nickscali
LIMITED

Annual Report 2026

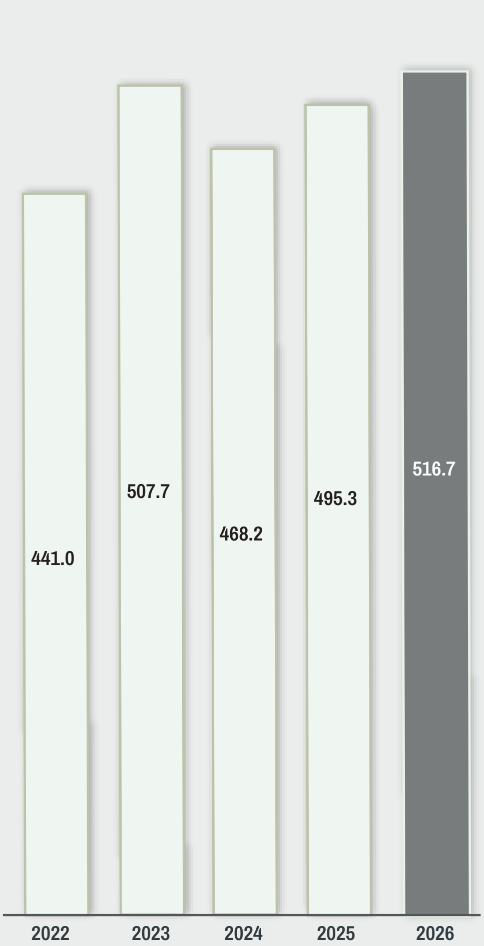
Los Angeles corner terminal in Quanta Turtledove

Noosa 3.5 seater sofa bed in Popple Juniper Green

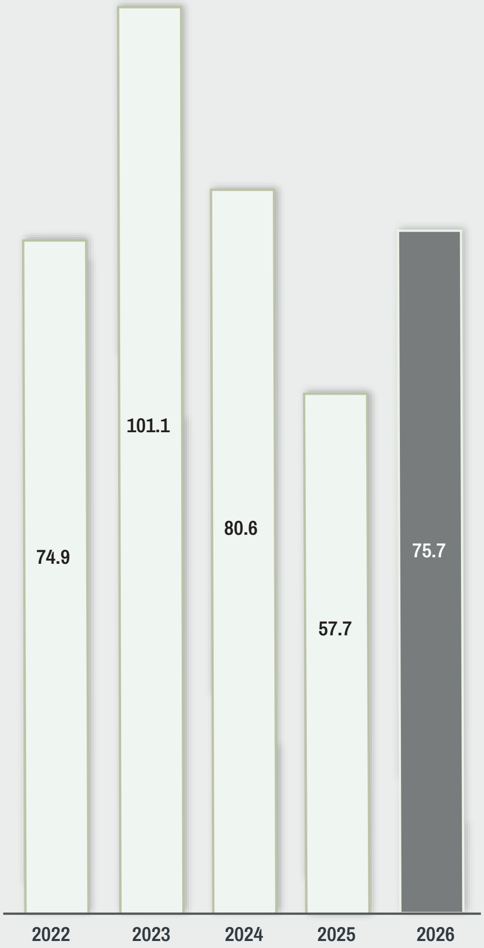
Contents

Historical Performance

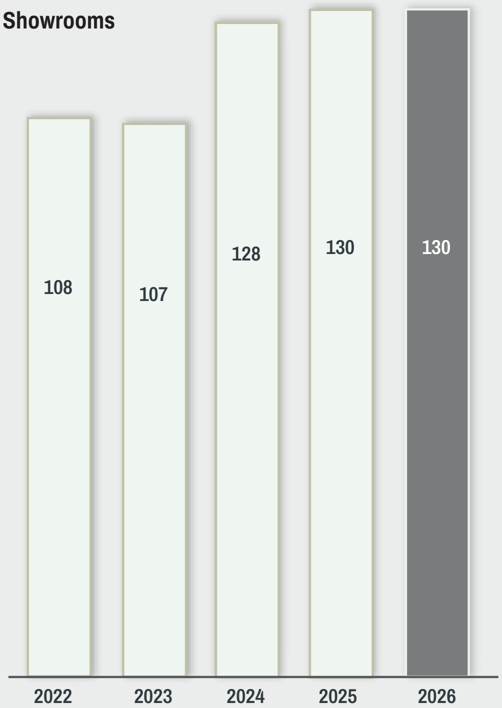
Revenue ($m)



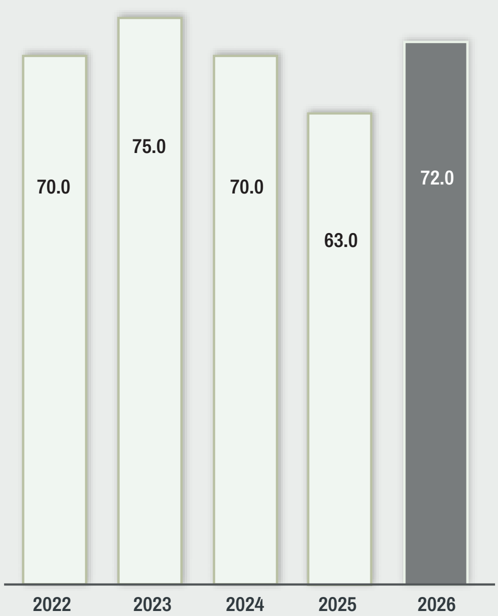
Net profit after tax ($m)



Showrooms



Dividends paid (cents per share)



Chair and Deputy Chair's Review

Group Overview

We are pleased to report that FY26 was a year of improved earnings, margin expansion and strong cash generation for the Group. Revenue increased 4.3% to $516.7m and statutory net profit after tax increased 31.2% to $75.7m. Group gross margin improved by 210 basis points to 65.6%, reflecting disciplined pricing, sourcing and inventory management. The year also marked the completion of the UK showroom refurbishment and rebranding programme.

Operating Performance ANZ

ANZ written sales orders increased 2.7% to $472.5m for the year despite a subdued retail environment and pressure on discretionary consumer spending in the second half.

Revenue increased 5.1% to $476.7m, supported by a strong first half performance. Gross margin increased by 100 basis points to 66.0%, compared with 65.0% in FY25.

Underlying operating expenses increased by $5.0m compared with FY25, primarily reflecting higher employment costs and additional marketing investment to support the Group's brands and growth initiatives.

ANZ net profit after tax increased to $80.5m, representing growth of 10.0% on FY25 underlying net profit after tax and 13% on FY25 statutory net profit after tax.

Operating Performance UK

The UK showroom refurbishment and rebranding programme was completed in December 2025, with 16 showrooms now converted to the Nick Scali brand and format. Store closures required to complete the programme disrupted trading during the year and affected year-on-year comparisons.

Written sales orders increased 31.4% to $45.0m for the year, reflecting the positive customer response to the Nick Scali brand and product offering. Revenue was $40.0m, $1.8m below FY25, reflecting lengthy store closures for refurbishment. Gross margin increased to 60.3% from 47.1% in FY25 as the rollout of Nick Scali products and pricing was completed across the refurbished network. The improvement demonstrates the significant progress made in repositioning the UK business and enhancing profitability.

The UK recorded a net loss after tax of $4.8m, a significant improvement on the statutory loss of $13.6m reported in FY25. The result reflects the benefits of the completed rebranding programme, improving sales momentum, higher margins and operating cost discipline.

Cashflow and Balance Sheet

The Group generated operating cashflows of $117.9m after rent and occupancy costs, compared with $89.6m in FY25, reflecting higher profitability and continued strong cash conversion. UK operating cash outflows reduced significantly during the year as sales activity and gross margins improved and refurbishment expenditure reduced.

Property and other capital investment totalled $23.0m. This included settlement of the Campbelltown showroom acquisition for $7.9m, $8.2m invested in refurbishing ANZ and UK showrooms, and the purchase of land in South Australia for $3.8m to facilitate construction of a new distribution centre. Construction of the distribution centre commenced during the year and is expected to be completed in the first half of FY27.

The acquisition of a new showroom property in Richmond, Victoria, for $22.0m was completed in August 2026. These investments support the Group's long-term showroom and distribution network strategy.

Cash and bank deposits at 30 June 2026 were $106.6m and net cash after borrowings was $34.9m, an increase of $5.6m. Total borrowings remained unchanged at $71.7m.

Store Network

During FY26, the Group opened a Nick Scali showroom in Ballarat, VIC and Plush showrooms in Bendigo, VIC, Tuggerah, NSW and Cannington, WA. The Nick Scali showrooms at Brisbane Airport and Toowoomba were closed. In the UK, the Lincoln and Nottingham shared concessionary stores were closed as they were not suitable for the Group's long-term network strategy, and a new distribution centre commenced operations in June 2026.

At 30 June 2026, the Group operated 130 showrooms. A further two Nick Scali showrooms opened in Bendigo, VIC and Bunbury, WA in July 2026, increasing the network to 132 showrooms.

The Group continues to invest selectively in its showroom network to support future growth.

Sustainability

This Annual Report includes the Group's inaugural Sustainability Report, prepared in accordance with AASB S2 Climate-related Disclosures. We welcome the opportunity to provide shareholders with additional insight into the Group's approach to climate-related risks and opportunities.

Outlook

The Group remains focused on enhancing the customer offering across the Nick Scali and Plush brands and pursuing growth opportunities.

In ANZ, the recently opened showrooms are expected to contribute to future earnings growth as they mature. A further four showrooms are expected to open during FY27, supporting the Group's continued growth strategy. In the UK, the completion of the showroom refurbishment, rebranding programme and new distribution centre provides a platform for future growth. Management remains focused on increasing brand awareness, improving profitability and selectively expanding the showroom network over time.

With a strong balance sheet and cash position, the Group remains well positioned to support further expansion and investment across its markets.

Dividends

The Board declared a fully franked final dividend of 39.0 cents per share, bringing total dividends declared for FY26 to 78.0 cents per share. The final dividend has a record date of 1 October 2026 and will be paid on 22 October 2026. During the year, $61.6m was returned to shareholders through payment of the FY25 final and FY26 interim dividends.

The Board recognises that the Group's performance reflects the dedication and commitment of our employees across Australia, New Zealand and the United Kingdom. We thank them for their contribution and also acknowledge the ongoing support of our customers, suppliers and shareholders.

Directors' Report

The directors present their report, together with the financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Nick Scali Limited (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2026.

Directors

The names and details of the Company's directors (referred to hereafter as the 'Board') in office at any time during the financial year or until the date of this report are as follows. Directors were in office for this entire year unless otherwise stated.

Carole Molyneux	William Koeck	John Ingram – retired 29 October 2025
Kathy Parsons	Anthony Scali	Niran Peiris – appointed 2 September 2025

Principal activities

The principal activities of the Group during the year were the sourcing and retailing of household furniture and related accessories. No change in the nature of these activities occurred during the year.

Dividends

Dividends paid during the year were as follows:

	2026 $'000	2025 $'000
Final franked dividend for 30 June 2025 33.0 cents (2024: 33.0 cents)	28,225	28,126
Interim franked dividend for 30 June 2026: 39.0 cents (2025: 30.0 cents)	33,357	25,659
	61,582	53,785

In addition to the above dividend, since the end of the financial year directors have declared a fully franked final dividend of 39 cents per fully paid ordinary share to be paid on 22 October 2026 out of retained profits at 30 June 2026.

Operating and financial review

Nick Scali Limited is a furniture retailer operating in Australia, New Zealand and the United Kingdom.

Group operating results

	2026 $'000	2025 $'000	% Change
Revenue	516,704	495,283	4.3%
Gross Margin %	65.6	63.5	2.1%
Net profit after tax (NPAT)	75,678	57,676	31.2%
Underlying NPAT	75,678	61,998	22.1%
Earnings per share (EPS) (cents)	88.5	67.5	31.1%

The net profit after tax result for the group increased against the prior year net profit after tax by 31.2% at $75.7m. When comparing the current year to the prior year underlying net profit after tax it was up 22.1%. During the previous year the underlying net profit was adjusted for one-off expenses for restructuring costs incurred since the acquisition of Anglia Home Furnishings Ltd ($2.4m) and additional costs incurred from the failure of a freight forwarder in ANZ of ($2.8m), net of tax underlying profit impact $1.9m.

Revenue

Revenue for the Group for the financial year was $516.7m up 4.3% on prior year. Australian and New Zealand ("ANZ") FY26 revenue of $476.7m is higher than FY25 revenue of $453.5m by 5.1%. UK Revenue was $40.0m 4.3% lower than the previous year of $41.8m. UK Revenue was impacted by the continued refurbishment of the showroom network in the first half with FY25 revenue benefiting from the delivery of the acquired order bank.

Gross margin

Group gross margin of 65.6% for FY26 increased 2.1% compared to FY25. The ANZ gross margin was 66.0% up 1.0% compared to FY25. In the UK significant margin improvement continues with FY26 margin of 60.3% compared to 47.1% reported in FY25. This margin improvement reflects the roll out of Nick Scali products in the refurbished showrooms.

Operating expenses

On an underlying basis Group operating costs increased $5.0m up 3.0% compared to FY25. The increase in ANZ underlying operating costs was $5.0m which was predominately an increase in employee and marketing costs. The UK operating costs were flat year on year with some increases in marketing and logistics costs offset by savings in employment.

Directors’ Report (continued)

Cashflow and capital management

The Group maintained a strong working capital position throughout the year with closing cash and bank deposits at 30 June 2026 of $106.6m and net cash and bank deposits of $34.9m.

Operating cashflows of $154.4m increased by 33.7% from the prior year ($115.5m) primarily driven by higher profitability and favourable working capital movements.

During the year the group invested $21.9m in the purchase of property plant and equipment which includes the acquisition of the Nick Scali Campbelltown Store for $7.9m, the purchase of land in SA for $3.8m to construct a DC, $4.2m being used to refurbish the AU store network and $4.0m being used to refurbish the UK store network.

In the current year $61.6m was returned to shareholders in dividend payments.

Showroom network

	ANZ	UK	Group
Nick Scali Furniture (No.)	64	16	80
Plush (No.)	48	–	48
Fabb Furniture (No.)	–	2	2
Total (No.)	112	18	130

During the year, the Group opened a Nick Scali showroom in Ballarat, Victoria and Plush-Think Sofas showrooms in Bendigo, Victoria, Tuggerah, NSW and Cannington, WA. Two Nick Scali showrooms were closed in Brisbane Airport, Qld and Toowoomba, Qld. In the UK, 16 showrooms have now been refurbished and converted into Nick Scali Furniture stores and two showrooms that were shared concessionary stores were closed. A UK warehouse commenced operations in June 2026.

People

The Group has a strong focus on attracting, engaging, developing, and retaining top talent to ensure it remains a desirable employer and maximises its potential to deliver growth. Investment in training and leadership development ensures employees are equipped to deliver in their varied roles, and best practice short and long-term incentives are in place to reward exceptional performance.

To deliver maximum shareholder value, and to maintain investor and consumer confidence, the Group is committed to achieving high levels of integrity and ethical standards across all areas of the business. The Group has a Code of Conduct which sets out the requirement for honesty, care, fair dealing, and integrity in the conduct of all business activities.

The Group promotes workplace diversity and has zero tolerance for discrimination and harassment and ensures that Workplace Health and Safety is a priority for all employees, along with that of customers and suppliers.

Business Risk

The business, assets and operations of the group are subject to certain risk factors that have the potential to influence future operating and financial performance. The Group maintains a Risk Management Framework to support the identification, assessment, management, monitoring and reporting of such risks. Set out below are the key risks to future operating and financial performance the Group has identified together with the Group’s risk management approach for these risks. This is not an exhaustive list of all actual or potential risks which may affect the Group.

Risk Description	Risk Management Approach
External economic conditions	
A downturn in economic conditions may affect consumer demand for our products as our products are frequently discretionary purchase items for consumers.	The group proactively monitors key macroeconomic indicators and market sentiment to anticipate changes in consumer demand. A strong balance sheet and significant available liquidity provide financial flexibility to withstand cyclical pressures. Marketing activity and management of retail team performance can partially mitigate. Where possible the cost base to support reduced volumes is adjusted. Additionally, economic slowdowns may present strategic opportunities, including the ability to secure prime store locations on acceptable lease terms.
Acquisitions and integration	
Acquisitions may not deliver projected benefits or value, and integrations may not be successful, resulting in interruptions to the achievement of business strategy.	The Group identifies and actively manages integration risks, including where appropriate appointing additional leadership resources to assist with the management and delivery of the acquisition business case and delivery of integration programmes. The Group regularly reports specific acquisition risks and the performance of the new business compared to the acquisition strategy to the Board.
Cyber Security	
External cyber security threats to the group’s IT systems and data, including personal information, could lead to system failures, loss of control or data breaches. These incidents may result in significant reputational, financial, and regulatory implications for the Group.	The group seeks to reduce cyber security risks through initiatives such as ongoing awareness training, phishing simulation, continuous software and hardware upgrades and active monitoring of threats. Periodic cyber security audits are undertaken which include penetration testing. The approach focuses on both traditional threats and evolving threats driven by the growth and utilisation of Artificial Intelligence (AI) both internally and externally. These initiatives and outcomes are regularly reported to the Audit and Risk Committee of the Board.

Directors' Report (continued)

Risk Description	Risk Management Approach
Technology, data availability, and integrity	
A failure or disruption of information technology services (including infrastructure, hardware, software, digital platforms) and/or in the availability and integrity of data, could have a material adverse impact on the Group's reputation, operations, and financial performance.	The Group has experienced IT executive leadership. Where possible additional technical resources are engaged to mitigate key person risk. Key operating systems have business continuity restoration plans. The Group uses effective change control habits by evaluating, approving, and documenting modifications to minimise risks and maintain system and organisational stability. The Audit and Risk Committee of the Board has ongoing oversight of technology risk.
Management Succession	
The group has executives considered key to the success of the Group by its stakeholders. A failure to adequately plan for their succession may adversely impact the groups financial and operational performance.	Competitive remuneration strategies have been implemented and succession plans and retention activities and outcomes are regularly reviewed by the Remuneration and Human Resources Committee of the Board and the Board.
Workplace Health and Safety	
Work, health, and safety risks could result in physical injury to employees or others, damage to property, damage to reputation and involve regulatory breach.	The group has an ongoing programme to embed a safety culture across the business, including policies, procedures, reporting training and education. The Board receives regular reports of any incident resulting in first aid or lost time to injury.

Climate change

During the year, the Company adopted the Australian Sustainability Reporting Standards (AASB S2) and has prepared its inaugural Sustainability Report in accordance with these requirements.

Outlook

Australia and New Zealand

For the first 5 weeks of trading in FY27, written sales orders were flat when compared to the same period the previous year cycling off high single digit growth.

The four new stores opened during FY26 and the further two in July, are expected to contribute positively to FY27 earnings.

A further 4 stores are expected to be opened during FY27, supporting the Group's continued growth strategy.

United Kingdom

The positive momentum in the UK continued into FY27, with written sales orders for the first 5 weeks increasing 35% on the prior corresponding period. The Group expects to open one new store in the UK in October and is in negotiations on a number of other locations as we continue to expand our presence in this important growth market.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Company during the year.

Matters subsequent to the end of the financial year

The company will complete the acquisition of a retail property in Richmond, Victoria in August 2026 for $22m which we expect to be debt funded. The Company declared a dividend on 7 August 2026. No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Likely developments and expected results of operations

Refer to the Operating and financial review on page 6.

Environmental regulation

The Company is not subject to any significant environmental regulation under Australian Commonwealth or State law. The Directors are not aware of any particular or significant environmental issues which have been raised in relation to the Group's operations during the financial year.

Information on directors

Name: John Ingram (retired 29 October 2025)
Title: Independent Non-Executive Chair
Qualifications: AM, FAICD
Experience and expertise:
John was appointed to the Board as non-executive Chair in April 2004 and retired 29 October 2025. He was formerly Managing Director of Crane Group Limited.
Other current directorships: Nil.
Former directorships: Non-executive Chair of Peter Warren Automotive Holdings Limited (ASX: PWR).
Special responsibilities: Member of the Audit and Risk Committee.
Member of the Remuneration and Human Resources Committee.
Interests in shares: 206,387 (at retirement 29 October 2025).

Name: Carole Molyneux
Title: Independent Non-Executive Director
Qualifications: BA (Hons)
Experience and expertise:
Carole was appointed to the Board in June 2014. Carole has extensive experience in retail and was the Chief Executive Officer of Suzanne Grae, (part of the Sussan Retail Group), for eighteen years until 2013.
Other current directorships: Nil.
Former directorships: Nil.
Special responsibilities: Chair of the Remuneration and Human Resources Committee.
Member of the Audit and Risk Committee.
Interests in shares: 25,000.

Name: William (Bill) Koeck
Title: Deputy Chair and Lead Independent Non-Executive Director
Qualifications: LLB, LLM(Hons), Post Graduate Applied Corporate Finance; admitted UK and Australia
Experience and expertise:
Bill was appointed to the Board in August 2020. Bill is an experienced legal adviser with over 40 years of experience in mergers and acquisitions, equity capital markets, private equity, restructuring and corporate governance. For over 20 years, Bill has been a part time lecturer in corporate and securities law in the Masters of Law course at the University of Sydney. Bill was a Member of the Federal Governments Takeovers Panel for 9 years until April 2024.
Other current directorships: Non-Executive Director of Poulos Bros. Group.
Former directorships: Non-Executive Deputy Chair and Lead Independent Director, Member of Audit Risk and Governance Committee and Chair of Compensation and Nomination Committee for Coronado Global Resources Inc (ASX: CRN).
Special responsibilities: Member of the Remuneration and Human Resources Committee.
Member of the Audit and Risk Committee.
Interests in shares: 17,511.

Name: Kathy Parsons
Title: Independent Non-Executive Director
Qualifications: BCom, CA
Experience and expertise:
Kathy was appointed to the Board on 1 January 2024 and brings a wealth of experience in accounting, finance, governance and risk management. Formerly she was an assurance partner at Ernst & Young with deep international experience working in Australia, the USA and the UK in a broad range of industries including retail and real estate. She was also part of the Oceania assurance leadership team responsible for quality assurance and risk management. Kathy was the signing partner on the audit of Nick Scali Limited from 2012 to 2018.
Other current directorships: Non-Executive Director and Chair of the Audit Risk and Compliance Committee for McMillan Shakespeare Ltd (ASX: MMS).
Non-Executive Director and Chair of the Audit and Risk Committee for Shape Australia Corp Ltd (ASX: SHA).
Former directorships: Non-Executive Director and Chair of the Audit Committee for Tassal Group Limited (ASX: TGR).
Special responsibilities: Chair of the Audit and Risk Committee.
Member of the Remuneration and Human Resources Committee.
Interests in shares: 15,854.

Name: Niran Peiris (appointed 2 September 2025)
Title: Independent Non-Executive Director
Qualifications: BEconomics and BLaw
Experience and expertise:
Niran was appointed to the Board in September 2025. He has an extensive background in financial services and insurance having been a Member of the Board of Management of Allianz SE, CEO of Allianz Australia and also having held a number of other executive roles (including CFO) at Allianz and other Australian insurance companies. Prior to that he worked in accounting services firms as a tax specialist.
Other current directorships: Deputy Chair and Lead Independent Non-executive Director for Peter Warren Automotive Holdings Limited (ASX:PWR).
Former directorships: Nil.
Special responsibilities: Member of the Remuneration and Human Resources Committee.
Member of the Audit and Risk Committee.
Interests in shares: 10,629.

Name: Anthony Scali
Title: Executive Chair and Chief Executive Officer
Qualifications: BCom
Experience and expertise:
Anthony is Executive Chair and Chief Executive Officer of Nick Scali Limited. Anthony joined the Company in 1982 after completing a Bachelor of Commerce degree at the University of New South Wales and has almost 40 years' experience in furniture retailing.
Other current directorships: Nil.
Former directorships: Nil.
Special responsibilities: Nil.
Interests in shares: 6,739,473.

Other current directorships included above are current directorships for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

Former directorships included above are directorships held in the last three years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

At the date of this report, no Directors held options over ordinary shares in the Company.

Company Secretary

The Joint Company Secretaries are Elizabeth Spooner and Keith Toms. On 12 March 2026 Keith Toms replaced Kylie Archer as a Joint Company Secretary.

Meetings of directors

The numbers of meetings of the Board and of each Board sub-committee held during the year ended 30 June 2026, and the numbers of meetings attended by each director or sub-committee member, were:

	Directors' Meetings		Remuneration and Human Resources Committee Meetings		Audit and Risk Committee Meetings	
	Held	Attended	Held	Attended	Held	Attended
John Ingram	4	4	1	1	1	1
William Koeck	13	13	2	2	4	4
Carole Molyneux	13	12	2	2	4	4
Kathy Parsons	13	13	2	2	4	4
Niran Peiris	9	9	1	1	3	3
Anthony Scali[1]	13	13	–	–	–	–

[1] Anthony Scali is not a member of the sub-committees, but was invited to attend the meetings of the sub-committees and his attendance was recorded in the minutes.

Remuneration Report – Audited

The remuneration report details the remuneration arrangements for the key management personnel of the Group, in accordance with the requirements of the Corporations Act 2001 and its Regulations. For the purposes of the report, key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the major activities of the business.

1. Details of key management personnel

For the year ended 30 June 2026 the key management personnel (KMPs) of the Group consisted of the following:

Non-executive Directors

John Ingram – Non-Executive Chair (retired 29 October 2025)
William Koeck – Deputy Chair and Lead Independent Non-Executive Director
Carole Molyneux – Non-Executive Director
Kathy Parsons – Non-Executive Director
Niran Peiris – Non-Executive Director (appointed 2 September 2025)

Executive Director

Anthony Scali – Executive Chair & Chief Executive Officer

Other key management personnel:

Keith Toms – Chief Financial Officer & Company Secretary (appointed 12 March 2026)
Kylie Archer – Chief Financial Officer & Company Secretary (ceased 12 March 2026)
Angus McDonald – Chief Operating Officer (resigned 24 April 2026)

2. Remuneration strategy

The quality of Nick Scali Limited's directors and executives is a major factor in the overall performance of the Group. To this end, the Company believes that an appropriately structured remuneration strategy underpins a performance-based culture which in turn drives shareholder returns. The Group's remuneration strategy is therefore designed to attract and retain high quality and committed non-executive directors and employees.

The executive remuneration and reward framework has two components:

- fixed remuneration comprising of salary and superannuation.
- variable incentives comprising short-term incentives (STIs) in the form of a cash-based reward and long-term incentives (LTIs) in the form of an equity reward.

The variable incentives are designed to deliver value to executives for performance against a combination of Company profitability metrics and strategic goals. Short-term incentives motivate employees to achieve outstanding performance and are based on current year predetermined key performance indicators (KPIs) such as profit after tax, and non-financial activities that achieve short to medium term objectives, while long-term incentives align employees with shareholder interests and are based on maintaining long-term shareholder value using performance measures such as earnings per share (EPS).

Remuneration Report – Audited (continued)

3. Remuneration and Human Resources Committee

The Remuneration and Human Resources Committee currently consists of the non-executive Board members and is responsible for:

- reviewing and approving remuneration arrangements and succession planning of senior executives reporting to the Executive Chair and Chief Executive Officer.
- recommending the remuneration arrangements for the Executive Chair & Chief Executive Officer to the Board and engaging external compensation consultants if necessary.
- reviewing and approving any discretionary component of short and long-term incentives for senior executives reporting to the Executive Chair & Chief Executive Officer.

The Committee has met twice in the last twelve months. In addition, matters for consideration by the Committee have been dealt with during various Board meetings, where all Remuneration and Human Resources Committee members were in attendance.

4. Remuneration structure

4.1 Non-executive directors' remuneration

Non-executive directors are paid a fixed annual fee, which is periodically reviewed. Non-executive directors do not receive any variable remuneration and they are not entitled to participate in the Executive Performance Rights Plan.

Non-executive Chair and directors' fees in place at 30 June 2026 and 30 June 2025 were as follows:

	2026 $	2025 $
Base fee for Non-Executive Chair	250,000	250,000
Base fee for Non-Executive Director	120,000	120,000
Additional fee for Audit and Risk Committee Chair	25,000	25,000
Additional fee for Audit and Risk Committee Member	10,000	10,000
Additional fee for Remuneration and Human Resources Committee Chair	15,000	15,000
Additional fee for Remuneration and Human Resources Committee Member	5,000	5,000

The pool for non-executive directors' fees is capped at $1,500,000 per year as approved by shareholders at the Company's Annual General Meeting in October 2025.

4.2 Executive remuneration

The Group provides appropriate rewards to attract and retain key personnel. Base salaries, STIs and LTIs are approved by the Remuneration and Human Resources Committee for each executive reporting to the Executive Chair and Chief Executive Officer having regard to the nature of each role, the experience of the individual employee and the performance of the individual. Remuneration for the Executive Chair and Chief Executive Officer is approved by the Board. External consultants are engaged as appropriate and market information is used to benchmark executive remuneration. During the year ended 30 June 2026 no remuneration recommendations (as defined in the Corporations Act 2001) (Cth) were received.

4.2.1 Service agreements

Details of the service agreements between the Company and executives considered KMPs, are as follows:

Name	Title	Commencement date	Annual base salary including superannuation	Notice of termination by Company	Notice of termination by Employee
Anthony Scali	Executive Chair & Chief Executive Officer	7 April 2004	$1,000,000	12 months	6 months
Keith Toms	Chief Financial Officer & Company Secretary	12 March 2026	$550,000	6 months	6 months
Kylie Archer	Chief Financial Officer & Company Secretary	1 July 2025	$480,000	6 months	6 months
Angus McDonald	Chief Operating Officer	15 December 2024	$625,000	3 months	3 months

4.2.2 Remuneration mix

The proportions of the total remuneration opportunity (at target) for the executives considered to be key management personnel (KMPs) are:

	Fixed Remuneration	Variable Remuneration	
	Base Salary	Short-term Incentive	Long-term Incentive
Executive Chair Director & Chief Executive Officer	50%	50%	–
Chief Financial Officer[1]	50%	25%	25%
Chief Operating Officer[1]	66%	17%	17%

[1] Remuneration targets are pro-rated for the period of service where the KMP has not completed a 12 month service period.

Remuneration Report – Audited (continued)

4.2.3 Fixed remuneration – Base Salary

Fixed compensation is set to provide a base level of compensation which is appropriate to the position and responsibility and is competitive in the market. Fixed compensation is reviewed annually with reference to the performance of both the business and the individual, the individual's skills and experience, comparative market compensation and where appropriate, external advice. The Board approves changes to the fixed remuneration of the Executive Chair and Chief Executive Officer.

The Group provides superannuation contributions in line with statutory obligations with benefits being contributed to the employee's chosen superannuation fund.

4.2.4 Variable remuneration – Short-term incentive (STI)

The Company operates a short-term incentive program that rewards KMPs and other senior executives on the achievement of predetermined KPIs established each financial year, according to the accountabilities of their role and its impact on the Group's performance. KPIs include profit targets and personal performance criteria which are set to incentivise superior performance.

The maximum available STI for executives for the financial year is determined by financial targets established by the Board at the beginning of each financial year. The financial target was set in August 2025 for the year ended 30 June 2026. The financial target was set based on the profit before tax (after excluding the impact of the application to AASB16 and excluding the expense of the STI programme) of the largest segment in the group, Australia and New Zealand of $110.6 million. The Board will consider inclusion of the UK segment in future financial years. UK segment metrics are included in individual STI performance criteria where applicable to an individual's role. The financial target is chosen to link executive remuneration to the achievement of financial returns for shareholders.

A sliding scale is applied pro rata from 20% of maximum available STI at 95% of financial target to 100% of maximum available STI at 110% of financial target. Individual KPI's operate as modifiers to the maximum available STI which is based on the group's financial performance. Below 95% of financial target set by the Board no STI is awarded for the financial year.

The Executive Chair and Chief Executive Officer may also recommend to the Remuneration and Human Resources Committee discretionary bonuses in exceptional circumstances to reward contributions from high performing employees.

The Board at its discretion determines the weighting of non-financial KPIs for each financial year for the Executive Chair and Chief Executive Officer.

STIs awarded are paid in the form of cash bonuses and the Remuneration and Human Resources Committee is responsible for assessing whether the STIs are payable.

The following table shows the STI cash bonus target and the amount achieved for each KMP in the years ended 30 June 2026 and 30 June 2025:

	Year Ended 30 June 2026			Year ended 30 June 2025		
	Target	Achieved %	Achieved $	Target	Achieved %	Achieved $
Anthony Scali	1,000,000	91.2%	911,792	1,000,000	80%	800,000
Keith Toms[1]	84,384	91.2%	76,940	–	–	–
Kylie Archer	240,000	91.2%	218,830	–	–	–
Angus McDonald[2]	127,568	0%	–	84,332	80%	67,466

[1] STI for FY2026 is prorated from commencement date of 12 March 2026.

[2] STI for FY2025 is prorated from commencement date of 10 December 2024.

Remuneration Report – Audited (continued)

4.2.5 Variable remuneration – Long-term incentive (LTI)

Long-term incentives, in the form of the share rights offered under the Executive Performance Rights Plan (EPRP), are provided to employees to align remuneration with the creation of shareholder value over the long-term. The EPRP is only made available to executives and other employees who have been employed for more than 12 months who are able to influence the generation of shareholder value and who have a direct impact on the Group performance against relevant long-term performance targets.

The Board has determined earnings per share (EPS) growth to be the most appropriate measure of long-term performance. Under the EPRP, employees are granted rights to ordinary shares that will vest after a period of three years subject to the achievement of specific levels of EPS growth. EPS is based on the Group's underlying profit after tax and before non-recurring items, as determined by the Board. The Board has the discretion to adjust the EPS base year to reflect specific trading conditions which are not expected to re-occur in the measurement period. For performance rights issued in FY26 and FY25 the EPS base year was not adjusted. For performance rights issued in FY24, in recognition of the significant favourable impact on FY23 EPS due to the normalisation of delivery lead times following global supply chains disruptions in late FY22 that is not expected to recur in the LTI measurement period, the Board adjusted the EPS base year to 82 cents per share reflecting both the long-term target EPS growth from a pre COVID base and the Plush acquisition in FY22.

Under the EPRP the number of rights exercisable at the end of the vesting period is dependent on the level of EPS growth achieved by the Company, as follows:

EPS growth (3 year CAGR)	Percentage of rights exercisable
Less than 5%	Nil
5%	50%
5% to 10%	Pro rata between 50% and 100%
More than 10%	100%

The number of rights granted is calculated by taking the relevant executive's fixed annual remuneration and multiplying it by the relevant predetermined LTI entitlement percentage of fixed remuneration and then dividing this by the Group's volume weighted average share price for the five-day period post the release of the Group's full year results.

The FY24/26 LTI grant vests August 2026. The vesting condition was a CAGR Earnings per share (EPS) growth for the 3-year period 1 July 2024 to 30 June 2026. The EPS is based on the statutory profit after tax of the Group. The FY24/26 LTI grant vested at 65.7% in this triennium.

Rights to ordinary shares may also be granted in accordance with the EPRP as a retention award where the only performance condition is continued employment with the Group at the vesting date.

If the minimum level of EPS growth is not met or if the participant ceases to be employed by the Group, any unvested rights will immediately lapse unless otherwise determined by the Board.

There is no exercise price for shares granted under the EPRP and the employees are able to exercise their rights up to two years following the vesting date, after which time the rights will lapse. In the event of a takeover offer for the Company, the rights may, at the discretion of the Board, vest in accordance with an assessment of performance with the performance period pro-rated to the date of the takeover offer.

The performance rights entitlement of executives considered KMPs is calculated as a percentage of fixed annual remuneration for the years ended 30 June 2026 and 30 June 2025 as follows:

Year ended 30 June 2026	Years of Service	Targeted LTI Entitlement	LTI Issued	LTI Vested
Anthony Scali[1]	44	0%	0%	0%

[1] Anthony Scali is aligned to creation of shareholder value over the long term as the beneficial holder of 7.88% of the issued share capital in the Company. Anthony Scali is not invited by the Board to participate in the EPRP.

Keith Toms had not completed a year of service and so was not eligible to participate in the EPRP in FY26.

Year ended 30 June 2025	Years of Service	Targeted LTI Entitlement	LTI Issued	LTI Vested
Anthony Scali	43	0%	0%	0%
Sheila Lines[2]	3	50%	50%	0%

[2] Sheila Lines resigned as CFO on 30 June 2025.

Employees who have been granted rights are prohibited from entering transactions to limit the economic risk of such rights whether through a derivative, hedge, or similar arrangement. In addition, employees are prohibited from entering margin lending arrangements in respect of shares in the Company where those shares are offered as security for the lending arrangement.

Remuneration Report – Audited (continued)

4.2.6 Terms of performance and retention rights granted

The terms and conditions of each grant of rights to ordinary shares affecting the remuneration of employees in this financial year or future reporting years are as follows:

Grant reference	Grant date[1]	Vesting and exercisable date	Expiry date	Exercise price ($)	Fair value per right at grant date ($)
FY26/28	12 March 2026[3]	March 2029	12 March 2031	0.00	14.52
FY26/28	31 August 2025	August 2028[2]	30 June 2030	0.00	19.44
FY25/27	31 August 2024	August 2027[2]	30 June 2029	0.00	14.11
FY24/26	31 August 2023	August 2026[2]	30 June 2028	0.00	9.87

[1] The grant date is the date at which the performance rights are communicated to the employees. The effective date of the grant, from which the performance hurdles are measured, is the first day of the financial year in which the grant is made.

[2] The exact vesting and exercisable date for performance rights that have not yet vested is currently indeterminate and depends on the date of meeting at which the Board can confirm the achievement of the long-term performance hurdles. This is typically four to eight weeks following the end of the financial year.

[3] The vesting and exercisable date for retention rights issued to Keith Toms are subject to a continuous service condition from 12 March 2026 to 11 March 2029.

4.2.7 Performance rights holding

The table below sets out the balance of performance rights held by executives considered KMPs. The vesting of these rights are subject to the achievement of the 3 year EPS target. If the target is achieved the maximum value is determined by the share price at the time of vesting and the minimum value is nil.

	Balance at 1 July 2025	Granted	Vested and exercised	Lapsed	Balance at 30 June 2026
Anthony Scali	–	–	–	–	–

	Balance at 1 July 2024	Granted	Vested and exercised	Forfeited	Balance at 30 June 2025
Anthony Scali	–	–	–	–	–
Sheila Lines	22,314	20,283	–	–	42,597

4.2.8 Retention rights holding

The table below sets out the balance of retention rights held by executives considered KMPs. The vesting of these rights are subject to the completion of a service condition only.

	Balance at 1 July 2025	Granted	Vested and exercised	Lapsed	Balance at 30 June 2026
Anthony Scali	–	–	–	–	–
Keith Toms[1]	–	2,500	–	–	2,500

	Balance at 1 July 2024	Granted	Vested and exercised	Lapsed	Balance at 30 June 2025
Anthony Scali	–	–	–	–	–
Sheila Lines[2]	12,000	–	–	12,000	–

[1] Retention rights were issued to Keith Toms on his commencement date of 12 March 2026.

[2] The vesting and exercisable date for retention rights issued to Sheila Lines have lapsed as the continuous service condition from 6 October 2022 to 31 August 2025 was not met.

4.3 Group performance

The table below sets out the financial performance of the Group over the past five years:

	2022	2023	2024	2025	2026	CAGR (%)
Revenue ($m)	441.0	507.7	468.2	495.3	516.7	4.0
Net profit after tax ($m)	74.9	101.1	80.6	57.7	75.7	0.3
Earnings per share (Cents)	92.5	124.8	98.7	67.5	88.5	-1.1
Ordinary dividends paid per share (Cents)	60.0	75.0	70.0	63.0	72.0	4.7
Share price at 30 June ($)	8.26	9.11	13.81	18.21	16.32	18.6

Remuneration Report – Audited (continued)

4.4 Remuneration outcomes

4.4.1 Remuneration outcomes for non-executive directors

The tables below set out the remuneration outcomes for the non-executive directors for the years ended 30 June 2026 and 30 June 2025 respectively:

	Short-term benefits Fees	Post-employment benefits Superannuation	Total
Year ended 30 June 2026			
John Ingram[1]	74,405	8,928	83,333
William Koeck	120,536	14,464	135,000
Carole Molyneux	129,464	15,536	145,000
Kathy Parsons	145,982	4,018	150,000
Niran Peiris[2]	100,446	12,054	112,500
	570,833	55,000	625,833
Year ended 30 June 2025			
John Ingram	224,215	25,785	250,000
William Koeck	121,076	13,924	135,000
Carole Molyneux	130,045	14,955	145,000
Kathy Parsons	134,529	15,471	150,000
	609,865	70,135	680,000

1 John Ingram retired as a Non-executive Director on 29 October 2025.
2 Niran Peiris was appointed as a Non-executive Director on 2 September 2025.

4.4.2 Remuneration outcomes for executive KMPs

The tables below set out the remuneration outcomes for the executive KMPs for the years ended 30 June 2026 and 30 June 2025 respectively:

	Short-term benefits		Post-employment benefits	Long-term benefits	Share-based payments	Total
	Base Salary $	Cash bonus[1] (STI) $	Superannuation $	Employee entitlements $	Shares rights (LTI) $	$
Year ended 30 June 2026						
Anthony Scali	970,000	911,792	30,000	16,140	–	1,927,932
Keith Toms[2]	138,000	131,940	8,077	–	–	278,017
Kylie Archer[3]	341,507	431,707	30,000	–	–	803,214
Angus McDonald[4]	515,132	–	25,962	–	–	541,094
	1,964,639	1,475,439	94,039	16,140	–	3,550,257
Year ended 30 June 2025						
Anthony Scali	960,453	800,000	31,083	88,030	–	1,879,566
Sheila Lines	554,730	96,000	29,932	–	113,386	794,048
Angus McDonald[4]	304,400	67,466	15,427	–	–	387,293
	1,819,583	963,466	76,442	88,030	113,386	3,060,907

1 Cash Bonus includes Short Term Incentives and other payments.
2 Keith Toms commenced as CFO on 12 March 2026.
3 Kylie Archer ceased as CFO and a KMP on 12 March 2026. She resigned effective 2 April 2026.
4 Angus McDonald commenced as COO on 10 December 2024 and resigned on 24 April 2026.

4.5 Additional disclosures relating to key management personnel

4.5.1 Interest in the Shares of the Company

The beneficial interest of each director on 30 June 2026 in the contributed equity of the Company are as follows:

	Balance at 1 July 2025 Ordinary shares	Received as part of remunerations Ordinary shares	Purchases Ordinary shares	Disposals Ordinary shares	Balance at 30 June 2026 Ordinary shares
William Koeck	17,511	–	–	–	17,511
Carole Molyneux	25,000	–	–	–	25,000
Kathy Parsons	14,504	–	1,350	–	15,854
Niran Peiris	–	–	10,629	–	10,629
Anthony Scali	6,739,473	–	–	–	6,739,473
	6,796,488	–	11,979	–	6,808,467

This concludes the remuneration report, which has been audited.

Directors' Report (continued)

Indemnity and insurance of officers

The Company indemnifies all the directors and executive officers against certain liabilities incurred as such by a director or officer, while acting in their respective capacity, and enters contracts insuring the directors and officers against liabilities of this nature. The premiums paid under the terms of these contracts have not been determined on an individual director or officer basis, and the directors have not included details of the nature of the liabilities covered or the amount of the premium paid in respect of the directors' and officers' liability insurance contracts, as such disclosure is prohibited under the terms of the contract.

No other agreements to indemnify directors or officers have been entered into, nor have any payments in relation to indemnification been made, during or since the end of the financial year, by the Company.

Indemnity and insurance of auditor

To the extent permitted by law, the Company has agreed to indemnify its auditors KPMG, as part of the terms of audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount) – except for any loss in respect of any matters which are finally determined to have resulted from KPMG's negligent, wrongful, or wilful acts or omissions. No payment has been made to indemnify KPMG during or since the financial year.

Proceedings on behalf of the Company

No person has applied to the Court under section 237 of the Corporations Act 2001 for leave to bring proceedings on behalf of the Company, or to intervene in any proceedings to which the Company is a party for the purpose of taking responsibility on behalf of the Company for all or part of those proceedings.

Corporate Governance Statement

Nick Scali Limited's Corporate Governance Statement discloses how the Company complies with the recommendations of the ASX Corporate Governance Council (4th Edition) and sets out the Group's main corporate governance practices. This statement has been approved by the Board and is current as of 30 June 2026. The Corporate Governance Statement of Nick Scali Limited can be found on the Company's website: www.nickscali.com.au/corporate-governance.

Rounding of amounts

The Company is of a kind referred to in Class Order 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Non-audit services

The Company may decide to employ the Company's auditor, or its network firms, for non-audit services where their skills and expertise are considered relevant.

During the year ended 30 June 2026, KPMG Australia performed tax advisory services and provided tax compliance services. Details of the amount paid to the auditor for non-audit services are set out below.

	2026 $
Tax compliance services	91,866
Tax review services	8,914
	100,780

Directors' Report (continued)

Non-audit services (continued)

The directors are satisfied that the provisions of non-audit services are compatible with the general standard of independence for auditors imposed by the Corporations Act 2001. The nature and scope of all non-audit services provided was approved by the Audit and Risk Committee, and the directors are satisfied that the services provided do not compromise the integrity and objectivity of the Company's auditor for the following reasons:

- none of the services required the auditor to review or audit the auditor's own work
- none of the services required the auditor to act in a management or decision-making capacity for the Company
- none of the services required the auditor to act as an advocate for the Company
- none of the services involved the auditor jointly sharing in the economic risks and rewards of the Company
- a declaration required by section 307C of the Corporations Act 2001 confirming their independence has been included on page 20 of this financial report

Auditor's independence declaration

The directors received the declaration from the auditor of Nick Scali Limited and is included on page 20 of the Financial Statements.

Auditor

KPMG continues in office in accordance with section 327 of the Corporations Act 2001.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors

William Koeck	**Anthony Scali**
Deputy Chair and Lead Independent Non-Executive Director	Executive Chair and Chief Executive Officer

7 August 2026
Sydney

Capello dresser


Artful Lifestyle
at 100

Royce 2.5 seater recliner & chaise
in Safari Moss

Auditor’s Independence Declaration

KPMG

Lead Auditor’s Independence Declaration under Section 307C of the Corporations Act 2001

To the Directors of Nick Scali Limited

I declare that, to the best of my knowledge and belief, in relation to the audit of the Financial Report and the review of the Sustainability Report of Nick Scali Limited for the financial year ended 30 June 2026 there have been:

i. no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit and review; and

ii. no contraventions of any applicable code of professional conduct in relation to the audit and review.

KPMG

KPMG

Julie Cleary

Partner

Sydney

7 August 2026

Cortina 3 seater SleeperSofa™ in Quanta Bone

Consolidated statement of comprehensive income

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Revenue from contracts with customers	3	516,704	495,283
Cost of goods sold		(177,759)	(180,663)
Gross profit		**338,945**	**314,620**
Other income	3	7,020	5,119
Expenses			
Marketing expenses		(28,508)	(26,047)
Employment expenses		(88,851)	(86,911)
General and administration expenses		(22,450)	(23,006)
Property expenses		(18,430)	(17,724)
Logistics expenses		(3,628)	(6,170)
Restructuring and Integration costs		–	(2,390)
Depreciation and amortisation		(56,028)	(53,256)
Finance costs		(17,862)	(16,984)
Profit before income tax expense		**110,208**	**87,251**
Income tax expense	5	(34,530)	(29,575)
Profit after income tax expense for the year attributable to the owners of Nick Scali Limited		**75,678**	**57,676**
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Net change in the fair value of cash flow hedges taken to equity, net of tax		3,261	(1,496)
Exchange differences on translation of foreign operations		(4,572)	3,302
Other comprehensive income for the year, net of tax		**(1,311)**	**1,806**
Total comprehensive income for the year attributable to the owners of Nick Scali Limited		**74,367**	**59,482**

	Note	2026 Cents	2025 Cents
Basic earnings per share	6	88.5	67.5
Diluted earnings per share	6	88.5	67.5

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes

Consolidated statement of financial position

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Assets			
Current assets			
Cash and cash equivalents	9	106,594	100,993
Receivables	10	1,631	1,799
Inventories	11	52,466	58,103
Current tax receivable		–	2,901
Other financial assets	12	1,795	–
Prepayments		6,101	5,720
Total current assets		168,587	169,516
Non-current assets			
Land and buildings	13	131,017	120,112
Plant and equipment	13	30,071	27,620
Right-of-use assets	14	250,512	216,033
Deferred tax	5	5,331	6,148
Intangibles	15	163,558	166,378
Total non-current assets		580,489	536,291
Total assets		**749,076**	**705,807**
Liabilities			
Current liabilities			
Borrowings	16	41,300	11,000
Payables	17	30,325	34,785
Lease liabilities	14	44,915	46,373
Deferred revenue	18	64,598	66,304
Current tax liabilities		5,419	–
Other financial liabilities	12	–	2,428
Provisions	19	7,483	7,464
Total current liabilities		194,040	168,354
Non-current liabilities			
Borrowings	16	30,387	60,687
Lease liabilities	14	233,464	198,080
Deferred revenue	18	908	864
Deferred tax	5	8,886	9,467
Provisions	19	1,620	1,677
Total non-current liabilities		275,265	270,775
Total liabilities		**469,305**	**439,129**
Net assets		**279,771**	**266,678**
Equity			
Issued capital	20	61,997	61,997
Reserves	21	(483)	520
Retained profits		218,257	204,161
Total equity		**279,771**	**266,678**

The above consolidated statement of financial position should be read in conjunction with the accompanying notes

Consolidated statement of changes in equity

For the year ended 30 June 2026

	Issued capital $'000	Equity benefits reserve $'000	Capital profits reserve $'000	Cash flow hedge reserve $'000	Foreign exchange reserve $'000	Retained profits reserve $'000	Total equity $'000
Balance at 1 July 2024	58,211	(608)	78	80	(252)	200,270	257,779
Profit after income tax for the year	–	–	–	–	–	57,676	57,676
Other comprehensive income for the year, net of tax	–	–	–	(1,496)	3,302	–	1,806
Total comprehensive income for the year	–	–	–	(1,496)	3,302	57,676	59,482
Employee share rights recognised under EPRP (Note 21)	–	(584)	–	–	–	–	(584)
Dividends paid during the year (Note 7)	–	–	–	–	–	(53,785)	(53,785)
Contributions of equity, net of transaction costs	3,786	–	–	–	–	–	3,786
Balance at 30 June 2025	**61,997**	**(1,192)**	**78**	**(1,416)**	**3,050**	**204,161**	**266,678**
Balance at 1 July 2025	61,997	(1,192)	78	(1,416)	3,050	204,161	266,678
Profit after income tax for the year	–	–	–	–	–	75,678	75,678
Other comprehensive income for the year, net of tax	–	–	–	3,261	(4,572)	–	(1,311)
Total comprehensive income for the year	–	–	–	3,261	(4,572)	75,678	74,367
Employee share rights recognised under EPRP (Note 21)	–	308	–	–	–	–	308
Dividends paid during the year (Note 7)	–	–	–	–	–	(61,582)	(61,582)
Balance at 30 June 2026	**61,997**	**(884)**	**78**	**1,845**	**(1,522)**	**218,257**	**279,771**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes

Consolidated statement of cash flows

For the year ended 30 June 2026

	Note	2026 $'000	2025 $'000
Cash flows from operating activities			
Receipts from customers		571,302	558,902
Payments to suppliers and employees		(394,092)	(412,336)
		177,210	146,566
Interest received		3,435	3,821
Income tax payments		(26,208)	(34,895)
Net cash from operating activities	8	**154,437**	**115,492**
Cash flows from investing activities			
Maturity of term deposits		–	30,000
Purchase of property, plant and equipment		(21,991)	(13,582)
Purchase of intangible assets		(995)	(990)
Net cash (used in)/from investing activities		(22,986)	15,428
Cash flows from financing activities			
Payment of dividends on ordinary shares	7	(61,582)	(53,785)
Proceeds from issued capital		–	3,785
Repayment of lease liabilities		(45,176)	(46,005)
Interest payments – lease liabilities		(14,146)	(12,786)
Interest payments – borrowings		(3,716)	(4,231)
Net cash used in financing activities		**(124,620)**	**(113,022)**
Net increase in cash and cash equivalents		6,831	17,898
Cash and cash equivalents at the beginning of the financial year		100,993	81,331
Foreign currency translation		(1,230)	1,764
Cash and cash equivalents at the end of the financial year	9	**106,594**	**100,993**

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes

Notes to the consolidated financial statements

For year ended 30 June 2026

Note 1. Basis of preparation

Corporate information

Nick Scali Limited (the Company or the parent) is a for profit company limited by shares incorporated in Australia whose shares are publicly traded on the Australian Stock Exchange.

Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001. These financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB'). The financial statements have been prepared under the historical cost convention, except for financial instruments, which have been prepared at fair value. The financial report was authorised for issue in accordance with a resolution of the directors on 7 August 2026.

The consolidated financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activities and realisation of asset and settlement of liabilities in the ordinary course of business. At the end of the reporting period the group had a net current liability position. Underlying this position is a deferred revenue component that is expected to be recognised as revenue with the next 12 months. The financial statements are prepared on a going concern basis.

Where necessary because of a change in the presentation of certain expenses during the current year, comparative amounts in the statement of comprehensive income have been reclassified for consistency with presentation in the current year.

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as of and for the year ended 30 June 2026. A subsidiary is an entity that is controlled by the Company. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power over the entity.

The financial statements of the subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intercompany transactions, balances, and unrealised gains on transactions between the Company and its subsidiaries are eliminated. Accounting policies of the subsidiaries are consistent with the policies adopted by the Company.

Changes in accounting policies, accounting standards and interpretations

The accounting policies adopted in the preparation of the annual financial statements are consistent with those followed in the preparation of the annual financial statements for the year ended 30 June 2025.

Material accounting judgements, estimates and assumptions

In the process of applying the Company's accounting policies, management has made judgements, estimates and assumptions. All judgements, estimates and assumptions made are believed to be reasonable, based on the most current information available to management. Actual results may differ from these judgements, estimates and assumptions. Judgements, estimates and assumptions which have the most significant effect on the amounts recognised in the financial statements:

Impairment of goodwill and brands

The Company determines whether goodwill and brands are impaired on an annual basis. This requires determination of CGU's and estimation of the recoverable amount of the cash-generating unit to which the goodwill and brand is allocated. The assumptions used in this estimation of recoverable amount and the carrying amount of goodwill and brands are discussed at Note 15 in the financial report.

Fair value of acquired assets and liabilities

The assets acquired and liabilities assumed have been measured using the acquisition method with the cost of acquisition allocated to the fair value of the assets acquired and liabilities assumed at acquisition date. This is further discussed at Note 32.

Lease term of contracts with renewable options

The Company determines the lease term to be the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain that the option will be exercised. In assessing the likelihood of a lease option being exercised, the Company considers the costs of termination, the extent of any leasehold improvements, the strategic importance of the lease location and the current market rent for the site.

Net realisable value of inventory

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Note 2. Segment information

The Company has identified the Executive Chair & Chief Executive Officer and the Board of Directors as the chief operating decision makers (CODM). The Company has two reportable segments being the retailing of furniture in Australia and New Zealand as well as the United Kingdom. Operating segments are identified based upon internal reports to the CODM.

Year ended 30 June 2026	Australia and New Zealand $'000	United Kingdom $'000	Consolidated $'000
Revenue from contracts with customers	476,719	39,985	516,704
Gross profit	314,830	24,115	338,945
Other Income	5,414	1,606	7,020
Operating expenses	(141,431)	(20,436)	(161,867)
Depreciation and amortisation	(47,880)	(8,148)	(56,028)
Finance costs	(15,903)	(1,959)	(17,862)
Profit (Loss) before income tax expense	115,031	(4,823)	110,208
Income tax expense	(34,530)	–	(34,530)
Profit (Loss) after tax expense	80,501	(4,823)	75,678
As at 30 June 2026			
Total assets	652,425	96,651	749,076
Total liabilities	413,880	55,425	469,305

During the year the Company had additions to non-current assets of $18,923,000 (2025: $9,592,000) to the Australia and New Zealand operating segment and $4,063,000 (2025: $4,980,000) to the United Kingdom operating segment.

Year ended 30 June 2025	Australia and New Zealand $'000	United Kingdom $'000	Consolidated $'000
Revenue from contracts with customers	453,469	41,814	495,283
Gross profit	294,927	19,693	314,620
Other Income	4,818	301	5,119
Operating expenses	(139,383)	(20,475)	(159,858)
Restructuring and Integration Costs	–	(2,390)	(2,390)
Depreciation and amortisation	(44,276)	(8,980)	(53,256)
Finance costs	(15,183)	(1,801)	(16,984)
Profit (Loss) before income tax expense	100,903	(13,652)	87,251
Income tax expense	(29,575)	–	(29,575)
Profit (Loss) after tax expense	71,328	(13,652)	57,676
As at 30 June 2025			
Total assets	622,361	83,446	705,807
Total liabilities	400,601	38,528	439,129

	2026 $'000	2025 $'000
Note 3. Revenue and other income		
Revenue		
Revenue from contracts with customers	516,704	495,283
Other income		
Rental income	309	460
Interest income	3,435	3,821
Net gain on disposal of right-of-use asset and remeasurement of lease liability	2,065	–
Sundry income	1,211	838
	7,020	5,119

Recognition and measurement – Revenue

Revenue from contracts with customers is recognised at an amount that reflects the consideration to which the Group is expected to be entitled in exchange for transferring goods or services to a customer. Contracts with customers provide for both the sale of goods and the provision of accidental damage warranties, and the timing of the recognition of revenue of these separate components is as follows:

Sale of goods

When recognising revenue in relation to the sale of goods to customers, the key performance obligation of the Group is the delivery of the goods to the customer, and revenue is recognised at the time of delivery of the goods to the customer.

Accidental damage warranties

When recognising revenue in relation to accidental damage warranties, the key performance obligation of the Group extends over the term of the warranty, and consequently revenue is recognised over the term of warranty, weighted according to the expected occurrence of the performance obligations.

	2026 $'000	2025 $'000
Note 4. Expenses		
Profit before income tax includes the following specific expenses:		
Included within employee expenses		
Salaries, wages and fees	59,898	60,802
Superannuation contributions	7,937	6,862
Share-based payments	306	114
Included within property expenses		
Short-term and low value lease payments	2,841	5,722
Included within finance expenses		
Interest expense related to lease liabilities	14,146	12,688
Interest expense related to bank loans	3,716	4,231

	2026 $'000	2025 $'000
Note 5. Current and deferred tax		
Amounts recognised in statement of comprehensive income		
Income tax expense		
Current income tax charge	35,598	29,738
Adjustments in respect of current income tax of previous years	40	(556)
Relating to origination and reversal of temporary differences	(1,108)	393
Income tax expense	34,530	29,575
Numerical reconciliation of income tax expense and tax at the statutory rate		
Profit before income tax expense	110,208	87,251
Income tax at the statutory tax rate of 30%	33,062	26,175
Current year losses for which no deferred tax asset is recognised	1,206	3,413
Adjustments in respect of current income tax of previous years	(44)	(556)
Adjustment for difference in overseas tax rates	241	704
Adjustment for non-deductible (non-assessable) items	65	(161)
Income tax expense	34,530	29,575
Amounts recognised in equity		
Share Based Payments		
Before tax	440	(425)
Income tax	(132)	127
Net amount recognised in equity	308	(298)
Deferred tax recognised comprises temporary differences attributable to:		
Right-of-use assets	(62,392)	(57,088)
Lease liabilities	69,982	64,113
Brands	(11,400)	(11,400)
Deferred capital gains	(1,612)	(1,612)
Property, plant and equipment	(1,031)	(1,542)
Employee entitlements	2,193	2,112
Cashflow hedge (Note 23)	(539)	728
Inventory provision	462	501
Other	782	869
	(3,555)	(3,319)
Reflected in the statement of financial position as follows:		
Deferred tax assets	5,331	6,148
Deferred tax liabilities	(8,886)	(9,467)
Deferred tax liabilities, net	(3,555)	(3,319)

Recognition and measurement – Income tax

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Recognition and measurement – Deferred tax

Deferred income tax is provided on all temporary differences at the reporting date, reflecting the difference between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax, assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Income taxes relating to items recognised directly in equity are recognised in equity and not in profit or loss. Deferred tax assets and deferred tax liabilities are offset only if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and liabilities relate to the same taxable entity and the same taxation authority.

Deferred tax assets of $1,205,769 have not been recognised in respect of current year tax losses in the UK. The UK entity also has approx $10,965,000 of unrecognised deferred tax assets at the time of lodgement of the last tax return for the year ended 31 March 2025 from carried forward losses.

	2026 $'000	2025 $'000
Note 6. Earnings per share		
Profit after income tax attributable to the owners of Nick Scali Limited	75,678	57,676
	Number	**Number**
Weighted average number of ordinary shares used in basic earnings per share	85,530,699	85,434,535
Weighted average number of ordinary shares used in diluted earnings per share	85,530,699	85,434,535
	Cents	**Cents**
Basic earnings per share	88.5	67.5
Diluted earnings per share	88.5	67.5

Recognition and measurement – Earnings per share

Basic earnings per share

Basic earnings per share (EPS) is calculated as net profit attributable to members, divided by the weighted average number of ordinary shares.

Diluted earnings per share

Diluted EPS adjusts the basic EPS to take account of the after-tax effect of dividends and interest associated with dilutive potential ordinary shares that have been recognised as expenses; and other costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration.

	2026 $'000	2025 $'000
Note 7. Dividends		
Dividends		
Dividends paid during the financial year were as follows:		
Final fully franked dividend for 30 June 2025: 30.0 cents (2024: 33.0 cents)	28,225	28,126
Interim fully franked dividend for 30 June 2026: 39.0 cents (2025: 35.0 cents)	33,357	25,659
	61,582	53,785

In addition to the above dividend, since the end of the financial year directors have declared a final fully franked dividend of 39 cents per fully paid ordinary share to be paid on 22 October 2026 out of retained profits at 30 June 2026.

	2026 $'000	2025 $'000
Franking credit		
Franking credits are available to the Company as follows:		
Franking credits available at the reporting date based on a tax rate of 30%	73,249	80,935
Franking credits that will arise from the payment of the amount of the provision for income tax at the reporting date based on a tax rate of 30%	2,956	(3,661)
Franking credits available for subsequent financial years based on a tax rate of 30%	76,205	77,274
Impact on franking account of dividends proposed after the reporting date but not recognised as a liability	(14,295)	(12,096)
Franking credits available for future reporting periods based on a tax rate of 30%	61,909	65,178

	2026 %	2025 %
Tax rate at which paid dividends have been franked	30.0	30.0
Tax rate at which dividends declared and unpaid will be franked	30.0	30.0

	2026 $'000	2025 $'000
Note 8. Reconciliation of profit after income tax to net cash from operating activities		
Profit after income tax expense for the year	75,678	57,676
Investing and financing items included in profit after income tax expense:		
Interest expense	17,862	16,984
Net gain on disposal of right use asset	(2,065)	–
Non-cash items included in profit after income tax expense:		
Depreciation and amortisation expense	56,028	53,256
Share-based payments expense	308	114
Cash items not included in profit after income tax expense:		
Purchase of shares under EPRP	–	(539)
Changes in operating assets and liabilities:		
Trade and other receivables	168	396
Inventories	5,637	540
Deferred tax	(236)	807
Prepayments	(381)	(918)
Other financial assets and financial liabilities	(4,223)	2,329
Net fair value change on derivatives	3,261	(1,496)
Trade and other payables	(4,460)	(9,571)
Deferred revenue	(1,662)	4,773
Provision for income tax	8,320	(5,320)
Other provisions	38	(3,158)
Net foreign currency differences	164	(381)
Net cash from operating activities	154,437	115,492

	2026 $'000	2025 $'000
Note 9. Cash and cash equivalents and Term Deposits		
Cash at bank and on hand	43,315	80,993
Short-term deposits	63,279	20,000
Cash and cash equivalents	106,594	100,993

Recognition and measurement – Cash and cash equivalents and Term deposits

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with a maturity of three months or less. Deposits are made for varying periods, depending on the immediate cash requirements of the Group.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above.

	2026 $'000	2025 $'000
Note 10. Receivables		
Trade debtors	465	517
Other debtors	1,166	1,282
	1,631	1,799

During the year ended 30 June 2026 $29,000 (2025 $69,000) was recognised as an expense for expected credit losses.

Recognition and measurement – Trade and other receivables

Trade and other debtors are initially recognised at fair value, less any allowance for expected credit losses. Trade debtors are generally due for settlement within 30 days. Other debtors include receivables from suppliers and GST paid in advance. These are non-interest bearing and are due for settlement between 30 and 90 days.

	2026 $'000	2025 $'000
Note 11. Inventories		
Finished goods – at lower of cost or net realisable value	41,551	44,513
Stock in transit – at cost	10,915	13,590
	52,466	58,103

During the year ended 30 June 2026, $88,000 was recorded as a decrease to the cost of goods sold due to changes in the net realisable value of finished goods inventories (2025: $750,000 decrease in cost of goods sold).

Recognition and measurement – Inventories

Inventories are valued at the lower of cost and net realisable value. Weighted average cost is used to value inventories. Costs incurred in bringing each product to its present location and condition includes purchase price plus freight, cartage and import duties.

	2026 $'000	2025 $'000
Note 12. Other financial liabilities		
Derivative hedge receivable	1,797	–
Derivative hedge payable	–	2,428
	1,797	2,428

Foreign exchange forward contracts

Foreign exchange forward contracts are held as hedging instruments against forecast purchases in USD. The notional amount of foreign exchange forward contracts held on 30 June 2026 totalled $USD66,892,000 which covers between 75% and 100% of highly probably purchases for the eight months to 28 February 2027 (30 June 2025: $USD60,762,000). The average rate of foreign exchange forward contracts held on 30 June 2026 was $USD0.70 for purchases in AUD and $US1.33 for purchases in GBP (30 June 2025: $USD0.64 for purchases in AUD and $1.32 for purchases in GBP).

Recognition and measurement – Other financial assets and liabilities

Derivative hedge payable

The Group uses derivative financial instruments, such as forward currency contracts, interest rate swaps and forward commodity contracts, to hedge its foreign currency risks, interest rate risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Where derivative financial instruments are deemed to be effective hedges against foreign currency, interest rate, or commodity price risks, the net gain or loss on the fair value of the instrument is recognised as other comprehensive income. Where derivative financial instruments are deemed to be ineffective hedges, the net gain or loss on the fair value of the instrument is recognised in profit or loss.

Note 13. Property, plant and equipment

	Land & buildings $'000	Leasehold improvements $'000	Fixtures & fittings $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Year ended 30 June 2026						
At cost	145,162	45,438	3,128	758	23,150	217,636
Less, accumulated depreciation	(14,145)	(24,527)	(2,393)	(622)	(14,861)	(56,548)
	131,017	20,911	735	136	8,289	161,088
Year ended 30 June 2025						
At cost	132,338	35,736	6,474	956	22,307	197,811
Less, accumulated depreciation	(12,226)	(21,108)	(2,812)	(758)	(13,175)	(50,079)
	120,112	14,628	3,662	198	9,132	147,732

Note 13. Property, plant and equipment (continued)

Reconciliations

Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the financial year:

	Land & buildings $'000	Leasehold improvements $'000	Fixtures & fittings $'000	Motor vehicles $'000	Office equipment $'000	Total $'000
Balance at 30 June 2024	119,578	13,205	1,203	142	7,595	141,723
Additions	2,373	4,500	3,440	150	3,119	13,582
Disposals	–	(25)	(476)	–	(106)	(607)
Foreign currency translation	–	6	73	–	3	82
Depreciation expense	(1,839)	(3,058)	(578)	(94)	(1,479)	(7,048)
Balance at 30 June 2025	120,112	14,628	3,662	198	9,132	147,732
Additions	12,824	7,812	433	–	922	21,991
Transfers	–	2,879	(2,892)	–	13	–
Disposals	–	(289)	(3)	–	(21)	(313)
Foreign currency translation	–	(176)	(364)	–	(4)	(544)
Depreciation expense	(1,919)	(3,943)	(101)	(62)	(1,753)	(7,778)
Balance at 30 June 2026	131,017	20,911	735	136	8,289	161,088

Land and buildings totalling $81.2m (2025: $81.3m) are used to secure bank loans relating to their purchase.

Recognition and measurement – Property, plant and equipment

All classes of property, plant and equipment are measured at cost, less accumulated depreciation and any impairment in value. Depreciation is provided on a straight-line basis based on management's estimate of both the residual value and the useful economic life of the asset. The depreciation methods, residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Management's current estimates of useful economic lives are as follows:

Buildings: 20 to 40 years
Leasehold improvements: 5 to 15 years
Furniture and fitting: 3 to 15 years
Motor vehicles: 6 years
Office equipment (including IT equipment): 3 to 12 years

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which it belongs. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets or cash-generating units are written down to their recoverable amount.

	2026 $'000	2025 $'000
Note 14. Leases		
Lease liabilities		
Current lease liabilities	44,915	46,373
Non-current lease liabilities	233,464	198,081
	278,379	244,454
Reconciliation of lease liabilities		
Opening lease liabilities	244,454	248,685
Lease modifications agreed during the year	34,514	16,357
Additional leases entered during the year	58,419	24,041
Interest accrued	14,146	12,786
Lease repayments	(59,321)	(58,791)
Disposal	(10,067)	(2,121)
Foreign currency translation	(3,766)	3,497
	278,379	244,454
Right-of-use assets	250,512	216,033
Reconciliation of right-of-use assets		
Opening right-of-use asset	216,033	223,526
Lease modifications agreed during the year	34,803	12,872
Additional right-of-use assets relating to leases entered during the year	57,849	23,716
Disposal of right-of-use assets relating to leases terminated during the year	(7,923)	(1,226)
Make good asset movement during the year	24	(33)
Depreciation	(47,565)	(45,699)
Foreign currency translation	(2,709)	2,877
	250,512	216,033

Recognition and measurement – Leases

Lease liabilities

The Group enters non-cancellable leases for retail showrooms and warehouse facilities in Australia, New Zealand, and the UK. Leases are entered into for varying terms and rent reviews are based on CPI increases or fixed increases. A lease liability is recognised at the commencement date of a lease at the present value of the lease payments to be made over the term of the lease.

Lease liabilities include known future payments for which the Group is contractually obliged under the terms of its non-cancellable leases. Estimated future payments in respect of make-good clauses within non-cancellable leases are accounted for as provisions (Note 19). A number of the leases contain options to renew in favour of the Group. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises judgement in determining whether these extension options are reasonably certain to be exercised.

The present value of the lease payments to be made under options considered reasonably certain to be exercised have been included in the lease liability balance at 30 June 2026. The undiscounted potential future payments under options that are not considered reasonably certain to be exercised is $87,125,000 which includes those that have an exercise date within the next five years of $57,720,000.

Right-of-use assets

Right-of-use assets are measured at cost at commencement of the lease and depreciated on a straight-line basis over the effective life of the asset. The right-of-use assets have an effective life of between two- and fifteen-years dependent on the term of the lease and the likelihood of the Company exercising any lease extension options in its favour.

Note 15. Intangibles

	Goodwill $'000	Brands $'000	Website costs $'000	Total $'000
Year ended 30 June 2026				
At cost	123,405	38,000	4,833	166,238
Less, accumulated amortisation and foreign exchange differences	–	–	(2,680)	(2,680)
	123,405	38,000	2,153	163,558
Year ended 30 June 2025				
At cost	126,510	38,000	3,871	168,381
Less, accumulated amortisation and foreign exchange differences	–	–	(2,003)	(2,003)
	126,510	38,000	1,868	166,378

Reconciliations

Reconciliation of the carrying amounts of intangibles at the beginning and end of the financial year:

	Goodwill $'000	Brands $'000	Website costs $'000	Total $'000
Balance at 30 June 2024	118,172	38,000	1,388	157,560
Additions	–	–	990	990
Acquisitions (Note 32)	4,831	–	–	4,831
Foreign exchange	3,507	–	–	3,507
Amortisation expense	–	–	(510)	(510)
Balance at 30 June 2025	126,510	38,000	1,868	166,378
Additions	–	–	995	995
Foreign exchange	(3,105)	–	(25)	(3,130)
Amortisation expense	–	–	(685)	(685)
Balance at 30 June 2026	123,405	38,000	2,153	163,558

No impairment losses have been recognised in the year ended 30 June 2026 (2025: $Nil)

Goodwill is allocated to CGUs as shown below:

	Australia and New Zealand $'000	United Kingdom $'000	Total $'000
Goodwill	90,589	32,816	123,405

Note 15. Intangibles (continued)

Recognition and measurement – Intangibles

Goodwill and brands

Goodwill on acquisition is initially measured at cost, being the excess of the cost of the business combination over the Group's interest in the net fair value of the identifiable assets, liabilities, and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Brand names acquired in a business combination are initially measured at fair value using the relief from royalty method. Following initial recognition, brands are measured at cost less any accumulated impairment losses.

Goodwill and brands are reviewed for impairment annually, or more frequently if events or changes in circumstances indicate that their carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit ("CGU"), or group of CGUs, to which the asset relates.

Goodwill arising from a business combination is allocated to the group of individual showrooms that are expected to benefit from the synergies of the combination (CGU). This is the lowest level at which goodwill is monitored for internal management purposes.

The recoverable amount of the CGU is based on the value in use, determined by discounting the future cash flows expected to be generated by their continued use. The key assumptions, to which this determination is most sensitive, for each CGU are;

Australia and New Zealand – Goodwill & Brand

Sales revenue: Revenue for the next five years has been estimated with reference to the Group's budget for the year ending 30 June 2027 and four-year forward-looking plans. Consideration was given to expected retail trading conditions when estimating future revenue.

Gross margin: Gross margins have been estimated with reference to the Group's budget for the year ending 30 June 2027.

Terminal growth rate: Growth beyond the next five years has been estimated with reference to the expected long-term average growth rate and was determined to be 2.0% (2025: 2.0%).

Discount rate: The discount rate is based on the specific circumstances of the Group and its CGUs and was derived from its weighted average cost of capital. Consideration was given to the cost of both debt and equity, and the Group's weighted average cost of capital was determined to be 11.9% (2025: 11.6%).

At 30 June 2026, the recoverable amount of the CGU exceeded its carrying amount, and there are considered to be no reasonably possible changes to any of the key assumptions that would cause the recoverable amount of the CGU to be less than its carrying values.

United Kingdom – Goodwill

Sales Revenue: Revenue for the next five years has been estimated with reference to the Group's budget for the year ending 30 June 2027, forecasted business revenue growth model for years 2 and 3, a rate of 5% growth for year 4 and a 2.5% growth for year 5. This resulted in a 5-year CAGR of 6.4% (2025: 7.0%).

Gross margin: Gross margins have been estimated with reference to the Group's budget for the year ending 30 June 2027.

Terminal growth rate: Growth beyond the next five years has been estimated with reference to the expected long-term average growth rate was determined to be 2.0% (2025: 2.0%).

Discount rate: The discount rate is based on the specific circumstances of the Group and its CGUs and was derived from its weighted average cost of capital. Consideration was given to the cost of both debt and equity, and the Group's weighted average cost of capital was determined to be 9.8% (2025: 9.8%).

At 30 June 2026, the recoverable amount of the CGU exceeded its carrying amount and no impairment has been recognised.

Sensitivity analysis undertaken on the UK goodwill assumptions modelled and would result in impairment if there were a change in the assumptions by the magnitudes indicated:

- 5-year revenue CAGR decreased to below 4.9% and all other assumptions held constant
- If the gross margin decreased to below 57.0% with revenue assumptions being constant at a 5-year revenue CAGR of 6.4%
- If the discount rate increases by more than 2.7% and all other assumptions held constant.

Website costs

The direct costs of developing the Group's websites are measured at cost, less accumulated amortisation and any impairment in value. The Group determines that the website will generate probable future economic benefits and recognises both internal expenditure and external expenditure on website content as an intangible. The website costs are determined to have a finite life of between 3 and 5 years and amortisation is provided on a straight-line basis over the useful life.

	2026 $'000	2025 $'000
Note 16. Borrowings		
Current bank loans	41,300	11,000
Non-current bank loans	30,387	60,687
	71,687	71,687
Reconciliation of borrowings		
Opening borrowings	71,687	71,687
	71,687	71,687

	Currency	Interest rate including commitment fee	Year of maturity	Carrying amount $000 30 June 2026	Carrying amount $000 30 June 2025
Secured corporate bank loan	AUD	5.91%	2027	28,000	28,000
Secured property bank loans	AUD	5.69%	2027	13,300	13,300
Secured property bank loans	AUD	5.79%	2028	14,262	14,262
Secured property bank loan	AUD	5.49%	2029	16,125	16,125
Total				71,687	71,687

Recognition and measurement – Interest-bearing loans and borrowings

All loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method. Fees paid on the establishment of loan facilities that are yield related are included as part of the carrying amount of the loans and borrowings. Borrowing costs are recognised as an expense when incurred, unless they are directly attributable to the acquisition, construction, or production of a qualifying asset whereby they are capitalised.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

	2026 $'000	2025 $'000
Note 17. Payables		
Trade creditors	15,586	19,621
Other creditors	14,739	15,164
	30,325	34,785

Trade creditors

Trade creditors are non-interest-bearing financial instruments and are normally settled within 30 days.

Other creditors

Other creditors are non-interest-bearing financial instruments and are normally settled on 30 to 60 day terms.

Recognition and measurement – Payables

Trade and other payables are carried at amortised cost and due to their short-term nature, they are not discounted. They represent liabilities for goods and services provided to the Company prior to the end of the financial year that are unpaid and arise when the Company becomes obliged to make future payments in respect of goods and services received.

	2026 $'000	2025 $'000
Note 18. Deferred revenue		
Customer deposits	64,184	65,586
Current accidental damage warranties	414	718
Current deferred revenue	64,598	66,304
Non-current accidental damage warranties	908	864
Non-current deferred revenue	908	864
	65,506	67,168

Recognition and measurement – Deferred revenue

Customer deposits

Customer deposits represent amounts received from customers for orders not yet completed. Deposits received from customers are recognised as revenue at the point of delivery of the goods to the customer. Orders are typically completed within three months and deposits are therefore considered short-term in nature and are not discounted.

Accidental damage warranties

Accidental damage warranties are purchased by customers in conjunction with the purchase of goods and are initially measured based on an allocation of the purchase price between the fair value of the goods and the warranty. Amounts deferred are recognised as revenue over the term of the warranty. Accidental damage warranties classified as current will be recognised as revenue within 12 months of the reporting date.

	2026 $'000	2025 $'000
Note 19. Provisions		
Current employee entitlements	6,722	6,503
Current lease make good	761	961
Current provisions	7,483	7,464
Non-current employee entitlements	598	551
Non-current lease make good	1,022	1,126
Non-current provisions	1,620	1,677
	9,103	9,141

Recognition and measurement – Provisions

Employee entitlements

Liabilities for annual leave and long service leave expected to be settled within 12 months of the reporting date are measured as the amounts to be paid when the liabilities are settled and are discounted to net present value.

Liabilities for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to the expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

Lease make good

A provision has been made for the present value of anticipated costs of future restoration of leased properties. The provision includes future cost estimates associated with restoring the premises to its condition at the time the Company initially leased the premises, subject to fair wear and tear.

	2026 No. of Shares	2025 No. of Shares	2026 $'000	2025 $'000
Note 20. Issued capital				
Authorised and fully paid ordinary shares	85,530,699	85,530,699	61,997	61,997

Ordinary shares
Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. All ordinary shares carry one vote per share without restriction.

There are no other classes of equity securities.

Recognition and measurement – Issued share capital
Ordinary share capital is recognised at the fair value of the consideration received by the Company.

Any transaction costs arising on the issue of ordinary shares are recognised directly in equity as a reduction of the share proceeds received, net of tax.

	2026 $'000	2025 $'000
Note 21. Reserves		
Capital profits reserve	78	78
Cash flow hedge reserve	1,845	(1,416)
Foreign exchange reserve	(1,522)	3,050
Equity benefits reserve	(884)	(1,192)
	(483)	520

Movements in reserves

	Equity benefits reserve $'000	Capital profits reserve $'000	Cash flow hedge reserve $'000	Foreign exchange reserve $'000	Total $'000
Balance at 30 June 2024	(608)	78	80	(252)	(702)
Amounts recognised for cash flow hedges	–	–	(1,496)	–	(1,496)
Income tax on items taken directly to or transferred from equity	(159)	–	–	–	(159)
Purchase of shares under EPRP	(539)	–	–	–	(539)
Share-based payments expense	114	–	–	–	114
Foreign currency translation	–	–	–	3,302	3,302
Balance at 30 June 2025	(1,192)	78	(1,416)	3,050	520
Amounts recognised for cash flow hedges	–	–	3,261	–	3,261
Share-based payments expense	308	–	–	–	308
Foreign currency translation differences	–	–	–	(4,572)	(4,572)
Balance at 30 June 2026	(884)	78	1,845	(1,522)	(483)

Equity benefits reserve
This reserve is used to record the value of share-based payments provided to employees as part of their remuneration. Refer to Note 29 for further details of these plans.

Capital profits reserve
This reserve is comprised wholly of the surplus on the disposal of assets that were acquired prior to the introduction of Capital Gains Tax provisions.

Cash flow hedge reserve
This reserve is used to recognise the effective portion of the gain or loss on cash flow hedge instruments that are determined to be effective hedges.

Foreign exchange reserve
This reserve is used to recognise differences arising where assets and liabilities denominated in foreign currencies are translated at the functional currency exchange rate prevailing at the reporting date.

	2026 $'000	2025 $'000
Note 22. Financing facilities		
Unrestricted access was available to the following credit facilities at the reporting date:		
Total facilities		
Bank loans expiring within 12 months	41,300	11,000
Bank loans expiring in greater than 12 months	30,387	60,687
Revolving Loan Facility	–	20,000
Bank guarantee facilities	3,000	3,000
	74,687	94,687
Facilities used at reporting date		
Bank loans expiring within 12 months	41,300	11,000
Bank loans expiring in greater than 12 months	30,387	60,687
Bank guarantee facilities	235	295
	71,922	71,982
Facilities unused at reporting date		
Revolving Loan Facility	–	20,000
Bank guarantee facilities	2,765	2,705
	2,765	22,705

Note 23. Financial instruments

Financial risk management objectives

The Company has exposure to foreign exchange risk, interest rate risk, credit risk and liquidity risk.

The Company's financial risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Board of Directors has established an Audit and Risk Committee, which is responsible for developing and monitoring the Company's risk management policies. The Committee provides regular reports to the Board of Directors on its activities.

The Company's principal financial instruments comprise bank loans, and cash and short-term deposits. The main purpose of these financial Instruments is to raise finance for and fund the Company's operations. The Company has various other financial instruments such as trade debtors and trade creditors, which arise directly from its operations. It is, and has been throughout the year, the Company's policy that no trading in financial instruments is undertaken.

Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates and interest rates will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control exposure within acceptable parameters while maximising return.

Foreign currency risk

All the Company's sales are denominated in either Australian dollars, New Zealand dollars or Great British Pounds, whilst the majority of inventory purchases are denominated in primarily US dollars. Where appropriate the Company uses forward currency contracts and options to manage its currency exposures; and where the qualifying criteria are met, these are designated as hedging instruments for the purposes of hedge accounting.

As of 30 June 2026, the Company had trade payables of $8,420,000 (2025: $4,372,000) denominated in US dollars and stock in transit of $10,915,000 (2025: $13,590,000), all of which are covered by designated cash flow hedges. As a result, the sensitivity to a reasonably possible change in the US dollar exchange rate is minimal. The cash flows relating to cash flow hedge positions held at year end are expected to occur in July 2026 through to February 2027, and the profit and loss is expected to be affected through cost of sales as the hedged items (inventory) are sold to customers. All forecast transactions subject to hedge accounting have occurred or are highly likely to occur.

The terms of the foreign currency forward contracts have been negotiated to match the terms of the forecasted transactions. Both parties of the contract have fully cash collateralised the foreign currency forward contracts, and therefore, effectively eliminated any credit risk associated with the contracts (both the counterparty's and the Company's own credit risk). Consequently, the hedges were assessed to be highly effective. As of 30 June 2026, an unrealised gain of $3,261,000 (30 June 2025: an unrealised loss of $1,496,000) is recorded in other comprehensive income.

Note 23. Financial instruments (continued)

Interest rate risk

Financial instruments utilised that are subject to interest, and therefore interest rate risk, are cash and commercial bills. Management continually monitor the exposure to interest rate risk, and the following table sets out the carrying amount by maturity of the financial instruments exposed to interest rate risk at reporting date. All financial instruments exposed to interest rate risk are exposed to a variable interest rate.

The fair value of the cash, deposits and bank loans shown below are based on the face value of those financial instruments.

	2026		2025	
	Weighted average interest rate %	Balance $'000	Weighted average interest rate %	Balance $'000
Assets less than three months – Cash	4.64	106,594	3.84	100,993
Liabilities less than one year – Bank loans	5.73	(41,300)	4.91	(11,000)
Liabilities between one and five years – Bank loans	5.58	(30,387)	5.02	(60,687)
		34,907		29,306

A reasonably possible decrease (or increase) in the interest rate of 50 basis points would result in a decrease (or increase) of profit of $175,000 (2025: $146,000 on 50 basis points movement).

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. In most cases, the Company requires full and final payment either prior to, or upon delivery of the goods to the customer. In limited cases where credit is provided, the Company trades on credit terms with recognised, creditworthy third parties. Customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Company's exposure to bad debts is not significant. There are no significant concentrations of credit risk within the Company.

With respect to credit risk arising from financial assets of the Company, which comprise of cash and cash equivalents and receivables, the Company's maximum exposure to credit risk, excluding the value of any collateral or other security, at reporting date to recognised financial assets is in the carrying amount, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes to the financial statements. Cash and cash equivalents are only invested with credit worthy counterparties that are large Australian banks.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions.

The Company manages liquidity risk by maintaining adequate cash reserves and available borrowing facilities by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both known interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amount in the statement of financial position. Lease liabilities only include remaining contractual terms and exclude lease options not yet exercised.

Note 23. Financial instruments (continued)

	Less than 3 months $'000	3 to 12 months $'000	1 to 5 years $'000	Over 5 years $'000	Remaining maturities $'000
Year ended 30 June 2026					
Interest bearing					
Bank loans	–	41,300	30,659	–	71,959
Lease liabilities	13,520	37,900	132,285	14,116	197,821
Non-interest bearing					
Trade creditors	15,586	–	–	–	15,586
Other creditors	14,739	–	–	–	14,739
Current tax liabilities	–	5,419	–	–	5,419
	43,845	84,619	162,944	14,116	305,524
Year ended 30 June 2025					
Interest bearing					
Bank loans	–	11,044	61,189	–	72,233
Lease liabilities	13,091	34,692	97,355	10,173	155,311
Non-interest bearing					
Trade creditors	19,621	–	–	–	19,621
Other creditors	15,164	–	–	–	15,164
Current tax liabilities	–	–	–	–	–
	47,876	45,736	158,544	10,173	262,329

Fair value hierarchy

All financial instruments for which fair value is recognised or disclosed are categorised with the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1: Quoted market prices in an active market (that are unadjusted) for identical assets or liabilities.
Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the reporting date the fair value of derivative financial instruments represented a derivative hedge receivable of $1,796,000 (2025: payable of $2,427,000). All foreign currency forward contracts were measured at fair value using the Level 2 method. Unless otherwise stated, the carrying amounts of financial instruments reflect their fair value.

Recognition and measurement – Financial instruments

Derivative financial instruments

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at each reporting date. Recognition of the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and the nature of the item being hedged. As appropriate, the Company designates derivatives as either hedges of the fair value of recognised assets or liabilities of firm commitments (fair value hedges) or hedges of highly probable forecast transactions (cash flow hedges).

Assets and liabilities measured at fair value are classified, into three levels, using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

For recurring and non-recurring fair value measurements, external valuers may be used when internal expertise is either not available or when the valuation is deemed to be significant. External valuers are selected based on market knowledge and reputation. Where there is a significant change in fair value of an asset or liability from one year to another, an analysis is undertaken, which includes a verification of the major inputs applied in the latest valuation and a comparison, where applicable, with external sources of data.

Note 24. Contingent liabilities

In the ordinary course of business, the Group is subject to various legal actions, inquiries and investigations from regulators and government bodies. Consideration has been given to all such matters at 30 June 2026, and no contingent liabilities were identified at that date (30 June 2025: Nil).

	2026 $'000	2025 $'000
Note 25. Commitments		
Land and buildings	28,835	11,379
Leasehold improvements	172	168
Plant and equipment	577	67
IT	21	147
	29,605	11,761

	2026 No.	2025 No.
Note 26. Employees		
The total number of employees at the reporting date was as follows:		
Number of full-time and part-time employees at balance date	811	850

	2026 $	2025 $
Note 27. Key management personnel		
The aggregate compensation made to directors and other key management personnel of the Company is set out below:		
Short-term employee benefits	4,010,911	3,392,914
Long-term employee benefits	16,140	88,030
Post-employment benefits	149,039	146,577
Share-based payments	–	113,386
	4,176,090	3,740,907

Note 28. Related party transactions

Related party transactions between the Company and the directors and personally related entities were made during the year in the ordinary course of business on normal commercial terms and conditions. The nature of these dealings was primarily the reimbursement of personal expenses incurred on Company paid with credit cards, the employment of immediate family members and the purchase of products for their own use.

Receivables from and payables to related parties

There were no trade receivables from or trade payables to related parties on 30 June 2026 (2025: Nil).

Loans to or from related parties

There were no loans to or from related parties on 30 June 2026 (2025: Nil).

Note 29. Share-based payments

The Company has an Executive Performance Rights Plan (EPRP) which is provided for executives and other employees. In accordance with the provisions of the plan, executives and employees are awarded rights to ordinary shares that will vest after a period of three years subject to the achievement of specific performance hurdles in relation to earnings per share (EPS) growth. There is no exercise price for the shares and the employees can exercise the right for up to two years following vesting, after which time the rights lapse.

The following table reconciles the outstanding employee share rights under the EPRP at the beginning and end of the financial year:

	2026	2025
Outstanding share rights at the start of the year	151,856	149,558
Share rights granted	23,917	50,543
Share rights vested and exercised	–	(36,245)
Share rights lapsed	(49,516)	(12,000)
Outstanding share rights at the end of the year	126,257	151,856

The expense recognised in relation to employee share rights during the year was $306,873 (2025: $113,958).

Recognition and measurement – Share-based payments

Share-based payments are measured at the fair value of the rights at grant date and are expensed on a straight-line basis over the vesting period, with a corresponding increase in equity, based on the Company's estimate of the number of shares that will eventually vest, considering the likelihood of employee turnover and the likelihood of non-market performance conditions being met.

The fair value of rights at grant date is valued under risk neutral conditions. Under these conditions the value of the right is equivalent to the share price reduced by the present value of dividends payable on the shares until vesting. The present value of the dividends is deducted from the share price because the right holder is not entitled to dividends until the rights are exercised. The valuation assumes that the rights are exercised as they vest.

The key assumptions used for determining fair value at grant date are as follows:

	2026	2025
Share price at grant date ($)	22.40	16.72
Share price at grant date of retention rights ($)	17.40	–
Dividend yield (%)	3.38	4.07
Franking rate (%)	30.0	30.0
Implied pre-tax effective dividend yield (%)	4.8	5.8

Note 30. Parent entity information

Set out below is the supplementary information about the parent entity.

	2026 $'000	2025 $'000
Statement of financial position		
Current assets	313,696	299,098
Non current assets	300,217	271,043
Total assets	613,913	570,141
Current liabilities	138,402	112,261
Non current liabilities	171,683	182,385
Total liabilities	310,085	294,646
Net assets	303,828	275,495

Note 30. Parent entity information (continued)

	2026 $'000	2025 $'000
Equity		
Issued capital	61,997	61,997
Capital profits reserve	78	78
Cash flow hedge reserve	1,725	(1,537)
Equity benefits reserve	(885)	(1,191)
Retained profits	240,913	216,148
Total equity	303,828	275,495
Statement of comprehensive income		
Profit after income tax expense	56,988	52,432
Other comprehensive Income	3,262	(1,496)
Total comprehensive income for the year	60,250	50,936

Recognition and measurement – Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Nick Scali Limited ('Company' or 'parent entity') as of 30 June 2026 and the results of all subsidiaries for the year then ended. Nick Scali Limited and its subsidiaries together are referred to in these financial statements as the Group.

Subsidiaries are all those entities over which the Company has control. The Company controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and can affect those returns through its power to direct the activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date that control ceases.

Intercompany transactions, balances, and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred.

Note 31. Controlled entities

Subsidiaries

The consolidated financial statements incorporate the assets, liabilities, and results of the following subsidiaries in accordance with the accounting policy described in this financial report.

Name of entity	Country of incorporation	Class of shares	2026 %	2025 %
Nick Scali (New Zealand) Limited	New Zealand	Ordinary	100.0	100.0
Nick Scali Employee Share Scheme Pty Limited	Australia	Ordinary	100.0	100.0
Plush-Think Sofas Pty Limited	Australia	Ordinary	100.0	100.0
Nick Scali Furniture Limited	United Kingdom	Ordinary	100.0	100.0
Nick Scali Holdings (UK) Limited	United Kingdom	Ordinary	100.0	100.0
NSL Operations Limited	United Kingdom	Ordinary	100.0	100.0
Nora Debtco UK Limited	United Kingdom	Ordinary	100.0	100.0
Anglia Home Furnishings Limited	United Kingdom	Ordinary	100.0	100.0
AHF Internet Limited	United Kingdom	Ordinary	100.0	100.0

Closed Group

Pursuant to ASIC Corporations (Wholly-owned Companies) Instrument 2016/785, Nick Scali Limited, Plush-Think Sofas Pty Limited and Nick Scali Employee Share Scheme Pty Ltd (the "Closed Group") entered into a deed of cross guarantee on 30 June 2022. The effect of the deed is that Nick Scali Limited has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The controlled entities within the Closed Group have also given a similar guarantee in the event that Nick Scali Limited is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

Note 31. Controlled entities (continued)

The consolidated statement of profit or loss, consolidated statement of comprehensive income, summary of movements in consolidated retained earnings and consolidated statement of financial position of the entities that are members of the Closed Group are as follows:

	Closed Group 2026 $'000	Closed Group 2025 $'000
Statement of profit or loss		
Revenue from contracts with customers	458,030	435,101
Cost of goods sold	(154,869)	(152,110)
Other income	2,160	4,796
Operating expenses	(134,828)	(132,569)
Depreciation and amortisation	(43,910)	(40,427)
Finance costs	(12,418)	(14,857)
Profit before income tax expenses	114,165	99,934
Income tax expense	(34,202)	(29,295)
Profit for the year	79,963	70,639
Other comprehensive income		
Net change in the fair value of cash flow hedges taken to equity, net of tax	3,262	(1,496)
Other comprehensive income for the year, net of tax	3,262	(1,496)
Total comprehensive income for the year, net of tax	83,225	69,143
Summary of movements in consolidated retained earnings		
Retained earnings at the beginning of the year	213,621	196,767
Profit for the year	79,963	70,639
Dividends paid during the year	(61,582)	(53,785)
Retained earnings at the end of the year	232,002	213,621
Statement of financial position		
Assets		
Current assets		
Cash and cash equivalents	94,327	86,765
Receivables	823	807
Current tax receivable	–	2,843
Inventories	43,107	47,873
Other financial assets	63,682	56,888
Prepayments	5,668	4,823
Total current assets	207,607	199,999
Non-current assets		
Land and buildings	131,017	120,112
Plant and equipment	22,248	22,046
Right-of-use assets	200,139	181,936
Intangibles	130,432	130,148
Total non-current assets	483,836	454,242
Total assets	691,443	654,241

Note 31. Controlled entities (continued)

	Closed Group 2026 $'000	Closed Group 2025 $'000
Liabilities		
Current liabilities		
Borrowings	41,300	11,000
Payables	24,150	28,984
Lease liabilities	34,463	34,620
Deferred revenue	57,562	60,023
Current tax liabilities	5,298	–
Other financial liabilities	–	2,428
Provisions	6,642	6,449
Total current liabilities	169,415	143,504
Non-current liabilities		
Borrowings	30,387	60,687
Lease liabilities	190,354	170,504
Deferred revenue	876	822
Deferred tax	3,903	3,693
Provisions	1,546	1,543
Total non-current liabilities	227,066	237,249
Total liabilities	396,481	380,753
Net assets	294,962	273,488
Equity		
Issued capital	61,997	61,997
Reserves	963	(2,130)
Retained profits	232,002	213,621
Total equity	294,962	273,488

Note 32. Significant events after the reporting period

The company will complete the acquisition of a retail property in Richmond, Victoria in August 2026 for $22m which we expect to be debt funded. The Company declared a dividend on 7 August 2026 (see Note 7). No other matter or circumstance has arisen since 30 June 2026 that has significantly affected, or may significantly affect the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Note 33. Remuneration of auditors

During the financial year, the following fees were paid or payable for services provided by KPMG (KPMG in 2025), the auditor of the Company, and its network firms. In addition, Azets, an audit firm based in the United Kingdom, was engaged as component auditor for the UK operations.

	2026 $	2025 $
Audit services		
Auditors of the financial Report	347,930	331,850
Review of the Sustainability Report	55,660	–
Total for Auditors of the Group – KPMG	403,590	331,850
Other Auditors	11,249	13,000
Other services		
Tax review	8,914	8,406
Tax compliance	91,866	45,398
	515,619	398,654

Note 34. Summary of other material accounting policies

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting year; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting year. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting year; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting year. All other liabilities are classified as non-current.

Deferred tax assets and liabilities are always classified as non-current.

Other taxes

Revenues, expenses, and assets are recognised net of the amount of Goods and Services Tax ('GST') except:

- when the GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables, which are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position. Cash flows are included in the statement of cash flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to the taxation authority are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Foreign currency translation

The financial statements are presented in Australian dollars, which is Nick Scali Limited's functional and presentation currency.

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions or at the hedged rate if qualifying financial instruments have been used to reduce exposure. Monetary assets and liabilities denominated in foreign currencies are retranslated at the financial year-end exchange rates and recognised in profit or loss. All exchange differences are recognised in the statement of comprehensive income, except when deferred in equity as qualifying cash flow hedges.

Foreign operations

The assets and liabilities of foreign operations are translated into Australian dollars using the exchange rates at the reporting date. The revenues and expenses of foreign operations are translated into Australian dollars using the average exchange rates, which approximate the rates at the dates of the transactions, for the period. All resulting foreign exchange differences are recognised in other comprehensive income through the foreign currency reserve in equity.

Derecognition of financial assets and financial liabilities

Financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when either:

- the rights to receive cash flows from the asset have expired; or
- the Company retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Company has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration received that the Company could be required to repay.

Financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged, cancelled, or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Note 34. Summary of other material accounting policies (continued)

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) because of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a borrowing cost.

Dividends

Dividends are recognised when declared during the financial year and no longer at the discretion of the Company.

Rounding of amounts

The Company is of a kind referred to in Class Order 2026/183, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, the nearest dollar.

Oakridge buffet

Consolidated entity disclosure statement

Set out below is relevant information relating to entities that are consolidated in the consolidated financial statements at the end of the financial year as required by the *Corporations Act 2001* (s.295(3A)(a)).

For the year ended 30 June 2026

Entity Name	Body corporate partnership or trust	Place incorporated/ formed	% of share capital held directly or indirectly by the company in the body corporate	Australian or foreign tax resident	Jurisdiction for foreign tax resident
Nick Scali Limited (the Company)	Body Corporate	N/A	N/A	Australian	N/A
Nick Scali (New Zealand) Limited	Body Corporate	New Zealand	100%	Foreign	New Zealand
Nick Scali Employee Share Scheme Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Plush-Think Sofas Pty Limited	Body Corporate	Australia	100%	Australian	N/A
Nick Scali Holdings (UK) Limited	Body Corporate	UK	100%	Foreign	UK
NSL Operations Limited	Body Corporate	UK	100%	Foreign	UK
Nora Debtco UK Limited	Body Corporate	UK	100%	Foreign	UK
Nick Scali Furniture Limited	Body Corporate	UK	100%	Foreign	UK
Anglia Home Furnishings Limited	Body Corporate	UK	100%	Foreign	UK
AHF Internet Limited	Body Corporate	UK	100%	Foreign	UK

Key assumptions and judgements

Section 295 (3A) of the *Corporation Act 2001* requires that the tax residency of each entity which is included in the Consolidated Entity Disclosure Statement (CEDS) be disclosed. In the context of an entity which was an Australian resident, "Australian resident" has the meaning provided in the *Income Tax Assessment Act 1997.* The determination of tax residency involves judgement as the determination of tax residency is highly fact dependent and there are currently several different interpretations that could be adopted, and which could give rise to a different conclusion on residency.

In determining tax residency, the consolidated entity has applied the following interpretations:

Australian tax residency

The consolidated entity has applied current legislation and judicial precedent, including having regard to the Commission of Taxation's public guidance in *Tax Ruling TR 2018/5.*

Foreign Tax residency

The consolidated entity has applied current legislation and where available judicial precedent in the determination of foreign tax residency.

Parco 2 seater SleeperSofa™ & chaise in Summer Pale Moss

Directors' Declaration

In the Directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the consolidated entity disclosure statement as at 30 June 2026 set out on page 50 is true and correct; and
- the attached financial statements and notes comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board as described in Note 1 to the financial statements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2026 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
- as at the date of this declaration, there are reasonable grounds to believe that the members of the Closed Group identified in Note 31 will be able to meet any obligations or liabilities to which they are or may become subject, by virtue of the Deed of Cross Guarantee.

The Directors have been given the declarations required by section 295A of the Corporations Act 2001.

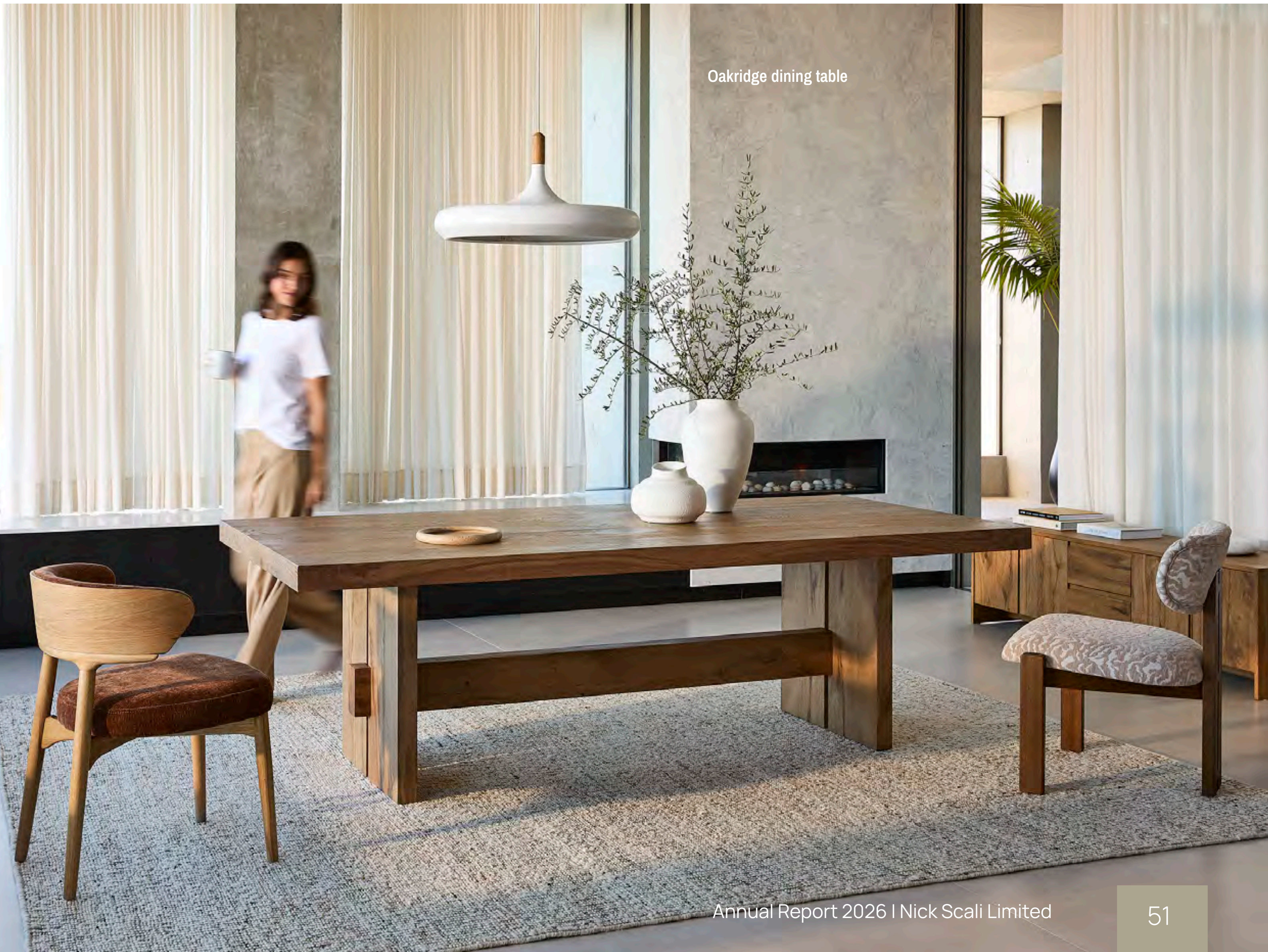
Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Anthony Scali
Executive Chair and Chief Executive Officer

William Koeck
Deputy Chair and Lead Independent Non-Executive Director

7 August 2026
Sydney


Oakridge dining table

Independent Auditor's Report to the Members of Nick Scali Limited

Independent Auditor's Report

To the members of Nick Scali Limited

Report on the audit of the Financial Report

Opinion

We have audited the ***Financial Report*** of Nick Scali Limited (the Company).

In our opinion, the accompanying Financial Report of the Company gives a true and fair view, including of the ***Group***'s financial position as at 30 June 2026 and of its financial performance for the year then ended, in accordance with the *Corporations Act 2001,* in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*.

The ***Financial Report*** comprises:

- Consolidated statement of financial position as at 30 June 2026;
- Consolidated statement of profit or loss and other comprehensive income, Consolidated statement of changes in equity, and Consolidated statement of cash flows for the year then ended;
- Consolidated entity disclosure statement and accompanying basis of preparation as at 30 June 2026;
- Notes, including material accounting policies; and
- Directors' Declaration.

The ***Group*** consists of the Company and the entities it controlled at the year end or from time to time during the financial year.

Basis for opinion

We conducted our audit in accordance with *Australian Auditing Standards*. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the Financial Report* section of our report.

We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have fulfilled our other ethical responsibilities in accordance with these requirements.

KPMG

Key Audit Matters

Key Audit Matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Report of the current period.

This matter was addressed in the context of our audit of the Financial Report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

UK Goodwill amount ($33m)

Refer to Note 15 to the financial report

The key audit matter	How the matter was addressed in our audit
A key audit matter was the Group's annual testing of goodwill allocated to the UK group of Cash Generating Units (CGU) for impairment. Certain conditions impacting the Group increased the judgement applied by us when evaluating the evidence available. We focussed on the significant forward-looking assumptions the Group applied in their value in use model, including: • forecast operating cash flows – the segment has incurred a loss during the year due to business disruptions arising from showroom refurbishments undertaken as part of the rebranding to Nick Scali. This increases the possibility of goodwill being impaired, plus the risk of inaccurate forecasts or a wider range of possible outcomes, for us to consider. • forecast growth rates– in addition to the uncertainties described above, the model is sensitive to changes in this assumption, indicating possible impairment. This drives additional audit effort specific to their feasibility and consistency of application to the Group's strategy. • discount rate - these are complicated in nature and vary according to the conditions and environment the specific Cash Generating Unit (CGU) is subject to, and the model's approach to incorporating risks into the cash flows. We involve our valuations specialist with the assessment. The Group uses a manually developed model to perform their annual testing of goodwill for impairment. The model uses adjusted historical	Our procedures included: • We considered the appropriateness of the value in use method applied by the Group to perform the annual test of goodwill for impairment against the requirements of the accounting standards. • We assessed the integrity of the value in use model used, including the accuracy of the underlying calculation formulas. • We compared the forecast cash flows contained in the value in use model to Board approved forecasts. • We assessed the accuracy of previous Group forecasts to inform our evaluation of forecasts incorporated in the model. • We assessed the Group's determination of CGU assets for consistency with the assumptions used in the forecast cash flows and the requirements of the accounting standards. • We challenged the Group's significant forecast cash flow and growth assumptions. We compared key events, including showroom closures and rebranding activities undertaken throughout the period to the Board approved plan and strategy. We applied increased scepticism to forecasts in the areas where previous forecasts were not achieved. We assessed the objectivity of sources used for assumptions, including comparing forecast growth rates to published studies of industry trends and expectations, and considered differences for the Group's operations. We used our knowledge of the

KPMG

performance, and a range of internal and external sources as inputs to the assumptions. Using forward-looking assumptions tend to be prone to greater risk for potential bias, error and inconsistent application. These conditions necessitate additional scrutiny, in particular to address the objectivity of sources used for assumptions, and their consistent application. We involved valuation specialists to supplement our senior audit team members in assessing this key audit matter.	Group, their past performance, business and customers, and our industry experience. • We checked the consistency of the growth rates and gross margin to the Group's stated plan and strategy, past performance of the Group, and our experience regarding the feasibility of these in the economic environment in which they operate. We assessed these assumptions for indicators of bias and inconsistent application, using our industry knowledge. • Working with our valuation specialists, we independently developed a discount rate range using publicly available market data for comparable entities, adjusted by risk factors specific to the Group and the industry it operates in. • We considered the sensitivity of the model by varying key assumptions, such as forecast growth rates and discount rates, within a reasonably possible range. We did this to identify those assumptions at higher risk of bias or inconsistency in application and to focus our further procedures. • We assessed the disclosures in the financial report using our understanding obtained from our testing and against the requirements of the accounting standards.

Other Information

Other Information is financial and non-financial information in Nick Scali Limited's annual report which is provided in addition to the Financial Report and the Auditor's Report. The Directors are responsible for the Other Information.

Our opinion on the Financial Report does not cover the Other Information and, accordingly, we do not express an audit opinion or any form of assurance conclusion thereon, with the exception of the Remuneration Report and specified sustainability disclosures within the Sustainability Report and our respective assurance opinion.

In connection with our audit of the Financial Report, our responsibility is to read the Other Information. In doing so, we consider whether the Other Information is materially inconsistent with the Financial Report or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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We are required to report if we conclude that there is a material misstatement of this Other Information, and based on the work we have performed on the Other Information that we obtained prior to the date of this Auditor's Report we have nothing to report.

Responsibilities of the Directors for the Financial Report

The Directors are responsible for:

- preparing the Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and in compliance with *Australian Accounting Standards* and the *Corporations Regulations 2001*
- implementing necessary internal control to enable the preparation of a Financial Report in accordance with the *Corporations Act 2001*, including giving a true and fair view of the financial position and performance of the Group, and that is free from material misstatement, whether due to fraud or error
- assessing the Group and Company's ability to continue as a going concern and whether the use of the going concern basis of accounting is appropriate. This includes disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they either intend to liquidate the Group and Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Report

Our objective is:

- to obtain reasonable assurance about whether the Financial Report as a whole is free from material misstatement, whether due to fraud or error; and
- to issue an Auditor's Report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with *Australian Auditing Standards* will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error. They are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Financial Report.

A further description of our responsibilities for the audit of the Financial Report is located at the *Auditing and Assurance Standards Board* website at: https://www.auasb.gov.au/media/bwvjcgre/ar1_2024.pdf. This description forms part of our Auditor's Report.

KPMG

Report on the Remuneration Report

Opinion

In our opinion, the Remuneration Report of Nick Scali Limited for the year ended 30 June 2026, complies with *Section 300A* of the *Corporations Act 2001*.

Directors' responsibilities

The Directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with *Section 300A* of the *Corporations Act 2001*.

Our responsibilities

We have audited the Remuneration Report included in pages 11 to 18 of the Directors' report for the year ended 30 June 2026.

Our responsibility is to express an opinion as to whether the Remuneration Report complies in all material respects with *Section 300A* of the *Corporations Act 2001*, based on our audit conducted in accordance with *Australian Auditing Standards*.

KPMG

KPMG

J Cleary

Julie Cleary

Partner

Sydney

7 August 2026

Montclair 3.5 seater recliner & console in Aeris Butternut

Sustainability Report

Basis of Preparation

Reporting Entity

This Sustainability Report has been prepared for Nick Scali Limited and its controlled entities (the Group) and contains the climate-related financial information for the Group for the financial year ended 30 June 2026, which aligns with, and should be read in conjunction with, the Group's consolidated financial statements. The reporting entities for climate-related disclosures align with those included in the Group's consolidated financial statements.

The Group's Sustainability Report has been prepared in accordance with AASB S2 Climate-related Disclosures (AASB S2), issued by the Australian Accounting Standards Board, and the Corporations Act 2001.

The Group has applied the following transition relief as this is the first reporting period:

- No comparative climate disclosures have been presented.
- No Scope 3 greenhouse gas emissions have been disclosed.

Assumptions, judgements, estimates and forward looking statements

In the preparation and presentation of this Sustainability Report, the Group has exercised judgement to determine the climate-related information that is relevant, reliable and useful to disclose.

This Sustainability Report includes forward-looking information regarding the anticipated financial effects of climate-related risks and opportunities (CRROs). Such information reflects the Group's assessment of climate-related risks and opportunities at the reporting date.

The preparation of climate related disclosures requires the application of judgement and the use of estimates and assumptions. The disclosures include forward looking information, which is based on management's current expectations, assumptions and estimates. Due to the forward looking nature of certain climate related disclosures actual outcomes may vary from those expressed in the statements contained in the Sustainability Report.

The most significant judgements and measurement and estimation uncertainty that could affect the information disclosure are described below.

Significant judgements that were applied in the Sustainability Report include:

- Identifying and assessing CRROs across the Group's value chain that could reasonably be expected to affect the Group's prospects
- Selection of climate scenarios and the underlying key assumptions applied in modelling the impact on the Group. Scenario analysis has inherent limitations and is based on a wide range of assumptions, which may result in different outcomes (refer to page 61 for further details on these assumptions).
- Defining and evaluating short, medium and long-term time horizons and associated impacts.
- Determining which sources of data and guidance to apply in modelling the impact of the CRROs on the Group.

Sources of measurement and estimation uncertainty

Measurement and estimation uncertainty in the Sustainability Report arises in respect of measurement of the GHG emissions in accordance with the GHG protocol and in respect of the qualitative disclosures relating to CRROs.

The disclosed GHG emissions metrics are unavoidably subject to inherent uncertainties arising from activity data and emissions factors. In respect of CRROs uncertainties exist with forward-looking assumptions and resilience assessments including, but without limitation, uncertainty regarding regulatory developments, policy timing, carbon pricing mechanisms, market trends, demand conditions, future energy market changes, consumer preferences, and time horizons over which and severity of climate outcomes which could emerge. These present inherent limitations in climate modelling, scenario analysis and climate resilience assessments.

Governance

Board oversight of climate-related risks and opportunities

The Board retains ultimate responsibility for oversight of climate matters, including climate-related risks and opportunities (CRROs), and monitors these through the Audit and Risk Committee (ARC). As part of the broader risk management and governance frameworks, the ARC assesses the adequacy of the Group's plans and activities in relation to sustainability, including management of climate risks and opportunities and maintains oversight of sustainability and climate reporting.

In overseeing climate-related risks and opportunities, the Group does not have a transition plan. The assessment of climate risks and opportunities does not currently consider the implications of trade-offs between climate risks and opportunities and future financial performance. The Board considers the potential implications of CRROs for the Group's strategy including capital allocation decisions, lease portfolio management, and supplier arrangements. The Board and the Audit and Risk Committee (ARC) consider climate-related matters at least every six months as part of the Group's broader Enterprise Risk Management (ERM) framework review, including the review and approval of the Group's key CRROs.

The ARC assists the Board in fulfilling its risk management responsibilities including overseeing the effectiveness of the Group's process of risk management, internal controls and compliance.

Climate-related matters are incorporated into existing governance processes, supporting Board-level oversight of climate-related risks and opportunities as part of the Group's broader risk management and strategic oversight framework.

The Board is responsible to oversee management's assessment of climate-related targets. The Group has not established formal emissions reduction or other climate-related targets as at 30 June 2026.

Governance (continued)

Board Skills and Competency

Details of the Board's composition, skills and competencies are provided in the Group's Corporate Governance Statement published separately from this Annual Report and available on the ASX and the Group's website. The Board's Skills Matrix incorporates climate-related risk, strategy and reporting capabilities and is reviewed at least annually to ensure an appropriate mix of skills and experience is maintained. The outcomes of this review inform Board composition and ongoing director development. Where additional climate-related expertise is required, the Board may obtain external advice or training to support its oversight responsibilities.

Management's role and accountability for climate-related risks and opportunities

Overall accountability for identifying, assessing, managing, and monitoring the CRROs rests with the Chief Executive Officer. The Chief Financial Officer, supported by the finance and reporting team, assists the Chief Executive Officer in fulfilling those obligations and are responsible for designing and implementing processes, systems and controls to support the identification, assessment and management of climate-related risks and opportunities.

The Chief Executive Office and Chief Financial Officer are responsible for overseeing the implementation of the Group's climate-related governance, strategy and reporting processes. Their responsibilities include oversight of the Group's climate risk assessment, governance processes, climate-related reporting under AASB S2 and integration of climate-related risks and opportunities into the Group's enterprise risk management framework. The Chief Financial Officer has undertaken sustainability training and has prior experience in assessing climate-related risks and opportunities. Combined with ongoing professional development, this supports management's capability to identify, assess and oversee climate-related risks and opportunities relevant to the Group.

CRROs are integrated within the Group's Enterprise Risk Management (ERM) framework with defined risk ownership, and periodic monitoring and review of key climate-related risk matters, exposures and mitigation actions. Climate-related reporting processes are integrated with the Group's existing financial reporting and risk management controls.

Management is accountable for developing appropriate data governance processes to support reliable measurement and reporting including scenario analysis, data management, and establishing relevant metrics. Emissions data and other climate-related metrics are subject to internal review procedures, including reconciliation to underlying utility invoices, application of published emissions factors and review by finance personnel.

The CEO is responsible for establishing reporting to the ARC to support board level oversight and strategic alignment.

Key internal stakeholders across property, human resources, finance, retail operations and supply chain management support and are responsible for embedding key climate-related considerations in operational decision-making across the Group's retail and supply chain activities.

Strategy

The Group's climate strategy focuses on identifying, assessing and managing climate-related risks and opportunities that may reasonably be expected to affect the Group's financial performance, resilience and long-term value.

Given the Group's predominantly leased retail footprint and offshore manufactured product supply chain, the Group focuses on areas where it has operational control, including energy consumption in stores and supplier engagement, supported by governance and transparent climate-related disclosures.

Group initiatives for reduction of GHG emissions in any leased premises may require the consent of landlords and may involve additional costs to the business which are offset by energy efficiencies. In stores owned by the Group the consent of landlords for any initiatives to reduce GHG is not required.

The Group has undertaken an assessment of current and emerging climate-related risks and opportunities, focusing on their potential financial and operational impacts and related strategic implications.

For the purposes of assessing climate-related risks and opportunities, the Group applies the following time horizons:

- Short term: 0-2 years
- Medium term: 2-5 years
- Long term: Beyond 5 years

These time horizons are aligned with the Group's strategic planning cycles, lease portfolio duration, supplier contract structures and capital allocation planning. Climate-related risks and opportunities are assessed across each of these time horizons when performing scenario analysis and risk assessments.

Performance evaluations for the Chief Executive Officer are conducted by the Group as part of the Group's governance processes. The Chief Executive Officer's performance evaluation includes a risk management component; however, climate-related key performance indicators are not currently directly incorporated into remuneration for executives or directors of the Group. The Group does not apply an internal carbon price in its assessment of climate-related risks and opportunities or in decision-making processes.

Climate-related risks and opportunities

The Group's analysis identified key climate-related risks and opportunities (CRROs) that could potentially influence future cash flows, access to finance, and the cost of capital, across the short, medium and long term. A qualitative description of the CRRO anticipated impacts is provided below. Quantitative information has not been provided due to the high level of measurement and estimation uncertainty of the resulting quantitative information and would not be useful.

Climate-related risks and opportunities (continued)

Transition Risks

Risk	Anticipated Impacts	Strategic Responses
Carbon pricing and regulatory change	Long term (5+ years): Introduction of carbon pricing mechanisms or stricter climate regulations which may increase operating costs across energy, logistics and supplier networks.	The Group will continue to monitor and respond to regulatory and policy developments. Continue to invest in improving energy efficiency in retail operations and assess opportunities to increase renewable energy procurement where possible and commercially viable.
Supply chain compliance requirement	Medium to long term (2–5+ years): Suppliers may face increased compliance requirements relating to emissions, sustainability standards or materials sourcing. Potential increase in product sourcing and compliance costs, changes to supplier availability, and added operational oversight requirements may increase inventory costs.	The Group will continue to engage with suppliers on relevant sustainability matters and monitor emerging supply chain risks.

Physical Risks

Physical Risks	Anticipated Impacts	Strategic Responses
Extreme weather events (flooding, storms, bushfires)	Medium to long term (2–5+ years): Severe weather events may disrupt store operations, logistics networks, suppliers may delay product availability or damage physical assets.	The Group will continue to maintain a geographically diverse showroom and distribution network and will identify opportunities to improve operational resilience and adaptive planning for extreme weather events. The Group will endeavour to maintain insurance coverage for extreme weather events where available on commercially acceptable terms.

Opportunities

Opportunity	Anticipated Impacts	Strategic Responses
Renewable energy sourcing	Medium to long term (2–5+ years): Increased use of renewable electricity may reduce emissions and exposure to energy price volatility.	The Group may benefit from expanding renewable electricity procurement where possible and commercially viable, potentially reducing emissions and exposure to energy price volatility.

Business model and Value chain

The identified climate-related risks and opportunities may affect the Group's business model primarily through its retail operations, supplier network and logistics activities. These impacts are distributed across the Group's supplier and distribution networks rather than concentrated in any single geographic region or asset base. The risks and opportunities set out above describe the areas of potential exposure, the time horizons over which they may arise, and the key mitigation actions applied to manage these effects.

Physical risk analysis, based on scenario modelling, considers potential impacts from asset damage (affecting inventories, right-of-use assets and property, plant and equipment) and business interruption (affecting revenues). These potential financial impacts are mitigated by the Group's geographically dispersed showroom network, which helps diversify exposure to acute weather events, and are further mitigated by existing insurance coverage.

Transition risk analysis considers potential increases in operating costs arising from regulatory developments, including carbon pricing mechanisms and enhanced compliance requirements. Based on its current emissions profile, the Group currently considers that it has lower exposure to these regulatory changes.

Process for prioritising Climate-related risks and financial impacts

CRROs have been assessed using the Group's risk matrix that evaluates both likelihood and impact across short, medium, and long-term horizons as described above. This assessment draws on scenario analysis, input from senior leadership, and cross-functional review processes.

Management's consideration of these factors has informed current period budgeting assumptions and risk assessments. As at the reporting date, based on management's current assessment, no material impacts have been identified on the Group's financial position, financial performance or cash flows. The Group has considered the potential current and anticipated financial effects of these risks across asset values, revenues, operating costs and cash flows over the short, medium and long term, as described above.

While no material financial impacts have been identified in the current reporting period, climate-related risks may potentially have material financial effects in future periods. Quantification of these impacts remains subject to estimation uncertainty due to the long-term nature of climate projections, evolving regulatory frameworks and market responses. Accordingly, the Group's current assessment is primarily qualitative, with the potential for financial impact estimates to improve over time as data availability and methodologies improve.

Climate-related risks and opportunities (continued)

Strategy and decision-making

Climate-related risks and opportunities have not resulted in material changes to the Group's core retail business model during the reporting period. The Group has identified potential impacts and mitigation strategies to reduce climate-related risks and support climate-related opportunities. Refer to the table under Climate-related risks and opportunities.

Given the concentration of emissions in non-controlled activities, the Group's strategic approach emphasises influence through commercial relationships rather than operational restructuring.

Climate-related activities are resourced through the existing functional management team and funded through normal operational budgets. The Group does not currently maintain a dedicated climate or sustainability team, reflecting its business scale and emissions profile. Any enhancements to systems, data processes or external advisory support are considered as part of normal strategic and operational planning processes.

As at the reporting date, the Group has not adopted a climate-related transition plan or science based emissions reduction target, given the Group's business operating model and emissions profile.

Climate Resilience Assessment

The Group has undertaken a climate resilience assessment by evaluating the potential effects of transition and physical climate risks on its business model, including operating cost structure, supply chain reliability, energy consumption and regulatory compliance obligations. Based on this assessment, management has not identified any immediate material changes to the Group's strategy, business model or asset base. This reflects the Group's asset-light operating model, supplier base and geographically distributed retail footprint, which provide flexibility and reduce exposure to concentrated climate-related risks.

Climate-related scenario analysis was conducted using global reference scenarios to evaluate potential impacts on the Group's operations and value chain. These global reference scenarios were applied to the Group's operations in Australia, New Zealand and the United Kingdom. In assessing potential impacts, consideration was given to region-specific regulatory developments, energy market conditions, physical climate exposures and supply chain characteristics relevant to the Group's operating environment and the retail furniture sector.

The scenario analysis was performed in financial year 2026 using the Group's defined assessment horizons of short term (1–2 years), medium term (2–5 years) and long term (5+ years). These time horizons were used to assess how transition and physical climate-related risks and opportunities may evolve over time and their potential impacts on the Group's operations, strategy and financial position under each reference scenario. The Group identified strategic responses to respond to the potential climate scenarios are pare part of the Groups usual business operations and the Group has adequate financial resources to respond to the effects identified from the CRROs scenario analysis.

The Group selected reference scenarios that represent a range of plausible climate futures, including a scenario aligned with the temperature goals of the Paris Agreement and a higher warming scenario reflecting more limited global decarbonisation. These scenarios were selected to assess the potential impacts of both transition and physical climate-related risks under different policy, market and climate conditions relevant to the Group's operations in Australia, New Zealand and the United Kingdom.

Scenario	Description
SSP1-1.9	A temperature increase of approximately 1.5°C above pre-industrial levels (aligned with the Paris Agreement). This scenario assumes rapid decarbonisation, increased climate regulation, accelerated renewable energy adoption and stronger market expectations regarding sustainability performance.
SSP2-4.5	A higher warming scenario reflecting a temperature increase of approximately 2.5°C and slower global decarbonisation and less coordinated policy responses. Under this scenario, transition pressures are more gradual, but physical climate impacts such as extreme weather events and temperature increases are more pronounced over time.

Scenario	Key Drivers / Assumptions	Implications for strategy	Strategic response
SSP1-1.9 (1.5 °C scenario)	• Accelerated decarbonisation policies across all operating jurisdictions, including carbon pricing mechanisms • Increasing regulatory disclosure requirements • Heightened stakeholder expectations regarding sustainability performance • Increased energy efficiency requirements, with technological advancements declining reliance on fossil fuels • Potential increases in input costs due to transition measures	• Increased policy and regulatory pressure and compliance costs could require accelerated emissions reduction efforts and pose risks to regulatory compliance • Failure of suppliers to meet sustainability performance obligations may result in disruptions to supply continuity, increased compliance and remediation costs, and potential reputational impacts for the Group. • Market demand for lower-carbon energy sources may increase energy cost exposure • Potential negative reputational impact if the Group or its suppliers are seen as not meeting evolving sustainability expectations, potentially affecting brand value, customer demand and investor confidence.	• Ongoing monitoring and response to evolving regulatory and disclosure requirements • Continuing focus on improving energy efficiency across retail operations, including maintaining renewable electricity procurement at owned locations and evaluating further procurement opportunities where economically feasible.

Climate-related risks and opportunities (continued)

Climate Resilience Assessment (continued)

Scenario	Key Drivers / Assumptions	Implications for strategy	Strategic response
SSP2-4.5 (2.5°C+ scenario)	• Increased frequency and severity of extreme weather events • Potential supply chain disruptions and Impacts on logistics networks • Changes in energy demand, with fossil fuels remaining significant but gradually declining as renewables and low-carbon technologies expand • Moderate technological development, supporting efficiency gains and partial decarbonisation • Incremental improvements in infrastructure with ongoing pressure on natural resources due to uneven adaptation • Increased operational disruption and downtime risk	• Increased physical climate risks, including extreme weather events, may disrupt operations and logistics networks, resulting in downtime, increased operating costs and reduced supply chain reliability • Damage to infrastructure or third-party facilities may require additional maintenance, contingency planning and investment in resilience measures • Supply chain disruptions and resource constraints may lead to increased input costs and reduced availability of key products • Energy cost and demand variability in both upstream and downstream value chain components • Reputational impact of negative stakeholder perception if the Group is seen as inadequately prepared for or responsive to physical climate risks, potentially affecting brand value, customer trust and investor confidence	• Identify opportunities to improve operational resilience, through store-level risk assessments and adaptive planning for extreme weather events • Integrate climate risk considerations into business continuity planning, including contingency arrangements for supply chain and distribution disruption

Business Model and Capital Allocation

Climate-related risks and opportunities may influence the Group's medium-term financial planning processes, including operational budgeting, energy procurement decisions and supplier engagement strategies. Management considers potential impacts such as energy price volatility, logistics disruptions and regulatory developments when assessing future operating cost assumptions and capital allocation priorities.

Risk Management

Overview and Integration with Enterprise Risk Management

The Group integrates climate-related risks and opportunities into its existing Enterprise Risk Management (ERM) framework, assessing them alongside other strategic, operational and financial risks to support more consistent identification, evaluation and oversight. Climate-related risks are considered relative to other principal risks using the Group's established risk matrix, which evaluates likelihood and impact across financial, operational, regulatory and reputational dimensions, with the risk register reviewed bi-annually by management and tabled to the Audit and Risk Committee and the Board as part of regular risk reporting cycles.

Processes to Identify, Assess, Prioritise and Monitor Climate-Related Risks and Opportunities

Climate-related risks are primarily identified through the Group's Enterprise Risk Management (ERM) process, which incorporates:

- Internal operational data (including emissions data and engagement with internal stakeholders);
- Regulatory developments in Australia, New Zealand and the United Kingdom;
- Industry guidance and government issued emissions factors;
- Supplier and logistics exposure assessments; and
- Climate scenario references and market developments.

The assessment covers all controlled operations, including retail stores, distribution centres and relevant value chain exposures while noting that much of the value chain exposure is offshore and not directly controlled.

Identified climate-related risks are assessed using the Group's risk matrix, which considers both qualitative and quantitative factors. Likelihood and impact are evaluated with reference to financial thresholds, operational disruption potential, regulatory exposure and reputational considerations to determine the CRROs that could reasonably be expected to affect the Group's financial performance, cash flows and cost of capital. Risks and opportunities are assessed across short, medium and long term time horizons, as described above.

Scenario analysis supports the identification and assessment of climate-related risks and opportunities, drawing on IPCC-aligned climate pathways, regulatory responses, supply chain exposures, and projected energy and carbon cost impacts to assess potential transition and physical climate-related risks. Further details of the scenarios considered are provided in the Climate Resilience and Scenario Analysis section of this Sustainability Report.

Climate-related opportunities are identified through the Group's Enterprise Risk Management process and are assessed by considering their potential to improve operational efficiency, reduce energy consumption and operating costs, strengthen business resilience, and support the Group's long-term strategic objectives.

Climate-related risks and opportunities are monitored through the Group's existing risk management and governance processes and are reported through established management and Board reporting channels.

Metrics and Targets

FY26 represents the first full year of greenhouse gas (GHG) emission measurement for the Group. Scope 1 and Scope 2 emissions were quantified across its global footprint from the Group's offices, stores and distribution centres, applying the GHG Protocol's Operational Control approach to support whereby entities Sustainability Report emissions from facilities where they have the authority to implement operational policies to identify and measure material emissions sources.

GHG emissions quantification is unavoidably subject to inherent limitations. Key estimates within the reported metrics include:

- Extrapolation of electricity and gas data where data sourced from utility invoices and related records are not available for the entire reporting period.
- Refrigerant leakage estimates based on landlord data or average leakage rates by coolant capacity, where required.
- Spend-based or activity-based proxies where supplier-specific data is unavailable.
- Emissions factors sourced from recognised government publications in Australia, New Zealand and the United Kingdom.

Scope 1 GHG emissions refer to the direct GHG emissions that occur from sources owned or controlled by the Group. Emissions are calculated by applying relevant emissions factors to the underlying data, based on fuel consumption, gas usage and refrigerant leakage estimates using emissions factors for each operating jurisdiction. Key inputs include fuel card records, supplier invoices, meter data and maintenance records. Where complete information is unavailable, reasonable estimates are applied using prior period usage or comparable site data.

Scope 2 GHG emissions refer to the indirect GHG emissions from the electricity purchased from the grid by the Group. Emissions are calculated using the location-based method in accordance with the Greenhouse Gas Protocol. Key inputs include electricity invoices, landlord recoveries, utility statements and tenancy data. Where consumption data is not directly available, estimates have been based on prior usage, floor area, trading profile or landlord allocation methodologies. The Group does not currently hold renewable energy certificates, power purchase agreements or other contractual instruments that would result in a difference between location-based and market-based Scope 2 emissions. Renewable electricity procurement at certain owned locations is achieved through retail electricity products incorporating renewable supply attributes, rather than standalone renewable energy certificates or power purchase agreements.

Metric	FY26 (t CO_2-e)	Emissions Source
Scope 1 – Direct Emissions	568	Fuel use from company vehicles, onsite combustion and refrigeration fugitive emissions.
Scope 2 – Indirect Emissions (Location-based)	7,167	Purchased electricity across owned and leased sites.
Total Scope 1 and 2 emissions (Baseline)	7,735	Global Operations (Australia, New Zealand and United Kingdom)

* *Note: As FY26 represents the Group's first baseline year for GHG reporting, prior periods are not presented because emissions were not quantified in previous years.*

Greenhouse gas emissions are measured in accordance with the Greenhouse Gas Protocol (2004) using an operational control approach as this methodology aligns with the Group's financial reporting boundary and provides consistency with the consolidated financial statements.

Emissions factors are sourced from relevant government publications in each operating jurisdiction, including the latest available factors from National Greenhouse Accounts Factors (Australia), Ministry for the Environment emissions factors (New Zealand), and UK Government greenhouse gas reporting conversion factors.

The Group has commenced data requests and collection and supplier engagement to enable future Scope 3 emissions measurement and disclosure as this data becomes available to the Group.

Directors' Declaration

The directors of Nick Scali Limited declare that, in their opinion, the Company and its controlled entities (the Group) have taken reasonable steps to ensure the substantive provisions of the Nick Scali Limited Sustainability Report for the year ended 30 June 2026 set out on pages 58 to 63 are in accordance with Australian Sustainability Reporting Standards (AASB S2) and the Corporations Act 2001, including

(a) Complying with the Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures and any further requirements determined under section 296C(2) of the Corporations Act 2001; and

(b) Containing the climate statement disclosures required by section 296D of the Corporations Act 2001.

This declaration is made on 7 August 2026 in accordance with a resolution of the board of directors of Nick Scali.

On behalf of the directors

Anthony Scali
Executive Chair and Chief Executive Officer

William Koeck
Deputy Chair and Lead Independent Non-Executive Director

7 August 2026
Sydney

Evara round dining table

Independent Auditor's Review Report to the Members of Nick Scali Limited

Independent Auditor's Review Report

This is the original version of the Independent Auditor's Review Report on Specified Sustainability Disclosures of Nick Scali Limited presented in the Sustainability Report 30 June 2026 signed by the Directors on 7 August 2026. Page references with respect to the audit of the Sustainability Report 30 June 2026 refer to the original page numbers of the Sustainability Report 30 June 2026 lodged with ASX on 7 August 2026.

To the members of Nick Scali Limited

Report on specified Sustainability Disclosures of Nick Scali Limited presented in the Sustainability Report titled "Sustainability Report 30 June 2026" prepared in accordance with the Corporations Act 2001

Review Conclusion on specified Sustainability Disclosures as required under the Corporations Act 2001

We have conducted a review of the following specified Sustainability Disclosures presented in the Sustainability Report of *Nick Scali Limited* titled "Sustainability Report 30 June 2026" in accordance with Australian Standards on Sustainability Assurance (ASSA) 5010 *Timeline for Audits and Reviews of Information in Sustainability Reports under the Corporations Act 2001* issued by the Auditing and Assurance Standards Board (AUASB).

Specified Sustainability Disclosures	***Reporting requirement of Australian Sustainability Reporting Standard AASB S2 Climate-related Disclosures (AASB S2) (including related general disclosures required by Appendix D) (the Criteria)***	***Locations in Sustainability Report***
Governance disclosures	*Paragraph 6*	*Section "Governance", on pages 61-62*
Strategy (risk and opportunities) disclosures	*Subparagraphs 9(a), 10(a) and 10(b)*	*Section "Strategy", subsection "Climate-related risks and opportunities", on pages 63-64*
Scope 1 greenhouse gas emissions	*Subparagraphs 29(a)(i)(1) to (2) and 29 (a)(ii) to (v)*	*Section "Metrics and Targets", table on page 68 including the emissions calculation methodology described in the accompanying notes to the table.*
Scope 2 greenhouse gas emissions		*Section "Metrics and Targets", table on page 68 including the emissions calculation methodology described in the accompanying notes to the table.*

The requirements of AASB S2 identified in the table above form the Criteria relevant to the specified Sustainability Disclosures and apply under Division 1 of Part 2M.3 of the *Corporations Act 2001* (the Act).

We have not become aware of any matter in the course of our review that makes us believe that the specified Sustainability Disclosures specified in the table above do not comply with Division 1 of Part 2M.3 of the Corporations Act 2001.

Basis for Conclusion

Our review has been conducted in accordance with ASSA 5000 *General Requirements for Sustainability Assurance Engagements* issued by the AUASB. Our review includes obtaining limited assurance about whether the specified Sustainability Disclosures are free from material misstatement.

In applying the relevant Criteria, we note that subsection 296C(1) of the Act includes a requirement to comply with AASB S2.

Our conclusion is based on the procedures we have performed and the evidence we have obtained in accordance with ASSA 5000. The procedures in a review vary in nature and timing from, and are less in extent than for, an audit. Consequently, the level of assurance obtained in a review is substantially lower than the assurance that would have been obtained had an audit been performed. See the "Summary of the Work Performed" section of our report.

Our responsibilities under ASSA 5000 are further described in the "Our responsibilities" section of our report.

We comply with the independence and other ethical requirements of APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* issued by the Accounting Professional & Ethical Standards Board Limited.

Our firm applies Auditing Standard ASQM1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, issued by the AUASB. This standard requires the firm to design, implement and operate a system of quality management, including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Other Information

The Directors of Nick Scali Limited are responsible for the other information. The other information comprises the financial and non-financial information included in the Nick Scali Limited Annual Report, but does not include the specified Sustainability Disclosures and our review report thereon.

Our conclusion on the specified Sustainability Disclosures does not cover the other information and we do not express any form of conclusion thereon, with the exception of the Financial Report and Remuneration Report and our respective audit reports.

In connection with our review of the specified Sustainability Disclosures, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the specified Sustainability Disclosures, or our knowledge obtained when conducting the review, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities for the specified Sustainability Disclosures

The Directors of Nick Scali Limited are responsible for:

- The preparation of the specified Sustainability Disclosures in accordance with the Act; and
- Designing, implementing and maintaining a system of internal control that it determines is necessary to enable the preparation of specified Sustainability Disclosures in accordance with the Act that are free from material misstatement, whether due to fraud or error.

Inherent Limitations

Inherent limitations exist in all assurance engagements due to the selective testing of the information being examined. It is therefore possible that fraud, error or material misstatement in the specified Sustainability Disclosures may occur and not be detected. Non-financial data may be subject to more inherent limitations than financial data, given both its nature and the methods used for determining, calculating, and estimating such data. The precision of different measurement techniques may also vary. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, evaluation and measurement techniques that can affect comparability between entities and over time.

For climate risks and opportunities, there is inherent uncertainty as a result of using assumptions about future events and management's actions that may not occur.

Greenhouse gas quantification is subject to inherent uncertainty due to the nature of the information and the uncertainties inherent in: (i) the methods used for determining or estimating the appropriate amounts, (ii) information used to determine emission factors and (iii) the values needed to combine emissions of different gases.

Auditor's Responsibilities

Our objectives are to plan and perform the review to obtain limited assurance about whether the specified Sustainability Disclosures are free from material misstatement, whether due to fraud or error, and to issue a review report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence decisions of users taken on the basis of the specified Sustainability Disclosures.

As part of a review in accordance with ASSA 5000, we exercise professional judgment and maintain professional scepticism throughout the engagement. We also:

- Perform risk assessment procedures, including obtaining an understanding of internal controls relevant to the engagement to identify and assess the risks of material misstatement, whether due to fraud or error, at the disclosure level but not for the purpose of providing a conclusion on the effectiveness of the entity's internal control.
- Design and perform procedures responsive to the assessed risks of material misstatement at the disclosure level.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Summary of the Work Performed

A review is a limited assurance engagement and involves performing procedures to obtain evidence about the specified Sustainability Disclosures. The nature, timing and extent of procedures selected depend on professional judgement, including the assessed risks of material misstatement at the disclosure level, whether due to fraud or error. In conducting our review, we:

- Enquired with management to understand the governance structures and reporting process;
- Enquired with management to understand the process for developing the climate governance, strategy and metrics disclosures;
- Obtained an understanding of relevant processes, information flow and data sources;
- Reviewed internal documentation including policies, charters, minutes of meetings, risk management frameworks, and basis of preparation documents;
- Reviewed Nick Scali Limited's process undertaken to identify climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects;
- Assessed the suitability and application of the Criteria in respect of the Specified Sustainability Disclosures;
- For Scope 1 and 2 greenhouse gas emissions, tested underlying data to source documentation on a sample basis; and
- Reconciled the Specified Sustainability Disclosures to underlying information.

KPMG

Julie Cleary

Partner

Sydney

7 August 2026

Denver 2.5 seater sofa bed in Safari Saddle Tan

Shareholder Information

Additional information required by the Australian Securities Exchange and not shown elsewhere in this report is as follows. The information is current as at the 21st July 2026.

Voting rights of equity securities

The only class of equity securities on issue in the Company which carry voting rights are ordinary shares. On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote. A poll may be demanded at a general meeting of the members of the Company in the manner permitted by the *Corporations Act 2001* (Cth).

Number of holdings of equity securities

As at the 21st July 2026, the number of holders in each class of equity securities on issue in Nick Scali is as follows:

Security Type	Number of Securities	Number of Shareholders
Fully Paid Ordinary Shares	85,530,699	7,987
Unquoted Share Rights	126,257	10

Distribution of equitable securities

Analysis of number of equitable security holders by size of holding:

	Holders of ordinary shares Number	% of ordinary shares Number
Shareholders Category		
1 to 1,000	4,928	61.70
1,001 to 5,000	2,256	28.25
5,001 to 10,000	441	5.52
10,001 to 100,000	335	4.19
100,001 and over	27	0.34
Total	7,987	100

There were 292 shareholders (representing 4,587 fully paid ordinary shares) holding less than a marketable parcel.

Equity security holders

The names of the twenty largest security holders of quoted equity securities are listed below:

	Ordinary shares	
	Number	% of total shares issued
J P Morgan Nominees Australia Pty Limited	17,400,145	20.34
HSBC Custody Nominees (Australia) Limited	15,796,581	18.47
Citicorp Nominees Pty Limited	15,180,120	17.75
Scali Consolidated Pty Limited	6,739,473	7.88
BNP Paribas Noms Pty Ltd	2,594,581	3.03
BNP Paribas Nominees Pty Ltd	2,206,794	2.58
UBS Nominees Pty Ltd	1,105,208	1.29
Molvest Pty Ltd	1,000,000	1.17
Grahger Investments Pty Ltd	700,000	0.82
BNP Paribas Nominees Pty Ltd	651,628	0.76
Netwealth Investments Limited	610,337	0.71
HSBC Custody Nominees (Australia) Limited	587,766	0.69
Code Nominees Pty Ltd	330,000	0.39
3rd Wave Investors Pty Ltd	300,000	0.35
Anacacia Pty Ltd	287,605	0.34
BNP Paribas Nominees Pty Ltd	255,828	0.30
BNP Paribas Nominees Pty Ltd	234,231	0.27
NCH Pty Ltd	218,907	0.26
BNP Paribas Noms Pty Ltd	212,684	0.25
Averone Pty Limited	189,264	0.22
	66,601,152	77.87

Shareholder Information (continued)

	Ordinary shares	
	Number	% of total shares issued
Substantial holders		
Substantial holders in the Company are set out below:		
Magellan Financial Group Limited	7,764,061	9.07
Scali Consolidated Pty Limited	6,739,473	7.88
Perpetual Investments	6,560,119	7.67
Vanguard Group	5,170,968	6.05
State Street Corporation	4,529,443	5.30
Pinnacle Investment Management Group Limited	4,436,010	5.19

On-Market Buy-Back

The Company does not have a current on-market buy back.

Blox king bed frame

Corporate Directory

Nick Scali Limited
ABN 82 000 403 896

Directors
Anthony Scali
(Executive Chair and Chief Executive Officer)

William Koeck
(Deputy Chair and Lead Independent Non-Executive Director)

Carole Molyneux
(Independent Non-Executive Director)

Kathy Parsons
(Independent Non-Executive Director)

Niran Peiris
(Independent Non-Executive Director)

Company Secretary
Keith Toms
Elizabeth Spooner

Registered Office
Level 7, Triniti II
39 Delhi Road
North Ryde NSW 2113
Telephone: 02 9748 4000

Share Register
MUFG Corporate Markets (AU) Limited
Liberty Place
Level 41
161 Castlereagh Street
Sydney NSW 2000

Auditor
KPMG
Level 38, Tower Three International Towers
300 Barangaroo Avenue
Sydney NSW 2000

Stock Exchange Listing
Nick Scali Limited shares are listed on the Australian Securities Exchange (ASX code: NCK)

Website
www.nickscali.com.au

Nick Scali showroom in Watford, United Kingdom.

Store Locations

nickscali

New South Wales
Alexandria
Artarmon
Auburn
Bankstown
Belrose
Bennetts Green
Campbelltown
Caringbah
Castle Hill
Casula
Kotara
Marsden Park
Moore Park
Penrith
Prospect
Rutherford
Tuggerah
Tuggerah Clearance
Warrawong
West Gosford

Australian Capital Territory
Fyshwick
Fyshwick Clearance

Queensland
Aspley
Bundall
Cairns
Fortitude Valley
Helensvale
Jindalee
Macgregor
Mackay
Maroochydore
Morayfield
North Lakes
Robina
Townsville
Townsville Clearance
Virginia Clearance

Victoria
Ballarat
Bendigo
Chirnside
Craigieburn
Essendon
Dandenong Clearance
Frankston
Frankston Clearance
Geelong
Maribyrnong
Moorabbin
Nunawading
Nunawading Clearance
Preston
Richmond
Shepparton
South Wharf
Springvale
Taylors Lakes

Tasmania
Hobart

South Australia
Gepps Cross
Glynde
Glynde Clearance
Keswick
Marion

Western Australia
Bunbury
Cannington
Jandakot
Joondalup
Midland
O'Connor
Osborne Park
Osborne Park Clearance

New Zealand
Hamilton
Hastings
Mt Wellington
St Lukes
Wairau Park
Wairau Park Clearance

Plush® think sofas

New South Wales
Albury
Alexandria
Artarmon
Auburn
Belrose
Campbelltown
Caringbah
Castle Hill
Crossroads
Kotara
Prospect
Rutherford
Tuggerah
Warrawong
West Gosford

Australian Capital Territory
Fyshwick

Queensland
Aspley
Bundall
Capalaba
Fortitude Valley
Helensvale
Jindalee
Logan
Maroochydore
North Lakes
Toowoomba
Townsville

Victoria
Ballarat
Bendigo
Dandenong
Frankston
Geelong
Knox
Maribyrnong
Melton
Moorabbin
Moorabbin Clearance
Nunawading
Nunawading Clearance
Preston/Northland
Shepparton
Springvale
Taylors Lakes

South Australia
Gepps Cross
Glynde
Marion
Mile End

Western Australia
Cannington
Joondalup
Osborne Park

United Kingdom

Canterbury
Cheltenham
Colchester
Coventry
Croydon
Farnborough
Keighley
Kings Lynn
Leicester
Lowestoft
Milton Keynes
Northampton
Rotherham
Stoke on Trent
Swindon
Thurrock
Wednesbury
Watford

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