of fixed assets	(Rm)	0.5	0.7
Impairment of right-of-use assets	(Rm)	47.5	12.6
Impairment of trademark	(Rm)	7.6	–
Headline earnings	(Rm)	909.4	768.2
Earnings per share			
Earnings per share	(cents)	1 646.2	1 456.9
Diluted earnings per share	(cents)	1 587.1	1 403.1
Headline earnings per share			
Headline earnings per share	(cents)	1 753.4	1 482.5
Diluted headline earnings per share	(cents)	1 690.4	1 427.8
Dividends per share			
Dividends paid per share			
Final dividend 2025 (2024)	(cents)	500.0	300.0
Interim dividend 2026 (2025)	(cents)	337.0	300.0
	(cents)	837.0	600.0
Dividends declared per share			
Interim dividend 2026 (2025)	(cents)	337.0	300.0
Final dividend 2026 (2025)	(cents)	560.0	500.0
	(cents)	897.0	800.0

10. REPORTABLE SEGMENTS

Primary	Note	Traditional Rm	Speciality Rm	Group Rm
For the year ended 31 March 2026				
Revenue		9 633.2	686.7	10 319.9
Merchandise sales		4 890.3	561.8	5 452.1
Segment operating profit before impairments and capital items		1 356.4	19.5	1 375.9
Segment operating margin before impairments and capital items	(%)	27.7	3.5	25.2
Impairments and capital items	8	(3.4)	(72.8)	(76.2)
Segment operating profit/(loss)		1 353.0	(53.3)	1 299.7
Segment operating margin	(%)	27.7	(9.5)	23.8
Segment assets[(1)]		6 264.6	212.8	6 477.4
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

[(1)] *Segment assets include net trade receivables of R5 708.7 million (2025: R4 996.6 million) and inventory of R768.7 million (2025: R765.9 million).*

Geographical	South Africa Rm	Namibia Rm	BLE[(1)] Rm	Group Rm
For the year ended 31 March 2026				
Revenue	8 814.2	776.7	729.0	10 319.9
For the year ended 31 March 2025				
Revenue	7 881.6	706.2	700.0	9 287.8

[(1)] *Botswana, Lesotho and Eswatini.*

SUMMARY CONSOLIDATED FINANCIAL STATEMENTS continued

NOTES TO THE SUMMARY FINANCIAL STATEMENTS CONTINUED

for the year ended 31 March 2026

11. TAXATION

Tax rate reconciliation		2026 Audited Rm	2025 Audited Rm
Profit before taxation		**1 134.9**	983.7
Taxation calculated at a tax rate of 27%		**306.4**	265.6
Differing tax rates in foreign countries		**4.6**	3.0
Disallowances		**26.8**	16.4
Exemptions		**(63.6)**	(60.3)
Foreign withholding tax		**6.5**	28.0
Prior years		**0.5**	(21.7)
Tax rate change		**(0.1)**	(2.2)
Taxation per income statement		**281.1**	228.8
Effective tax rate	(%)	**24.8**	23.3

12. CASH FLOW FROM OPERATIONS

	Notes	2026 Audited Rm	2025 Audited Rm
12.1 Cash flow from trading		**2 418.0**	1 987.2
Operating profit		**1 299.7**	1 152.3
Adjusted for:			
Share-based payments		**100.1**	77.2
Depreciation and amortisation		**413.4**	377.4
Impairment of right-of-use assets and trademark	8	**75.5**	17.3
Loss on disposal of fixed assets	8	**0.7**	0.9
Change in debtors impairment provision	2.2	**500.0**	352.5
Change in other provisions		**38.1**	28.2
Other movements		**(9.5)**	(18.6)

Included in cash flow from trading is interest earned on trade receivables of R2 488.1 million (2025: R2 148.4 million).

12. CASH FLOW FROM OPERATIONS CONTINUED

	2026 Audited Rm	2025 Audited Rm
12.2 Changes in working capital	**(1 299.5)**	(1 054.7)
Increase in inventories	**(13.5)**	(55.8)
Increase in trade and other receivables	**(1 204.7)**	(999.1)
Increase in insurance contract asset	**(40.7)**	(62.6)
(Decrease)/Increase in trade and other payables	**(47.9)**	52.5
Increase in payments in advance	**7.3**	10.3
12.3 Interest paid per cash flow statement	**(225.4)**	(199.7)
Interest paid per the income statement	**(224.7)**	(226.9)
Other movements	**(0.7)**	27.2
12.4 Taxation paid per cash flow statement	**(333.8)**	(194.8)
Amount payable at the beginning of the year	**(157.0)**	(84.7)
Amount charged to the income statement for normal tax and withholding tax	**(265.1)**	(257.6)
Non-cash flow movement	**5.7**	(9.5)
Amount payable at the end of the year	**82.6**	157.0

12.5 Real Beds acquisition

In the prior year, the Group acquired the businesses trading under the Real Beds brand for a total purchase consideration of R20.4 million effective 29 June 2024. 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.

12.6 Lease liability payments

The total lease payments amount to R494.4 million (2025: R456.3 million), which includes the capital portion of R328.4 million (2025: R296.7 million) reflected under financing activities, and the remaining balance included in cash flow from trading.

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

The Group is committed to achieving key governance outcomes, including fostering an ethical culture, delivering strong performance and sustainable value creation, ensuring effective conformance and prudent control, as well as maintaining legitimacy, through the application of the principles set out in the King IV Code on Corporate Governance for South Africa, 2016™.

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 at ***https://www.lewisgroup.co.za/governance/king-iv/.***

The King V Code on Corporate Governance for South Africa, 2025™ (King™) was published during the past year. King V™ is effective for company financial years commencing on or after 1 January 2026 and accordingly the Group has continued to apply the principles of King IV™ during the period under review.

The Group will apply King V™ from the 2027 financial year and has commenced the process of aligning governance practices with the requirements of the new code.

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

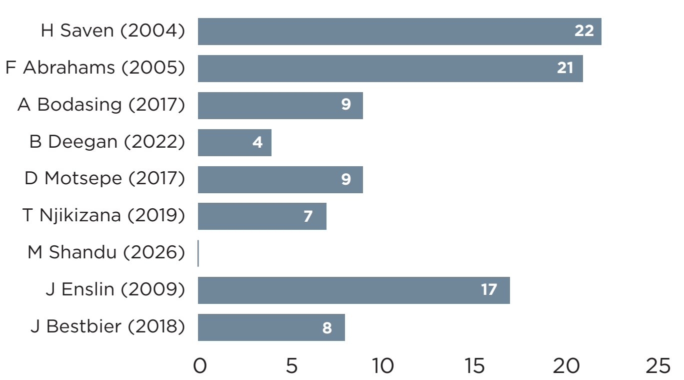
Board composition

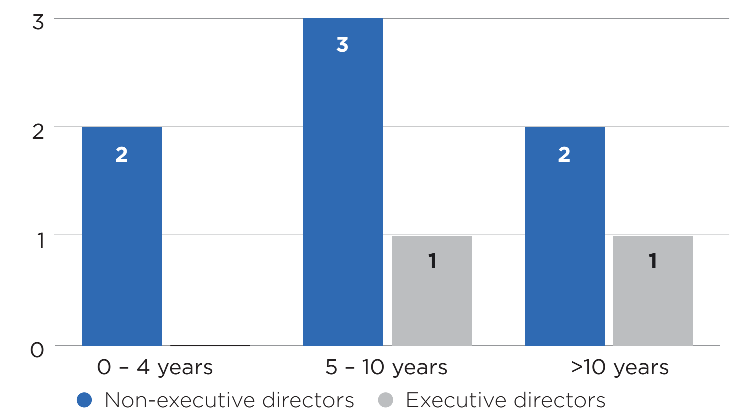
The board consists of seven independent non-executive directors and two executive directors.

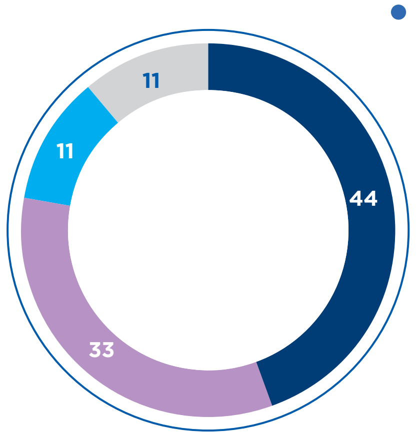
The board is satisfied that it has a diverse mix of knowledge, skills, industry experience, background, gender, culture and race to promote effective decision-making, and objectively discharge its governance responsibilities.

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.

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







Key responsibilities

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

- Reviewing and approving the Group's strategy, as developed by management
- Considering and reviewing policies and plans that give effect to the strategy
- 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
- Ensuring accountability to stakeholders

CORPORATE GOVERNANCE REPORT continued

Board of directors

There were no changes in the composition of the board during the financial year. An additional independent non-executive director, Mholi Shandu, was appointed to the board with effect from 1 April 2026.

Directors appointed during the year are required to have their appointment ratified at the following annual general meeting (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 2026, the board retained the voluntary targets for female representation and racial diversity on the board at 30%. Currently, 33.3% of board members are female and 44.4% are black in terms of the Broad-based Black Economic Empowerment (B-BBEE) Act. Independent non-executive director, Tapiwa Njikizana, is Zimbabwean by birth and is not included in the classification of black directors 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.

In accordance with the JSE Listings Requirements, newly appointed directors as well as directors standing for re-election for the first time, are subject to a fit and proper assessment. In addition, directors confirm in the annual board evaluation process that they remain fit and proper to hold office, and are assessed by the board, based on their individual disclosures and the outcome of the board evaluation process.

The 2026 board evaluation concluded that the board was satisfied with its overall functioning and governance and that all board members are fit and proper to hold office.

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 committee charters are available at ***https://www.lewisgroup.co.za/board-committees***

The company secretary acts as secretary for all board committees.

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.

Having conducted a formal evaluation of the company secretary, the board was satisfied that she possesses the requisite competence, qualifications and experience required to perform the role in terms of 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.

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

2026 board 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
Fatima Abrahams	3	4*	3	1+	1	1+
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 Annual 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 2026, 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, since EY does not have a presence in Lesotho and Eswatini.

During the year, the EY engagement partner, Tina Rookledge, resigned from EY. Following her resignation, Pierre du Plessis was appointed as the new engagement partner with effect from 2 December 2025.

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 5.7(h) of the JSE 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.

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.

CORPORATE GOVERNANCE REPORT continued

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 the 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 any 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 regards all complaints received as serious. Matters referred from the National Credit Regulator and National Financial Ombud Scheme of South Africa 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 Credit Association 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.

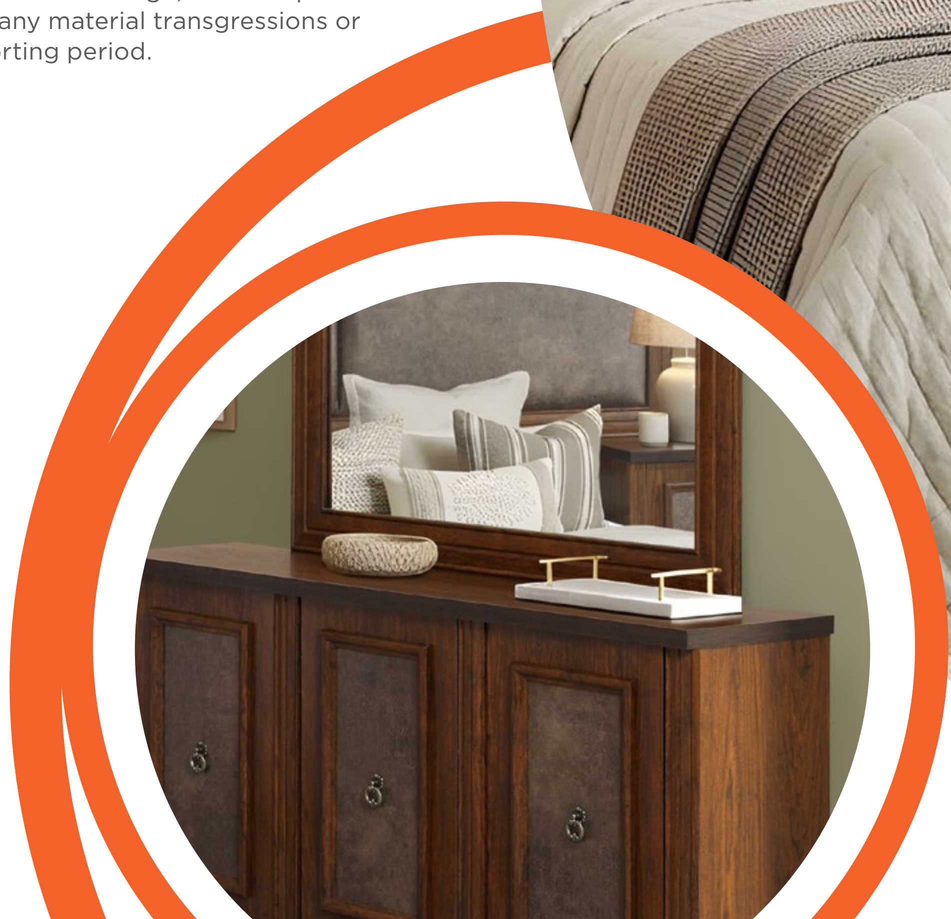
Directors are required to obtain written clearance from the chairperson of the board prior to dealing.

The chairperson of the board 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

Background Statement

I am pleased to present the Lewis Group Remuneration Report, which consists of the Background Statement set out below, the 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 to achieving the Group's strategic, financial and operational objectives.

Scope of report

The Remuneration Report for the 2025 financial year covered the period ended 31 May 2025. Consequently, this year's report covers the period from 1 June 2025 to the date of this report, being 30 June 2026.

Committee composition and meetings

The committee met on 26 May 2025, 11 March 2026 and 25 May 2026.

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
Brendan Deegan	Independent non-executive director
Daphne Motsepe	Independent non-executive director
Tapiwa Njikizana	Independent non-executive director
Hilton Saven	Independent non-executive director
Mholi Shandu[1]	Independent non-executive director

[1] *Appointed 1 April 2026.*

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

Committee meeting attendance

MEMBER/INVITEE	26 May 2025	11 March 2026	25 May 2026
Prof. Fatima Abrahams[1]	✓	×	✓
Adheera Bodasing	✓	✓	✓
Brendan Deegan	✓	✓	✓
Daphne Motsepe	✓	✓	✓
Tapiwa Njikizana	✓	✓	✓
Hilton Saven	✓	✓	✓
Mholi Shandu[2]	N/A	N/A	✓
Johan Enslin[3]	✓	✓	✓

[1] *Chairperson*
[2] *Appointed 1 April 2026*
[3] *By invitation*
× *Absence due to medical reasons.*

Non-binding advisory votes

At the AGM held on 24 October 2025, the Remuneration Policy was endorsed by shareholders and received 95.9% (2025: 90.8%) of the votes cast, while the Implementation Report received 95.8% support (2025: 91.2%), both being non-binding votes.

In accordance with recent amendments to the Companies Act, the Remuneration Policy and the Remuneration Report are required to be approved by a binding vote, and such approval will require the passing of an ordinary resolution. This will be implemented for the first time at the upcoming AGM to be held on 23 October 2026.

Committee activities

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

- Considered executive and non-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 2027 financial year
- Reviewed and approved the Remuneration Report included in the 2026 Integrated Annual Report
- Set the Group's performance targets for all share incentive schemes, the cash-settled plan and cash-based performance bonus for the 2027 financial year
- Considered the measurement of the actual performance against targets for the 2026 financial year for the Lewis 2019 Executive Performance Scheme (2019 LEPS), the Lewis 2021 Executive Performance Scheme (2021 LEPS), the Lewis 2023 Executive Performance Scheme (2023 LEPS) and the Lewis 2022 Cash-Settled Executive Performance Plan (2022 CSPP)
- Considered the measurement of the actual performance against targets for the 2026 financial year for the cash-based performance bonus
- Approved the awards to be granted in the 2027 financial year under the Lewis 2025 Retention Scheme (2025 LERS), 2023 LEPS and the Lewis 2025 Executive Performance Scheme (2025 LEPS).

The committee is satisfied that it has fulfilled the requirements of its charter, that the objectives of the Remuneration Policy have been met and that the report has been presented in accordance with sections 30A and 30B of the Companies Act, where appropriate.

Prof. Fatima Abrahams
Chairperson

30 June 2026

REMUNERATION REPORT continued

Remuneration Policy

Remuneration philosophy

Lewis Group strives to create a performance-oriented culture which fairly rewards staff for their contribution to 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 with 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.

Shareholder approval

In the past, the Group's Remuneration Policy and Implementation Report were subject to non-binding advisory votes by shareholders at the AGM each year. In the event that either the Remuneration Policy or the Implementation Report were not supported by at least 75%, the committee would follow a shareholder engagement process and take proactive measures to address shareholders' concerns.

However, with the introduction of section 30A and 30B of the Companies Act, the Remuneration Policy and the Remuneration Report will be subject to a binding shareholder vote and approval will be required by ordinary resolution (i.e. greater than 50%). Should the Remuneration Policy and/or Remuneration Report not be approved, the Companies Act sets out a process to be followed in subsequent AGMs' or meetings specifically called for this purpose. The implementation of the binding vote on the Remuneration Policy and Remuneration Report in terms of the Companies Act will be done for the first time at the upcoming AGM on 23 October 2026.

This enables shareholders to express their views on the Remuneration Policy and the Remuneration Report, and for the board and the committee to take these views into account.

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 with 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 Company 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 participant's bonus is guaranteed. Bonus payments are based on the Group's performance relative to board-approved budgeted targets. The following performance measures are 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 2026 financial year is disclosed on page 75. The above targets for the 2027 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 2026 financial year were:

- 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%.

REMUNERATION REPORT continued

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 (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 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 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 2025 Executive Retention Scheme (2025 LERS) and Lewis 2022 Executive Retention Scheme (2022 LERS) (collectively as "Executive Retention Schemes")

This section deals with the 2025 LERS and the 2022 LERS collectively as the terms and conditions for these schemes are substantially the same.

The 2025 LERS was approved by shareholders at the AGM on 24 October 2025 and the first award was granted on 25 June 2026.

The 2022 LERS was approved by shareholders at the AGM on 28 October 2022. The awards granted under this scheme include those made on 18 July 2024 and 30 June 2025.

Executive Retention Schemes are aimed at retaining executives who play a key role in the operation of Lewis Group and can influence the performance of the business. 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 even greater alignment between the interests of the executives and the Company's shareholders.

The formula to determine the qualification shares is as follows:

A = [(B x 12) x 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 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.

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 date of grant 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 Executive Retention 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 1.2 million shares for the 2025 LERS and 1.5 million for the 2022 LERS irrespective of the source of those shares. The maximum number of shares that can be awarded to an individual executive over the lifetime is 720 000 shares for the 2025 LERS and 600 000 shares for 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
- 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

Lewis 2019 Executive Retention Scheme (2019 LERS)

The final outstanding award made under this scheme was on 6 July 2022 which vested on 7 July 2025. 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 Executive Retention Schemes, 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 2025 Executive Performance Scheme (2025 LEPS), Lewis 2023 Executive Performance Scheme (2023 LEPS), Lewis 2021 Executive Performance Scheme (2021 LEPS) and Lewis 2019 Executive Performance Scheme (2019 LEPS) (collectively as “Executive Performance Schemes”)

This section deals with the 2025 LEPS, 2023 LEPS, 2021 LEPS and the 2019 LEPS collectively as the terms and conditions for these schemes are substantially the same.

The 2025 LEPS was approved by shareholders at the AGM on 24 October 2025. The first award under this scheme was granted on 8 June 2026.

The 2023 LEPS was approved by shareholders at the AGM on 12 October 2023 and has outstanding short-term awards on 12 June 2024, 10 June 2025 and 8 June 2026 and a long-term award on 10 June 2025.

The 2021 LEPS was approved by shareholders at the AGM on 22 October 2021. The outstanding awards under this scheme include short-term awards granted on 12 June 2024 and 10 June 2025 and long-term awards granted on 6 July 2022 and on 10 June 2025.

The 2019 LEPS was approved by shareholders at the AGM held on 25 October 2019. All awards have vested and no further awards will be made as the scheme limit has been reached.

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
- 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 on or before the third anniversary of the grant date.

Long-term awards

- Four-year awards which vests 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 customers
  - debtor costs as a percentage of debtors at gross carrying value
- 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 (mandatory)
- At least one of the following performance criteria:
  - return on average shareholders’ equity
  - after tax return on average capital employed
  - before 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 their 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 Lewis Group relative to the industry in which it operates, and any corporate actions undertaken by Lewis Group during the relevant performance period.

The scheme allows for a vesting at certain percentages where the performance target has not been 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 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 1.4 million shares for the 2025 LEPS, 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. The maximum number of shares that can be awarded to an individual executive is 840 000 shares for the 2025 LEPS, 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 their duties
- where the executive is accused of serious misconduct that would warrant dismissal, they resign from their employment prior to the outcome of the disciplinary proceedings.

REMUNERATION REPORT continued

Lewis 2022 Cash-Settled Executive Performance Plan (2022 CSPP)

The committee approved a cash-settled plan, being the 2022 CSPP which is aligned with the 2025 LEPS, 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 the date of vesting, rather than delivery of shares. The outstanding awards under this plan are on 12 June 2024, 10 June 2025 and 8 June 2026.

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.

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. The targets are set and approved by the committee prior to the annual audited results being released.

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 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 returns of the shareholders.

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 and/or a 13th cheque, retirement and healthcare funding. The Group subsidises membership of designated healthcare schemes in South Africa and Namibia. 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.

Sales staff 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 services 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-executive directors 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 with 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 2026

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 24 October 2025. The Remuneration Policy and Implementation Report were endorsed by shareholders and received 95.9% and 95.8% support, respectively, as set out below:

	Votes for %		Votes against %		Abstentions %	
Resolution	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Approval of the Company's Remuneration Policy	**95.9**	90.8	**4.1**	4.9	**0.0**	4.3
Approval of the Company's Implementation Report	**95.8**	91.2	**4.2**	4.3	**0.0**	4.5

Shareholders also approved the fees payable to non-executive directors for the 2026 financial year by a vote of 89.0%.

Annual salary increase

The average staff increase was 4.9% for April 2026 (2025: 5.3%). Increases for senior management and executives were merit-based and averaged 5.8% in April 2026 (2025: 6.1%). Increases as a result of promotions were excluded from these averages.

Total remuneration disclosure

The Company being Lewis Group Limited, has no employees and therefore, is not required to present the disclosure in terms of section 30B. However, in the spirit of the legislation, the Group prepared the disclosure required in terms of section 30B for its South African employees as follows:

Category of remuneration	**2026 Financial year**
Highest paid remuneration	**R58 900 794**
Top 5% average remuneration	**R982 008**
Average remuneration	**R166 390**
Median remuneration	**R112 045**
Bottom 5% average remuneration	**R69 103**
Lowest paid remuneration	**R61 859**
Remuneration gap ratio: top 5% average remuneration to bottom 5% average remuneration	**14.2**

The remuneration reflected above includes total guaranteed pay (including Company contributions to retirement funds and health care funding), variable remuneration such as commission and bonuses and the value of the equity and cash-settled share incentives that have vested during the year. Remuneration paid to employees over a period of less than a year have been annualised to provide comparability.

Employees included in the calculation are permanent employees and temporary employees (i.e. employees engaged on contracts varying from several weeks to one year). Excluded from the calculation are those employees on learnerships whose remuneration is statutorily determined and agents who are independent and are remunerated on a sales-based commission.

The Group's operational structure employs a substantial number of unskilled and semi-skilled employees and a relatively small number of specialists, management and executives. However, the Group has provided extensive training to its employees to upskill and provide them with opportunities to be developed and promoted within the Group. For the current year, the Group conducted 32 480 training interventions (2025: 23 570) compared to our permanent employee component of 10 942. This demonstrates the Group's policy and commitment to developing its people and providing a sustainable pipeline of leadership and management talent from within the organisation.

Our human resources strategy has been set out in the Sustainability Report on pages 22 to 35.

As the Group has a performance-oriented culture, a substantial portion of the remuneration paid to executives and management is of a variable nature and therefore, their remuneration can fluctuate significantly.

2026 remuneration benchmarking survey

Remuneration benchmarking surveys were conducted in 2025 and 2026 by independent remuneration specialists, REM Solutions, who were appointed on the recommendation of the committee. The scope of both remuneration surveys was to benchmark the total guaranteed pay, short-term 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.

In the 2025 survey, the total guaranteed pay of the chief executive officer was below the 25th percentile of the peer group. In order to align the guaranteed pay of the chief executive officer to the 25th percentile, a once-off increase of 23% was required. The committee, at its discretion, decided to align the chief executive officer's total guaranteed pay over a number of years and granted an increase of 12.3% effective 1 April 2025.

In the 2026 survey, the review of the non-executive directors' fees indicated that the level of non-executive director remuneration was in line with the peer group, with the exception of the base fee for directors and the fee applicable to the chairperson of the risk committee. In order to achieve closer alignment with peer group remuneration levels, these proposed fees were increased above the average non-executive remuneration adjustment, effective 1 July 2026.

REMUNERATION REPORT continued

Non-executive directors' remuneration

2026 FINANCIAL YEAR

The non-executive fees earned by the directors during the financial year ended 31 March 2026 are set out below per director and per office held:

Non-executive directors' fees

2026	Directors' fees R'000	Audit committee member R'000	Risk committee member R'000	Remuneration committee member R'000	Nomination committee member R'000	SET committee member R'000	Monarch directors' fees R'000	Monarch audit and risk committee member R'000	Total non-executive directors' fees R'000
H Saven	950*	181	140	100	140*	100	342*	103	**2 056**
F Abrahams	428	181	140	201*	60	201*	237	207*	**1 655**
A Bodasing	428	181	140	100	60				**909**
B Deegan	428	181	140	100	60		237	103	**1 249**
D Motsepe	428	420*	234*	100	60	100			**1 342**
T Njikizana	428	181	140	100	60				**909**
M Shandu[(1)]							237	103	**340**
Total	**3 090**	**1 325**	**934**	**701**	**440**	**401**	**1 053**	**516**	**8 460**

* *Chairperson.*
[(1)] *Appointed as non-executive director of Lewis Group Limited on 1 April 2026.*

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**
M Shandu[(1)]							225	97	**322**
Total	**2 892**	**1 252**	**819**	**661**	**417**	**380**	**1 047**	**438**	**7 906**

* *Chairperson.*
[(1)] *Appointed as non-executive director of Lewis Group Limited on 1 April 2026.*

PROPOSED FEES FOR 2027 FINANCIAL YEAR

Non-executive directors' fees proposed for the 2027 financial year are set out below. These proposed fees will be subject to shareholder approval by special resolution (requires shareholder approval of 75% or greater) at the forthcoming AGM to be held on 23 October 2026. These fees will be effective from 1 July 2026.

Proposed non-executive directors' fees for 2027

Board/committee position	% Increase	Proposed fees for 2027 R'000	Fees earned for 2026 R'000
Non-executive chairperson	3.6%	**1 000**	**965**
Non-executive director	7.8%	**468**	**434**
Audit committee chairperson	4.0%	**442**	**425**
Audit committee member/invitee	3.8%	**190**	**183**
Risk committee chairperson	20.4%	**295**	**245**
Risk committee member	4.2%	**150**	**144**
Remuneration committee chairperson	4.4%	**213**	**204**
Remuneration committee member	4.0%	**105**	**101**
Nomination committee chairperson	5.6%	**150**	**142**
Nomination committee member	3.3%	**63**	**61**
Social, ethics and transformation committee chairperson	3.9%	**212**	**204**
Social, ethics and transformation committee member	4.0%	**105**	**101**

REMUNERATION REPORT continued

Executive directors' remuneration

The remuneration for the executive directors of the Company is set out below:

Executive director's remuneration	Number of shares	Share price	J Enslin (Chief executive officer) 2026 R'000	J Enslin (Chief executive officer) 2025 R'000	J Bestbier (Chief financial officer) Number of shares	J Bestbier (Chief financial officer) 2026 R'000	J Bestbier (Chief financial officer) 2025 R'000
Cash remuneration							
Total guaranteed pay (GP)			**8 715**	7 760		**4 630**	4 300
Cash performance bonus (CPB)			**14 744**	10 100		**6 450**	5 172
Total GP and CPB			**23 459**	17 860		**11 080**	9 472
Share awards							
LERS – matching award			**11 709**	6 428		**7 167**	3 965
- Face value of award	144 536	48.67	**7 035**	4 231	88 469	**4 306**	2 610
- Share price performance	144 536	32.34	**4 674**	2 197	88 469	**2 861**	1 355
LSPS – three-year award			**17 617**	10 280		**7 692**	6 280
- Face value of award	226 518	48.77	**11 048**	6 767	98 898	**4 824**	4 134
- Performance criteria	(9 061)	48.77	**(442)**		(3 956)	**(193)**	
- Share price performance	217 457	32.24	**7 011**	3 513	94 942	**3 061**	2 146
LSPS – five-year award			**6 116**	–		**2 136**	–
- Face value of award	75 506	48.77	**3 682**	–	26 373	**1 286**	–
- Performance criteria							
- Share price performance	75 506	32.24	**2 434**	–	26 373	**850**	–
Total share awards			**35 442**	16 708		**16 995**	10 245
Total earned remuneration			**58 901**	34 568		**28 075**	19 717
As a percentage of total remuneration							
Total GP			**14.8%**	22.5%		**16.5%**	21.8%
Performance-related compensation			**85.2%**	77.5%		**83.5%**	78.2%
CPB			**25.0%**	29.2%		**23.0%**	26.2%
Value of shares vested			**60.2%**	48.3%		**60.5%**	52.0%
Total earned remuneration			**100.0%**	100.0%		**100.0%**	100.0%

Please note the following:

(1) The bonus paid reflects the bonus actually paid in June 2025 (2025: June 2024).

(2) The value of shares vested is calculated with reference to the number of shares that vest and the price per share at the date of vesting. The vesting occurred in July 2025 (2025: June 2024).

Annual cash-based performance bonus scheme

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

Measure	Targets	Actual	
Revenue	R10 310 million	R10 320 million	Achieved
Gross profit	40.5%	43.7%	Achieved
Operating costs	R3 561 million	R3 510 million	Achieved
Satisfactory paid customers	79.0%	82.6%	Achieved
Collection rates	77.0%	78.1%	Achieved
Profit before taxation	R1 030 million	R1 135 million	Achieved

The profit before taxation target was exceeded by 10.2%, and consequently, in terms of the rules of the scheme, executives and senior management qualified for maximum cash bonuses.

Executive retention schemes

LEWIS 2025 EXECUTIVE RETENTION SCHEME

The 2025 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 first award under this scheme was made on 25 June 2026. Below are the outstanding awards under the scheme as at 30 June 2026:

Year	Vesting date	Average share price of award	Total shares purchased for executives	Total matching share awards
June 2026 awards	25/06/2029	R91.56	258 648	470 270

LEWIS 2022 EXECUTIVE RETENTION SCHEME

The 2022 LERS has similar terms and conditions to the 2025 LERS, including the requirement for qualifying shares. The details of the outstanding awards as at 30 June 2026 are reflected below:

Year	Vesting date	Average share price of award	Total shares purchased for executives	Total matching share awards
June 2025 awards	30/06/2028	R82.59	293 471	533 583
July 2024 awards	18/07/2027	R55.92	327 273	595 041

REMUNERATION REPORT continued

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 last award under this scheme vested on 6 July 2025.

Executive performance schemes

SHORT-TERM AWARDS – THREE-YEAR AWARDS

The performance targets are set by the remuneration 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 debtors at gross carrying value
- Gross profit margin

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.

2026 FINANCIAL YEAR

The targets and actual results for the 2026 financial year are as follows:

	2026 Target	2026 Actual	2026 Award
Headline earnings per share	1 559 cents	1 753.4 cents	Achieved
Quality of the debtors book			
– Level of satisfactory paid customers	>= 79.0%	82.6%	Achieved
– Debtor costs as a percentage of debtors at gross carrying value	<= 14.5%	14.3%	Achieved
Gross profit margin	>= 40.5%	43.7%	Achieved

PRIOR YEARS

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

2025 Financial year

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

	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 a percentage of debtors at gross carrying value	<= 17.0%	15.0%	Achieved
Gross profit margin	>= 40.5%	43.4%	Achieved

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 a percentage of debtors at gross carrying value	<= 15.5%	17.6%	Not Achieved
Gross profit margin	>= 40.6%	43.1%	Achieved

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 a percentage of debtors at gross carrying value	<= 13.5%	12.3%	Achieved
Gross profit margin	>= 40.5%	40.6%	Achieved

LONG-TERM AWARDS – FIVE-YEAR AWARDS

Long-term awards being a five-year award were granted to executives on 6 July 2022 under the 2021 LEPS and on 10 June 2025 under the 2023 LEPS and the 2021 LEPS respectively, details of which are set out below.

As required by the scheme rules, the performance target for long-term awards is 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, the fourth anniversary and the fifth anniversary. 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:

Performance measure	6 July 2022 weighting	10 June 2025 weighting
Return on shareholders' equity (ROE)	50%	40%
Headline earnings per share (HEPS)	30%	25%
Gearing ratio	20%	35%

The performance targets at each vesting date are as follows:

6 July 2022 award

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%

10 June 2025 award

Measure	Third anniversary	Fourth anniversary	Fifth anniversary
ROE	16.1%	16.9%	17.5%
HEPS (cents)	1 927	2 184	2 443
Gearing ratio	50%	50%	50%

6 July 2022 award

With respect to the 6 July 2022 award, there were two vesting dates, namely 7 July 2025 and 6 July 2026, i.e. the third and fourth anniversary. Below are the achievements for the 2025 and 2026 financial years respectively in comparison to the performance targets set at the date of the award:

Measure	2025 Target	2025 Actual	First vesting date (7 July 2025)
ROE	13.6%	15.4%	Achieved
HEPS (cents)	1 240	1 482.5	Achieved
Gearing ratio	50%	36.6%	Achieved

Measure	2026 Target	2026 Actual	Second vesting date (6 July 2026)
ROE	14.2%	16.2%	Achieved
HEPS (cents)	1 425	1753.4	Achieved
Gearing ratio	50%	40.0%	Achieved

REMUNERATION REPORT continued

Equity and cash-settled share schemes

2025 LEPS

Awards made under the 2025 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. A short-term award of 211 139 shares at R92.83, calculated in terms of the rules of the scheme, was made on 8 June 2026.

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 as at 31 March 2026 under this scheme are as follows:

2023 LEPS	2024 Share Award	2025 Share Award	Total Share Awards
Share price at award date	R50.78	R82.95	
	Number of shares	Number of shares	
Three-year awards	305 632	210 127	515 759
Forfeitures staff leaving			
Forfeitures – non-performance			
Shares vested			
Total three-year awards	305 632	210 127	515 759
Five-year awards		210 127	210 127
Total forfeitures staff leaving			
Forfeitures – non-performance			
Shares vested			
Total five-year awards		210 127	210 127
Shares awards – 31 March 2026	**305 632**	**420 254**	**725 886**

Subsequent to 31 March 2026, short-term awards of 167 726 shares at the value of R92.83 calculated in terms of the rules of the scheme, were made on 8 June 2026.

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 as at 31 March 2026 under this scheme are as follows:

2021 LEPS	2022 Share Award	2023 Share Award	2024 Share Award	2025 Share Award	Total Share Awards
Share price at award date	R48.77	R39.43	R50.78	R82.95	
	Number of shares	Number of shares	Number of shares	Number of shares	
Three-year awards	226 518	425 709	266 247	175 347	1 093 821
Forfeitures staff leaving					
Forfeitures – non-performance	(9 061)	(17 028)	–	–	(26 089)
Shares vested	(217 457)	–	–	–	(217 457)
Total three-year awards	–	408 681	266 247	175 347	850 275
Five-year awards	464 461			158 600	623 061
Total forfeitures staff leaving	(53 783)			–	(53 783)
Forfeitures – non-performance					–
Shares vested	(136 893)			–	(136 893)
Total five-year awards	273 785			158 600	432 385
Shares Awards – 31 March 2026	**273 785**	**408 681**	**266 247**	**333 947**	**1 282 660**

Subsequent to 31 March 2026, 408 681 shares vested on 5 June 2026 at a value of R93.50.

Note that 136 893 shares on the fourth anniversary of the 6 July 2022 long-term award will vest on 6 July 2026.

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. Vesting of awards under this scheme took place on 7 July 2025 (2022 share award) and 5 June 2026 (2023 award). The outstanding awards under this scheme are as follows:

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)	(195 781)		(678 693)
Shares awards – 31 March 2026	**–**	**–**	**144 643**	**144 643**

Subsequent to 31 March 2026, 144 643 shares vested on 5 June 2026 at a value of R93.50.

REMUNERATION REPORT continued

2022 CSPP

As noted above, this scheme operates on the same basis as the 2025 LEPS, 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 the date of vesting will be paid in cash. Vesting of awards under this scheme took place on 7 July 2025 (2022 award) and 5 June 2026 (2023 award).

The outstanding awards under this scheme are as follows:

2022 CSPP	2022 Notional Share Award	2023 Notional Share Award	2024 Notional Share Award	2025 Notional Share Award	Total Notional Share Awards
Share price at award date	R48.77	R39.43	R50.78	R82.95	
	Number of shares	Number of shares	Number of shares	Number of shares	Number of shares
Three-year awards	437 713	605 516	510 500	304 537	1 858 266
Total forfeitures staff leaving	(12 326)				(12 326)
Total forfeitures – non-performance	(19 918)	(26 278)			(46 196)
Shares vested	(405 469)				(405 469)
Shares remaining – 31 March 2026	–	579 238	510 500	304 537	1 394 275

Subsequent to 31 March 2026, the following awards and vestings took place:

- 297 329 notional shares were awarded on 8 June 2026
- In respect of the 2023 awards, 567 413 notional shares vested on 5 June 2026 at a value of R92.50 calculated in terms of the rules of the scheme. In addition, a participant retired which resulted in 16 158 shares vesting in respect of his 2023 and 2024 awards in terms of the rules of the scheme.

Below is a table setting out the movements for 2026 and 2025 financial years (i.e. from 1 April to 31 March):

Lewis Cash-Settled 2022 Executive Performance Plan – Notional shares	2026	2025
Beginning of the year	1 507 533	1 043 229
Granted	304 537	510 500
Forfeited	(12 326)	(46 196)
Vested	(405 469)	–
End of the year	1 394 275	1 507 533

Summary of all equity-settled awards as at 31 March 2026

2026	Lewis 2023 Executive Performance Scheme	Lewis 2021 Executive Performance Scheme	Lewis 2019 Executive Performance Scheme
Beginning of the year	305 632	1 303 063	340 424
Granted	420 254	333 947	
Forfeited	–		
Vested		(354 350)	(195 781)
End of the year	725 886	1 282 660	144 643
Maximum awards available over the life of the scheme	1 750 000	1 750 000	2 250 000
Utilised for the scheme to date	725 886	1 637 010	1 921 867

2026	Lewis 2022 Executive Retention Scheme	Lewis 2019 Executive Retention Scheme
Beginning of the year	595 041	543 894
Granted	533 583	
Forfeited		
Vested		(543 894)
End of the year	1 128 624	–
Maximum awards available over the life of the scheme	1 500 000	1 500 000
Utilised for the scheme to date	1 128 624	1 273 759
Invested shares	620 744	–

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

SHAREHOLDER DILUTION

As at 31 March 2026, the maximum potential dilution is 3 281 813 shares, i.e. 6.3% of issued share capital. The dilution as calculated in terms of IAS 33 to determine the diluted weighted average shares in issue is 1 933 389 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

Outstanding shares for Lewis Group executive directors as at 31 March 2026

	2026		2025	
	J Bestbier	J Enslin	J Bestbier	J Enslin
Lewis 2019 Executive Performance Scheme				
6 July 2022 – Short-term award			94 942	
5 June 2023 – Short-term award		144 643		144 643
Lewis 2021 Executive Performance Scheme				
6 July 2022 – Short-term award				217 457
6 July 2022 - Long-term award	52 746	151 012	79 119	226 518
5 June 2023 - Short-term award	125 933	144 642	125 933	144 642
12 June 2024 - Short-term award	127 019		127 019	
10 June 2025 - Short-term award	83 725			
10 June 2025 - Long-term award	66 980			
Lewis 2023 Executive Performance Scheme				
12 June 2024 – Short-term award		305 632		305 632
10 June 2025 - Short-term award		210 127		
10 June 2025 - Long-term award		210 127		
Lewis 2019 Executive Retention Scheme				
6 July 2022			88 469	144 536
Lewis 2022 Executive Retention Scheme				
18 July 2024	92 502	180 616	92 502	180 616
30 June 2025	78 096	178 520		
	627 001	1 525 319	607 984	1 364 044

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	2026	2025
Lewis 2019 Executive Retention Scheme		128 153
Lewis 2022 Executive Retention Scheme	291 354	150 215
	291 354	278 368

DIRECTORS' INTEREST

At 31 March 2026, the directors' beneficial direct and indirect interest in the Company's issued shares were as follows:

	2026		2025	
	Direct	Indirect	Direct	Indirect
H Saven	–	13 440	–	6 440
J Bestbier	191 696	93 829	257 982	99 534
J Enslin	706 689	197 525	706 689	178 834
	898 385	304 794	964 671	284 808

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SHAREHOLDER INFORMATION

SHAREHOLDER ANALYSIS

Shareholders' spread as at 31 March 2026

	Number of shareholders		Number of shares	
	Total	%	Total	%
1 – 1 000 shares	4 235	79.20	614 766	1.18
1 001 – 10 000 shares	794	14.85	2 646 413	5.07
10 001 – 100 000 shares	234	4.38	7 207 707	13.82
100 001 – 1 000 000 shares	74	1.38	22 769 454	43.65
1 000 001 shares and over	10	0.19	18 920 948	36.28
Total	5 347	100.00	52 159 288	100.00

Distribution of shareholders as at 31 March 2026

	Number of shareholders		Number of shares	
	Total	%	Total	%
Public:	5 341	99.88	49 786 012	95.46
Banks and brokers	47	0.88	14 653 432	28.09
Unit Trusts/Mutual Funds	88	1.65	15 699 943	30.10
Retirement and Pension Funds	112	2.09	6 523 740	12.51
Other	5 094	95.26	12 908 897	24.76
Non-public	6	0.12	2 373 276	4.54
Lewis Employee Incentive Scheme Trust	1	0.02	512 622	0.98
Directors:				
Lewis Group Limited				
Direct	2	0.04	898 385	1.72
Indirect	3	0.06	304 794	0.58
Lewis Stores Proprietary Limited				
Direct	2	0.04	398 162	0.76
Indirect	2	0.04	259 313	0.50
	5 347	100.00	52 159 288	100.00

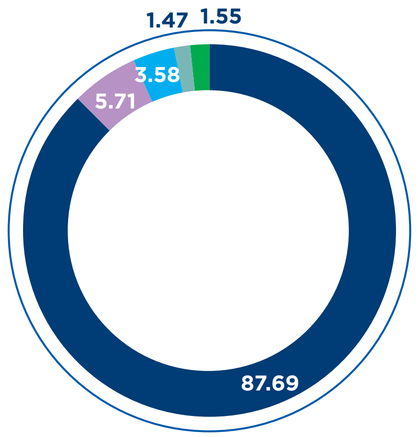
Major shareholdings as at 31 March 2026

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 2026:

	Number of shares	
	Total	%
Beneficial shareholders:		
Coronation Fund Managers (SA)	7 599 577	14.57
Sanlam Securities (SA)	3 899 453	7.48
Peregrine Capital (SA)	2 929 130	5.62
By fund manager:		
Coronation Fund Managers (SA)	12 682 363	24.31
Sanlam Securities (SA)	3 899 453	7.48
Peregrine Capital (SA)	3 233 522	6.20

Geographic analysis of shareholders

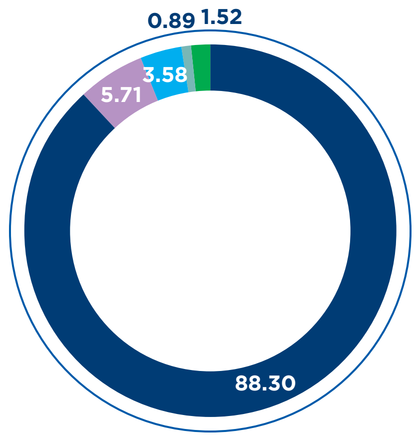
Beneficial shareholders



NUMBER OF SHARES (%)

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

By fund manager



NUMBER OF SHARES (%)

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

SHAREHOLDERS' DIARY

Record date for voting at the annual general meeting	16 October 2026
Annual general meeting	23 October 2026
Interim results announcement	19 November 2026
Financial year-end	31 March 2027
Final results announcement	May 2027
Final dividend declared	May 2027
Integrated Annual Report published	June 2027

CORPORATE INFORMATION

Independent non-executive directors:	Hilton Saven (Chairman) Prof. Fatima Abrahams Adheera Bodasing Brendan Deegan Daphne Motsepe Tapiwa Njikizana Mholi Shandu (appointed 1 April 2026)
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)
Auditor:	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
Debt issuer code:	LEWI

Group Ltd

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