mr price group limited

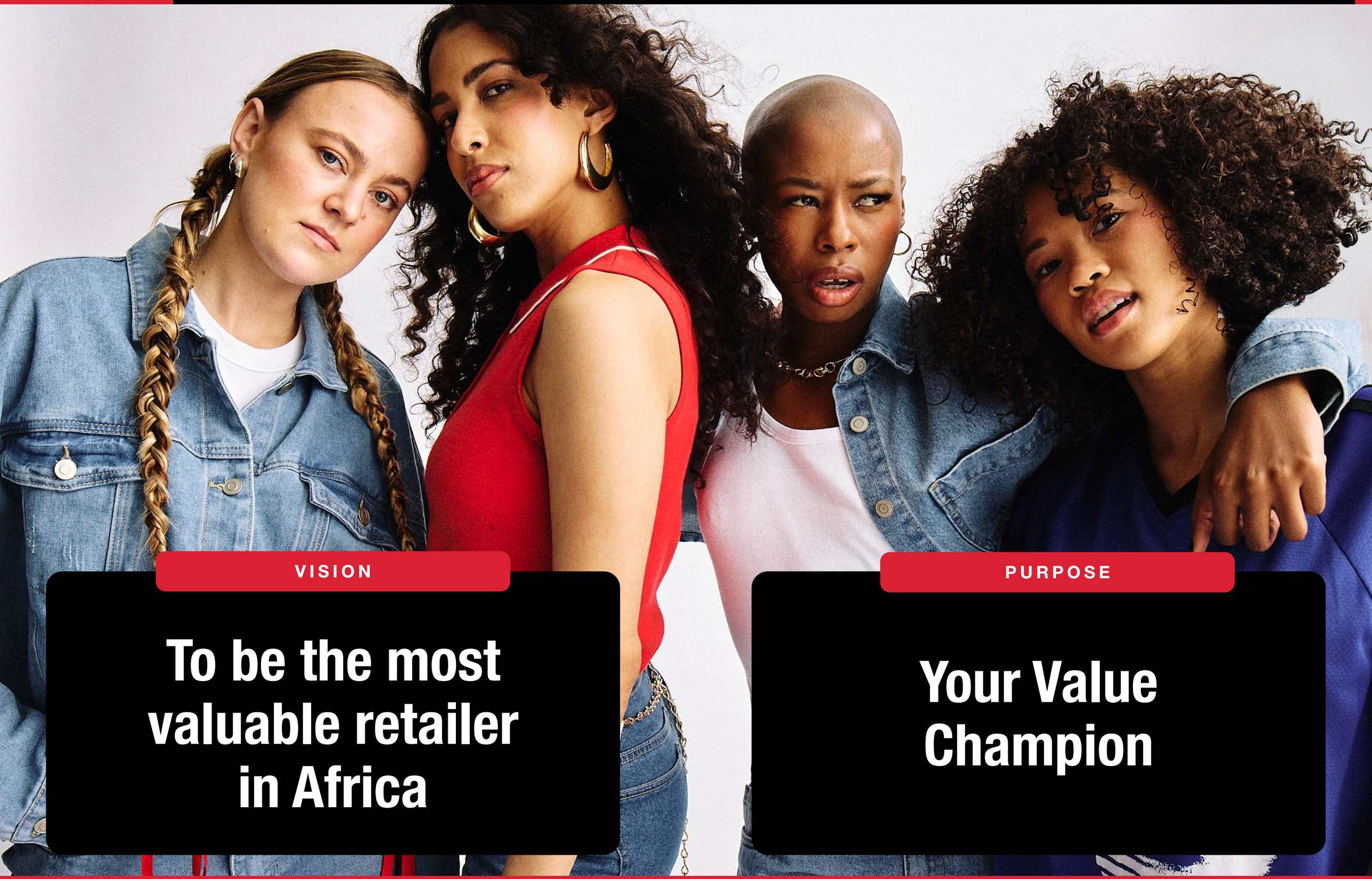
2026



Annual
Integrated Report

30 March 2025 - 28 March 2026

SINCE 1985



VISION

To be the most valuable retailer in Africa

PURPOSE

Your Value Champion

THE VALUE WE CREATED

FY2026 group highlights

Financial

CFO'S REPORT PG 133 >
SIX-YEAR REVIEW PG 143 >

Revenue growth +4.2%	**EBITDA growth** +5.0% Normalised: +7.4%
Operating profit growth +4.3% Normalised: +8.0%	**HEPS growth** +2.1% Normalised: +7.7%
Return on equity 25.9%	**Dividend payout ratio** 63.0%

Retail sales	R41.1bn
South Africa as a % of total sales	92.2%
Cash as a % of total sales	89.4%
Cash conversion ratio	85.8%

Customers*

CUSTOMER VALUE CREATION PG 79 >

MOST SHOPPED
apparel retailer in South Africa

LEADER
of South Africa's fashion-value matrix

7TH STRONGEST BRAND
amongst South Africa's top 100 brands

Associates

ASSOCIATE VALUE CREATION PG 81 >

> 33 000
employed

67%
organisational engagement score

top EMPLOYER South Africa 2026
FOR A BETTER WORLD OF WORK

ESG

SEE TOGETHER WE DO GOOD REPORT >

>77m PRODUCTS
have a sustainable attribute

97.6% TIER 1 AND 2
factory visibility

>130m UNITS
produced in South Africa

*MAPS, Borderless Access, Brand Finance



INVESTING IN LONG-TERM VALUE CREATION

NKD



ACQUISITION OF NKD GROUP GMBH

Mr Price Group's (the group) acquisition of NKD Group GmbH (NKD) will provide it with a material entry into the growing and resilient European value apparel and homeware market, and aligns strongly with its long-standing investment case. The transaction supports the next phase of the group's strategic plan to achieve its long-term vision. All regulatory suspensive conditions (FSR and SARB) were fulfilled and the transaction closed on 31 March 2026.

Disclosure guidance:

The group's ownership of NKD became effective in FY2027 and as such, all financial information and statistics included in this reporting suite relate to the group's South African and sub-Saharan African operations. The only exception is the group's balance sheet, which reflects the debt raised to partially fund the purchase price for the acquisition of NKD.

References to NKD in various sections of the group's 2026 reporting suite relate to transaction-related processes and activities that occurred during the 2026 financial year and do not include NKD's operational or financial performance.

Investment case highlights:

- Established European brand with a 60-year heritage, high customer affinity and strong top-of-mind awareness
- Clearly differentiated private-label value positioning versus peers
- Highly cash generative, with all sales being cash
- Omnichannel strategy aligned with value customers' shopping preferences
- Store expansion underpinned by identified whitespaces in existing markets and opportunity for expansion into other European countries
- Scalable supply chain with fully integrated buying house and cost-efficient owned logistics network
- Diverse and sustainable supplier base with long-term relationships
- Experienced and committed management team driving a unique and data-driven culture
- Data science tools supporting margin-accretive decision optimisation
- Clearly articulated, multi-layered medium- and long-term growth plan

For further detail the acquisition, view the **Investor Presentation**.



WHO THEY ARE

A cash-based value apparel and homeware retailer operating across Central and Eastern Europe

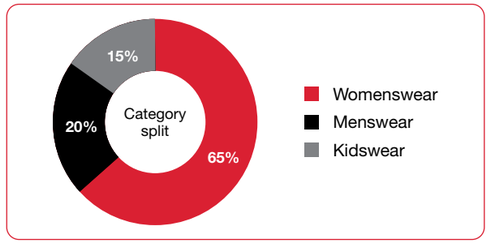
Their target customer:

- Quality and price-conscious
- Predominantly females aged 45 and above
- Largely located in rural areas and small towns
- High propensity for click-and-collect (63% of online orders)

What they offer:

A comprehensive range of high-quality every day items for the entire family at compelling price points

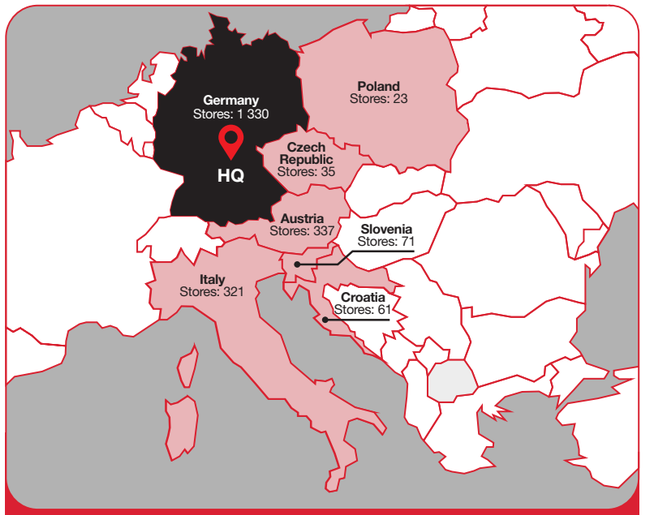
APPAREL **75%**



HOMEWARE **20%**

OTHER **5%**

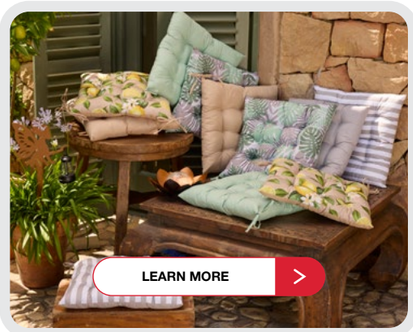
Geographical footprint:



TOTAL STORES*: **2 178** across seven countries

*As at December 2025





EVOLUTION OF MR PRICE GROUP'S INVESTMENT CASE

The group's investments in the last seven years have ensured that it is well-positioned to benefit from potential tailwinds in the South African consumer environment. The introduction of NKD to its portfolio is an addition to the group's long-standing investment case and not a fundamental change.

While funding for the acquisition introduced gearing to the group's balance sheet, both the South African and European operations are highly cash generative and will self-fund growth and maintenance capex in the 2027 financial year.

The view of Mr Price Group going forward and NKD's alignment:

01

Delivering scalable opportunities through new growth vehicles and consistent delivery to stakeholders

- The acquisition supports the achievement of the group's long-term vision, introducing a platform to grow in the European value retail market
- European value apparel market is anticipated to grow at 2.5x of the overall apparel market

02

Multi-geography value retailer, providing differentiated private label fashion-value merchandise

- The NKD European store footprint, bolsters the broader offering of the group
- Introduces a scaled business with a proven track record of expanding into new markets

03

Strong cash generation, supported by high cash sales

- NKD's cash-based model, supported by a lean capex model, delivers strong cash conversion metrics, ensuring the business remains self-funded in the long-term

04

Appropriate omnichannel offering supports a growing online presence, allowing for enhanced customer convenience

- NKD executes an omnichannel strategy predominantly through physical stores supplemented by its online platform

05

Operational excellence through digital and tech modernisation and an agile fit-for-purpose supply chain

- NKD's data science capabilities support an agile supply chain, enabled with excellent sourcing and operational agility

06

A management team with a demonstrated track record of delivering growth and shareholder returns

- The NKD management team are highly seasoned, regionally focused retailers with a strong track record and business culture that aligns with the group







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CHAPTER 01

OUR INTEGRATED REPORT

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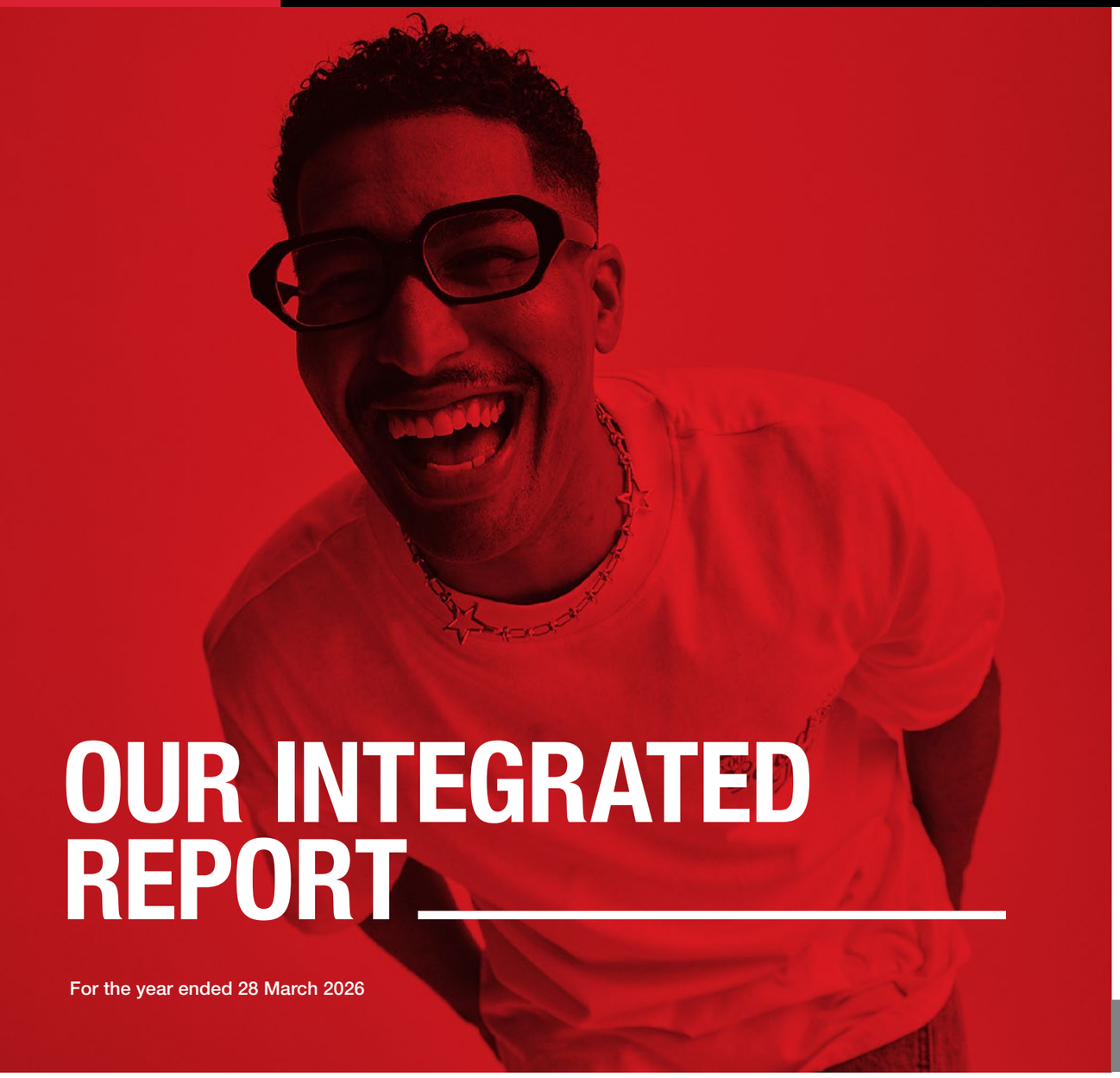
About our report Page 15
Our integrated value creation process Page 19



OUR INTEGRATED REPORT

For the year ended 28 March 2026

OUR REPORTING SUITE

To fulfill our commitment to holistic and comprehensive reporting, this reporting suite is comprised of the following publications:



INTEGRATED REPORT

Details the group's integrated business processes that support sustainable value creation for all stakeholders and outlines progress against its strategy of the last financial year.

CONTENTS



GOVERNANCE REPORT

Offers a comprehensive disclosure of the group's governance-related matters, including its governance structure, processes, and policies.

VIEW REPORT



REMUNERATION REPORT

Highlights the group's approach to fair, equitable, and responsible remuneration, detailing its remuneration policy and implementation.

VIEW REPORT



NOTICE OF AGM

Provides shareholders with supporting information for participation in the group's annual general meeting (AGM).

VIEW NOTICE



TOGETHER WE DO GOOD REPORT

Details the group's sustainability journey, achievements of the last financial year and strategic focus areas to support a sustainable future.

VIEW REPORT



ANNUAL FINANCIAL STATEMENTS

Provides an overview of the group's financial position and performance over the last financial year.

VIEW REPORT

Our integrated reporting suite is available at **www.mrpricegroup.com**

We have pleasure in presenting the 2026 integrated reporting suite (this report) for Mr Price Group Limited and its subsidiaries (the group). The purpose of the suite is to offer our stakeholders a comprehensive overview of our business, highlighting our strategic progress towards achieving our group's vision of being the most valuable retailer in Africa and subsequent value creation of the last financial year.

YOUR FEEDBACK

We highly value your feedback and welcome your input as we continuously work to enhance the quality of our disclosures. Please direct your feedback to: **investorrelations@mrpricegroup.com**

OUR REPORTING FRAMEWORKS

Our reporting suite is in compliance with and has applied the following frameworks:

- International Integrated Reporting Framework (Framework)
- The Companies Act. No 71 of 2008, as amended (Companies Act)
- JSE Limited Listings Requirements
- King IV Report on Corporate Governance for South Africa 2016 (King IV™)*
- International Financial Reporting Standards (IFRS)

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ABOUT OUR REPORT

Our integrated reporting suite is designed to meet the information needs of the group's key stakeholders, which includes shareholders, associates, suppliers, landlords, customers, and communities.

This suite provides a detailed overview of the group's business model, financial standing and performance, sustainability journey and achievements, governance processes and policies, and remuneration policy and implementation. Together, these elements contribute to sustainable value creation for all stakeholders.

SCOPE

The reporting suite provides a consolidated view of the group's performance for the 52-week period ended 28 March 2026. It includes the financial results of Mr Price Group Limited trading in South Africa, Botswana, Ghana, Lesotho, Namibia, eSwatini, Zambia, Kenya, Mozambique and Germany, as well as Mr Price Foundation, the share trusts and income received from franchise operations trading elsewhere in Africa.

The information contained in this report is consistent with the indicators used for our internal management and board reports and is comparable with previous integrated reports. We have strived to provide useful information that enables stakeholders to make informed decisions. The outputs contained within this report are the result of a focused and considered process by senior management, the board and its committees.

This report aligns with the requirements of King IV™ and the Framework. The Framework contains the six forms of capital that impact the creation and diminution of value in a business. These comprise human, manufactured, social and relationship, intellectual, financial and natural capital as detailed on the adjacent page.

The Framework requires organisations to report on the resources and relationships that it utilises or impacts, and the critical interdependencies between them. The group is committed to integrated reporting and, as such, has adopted the Framework. The **business model** on **pages 65 - 70**, details the group's value creation through the use of the six capitals. The group considers the trade-offs between these capitals when allocating capital resources and seeks to maximise positive outcomes.

VALUE CREATION THROUGH OUR CAPITALS

H — HUMAN

The skills and experience vested in our associates that enables us to deliver our products and services and, implement our strategy, creating value for our stakeholders.

M — MANUFACTURED

The stores, warehousing, infrastructure and distribution network throughout Southern, East and West Africa, which enables us to source, import, deliver and sell our products and services.

S — SOCIAL AND RELATIONSHIP

The key relationships cultivated with customers, suppliers, landlords, associates, shareholders, government and community.

I — INTELLECTUAL

The intangibles that constitute our brand, products, processes, proprietary systems and service offerings which provide our strategic differentiation and competitive advantage.

F — FINANCIAL

The group's pool of funds is predominately cash based (low gearing), generated from operations, and includes interest income and funds reinvested.

N — NATURAL

The natural resources used throughout our product and packaging supply chains, and in fixed capital formation.

MATERIALITY

The board has approved a materiality framework which guides the process of identifying the group's **material matters** (refer to **pages 127 - 131**). Our report addresses issues that the board and management consider material to the group and that could impact its ability to create and sustain value, including the six capitals, over the short-, medium- and long-term.

We aimed to demonstrate the connectivity between these material matters and our business model, strategy, risks, key performance indicators (KPIs), remuneration policies and prospects. These material matters are reviewed on an ongoing basis to ensure their continued relevance. Management is responsible for approving these material matters, which are then endorsed by the board.

All matters that are considered material to the business have been included in this report. These matters have been identified and prioritised after taking into consideration:

- External factors, that have an impact on the group's ability to create value in the short-, medium- and long-term
- The retail industry cycle and its dependence on GDP, employment and credit growth
- Strategic objectives and key business risks arising from the group's strategic planning framework
- Items that are top-of-mind to the board and executive management
- Issues derived from key stakeholder engagements
- South Africa's sovereign rating, political landscape and rule of law
- Volatility in key input cost drivers being commodities and exchange rates

BOUNDARY

The boundary extends beyond the group to encompass the risks, opportunities, and outcomes attributable to or associated with other independent organisations that significantly impact the group's ability to create value for its stakeholders over the short-, medium- and long-term.

ASSURANCE

The board is satisfied with the integrity of the report and the level of assurance applied. The group's consolidated annual financial statements have been audited by independent external auditor, Deloitte & Touche. In 2026, the oversight and review of material performance metrics, both financial and non-financial within the **Together We Do Good report** have migrated from third (internal audit) to second line level (group risk) whereby the group risk function now provides assurance on the accuracy of sustainability reporting. Outcomes of the review confirmed the adequacy of the information collation process and exceptions noted did not exceed the level of error tolerance to materially impact the accuracy of the reported information. The board is satisfied with the level of assurance of the integrated report and does not believe that it should be subject to further external assurance. Any forecast financial information contained herein has not been reviewed and reported on by the group's external auditors, and has been produced with due diligence and care by management.

ADDITIONAL INFORMATION

This report aims to focus on material matters only. Where additional or ancillary information is available, this has been separately published on the group's website: **www.mrpricegroup.com**



BOARD APPROVAL

The Audit and Compliance Committee has reviewed this report and recommended it to the board for approval. The board acknowledges its responsibility for ensuring the integrity of the 2026 integrated reporting suite and has collectively applied its mind to the preparation of this report, reviewing and assessing its content in accordance with the Framework. The 2026 integrated reporting suite was approved by the board for release to stakeholders on 26 June 2026.



NIGEL PAYNE
Chairman



MARK BLAIR
Chief Executive Officer



PRANEEL NUNDKUMAR
Chief Financial Officer



MARK BOWMAN
Lead Independent,
Non-executive Director



LUCIA SWARTZ
Independent,
Non-executive Director



NEILL ABRAMS
Independent,
Non-executive Director



JANE CANNY
Independent,
Non-executive Director



HARISH RAMSUMER
Independent,
Non-executive Director



RICHARD INSKIP
Independent,
Non-executive Director



REFILWE NKABINDE
Independent,
Non-executive Director



OUR INTEGRATED VALUE CREATION PROCESS

We recognise that sustainable value creation relies on an evolving, agile and sustainable business model that supports the effective execution of our strategy. Central to this process is the disciplined allocation of capital and informed trade-offs that balance short-term performance with long-term sustainability. We focus on maximising positive outcomes across our value chain while actively reducing inefficiencies and minimising waste, ensuring that our activities contribute meaningfully to the communities and environments in which we operate. Our strategy and business model are continuously shaped by an evolving operating environment, informed by robust stakeholder engagement, and guided by our assessment of material matters, risks and opportunities. This integrated approach ensures that strategic intent is embedded across the organisation, aligning day-to-day decision-making with the group's value creation priorities. Through the consistent and disciplined execution of our strategy via our business model, the group delivers sustainable financial returns while strengthening its broader stakeholder relationships and social impact. This integrated value creation process is governed by a robust governance framework and is aligned with the principles of King IV™, supporting transparent, responsible and effective leadership.

Building a sustainable business measured by our impact on the UN Sustainable Development Goals

Primary SDGs considered material for the group:



SEE TOGETHER WE DO GOOD REPORT >

HOW OUR REPORT DESCRIBES OUR VALUE CREATION PROCESS

Guided by our Governance Framework



01 PAGES 21 - 58

Who We Are

The connection between the group's vision, purpose and its guiding values of passion, value and partnership.

02 PAGES 65 - 70

OUR BUSINESS MODEL

The group's business activities and outputs drive the increase, decrease or transformation of its capitals through value creation, preservation or erosion over time.



03 PAGES 71 - 88

STAKEHOLDER ENGAGEMENT

The group's processes, activities and products sold are not undertaken in isolation, but in sustainable connection with a range of stakeholders.



04 PAGES 95 - 116

STRATEGIC EXECUTION

The group's value creation is led by the successful development and execution of its strategy, which is measured against six key strategic pillars.



05 PAGES 117 - 131

RISK AND MATERIAL MATTERS

The group's material matters, risks and opportunities are identified through an ongoing, structured and embedded enterprise risk management process ensuring agility in response to the ever-evolving risk landscape.



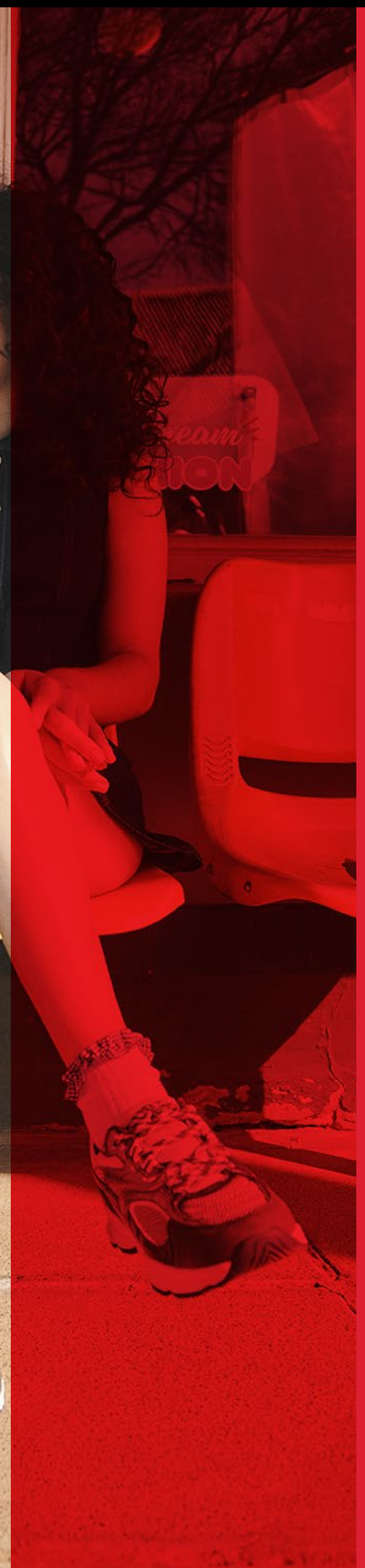
06 PAGES 133 - 146

FINANCIAL PERFORMANCE

Summary of performance demonstrating how the group's financial capital has been increased, utilised and transformed through its operating, financing and investing activities during the financial reporting period.

Supported by King IV™ Principles





CHAPTER 02

WHO WE ARE

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Celebrating 40 years Page 23
Our history Page 31
Why Mr Price Group Page 33
Our group Page 35
Our divisions Page 37

CELEBRATING 40 YEARS

OF ORDINARY PEOPLE DOING EXTRAORDINARY THINGS





Making value fashionable since 1985

We didn't start with much.
Just a dream and the will to change the game.
A few ordinary people with a plan to do extraordinary things.

Now forty years in and we're still playing by our own rules. Because for us, age is just an attitude.

A lasting belief.
That if we stay humble, we'll never forget our roots.
If we stay curious, we'll keep ahead of what's next.
If we stay hungry, we'll always be in it to win it.
If we stay young at heart, we'll hold onto our sense of fun.

Youth isn't measured in years. It's measured in possibilities. And ours are endless.

FOREVER OPTIMISTIC.
FOREVER TOGETHER.
FOREVER YOUNG.

40 YEARS OF PASSION AND PURPOSE

Mr Price was founded 40 years ago on a simple but transformational belief: fashion shouldn't cost more than it has to. With a team of passionate partners, our founders set out to make fashionable clothing accessible to more South Africans - and they did exactly that.

Since 1985, this approach has shaped a retail model that has grown into one of South Africa's leading value retailers. Forty years on, millions of customers still walk through our doors as we stay true to our purpose: to be their Value Champion.

Over the past four decades, our growth has enabled us to extend that purpose beyond our customers. We've built a business that values people and partnerships as much as performance - focused on creating meaningful impact for our partners and contributing positively to South Africa.

> **We weren't building for tomorrow, we were building for decades."**
>
> - Stewart Cohen, Co-founder



A SIMPLE BELIEF.
FORTY YEARS OF IMPACT.



OUR CUSTOMERS

Guided by our vision of being the most valuable retailer in Africa. Driven by our purpose of being the customers' Value Champion.

We hold the position as South Africa's **#1 MOST VALUABLE FASHION-VALUE RETAILER.** South Africans continue to choose us, making us the **MOST SHOPPED APPAREL RETAILER** in the country. Our consistent delivery of fashion-value merchandise has earned the love and trust of our customers - as we continue to hold the **HIGHEST BRAND EQUITY** in the apparel, homeware and sportswear sectors.

OUR SHAREHOLDERS

We've consistently demonstrated our ability to grow and deliver sustainable long-term returns. Over the last 40 years compounded, we have delivered:

40-year CAGRs

Retail sales	+16.9%	Operating profit	+18.7%
HEPS	+17.7%	Dividends	+18.9%
Share price	+18.2%	TSR	+31.2%

We knew there had to be a better way of running a business."

- Laurie Chiappini, Co-founder

A SIMPLE BELIEF.
FORTY YEARS OF IMPACT.



OUR PEOPLE

When our founders started the business, they were committed to rewarding associates for their contributions. Over time, this commitment evolved into the long-term share scheme, **EMPOWERING EVERY ASSOCIATE TO BECOME AN OWNER IN OUR GROUP.**

Today our Partner Share Scheme has **MORE THAN 14 000 PARTICIPANTS.** Since inception, **MORE THAN R420 MILLION IN DIVIDENDS** has been paid out to associates.

OUR COUNTRY

We've consistently invested in South Africa:

- Returned more than **R16.7 BILLION** to the country through corporate taxes
- Committed to local by sourcing **MORE THAN 1 BILLION UNITS** from South Africa with **MORE THAN R51 BILLION SPENT**
- More than **245 MILLION** plastic packets removed from circulation
- More than **37 000 EMPLOYED** through Mr Price Foundation's JumpStart Programme

We believed that if you created the right culture in a company, it would unlock the true potential of every associate"

- Laurie Chiappini and Stewart Cohen, Co-founders

Our History

A legacy of building brands and driving growth by being Your Value Champion

SINCE 1985



1985 ▼

1985 — mr price

The first store opens, making fashion accessible to more South Africans through affordable pricing

1987 — MILADYS

Acquired Miladys, a well-established women's clothing retailer

1996 — sheet•street

Our first step towards diversification through the acquisition of Sheet Street, expanding into the value homeware market

1998 — mr price home

Extended the Red Cap formula, introducing Mr Price Home to South Africans, further cementing our position as a lifestyle retailer



An early Mr Price Apparel store in Durban, 1988

2006 — mr price sport

Entered the sportswear segment, with a purpose of making an active, sport and outdoor lifestyle accessible to more South Africans

2007 — mr price money

With the ambition to extend even more value - we entered the financial services segment, launching Mr Price Money offering affordable credit and insurance solutions

2012 — mrp.com

Launched our online shopping platform - the first South African value retailer to do so

2014 — mr price mobile

Entered the telecoms segment, offering our own network (MNVO)

2015 — mr price cellular

Expanded our telecoms offerings to include handsets and accessories across all networks

2026 ▲

2021 — Power Fashion

Acquired a price-value apparel business and extended our low-priced fashion-value offerings

2022 — studio 88

Acquired a leading branded apparel and footwear business, expanding our offerings into the aspirational value segment

2023 — mr price kids

Evolution of Mr Price Baby and Mr Price Kids into a standalone concept

2026 — NKD

Acquired a cash-based, value-focused apparel and homeware retailer operating across Central and Eastern Europe

YUPPIECHEF

Acquired a premium omnichannel, homeware business broadening our aspirational homeware offerings

Why Mr Price Group

A market-leading retailer with a 40-year history of delivering the best in fashion-value merchandise

Positioned to deliver through any cycle, driven by business differentiation

- A diverse portfolio of brands
- Differentiated fashion-value merchandise
- A trusted brand since 1985
- The Red Cap culture
- Tried and tested merchandise processes
- Supply chain agility
- A business model fit-for-purpose
- A technology enabled business

ESG leaders

FTSE4Good

Consistent inclusion in the FTSE4Good Index Series since 2020

SUSTAINALYTICS

Maintained 'low-risk' rating and best ranked apparel retailer in South Africa (as at date of publication)

SEE TOGETHER WE DO GOOD REPORT >

Cash-based business

Cash sales account for a significant 89.4% of total sales. The group's strong cash-generation capability is further reflected in its high cash conversion ratio of 85.8%.

Omnichannel excellence

Delivering a high-quality shopping experience across all customer touchpoints through the integration of its online platforms with its 3 182 stores.

Fashion-value champions

Attracts, delights, and surprises its customers with value price points for differentiated fashion items, while offering everyday basics at everyday low prices.

Demonstrated ability to grow

40-year CAGRs

Retail sales	+16.9%
Operating profit	+18.7%
HEPS	+17.7%

Sustainable shareholder returns

40-year CAGRs

Dividends	+18.9%
Share price	+18.2%
TSR	+31.2%

Valued partnerships

The group's stakeholder engagement approach is grounded in its founding value of partnership and is focused on positioning the group as the preferred partner among stakeholders.

Engagement recognition

- Top Employer 2026
- Recognised by Extel within the top 5 amongst mid-cap companies in Emerging EMEA for:
  - Best Corporate in Investor Relations
  - Best Team in Investor Relations
- Recognised by the Investor Relations Society of South Africa amongst South African mid-cap companies:
  - #1 Best Corporate in Investor Relations
  - #1 Best Team in Investor Relations
  - Ranked among the top 6 JSE-listed companies for Best Financial Disclosure

Investor Relations Society of South Africa

extel

SEE STAKEHOLDER ENGAGEMENT >



Our Group

Cash-based, omnichannel business that delivers the best in differentiated fashion-value offerings across the apparel, homeware, sportswear, financial services and telecoms segments

Driven by our purpose of being the customers' Value Champion, we deliver value through fashion, price, quality, convenience and experience

ORGANISATIONAL OVERVIEW

Retail sales
R41.1bn

South Africa
92.2%

Rest of Africa
7.8%

SEGMENTAL CONTRIBUTIONS

Apparel **79.6%**

mr price | mr price sport | MILADYS | power | studio 88

Homeware **16.8%**

mr price home | YUPPIECHEF | sheet street

Telecoms **3.6%**

mr price cellular | mr price mobile

OMNICHANNEL FOOTPRINT

Our store locations are informed by divisional strategies, enabling us to meet customers where they are. Our online channels offer customers the flexibility to shop digitally, complemented by in-store experiences through click-and-collect facilities. Together, our physical and digital footprints operate seamlessly to deliver the convenience our customers expect.

TOTAL STORES

Total owned
3 182

Total gross traded area
1 285 031m²

South Africa
2 929

Rest of Africa
253

DIGITAL PRESENCE

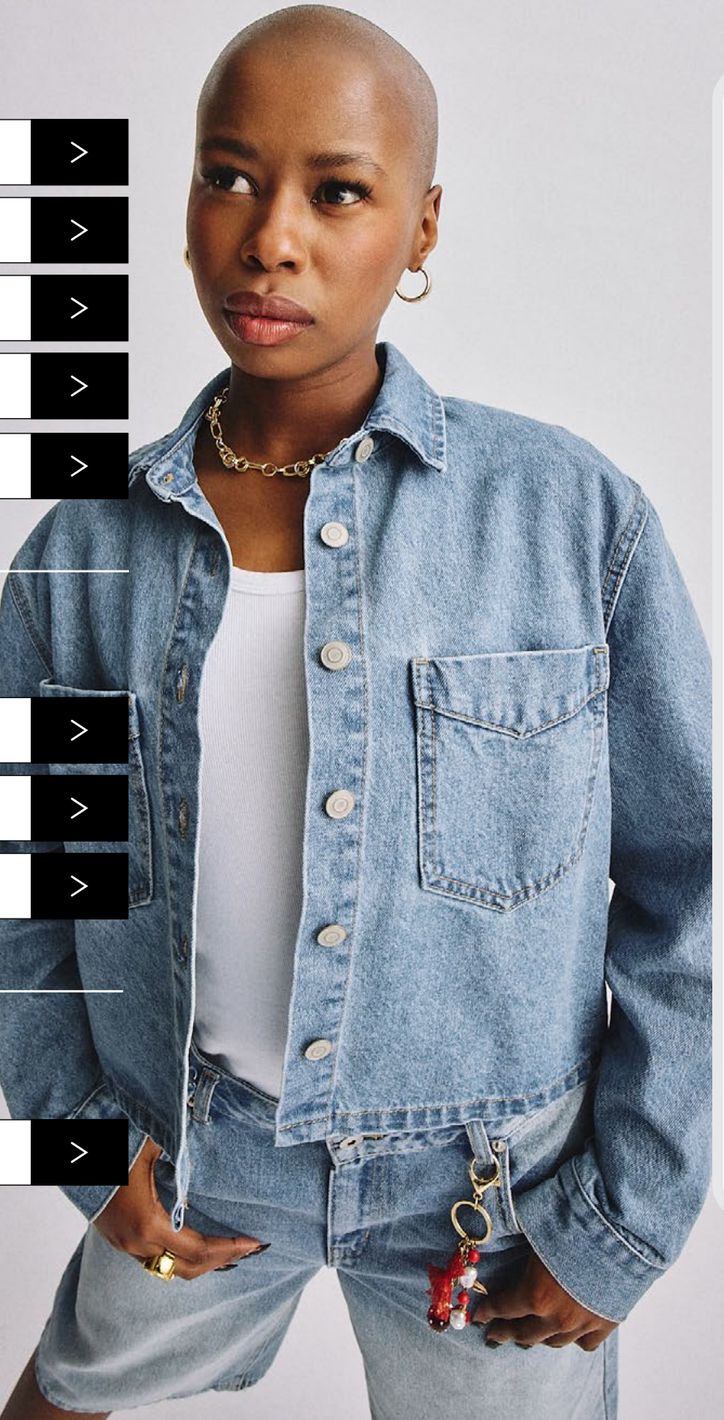
2.1%	contribution to total retail sales
48%	of website and app users research online and shop in-store
82%	of online traffic is from mobile devices
55%	of Mr Price Apparel orders are click-and-collect





OUR DIVISIONS

As we've grown, diversified and tiered our offerings, we've welcomed new caps. While we operate in different categories, each of our divisions lay claim to our purpose of being **Your Value Champion**. This commitment to providing our customers with quality at affordable prices extends across our group - whether it's apparel, homeware, sportswear, financial services or telecoms.



APPAREL

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HOMEWARE

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- sheet•street — Page 53 >
- YUPPIECHEF — Page 55 >

FINANCIAL SERVICES AND TELECOMS

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OUR DIVISIONS

Our nine trading divisions cater to customers across the income spectrum, offering differentiated merchandise that ranges from price value to aspirational and niche. This allows us to maintain clear positioning across divisions while effectively meeting the diverse needs of our customer base.

BRAND POSITIONING

PRODUCT CLASSIFICATION	BRANDS	SEGMENT
Aspirational value/Niche	YUPPIECHEF studio 88 MILADYS	Apparel and homeware
Fashion value	mr price mr price kids mr price sport mr price home mr price cellular mr price money sheet•street	Apparel, sportswear, homeware, financial services and telecoms
Price value	Power Fashion Power Cell	Apparel, homeware and telecoms



APPAREL

mr price

CONTRIBUTION TO GROUP RETAIL SALES

41.9%



Be The Next: Turning Gen Z ambition into impact

As a youth centric brand, we're building brand love by backing the next generation of creators. Our Be the Next platform brings Gen Z ambition to life - spotlighting digital creators, co-creating with emerging fashion designers, and turning sustainable art into fashion. By amplifying local talent and unlocking real career opportunities, the platform has sharpened our differentiation and deepened our connection with a younger audience.

Sub brands

RT | QR oakridge | everyday basics. | redX | PROJECT | mrp | mrp BABY | mrp KIDS 1-7 | mrp KIDS 7-14 | mrp&me | scarlet·hill beauty

WHO WE ARE

A fashion-leading retailer that offers predominantly private-label, on-trend, and differentiated merchandise at extraordinary value to women, men and kids. Through ongoing innovation and product development, staying on the pulse of international fashion trends and diligent resourcing, we can make trend-led fashion accessible to customers at highly competitive prices.



WHERE WE ARE

Stores

683

Online

WEBSITE >

APP >

STORE TOUR >

OUR CUSTOMER

Youthful customers who love fashion, appreciate extraordinary value and are primarily in the middle-income demographic.

WHAT WE OFFER

Fashion-differentiated clothing, accessories, underwear, footwear and cosmetics.

COOLEST CLOTHING STORE

Sunday Times Generation Next 2025 winner

HIGHEST BRAND EQUITY

in the apparel sector

MOST LOVED BRAND

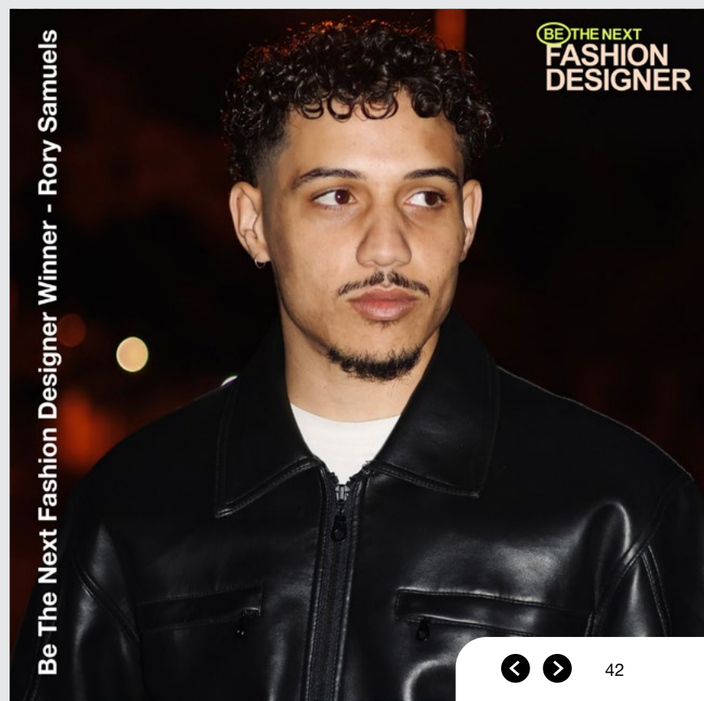
in the apparel sector

MOST SHOPPED

apparel retailer in South Africa







APPAREL

mr price sport

CONTRIBUTION TO GROUP RETAIL SALES

5.3%



Mr Price Sport scores big!

We were proud to partner with the Greater Durban League Football Association, a leading grassroots football body in KwaZulu-Natal and the largest of its kind within the SAFA eThekwini region. The association represents more than 108 teams and over 7 500 players across junior and senior divisions, with participants aged 5 to 35 years competing across 10 seasonal events. Partnerships like these reinforce our commitment to sport and move us closer to our vision of making sport accessible to all.

Sub brands

maXed | maXed ELITE | JOURNAL | TERRAIN

WHO WE ARE

We are passionate about making an active, sport and outdoor lifestyle accessible for all South Africans. Our competitive pricing makes sporting apparel and equipment accessible to and a good fit for the value-focused customer.



WHERE WE ARE

Stores

186

Online

WEBSITE >

APP >

STORE TOUR >

OUR CUSTOMER

We cater for the mass market, value conscious, sport and outdoor enthusiast with a focus on middle- to upper-income customers of all ages.

WHAT WE OFFER

Fitness, outdoor and sports performance and lifestyle products, and equipment. The assortment is built primarily on our recognised private label brands and complemented by specific key international brands and licensed products across categories.

HIGHEST BRAND EQUITY

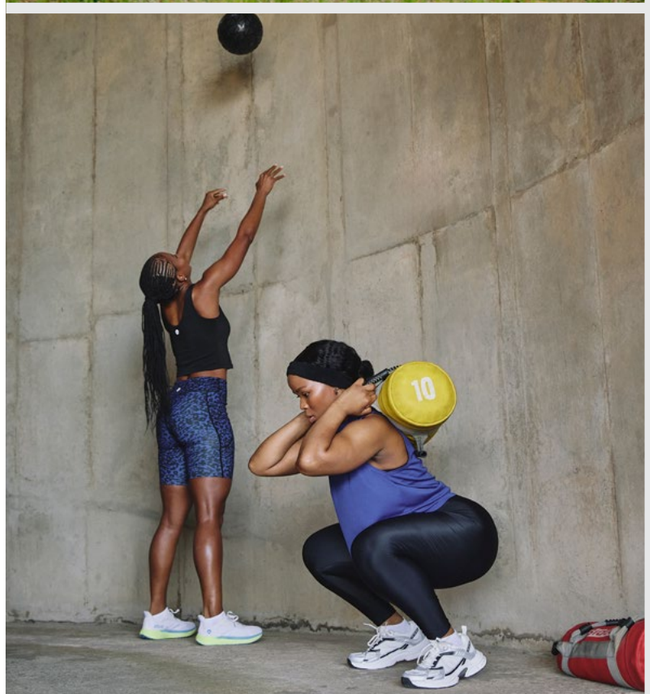
in the sportwear sector

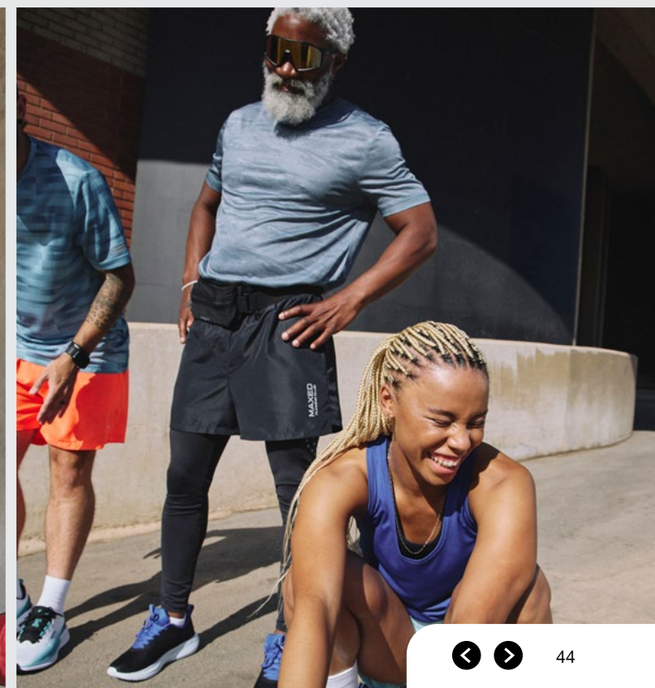
84.5%

of our customers believe that we provide either the same or better value for money than last year









APPAREL

MILADYS

CONTRIBUTION TO GROUP RETAIL SALES

3.9%



Strengthening brand relevance through customer focus

In the last year, our team has driven a deliberate shift to strengthen our brand by re-imagining our customer-first strategy. With the ambition of becoming a true top-of-mind brand, we refined our positioning and evolved our social media approach to more clearly reflect what we stand for - creating content that inspires, educates and connects with our customers. This focus was brought to life through the launch of the Canal Walk 'Store of the Future' in November 2025, a key milestone in reshaping brand perception and enhancing the in-store experience across our customer journey.

WHO WE ARE

We give women confidence and visibility. By championing them for exactly who they are, we help them to stand in their power and feel seen, valued and stylish. Our purpose is to inspire the modern midlife woman's style and confidence.



WHERE WE ARE

Stores

271

Online

WEBSITE >

APP >

STORE TOUR >

OUR CUSTOMER

A modern midlife woman aged 50 and above, who seeks fashionably relevant clothing with great fit and quality.

WHAT WE OFFER

Women's smart and casual fashion, intimate, sleep and swimwear, footwear, and accessories of exceptional quality and versatility at great value.





Strong brand and customer target market correlation, driven by our principles:

QUALITY, VERSATILITY, COMFORT, RELEVANT CONTEMPORARY FASHION AND FIT

OVER 78 YEARS

of serving South African women



APPAREL

Power FASHION

CONTRIBUTION TO GROUP RETAIL SALES

6.9%



Made of Denim: i-Jean to jean at low prices

In July 2025, Power Fashion revitalised its denim business with a relaunch of its denim range, delivering fresh, on-trend styles across the family at low price points. The Made of Denim campaign reinforced the brand as the destination for low-priced, fashionable denim and evolved in August to celebrate Power Fashion's core customer - the confident, hardworking South African woman who expresses her power through smart fashion choices. Featuring Noxolo Mathula and Sinethemba Ngoako, the campaign spotlighted resilience, style and self expression, driving record clearances, reigniting momentum in the denim category and strengthening Power Fashion's positioning as the home of price-led, fashionable denim.

WHO WE ARE

A kasi brand that provides affordable fashion for the whole family, helping the low-income shopper look and feel good for less. We are a brand that truly walks, talks and lives with its people.



WHERE WE ARE

Stores

354

Online

WEBSITE >

STORE TOUR >

OUR CUSTOMER

The price-seeker who wants to remain fashion relevant when she has little to spend - she is looking for both affordable quality and new styles for herself and her family.

WHAT WE OFFER

Power Fashion: clothing, accessories, cosmetics, babywear, schoolwear, workwear and footwear.
Power Cell: mobile devices and accessories, value added services including airtime, data, electricity, DStv and bus ticketing at selected stores.





94% OF OUR CUSTOMERS

believe that we provide either the same or better value for money than last year

TRIPLED OUR BRAND EQUITY

in two years



APPAREL

studio 88 | SIDE STEP | JOHN CRAIG | Skipper Bar

CONTRIBUTION TO GROUP RETAIL SALES

21.6%



Connecting culture, commerce and experience

Studio 88 delivered a strong series of integrated campaigns that combined digital innovation with high-impact in-store experiences. The launch of the Studio 88 and Side Step apps were supported by in-store activations that built awareness and drove app adoption. This momentum continued with the opening of the Sandton City flagship store, positioned as an immersive brand experience through interactive elements, onsite customisation and high-profile appearances that drove strong foot traffic and reinforced cultural relevance. The BMW Gusheshe giveaway with Dream Drive further amplified engagement, blending nostalgia with aspiration and gaining traction across both digital platforms and stores. Collectively, these initiatives strengthened brand visibility, increased store traffic and kept Studio 88 top of mind through customer-led, culturally relevant experiences.

Brands offered

adidas | Nike | PUMA | ellesse | PLAYBOY | Volkswagen | Aeronautica Militare | Lyle & Scott | VANS | The North Face | new balance | CONVERSE | Levi's | POLO | SUPERGA | Kappa | HI-TEC | MURATTI | ROSS MODA

WHO WE ARE

Studio 88 is South Africa's largest branded fashion clothing and footwear retailer. We connect our customers with the latest trends in footwear and clothing at competitive prices. We operate through a group of store formats that service different customer needs and products: Studio 88, Skipper Bar, Side Step, John Craig and Specialty.



WHERE WE ARE

Stores

1 006

Online

WEBSITE >

OUR CUSTOMER

We have a broad appeal to aspirational and trend conscious customers across a wide range of age profiles and affordability levels.

WHAT WE OFFER

Branded clothing, footwear, football supporters' gear and smart casual wear.











HOMEWARE

mr price home

CONTRIBUTION TO GROUP RETAIL SALES

11.0%



Dopamine decor hits the sweet spot for South African shoppers

Our decor accessories department stands out as a significant highlight of the last year. On-trend merchandise at great prices drove sales growth, delivered market share gains and double-digit profit growth. Being bold and brave with a significantly increased fashion contribution ensured that customers' demand for 'always something new' and 'great value for money' was met with alacrity.

Sub brands

kids home | Extra | colab collection mr price home

WHO WE ARE

Our purpose is to make beautiful homes affordable and accessible to all. We aim to inspire our customers with on-trend homeware and furniture that is designed to look and feel good. We're passionate about making life beautiful, and this passion is firmly rooted in our belief that good design shouldn't cost anything extra.



WHERE WE ARE

Stores

238

Online

WEBSITE >

APP >

STORE TOUR >

OUR CUSTOMER

We appeal to a broad-spectrum of trend-conscious and value-minded customers, in the middle- to upper-income segment, who love to express themselves through their homes.

WHAT WE OFFER

Home textiles, decor, accessories, kitchen, dining, furniture and kids merchandise.

MOST LOVED
homeware retailer in South Africa

HIGHEST BRAND EQUITY
in the homeware sector

HIGHEST ONLINE CONTRIBUTION
to the group



HOMEWARE

sheet street

CONTRIBUTION TO GROUP RETAIL SALES

4.2%



Bringing greater variety and value to our customers

By expanding our product assortment and further diversifying our sourcing network, Sheet Street continued to strengthen its value proposition, enabling competitive pricing while offering customers greater choice across the range.

WHO WE ARE

We are a proudly South African homeware brand established in 1990. We strive to be your most loved Value Champion in homeware with the purpose of giving our customers a home they can be proud of, on a budget they can afford.



WHERE WE ARE

Stores

333

Online

WEBSITE >

STORE TOUR >

OUR CUSTOMER

We appeal to low- to middle-income customers aged 25 upwards, who are family focused and responsible. Our positioning is centred on price value with appropriate levels of fashion.

WHAT WE OFFER

A private-label assortment covering all homeware categories with a dominance in home textiles across a broad spectrum of colours.





We own brand association in more categories than any other homeware retailer

3rd HIGHEST

brand equity in the homeware sector



HOMEWARE

YUPPIECHEF

CONTRIBUTION TO GROUP RETAIL SALES

1.6%



Footprint growth with omnichannel access

In the past year we grew our footprint by 20%, now running 25 stores across South Africa in five provinces. Thirteen of these branches are kitchen and homeware formats, including the private label-driven bed, bath and decor ranges, while the full online range of SKUs remains shoppable via the point-of-sale system in all stores.

WHO WE ARE

The go-to retailer for the most sought-after premium kitchen and homeware brands. We're always hunting out exciting new finds both locally and internationally, looking to inspire ourselves and our customers.



WHERE WE ARE

Stores

25

Online

WEBSITE >

STORE TOUR >

OUR CUSTOMER

We appeal to a broad-spectrum of higher LSM customers, from first-time homeowners, to foodies, entertainers, homemakers and gift-givers.

WHAT WE OFFER

Premium kitchenware, small appliances, table and barware, bed and bath, furniture and decor, outdoor, and specialist food and drink and gifting ranges.





17 500

premium options available through our online channel

MARKET SHARE GROWTH

with gains in 20 out of 21 months



FINANCIAL SERVICES & TELECOMS

mr price money

mr price cellular mr price mobile

CONTRIBUTION TO GROUP RETAIL SALES*

3.6%

*Telecoms only



Next-level value

Our capabilities within the financial services, telco and insurance space have favourably positioned us to evolve our business model, transforming our customer experience. Our increased footprint and trusted brand, combined with longstanding expertise in financial services and telecoms, enable us to offer millions of customers credit, insurance and cellular services. Retail credit only further facilitates sales across the group's brands, supporting increased customer spend, loyalty and cross-shopping. With value at the core of our business and innovation as the driving force, the possibilities for growth and continued customer engagement in the financial services and telecoms space are endless.

WHO WE ARE

We are the financial services and telecoms division within Mr Price Group. We are passionate about extending even more value to customers through accessible and affordable credit, insurance and connectivity solutions tailored to their needs.



WHERE WE ARE

Stores

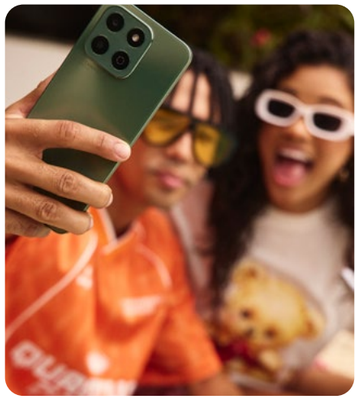
86

Online

WEBSITE >

OUR CUSTOMER

Value-seeking and aspirational customers with an affinity to the group's brands.



WHAT WE OFFER

To fulfil our customers' evolving needs, we offer accessibility through:

- A choice of payment types enabling customers to shop the group's retail brands (fashion, homeware, sportswear and cellular)
- A range of insurance products ensuring peace of mind for our customers from balanced protection plans to family funeral plans
- Connectivity with entry-level and aspirational cellular devices, prepaid and sim-only plans across leading networks

20BPS

cellular market share gains

VOTED 'RETAILER OF THE YEAR'

by MTN

1.3 MILLION

reward moments through our Insiders reward programme





CHAPTER 03

VALUE CREATION

CONTENTS

Operating environment Page 61
Our integrated business model Page 65
Stakeholder value creation Page 71
Stakeholder engagement Page 75



OPERATING ENVIRONMENT

GLOBAL ECONOMY

Since COVID-19, the global operating environment has been characterised by heightened volatility and recurring disruption. While the pandemic marked a significant point of volatility, subsequent developments since then have driven the persistence of uncertainty. This was particularly evident at the start of 2025, when the initial, relatively strong global growth forecasts were revised downward by April. The downgrades were largely a consequence of the US-imposed tariffs and the anticipated negative impacts on global growth and expectant inflationary pressures.

Market activity slowed in the first half of the year as countries navigated a complex and disruptive environment, driven by the reassessment of trade agreements (catalysed by the US tariffs), rising geopolitical tensions and strained international relations. As the year progressed, however, governments and markets began to adjust to the evolving conditions, adopting alternative approaches to support economic activity, marking the onset of more stable conditions. This stabilisation supported countries to close the year in a more resilient position than anticipated, as global growth for 2025 closed at 3.4% ahead of the IMF's projection of 3.2%.

The factors influencing global growth in 2025 can be described as highly divergent, reflecting an interplay of both supportive and constraining forces.

2025: KEY THEMES

Geopolitical tensions: Remained elevated throughout the year, driven by ongoing regional conflicts and fragile diplomatic relations. These conditions contributed to market volatility and constrained investor confidence, reinforcing the cautious approach to capital investment since 2024.

Trade dynamics and shifting global trade patterns: Trade relations between major economies were further strained as tariff measures and retaliatory actions disrupted established trade flows. In response, countries and businesses increasingly reassessed trade dependencies, accelerating shifts in global trade patterns and the diversification of export markets and sourcing strategies, to strengthen supply chain resilience.

Inflation dynamics and interest rate uncertainty: Inflationary pressures moderated across many economies during the year, supported by easing supply constraints. However, risks linked to tariff-driven cost pressures and geopolitical disruption sustained uncertainty around the pace and extent of interest rate adjustments. With inflation rates stabilising in the latter half of the year, further interest rate adjustments were expected.

2026 - QUARTER 1: KEY THEMES

The relative stability that emerged in the latter half of 2025 was disrupted in late February 2026 by the onset of the US-Iran conflict. This triggered global markets, as oil prices spiked to levels exceeding those seen in 2022. The US dollar strengthened amid the disruption, largely at the expense of emerging market currencies. As at the start of 2025, an initially positive global growth outlook was again exposed to risks from an external catalyst. With few signs of resolution, markets have increasingly priced in subdued global growth and a higher probability of a global recession, which is expected to weigh on consumers who, both globally and in South Africa, had begun to show moderate signs of recovery in the latter half of 2025.

Prior to the conflict, expectations pointed to above trend global growth, further interest rate cuts, a weakening US dollar and strengthening commodity prices. In line with these global forecasts, several factors were anticipated to support improved economic growth in South Africa. However, the conflict is expected to have more prolonged implications, including slowed to stagnant global growth, further rate hikes, a stronger US dollar and weaker emerging market currencies, as well as ongoing inflationary pressures as oil prices remain elevated.

SOUTH AFRICAN ECONOMY

Despite an uncertain global environment, South Africa navigated 2025 in a moderately more positive direction. After a prolonged period of subdued economic performance, South Africa reached a point of modest inflection, with GDP growth of 1.1% in line with the IMF's outlook of 1.0%.

The gradual improvement in economic conditions during the year was supported by several key factors:

Government of National Unity (GNU): Despite the risk of fragmentation, the GNU remained intact and functional, supporting improved governance outcomes and reinforcing accountability. Progress on key policy initiatives contributed to greater confidence in the reform agenda.

Momentum in structural reforms: The year marked a shift from crisis management toward sustained structural reform implementation. Improvements in electricity generation materially reduced the frequency and severity of load shedding, while incremental improvements in port activity helped ease supply-chain constraints.

Improved national budget balance: The country reported an improved primary budget balance, supported by stronger tax collections and broad-based revenue growth, alongside disciplined control of non-interest expenditure. Sustained primary surpluses have contributed to the stabilisation of the debt-to-GDP ratio, reinforced by improved cost controls and more favourable borrowing conditions.

Improving investability: South Africa's removal from the Financial Action Task Force's greylist in October 2025 marked a significant step in restoring confidence in the country's regulatory and financial-crime-prevention frameworks. This progress was reinforced by the country's first sovereign credit-rating upgrade by S&P Global Ratings in nearly two decades.

Equity market performance: South African equities delivered strong performance during 2025, positioning the country among the better-performing emerging markets. The JSE All Share Index benefited from strength in precious metal prices.

Currency strength: Improved domestic confidence and easing global financial conditions supported a strengthening of the rand during the year. In January 2026, the currency briefly traded below R16 to the US dollar for the first time since August 2022.

SOUTH AFRICAN RETAIL AND CONSUMERS

Retail performance in the 2026 financial year reflected ongoing pressure on South African consumers, as the compounding effects of post-pandemic strain outweighed near-term relief. While inflation eased materially and monetary policy became less restrictive, consumer demand remained uneven, contributing to generally low-to-moderate sector growth. Consumer sentiment improved in the second quarter of 2025, but remained negative, and spending showed signs of gradual recovery rather than a step-change. In 2025, household affordability was supported by lower inflation and cumulative repo rate cuts of 100bps (January, May, July and November 2025), which helped reduce debt-servicing pressure. However, growth in the lead-up to and during the festive period was moderate and uneven across categories, reflecting a rotation of discretionary spend. The outlook for the remainder of 2026 and into 2027 is uncertain, as competition in discretionary retail intensifies, spend remains fragmented and there is an expectation of increased consumer pressure related to the US-Iran conflict, which could trigger a global recession and higher inflationary pressure.

Factors Impacting the Group and its Stakeholders

Recovering domestic growth, but at levels too low to drive meaningful improvement:

Brand Promise

Issue

Following a decade of GDP growth averaging below 1%, the South African economy closed the year in an improved position, with growth of 1.1%. While key consumer indicators showed some easing of pressure, spending patterns and retail sector performance indicated that households had not yet fully recovered. Constrained disposable income (a function of historical pressures) continued to affect the group's core mass-market customers, reinforcing value-seeking shopping behaviour and limiting discretionary spend.

Strategy and performance page 95 >

Strategic Response

- The group's diverse brand portfolio enabled it to meet customers' needs across low- to middle-income households
- Divisional strategies remained agile, with product assortments and offerings actively adjusted to reflect evolving consumer behaviour and heightened price sensitivity
- Operating model focused on high volumes and low mark-ups, supporting affordability and accessibility for customers while sustaining competitive positioning

Key Outcomes

- Mr Price Apparel leads the fashion-value matrix ahead of all local competitors and Shein (Borderless Access)
- 95% of group customers believe Mr Price Group delivers the same or better value for money than last year (internal value for money survey)

Increasingly competitive and divergent discretionary retail environment:

Brand Promise

Issue

In recent years, competition within the discretionary retail sector has intensified with the entry of online players who have gained a meaningful share of the South African market. While the correct application of taxes and duties on imported goods sought to level the playing field for local retailers, international online platforms continued to expand their presence and are now well established in the market.

At the same time, competition for discretionary spend has broadened beyond traditional retail. The rapid growth in online gambling, particularly in low- to middle-income households, has emerged as an unexpected but prominent alternative spend category. This has displaced discretionary expenditure and further fragmented consumer wallets. Collectively, these dynamics have expanded customer choice while placing sustained pressure on pricing, brand relevance and margin management across the sector.

Material matters page 130 >

Strategic Response

- Robust merchandise and assortment planning processes, supported by in-house trend departments, enabled a balanced response to customer demand for both fashion products and everyday basics
- Differentiation through private-label merchandise, brand exclusives, and strategic collaborations and partnerships with brands and local artists
- Targeted marketing campaigns to deepen brand affinity with customers, supporting sustained engagement and repeat shopping behaviour
- Extensive store network as a moat against pureplay online retailers

Key Outcomes

- Mr Price Apparel, Mr Price Home and Mr Price Sport hold the highest brand equities in their respective sectors (Borderless Access and Nielsen)
- Mr Price Apparel remains the most shopped retailer in South Africa (MAPS)
- Mr Price Apparel ranked within South Africa's top 10 brands for a second consecutive year (Brand Finance)

Effects of geopolitical tensions:

Strategic Enablement

Issue

The escalation of the US-Iran conflict in late February heightened geopolitical tensions and placed global oil supply under pressure. While peace negotiations resulted in intermittent ceasefires, these have provided limited relief for oil prices and ongoing market volatility.

The duration of the conflict will determine the degree of materiality on the South African consumer. Renewed inflationary pressures on food and fuel, and upward inflection in the interest rate will compromise the early signs of consumer recovery. The conflict has increased pressure on global supply chains which directly impacts shipping rates, while elevated oil costs have secondary effects on business input costs. These pressures could persist through the remainder of the year and into 2027 if a peace agreement is not reached imminently.

Material matters page 129 >

Strategic Response

- Engaged closely with the group's carriers and shipping partners to manage rising fuel-related input costs and secure competitive freight rates on long-term contracts
- Leveraged procurement volume and an agile supply chain to negotiate forward season order pricing
- Factored war impacts into FY2027 budgets

Key Outcomes

- No supply chain disruption with on-time and in-full deliveries two months into the conflict
- Value positioning re-enforced in challenging consumer environment as customers seek value
- Disciplined cost management to support a resilient topline and consistent delivery of earnings growth



VALUE CREATION THROUGH AN INTEGRATED BUSINESS MODEL

Focused strategic execution ensures that the group's business activities are aligned in a manner that allows it to continuously progress towards achieving its vision. The group's desired strategic outcomes guide the development and execution of a series of strategies that run across the various areas of its business. These strategies are supported by robust financial, information and operating systems, as well as people and governance processes. The action plans and projects linked to these strategies are refined each year, ensuring that the group remains agile in its approach to achieving its desired outcomes.

OUR VISION:

to be the most valuable retailer in Africa

DESIRED STRATEGIC OUTCOMES

- Profitable market share
- Customer obsessed
- Diversified offering
- Scalable opportunities
- Operational excellence
- Top quartile returns

Achievement of the group's outcomes is supported by its six strategic pillars:

STAKEHOLDER ENGAGEMENT | PEOPLE | GROWTH AND INNOVATION | BRAND PROMISE | STRATEGIC ENABLEMENT | SUSTAINABILITY

Strategy and performance page 95

The group has an embedded enterprise risk management process that enables it to understand the risks and matters which are material to its business and have the potential to hinder progress in achieving its vision. This knowledge allows the group to invest strategically ensuring that it can operate in a manner that minimises those risks and supports its strategic progression.

RISK THEMES

Top 10 risks

1. Macro, socio-political, socio-economic and regulatory environment
2. Supply chain
3. Brand reputation
4. Competitive landscape
5. Talent attraction and retention
6. Information technology
7. Transformation
8. Leadership
9. Organisational culture
10. Strategy

Risk themes page 121

MATERIAL MATTERS

Material matters	Risk theme
Geopolitical tension	1, 2, 4, 10
Supply chain disruptions	1, 2, 4, 10
Challenging retail environment	1, 2, 4, 10
Competitor dynamics	1, 2, 4, 10
Technology risks	6
Talent retention and human capital risks	5, 7, 9, 10
Brand reputation risks	3

Material matters page 127

INPUTS: RESOURCES APPLIED AND KEY RELATIONSHIPS

Inputs include the human, intellectual, manufactured, financial, social and relationship, and natural capitals which the group uses in its business activities to create value for all its stakeholders.

H HUMAN CAPITAL

The skill and experience vested in the group's associates that enable it to deliver its products and services and implement its strategy, creating value for its stakeholders.

- > 33 000 associates
- R62.8m invested in learning & development
- R5.0bn in remuneration paid to associates
- Succession planning maturity to ensure resilient pipeline of talent
- Wellness initiatives supporting the wellbeing of associates, including an Executive Wellness Programme

I INTELLECTUAL CAPITAL

The intangibles that constitute the group's brand, product and service offering and provide its competitive advantage.

- Established brands and trademarks
- Organically developed and acquired new brands
- The Mr Price Way: Vision, purpose and values
- The Mr Price fashion-value formula
- 40 years of historical data available
- Implemented internal digital transformation

M MANUFACTURED CAPITAL

The stores, distribution network and broader infrastructure across Southern, East and West Africa support the efficient procurement, importation, distribution and sale of its products and services.

- 3 182 stores
- 1 285 031m² of gross space
- Online capabilities: e-commerce and digital marketing
- Trading in nine countries
- Four distribution centres and depots
- Reconfiguration of Gosforth distribution centre, enabling group expansion

F FINANCIAL CAPITAL

The group's pool of funds consists of cash generated from operations, interest income and funds reinvested.

- R6.0bn credit facilities unutilised
- Capital expenditure of R1.1bn
- Introduction of structural debt of R7bn
- Successful supplier working capital programme

S SOCIAL AND RELATIONSHIP CAPITAL

The key and long-term relationships that the group has cultivated with customers, suppliers, associates, shareholders, government and community.

- R32.1m donated by Mr Price Group to Mr Price Foundation
- R9.1m external donations to Mr Price Foundation
- 40-year track record with landlords and suppliers

N NATURAL CAPITAL

The resources that are used in the production of goods and the operation of stores.

- Carbon footprint reduction initiatives
- Climate change action plan and implementation framework developed
- Recycling programme in place at all head office sites and DCs
- Clothing donations to Taking Care of Business and Nation Changers
- Sustainable cotton initiatives
- Sustainable materials used in products

TRADE-OFFS Decision making is guided by the group's strategic pillars which allow it to focus on what matters most to its business. In doing so, the group can optimise the trade-offs between its capitals that arise as a consequence of its business activities. For detail on trade-offs made, refer to strategic execution on **page 105 onward**.

VALUE CREATION THROUGH AN INTEGRATED BUSINESS MODEL CONTINUED

OUR BUSINESS ACTIVITIES

The group's business activities are enabled by the collective actions of its people, systems, suppliers and logistics, which together support sustainable growth for the group and all stakeholders. The outcomes of the group's business activities include the internal and external consequences for its stakeholders and resources, acknowledging that these can be positive or negative, and collectively result in the value that the group creates over time.

PEOPLE

Strategic Pillars

Capitals

H I F S

- **Founding and guiding values: passion, value and partnership**
- **Energised organisational culture**
- **Partners who act as business owners**

At the core of the business are the group's highly passionate and committed people. The group's share schemes and incentive remuneration philosophy encourage them to act as owners and participate in the group's success.

VALUE PROPOSAL

Strategic Pillars

Capitals

H I F

- **Best price for quality and fashion offered**
- **Every Day Low Prices**
- **The way the group serves the business, stakeholders and each other**

The group predominantly retails differentiated private label assortments, supported by homegrown sub brands, as well as selected branded products that are dominant in the wanted fashion items of the season.

MARKETING

Strategic Pillars

Capitals

H M F S

- **Positional**
- **Promotional**
- **Aligned to brand personality**

Product presentation and visual support materials provide customers with a consistent and clear understanding of what our brands stand for.

ENGAGEMENT

Strategic Pillars

Capitals

H M F S

- **Dynamic and integrated**
- **Frequent and transparent**

The group prioritises transparent and frequent engagement with all stakeholders across various internal and external channels, driven by its value of Partnership.

SUPPLY CHAIN OPERATIONS

Strategic Pillars

Capitals

H I M F S N

- **Warehousing**
- **Distrubution centers**
- **Transportation**
- **Triangulated network**

The group's supply chain operations ensure products are shipped, distributed, and delivered efficiently to meet customer needs, including store stock replenishment and online order fulfillment. Continuous evaluation and innovation of technology and processes drive sustained operational efficiency.

SOURCING

Strategic Pillars

Capitals

I S N

- **Strategic supplier partnerships provide flexibility**
- **High volume sourcing**
- **Agile supply base**

The group builds strategic partnerships with key suppliers to enhance customer value and its competitive, sustainable value chain. Supplier engagement follows high professional and ethical standards, adhering to the group's code of conduct. Merchandise is sourced locally (South Africa and Africa) and internationally.

TECHNOLOGY

Strategic Pillars

Capitals

H I M F S N

- **Customer-centric solution design**
- **Critical enabler for all business processes**
- **Central to innovation and automation**

The group's systems provide agile and innovative solutions to enable the effective execution of omnichannel business processes and the delivery of strategic projects, to ultimately assist the group in achieving its strategic vision.

RETAIL OPERATIONS

Strategic Pillars

Capitals

H I M F S N

- **Store size and location**
- **Layout and design**
- **Omnichannel**

The group retails its apparel, homeware, sportswear, financial services and telecoms offerings through stores and online channels. Primarily based in South Africa, it also operates in eight other African markets. Store investments align with the group's value model, focused on enhancing customer experience. E-commerce platforms and mobile apps are key for customer engagement and continue to grow in importance.

MERCHANDISE PROCESSES

Strategic Pillars

Capitals

H I M F S N

- **Style, fashion and assortment**
- **Merchandise intensity and quality**
- **Ethical and sustainable**

The group's trend teams satisfy customers' fashion needs by researching international and local trends for inspiration. Merchandise teams identify key fashion and homeware trends, using test programmes to manage business risks.

VALUE CREATION THROUGH AN INTEGRATED BUSINESS MODEL CONTINUED

OUTCOMES

STAKEHOLDER VALUE CREATION

The group mindfully uses and trades off its capitals to sustain investment in its employees, supplier and landlord relationships, and operations to meet the wants and needs of its customers while entrenching strong corporate governance and actively managing its costs and investments. The outcomes of the group's investments support direct and indirect value creation for its stakeholders as indicated in the adjacent table.

			Shareholders	Customers	Associates	Suppliers	Landlords	Government & Community
H	**HUMAN CAPITAL**	• Top Employer 2026 • Organisational engagement score of 67% • Upskilled associates and increased pipeline of leaders • 99.7% of new hires were ACI appointments • 96.9% of promotions were ACI associates			✓			✓
		• Continuation of HiPo and succession planning programme • >180 learning and development offerings available for associates • 115 participated in the Executive Wellness programme						
I	**INTELLECTUAL CAPITAL**	• Mr Price Apparel leads the South African fashion-value matrix (Borderless Access) • #7 strongest brand in South Africa (Brand Finance) • Mr Price Apparel, Mr Price Home and Mr Price Sport have the highest brand equity in their segments (Borderless Access and Nielsen)	✓	✓		✓	✓	
		• Mr Price Apparel has 3.2m customers, highest in sector (MAPS) • >1.4m rewards members (Mr Price Money's 'One Card')						
M	**MANUFACTURED CAPITAL**	• 4.1% new weighted average space growth • 305m units sold • 196 new stores opened • >122m website and app visits • >3.0m Instagram followers	✓	✓	✓	✓	✓	
		• >9.5m Facebook followers • >354k X followers • >1.3m TikTok followers • Net Promoter Score (NPS): 73.6%						
F	**FINANCIAL CAPITAL**	• Revenue increase of 4.2% • Operating margin of 14.2% • Cash conversion ratio of 85.8% • Capex of R1.1bn invested	✓		✓	✓	✓	✓
		• ROE of 25.9% • Net Asset Value increased 6.5% • R2.4bn paid in dividends • GP margin of 41.2%						
S	**SOCIAL AND RELATIONSHIP CAPITAL**	• Listed on the FTSE4Good Index Series since 2020 • Rated lowest risk of all South African apparel retailers by Sustainalytics • 32 primary schools supported 14 983 learners and 404 educators impacted	✓			✓		✓
		• >130m units sourced from SA, totaling R5.6bn • 5 811 JumpStarters employed by the group • 97.6% of tier 1 and 2 factories mapped in value chain • R37.5m invested in small and medium black-owned suppliers						
N	**NATURAL CAPITAL**	• 85.9m plastic shopper bags removed from circulation • >77m of product units contain a sustainable material or cleaner production attribute • Renewable energy contributes 21.6% of energy usage at head office and DC	✓	✓	✓	✓	✓	✓
		• 91.9% of total measured waste from head office sites and DC is recycled • R23.7m worth of merchandise units donated to Taking Care of Business and Nation Changers						

OUTPUTS

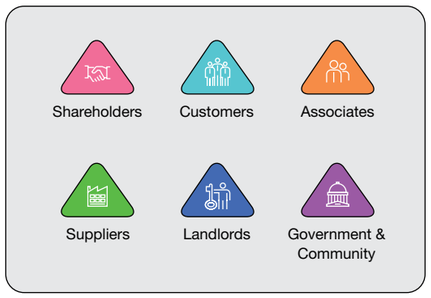
Throughout the reporting period, the group continued to deliver value to its customers through wanted products at Every Day Low Prices. The group actively sought to minimise waste (refer to the **Together We Do Good report**) throughout its business activities to ensure that it conscientiously reduced the impact on the communities and environment in which it operates.



STAKEHOLDER VALUE CREATION

OUR STAKEHOLDER UNIVERSE

Those stakeholders identified as key, play direct and indirect roles in the group's ability to create sustainable value. The identification of the group's five key stakeholder groups was informed by their level of influence on business operations, the group's impact on them, and the extent of partnership. Engagement with each stakeholder group is tailored and reflects the nature of the relationship, including the stakeholder's influence, interests, expectations and concerns.



OUR APPROACH TO STAKEHOLDER ENGAGEMENT

The group has a long-standing history of building and strengthening partnerships with its stakeholders. Since inception, the group's leadership and associates have been guided by one of its three founding values - partnership. For forty years, this value has informed the group's approach to engagement, grounded in the principle that success is shared with its partners.

The group's approach to stakeholder engagement was formalised with the launch of its new strategy in 2021, which introduced six strategic pillars to guide the group and its associates in the pursuit of sustainable value creation. Stakeholder engagement forms part of these strategic pillars and supports the protection of the group's reputation and the stewardship of its brand.

The group adopts an agile approach to stakeholder engagement, enabling it to respond to evolving stakeholder needs and expectations. This has become increasingly important in the retail sector in recent years, as external disruptions have required alternative and responsive engagement approaches. The ability to adapt to changing circumstances has ensured that engagement remains effective and efficient.

Central to the group's strategy is the integration of stakeholder engagement across all levels of its operations. This approach supports regular, structured engagement with stakeholders and ensures that stakeholder needs and concerns are considered and addressed appropriately. As a result, the group continues to strengthen its relationships with key stakeholders, reinforcing mutually beneficial partnerships over time.

> "**Passion, value and partnership** aren't just words to us, they're the heartbeat of how we work." - Associates

> "We highly value our partnership with the group. **Teams are professional**, and there is mutual respect which forms the foundation of our commercial partnership." - Landlords

> "Engagement quality and frequency have continued to improve over recent years. Their commitment to **transparent communication is valued** amongst the investor community." - Shareholders

> "The best way to describe our relationship is **'collaborative'**. Teams are open to regular engagement allowing us to problem-solve together which supports consistent delivery." - Suppliers

MEASUREMENT OF STAKEHOLDER RELATIONSHIPS

Guided by its vision to become the most valuable retailer in Africa, the group remains focused on both its own ability, and that of its stakeholders, to create value. Through its stakeholder engagement pillar, the group seeks to better understand the nature and extent of each stakeholder's contribution to value creation.

In line with its dynamic approach to engagement, the group regularly assesses the health of its relationships with stakeholders. These assessments inform the development of tailored engagement strategies, avoiding a blanketed approach and enabling the group to respond more effectively to the needs of different stakeholder groups.

Relationship health is measured throughout the year using a range of qualitative and quantitative methods, including annual engagement surveys, individual engagement sessions, marketing and social media analytics, brand health trackers and Net Promoter Scores. The insights generated are reviewed by management teams and support the ongoing refinement of strategies aligned to stakeholders' needs and expectations.

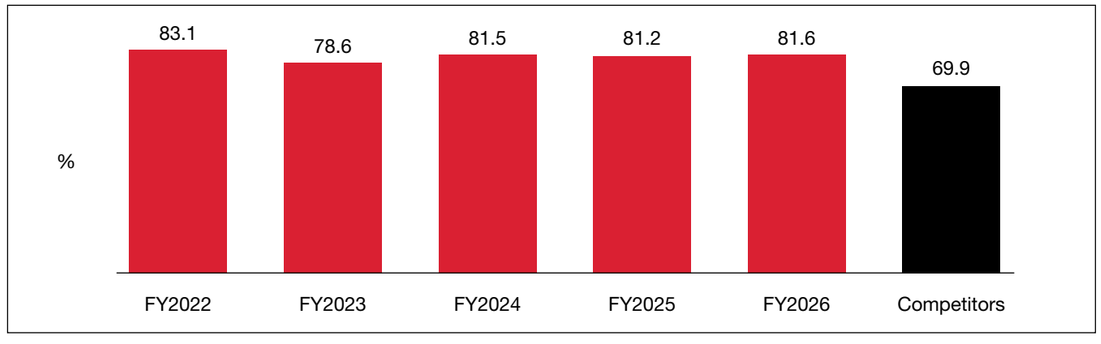
ASSESSING RELATIONSHIP HEALTH

Annual engagement surveys

The establishment of stakeholder engagement as a strategic pillar enabled the group to place increased focus on measuring the health of its relationships with key stakeholder groups. As part of this focus, the group introduced annual engagement surveys in 2022, which are consistently reviewed to ensure that the group remains connected to stakeholders' needs and expectations, while identifying aspects of engagement that continue to be effective.

The survey results are considered alongside insights from other engagement assessments and collectively inform the group's strategic approach to engagement for each stakeholder group. The annual engagement surveys encompass the group's investors, retail analysts, suppliers, landlords and associates. The group's engagement score for FY2026 was 81.6% and has remained above 80% since FY2024 reflecting consistently strong engagement quality. Detailed insights and scores for individual stakeholder groups can be found on **pages 75 - 88**.

Stakeholder engagement performance





PILLAR OBJECTIVES

Driven by the pillar's purpose to build value-creating relationships through best-in-class engagement, efforts are guided by the following objectives:

- **Execution:** Implement the group's annual stakeholder engagement strategy
- **Ongoing assessment:** Evaluate of stakeholder needs and refine existing plans to improve performance in areas that are prioritised and adopted
- **Annual evaluations:** Measure progress in meeting stakeholder needs and value creation
- **Leadership:** Recognised by stakeholders for having the best two-way communication in the industry

KEY FOCUS AREAS | FY2026

- **Continued strategic engagement:** Maintain active engagement across the stakeholder base to reinforce the group's vision and purpose, supporting open, transparent and collaborative relationships
- **Clear and timely communication:** Provide stakeholders with regular updates on business activity and trading performance, supporting informed understanding and dialogue
- **Deepened connectivity:** Strengthen access to the group's leadership through enhanced engagement between senior management and key stakeholders, improving connection to the group's core
- **Delivery of priority engagements:** Successfully execute key annual engagements, including the Annual Landlord Day and Sectoral Supplier Days
- **Targeted investor engagement:** Conduct investor roadshows, capital markets engagements and focused sessions following performance updates
- **Insights-led improvement:** Analyse feedback from stakeholder engagement surveys, including associates, suppliers, landlords and investors, to identify areas for improvement and reinforce ongoing activities that create shared value

FUTURE FOCUS AREAS

- **Continued delivery of the engagement strategy:** Advance the execution of the group's stakeholder engagement strategy through targeted, fit-for-purpose interactions across all key stakeholder groups
- **Progress tracking and responsiveness:** Monitor and address areas identified for improvement in prior-year engagements, ensuring sustained progress across the stakeholder universe
- **Ongoing enhancement of engagement practices:** Continue to improve the quality and effectiveness of engagement by using stronger insights, research and approaches to strengthen stakeholder relationships

AWARDS

Recognised by Extel within the top 5 amongst mid-cap companies in Emerging EMEA for:

- Best Corporate in Investor Relations
- Best Team in Investor Relations

Recognised by the Investor Relations Society of South Africa in partnership with Extel amongst South African mid-cap companies for:

- Best Corporate in Investor Relations
- Best Investor Relations Officer
- Ranked within the top six JSE-listed companies for Best Financial Disclosure

SHAREHOLDERS

VALUE CREATION: sustainable and quality earnings growth and capital returns

Despite initial positive sentiment from international investors, the group's shareholding remained weighted towards local institutions during the period. Global market volatility, and shifts in investor risk appetite amid heightened macroeconomic uncertainty, supported increased foreign interest in the first half of the year, with the group viewed as a sector top pick and recording net foreign inflows. As market conditions became increasingly volatile later in the period, these inflows moderated. However, the split between foreign and local shareholding remained stable and broadly in line with historical levels.

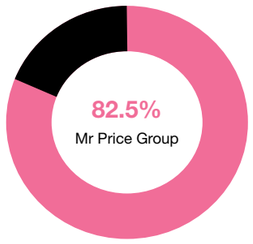
74.1% local shareholding

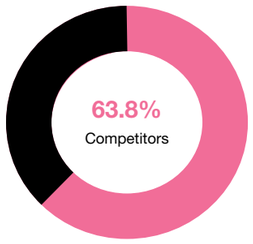
25.9% international shareholding

RELATIONSHIP QUALITY

Relationship quality with the investment community is assessed through annual engagement surveys, supplemented by the independent Extel survey. The combined insights from these assessments inform the group's shareholder engagement strategy and support continuous improvement in how shareholder needs and expectations are addressed.

Engagement performance
The group reported significant improvement in its engagement score for FY2026, congruent with the external awards received (Investor Relations Society of South Africa and Extel).







ENGAGEMENT STRATEGY

The group's shareholder engagement strategy focuses on strengthening relationships with financial market stakeholders through informed dialogue, constructive collaboration, and responsiveness to evolving needs and expectations. Central to this approach is maintaining clear, consistent and accessible communication with investors and analysts, supporting informed decision-making and reinforcing confidence in the group's strategy, performance and governance.
The group addressed shareholder needs and expectations through the following engagement priorities:

- Transparency and quality of disclosure
  - Timely and transparent communication of the group's performance, investments and strategic priorities
  - Continued enhancement of financial and ESG disclosures, including improved detail of material risks and outlook considerations
- Consistent and frequent engagement
  - Ongoing engagement with investors and analysts through meetings and conference calls
  - 224 investor and analyst engagements conducted during the year
  - Active participation in conferences and roadshows
  - Access to leadership and targeted engagement
  - Improved access to senior management to support deeper engagement on strategy, performance and capital allocation
- Targeted engagements, including:W
  - Pre-AGM discussions on proposed resolutions
  - Focused individual investor and analyst sessions
  - Investor engagements relating to the acquisition of NKD, including dedicated investor presentations
- Accessibility of information
  - Ongoing access to the group's information through email, calls and a dedicated investor relations **webpage**

ACQUISITION OF NKD GROUP GMBH

In December 2025, the group announced its intention to acquire the NKD Group GmbH, aligned with the signing of binding transaction terms and in compliance with JSE disclosure requirements. The announcement resulted in mixed market reactions, reflecting investor sensitivity to international expansion and the limited financial information available. Shareholder concerns were raised through direct correspondence, and members of executive management, together with the Chair of the board, engaged with shareholders to provide context and address queries.

Following the fulfilment of all regulatory conditions and confirmation of the closing of the transaction on 31 March 2026, the group hosted an investor presentation to provide greater insight into the strategic rationale and growth prospects of NKD. The group will continue to engage proactively with shareholders and analysts and remains committed to transparent and timely disclosure as further information is made available in the upcoming reporting cycle.


Management during Q&A at the investor presentation held in March 2026. From left to right: Nigel Payne (Board Chair - MRPG), Alexander Schmökel (CEO - NKD), Nils Bolender (CFO - NKD), Praneel Nundkumar (CFO - MRPG), Mark Blair (CEO - MRPG)

KEY MATTERS AND RESPONSES

GRADUALLY IMPROVING MACROECONOMIC AND CONSUMER ENVIRONMENT

Brand Promise
Growth and Innovation

KEY MATTER:

Improving conditions did not translate into a meaningful uplift in discretionary retail spend, with sector performance falling short of expectations as consumers continued to recover from prolonged pressure and discretionary spend shifted to alternative categories

GROUP RESPONSE:

- Continued execution of the group's differentiated fashion value and Every Day Low Price models, with a strong focus on delivering value across its five pillars: price, quality, fashion, customer experience and convenience
- Disciplined execution of the group's strategy, focused on delivering defined strategic outcomes despite a constrained consumer environment (refer to **pages 95 - 116**)

INCREASINGLY COMPETITIVE LANDSCAPE

Brand Promise
Growth and Innovation

KEY MATTER:

The local retail landscape remained highly competitive, driven by the entrenched presence of international e-commerce players, elevated stock commitments that drove discounting across the sector, and aggressive space expansion by local competitors

GROUP RESPONSE:

- Diverse portfolio of brands ensured that offerings covered a broad range of customers, meeting their fashion wants and fulfilling their everyday needs
- Sustained and grew brand affinity through focused divisional marketing campaigns, engaging customers and driving their return to stores and online platforms
- Execution of the group's Every Day Low Price model delivered merchandise at competitive prices
- Continued expansion of group store footprint focused on quality space growth

DRIVERS OF GROWTH

Brand Promise
Growth and Innovation
Strategic Enablement

KEY MATTER:	GROUP RESPONSE:
Performance of new divisions and organic concepts	**New divisions** • Collectively, Power Fashion, Yuppiechef and Studio 88 added more than R1bn in operating profit **Organic concepts** • Mr Price Cellular continued to perform strongly, with 5 years of consecutive market share gains • Mr Price Kids profitable expansion continued, now with 40 standalone stores
Comparable store sales growth strategies	• Strong execution of merchandise processes supported by in-house trend departments ensured the needs and wants of customers were met • Increased focus on over-indexed categories to drive further growth in sales • Divisional marketing campaigns focused on strengthening brand affinity and driving repeat shopping behaviour
Growing customer demand for credit and group appetite for growth	• Group continued to exercise its strict credit granting criteria, ensuring credit expansion was done in a disciplined manner • Credit approval rate increased to 21.9% • Appetite to grow credit remained within the group's risk framework
Quality space growth and outlook for further expansion	• 196 new stores • New weighted average space growth of 4.1% • Focused hunting lists ensuring that store locations are tailored to the preferences of customers per retail chain

REMUNERATION POLICY AND IMPLEMENTATION

People

KEY MATTER:

Gaining consistent support for the group's remuneration policy and implementation

GROUP RESPONSE:

- Engaged the group's top 25 shareholders (representing >50% of its shareholding) ahead of its AGM, focused on understanding concerns and providing clarity on resolutions
- The group achieved voting support of 79% and 78% for its remuneration policy and implementation, with the latter having gained significant support (FY2024 voting support was 58%)

See **pages 191 - 192** of the **Remuneration report** for further details

THE BOARD

Sustainability
People

KEY MATTER:

Composition, independence, tenure and skills

GROUP RESPONSE:

- Conducted board and committee evaluations and director independence assessments to ensure the board remains fit-for-purpose and appropriately independent
- Increased focus on board succession planning to support long-term continuity and strengthen board skills
- Over the past nine years, an average of two NED changes per year have helped maintain board independence, appropriate tenure and a strong mix of skills

ACQUISITION OF NKD GROUP GMBH

Strategic Enablement

KEY MATTER:

Shareholder concerns related to limited financial disclosure, NKD's historical performance, the management of a foreign operation, previous failed international expansions by local retailers, and transaction valuation

GROUP RESPONSE:

- Hosted an investor presentation in December 2025 and March 2026 to provide the investor and analyst community with additional insight into the merits of the transaction and NKD's five-year growth projections
- Rigorous one-on-one engagement with shareholders as requested, following the acquisition announcement

Refer to **page 76** and the **investor presentation** available on the group's website for further detail



CUSTOMERS

VALUE CREATION: committed to providing everyday low prices and exceptional value to customers through differentiated fashion-value merchandise

Mr Price Apparel continues to **lead the fashion-value matrix**

7th strongest brand amongst South Africa's top 100 brands

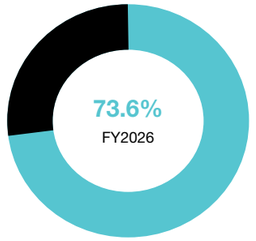
Mr Price Apparel, Mr Price Home and Mr Price Sport have the **highest brand equity** in their sectors

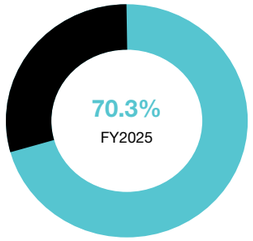
RELATIONSHIP QUALITY

The group's trading divisions monitor relationship quality and brand strength through a combination of quantitative and qualitative measures. These include social media reach and engagement, website and app traffic, Net Promoter Score (NPS), and Brand Health Tracker results. Collectively, these metrics provide insight into how effectively each division engages with customers and enable the identification of emerging customer needs, preferences and areas of concern.



Engagement performance: Net promoter score





- Social media following:
  - Instagram: >3.0m
  - Facebook: >9.5m
  - X: >354k
  - TikTok: >1.3k
- Website and app visits across the business: >122m
- Divisional brand equity scores through independent Brand Health Trackers

ENGAGEMENT STRATEGY

- Gathering customer insights through a combination of traditional channels and digital engagement, including social media interaction, live chat functionality on e-commerce platforms, customer surveys and call centre feedback
- Promoting products and services through advertising and marketing initiatives, including campaigns, competitions, loyalty club communications, and store account messaging

KEY MATTERS AND RESPONSES

SHIFT IN CONSUMER WALLET SPEND

Brand Promise

KEY MATTER:

Concerning increase in the divergence of consumer discretionary spend to online gambling platforms

GROUP RESPONSE:

- Merchandise teams continued to focus on delivery, ensuring that the group is well-positioned to capture its share of remaining discretionary spend

GROWING CREDIT DEMAND

Brand Promise

KEY MATTER:

To supplement constrained disposable income, consumers continued to seek credit

GROUP RESPONSE:

- Continued application of the group's strict credit granting criteria, ensured that credit was granted in a responsible manner for both the group and its customers
- Credit approvals increased to 21.9%
- Delivery of merchandise at prices that catered to the group's customers' income ranges

PREFERENCE FOR IN-STORE SHOPPING

Brand Promise

KEY MATTER:

Customers continue to prefer in-store shopping, with 97.9% of sales through bricks

GROUP RESPONSE:

Omnichannel investments continue to be informed by customer shopping preferences:

- Online channels play a key role in driving engagement and directing customers to stores
- Store footprint increased by 196 new stores
- Ongoing store revamps and click-and-collect offerings supported preferred in-store shopping behaviours



ASSOCIATES

VALUE CREATION: share in the success of the business through market-related compensation and benefits, training, development and wellness programmes, long-term career growth opportunities, regular engagement with management on performance and areas of improvement, vibrant and positive work environment

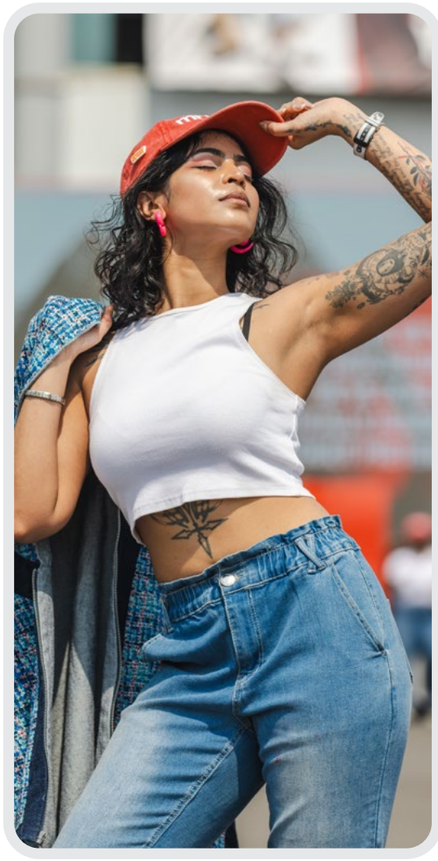
>33 000
associates employed

Certified as a **Top Employer 2026** by the Top Employers Institute

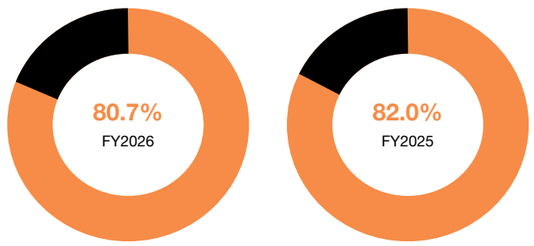
top EMPLOYER South Africa 2026 FOR A BETTER WORLD OF WORK

RELATIONSHIP QUALITY

The group assesses associate satisfaction and engagement through annual engagement surveys, supplemented by insights from the Top Employer certification process. These inputs inform targeted improvements across the business and provide a consistent view of associate sentiment. During the year, organisational engagement (67%) and engagement linked to strategy and performance (80.7%) remained at healthy levels.



Engagement performance



ENGAGEMENT STRATEGY

- Equipping new associates with a clear understanding of the group's culture and values through structured induction programmes
- Maintaining regular, open dialogue between associates and management, with a focus on performance feedback, development conversations and career progression, further supported by introduction of Team Connect and focused KPIs' sessions
- Investing in training and development initiatives to support continuous upskilling and capability building
- Promoting associate wellbeing through wellness programmes and events that encourage a balanced and healthy work experience
- Strengthening internal connectivity through an enhanced internal communications function and the use of relevant digital platforms
- Reinforcing engagement through annual events, surveys and incentive programmes

KEY MATTERS AND RESPONSES

REMUNERATION AND REWARD

People

KEY MATTER:

Aligning remuneration philosophy with implementation

GROUP RESPONSE:

- Fair, competitive and responsible reward and benefits aligned to market benchmarks, with flexibility and choice for associates
- Structured fair pay assessment initiated in FY2026 to guide the development of a formal fair pay philosophy and roadmap, strengthening equitable and transparent remuneration over time

For further detail see pages 181 - 226 of the Remuneration report

SUCCESSION PLANNING

People

KEY MATTER:

Investing in future leadership

GROUP RESPONSE:

- Group-wide succession planning mandate implemented across the business, ensuring leaders identify and actively develop future talent
- Several group initiatives support senior and middle management in strengthening its succession pipeline

For further detail see the Together We Do Good report

ASSOCIATE WELLNESS

People

KEY MATTER:

Supporting associate wellbeing through structured frameworks and services remained a priority, recognising its role in sustaining engagement, performance and a positive workplace culture

GROUP RESPONSE:

- Dedicated wellness team responsible for coordinating wellbeing initiatives across multiple functional areas, supporting the holistic needs of associates
- Ongoing communication of wellness programmes and services to ensure associates are aware of and able to access available support
- Executive Wellbeing Programme introduced with 115 participants

TRANSFORMATION

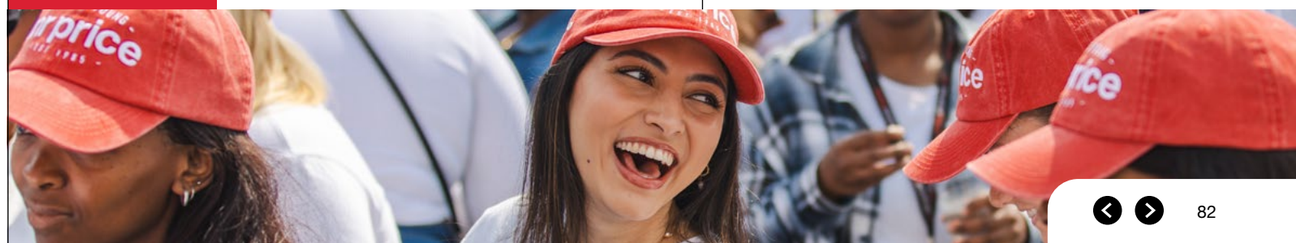
People

KEY MATTER:

Being a diverse, equitable, and inclusive retailer in Africa, where all partners belong

GROUP RESPONSE:

- Five-year Employment Equity Plan (2025 -2030), aligned to national sector targets, was approved and implemented across all trading divisions and Centres of Excellence to drive consistent transformation targets, accountability and execution
- Delivery is supported by strong governance, including an Employment Equity Plan Exception Request Policy that enables objective, compliant and defensible appointment decisions through an Exceptions Committee



SUPPLIERS

VALUE CREATION: partner with suppliers to build quality and sustainable win-win commercial relationships

>1 000
active suppliers

Procurement
56.6% Local*
43.4% International

>130m
units procured in South Africa

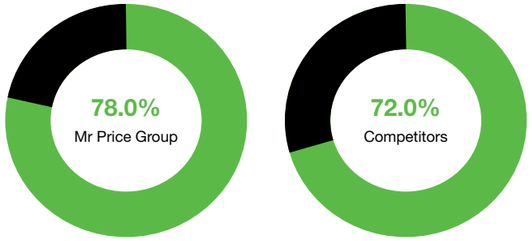
*South Africa and Rest of Africa

RELATIONSHIP QUALITY

The group assesses supplier partnerships through annual engagement surveys and supplier grading, which inform the identification of improvement opportunities and support ongoing partnership development.



Engagement performance



ENGAGEMENT STRATEGY

- Strengthening of supplier partnerships through ongoing supplier development initiatives, including:
  - Supplier grading and performance metrics
  - Targeted workshops and focus groups, regular meetings
  - Factory visits and audits
  - Group participation in relevant industry bodies
- Shared value creation is supported by improving connectivity to and understanding of the group's vision, strategy and business performance through:
  - Sectoral negotiation weeks that support engagement at a group-level and pricing sufficiencies
  - The sharing of quarterly digital business updates increasing proximity to business performance

KEY MATTERS AND RESPONSES

SUPPLY CHAIN AGILITY

Brand Promise
Strategic Enablement

KEY MATTER:

Varying consumer demand necessitating trade agility

GROUP RESPONSE:

- Ongoing weekly analysis supported the flexible and efficient adjustment of merchandise volumes in response to changing trends and customer demand

SUPPLIER PERFORMANCE GRADING

Sustainability

KEY MATTER:

Supplier metrics (on-time and in-full delivery) continued to improve, delivering mutual commercial benefits for both the group and its suppliers

GROUP RESPONSE:

- On time and in full (OTIF) delivery remains the primary performance measure for suppliers, group wide OTIF performance improved to 87.9% in FY2026

SOCIAL COMPLIANCE AND FACTORY VISIBILITY

Sustainability

KEY MATTER:

Continued monitoring of salient supply chain issues, including and not limited to: factory visibility, health and safety, worker conditions and working hours

GROUP RESPONSE:

- Factories visible: 97.6%
- Factories audited: 92.7%
- The group does not source from the factories located in Xinjiang Uygur Autonomous Region

For further detail see the **Together We Do Good report**



LANDLORDS

VALUE CREATION: partner with landlords to build quality and sustainable win-win commercial relationships

3 182
group owned stores

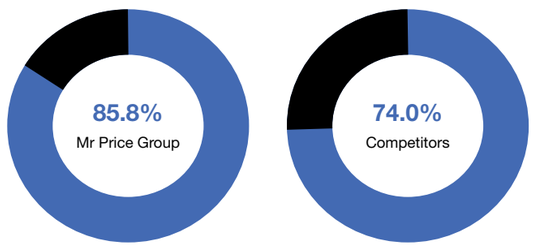
196
new stores

RELATIONSHIP QUALITY

Landlord partnerships are assessed through annual surveys and performance metrics, guiding the evolution and effectiveness of the group's engagement strategy. Commercial partnerships are measured through rental escalations and reversions.



Engagement performance



ENGAGEMENT STRATEGY

- Daily operational engagement maintained through dedicated real estate team
- Landlords are engaged at group-level supporting scale efficiencies
- Connection of landlord partners with the group's vision, strategic progress and business updates through:
  - Group annual landlords' day hosted with executive and senior management teams
  - Digital business updates shared quarterly ensuring proximity to group performance

KEY MATTERS AND RESPONSES

GROWING DEMAND FOR QUALITY SPACE

Growth and Innovation

KEY MATTER:

Aggressive retail space growth strategies have intensified competition for quality store locations and sizing

GROUP RESPONSE:

- Guided by focused divisional hunting lists, the group continued to expand its footprint, with new weighted average space growth of 4.1%
- Continued focus on quality versus aggressive expansion, with store locations remaining uncompromised in an increasingly competitive sector

STORE PROFITABILITY

Growth and Innovation

KEY MATTER:

Disciplined footprint expansion, focused on sustaining store returns

GROUP RESPONSE:

- Threshold for new space growth remains at higher level
- Group new store ROOA well in excess of WACC

COMMERCIAL OUTCOMES

Stakeholder Engagement

KEY MATTER:

Competitive and market-related commercial contracts

GROUP RESPONSE:

- The group leverages its scale and ability to attract high footfall during commercial engagements



GOVERNMENT AND COMMUNITY

VALUE CREATION: group activities are aligned to positively contribute to the achievement of the sustainable development goals, national priorities, the retail-ctfl master plan 2030, reduced environmental impact, commitment to transformation and job creation, and fulfilment of legislative requirements

Supporting local procurement
as a founding signatory of the Retail-CTFL Master Plan 2030

FTSE4GOOD retained inclusion
since 2020

R32.1m
donated to Mr Price Foundation

ENGAGEMENT STRATEGY

- Engagement with industry bodies and government through focused task teams
- Paying member of various organisations
- Donor to multiple non-profit bodies
- Partnerships and programmes implemented by Mr Price Foundation that focus on youth, social and skills development

mr price foundation

WEBSITE >



KEY MATTERS AND RESPONSES

YOUTH UNEMPLOYMENT AND SKILLS DEVELOPMENT

Sustainability

KEY MATTER:

High levels of unemployment remain a defining structural issue in South Africa, with implications for economic growth and poverty reduction

GROUP RESPONSE:

- The group's annual donation to the Foundation increased to R32.1m, supporting the JumpStart programme, which develops local manufacturing and retail capabilities and helps South African youth access formal employment

SUPPORTING LOCAL PROCUREMENT

Sustainability

KEY MATTER:

The group has a long-standing commitment to supporting and growing local procurement capabilities

GROUP RESPONSE:

- As a founding signatory of the Retail-CTFL Master Plan 2030, the group remains focused on growing local procurement and strengthening South Africa's retail sector
- Over 130m units were sourced from South Africa in FY2026, equating to more than R5.6bn spent
- Efforts remain focused on building local capabilities to support the use of sustainable materials

SUPPORTING THE SOUTH AFRICAN RETAIL SECTOR

Sustainability

KEY MATTER:

As a key contributor to economic growth and employment in South Africa, the retail sector's health remains important, and the group continues to play its part in supporting it

GROUP RESPONSE:

- The group's CEO is an active member of the NCRF which represents the interests of clothing retailers in South Africa and focuses on and addresses matters that impact the sustainability of retailers and suppliers, ensuring that retailers can provide value products to its consumers





CHAPTER 04

HOW WE PERFORMED

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CEO'S REPORT



We are entering the new year with much anticipation, despite the geopolitical disruption and we have our sights firmly set on the long-term, while ensuring we deliver in the short-term. We now have over 40 000 associates working with passion and commitment to bring our customers the value they both want and deserve.

Mark Blair - Chief Executive Officer

Dear Stakeholders,

I am proud of the efforts of all our associates, and appreciative of the input and guidance of the group's Executive Committee (Exco) and board of directors. A focused team effort has once again ensured that we continued to deliver consistent performance in what has been a constantly challenging consumer environment. This is evidenced by our performance relative to our peer group over the last few years. Normalised diluted HEPS growth for the 2026 financial year, which excludes the costs associated with acquiring NKD, was up 8.0%.

Operating agility and discipline are required to deliver these results. Our approach of targeting profitable market share growth, rather than sales growth at all costs, has once again been achieved, as evidenced by a 70bps uplift in the group's gross profit margin. Importantly, although management engaged in assessing various growth opportunities locally and offshore, which led to the acquisition of European value retailer NKD, we did so while ensuring minimal distraction. A performing local business is still the primary focus of our long-term performance, and over time this has positioned the group with a strong balance sheet to fund further growth.

For most of the financial year, the economic environment in South Africa was looking more positive, with several indicators moving in the right direction. The prime interest rate decreased by 150bps since its peak in 2024, and consumer price inflation declined from 7.0% in 2022 to 3.0% at financial year end. The USD/ZAR exchange rate also improved from slightly over R18 to just under R17 in the year. Although positive, these improvements had not yet found their way into consumer spending on discretionary products, with consumers prioritising debt management, housing and utility costs and a growing distraction by online betting.

Unfortunately, the US-Iran conflict brought an abrupt end to this positive economic trajectory. This led to significant increases in the cost of fuel, inflation increased by 1% in April 2026 and the South African Reserve Bank increased the interest rate by 25bps in May 2026. Other than increased outbound transport costs, to date the group has been largely unaffected, however the same cannot be said for consumers. The expected continued rise in fuel costs and inflation, coupled with further interest rate hikes, will place increased pressure on consumers. Accordingly, we have adopted a more cautious sales outlook in the FY2027 budget, reflecting the anticipated impact on discretionary spend. If the conflict is short-lived, the economic damage globally can be contained, and consumers will receive much needed relief. As we have proved before, our operational agility will enable us to increase inventory inputs to capitalise on any economic and consumer improvement.

Ongoing progress is being made to improve the performance of South Africa's main port. The 25-year concession for the Durban Container Terminal Pier 2 was finalised, unlocking over R11bn in private sector investment which is planned to lead to a 40% increase in capacity. Although early days, there has also been progress in rail reform and privatisation has continued. Several private operators are planned to run trains from 2027 and technical groundwork for corporatising the National Ports Authority and establishing the Transport Economic Regulator was completed. These are significant steps to address the dominant state-owned monopolies and limited competitive pricing in key logistics infrastructure, and to transition to a more competitive, efficient and investment-ready logistics system.



NKD Group GmbH

The acquisition of NKD, a German-headquartered value retailer operating in seven Central and Eastern European countries via 2 178 stores and an e-commerce channel, was a pivotal moment for our group. We are pleased to have officially welcomed NKD to the group shortly after year end on 31 March 2026. I am excited about the potential of this business, which is led by an experienced and capable management team who share a common culture. I am also confident that it will be an excellent long-term growth vehicle for the group in the territories it presently serves, and beyond. Importantly, NKD can support its own organic growth due the net cash position on effective date, and the high cash generation of the business. Clear areas of focus have been identified with the NKD management team who are committed to achieving the guided performance targets communicated at the investor's presentation on 17 March 2026. Potential synergies between the two companies have been identified, and execution will be carefully prioritised and controlled.

Evolving our Southern African business

Expanding offshore no doubt results in increased complexity. We are managing this very carefully to eliminate distraction. Our South African based Exco (except for the executive directors and the group strategy director) and management teams do not have managerial responsibilities or oversight of our European business, and will remain completely focused on our existing operations, where we have established and scalable infrastructure.

Many initiatives are under consideration to ensure we have the most efficient and effective organisation to support a value business. This will entail a comprehensive review of our internal ways of working, an accelerated adoption of modern technologies, and a deeper understanding of the customer to inform retail strategies. The group's logistics capability project, aimed at ensuring other divisions (Studio 88, Power Fashion and Yuppiechef) can integrate into the group's logistics network (regardless of their ERP or warehouse management system), was deployed in January 2026. Our new distribution facility in Gosforth Park, Gauteng, is scheduled to be completed in March 2027, with a soft launch in September 2026.

We have established a strong track record of financial performance, including metrics, but we must not lose sight that it took us 40 years to get to this position. We will bring this expertise to NKD as its journey under new retail ownership begins. Our strategic planning process in FY2027 will focus on the opportunities above and will result in revised group metric targets which will incorporate NKD.

Value retail is well-positioned in both markets

Value retail is anticipated to demonstrate resilience as consumers navigate a potentially prolonged period of financial pressure. As a group, we are confident that our 16 trading chains are well-positioned to provide customers with excellent value. Our differentiated fashion-value merchandise has ensured that we remain the most shopped apparel retailer in South Africa (MAPS) and the most loved homeware retailer (Nielsen). Our brand strength, associated with excellent value, was ranked 7th amongst South Africa's Top 100 Brands (Brand Finance). These accolades become even more important during times when consumers are forced to seek increased value for their spend.

Capital expenditure for operations in Southern Africa for FY2027 is forecast to be R1.1bn, with approximately 180 new stores being planned and a sustained investment into store revamps, supply chain, and technology. NKD capex in Europe is estimated at €24m, with approximately 150 new stores being added.

Looking ahead with confidence

The opportunities in the two territories are significant, and delivery will be critical. Success should not only be defined by earnings growth, but also by share price recovery as investors get more familiar with the new Mr Price Group. Although we previously stated that we did have interest in one further market for expansion, this will not be a focus area for the foreseeable future until we have achieved our existing objectives.

In the new financial year, we will bring our shareholding of the Studio 88 Group to 100% by acquiring the remaining 15%. This has been not only our largest acquisition locally, but has been tremendously successful, with the division once again making a strong contribution to our FY2026 results. I am extremely grateful for the manner in which Studio 88 management have partnered with us and I look forward to this continuing.

We are entering the new year with much anticipation despite the US-Iran disruption, and we have our sights firmly set on the long-term, while ensuring we deliver in the short-term. We now have over 40 000 associates working with passion and commitment to bring our customers the value they both want and deserve.



Mark Blair
Chief Executive Officer



STRATEGY AND PERFORMANCE

INTRODUCTION

For the past five years, the group has focused on executing against its vision of becoming Africa's most valuable retailer. During this time, it adopted an iterative strategic process rooted in research and analysis. Through this process, the group combines long-term planning with disciplined short-term execution and performance management, calibrating for over and underperformance and adapting to the continuously changing macro and competitor environment.



- Group strategy - ensure we do the right things to deliver growth
- Divisional strategy - ensure we are doing things to deliver growth
- Continuous monitoring and calibration
- Exploring new areas of growth
- Business case development and benefits realisation
- Research and data insights

As previously disclosed, in 2020, the group took a strategic pause to reassess its long-term vision and direction. Following in-depth research and analysis, management formalised a new strategy which was subsequently communicated to all stakeholders in 2021. Key to the first phase of strategic execution was accelerating growth in the business by expanding into new customer or merchandise categories, protecting and growing market share in core businesses, investing in critical backbone infrastructure like technology, supply chain and people, and growing our Centres of Excellence to ensure a resilient future-ready organisation.

In executing its strategy, the group acquired Power Fashion, Yuppiechef and the Studio 88 Group of companies. It also invested in further expanding Mr Price Kids and Mr Price Cellular as new organic concepts identified to grow the group's market share in previously under-represented merchandise categories.

In the 2026 financial year, the group's locally acquired businesses delivered revenue of R12.4bn, operating profit of R1.4bn and opened 116 stores.

At the group's capital markets event in 2024, it indicated that research and analysis were well progressed in identifying the next phase of growth opportunities for the group. Part of this project included assessing potential new geographies.

During this time, the group reassessed and where necessary, updated its:

1. **Expansion and Investment Framework** - identified and evaluated geographies with strong long-term investment potential. The group assessed macroeconomic indicators, consumer demand trends, competition intensity, competitor positioning and strategies, regulatory environments, retail infrastructure and market accessibility among other factors
2. **Investment Principles and Market Prioritisation Framework** - a structured framework and set of investment principles was developed to filter various opportunities and to prioritise markets
3. **Key learnings from international expansions** - conducted comprehensive research and review of international expansion efforts previously undertaken by the group, competitors and other South African companies to inform go-to market strategy, risk mitigation strategies and other key learnings from successes and failures in international expansion
4. **Evaluation of organic vs acquisitive growth** - assessed previously developed filters for evaluating opportunities for organic market entry versus entry via acquisition to reflect learnings from international expansion efforts and support long-term value creation through the group's growth strategy



KEY FOCUS AREAS | FY2026

- Continued execution against the group's strategic framework (see **next page**)
- Increased focus on ensuring that the necessary foundations are in place to support the next growth phase, building on the significant progress achieved between 2020 and 2024
- Research efforts continued to focus on identified differentiated merchandise and customer categories, and markets where the group currently holds limited market share, but where opportunities are scalable and metrics are attractive
- Evaluated several organic and acquisition opportunities:
  - Completed due diligence and signed agreements to acquire European value retailer NKD
- Reviewed and where necessary adapted divisional strategies with new management teams
- Ongoing focus on ensuring delivery of acquired businesses' investment cases
- Continued investment in stores and key strategic enablers - people, technology and distribution capacity



GROUP STRATEGY FRAMEWORK

The group's strategy continues to be built on and aligned to its six strategic pillars that guide decision making and long-term value creation. These pillars are stakeholder engagement, people, growth and innovation, brand promise, strategic enablement, and sustainability. The pillars support the group's strategic focus areas, which define how the strategy is executed. These focus areas include profitable market share gains, customer obsession, diversified offerings, pursuing scalable opportunities, and ensuring operational excellence - all while delivering top quartile returns.

VISION:
to be the most valuable retailer in Africa

FRONTLINE
Surprise and delight our customers

STRATEGIC OUTCOMES

01	**Profitable market share** • Growing comparable sales • Space growth • Category extensions	02	**Customer obsessed** • Leading brand equity • Customer engagement • Data insights
03	**Diversified offering** • Omnichannel • Differentiated fashion • Value positioning	04	**Scalable opportunities** • New growth vehicles • Delivery of investment cases
05	**Operational excellence** • Digital & tech modernisation • Supply chain • Efficiencies & leverage	06	**Top quartile returns** • Disciplined capital allocation framework • Sector leading metrics

ENABLERS
People | Operations | Sustainability

SUPPORTED BY SIX STRATEGIC PILLARS

Stakeholder Engagement | People | Growth and Innovation | Brand Promise | Strategic Enablement | Sustainability

SEE PAGES 101 - 103

CAPITAL ALLOCATION FRAMEWORK

Over the past five years, the group has enhanced its strategic planning processes and established a filtering process to analyse and approve capital allocated to new opportunities (including store investments) while ensuring that capital is allocated at appropriate pace and level to deliver its strategic enablement plans. These processes are actioned within the group's capital allocation framework and governed by clearly defined capital return thresholds.

The capital allocation model considers cash generated and capital available from external funding sources over a minimum of five years. All investment decisions are thoroughly analysed to ensure capital is directed toward a balanced portfolio of high-return growth vehicles and capacity-building investments, including strategic enablement.

Growth-related capital allocations are further guided by the group's core investment principles, which include a disciplined approach to risk, specifically avoiding simultaneous exposure to multiple dilutionary investments.

APPROACH

- Long-term investment horizon focusing on the most attractive opportunities
- Improving returns profile potential and scalability remain key
- Revenue and earnings growth are central to the group's strategy, informing investment decisions
- Stable dividend payout ratio of 63%
- Research to inform capital allocation into new growth vehicles:
  - Acquisitions -
    - Level and path to earnings accretion
    - Long-term metric profile
    - Access to new customer or merchandise segments
    - Access to skills not currently housed in the group
    - Growth potential and stage of growth are key considerations
    - Investment requirements to scale
  - Organic growth -
    - Leverage internal skills and build brand halos
    - Size of opportunity and time to scale are key considerations
    - Path to profitability and associated investment for appropriate returns



STAKEHOLDER ENGAGEMENT

Capitals: H, I, M, F, S, N

Stakeholders:

Objective:

Stakeholder relationships are based on the true spirit of partnership and the group is ranked as the leading retailer in 'engagement and delivery'

Performance rating:

FY2026 activities and progress:

- Continued execution of stakeholder engagement strategy with focus on:
  - Transparent and collaborative strategic communication, enhanced communication of group performance and tailored engagements with key stakeholder groups
  - Shareholder engagement post the announcement of the NKD acquisition, including an investor day in March 2026
  - Ongoing analysis of stakeholder relationship health with emphasis on identifying areas of improvement
- Group engagement score of 81.6% (FY2025: 81.2%), reflecting the continued effectiveness of the stakeholder engagement strategy
- Recognition by the Investor Relations Society of South Africa in partnership with Extel among South African mid-cap companies for the best Corporate Investor Relations and leading Investor Relations Officer (#1 ranking in both)

For further detail, see **Stakeholder Value Creation** on **pages 71 - 88**

PEOPLE

Capitals: H, I, F, S

Stakeholders:

Objective:

The group's energised environment and unique culture drive performance and position the group as the most sought-after retail employer

Performance rating:

FY2026 activities and progress:

- Top Employer status maintained
- Annual engagement score of 67.4% (FY2025: 70.1%)
- Progressed against group employment equity targets:
  - Top management: 17%
  - Senior management: 40%
  - Professionally qualified: 68%
- Organisational health scoring matured during the year with a group score of 68% against a target of 70%
- Succession plans in place and implementation evaluated
- Successfully launched Employee Value Proposition
- Leadership DNA launched and extended the LEAD development programme
- Wellness and DEIB strategies executed

For further insight, see **Together We Do Good report**

GROWTH AND INNOVATION

Capitals: H, I, M, F

Stakeholders:

Objective:

To be the top performer in total shareholder returns in the retail sector

Performance rating:

FY2026 activities and progress:

- Retail sales increased 4.3%
- Comparable sales growth of 1.1%
- Online sales contribution: 2.1%
- Capital allocated to higher yielding internal initiatives:
  - Opened 196 new stores, (26 of which were the organic concepts of Mr Price Kids and Mr Price Cellular)
- Acquisition of NKD (became effective in FY2027)
- Further implementation of digital innovation through Advance team
- Key financial metrics:
  - ROE: 25.9% (27.2% in FY2025)
  - ROA: 10.5% (12.2% in FY2025)
  - Cash conversion: 85.8% (94.9% in FY2025)
  - Stock turn: 3.0x (3.2x in FY2025)
  - R2.4bn paid in dividends
  - No change to dividend policy

BRAND PROMISE

Capitals: H, I, M, F, S

Stakeholders:

Objective:

Grow brand value by surprising and delighting customers with the wanted item at great value and a satisfying all round experience

Performance rating:

FY2026 activities and progress:

- Mr Price Apparel, Mr Price Home and Mr Price Sport hold the highest brand equities in their respective sectors (Borderless Access and Nielsen)
- Mr Price Apparel remains the most shopped apparel retailer in South Africa (MAPS)
- Group market share declined 20bps (RLC), continued focus on profitable market share gains
- Mr Price Apparel leads the fashion-value matrix ahead of local competitors and Shein (Borderless Access)
- Group NPS: 73.6% (FY2025: 70.3%)
- Continued success of 'One Card' and Insiders Rewards programme, with more than 1.4m loyalty members

STRATEGIC ENABLEMENT

Capitals:

H I M F

Stakeholders:

Objective:

Enable growth and innovation via the group's efficient technology, logistics and group real estate capabilities

Performance rating:

FY2026 activities and progress:

- Continued delivery of cybersecurity strategy, maintaining a rating of 4.2 (FY2025: 4.2)
- Delivery against roadmaps to ensure technology and logistics needs can be met
- Led by the Mr Price Advance team:
  - Continued enhancement of data science tools to enable data-led decision making
  - Augmentation of processes with robotic process automation
  - Aided decision making via machine learning
  - Progressed AI implementation and adoption
- Technology investment of R135m
- MFP roll out included Power Fashion and Yuppiechef
- Supply chain investment of R406m
- R491m of capex allocated to stores
- Opened 196 stores, adding 61 724sqm of trading space
- Renewed 587 leases

SUSTAINABILITY

Capitals:

H I M F S N

Stakeholders:

Objective:

To be recognised by stakeholders as a relevant, ethical and sustainable proudly South African company

Performance rating:

FY2026 activities and progress:

- Maintained inclusion in FTSE4Good Index since 2020
- Recognised as ESG leader and achieved ‘C’ rating from ISS
- Rated lowest risk of all South African apparel retailers by Sustainalytics
- R32.1m donated to Mr Price Foundation
- New Mr Price Foundation strategy in place
- 97.6% tier 1 and tier 2 factory visibility
- 85.9m plastic bag free sales transactions
- >77m products sold contain a sustainable material or cleaner production attribute
- >130m units procured in South Africa
- 91.9% of measured waste recycled across the group’s head office sites and DCs

For further insight, see **Together We Do Good report**



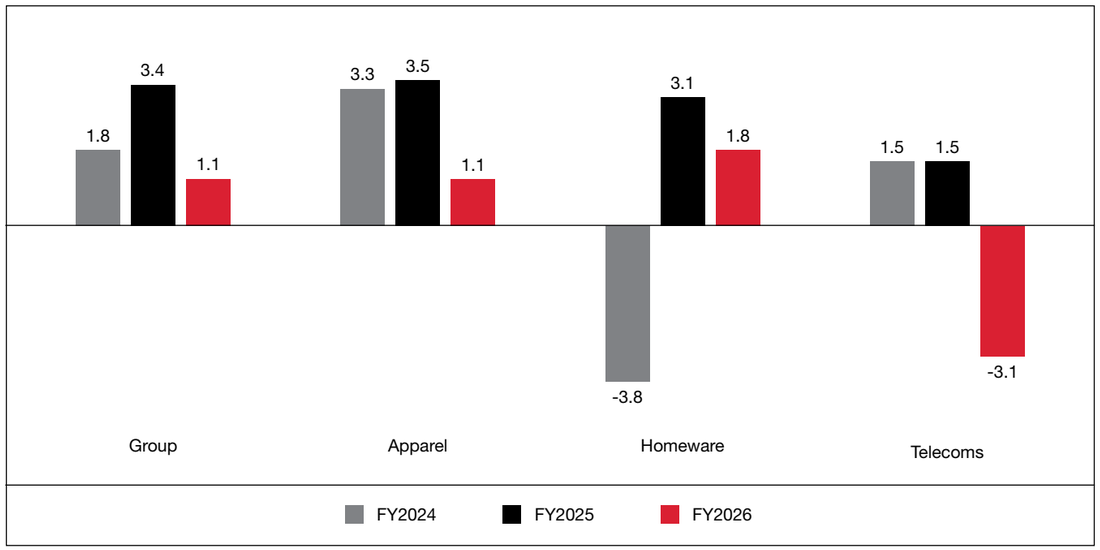
DESIRED STRATEGIC OUTCOMES

progressing the group towards its vision of becoming the most valuable retailer in Africa

01 PROFITABLE MARKET SHARE

COMPARABLE SALES GROWTH

Progress: FY2026



Trade-offs: FY2026

- Investment in store revamps or updated visual merchandise branding based on divisional affordability, capex availability and returns
- Disciplined approach to stock investment, balancing stock turn, cash conversion and trading opportunities

Future progress through:

- Store revamp programmes
- Continued focus on effective marketing, promotion and basket builder strategies
- Continued refinement of location planning and merchandise hierarchies to maximise initial store allocations

SPACE GROWTH

Progress: FY2026

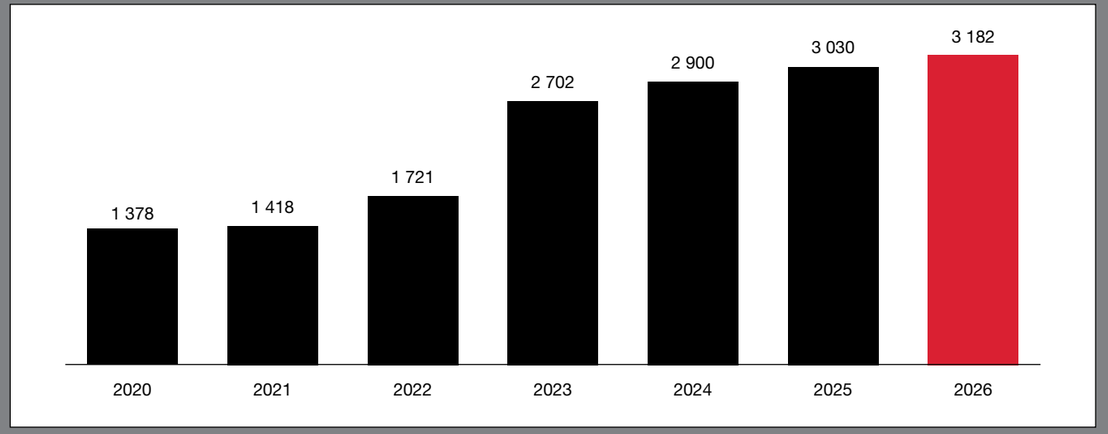
- Group store footprint: 3 182 stores
- Opened 196 new stores
- Added 43 846m^2 of net trading space
- Weighted average trading space grew 3.6%

Trade-offs: FY2026

- Declined stores that did not meet group ROOA thresholds
- Declined stores that did not meet location criteria
- Closed 44 stores

Future progress through:

- Continued refinement of criteria for new stores
- Space strategy focused on a mix of new stores, relocations and expansions to deliver targeted ROOA
- Focus on underpenetrated divisions
- Disciplined approach to underperforming stores
- Disciplined approach to store capex



CATEGORY EXTENSIONS

Progress: FY2026

- Expanded differentiated fashion-value offerings through private label fashion and strategic collaborations and partnerships with brands and local artists
- Continue focus on licensed and exclusive brands and labels
- Extension of gifting categories in homeware divisions
- Further continued investment for targeted holiday events - Christmas outperformed expectations in Mr Price Home

Trade-offs: FY2026

- Appropriate investment required to increase inventory to ensure enhanced availability, value positioning and differentiation assessed relative to group metric requirements
- Categories with limited scale or dilutive margins not pursued

Future progress through:

- Continue to test new categories across multiple divsions (disciplined measurements of success)
- Continue exploration of strategic partnerships and collaborations
- Continue use of market share data to identify categories with profitable market share opportunities

DESIRED STRATEGIC OUTCOMES

progressing the group towards its vision of becoming the most valuable retailer in Africa

02 CUSTOMER OBSESSED



LEADING BRAND EQUITY

Progress: FY2026

- Mr Price Apparel, Mr Price Home and Mr Price Sport hold the highest brand equities in their respective sectors (Borderless Access and Nielsen)
- Sheet Street holds the third highest brand equity in the homeware sector (Nielsen)
- Power Fashion's brand equity has further improved to 1.4 from 1.1 in FY2025 (Nielsen)

Trade-offs: FY2026

- Marketing spend as a percentage of sales is appropriate for the group's value model, and is allocated to stores and other high ROI mediums

Future progress through:

- Marketing investment will be allocated where there is clear ROI

CUSTOMER ENGAGEMENT

Progress: FY2026

- Social media footprint:
  - YouTube: >76k
  - Facebook: >9.5m
  - Instagram: >3.0m
  - X: >354k
  - Tik Tok: >1.3m
- Website and app visits: >122m
- Miladys Club Card members: >168k
- Insiders programme delivered 2.4m reward moments
- 40th birthday digital campaign supported the strengthening of the group's corporate and divisional brands, with strong engagement achieved across all social media platforms

Trade-offs: FY2026

- Investment in 40th birthday campaign to drive engagement

Future progress through:

- Evaluation of and appropriate investment in CRM
- Further investment in customer engagement, journey and experience

DATA INSIGHTS

Progress: FY2026

- Mr Price Advance team led data analytics, visualisation and insights while continuing to drive data-led decision making
- Further enhancement of customer research to inform customer strategies of merchandise, planning, and real estate reports

Trade-offs: FY2026

- Commissioned targeted customer research with third party research providers due to the group only having structured customer data from Mr Price Money

Future progress through:

- Evaluation of and appropriate investment in CRM
- Further investment in customer engagement, journey and experience
- Continue to explore partnerships and research providers to support the group's data insight journey

DESIRED STRATEGIC OUTCOMES

progressing the group towards its vision of becoming the most valuable retailer in Africa

03 DIVERSIFIED OFFERING



OMNICHANNEL RETAILING

Progress: FY2026

- Online contribution: 2.1%
- 55% of orders were click-and-collect
- 30% of click-and-collect orders resulted in additional in-store purchases
- 48% of customers researched online and shopped in-store
- >122m website and app visits
- E-commerce modernisation project progressed according to FY2026 timeline

Trade-offs: FY2026

- Omnichannel investment directed toward profitable growth initiatives in line with customers' shopping preferences
  - E-commerce modernisation project and store investment during the year

Future progress through:

- E-commerce modernisation programme to be completed in FY2027
- Optimisation of extensive store footprint
- Continue to enhance the customer's omnichannel experience through consistent in-store and online execution

DIFFERENTIATED FASHION

Progress: FY2026

- Continued focus on execution of the group's differentiated fashion private label offerings
- Supplemented private label with exclusive and licensed brands to deliver on value expectations of the group's customers
- Continued investment in AI tools to support internal trend deparments - key to deliver the group's differentiated fashion offerings

Trade-offs: FY2026

- Disciplined approach to return on inventory, trend interpretation and meeting customers' expectation creates natural tension in allocation to fashion, updated core and core categories

Future progress through:

- Leverage supply chain agility and supplier insights
- Continue to invest in product and trend testing to inform fashion calls
- Remain focused on private label differentiation supplemented with collaborations, exclusive ranges and trending ambassadors and influencers

VALUE POSITIONING

Progress: FY2026

- 95% of customers recognise that the group provides either the same or better value for money than last year (internal customer value for money survey)
- Mr Price Apparel continued to lead the fashion-value matrix ahead of Shein and other competitors (Borderless Access)

Trade-offs: FY2026

- Value equation is a balance between price, quality, fashionability, convenience and experience and the group continually trades off investments across these elements to deliver appropriate value for each trading division
- The group's every day low price value positioning is sometimes disrupted by promotional activity - its disciplined approach results in a trade-off between protecting gross margin and gaining market share

Future progress through:

- Maintain the leading value positioning through the group's differentiated fashion-value offering

DESIRED STRATEGIC OUTCOMES

progressing the group towards its vision of becoming the most valuable retailer in Africa

04 SCALABLE OPPORTUNITIES



CONSIDERATION OF NEW GROWTH VEHICLES

Progress: FY2026

- Continued research and consideration of merchandise (non-comparable) and customer categories, as well as segments where the group currently holds limited market share in South Africa
- Evaluated several organic and acquisitive opportunities aligned to the investment matrix
- Conducted due diligence, negotiated SPA and closed acquisition of NKD Group GmbH (effective in FY2027)

Trade-offs: FY2026

- Evaluated but did not pursue acquisition targets or new organic concepts that did not align to the group's investment criteria
- Prioritised delivery of divisional growth strategies and continued to assess and calibrate investment as newer strategies were executed

Future progress through:

- Continuous research and evaluation of group opportunity matrix
- Continual evaluation of organic concepts

DELIVERY OF INVESTMENT CASES

Progress: FY2026

- Power Fashion, Yuppiechef and Studio 88 collectively:
  - Delivered R1.4bn in operating profit
  - Total store footprint: 1 385 | New stores: 116
  - Continued market share gains
- Mr Price Kids:
  - Sales growth of 2.0%
  - Total standalone store footprint: 40 | New stores: 1
  - Added 1 199sqm through expansion of existing stores
  - Maintained market share across the baby and kids categories (RLC)
- Mr Price Cellular:
  - Sales growth of 11.1%
  - Total store footprint: 86 | New stores: 25
  - Gained 20bps of market share (GfK)

Trade-offs: FY2026

- Power Fashion, Yuppiechef and Studio 88:
  - Continued disciplined approach to integration prioritising supply chain integration
  - Availability and capacity of financial and human resources determine pace and scale of annual integration plans
- Mr Price Kids:
  - FY2026 space growth was driven by expansions within existing stores - capex allocated to high priority locations
- Mr Price Cellular:
  - Declined stores that did not meet size, location or adjacency requirements

Future progress through:

- Power Fashion, Yuppiechef and Studio 88:
  - Continual evaluation of integration opportunities that unlock efficiencies and further margin expansion
  - Growing store footprint and omnichannel expansion
- Mr Price Kids:
  - Expansion of merchandise offerings, target under-indexed categories and grow store footprint
- Mr Price Cellular:
  - Increase private label sales contribution, extend white-labelled accessories and grow store footprint

DESIRED STRATEGIC OUTCOMES

progressing the group towards its vision of becoming the most valuable retailer in Africa

05 OPERATIONAL EXCELLENCE

DIGITAL AND TECHNOLOGY MODERNISATION

Progress: FY2026

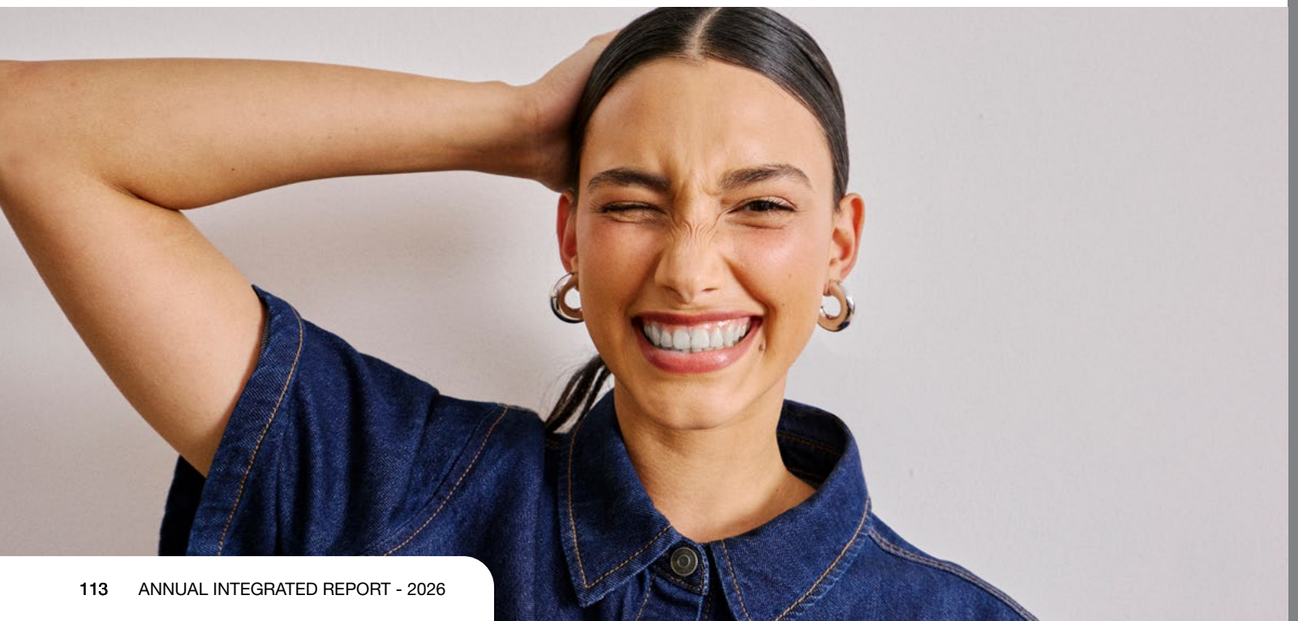
- Digital transformation:
  - Continued execution of technology strategy to modernise legacy estate, leverage cloud capabilities and strengthen cyber security
  - Next steps in agreed integration of acquired businesses to support growth and leverage technology investments - supply chain integration was a key focus area
- Data-led decision making:
  - Further development and roll out of AI and data science tools
  - Increased automation capabilities to drive efficiency and reduce risks in business processes
- Customer focus:
  - Modernisation of e-commerce platforms
  - Commenced customer-facing projects to replatform financial services offering, upgrade POS and further enhance CRM

Trade-offs: FY2026

- Pace and level of investment slowed to ensure appropriate capacity to deliver modernisation projects
- Reviewed delivery timelines to ensure the group can manage level of change and disruption in systems and processes

Future progress through:

- Ongoing investment and execution of the group's technology modernisation strategy



SUPPLY CHAIN

Progress: FY2026

- Supply chain investment of R406m
- Further progressed Gosforth Park DC project
- Successful trials of transport and inventory deployment for Power Fashion and Studio 88

Trade-offs: FY2026

- Pace and scale of integrating acquired businesses into the group's distribution network balanced to available capacity both in division and supply chain teams

Future progress through:

- Go-live of Gosforth Park DC, with soft launch planned for September 2026
- Power Fashion and Studio 88 to access functionality, network and supply chain processes for optimisation and integration into group network
- Power Fashion to integrate into consolidated group DC network delivering lower costs per unit



EFFICIENCIES AND LEVERAGE

Progress: FY2026

- Continued leveraging of group Centres of Excellence (including supply chain, people, real estate, finance and ESG) to manage central cost structures while providing subject matter experts to the trading divisions
- Commenced project to consider broader efficiency projects, process re-engineering opportunities and technology tools to create additional capacity and leverage

Trade-offs: FY2026

- Greater focus on supply chain and technology investments
- Prioritised highest return automation and digitisation projects in the year

Future progress through:

- Continued focus on modernising ways of working, process re-engineering and cost structure optimisation
- Senior resources allocated to ensure successful execution and entrenchment of broader efficiency project
- Technology modernisation programmes will deliver further efficiency opportunities and allow the group to further leverage its customer obsession

DESIRED STRATEGIC OUTCOMES

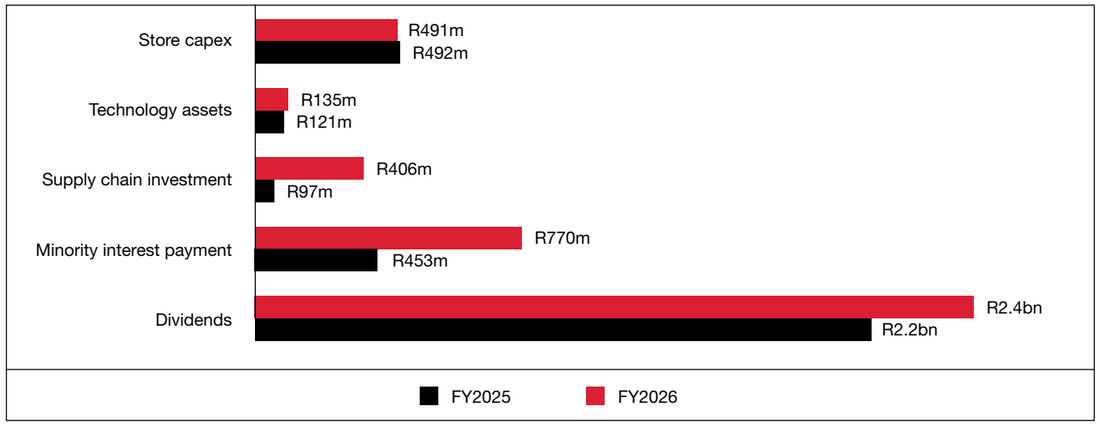
progressing the group towards its vision of becoming the most valuable retailer in Africa

06 TOP QUARTILE RETURNS

DISCIPLINED CAPITAL ALLOCATION FRAMEWORK

Progress: FY2026

Fixed capital allocation and distribution



Trade-offs: FY2026

- Allocation of capital to highest priority projects
- Allocation of store capital to trading divisions which deliver the best ROOA
- Did not pursue opportunities that did not meet capital allocation framework thresholds or did not present appropriate benefit realisation opportunities

Future progress through:

- Ongoing detailed analysis of investment decisions ensuring capital is directed towards a balanced portfolio of high-return growth vehicles and capacity-building investments
- Disciplined focus on cash generation to support continued capital investment while de-leveraging the balance sheet



INDUSTRY LEADING METRICS

Progress: FY2026

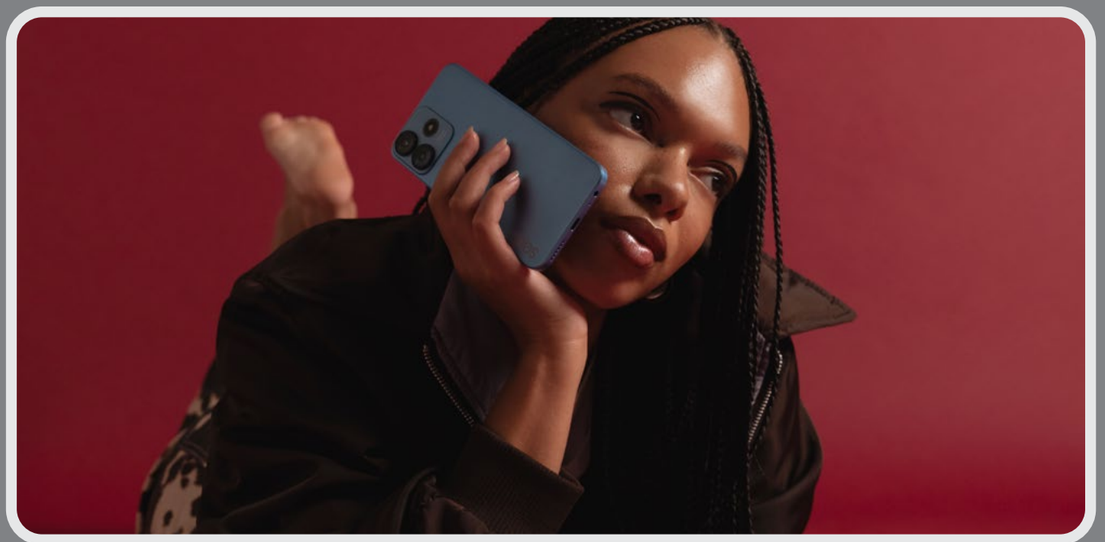
Key operating metrics	FY2026	FY2025	Medium-term target	Achieved
Returns				
ROE	25.9%	27.2%	24% - 26%	✓
ROA	10.5%	12.2%	12% - 14%	✗
Dividend payout ratio	63.0%	63.0%	63.0%	✓
Cash generation				
Cash conversion ratio	85.8%	94.9%	>85.0%	✓
Stock turn	3.0x	3.2x	>4.0x	✗
Profitability				
Gross profit	41.2%	40.5%	40% - 42%	✓
Expenses/RSOI	28.4%	27.9%	27.5% - 28.5%	✓
Operating magin	14.2%	14.2%	13% - 15%	✓
Gearing				
Debt: Equity	1.65	0.97	Accretion considered	✓

Trade-offs: FY2026

- The group's agile approach to cost management, performance management and leading metrics required continued calibration of trading budgets and capital investments aligned to quarterly performance reviews

Future progress through:

- The group's continued execution of its capital allocation framework, strategic planning processes and quarterly performance reviews align key activities and resources towards growth metrics and top quartile returns





ENTERPRISE RISK MANAGEMENT

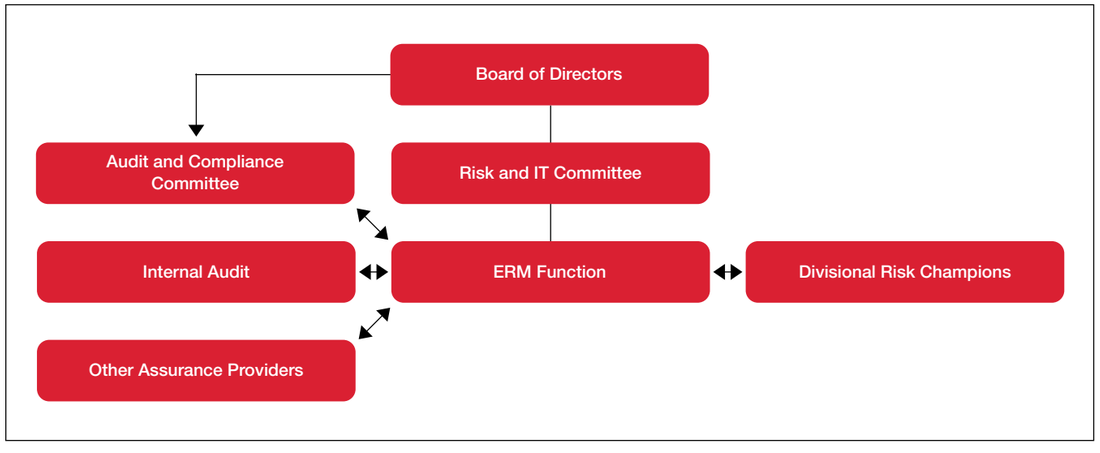
PHILOSOPHY, APPROACH AND STRUCTURE

Evolving external conditions necessitate the continued rethinking of the group's risk adopted approaches, structures, emanating risk themes and their interconnected impacts. This approach ensures that the group's strategic risk assessment appropriately drives risk responses aligned to the group's six strategic pillars. Enterprise Risk Management (ERM) frameworks and processes are embedded into every strategic decision, fostering responsible risk taking and enhancing the likelihood of successfully meeting the group's outcomes.

Key risks are identified on an ongoing basis through a structured quarterly process, incorporated as a standard agenda item at each board meeting. Thereafter, formal risk assessment processes are conducted to assess the impact and likelihood of risks, including consideration of their interdependencies and cumulative effects. Aggregated risk movements, impacts, and emerging events are reported and reviewed quarterly by executive management and the Risk and IT Committee (RITC). The RITC holds ultimate accountability for effective risk management, approving key risks including emerging threats and ensuring that they are adequately mitigated and/or accepted.

The group risk director oversees, guides, and reports on ERM processes and outcomes, ensuring comprehensive attention to risk management across the group.

The group's ERM organisational structure



RISK MODEL

The risk model below represents how the group approaches, structures and manages risks. Its purpose is to enable the group to understand the relationships between risks across multiple trading divisions and centres of excellence (COE) that reflect its core business operations. It is used to:

1. Ensure visibility of all risks to identify material risk exposures
2. Aggregate risk information and undertake an analysis of trends for insights to better understand the changing risk profile
3. Provide a shared and consolidated view of risks as they emerge across the trading divisions and COEs
4. Capture material risk exposures generated from different perspectives

RISK MODEL STRUCTURE

The risk model is built around four pillars that define and guide the group's risk approach. It is a structured, consistent, and continuous process that addresses:

1. **Enterprise risks:** Critical risks of strategic importance that have the potential to impact the group's ability to achieve its imperatives
2. **Tactical risks:** Risks identified by divisional executives as part of delivering their annual business plans
3. **Operational risks:** Risks identified in the delivery of common operational areas
4. **Specialist risks:** Technical risks unique to a business context and environment

Integration of risk management



*ERM implementation continues to progress and mature

Key Focus Areas

RISK STRATEGY

Over the past five years, aligned with the new group strategy launched in 2021, the group invested significant time towards building streamlined, purpose-driven ERM processes and frameworks achieving a desired level of maturity aligned with a value-focused business. The medium- to long-term ERM strategy continues to focus on the following objectives:

- Ensure consistent application of the ERM Framework across the group
- Reduce the time between risk identification and management action
- Increase the number of complex risks addressed through treatment plans and deep-dive analyses
- Strengthen the use of formal risk-management techniques supporting informed decision-making
- Reduce the incidence of risk-related issues over time

The strategy ensures that our risk-management practices remain relevant, robust and effective as the group expands.

RISK ASSESSMENTS

Formal risk assessments are performed across all trading divisions and COEs, with consolidated results monitored and reported to the Divisional Risk Committee. The process incorporates structured engagement with divisional leadership and targeted analyses of higher complexity exposures to enable proactive, informed risk management that protects operational performance and shareholder value. In the past year, the strategic risk register was refreshed to ensure alignment with the changing external and internal risk environment.

BUSINESS RESILIENCE

The group recognises that not all crisis events can be anticipated; however, preparedness and response capabilities can be materially enhanced. Over the past six years, resilience plans have been strengthened and simulation exercises conducted for high-impact scenarios, including civil unrest, electricity grid failure, water supply disruptions and cyber incidents. These initiatives have materially improved operational continuity and loss-mitigation capabilities. In early 2026, additional emphasis was placed on enhancing contingency planning for potential fuel shortages and the unavailability of fuel supply, linked to the US-Iran conflict.

The group's resilience has been further enhanced through investment in a secondary distribution centre at Gosforth Park, materially reducing the concentration risk associated with the previous single distribution facility in Hammarsdale.

ACQUISITIONS

The group continues to advance the ERM integration for Studio 88, with formal risk assessments having been completed. The integration timetable has been carefully calibrated against other integration priorities and the organisation's capacity to minimise disruption and maximise value retention. The integration of NKD Group GmbH (NKD) will be assessed as part of the broader, group-wide onboarding plan through FY2027.

COMBINED ASSURANCE

The group's integrated assurance model continues to evolve in line with the ERM strategy, operationalising a clear three lines-of-defense framework that defines roles, responsibilities and accountability across the group. This clarity enhances control effectiveness, strengthens risk oversight and improves the group's capacity to mitigate risks. In FY2026, the oversight and review of sustainability reporting have migrated from third to second line level whereby the group risk director now provides assurance on the accuracy of sustainability reporting. Through FY2027, the group's model will be updated to reflect the outcomes of the group strategic risk assessment conducted in FY2026. The group's internal audit plan will also be aligned with the outcomes of the risk assessment.



INSURANCE

Insurance remains a cornerstone of the ERM Framework and is used to transfer catastrophic exposures while self-insuring predictable losses within predefined tolerance thresholds. The group's approach incorporates deductibles, stop-loss arrangements, aggregate excesses and coverage limits to manage retained risk effectively. During FY2026, focus was placed on renewal processes to secure appropriate capacity across key risk classes considering the changing global risk environment, as well as on integrating core insurance covers for Yuppiechef and Studio 88 into the group insurance programme. These actions support balance-sheet resilience and the protection of shareholder capital.

In the last year, the group initiated an "Insurance Markets Day" to proactively engage local and international insurers and showcase its robust, group-wide risk-management capabilities across multiple insurance classes.

ACQUISITION OF NKD

Specialised ERM focus was applied to NKD's due diligence process supported by independent in-country experts with the following key risk objectives:

- Assessment of acquisition viability
- Determination of NKD's valuation and resultant purchase price
- Identification of risks and opportunities supporting robust decision making
- Identification of post-acquisition risks

Key risk areas included:

- Financial
- Legal
- Tax
- Commercial
- Scalability
- Funding and respective tax implications

Risk Themes

Risk theme		Risk statement	Interconnected potential risk/impact		Risk movement since prior year	Strategic pillar
01	**Macro, socio-political, socio-economic, and regulatory environment**	The risk that adverse political actions, social unrest, declining economic conditions, and onerous legislation impede the group's growth imperatives	• Geopolitical tensions affecting political uncertainty, supply chains and global markets • Exchange rate volatility • Constrained discretionary spend due to higher cost of living • Disruption of business activities • Higher cost and reduced availability of insurance cover	• Subdued or weak economic growth • Higher cost of business (compliance, logistics, security, insurance, etc.) • Sudden policy shifts, nationalisation, trade restrictions, sanctions • Lowered investor confidence • Rapidly evolving or onerous regulatory and tax requirements	**Elevated** (due to geopolitical risks at an inherent level)	Growth and Innovation
02	**Supply chain**	The risk that an inefficient, ineffective, or unreliable supply chain leads to poor inventory management, undermining the group's competitive advantage	• Geopolitical uncertainty • Disruption of business activities through trade disruptions, customs delays, tariff changes • Increased logistics and working capital costs • Territory concentration risks of suppliers and service providers	• Deterioration in supplier performance • Increased lead times • Disruptions to merchandise critical paths • Reduction in DC capacity and/or efficiency • Deteriorating port infrastructure • Impact of climate change	**Elevated** (due to geopolitical risks at an inherent level)	Growth and Innovation
03	**Brand reputation**	The risk that poor in-store and online shopping experiences weaken brand equity, reducing customer retention, repeat purchases, and overall sales performance	• Reputational damage • Poor service and/or quality of product • Deterioration of customer service • Compromised ability to deliver on brand promise • Loss of customer relevance	• Escalation of social media risks • Deterioration of organisational health • Impact of poor or inadequate response to climate change	**Unchanged**	Brand Promise
04	**Competitive landscape**	The risk that actions by local and global competitors, including the entry of new market players, erode the group's competitive advantage and threaten its market position or long-term viability in value retailing	• Inability to differentiate from competitors • Competitor imitation strategies • Increased presence of local and foreign competitors • Increasingly crowded value segment • Rapidly changing customer shopping habits • Market share loss • Stagnant or low growth • Aggressive discounting increasing consumer price sensitivity	• Evolution of customer service expectations • Deterioration of customer service in value retail • Disruptive competitor business models • Aggressive technology investments by competitors • Channel substitution and platform competition • Availability of quality trading space at rentals appropriate for value-retailing	**Unchanged**	Growth and Innovation
05	**Talent attraction and retention**	a. The risk that the group's inability to attract critical skills impairs its ability to execute its strategy b. The risk that the group does not adequately develop associates to support current and future growth of the group c. The risk that the group's inability to retain critical skills impairs the group's ability to execute its strategy	• Unsustainable cost growth and remuneration disparities to attract and retain key talent • Poor talent retention elevating execution risk • Loss of key skills and/or intellectual property ("IP") to competitors • South African retail skills shortage • Disruption of business continuity	• Deterioration of employee wellbeing • Reduced leadership capacity • Introduction of innovative thinking and ways of working • Remuneration competitiveness • VUCA environment (Volatility, Uncertainty, Complexity, and Ambiguity)	**Unchanged**	People



Risk Themes

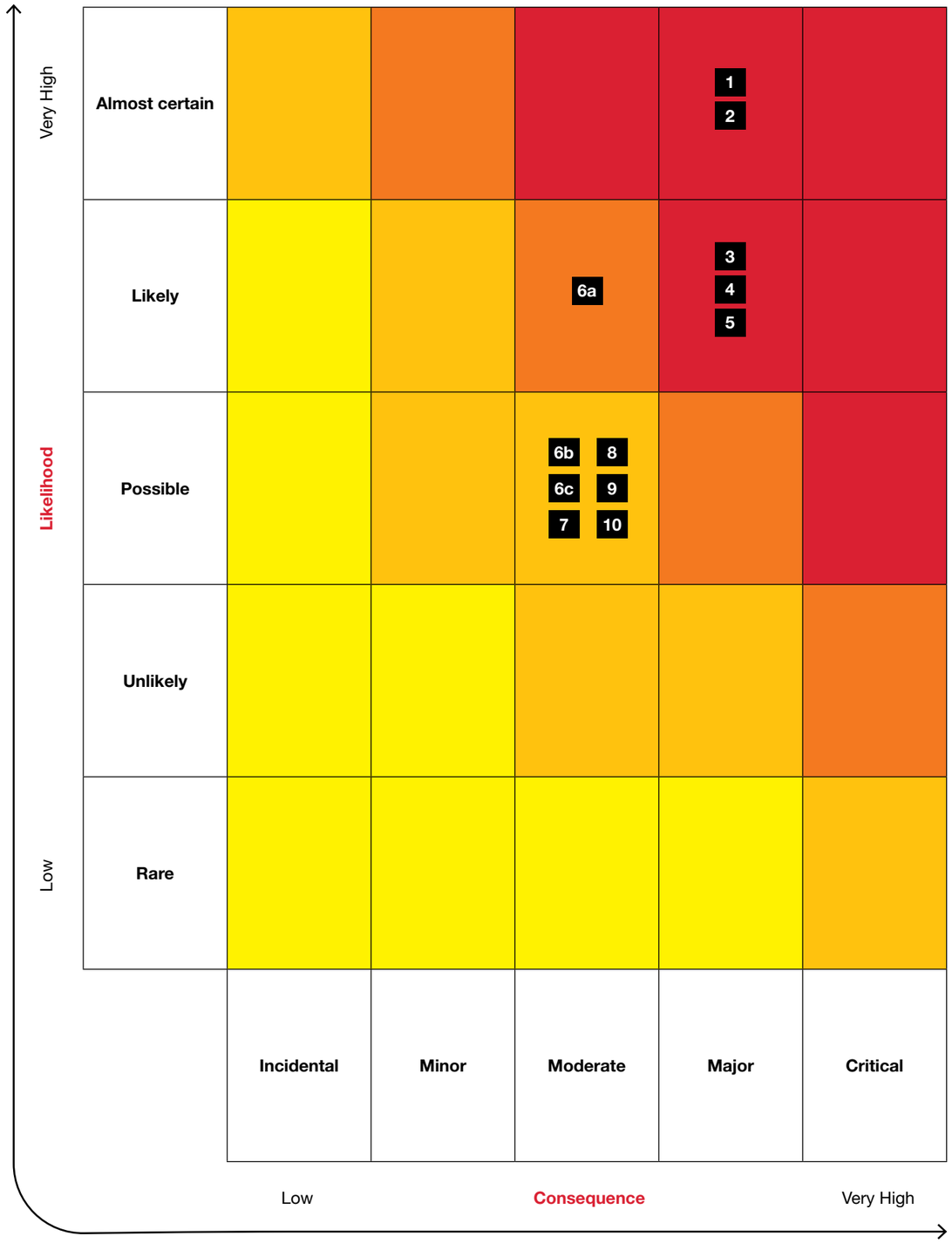
CONTINUED

	Risk theme	Risk statement	Interconnected potential risk/impact		Risk movement since prior year	Strategic pillar
06	Information technology*	a. The risk of financial loss or reputational damage resulting from inaccurate or lost data, breaches of customer information, or illegal penetration of the group's systems	• Current maturity • Sophistication of attacks • User vulnerabilities • Third party risks	• Operational disruption, service outages, and reduced productivity • Reputational damage	**Elevated** (due to increase in cyber risks at an inherent level)	Strategic Enablement
		b. The risk that the legacy technology stack lacks the capability and capacity to support operations and future strategic growth initiatives	• Misalignment to group strategy • Insufficient investment in IT systems and management structures to facilitate improved execution of business operations and delivery of growth initiatives	• Legacy systems and technical debt • Scalability of architecture or infrastructure • Skills shortages (architecture, cloud, DevOps, security) • Digestibility of change	**Unchanged**	
		c. The risk that the group's competitiveness is threatened due to its inability to timely adopt emerging digital technologies i.e. AI, etc.	• Rapid transformation of the digital landscape • Disruptive technologies	• Increased occurrence of cyber security attacks on group systems or related infrastructure • Systems maturity relative to competition	**Unchanged**	
07	Transformation	The risk that failure to accelerate transformation could erode brand reputation, reduce competitiveness, and impact growth	• Considered to be an undesirable corporate citizen • Reputational impacts • Legal penalties	• Workforce distraction and disruption due to dissatisfaction with pace of change • External market pressures • Unsustainable cost growth to attract and retain talent	**Unchanged**	People
08	Leadership	The risk that ineffective leadership leads to lack of direction, diminished trust, and reduced performance	• Inability to innovate, experiment and grow • Dilution or loss of entrepreneurial and innovation mindset • Lack of leadership capability or capacity to lead engaged and high performing teams	• Siloed thinking • Deterioration of leadership accountability	**Unchanged**	People
09	Organisational culture	The risk that a deteriorating or poor culture undermines employee engagement, collaboration, and ethical behaviour, leading to reduced performance, higher associate turnover, and reputational damage	• Deterioration of organisational health • Loss of entrepreneurial thinking and risk taking • Siloed thinking and disengaged • Poor agility	• Lack of accountability of leaders to live the values and DNA of the group • Misalignment between values and associate behaviour • Resource pressures, burnout, or unrealistic performance expectations	**Unchanged**	People
10	Strategy	The risk that the group fails to strategically respond to changes in the external environment, resulting in unrealistic, erroneous, and/or delayed strategic actions	• Distraction and deviation from core principles • VUCA environment • Misalignment of priorities • Poor execution of existing strategies	• Insufficient capital to support strategic investment changes and/or additions • Emerging trends not identified in time • Negative investor sentiment	**Reduced** (due to improved maturity of KPI processes)	Growth and Innovation

*The information technology risk theme has been split into three sections and rated independently on the group's risk heat map



Mapping the Risk Themes







MATERIAL MATTERS

Through an embedded, structured ERM process, the group identifies and manages material matters, risks and opportunities on an ongoing basis. Continuous monitoring of the internal and external risk environment supports the reassessment of risk ratings and treatment plans, ensuring exposures are managed within approved tolerance levels. As a result, the following seven material matters have been identified that could significantly impact the delivery of the group's desired strategic outcomes:

1. Geopolitical tension
2. Supply chain disruptions
3. Challenging retail environment
4. Competitor dynamics
5. Technology risks
6. Talent retention and human capital risks
7. Brand and reputation risks



01. GEOPOLITICAL TENSION

Growth and Innovation

Risk Themes

- 01 Macro environment
- 02 Supply chain
- 04 Competitive landscape
- 10 Strategy

The escalating conflict in Iran and the imposition of trade tariffs by the US on SA have resulted in a convergence of risks characterised by increasing operational costs and heightened volatility across the group's supply chain. In response, the group completed a scenario-based risk analysis to assess a range of potential outcomes and suggested actions. This work was intended not only to strengthen the group's resilience, but also to identify opportunities for strategic advantage through early detection and proactive preparation relative to its competitors. Despite the group's mitigation efforts, certain risks, including currency volatility and shipping rates, remain material as they largely fall outside the group's direct control and cannot be fully managed within its risk appetite. Factors contributing to this include:

- Economic downturns, rising inflation, currency volatility, recession
- Increased cost of business e.g. logistics, insurance, fuel, etc
- Disruption of business activities
- Increased global shipping disruptions
- Unsustainable rise in input costs
- Fuel supply shortages and/or unavailability

OUR RESPONSE

- Risk-based scenario planning
- Treasury policies
- Strong partnerships with shipping carriers
- Robust supplier partnerships
- Agile supply chain
- Increased local procurement
- Crisis response plans

02. SUPPLY CHAIN DISRUPTIONS

Growth and Innovation

Risk Themes

- 01 Macro environment
- 02 Supply chain
- 04 Competitive landscape
- 10 Strategy

Resurgence of local and international supply chain disruptions impacting the retail sector. The timeous movement of merchandise by road and sea has evolved into a material matter due to:

- Increased global shipping disruptions and costs resulting from the US-Iran conflict
- Slow pace of South Africa's (SA's) logistical infrastructure reforms
- Road freight disruptions due to roadworks, poor maintenance and strike activity
- Elevated levels of crime and attacks on road carriers/ merchandise on route
- Unsustainable rise in input costs
- Climate change impacts
- Fuel supply shortages and/or unavailability

OUR RESPONSE

- Agile sourcing strategy
- Supply chain optimisation strategy
- Investment in a secondary distribution centre facility (Gosforth Park)
- Strategic supplier partnerships with strong feedback loops
- Supplier performance measurement and visibility of production cycles
- Ongoing focus of divisional management teams on OTIFs (on-time, in-full)
- Procurement of locally manufactured products to increase agility and flexibility
- Approved economic operator status registration
- Crisis response plans
- Transport risk management
- Climate change strategy

03.
CHALLENGING RETAIL ENVIRONMENT

Growth and Innovation

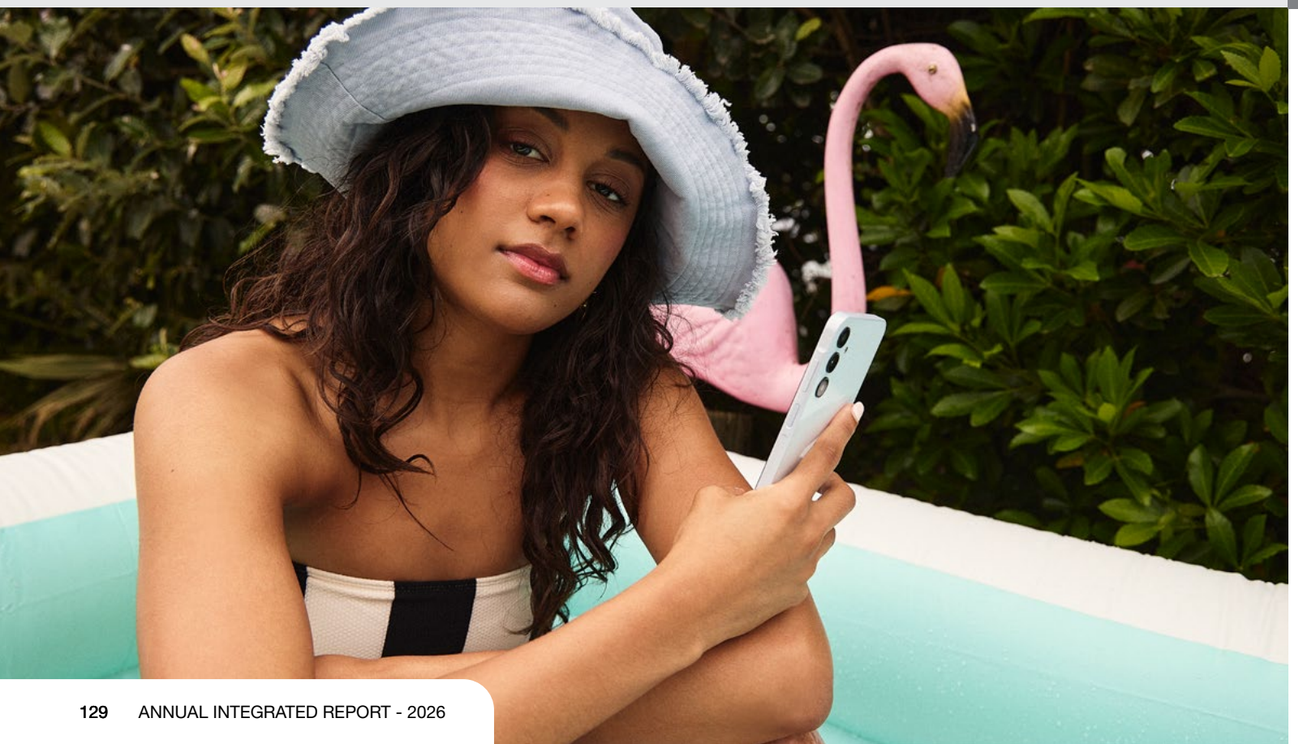
Risk Themes
01 Macro environment
02 Supply chain
04 Competitive landscape
10 Strategy

As the group's trading activity remained predominantly based in SA during FY2026, the challenges facing the country's retail environment renders it a material matter. The following factors were of particular concern for the group's growth aspirations:

- Geopolitical tensions, including the ongoing US-Iran conflict impacting:
  - Global growth, with a rising probability of a recession
  - Currency volatility, particularly for emerging markets
  - US tariff-related trade wars and reciprocal tariffs
  - Fuel shortages
  - Supply chain disruptions impacting business activities
  - Inflation risks
- SA political risks
- Discretionary spend impacted by:
  - Prolonged consumer constraint
  - Diversion of spend to other categories (online gambling)
- Increased reliance on credit and poor collection due to pressures on disposable income
- Increased cost of business e.g. compliance, logistics, insurance, security, municipal charges, etc
- Infrastructure deterioration

OUR RESPONSE

- Execution of growth strategy both organically and acquisitively
- Diversification of customer base guided by the group's opportunity matrix
- Differentiated fashion-value offering supported by established and strong merchandise disciplines
- Leveraging strong retail skills in the value retailing segment
- Use of data insights as a tool to adjust trade activities in real-time
- Brand strength and value
- Credit risk management
- Geographical diversification of operating territory i.e. NKD acquisition (entry into Central and Eastern Europe)



04.
COMPETITOR DYNAMICS

Growth and Innovation

Risk Themes
01 Macro environment
02 Supply chain
04 Competitive landscape
10 Strategy

Increased competitor activity in the value retail sector in response to consumer shifts toward heightened value-seeking shopping preferences. Factors elevating competitor risks included:

- Increased presence of local and foreign retailers targeting all customer segments
- Inconsistent implementation of levies on foreign entrants
- Competitor imitation of the group's divisional strategies and cornerstone categories
- Rise in launch of organic concepts by competitors
- Increased consumer price sensitivity
- Increased competition for store space in prime/strategic locations
- Aggressive technology investments by competitors
- Disruptive business models
- Dilutive returns on required capital investment for effective competing
- Increasingly crowded value segment

OUR RESPONSE

- Progress towards diversification of target customer market and execution of growth strategy
- Continued focus on differentiated fashion-value offerings
- Preservation of Every Day Low Cost and Price model
- Cash focus, with low reliance on consumer credit to drive sales
- Other strategic and continued innovation initiatives
- NKD acquisition focused on expanding the group's territories and reducing concentration risks in SA

05.
TECHNOLOGY RISKS

Strategic Enablement

Risk Theme 06 Information technology

The group recognises that resilient and scalable system capabilities are critical to business continuity, long-term growth, and sustaining competitive advantage amid accelerating technological change and increasing cyber risks. The reliance on the transformation of technology systems together with technological advances in all aspects of the business renders the risk as a material matter due to:

- Speed of technological advances including AI, ML and RPA
- Return on capital investments on system enhancements
- Reliance on information generated to base key decisions
- Legislative compliance (Data Privacy, POPIA, Payment Card Industry)
- Sophistication of recent cyber-attacks on global retailers

OUR RESPONSE

- Execution of technology modernisation and digital transformation strategy
- Mr Price Advance accelerating the use of AI, ML and RPA
- Annual review to ensure alignment of information technology objectives to the group's business imperatives
- Information Security Improvement Roadmap
- Internal and external assurance on systems
- Cyber insurance
- User training and awareness

06.
TALENT RETENTION AND HUMAN CAPITAL RISKS

People

Risk Themes

05 Talent attraction and retention
07 Transformation
08 Leadership
09 Organisational culture

The group recognises that its performance and reputation is highly dependent on the quality of associates and leaders it hires, their ability to navigate a constantly evolving retail environment, and the organisational culture developed to nurture talent. There is continuous improvement in the measurement and monitoring of organisational health metrics across the group, increasing its ability to effectively address the following challenges:

- SA's retail skills shortage and resulting competition to attract and retain essential talent
- The rapid pace of change and the challenges posed by the VUCA environment requires skills and capabilities that support adapting to new ways of working
- The costs associated with recruiting and developing the necessary skills affecting the group's value model
- Reputational risks linked to behaviour and decision-making throughout the organisation

OUR RESPONSE

Execution of the group's People strategy focuses on leadership, culture, talent, wellbeing and transformation through the following key initiatives:

- Leadership Development Framework
- Stronger link between performance and reward through clearly defined measures tied to incentives
- Annual engagement survey feedback informing action plans to strengthen group culture
- Transformation focused on diversity, equity, inclusion and belonging
- Succession plans developed for all business areas
- Organisational Health Index providing real-time insights
- Top Employer Certification process allows for gaps and areas of improvements to be identified

07.
BRAND AND REPUTATION RISKS

Brand Promise

Risk Theme

03 Brand reputation

The group's size and vast workforce who represent the brand, whether in their personal capacity or while acting on behalf of the group, introduce an inherent risk of brand damage. Although there are mechanisms in place to manage such incidents, certain circumstances, particularly given the rapid dissemination of information, can exceed the organisation's risk appetite. Consequently, the risk of brand disrepute is considered a material matter. Factors contributing to brand disrepute included:

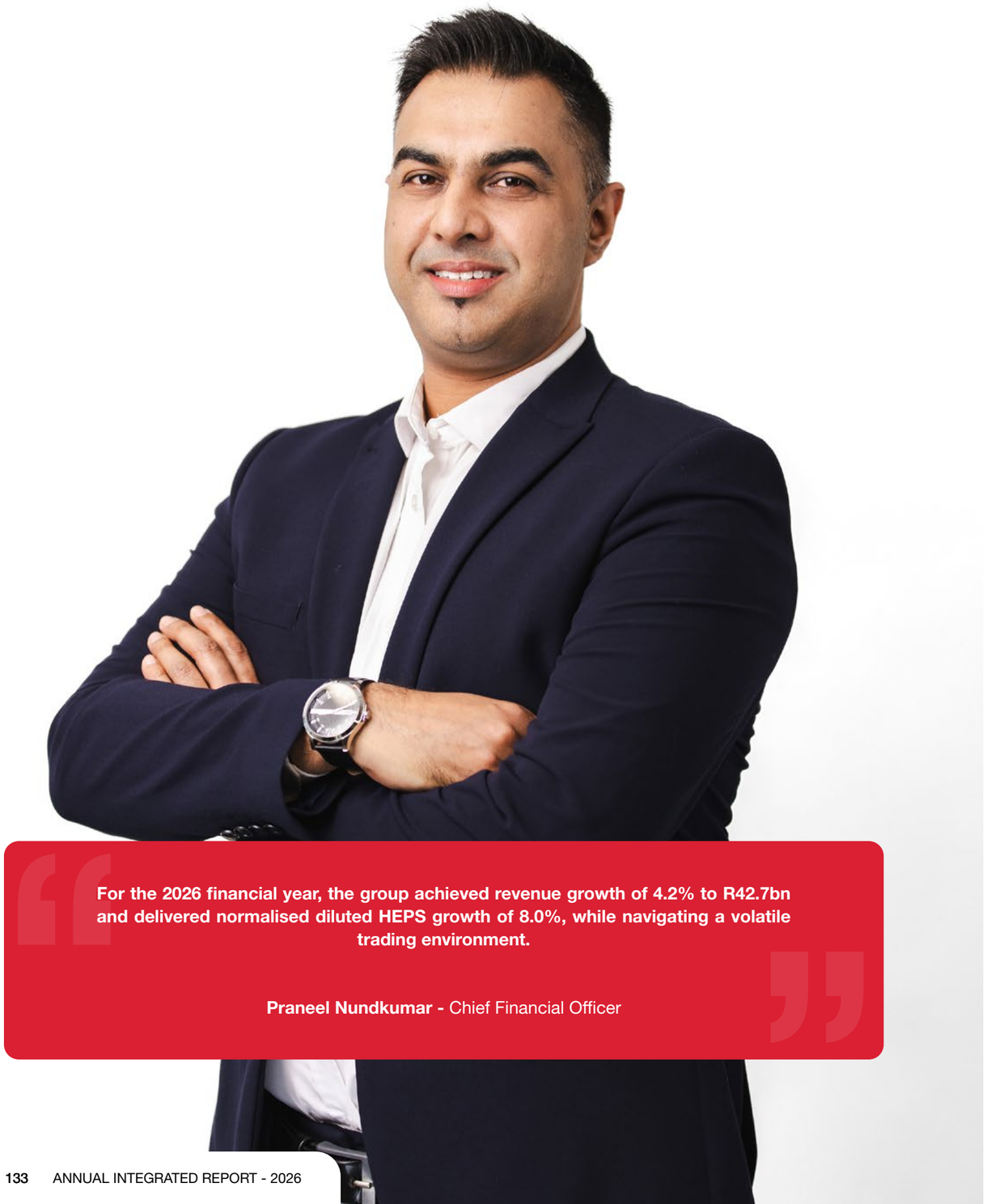
- Deterioration of organisational health
- Poor service and/or quality of product
- Escalation of social media risks
- Deterioration of customer service and/or shopping experience
- Compromised ability to deliver on brand promise
- Negative investor sentiment

OUR RESPONSE

- Group Code of Conduct
- FairCalll whistleblower hotline available to all associates and partners
- Ethics awareness and training
- Social media policies and screening
- Escalation guidelines
- Supplier Code of Conduct
- Execution of Investor Relations and Stakeholder Engagement strategy



CFO'S REPORT



"For the 2026 financial year, the group achieved revenue growth of 4.2% to R42.7bn and delivered normalised diluted HEPS growth of 8.0%, while navigating a volatile trading environment.

Praneel Nundkumar - Chief Financial Officer

FINANCIAL PERFORMANCE HIGHLIGHTS

Uncertainty and volatility in the global macroeconomic environment appear to be a consistent theme carrying forward from my report last year. Driving the theme in the prior year was the sudden introduction of trade tariffs and the impact thereof on economic growth, inflation and currency fluctuations, whilst this year, we find ourselves navigating similar risks due to the impact of the US-Iran conflict. Despite this, the South African economy saw gradual improvement during 2025 due to the factors outlined in the **operating environment** section (**pages 61 - 63**), but that momentum did not carry into the retail sector where consumer demand remained uneven and consumer sentiment, whilst improving, was still negative.

For the 2026 financial year, the group achieved revenue growth of 4.2% to R42.7bn and delivered normalised diluted HEPS growth of 8.0%, while navigating a volatile trading environment.

	Revenue	Gross profit margin	EBITDA	Operating profit	Diluted HEPS
	R42.7bn	41.2%	R9.3bn	R6.0bn	1 411.8c
Statutory	+4.2%	+70bps	+5.0%	+4.3%	+2.4%
Normalised*	**+4.2%**	**+70bps**	**+7.4%**	**+8.0%**	**+8.0%**

*Earnings have been normalised to exclude the impact of once-off costs relating to the acquisition of NKD Group GmbH

The financial performance highlighted in the table above was a pleasing set of results, against the macroeconomic backdrop of the last financial year. The group's fashion-value business model once again delivered consistent normalised earnings growth of 8.0%, with revenue growth of 4.2%, gross profit margin gains of 70bps and strong focus on cost containment across the group. Our capital allocation policy allowed for capex investment of R1.1bn to fund 196 new stores, store revamps, expansions and the expansion of the DC in Gosforth Park. The group's dividend payout ratio was maintained at 63%.



KEY FOCUS AREAS

FINANCIAL METRIC MANAGEMENT

Our continued focus on the achievement of key operating metrics within the targeted range resulted in the positive outcomes noted in the table below, with all key operating metric targets being achieved, for a second consecutive year. A particular highlight was the gross profit margin expansion of 70bps, with all retail segments growing on last year, marking three consecutive years of gains. The group's strong merchandise execution, supported by its in-house capabilities, ensured the group's offerings continued to be chosen by customers despite a highly promotional sector and erratic consumer environment.

A significant effort went into overhead cost management, and we were very pleased with the strong discipline showed by our teams in managing the Expense to RSOI ratio to within target. On a normalised basis, the performance was more pronounced, with the ratio decreasing to 27.9%, at the bottom end of the targeted range.

These medium-term targets will be reviewed in the latter half of FY2027 during the group's next 5-year strategy process which will consider future South African targets and the impact of NKD on all group metrics.

Key operating metric performance

	Key operating metrics	FY2026 outcome	Medium-term target	Target achieved
01	Gross profit margin	41.2%	40% - 42%	✓
02	Expenses / RSOI	28.4%	27.5% - 28.5%	✓
03	Operating profit margin	14.2%	13% - 15%	✓
04	Return on equity	25.9%	24% - 26%	✓
05	Cash conversion ratio	85.8%	>85%	✓

ACQUISITION OF NKD GROUP GMBH

In early December 2025, the group announced the acquisition of the NKD Group GmbH, a cash-based, private label, value retailer operating in over 2 000 stores across seven European countries, headquartered in Germany. This new growth vector diversifies the group's earnings potential and introduces a platform for regional European growth, with a strong expansion runway underpinned by identified whitespaces. A key focus area in Q3 was a robust and thorough financial due diligence process, with our teams working closely with subject matter experts and top tier consulting firms to ensure the required level of detail was interrogated for a transaction of this size. The transaction closed on 31 March 2026, outside the FY2026 financial period, and will be incorporated into financial reporting from the 2027 financial year.

FINANCE TRANSFORMATION

A key priority area in the transformation of the financial landscape into a more automated domain was the implementation of the journal entry automation project, which serves a dual purpose and enhances the financial control environment. Within this project, routine manual journals have been automated and cash book processes have been enhanced with the roll-out of an automated bank reconciliation process during the year. Process mapping is underway to further automate time-consuming finance processes to continue to evolve the maturity of the group's finance function.

CAPITAL STRUCTURE OPTIMISATION

A significant project undertaken this past year was to review the capital structure of the business, with a view to further optimise capital allocation. For the first time, the group introduced term debt onto the balance sheet, to optimise working capital requirements and to partly fund the purchase price for the acquisition of NKD. The debt level approved by the Board is viewed as conservative, with a gearing ratio of the combined group Net debt (excluding lease liabilities):EBITDA (pre-IFRS 16) expected to be in the range of 1.5x - 1.75x. The benefit of a strongly cash-generative business model ensures optionality in managing debt levels comfortably, whilst still allowing for high dividend payout ratios to be maintained.

NORMALISED FY2026 RESULTS

The group's earnings for FY2026 were impacted by once-off costs relating to the acquisition of NKD. Accordingly, normalised performance metrics have been presented to provide a more comparable and meaningful assessment of the group's performance for the year under review. Basic, headline and diluted headline earnings per share increased by 8.0%, 7.7% and 8.0%, respectively, on a normalised basis. Basic, headline and diluted headline earnings per share of 1 449.5 cents, 1 453.9 cents and 1 411.8 cents, increased by 2.3%, 2.1% and 2.4%, respectively, on a statutory basis.

FINANCIAL COMMENTARY

Group income statement

	Actual	Normalised		Actual	Normalised
R'm	FY2026	FY2026	FY2025	% Change	% Change
Revenue	42 654	42 654	40 933	4.2%	4.2%
Gross profit	17 015	17 015	16 046	6.0%	6.0%
Expenses	12 047	11 832	11 361	6.0%	4.2%
Operating profit	**6 028**	**6 243**	**5 780**	**4.3%**	**8.0%**
Net finance expenses	-612	-610	-605	1.2%	0.8%
Profit before taxation	**5 416**	**5 633**	**5 175**	**4.6%**	**8.8%**
Tax	1 566	1 577	1 386	12.9%	13.8%
Profit after tax	**3 850**	**4 056**	**3 789**	**1.6%**	**7.0%**
Profit attributable to non-controlling interests	118	118	142	(16.9%)	(16.9%)
Profit attritubutable to equity holders of the parent	**3 732**	**3 938**	**3 647**	**2.3%**	**8.0%**

REVENUE

Revenue increased to R 42.7bn, up 4.2% on the prior period. Group retail sales grew 4.3% (LY: 7.8%) to R41.1bn and comparable store sales increased 1.1%. Group store sales increased 4.4% and contributed 97.9% of total sales, reflecting the preference of the group's customers to shopping in store, while online sales grew 4.9%. Group unit sales increased 0.5% and retail selling price inflation of 3.8%, enabled its leading value positioning.

The group opened 196 new stores for the year, closing its total store footprint at 3 182 stores. The increase in store numbers was led by Studio 88 with 80 stores opened across its five trading chains, followed by Power Fashion opening 32 new stores and Mr Price Apparel opening 18. The Mr Price Cellular concept also gained momentum, opening 25 new stores, taking its total footprint to 86 standalone stores. Group weighted average trading space increased 3.6%. New store returns continue to perform well in excess of internal thresholds and WACC.

The group continued to trade predominantly in Africa with its primary market focus being South Africa, contributing 92.2% to total retail sales (similar to the prior year).

Cash sales grew 4.4% for the period contributing 89.4% to retail sales, further entrenching the cash-based business model. Credit sales grew 3.5% as the conservative credit posture was maintained, with the approval rate increasing slightly on last year to 21.9%.

GROSS PROFIT

It was pleasing to note the increase in the group's gross profit (GP) margin by 70bps to 41.2%. This marked three consecutive years of gross profit gains, in what has been a challenging market with sector-wide discounting disrupting trade. The merchant teams across the business executed well, with gains noted across all trading segments. This resulted in all segments meeting or exceeding their medium-term target ranges for gross profit margin. The gross profit growth (rands) year-on-year amounted to 6.0%, growing at a faster rate than revenue, which had a positive impact on the operating profit wedge.

EXPENSES

Expenses were well managed, growing 6.0% on the prior year, and 4.2% on a normalised basis. Our teams reacted well to manage overhead costs stringently, in line with the retail sales performance. Several trade-offs were made and the group prioritised spend in areas that generated highest returns, for example, weighted average space grew 3.6%, increasing non-comparable growth, but with robust new store returns achieved. Employment costs were well managed, growing 7.9%, impacted by long-term incentive share scheme credits in the base (excluding which, growth was 3.3%). The group's expense to retail sales and other income ratio of 28.4% (normalised: 27.9%) was within the targeted range of 27.5% - 28.5%.

The careful expense management resulted in the group's operating margin being maintained at 14.2% (normalised: 14.7%, expanding 50bps on last year), in the middle of the group's medium-term target range.

PROFIT FROM OPERATING ACTIVITIES

Profit from operating activities increased 4.3% to R6.0bn and was up 8.0% on a normalised basis. This was due to operating leverage achieved through gross profit margin gains and focused expense management.

Profit attributable to equity holders of the parent increased 2.3% to R3.7bn and was up 8.0% on a normalised basis, with headline earnings per share increasing 2.1% (7.7% on a normalised basis) for the period to 1 453.9 cents (1 533.7 cents on a normalised basis).



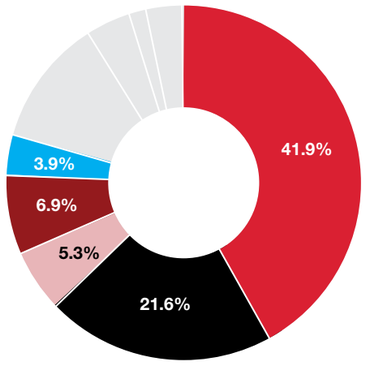
SEGMENTAL ANALYSIS

The group is organised and managed in three core trading segments: Apparel, Homeware and Telecoms.

APPAREL SEGMENT

The Apparel segment increased retail sales by 4.2% to R32.8bn, outperforming the RLC's market growth of 3.4%, while comparable retail sales increased 1.1%. Performance in H2 was against a high base, with retail sales and comparable sales growth of 9.8% and 5.8% respectively in the prior year. Despite the softer topline growth for the sector resulting in a highly promotional environment, the segment increased GP margin, driven by its three largest divisions. Its two newest divisions continued to expand well, with Power Fashion nearly doubling its store footprint since acquisition to 354 stores, while Studio 88 surpassed 1 000 stores. These two divisions collectively delivered well in excess of R1bn in operating profit, supporting the expansion of the segment's operating margin by 60bps.

Retail sales: divisional contribution

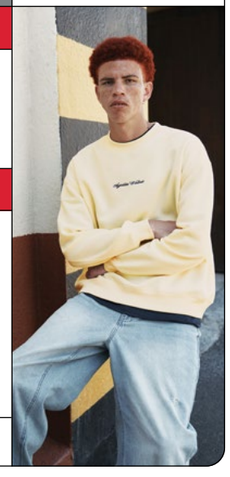


Mr Price Apparel | Studio 88 | Mr Price Sport | Power Fashion | Miladys

Segment sales contribution

% Change	FY2026
Retail sales	4.2%
Operating profit	8.8%
Sales drivers	**FY2026**
Comp sales growth	1.1%
Unit growth	0.2%
RSP inflation	4.0%
Sales density	R37 817m²

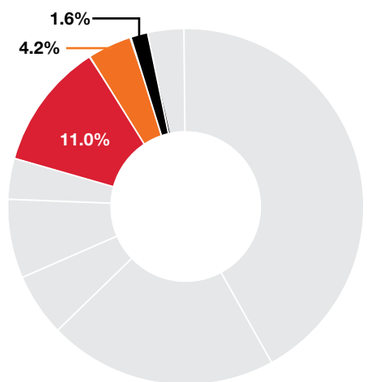
79.6% (LY: 79.7%)



HOMEWARE SEGMENT

The Homeware segment grew retail sales by 3.8% (comparable store sales up 1.8%) to R6.9bn. The segment delivered increased GP margin, up 50bps, supported by strong markdown management. Operating margin expanded further, in line with the strategic imperative for the segment. Mr Price Home continues to hold a dominant level of market share (RLC) and retains the highest brand equity in the sector (NiQ). Sheet Street has reported consistently improved comparable sales over the last two years, and has delivered significantly improved profitability, supported by its space rationalisation programme. Yuppiechef achieved double-digit sales growth and grew ahead of the market, gaining 10bps of market share (RLC). Its omnichannel expansion continues to yield positive results, with its e-commerce platform now complemented by 25 stores.

Retail sales: divisional contribution

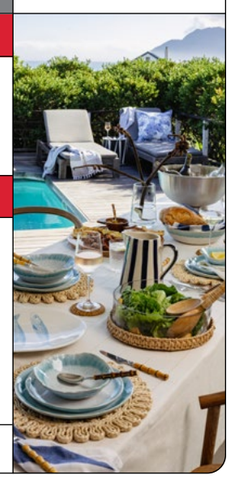


Mr Price Home | Sheet Street | Yuppiechef

Segment sales contribution

% Change	FY2026
Retail sales	3.8%
Operating profit	5.1%
Sales drivers	**FY2026**
Comp sales growth	1.8%
Unit growth	1.9%
RSP inflation	1.9%
Sales density	R29 226m²

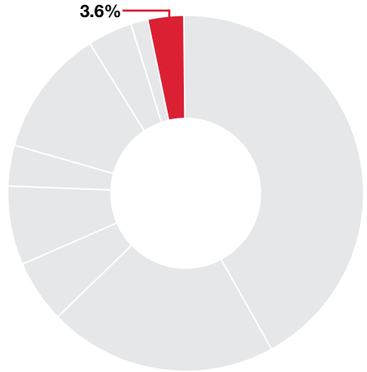
16.8% (LY: 16.9%)



TELECOMS SEGMENT

The Telecoms segment revenue increased by double-digits once again, up 10.3% to R1.5bn. Mr Price Cellular and Powercell collectively achieved a 20bps increase in market share (GfK). Standalone stores continued to generate strong returns, with an additional 25 stores added during the period, taking the total to 86 which operate alongside 482 store-in-store concepts. Operating profit was impacted by one-off adjustments and is expected to normalise by FY2027. Mr Price Cellular was voted by MTN as the 'Retailer of the Year', reflecting the impact of successful network partnerships.

Retail sales: divisional contribution



Mr Price Cellular and Powercell

Segment sales contribution

% Change	FY2026
Retail sales	10.3%
Operating profit	(0.8%)
Sales drivers	**FY2026**
Comp sales growth	(3.1%)
Unit growth	3.9%
RSP inflation	7.4%
Sales density	R284 110m²

3.6% (LY: 3.4%)





STATEMENT OF FINANCIAL POSITION

R'm	March 2026	March 2025
Non-current assets	17 265	16 867
Current assets	23 422	15 672
Inventories	8 290	7 894
Trade and other receivables	3 197	3 134
Cash and cash equivalents	11 673	4 147
Other	262	497
Total	**40 687**	**32 539**
Shareholder equity	14 594	13 432
Non-controlling interest	734	988
Non-current liabilities	13 550	7959
Interest-bearing loans	7 000	-
Lease liability and other	6 550	7 959
Current liabilities	11 809	10 160
Total	**40 687**	**32 539**

INVENTORY

Stock was well managed during the year, with the merchant teams navigating with agility the disruptive market as a result of sector-wide discounting. This resulted in the inventory balance only increasing 5.0% on last year. Stock flow improved after last year's international supply chain disruptions and arrived as anticipated during the year. Stock freshness (0 - 3 months ageing) remained high at 82.6% and the good health of the stock balance resulted in a moderately reduced inventory provision of 6.3% (compared to 6.7% last year). Inventory turn was in line with last year at 3.0 times, compared to 3.1 times last year.

INVENTORY
+5.0%
YOY growth

TRADE AND OTHER RECEIVABLES

Trade and other receivables grew 2.0% on last year, with the retail debtors' book up 3.7%, driven by a year-on year increase in credit sales of 3.5%. During the period, the repo rate declined 75bps, impacting interest charged on the portfolio, however the increase in new credit applications received of 3.1% on last year, together with the increased approval rate to 21.9%, positively impacted credit sales. The net bad debt to book ratio of 8.9% was up on last year (7.8%) reflecting the challenging consumer environment, together with the change in the charge off portfolio introduced last year. The debtors book is well provided for, at an impairment provision ratio of 13.1%, slightly down from 13.2% last year.

TRADE RECEIVABLES
+2.0%
YOY growth

CASH AND CASH EQUIVALENTS

The growth in the cash and cash equivalents balance of 181.5% was due to the take on of interest-bearing loans of R7bn during the second half of the financial year, for working capital requirements and to partially fund the purchase price for the acquisition of NKD. The purchase price was due on 31 March 2026, hence outside the 2026 financial year. Excluding the interest-bearing loans, the cash balance ended on R4.7bn, which was an increase of 12.7% on the prior year. The group has debt covenants relating to its term loans and is not at risk of breaching its covenants for the 2026 financial year.

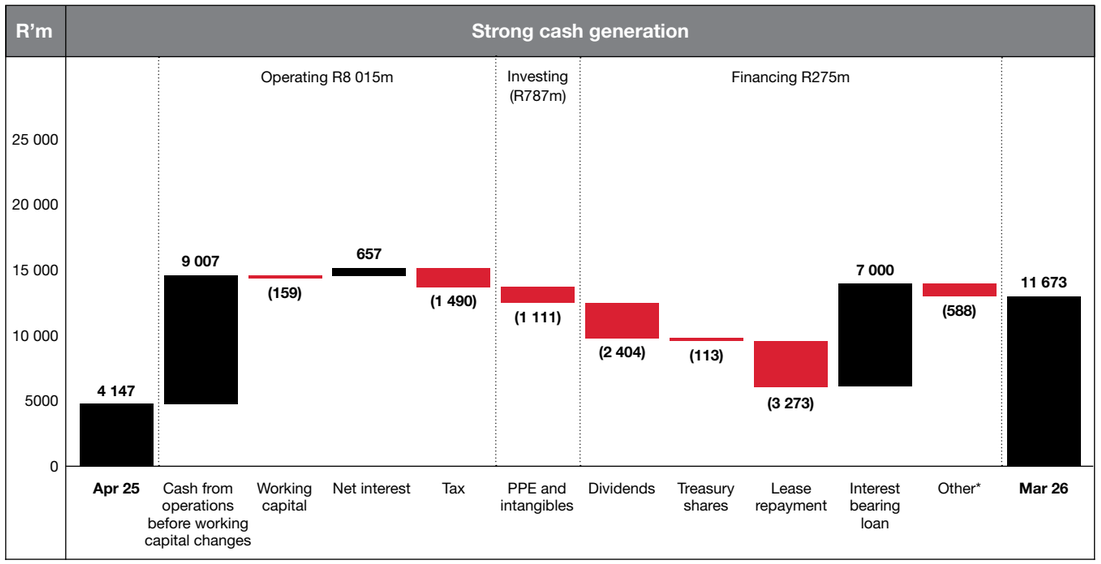
CASH
+181.5%
YOY growth

TRADE AND OTHER PAYABLES

Trade and other payables increased 4.3% on the prior year, mainly due to the continued conversion of the supply base onto the supply chain finance programme, with terms extending to 90 days. Both local and foreign suppliers have access to the programme and over the past year, the focus was on converting more foreign suppliers onto the programme. By year end, approximately 89% of our total suppliers were converted onto the programme.

TRADE PAYABLES
+4.3%
YOY growth

CASH FLOW MOVEMENT



*Including NCI acquisition of R770m

Cash generated from operations increased by 5.0% to R9.0bn, with a net working capital decrease of R159m. Net interest received increased by 6.8% to R657m due to higher cash balances held throughout the period.

The group's investing activities amounted to R1.1bn, of which 44.8% was allocated to the store environment (including new store rollout, store expansions and revamps).

New store returns continued to perform well and were above management's internal thresholds, hence continues to be a primary channel of capital allocation. A total of 196 new stores were opened during the period across the group's 15 retail trading chains. The remaining capex was primarily allocated to the key strategic enablement project within the logistics and supply chain function, the expansion of the Gosforth Park Distribution Centre.

The group again delivered a strong cash conversion ratio of 85.8%, which was ahead of the medium-term target.

During the period, the group's financing activities resulted in distributions of R2.4bn to shareholders in the form of dividends, maintaining the payout ratio of 63.0%, together with R3.3bn being allocated to repayment of lease liabilities.

Net asset value per share increased by 6.5% to 5 962 cents. The group's net debt to equity ratio was 1.65 and its current and quick ratios closed at 2.0 and 1.3 respectively, increasing on the prior year and further reinforcing the strength of the group's balance sheet. Return on equity at 25.9% was also at the top end of the group's medium-term target range.

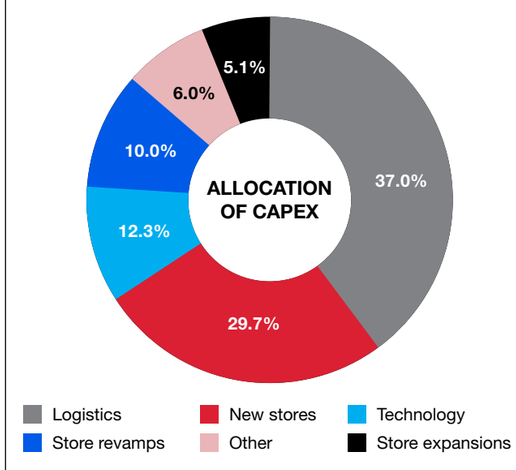
The closing cash balance of R11.7bn was impacted by the take-on of interest-bearing loans, excluding which, the cash balance closed at R4.7bn (12.7% up on the prior year).

Funded wholly from cash reserves

CAPITAL EXPENDITURE FY2026

R1.1bn

Primarily allocated to stores (44.8%)



FY2027 outlook:

- Capex: South Africa R1.1bn | Europe €24m
- Majority allocated to strategic enablement and new stores: South Africa ~180 | Europe ~150
- Weighted average space growth of ~3% to 4%
- Group Net debt: EBITDA of 1.4x, lower than medium-term target of 1.5x to 1.75x, with sufficient headroom



OUTLOOK

Much of the positive consumer sentiment emerging at the end of 2025, due to real wage and disposable income growth, and lowering inflation and interest rates, had dissipated early in 2026 with the onset of the US-Iran conflict. Navigating the uncertainty of the duration of the conflict will prove challenging in the immediate short-term. The risk of a longer and extended conflict will have serious consequences for the retail sector due to the inflationary pressure on food and fuel that may emerge, together with the potential for rising interest rates.

The groups value-focused business model, together with its strong supplier and logistics partnerships, are anticipated to assist in navigating this potentially volatile environment. The disciplined execution of our differentiated fashion-value merchandise and delivering on our purpose of being "Your Value Champion" will remain a key priority for FY2027. Capital expenditure in FY2027 is anticipated to be R1.1bn for South Africa and €24m for Europe, with the majority allocated to strategic enablement (logistics and technology) and stores (new stores, revamps and expansions).

APPRECIATION

In FY2026 we celebrated the 40th year anniversary of the launch of Mr Price. In unpacking the heritage of our Red Cap brand, the nostalgic trip down memory lane reminded me of the extraordinary difference two ordinary people etched in the history of South Africa. The passion that drove Stewart Cohen and Laurie Chiappini's dream to make fashionable clothing affordable to all is still the very same passion that fuels our associates today. I was reminded what a great privilege it is to serve in a purpose-led organisation like ours, and I am really looking forward to continuing my contribution to this incredible story!

My sincere thanks to the Board, our CEO and all our associates across the business, with a special mention to the Finance community, who are always ready to take on new challenges (and deadlines). Our passion certainly powers our purpose!



Praneel Nundkumar
Chief Financial Officer



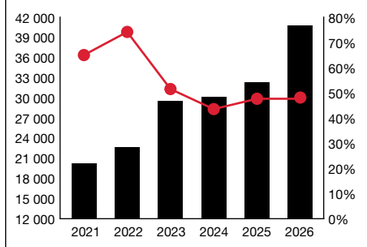
SIX-YEAR REVIEW

ABRIDGED STATEMENTS OF FINANCIAL POSITION, CASH FLOWS AND INCOME

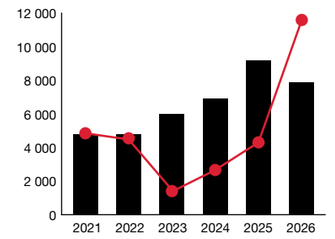
R'm	40-year compound growth %[2]	5-year compound growth %	2026	2025	2024	2023	2022	2021[1]
Statement of financial position								
Assets								
Non-current assets			**17 265**	16 867	16 838	17 003	11 296	9 288
Property, plant and equipment			**4 634**	4 254	4 072	3 598	2 518	2 236
Right-of-use-asset			**7 156**	7 187	7 237	7 737	6 315	5 000
Other			**5 475**	5 426	5 529	5 668	2 463	2 052
Current assets			**23 422**	15 672	12 978	11 778	11 381	10 587
Inventories			**8 290**	7 894	7 078	7 321	3 956	3 298
Trade and other receivables			**3 197**	3 134	2 969	2 733	2 551	2 155
Cell captive structure			**152**	163	124	-	-	-
Reinsurance asset			**-**	-	-	219	190	154
Term deposits			**-**	313	-	-	-	-
Cash and cash equivalents			**11 673**	4 147	2 798	1 442	4 612	4 949
Derivative financial instruments			**101**	15	2	51	64	24
Taxation			**9**	6	7	12	8	7
			40 687	32 539	29 816	28 781	26 677	19 875
Equity and liabilities								
Equity attributable to equity holders of parent			**14 594**	13 432	12 363	11 412	12 056	10 838
Non-controlling interest (NCI)			**734**	988	1 058	914	-	-
Non-current liabilities			**13 550**	7 959	8 491	9 068	6 002	4 800
Lease liabilities			**6 215**	6 355	6 512	7 028	5 951	4 776
Non-controlling interest liability			**-**	1 257	1 576	1 602	-	-
Interest bearing loans			**7 000**	-	-	-	-	-
Other non-current liabilities			**335**	347	403	438	51	24
Current liabilities			**11 809**	10 160	7 904	7 387	4 619	4 237
Trade and other payables			**6 703**	6 424	5 175	4 877	2 895	2 542
Lease liabilities			**2 458**	2 331	2 126	2 093	1 460	1 164
Reinsurance liabilities			**-**	-	-	44	43	45
Non-controlling interest liability			**1 605**	742	429	-	-	-
Other			**1 043**	663	174	373	221	486
			40 687	32 539	29 816	28 781	22 677	19 875
Statement of cash flows								
Cash flows from operating activities			**8 015**	8 442	7 146	5 940	4 807	4 767
Cash flows from investing activities			**(787)**	(1 128)	(976)	(4 270)	(925)	(1 945)
Cash flows from financing activities			**275**	(5 934)	(4 813)	(4 841)	(4 207)	(2 550)
Net increase/(decrease) in cash and cash equivalents			**7 503**	1 380	1 357	(3 171)	(325)	272
Cash and cash equivalents at beginning of the year			**4 147**	2 798	1 442	4 612	4 949	4 726
Exchange gain/(losses)			**23**	(31)	(1)	1	(12)	(49)
Cash and cash equivalents at end of the year			**11 673**	4 147	2 798	1 442	4 612	4 949
Income statement								
Retail sales	16.9%	13.7%	**41 146**	39 439	36 586	31 498	26 683	21 690
Retail sales and other revenue	16.9%	13.5%	**42 399**	40 715	37 783	32 668	27 865	22 553
Profit before finance costs and finance income	18.7%	9.3%	**6 028**	5 780	5 307	4 920	4 946	3 864
Profit attributable to shareholders and NCI	20.5%	7.8%	**3 850**	3 789	3 424	3 115	3 347	2 648
Headline earnings attributable to shareholders	20.5%	6.3%	**3 744**	3 667	3 306	3 102	3 305	2 762

Notes:
1. 2021 was 53-week period
2. The 40-year compound growth rates are calculated from the date of acquiring joint control in 1986

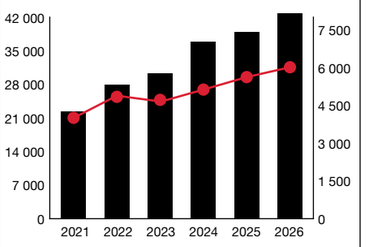
Total assets (R'million) and return on operating assets (%)



Cash generated and cash at year end (R'million)



Retail sales and operating profit (R'million)



STORES AND PRODUCTIVITY MEASURES

Ratios / indicators	40-year compound growth %[2]	5-year compound growth %	2026	2025	2024	2023	2022	2021[1]
Operating statistics								
Depreciation as a % sales [a]			**1.5%**	1.5%	1.5%	1.1%	1.2%	1.5%
Employment costs as a % sales [b]			**12.0%**	11.7%	11.4%	10.8%	11.0%	10.3%
Occupancy costs as a % sales [c]			**9.2%**	8.5%	9.2%	7.9%	7.9%	7.9%
Total expenses as a % sales [d]			**29.3%**	28.8%	29.1%	27.3%	26.6%	28.4%
Number of stores by segment								
Mr Price Apparel			**683**	665	630	595	558	538
Mr Price Sport			**186**	178	175	169	157	136
Power Fashion			**354**	324	295	262	209	-
Studio 88			**1 006**	951	890	825	-	-
Miladys			**271**	265	266	255	251	239
Total Apparel stores			**2 500**	2 383	2 256	2 106	1 175	912
Mr Price Home			**238**	231	229	216	205	183
Yuppiechef			**25**	21	20	14	7	-
Sheet Street			**333**	334	354	354	333	322
Total Home stores			**596**	586	603	584	545	505
Mr Price Cellular (Standalone)			**86**	61	41	12	1	-
Total Cellular stores			**86**	61	41	12	1	-
Franchise			**13**	12	8	8	8	8
Total group stores	8.8%	17.5%	**3 195**	3 042	2 908	2 710	1 729	1 426
FT associates[e]			**28 002**	29 988	27 775	20 767	20 443	17 831
Trading area								
- weighted average new m²			**1 074 507**	1 037 238	994 824	857 853	733 569	651 875
- closing average net m²	9.1%	10.7%	**1 092 276**	1 050 558	1 015 229	962 763	752 044	657 763
Total sales (R'm)	16.9%	13.7%	**41 146**	39 439	36 586	31 498	26 683	21 690
Traditional comparable sales growth %			**1.1**	3.4	1.8	(3.4)	14.1	(5.1)
Retail selling price inflation %			**3.8**	3.7	12.2	15.1	(6.4)	5.3
Cash sales %			**89.4**	89.3	88.9	87.3	86.1	86.4
Credit sales %			**10.6**	10.7	11.1	12.7	13.9	13.6
Sales per store (R'm)			**13**	13	13	12	16	15
Sales per full time associate (Rand)			**1 469 401**	1 664 109	1 317 223	1 516 733	1 305 227	1 216 396
Sales density exluding sales to franchise (Rand per weighted average net m²)			**37 308**	37 123	36 760	36 678	36 316	31 346

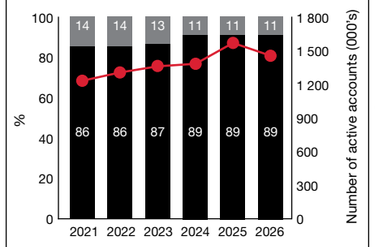
Notes:
1. 2021 was 53-week period
2. The 40-year compound growth rates are calculated from the date of acquiring joint control in 1986
a Depreciation on property, plant and equipment only
b Employment costs include salaries, wages & other benefits, share based payments, restraint of trade expenses, defined contribution pension fund expense, defined benefit pension fund net expense and post retirement medical aid benefits
c Occupancy costs include depreciation on right of use asset, interest on lease liability and rental expenses associated with short-term, low value and Holdover leases.
d Total expenses includes interest on lease liability
e FT: Full time

RETURNS, PROFITABILITY AND SHARE INFORMATION

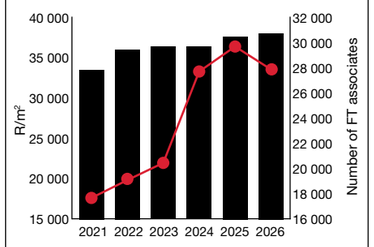
Ratio / indicators	40-year compound growth %[2]	5-year compound growth %	2026	2025	2024	2023	2022	2021[1]
Productivity ratios								
Net asset turn			**1.8**	2.7	2.7	2.5	2.2	2.0
Gross margin (%)			**41.2**	40.5	39.7	39.5	40.7	42.6
Operating margin (%)[3]			**14.2**	14.2	14.0	15.1	17.7	17.1
EBITDA margin (%)			**22.0**	21.9	22.5	23.0	25.8	25.5
Profitability and gearing ratios								
Return on net worth (%)			**25.6**	27.2	26.5	27.3	27.8	24.4
Return on average shareholders equity (%)			**25.9**	27.2	26.6	26.5	29.2	26.1
Return on capital employed (%)			**19.4**	22.2	24.3	24.0	27.3	24.7
Return on operating assets (%)			**47.4**	46.6	43.0	51.0	74.6	63.5
Solvency and liquidity ratios								
Current ratio			**2.0**	1.5	1.6	1.6	2.5	2.5
Quick ratio			**1.3**	0.8	0.7	0.6	1.6	1.7
Inventory turn			**3.0**	3.1	3.1	3.4	4.4	4.2
Total liabilities to total shareholders equity			**1.7**	1.3	1.2	1.3	0.9	0.8
Per share performance (cents)								
Headline earnings	17.7%	6.4%	**1 453.9**	1 424.0	1 286.2	1 205.7	1 282.1	1 067.9
Diluted headline earnings	17.6%	6.1%	**1 411.8**	1 379.3	1 252.6	1 178.4	1 254.0	1 049.0
Dividends	18.9%	6.4%	**916.0**	897.1	810.3	759.6	807.3	672.8
Operating cash flow			**3 113.2**	3 278.8	2 780.3	2 308.8	1 898.2	1 843.0
Net worth			**5 676.4**	5 212.5	4 813.7	4 437.0	4 686.2	4 199.7
Dividend payout ratio			**63.0**	63.0	63.0	63.0	63.0	63.0
Stock exchange information								
Number of shares in issue ('000)			**257 103**	257 677	256 828	257 194	257 264	258 067
Number of shares on which earnings based ('000)			**257 437**	257 484	257 016	257 274	257 778	258 671
Shares traded ('000)			**418 945**	317 349	401 707	287 613	282 496	361 695
Percentage of shared traded (%)			**162.7**	123.2	156.3	111.8	109.6	139.8
Earning yielded (%)			**9.5**	6.3	7.4	8.4	5.9	5.4
Dividend yield (%)			**6.0**	4.0	4.7	5.3	3.7	3.4
P:E ratio			**10.5**	15.9	13.6	11.9	16.6	19.3
Market capitalisation (R'm)[4]			**39 175**	57 977	44 633	37 029	55 475	50 672
Share price (cents)								
- high			**25 205**	29 774	18 005	22 575	24 498	19 811
- low			**14 817**	15 670	12 407	13 450	18 066	11 092
- closing	18.2%	(5.1%)	**15 237**	22 500	17 381	14 420	21 599	19 798
Foreign shareholding at year end (%)			**25.9**	31.2	34.0	45.6	41.0	44.4

Notes:
1. 2021 was 53-week period
2. The 40-year compound growth rates are calculated from the date of acquiring joint control in 1986
3. Operating margin calculated as operating profit/retail sales and other revenue
4. Market capitalisation is calculated based on number of shares in issue and closing share price

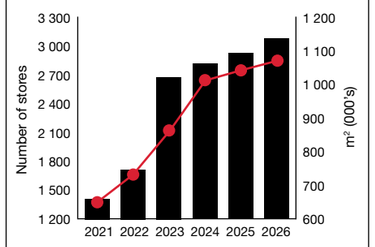
Credit sales and group number of active accounts



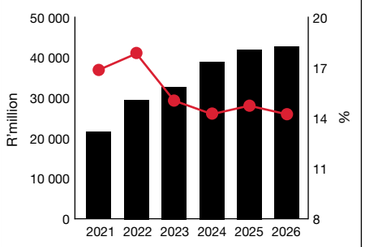
Sales density and number of FT associates



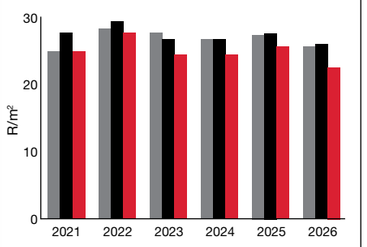
Number of stores and trading area



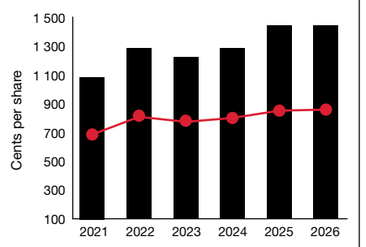
Retail sales and other revenue and operating margin



Return on net worth, equity and capital



Headline earnings and dividend per share



mr price group limited

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Domicile and Country of Incorporation

Republic of South Africa

Sponsor

Investec Bank Limited

Registration Number

1933/004418/06

Independent Auditors

Deloitte & Touche

Tax number

9285/130/20/0