

ASX Announcement

29 September 2026

2026 Annual Report

In accordance with the requirements of the ASX Listing Rules, please find attached the 2026 Annual Report for Temple & Webster Group Limited (**ASX:TPW** or the **Company**), for release to the market.

The 2026 Corporate Governance Statement and Appendix 4G for the Company will be released in conjunction with this announcement.

- ends -

This announcement has been authorised by the board of directors.

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About the Temple & Webster Group

Temple & Webster is Australia's leading online retailer of furniture and homewares. Originally founded in 2011, the business runs an innovative drop-shipping model whereby products are sent directly to customers by suppliers, enabling faster delivery times and reducing the need to hold inventory, allowing for a larger product range. The drop ship range is complemented by a private label range which is sourced directly by Temple & Webster from suppliers. The business also offers customers a growing range of home improvement products, as well as Trade & Commercial solutions for business customers. Temple & Webster Group's registered office and principal place of business is 2, 1-7 Unwins Bridge Road, St Peters, Sydney, Australia, and the company is listed on the Australian Securities Exchange (**ASX**) under the code TPW.

Annual Report 2026





Acknowledgement of Country

Temple & Webster Group acknowledges the Traditional Owners and Custodians of Country throughout Australia. We recognise their enduring connection to the lands, the waterways, and the skies.

We acknowledge the Gadigal and Wangal people, on whose lands our corporate head office is located, as well as all other First Nations Countries we operate across.

We pay our respects to Elders past, present and to all Aboriginal and Torres Strait Islander peoples.



Contents

FY26 summary	3
Chair's report	5
CEO's report	9
Operational review	14
FY26 Environmental, social and governance statement	24
Directors' report	46
Remuneration report	56
Auditor's independence declaration	75
Consolidated statement of profit or loss and other comprehensive income	76
Consolidated statement of financial position	77
Consolidated statement of changes in equity	78
Consolidated statement of cash flows	79
Notes to the consolidated financial statements	80
Consolidated entity disclosure statement	114
Directors' declaration	115
Independent auditor's report	116
Shareholder information	121
Corporate directory	125



FY26 summary

STRATEGIC EXECUTION DELIVERED RECORD REVENUE, IMPROVED UNIT ECONOMICS AND MEANINGFUL PROFIT GROWTH

- The business delivered a record revenue result for FY26 of \$665 million, up 11% vs pcp, in the face of a challenging consumer environment in Australia
- FY26 EBITDA of \$21.9 million, representing a margin of 3.3% and growth of 17% vs pcp. After excluding significant items and unrealised foreign exchange losses, EBITDA was \$25.9 million (+28% vs pcp)
- Strong progress across all strategic priorities, with record contribution from exclusive product lines. Growth adjacencies now contribute well over \$100 million in annual revenue to the Group
- With improving unit economics and continued balance sheet strength, Temple & Webster remains well positioned for growth and remains focused on its goal of becoming the largest retailer in our category in Australia

FY26 REVENUE \$665m +11% on FY25 ¹	FY26 REVENUE FROM GROWTH ADJACENCIES \$117m +30% on FY25	FY26 ACTIVE CUSTOMERS 1.33m +5% on FY25
FY26 EBITDA² \$21.9m +17% on FY25	FY26 UNDERLYING EBITDA (EX-FX)³ \$25.9m +28% on FY25	CASH BALANCE AT 30 JUNE 2026 \$123m after \$30m share buy-back

1. Revenue growth based on accounting revenue which includes deferred revenue and refund provision; FY25 also referred to as 'pcp'.

2. EBITDA is a non-IFRS measure and is calculated by adding depreciation and amortisation, finance costs and net interest expense to profit before tax.

3. Underlying EBITDA (ex-FX) is presented to reflect the core trading performance of the Group. Adjustments captured within this measure are described on page 48 of this Report.



Chair's report

Message from the Chair

Dear fellow shareholders,

On behalf of the Board of Directors, I am pleased to present Temple & Webster's 2026 Annual Report.

It is a privilege to write to you as your new Executive Chair, a role I assumed from 1 July 2026. I am excited to be able to continue to be a part of the Temple & Webster journey, which has been a huge part of my life for over 15 years. I am immensely proud of everything that we have achieved to date, scaling from a small start-up to one of the most successful e-commerce businesses in Australia, serving over 1.3 million customers per annum. However, there is so much more to do, and the opportunity set that lies ahead of the business is immense. I look forward to continuing to help grow this amazing business in my new role, and working with the Board and the executive team to continue our journey to become the largest retailer of furniture and homewares in Australia.

Despite continued challenges in the retail sector, and low levels of consumer confidence, the business has been able to deliver a record year across a number of metrics. In FY26, we generated our highest ever annual revenue and grew our market share, made positive progress against all five of our strategic pillars, and implemented a number of initiatives to improve overall unit economics and place the business in a strong position to navigate tough market conditions. Whilst doing this, we have maintained our focus on the customer, with our value proposition centring around price, range and convenience continuing to resonate.

LEADERSHIP AND GOVERNANCE CHANGES

In April 2026, we announced a number of changes to our Board and executive leadership, strengthening our governance framework and setting the business up well for its next stage of growth. In transitioning from Chief Executive Officer ('CEO') to Executive Chair, we were thrilled to welcome Susie Sugden, a former Temple & Webster executive, back to the business as the next CEO.

As a result of these changes, Stephen Heath has transitioned from Chair of the Board to the role of Lead Independent Director, reflecting our ongoing commitment to good governance principles and recognising the valuable contribution that he has made to the company over the last ten years.

Chair's report continued

Also, during FY26 we continued to strengthen Temple & Webster's executive team, welcoming Leigh Bignell as Chief Marketing and Brand Officer. Leigh brings extensive experience in marketing, brand, and creative across the retail and consumer goods sectors, having worked in both corporate and agency roles for over 25 years. She has been a fantastic addition to the team, and we are grateful to have her on board.

FY26 FINANCIAL PERFORMANCE

FY26 was a milestone year for the company, demonstrating the resilience and flexibility of our business model against a very challenging consumer environment. We are proud to report that we achieved record annual revenue of \$665 million, representing an 11% increase on the prior year. This outcome reflected strategic initiatives that increased average order values, as well as growth in active customers. This resulted in our market share increasing to a new high of 2.9% for the full year.¹

Our earnings before interest, taxes, depreciation and amortisation ('EBITDA') was \$21.9 million², at the top end of our guidance range that we communicated in May 2026, representing a margin of 3.3% and growth of 17% on the prior year. On an underlying basis, and excluding unrealised foreign exchange losses, EBITDA was \$25.9 million, which was an impressive 28% increase on the prior year.³

As we navigated tighter trading conditions in the second half of the financial year, we made some adjustments in order to focus on margin optimisation and unit economics in the short-term. These initiatives have driven a material improvement in our margin profile, with Q4 FY26 delivering a run-rate delivered margin of over 33%, and a run-rate contribution margin of approximately 17%. It was particularly pleasing to see the speed at which the business was able to implement these initiatives, demonstrating the unique flexibility in our operating model, and being able to emerge from the financial year as a structurally stronger and more efficient business.

In terms of our financial position, the company remains debt-free and is funded to execute organic and inorganic growth opportunities going forward. The Board continues to focus on ways to improve shareholder returns over time, and intends to keep our on-market share buy-back program in place.

During FY26, we deployed close to \$30 million in this program in order to enhance shareholder returns in the absence of more accretive opportunities.

EXECUTING OUR STRATEGY

Our ultimate goal remains unchanged. We want to be the largest furniture and homewares retailer in Australia, and be the first place that Australians turn to when shopping for their homes. As we pursue this goal, the five strategic pillars established by the Board and executive team in 2023 continued to guide our decision-making and execution throughout FY26.

A key pillar of our long-term strategy is building our exclusive product offering through both private label and drop-ship product ranges. We are pleased that in FY26, over half of our revenue was generated from the sale of exclusive products (51%), which was up from 45% in FY25. In addition, from a marketing perspective, we are continuing our investment in top of funnel marketing and building brand awareness to drive overall marketing efficiency.

As a digital-first retailer, we continued to invest in building industry leading capabilities around data, AI and technology. We have one of the most valuable data assets in the industry, and we are now developing tools to leverage this in order to drive both cost efficiency but also revenue growth. We are currently building AI-led personalisation tools to improve how customers shop with us, and also deploying a new storefront architecture to drive improved site performance and reliability.

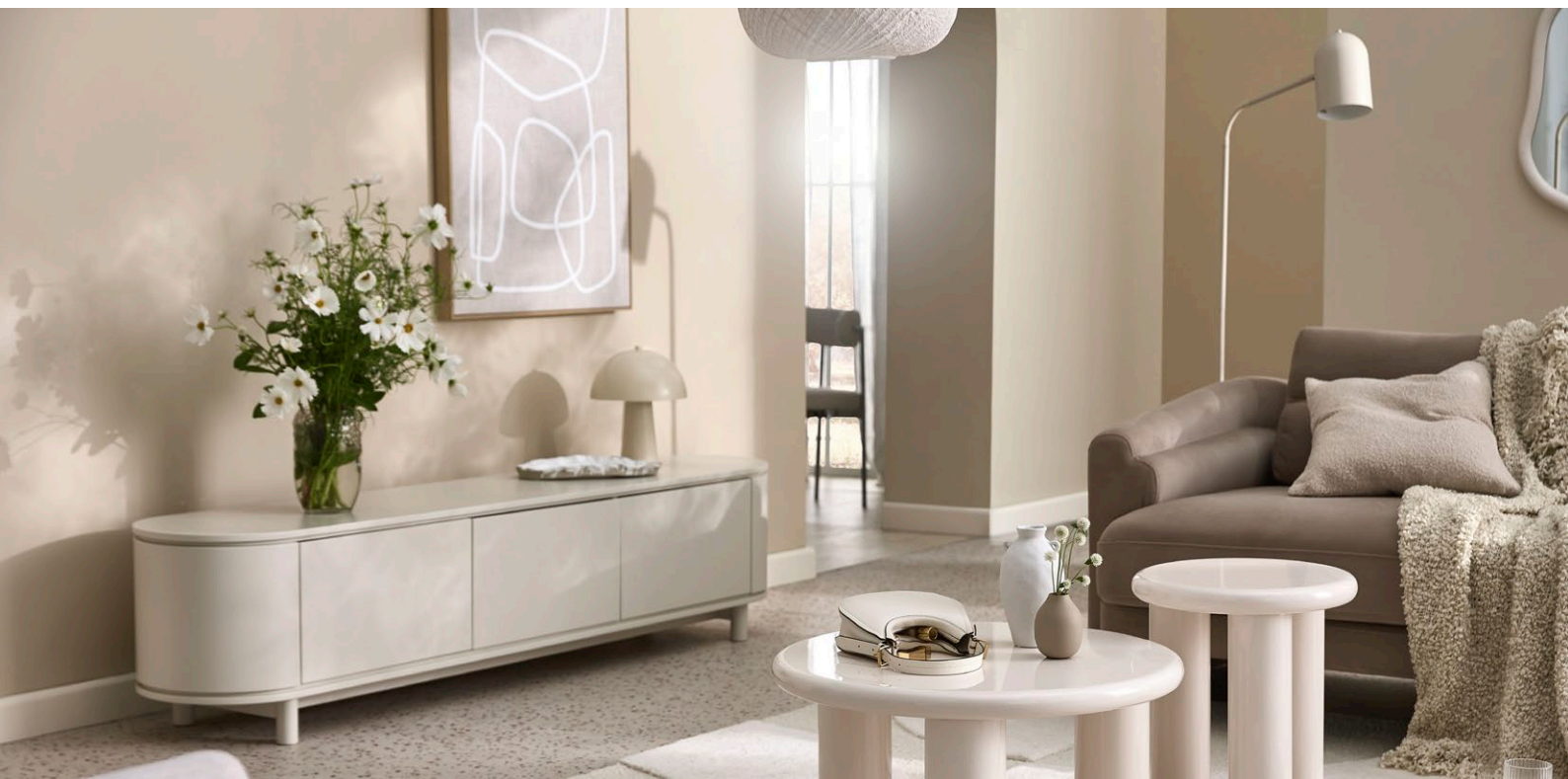
Also, we have been particularly pleased with the progress across our growth adjacencies, where we have been able to expand our overall addressable market, and are now generating \$117 million across these areas. In particular, our expansion into New Zealand, which launched in October 2025, achieved \$3 million in revenue and achieved contribution margin break-even – both results ahead of our expectations. We are looking forward to continuing to develop ways to improve our proposition for customers across the Tasman.

Further details on our progress against our strategic pillars can be found in the CEO's report.

1. Source: ABS Retail Trade, Australia (June 2025), IBISWorld Retail Trade Report G4211 Furniture Retailing in Australia (June 2026) to calculate total market; market share calculated based on last 12 months period ending 30 June 2026.

2. EBITDA is a non-IFRS measure and is calculated by adding depreciation and amortisation, finance costs and net interest expense to profit before tax.

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ESG UPDATE

During FY26, we continued to make progress against our environmental, social and governance ('ESG') focus areas.

In terms of measuring and reducing our carbon footprint, meaningful progress has been made in measuring and assessing emissions data to improve accuracy, and we have expanded our leased electric vehicle delivery fleet. We have increased the proportion of responsibly sourced solid wood in our private label outdoor products, increased the number of both private label and drop-ship products with recyclable packaging, and continued to support the removal of expanded polystyrene packaging materials from our products. From a social perspective, we continue to focus on diversity, equity and inclusion across our business, supporting charity partners through commitments of financial assistance, products and volunteer time, and advancing our Reconciliation Action Plan.

In FY25, we updated our baseline materiality matrix through a comprehensive double materiality assessment, which now provides the foundational base for our upcoming ESG framework and the benchmarks from which progress in FY26 and beyond is to be measured. Finally, we continue to advance our internal data systems and risk management architecture to ensure readiness ahead of mandatory climate related financial disclosure requirements in the coming years.

Further details on our progress and ESG-related initiatives can be found in our ESG statement.

LOOKING AHEAD

Now more than ever, Temple & Webster has the foundations in place for long-term sustainable growth in both revenue and profit. The initiatives we have undertaken through FY26 give me confidence in achieving our target range of \$33-40 million in EBITDA, a significant increase of approximately 50-80% over FY26. From a longer-term perspective, we remain focused on returning the business to top line growth and expanding our share, with the continued ambition to become the market leader in our category.

I would like to take the opportunity to thank my fellow directors for their commitment and diligence throughout the year, and for supporting me in my transition to the Executive Chair role. I would also like to extend my deepest gratitude to the entire Temple & Webster team. Your dedication, agility and hard work have made all this possible. I am incredibly excited about what we will achieve together, particularly under Susie's leadership.

Thank you to our shareholders for your continued support of Temple & Webster. I look forward to continuing to build the business in my new role, with focus on our long-term ambition of making the world more beautiful, one room at a time.

Mark Coulter

Co-Founder and Executive Chair
Temple & Webster Group Ltd



CEO's report

Dear shareholders,

What a proud moment to be writing to you as the recently appointed CEO of Temple & Webster.

The release of our FY26 financial results on 19 August 2026 marked the end of my seventh week in this role. In many ways it feels as though I had never left. The energy of the team, the leadership position that has been built and the size of the opportunity that remains ahead of us are both familiar and more compelling than ever.

Before discussing the performance of the business, I want to start by acknowledging Mark Coulter's extraordinary leadership and vision over the past 15 years. Scaling Temple & Webster from a start-up into Australia's leading online-only furniture and homewares retailer is a remarkable achievement.¹ I am thrilled to take the baton and lead this incredible team, and equally delighted that Mark remains with us as Executive Chair.

OUR FY26 RESULTS

Against a challenging consumer backdrop and worsening macroeconomic conditions, Temple & Webster was able to deliver a strong financial result for FY26, reflecting the flexibility and defensibility of our business model. We are proud of what the business has continued to achieve, the progress made against its strategic goals, providing sound foundations from which the business can enter into FY27 and beyond.

During FY26, we served a record 1.33 million active customers, representing a 5% increase on the prior year. Importantly, our customers are spending more with us, with revenue per active customer increasing by 8% to \$494, and repeat customers now account for a record 62% of total orders. These trends translated into record annual revenue of \$665 million, up 11% on FY25, and meaningful growth in Underlying EBITDA (ex-FX) to \$25.9 million, up 28% on FY25.²



Our operating cash conversion for FY26 was over 100%, and we generated meaningful free cash flow, allowing us to deploy \$30 million into our on-market share buy-back program to incrementally improve shareholder returns.

A defining theme for FY26 – particularly in the fourth quarter – was our decisive action to implement margin optimisation initiatives in response to deteriorating macro conditions and weakening consumer sentiment. This was a deliberate strategy to improve customer unit economics, reflecting a decision to prioritise profitability in the short-term, and improve the foundations of the business to allow it to sustainably grow both revenue and profit over the longer-term. These initiatives included a change to our promotional cadence and pricing, enhanced supplier support and prioritisation of customer experience, a restructure of our digital marketing campaigns, and fixed cost reductions. Together, these initiatives have driven a permanent improvement in our unit economics, and were demonstrated in Q4 FY26 in which the business run-rated a contribution margin of approximately 17%, and an EBITDA margin of approximately 6%. These metrics compare to 13.4% and 3.3% respectively for the full year FY26.

These initiatives have been a real positive for the business, and have set the foundation for some of our shorter-term growth initiatives which will be discussed shortly.

1. Source: IBISWorld Industry Reports: OD4176 Online Household Furniture Sales in Australia (February 2026), OD4174 Online Home Furnishing Sales in Australia (February 2026).

2. Underlying EBITDA (ex-FX) is presented to reflect the core trading performance of the Group. Adjustments captured within this measure are described on page 48 of this Report.

CEO's report continued

A MARKET OPPORTUNITY AS BIG AS EVER

It is important not to lose sight of the broader market opportunity for our business. We are operating across an addressable market of over \$40 billion, including \$19 billion in Australian furniture and homewares, \$18 billion in Australian home improvement, and \$3 billion in New Zealand. Our market share position across these three components remains nascent – in particular, we are the third largest retailer in the core Australian furniture and homewares market, but command less than 3% market share. This demonstrates the fragmentation in the market, but also the opportunity for our business to scale, driven by tailwinds of increased online adoption and our digital-first business model. This market also continues to be very stable in terms of size, affirming our view that many of our products and categories are less discretionary than what many people perceive.

The opportunity to continue to disrupt the home improvement segment remains at a very early stage, – this industry is large with no dominant online-only player. In FY26, we grew our home improvement revenue by 39% to a record \$59 million, driven by increased private label penetration and new mid-funnel marketing campaigns.

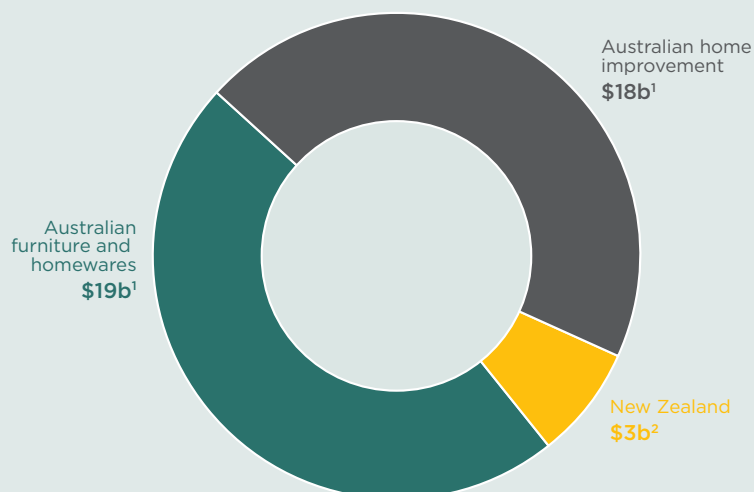
The addition of New Zealand to our addressable market during FY26 is exciting, and progress for the year has been pleasing and ahead of expectations. Not only has this expanded our addressable market by ~10%, the expansion into New Zealand has provided us with an early blueprint of what organic international expansion may look like for the Group over time, and has given us a number of important learnings as we consider taking the business into additional offshore markets.

Our ability to win within our addressable markets remains unchanged despite current macro conditions and reduced consumer confidence. There remains a once-in-a-generation structural shift towards online across our categories, and businesses with digital-first business models, the best data, and AI capabilities will capture an outsized share of this trend. In addition, we bring best-in-class logistics capabilities, a comprehensive product range with design-led positioning, and an asset-light operating model which allows us to offer compelling value to our customers.





**Temple & Webster remains early in its journey
across a \$40b+ addressable market**



2.9%

**market share in Australian
furniture and homewares³**

0.3%

**market share in Australian
home improvement**

0.1%

**market share
in New Zealand**

+ further upside across our Trade & Commercial business

1. Source: ABS Retail Trade, Australia (June 2025); Temple & Webster internal analysis
2. Source: IBISWorld Furniture Retailing in New Zealand - Market Research Report (2015-2030); Temple & Webster internal estimates
3. Source: ABS Retail Trade, Australia (June 2025), IBISWorld Retail Trade Report G4211 Furniture Retailing in Australia (June 2026) to calculate total market; market share calculated based on last period ending 30 June 2026

CEO's report continued

PROGRESS AGAINST STRATEGIC INITIATIVES

During FY26, the business continued to make progress against each of its five strategic pillars. The ultimate goal of these strategic pillars is to guide the path towards the ultimate goal of becoming the largest retailer in our category in Australia, and the first place that Australians turn to when shopping for their homes. Below is a summary across each of these pillars:

- **Becoming the top-of-mind brand in the category:**
In July 2026, we launched a targeted top of funnel marketing campaign in Brisbane at scale, invested in new creative and digital assets, and implemented a revised digital bidding strategy which has improved marketing ROI. All of these initiatives are focused around building brand awareness whilst simultaneously improving marketing efficiency.
- **Majority of revenue from exclusive products:**
Revenue from exclusive products represented 51% of FY26 revenue, up from 45% for FY25.

In addition, 83% of our top 500 selling products in FY26 were exclusive, compared to 79% in FY25 and 70% in FY24.

- **Leading capabilities around data, AI and technology:** Several new technologies were implemented across the business, including an AI-powered shipping price engine, insights agents to automate key functions and provide detailed insights helping to improve margin, and initial tests of personalised website and email content to drive conversion.
- **Lower fixed cost % to obtain a price and margin advantage:** Fixed costs as a percentage of revenue declined to 10.1% in FY26, compared to 10.6% in FY25, primarily the result of our company-wide approach to AI adoption and automation.
- **Build scale through adjacent growth plays:**
Our adjacent businesses now represent \$117 million in annual revenue, an increase of 30% on FY25. In particular, home improvement revenue grew by 39% to \$59 million, and Trade & Commercial revenue grew by 16% to \$56 million.

EARLY THOUGHTS

Since joining the business in July, engagement with our customers, suppliers, team and shareholders has reinforced the many strengths of our business, while also highlighting the areas where we need to build capability and focus for the future. These strengths are as follows:

- **Temple & Webster has strong customer reach in its category:** We have over 1.3 million customers shopping with us across a 12 month period, with customers across a wide range of age groups and demographics. We are able to reach large segments of the population with our wide range of products and price points.
- **A market-leading net promoter ('NPS') score reflects brand loyalty and trust:** Our consistent NPS score of 60+ demonstrates that customers are having a positive experience with Temple & Webster's products and delivery experience, further demonstrating loyalty and trust. This is also reflected in our product reviews and reviews on third-party websites.
- **Advanced digital, data and AI capabilities:**
We have been a leader in the adoption of new customer facing and automation technologies in order to enhance efficiency, reduce cost and improve customer experience. This has been evidenced with initiatives such as our customer service chatbot, AI-powered shipping engine, and internal automation tools.



- **Significant opportunities remain in our adjacent growth plays:** Our market share and penetration in our adjacencies remains very nascent, and continuing to invest in these areas will continue to diversify our revenue mix and improve business resilience, whilst expanding our addressable market.
- **Growth is in our DNA:** Whilst we are balancing profit and growth in the short-term, our business is structured for growing market share and our team is motivated by revenue growth. Our focus is firmly on how we can deliver meaningful revenue growth over the longer-term whilst also expanding margins as we scale.

PRIORITIES FOR FY27

Whilst we are still developing parts of our longer-term strategy, our immediate priority is returning the business to revenue growth through FY27. We will focus on finishing the year with positive momentum, without compromising our enhanced margin profile and unit economics. We will achieve this by building on our strengths in three key areas.

Firstly, in terms of marketing, we are expanding our brand and content marketing to drive greater share of wallet across our target customer segments. Currently, we are the second ranked specialty furniture retailer for wallet share within our target customer segment,³ however our unprompted brand awareness sits well below this ranking. This gap creates a significant opportunity, and also allows us to improve overall marketing ROI as we more evenly balance digital marketing with top of funnel brand channels.

Secondly, in terms of product and merchandising, our aim is to build on the trust that we already have with Australian consumer to expand our private label and exclusive ranges, and further differentiate what we sell, and how we sell it, from entry level competitors. This will continue to position us as a leading category specialist retailer.

Finally, as a digital-native retailer, it is important for us to leverage our strengths, our talent and our unique data assets to improve both revenue and margin outcomes. As a result, we are now investing further into our internal AI team and their capabilities in order to drive further innovation and maintain this leading position. In addition to all the progress we have made to date, during FY27 we will be focused on how we use AI to expand our impact on customer experience and conversion rate, through end-to-end personalisation. This will significantly enhance how customers deal with our website and app, and create a more effective way for customers to discover, research and gain confidence in what they buy from us.

Our immediate focus is on growing the core business and ensuring our enhanced unit economics are maintained as we return to double-digit top line growth. For FY27, we are confident in our ability to deliver EBITDA in the range of \$33-40 million, a material step-up on FY26 levels, despite a continued tough consumer environment. We will update our shareholders on our longer-term ambitions over the coming months, and I look forward to sharing these details with you.

THANKS TO ALL OUR STAKEHOLDERS

Finally, I would like to offer my thanks to our shareholders, customers, employees, suppliers and business partners. I appreciate the support that each of you give to our business as we execute against our strategic goals and build a stronger business. In particular to our Tempster team, thank you for your warm welcome to the business and thank you for your continuing efforts and dedication.

I take on my responsibilities as CEO of Temple & Webster with focus, gratitude and excitement. Thank you to the Board for placing their trust in me to lead the business into its next chapter of growth.



Susie Sugden

Chief Executive Officer
Temple & Webster Group Ltd

3. Based on data from Westpac DataX, customers aged 25-54 across the period from May 2024 to May 2026 inclusive.

Operational review

OVERVIEW OF FY26 PERFORMANCE

In FY26, Temple & Webster delivered record annual revenue of \$665 million, an increase of 11% on FY25. FY26 EBITDA was \$21.9m,¹ representing a margin of 3.3% and growth of 17% on FY25. On an underlying basis, and excluding unrealised foreign exchange losses, EBITDA was \$25.9 million, which represented growth of 28% on FY25.² Over this period, we grew our market share in the Australian furniture and homewares market to 2.9%,³ whilst our share in the home improvement and New Zealand markets remains nascent and a source of substantial opportunity.

From a balance sheet perspective, we ended the year with \$123 million in cash, after deploying \$30 million into our on-market share buy-back program in order to incrementally improve shareholder returns over time. We generated \$24 million in operating cash flow for FY26, representing EBITDA conversion of over 100%. Our balance sheet remains debt free, robust, and well positioned to exploit future organic and inorganic growth opportunities as they emerge.

Despite the challenging macro conditions through the year, we have been able to continue to advance our strategic priorities, and many of our achievements across these priorities are discussed further in the following sections of this review. In particular, in response to these conditions, we implemented a number of margin optimisation initiatives through H2 FY26, demonstrating the flexibility and adaptability of our operating model. Moving into FY27, these initiatives have strengthened our unit economics and profitability, and ensure that we have a strong platform on which to continue to build, grow revenue and take share.

FY26 REVENUE

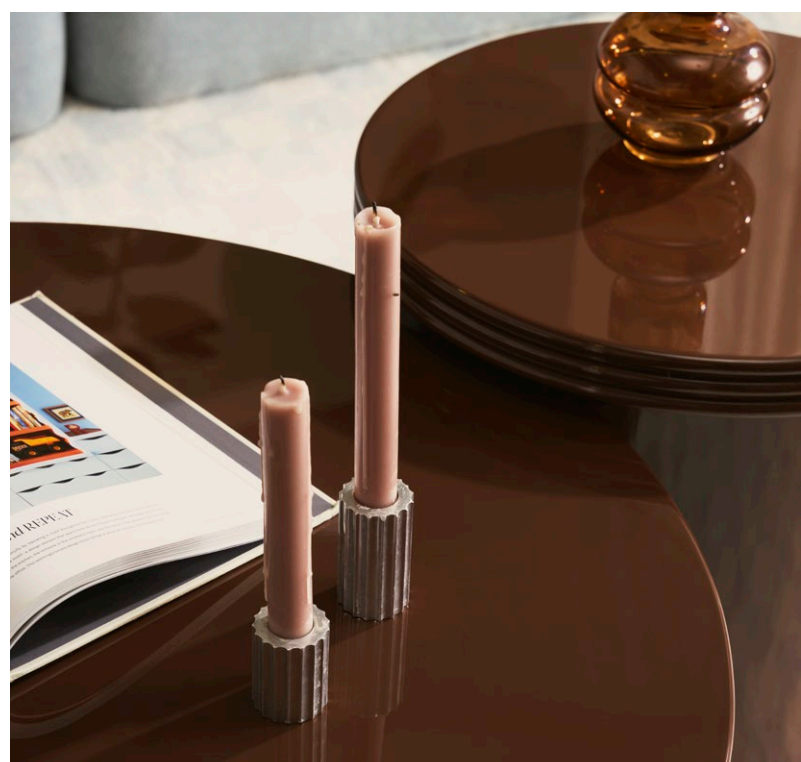
\$665m

FY26 EBITDA¹

\$21.9m

CASH BALANCE AT 30 JUNE 2026

\$123m

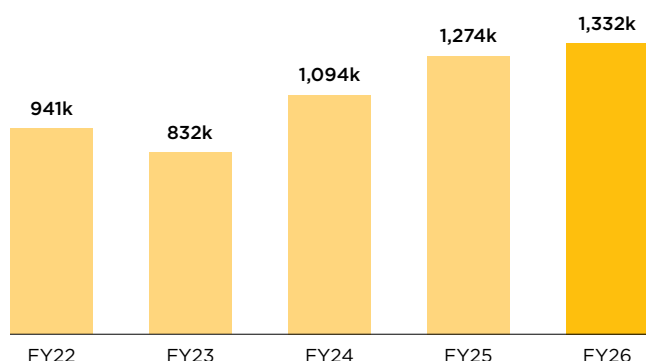


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3. Source: ABS Retail Trade, Australia (June 2025), IBISWorld Retail Trade Report G4211 Furniture Retailing in Australia (June 2026) to calculate total market; market share calculated based on last 12 months period ending 30 June 2026.

OPERATIONAL METRICS CONTINUE TO SHOW IMPROVEMENTS

In FY26, Temple & Webster serviced over 1.3 million active customers, an increase of 5% on the prior year, and a compound annual growth rate ('CAGR') of 9% across the last five financial years. This steady increase demonstrates that our customer value proposition centred around price,

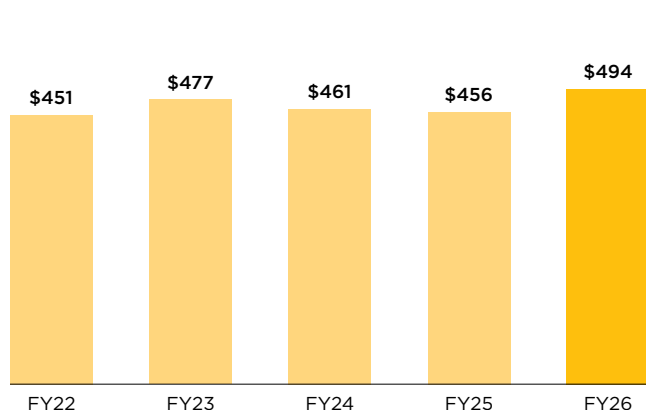
Growth in active customers for the year +5% vs PCP⁴



In FY26, revenue per active customer was \$494, an 8% increase on FY25, and the highest level in the last five financial years. This outcome was driven by higher average order value ('AOV'), particularly through the second half of the financial year, and the continued mix shift towards larger furniture products relative to homewares products. Our purchase frequency has remained relatively consistent on last year.

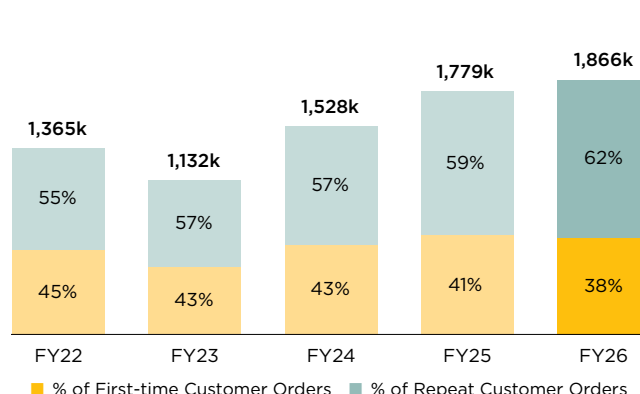
Our annual conversion rate of 2.9% remains relatively consistent with last year, with a higher conversion rate in H1 FY26 being offset by a slightly lower conversion

Revenue per active customer up +8% vs PCP⁶



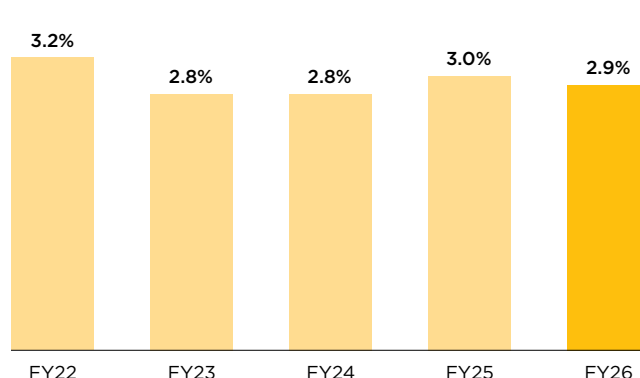
range and convenience is continuing to resonate with Australian consumers, but also highlights the substantial opportunity ahead of us given the relatively low penetration into Australian households. These 1.3 million active customers placed approximately 1.9 million orders across the year, with the proportion of orders from repeat customers increasing from 59% to 62% over the last 12 months.

Repeat orders now 62% of total, up from 59% in FY25⁵



rate in H2 FY26 as consumer confidence and macro conditions deteriorated. Despite this, this strong outcome on conversion continues to be a testament to Temple & Webster's ability to leverage its online-only, data focused business model to continue to optimise operating levers, enhance customer experience and drive operating efficiency. The fact that ~97% of our traffic did not convert highlights the significant opportunity that remains to drive further improvements in customer experience, range and our overall value proposition, which is a key focus of our efforts through FY27.

Average conversion rate impacted by weaker trading conditions⁷



4. Active customers are the number of all unique customers who have transacted in the last twelve months ('LTM').

5. Customer orders exclude gift card and test orders.

6. Revenue per active customer = last 12 months net revenue (excluding deferred revenue accounting adjustments) divided by active customers.

7. Average conversion rate is the total number of purchases divided by the total number of monthly users, sourced from Google Analytics.

Operational review continued



MARGIN OPTIMISATION TO DRIVE IMPROVED UNIT ECONOMICS

As mentioned previously, as we navigated tighter trading conditions in the second half of the financial year, we made some adjustments in order to focus on margin optimisation and unit economics in the short-term. These initiatives were accelerated from their original timeframes and put in place during March 2026, and the outcomes can be seen in the operating results of the business during Q4 FY26. These initiatives included changes across the following areas:

- **Promotional cadence and pricing:** Changes implemented to our promotional calendar, as well as optimisation of product price based on customer demand, price elasticity models and margin profile.
- **Supplier support:** Focus on driving traffic to exclusive products, increased levels of promotional support on key product lines, and initiatives to drive reductions in damaged and defective products to improve customer experience and increase overall customer lifetime value.
- **Digital marketing:** Implementation of more granular, category specific bidding strategies in order to increase the flexibility of performance marketing spend.



- **Fixed costs:** Initiatives to reduce fixed costs across employment and other overheads in H2 FY26, leading to approximately \$3 million in savings in H2 vs. H1 FY26.

The outcome of these initiatives can be seen in the margin profile achieved by the business through Q4 FY26. In this quarter, delivered margin was ~33.5% compared to 30.2% for the full FY26 financial year, and delivered margin after marketing cost was ~19% compared to 15.0% for the FY26 year. This demonstrates the step-change in unit economics





achieved through these initiatives, which are expected to continue into the FY27 year, and the focus of the business is on maintaining this enhanced level of profitability whilst driving top line growth over the medium- and long-term.

GROWING EXCLUSIVE PRODUCT RANGE AND CATALOGUE ENHANCEMENTS

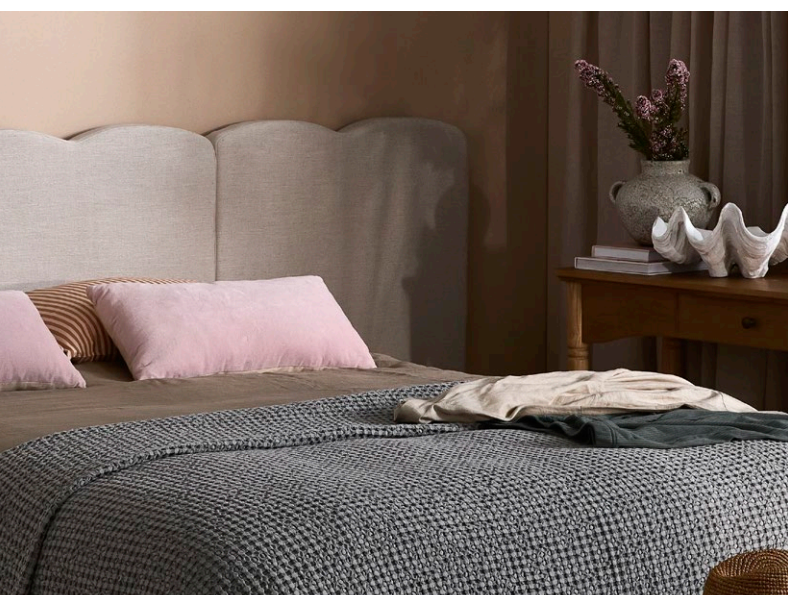
One of our strategic pillars is to generate the majority of revenue from exclusive products – a strategy that ensures we differentiate our range from competitors,

adding defensibility to our operating model, and helping to improve delivered margin over the longer-term.

For the first time in our history, a majority of our revenue did come from exclusive products – 51% of total revenue in FY26 was from private label and exclusive drop-ship products, an increase from 45% of total revenue in FY25. Furthermore, approximately 83% of our top 500 selling products in FY26 were exclusive, up from 79% in FY25 and 70% in FY24.

Private label products, which are those imported directly by Temple & Webster, remain a key focus for the business. Our capabilities in designing, sourcing and selling private label products were enhanced during FY26 through continued expansion of our dedicated product sourcing office in China, which continues to drive improvements in speed to market, product quality and manufacturing costs. During FY26, over 1,100 new private label options were added to our website, with a focus on key categories such as sofas, outdoor and bedroom. We also added in new customer experiences to drive conversion on private label products, such as a new sofa configuration tool as well as enhanced shipping options for bulkier products.

In addition, our buying and merchandising teams are now leveraging AI-based tools in order to drive efficiencies in product sourcing and speed to market. In particular, we are now running AI-based range reviews in order to identify product gaps, with close



Operational review continued

to 90% alignment to gaps identified through manual review. We have also introduced AI-based image creation tools in order to scale merchandising efforts, and launched new cross-sell carousels, including filtered and fully curated options, which have had a positive impact on conversion rate and revenue.

BUILDING OUR POSITION OF AUTHORITY ON TRENDS AND DESIGN

In FY26, our Insights & Trends team deepened Temple & Webster's position as Australia's go-to authority on home design and consumer living dynamics.

Building on the foundation established in previous years, the team expanded its strategic research capabilities, providing actionable trend intelligence to inform our buying, category management, and creative teams. Key achievements included scaling our second annual 'Trend Report' into an omnichannel campaign, alongside expanding the brand's reach through national television appearances, commentary in national press, and keynote speaking engagements at major industry trade shows.

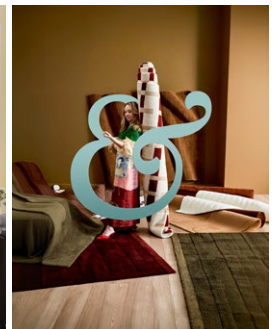
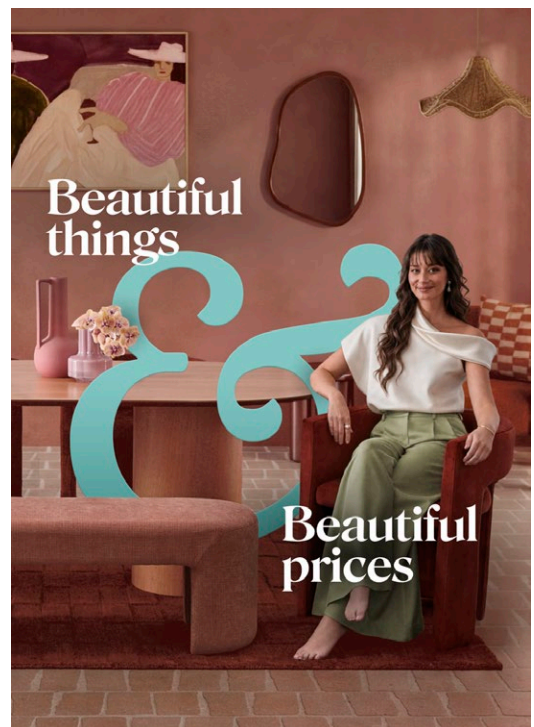
Furthermore, we have collaborated with internal design and sourcing partners in order to highlight emerging aesthetic movements, supporting private label development and range exclusivity.

Ultimately, these efforts reinforce Temple & Webster's design authority and deepen customer engagement across our content and media touchpoints.

IMPROVING MARKETING EFFICIENCY AND STABILISED 12-MONTH ROI

In FY26, Temple & Webster continued its journey on building brand awareness through top of funnel marketing campaigns, increased presence in mid-funnel and social media, and by enhancing our creative assets to better resonate with customers. In H1 FY26, we continued our investment into brand media from FY24 and FY25, following validation across multiple Media Mix Modelling ('MMM') analyses and observed stabilisation on new customer ROI after these two years of top of funnel investment. Our investment into brand media has had impact through higher brand familiarity and increased branded search share, however these impacts have been small given the reach and frequency limitations of our committed budgets.

Given this, in H2 FY26 our marketing team devised a new approach to brand investment, launching a targeted top of funnel campaign in Brisbane in July 2026. The aim of this investment will be to generate actionable data and insights from running a more even balance of brand and performance media within a single region, providing a statistically significant read of the impact of increased brand investment on traffic, conversion and revenue outcomes. In addition to this, we refreshed our creative assets and developed a new television commercial centred around the customer proposition of 'beautiful things & beautiful prices'. These assets are now live as part of our focused media test, as well as across digital video and social channels across Australia and New Zealand.

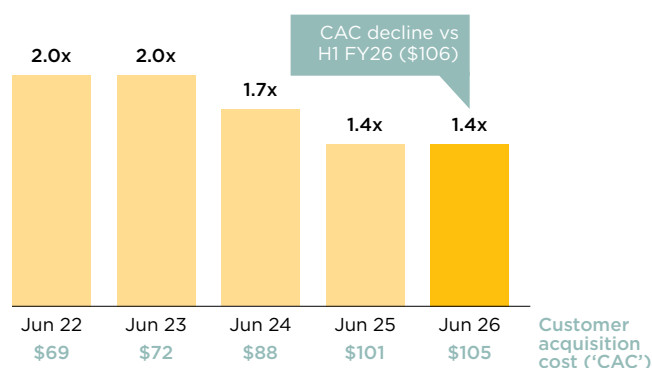




As discussed above, one of the margin optimisation initiatives implemented through H2 FY26 was a restructure of our digital campaigns. This initiative involved the separation of our largest campaign across product categories, allowing us to have greater control over the allocation of spend based on observed traffic, revenue and profitability trends within categories of products. This change was rolled out in a short space of time, but has had a meaningful impact on our marketing efficiency and cost of sale - with the change resulting in an overall reduction to CPCs of approximately 10%.⁸

For FY26, our overall 12-month marketing ROI (on new customers) was in-line with our expectations, stabilising at 1.4x. This outcome reflects the incremental positive impact that brand investment is now having on new customer acquisition, as well as some of the initiatives discussed around improved efficiency within digital channels. Importantly, our customers remained profitable on their first order and marketing cost of sale (as measured as a percentage of revenue) has declined despite continued investment. Our new customer acquisition cost ('CAC') of \$105 for the year represents a slow down in year-on-year growth of this metric, reflective of the same drivers.

12 Month Marketing ROI⁹ Stabilised and CAC Growth Moderating



Our overall focus remains on continuing to build brand awareness to drive overall marketing efficiency across all components of our marketing stack.

From a marketing technology perspective, during FY26 we implemented a new customer relationship management ('CRM') tool in order to deliver improved customer experiences, as well as personalised marketing through advanced active segmentation and AI-powered campaigns. We have also investigated the implementation of new tools to build campaign creative at scale, with early positive results.

8. Cost per click ('CPC') is measured by the Google Ads platform, and represents average year-on-year change in CPCs for April, May and June 2026.

9. Marketing ROI = Margin \$ / CAC; Margin = Revenue per active customer as at 30 June 2026 x delivered margin % for FY26; CAC = Total marketing spend for FY26 x 73% (being the estimated percentage of marketing spent on new customer acquisition, i.e., excludes estimated spend on repeat customers) divided by the number of first-time customers during the period.

Operational review continued

LEADERSHIP IN DATA, TECHNOLOGY AND AI TO ENHANCE CUSTOMER EXPERIENCE AND IMPROVE EFFICIENCY

Our strategy in data, technology and AI remains unchanged and focused on two core objectives: creating a seamless customer experience to drive conversion and margin per visit, and to generate operating efficiency and reduced fixed costs as a percentage of revenue over time. Below is a summary of some of the key initiatives and outcomes we achieved over the last 12 months.

Improving customer experience and discoverability

During FY26, we have implemented several AI-powered enhancements to our site in order to drive improved customer experience, but also to optimise the discoverability of Temple & Webster for AI platforms. We have tested AI-powered site search, which has resulted in improvements in relevance and effectiveness of product discovery, and reduced failed search results by ~75%. In addition, we introduced an AI-driven complementary items carousel which has shown a significant uplift in conversion and revenue, with further recommendations (such as similar items) currently in the early stages of evaluation. We have also upgraded product page content, product descriptions, FAQs and hosting to ensure these assets are LLM readable, driving an improvement in overall LLM visibility.

In addition, we deployed a new AI-powered shipping engine to enhance the accuracy of checkout shipping cost estimates. Passing these precise rates directly through to customers has delivered a measurable uplift in conversion rates.

From a personalisation perspective, a key priority continues to be enhancing the shopping experience and driving increased basket sizes and conversion rates by placing the right product in front of the right customer at the right time. Multiple CRM-focused experiments were run through FY26, demonstrating over 10% increase in conversion rate by using customer profile insights and personalised product recommendations. As we move forward into FY27, enhancing the end-to-end customer experience through personalisation is a key focus, and the foundations of this are currently being engineered, with more progress to be made through the year.

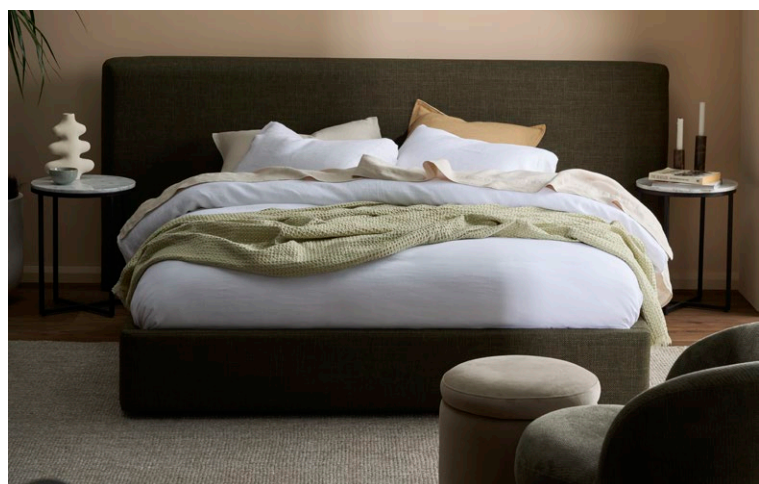
Finally, progress has continued to introduce new technologies to modernise our digital storefront. This new architecture has already demonstrated improved site performance and reliability, reducing load times and improving responsiveness for customers browsing our desktop and mobile web sites.

Improved operational efficiency

Through FY26, the business has launched several new pieces of technology to improve overall operational efficiency, and in some cases, have started to have a positive impact on delivered margin, marketing cost and fixed costs.

We launched two new internally developed AI agents which are driving operational improvements. The first is a data-driven insights tool, which has access to Temple & Webster's entire data structure, as well as external data sources, in order for employees to quickly interrogate our data and increase the accuracy and cadence of decision making. In addition, we have developed an incident reporting tool, enabling us to undertake supplier reviews and track performance against these reviews.





From a marketing perspective, we have implemented new profitability models to map returns across channels, driving smarter, data-led optimisations in real-time in order to improve customer profitability and ultimately profit margins. We have also optimised how promotions are communicated to customers, including new “price after promotion” labelling, which have demonstrated benefits to conversion rates and revenue.

In terms of customer support, during FY26 we have streamlined issue resolution through a new AI-powered chat platform and redesigned support flows, whilst automating the distribution of replacement parts, delivering over \$2m in annual cost savings whilst improving customer experience and NPS levels.

Finally, our technology development teams are actively integrating AI to drive operational efficiency. By piloting new generative tools and evolving design workflows, the teams are fostering deeper cross-functional collaboration with our technology and product teams. These initiatives, while in the early stages, are delivering improvements in design velocity and output quality.

3D and enhanced content

During FY26, Temple & Webster continued to scale its 3D asset library and enhance our customer-facing interactive experiences. 3D model production grew by 23% relative to FY25, increasing the availability of “see in your room” augmented reality functionality to ~84% of private label furniture product pages. We have also launched new interactive 360-degree product imagery on our desktop platform, allowing customers to view products from every angle, and is more easily accessible through the product image carousel. Testing has shown that this functionality boosts customer confidence to purchase, with an increase in revenue per visitor of ~4% and >10x increase in content interactions.

Our 3D configurator functionality has been expanded to include four new truly modular private label sofa ranges (the Moab, Crescent, Arco and Cami). The configurator tools allow customers to visualise and price custom modular furniture configurations in real-time. Early results indicate that customers who engage with the configurator convert at two to three times the rate of those using other product page features.

Operational review continued

AI enablement and team changes

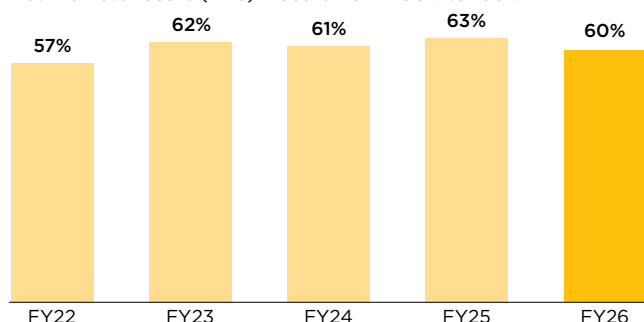
During FY26, we operationalised an AI Centre of Excellence, which is tasked with overseeing AI enablement and governance across the entire company. In addition, we established a network of 'AI Champions' across all departments of the business in order to facilitate learning and knowledge sharing. We also introduced an online AI Hub and digital playbooks in order to accelerate AI adoption across all employees. All AI tooling is now centrally approved and usage is facilitated through training and live demonstration sessions.

ENHANCING CUSTOMER SERVICE AND DELIVERY

During FY26, we continued to scale the business efficiently whilst delivering improvements in customer experience, as evidenced by the continued high net promoter score ('NPS') achieved by the business. Our continued investment into people, processes and technology continues to strengthen our ability to meet growing operational needs whilst raising service standards.

Maintaining high levels of Customer Satisfaction

Net Promoter Score (NPS) = Score from -100% to 100%



During the year, we moved into new leased warehouse premises in Truganina, Victoria. This is a dedicated private label warehouse for Temple & Webster, and is operated by a 3PL partner. The facility is ~32,000sqm in size, and by committing to a long-term lease, it has unlocked significant savings relative to our previous outsourced arrangements. Having a dedicated warehouse facility also enables us to set up operations in order to streamline fulfilment timelines, optimise for our Temple & Webster delivery fleet, and improve ultimate customer experience. It also gives us capacity for future growth in private label inventory without incurring additional storage costs.

From a product catalogue perspective, during the year we successfully centralised our end-to-end product onboarding operations, replacing manual workflows with a streamlined and automated approach. This has transformed how we manage

product approvals, product compliance checks, and onboarding listings – following implementation, these changes reduced the overall time-to-market for new products by over 40%. Furthermore, we have enhanced the experience for suppliers by introducing new ways to gather accurate product information, reducing manual handling, and streamlining workflows which allow us to process compliance checks with less human intervention. Overall, these changes have driven an ~80% reduction in time taken when compared to the same period during FY25.

Temple & Webster's iOS and Android apps continue to maintain a strong customer satisfaction rating, increasing from 4.8 stars to 4.9 stars (from over 44,000 reviews) during the financial year. The apps now have over 1.6m lifetime downloads, and deliver a premium shopping experience, outperforming both desktop and mobile web channels with higher conversion rates, greater customer lifetime value and elevated NPS levels.

HOME IMPROVEMENT CONTINUES TO OUTPERFORM

The home improvement category continues to be a standout performer for Temple & Webster, delivering \$59 million in revenue in FY26, an increase of 39% on FY25 (and a CAGR of 43% since launching the category in FY23). The market dynamics for this category remain very compelling, representing an \$18 billion market in Australia with no dominant online-only player, coupled with low rates of online





penetration. Our strategy of consolidating this business into the single Temple & Webster platform continues to yield results, improving overall marketing efficiency and customer experience by leveraging the tools available to our core furniture and homewares categories.

This continued growth in the category has been supported by new mid-funnel brand marketing across both social media and digital video channels, including before and after shoots and “how-to” guides, all targeted at increasing awareness of our offering. In addition, we have launched a new native site navigation experience for the category, supported by a flexible merchandising tool that can scale as we continue to add more products and options across the range.

In addition, during FY26, we launched approximately 250 new private label options in home improvement. Private label penetration in home improvement reached 28% in FY26, which is in-line with our core furniture and homewares segment, up from 19% in FY25. We expect private label to continue to be a driver of growth in this category as we continue to disrupt this sector with a compelling alternative to offline retailers.

TRADE & COMMERCIAL GROWTH ACCELERATED

The Trade & Commercial division delivered \$56 million in revenue in FY26, an increase of 16% on FY25. Despite slower macro conditions, this business has continued to be resilient, driven by business customers and larger commercial customers seeking out more cost-effective solutions and self-serve options. Building on the foundations of FY25, this year’s performance was underpinned by a focus on a sector-focused sales approach, and developing end-to-end solutions for large customers. This focus included customers across hospitality, student accommodation and education, retirement and childcare in particular, with some large contract wins across these segments being delivered during the year.

As part of this sector focus, our Trade & Commercial team has developed new partnerships to offer an enhanced level of delivery and consolidation service, as well as working directly with our private label buying and sourcing teams to develop more commercial grade products. In addition, we have rebuilt our trade quoting platform, creating the foundation for a new self-serve quoting experience, helping to improve customer experience whilst at the same time improving operational efficiency.

NEW ZEALAND LAUNCH EXCEEDS EXPECTATIONS

In October 2025, we launched operations in New Zealand, selling to customers via our existing Australian site and from our Australian warehouse locations. For the period from launch through to 30 June 2026, we generated approximately \$3 million¹⁰ in revenue from New Zealand customers, across 7,400+ orders, which was above our initial expectations. Average order values for FY26 were just over \$400, comparable to those currently observed in Australia. Pleasingly, at the end of the financial year, our New Zealand operations were operating at contribution margin break-even on a run-rate basis, also ahead of initial expectations.

Going forward, we intend to put in place customer experience improvements in order to drive further traffic and revenue in the New Zealand market.

10. Presented in Australian dollars.

FY26

Environmental, social and governance statement

Message from our CEO

It is a privilege to lead Temple & Webster through its next phase of growth. Having previously spent time as Chief Commercial Officer and Chief Marketing Officer within the business, returning to lead this team as CEO is an exciting transition. I have always admired what Temple & Webster stands for, and I am proud of the strong foundation, values, and ESG commitments established across our operations.

Looking back at FY26, our team has achieved solid operational progress. We continued to strengthen our ESG governance, refining our carbon reporting boundaries and laying the practical groundwork needed to keep our business resilient, transparent, and aligned with evolving regulatory standards.

Importantly, our commitment to sustainability directly reinforces our core customer proposition. Throughout a challenging economic environment for households, our team has maintained affordable, high-quality choices for our customers while executing disciplined operational improvements. These range from expanding renewable energy coverage across our facilities to reducing transit damage and waste throughout our fulfilment process.

The progress already made gives us a strong platform to build on. I look forward to continuing this momentum, embedding sound environmental and social principles into our everyday commercial strategy, and delivering lasting value for our customers, team, and shareholders.

Thank you for your ongoing support as we embark on this next chapter together.

Susie

Susie Sugden

Chief Executive Officer
Temple & Webster Group Ltd





Part 1: Foundations and Governance

ABOUT THIS REPORT

This report is our fifth annual Environmental, Social and Governance ('ESG') Statement, outlining material topics, sustainability strategy, governance, performance highlights and progress against our stated goals. To support our preparation for upcoming mandatory reporting, this Statement groups our disclosures into three distinct pillars: Foundations and Governance, Climate Change and Environmental Resilience, and Social Impact and Workplace Culture.

The reporting period for this Statement is the financial year ended 30 June 2026. Our disclosures are guided by the material topics identified through our double materiality assessment, which serves to align our ESG priorities with the commercial expectations of our shareholders, investors, and wider stakeholder groups.

In preparing this Statement, the structural layout and core sustainability terminology have been informed by established disclosure frameworks, including the Global Reporting Initiative ('GRI') Standards, to ensure reporting clarity and baseline consistency.

This Statement does not comply with the requirements of the Australian Sustainability Reporting Standards ('AASB S2'). We are continuing to advance our internal data systems and risk management architecture to ensure readiness ahead of mandatory climate related financial disclosure requirements. Looking ahead, we intend to revise the structure and content of our sustainability disclosures by FY28 to complement future mandatory reporting and provide decision useful, risk-adjusted insights to our investors.

This Statement is intended for stakeholders seeking to understand how we manage ESG impacts across our operations and value chain.

We welcome feedback on this Statement and our broader sustainability efforts. For further information, please contact sustainability@templeandwebster.com.au.

sustainability@templeandwebster.com.au

Part 1: Foundations and Governance continued

Our performance against ESG goals

We are currently reviewing our ESG framework and goals as part of an upcoming strategic refresh. This ensures our sustainability targets stay relevant and fit for purpose in the current economic and regulatory climate. This review will align our goals with the results of our double materiality assessment, ensuring our focus areas support our broader business strategy and commercial objectives moving forward.

OUR ESG GOALS

KEY: ■ Making progress ■ Completed

GOAL	CALENDAR YEAR TARGET	FY26 PROGRESS	STATUS
Carbon neutral in our controlled operations (Scope 1 and 2 gross emissions)	2030	- Carbon neutral in our controlled operations through the purchase of Australian Carbon Credit Units ('ACCUs') Goal concluded: having successfully established this process as standard annual practice, this specific target is complete and will now be managed under everyday operational governance	■
45% reduction in our total carbon footprint ¹	2030	- Captured primary emissions data directly from key suppliers, moving away from spend-based estimates - Completed our first activity-based emissions assessment for a top-selling private label product - Expanded the number of electric vehicles (EV's) in our leased delivery vehicle fleet by 14% - Continued an EV novated leasing program for our employees to address our indirect transport footprint, alongside an overall 15% year-on-year reduction in Scope 3 emissions	■
Audit all private label suppliers for ethical and social compliance	2023	100% of our private label suppliers have been audited for ethical and social compliance - Corrective actions implemented, 100% reviewed via desktop audit 85% of private label suppliers have completed modern slavery self assessment questionnaire Goal concluded: having successfully audited the full target network and established ongoing compliance tracking, this goal is complete and will become standard practice	■
100% responsibly sourced solid wood in our private label range	2030	85% of the solid wood used in our private label outdoor range is certified as responsibly sourced (up 6.5% YoY) - Integrated price elasticity and margin indicators into our timber transition roadmap to support strategic prioritisation (see 'Sustainable products and packaging' on page 39 for further details)	■
100% reusable, recyclable or compostable private label packaging ²	2025	15,853 out of 164,173 (9%) dropship products have fully recyclable packaging 725 out of 4,529 (16%) private label products have fully recyclable packaging³	■

1. Target represents a 45% reduction in gross emissions against the FY25 baseline. Ahead of mandatory AASB S2 reporting, this target and baseline will be formally revised to establish a refined operational boundary and align with maturing value-chain data.

2. These goals were aligned with the 2025 APCO National Packaging Targets and are planned for review under our ESG strategy refresh in FY27.

3. Figures are based on packaging metrics prepared for our FY26 APCO annual report. In the absence of formal PREP reports, this is measured using products that only utilise paper and cardboard in their packaging configuration.

OUR ESG GOALS continued

KEY:  Making progress  Completed

GOAL	CALENDAR YEAR TARGET	FY26 PROGRESS	STATUS
70% of plastic private label packaging being recycled or composted ²	2025	Completed our first product packaging assessment utilising the Packaging Recyclability Evaluation Portal ('PREP') tool, providing a framework to deliver clearer disposal and recyclability metrics for individual packaging materials to our customers moving forward	
50% of average recycled content included in private label packaging ²	2025	Commenced a targeted review to transition our private label rug packaging toward recycled content alternatives, expanding our focus to new product categories	
Phase out of expanded polystyrene ('EPS') and expanded polyethylene ('EPE') packaging ²	2025	- Over 80% of our private label range free from EPS packaging - Over 12% of our dropship range free from EPS packaging	
Nurture and grow our diverse, equitable and inclusive workplace culture	Ongoing	- Achieved a 0.8% reduction in our median pay gap for the FY24/25 reporting period - Achieved a 74% engagement rate for our annual Employee Engagement Survey - Delivered company-wide education sessions on neurodiversity awareness and more specialised training for people leaders and people & culture teams	
Continue to invest in the growth and development of our people and to create a resilient and adaptable team for the future	Ongoing	- Advanced the implementation of the Tempster Growth Guide to align individual career pathways with future business capability needs - Delivered 72 learning sessions covering commercial awareness, emotional intelligence, and wellness, recording over 2,400 attendances - Achieved a 72% average participation rate across non-mandatory learning, averaging 13 hours of development per employee - Successfully piloted a new peer mentoring program with 22 participants, with expansion planned for H1 FY27 - Commenced development of an Analytical Excellence Program to upskill our workforce on practical AI tools, build internal data standards, and support safe, effective AI adoption across daily operations (see page 43 for details)	
Build authentic and respectful relationships with First Nations communities through a Reconciliation Action Plan ('RAP')	Ongoing	- Engaged with peer organisations at advanced RAP stages to gain strategic insights on how to maximise our impact - Partnered with First Nations social enterprise Bush to Bowl to facilitate a head office cultural learning session, connecting employees to Country through native Australian ingredients and traditional foodways - Commenced a new partnership with the Aboriginal Women and Children's Crisis Service ('AWCCS'), supporting their vital work providing shelter and housing for women and children escaping domestic and family violence	
Achieve ISO 27001:2022 information security management systems certification	2025	- Successfully completed our first annual ISO 27001:2022 surveillance audit to maintain our certified status across all operations Goal concluded: having successfully established and maintained the certified Information Security Management System (ISMS), this target has been achieved and will become standard operational governance	

Part 1: Foundations and Governance continued

Our approach to ESG: Strategy, Preparation and Implementation

Our current sustainability strategy is built on a clear identification and understanding of our most material ESG priorities. The double materiality model will drive our future sustainability strategy. It aligns our core focus areas with stakeholder expectations while supporting commercial value creation and asset protection.

Rather than treating sustainability as a static annual exercise, this methodology drives a multi-year roadmap designed to mature our data architecture, governance structures, and strategic integration of ESG-related matters over a three-year horizon.

FY25: DEFINING OUR ESG PRIORITIES

In FY25, we established our baseline materiality matrix through a comprehensive double materiality assessment. This independent process identified and prioritised 19 material topics based on their significance to stakeholders, their outward impact on the environment, people, and communities, and their inward potential to affect our long-term business resilience. The outcomes of this assessment provided the foundational baseline for our upcoming ESG framework and established the benchmark from which our future progress will be measured.

Our FY25 double materiality matrix



FY26: ESTABLISHING DATA INTEGRITY AND OVERSIGHT

The shift toward modern corporate reporting frameworks has changed how we manage operational metrics across our business. While we are maturing our processes across all sustainability priorities, our immediate focus has been on strengthening our core data architecture. Historically, these metrics relied on high-level estimates, which used standard procurement averages to model our broader impacts.

To support long-term data integrity, FY26 was defined by a shift toward operational precision across our key datasets. We commenced the development of dedicated tools and databases required to maintain data consistency and repeatability across our reporting metrics.

With this framework in place, our focus turned to our broader supplier network. We have continued to actively engage our key partners to transition away from high-level assumptions and move toward direct operational data. Given this transition relies heavily on the capabilities of our network, we are collaborating closely with vendors who are further advanced in their own data journeys to embed real world metrics into our frameworks. Identifying data gaps across our value chain directly informs our ongoing strategy, helping us pinpoint exactly where we need to capture more granular operational data regarding supplier and material concentration.

This operational evolution is backed by our governance frameworks. We have revised our Board and Audit and Risk Committee ('ARC') Charters to formally integrate strategic risk oversight into our existing Enterprise Risk Management ('ERM') structures. Formalising this responsibility confirms that our newly established data foundation is matched by disciplined, accountability-driven leadership at the highest level of the business.

FY27 AND BEYOND: LAUNCHING OUR INTEGRATED STRATEGY

With our operational data foundations and governance structures better established, our focus shifts from preparation to execution. Looking ahead to the next financial year, our immediate priority is the formal launch of our refreshed three-year ESG strategy and framework in FY27. This milestone serves as the operational bridge for our future sustainability roadmap, positioning us to navigate long-term regulatory transitions with commercial readiness.

Rather than treating this upcoming transition as a simple reporting requirement, we are utilising the insights gained through our structural preparation to shape the development of our next strategic horizon. This process allows management to embed forward-looking sustainability priorities and risk thresholds directly into our broader corporate planning models.

By aligning these operational milestones with our commercial roadmap, our sustainability strategy acts as a direct driver of business resilience. This unified approach supports our broader commercial objectives while delivering long-term value and asset protection for our shareholders.



Part 1: Foundations and Governance continued

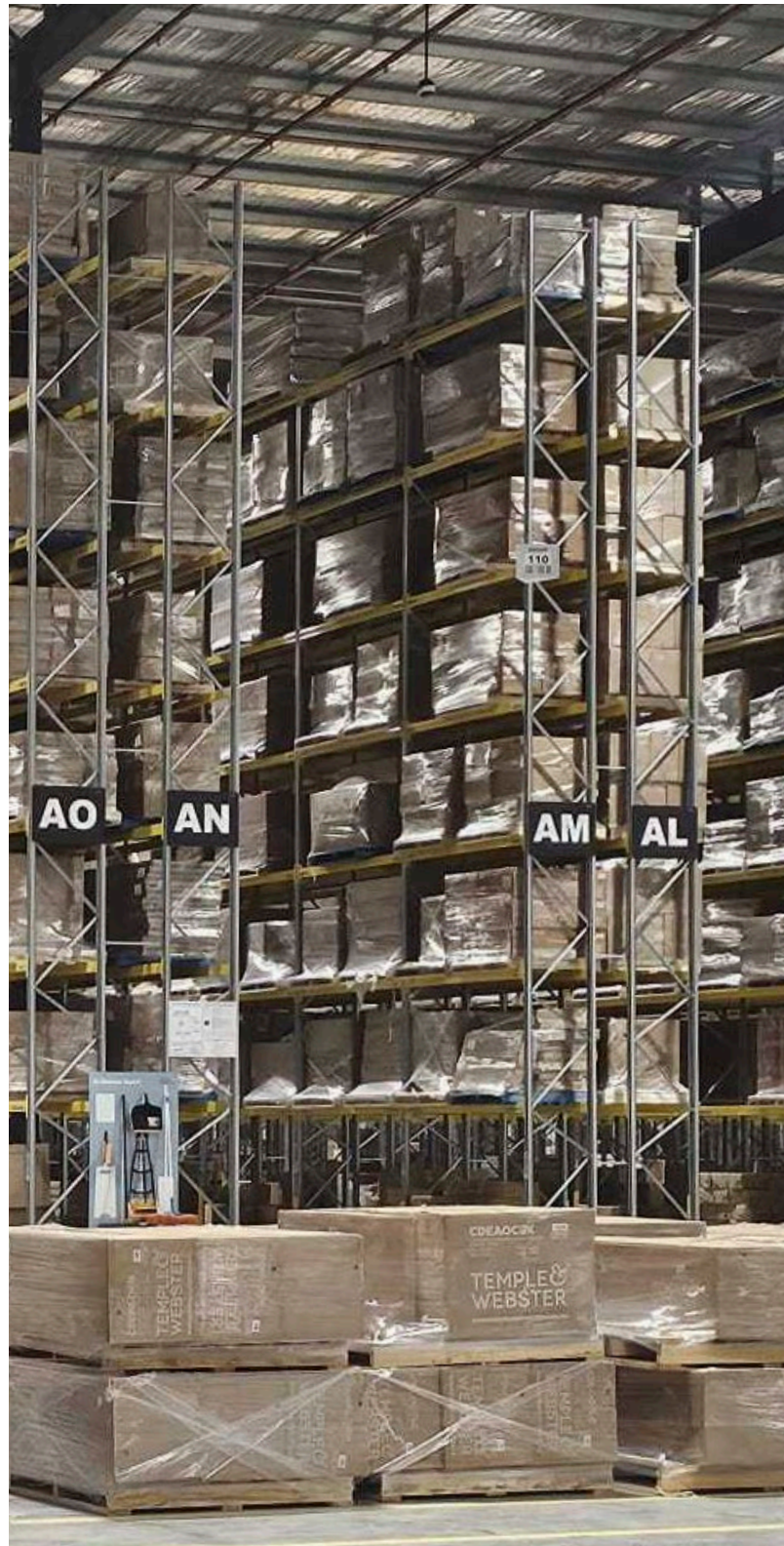
About our company

Temple & Webster is Australia's leading online-only retailer of furniture and homewares. Established in 2011, the company listed on the Australian Securities Exchange in December 2015 (ASX:TPW) and is incorporated in Australia. Our corporate head office is located in St Peters, New South Wales.

We operate a direct-to-consumer ecommerce model across Australia and New Zealand, serving both residential and commercial customers. All sales are transacted through our website and mobile apps, with operations spanning global sourcing, private label product development, technology infrastructure, marketing, styling, warehousing, third-party logistics, and last-mile delivery.

Our product range comprises more than 200 different categories, including indoor and outdoor furniture, home décor, lighting, textiles, and a growing selection of home improvement items. These are offered through a mix of private label collections, developed directly with manufacturing partners, and third-party brands sourced from local wholesalers through a dropshipping model. To support our growth strategy, we are increasingly focusing on developing and securing exclusive lines with these local partners. This structure allows us to operate in an agile and scalable manner, ensuring we can offer customers a broad range of products while strengthening the resilience of our supply chain against disruptions.

This year, we expanded our local fulfilment capabilities by leasing our first warehouse in Melbourne, marking the first logistics facility we have taken direct operational control over. This facility allows us to manage and deliver our fastest-moving products



OUR RANGE

Over

170,000

products from over
200 categories

OUR TEAM

Over

200

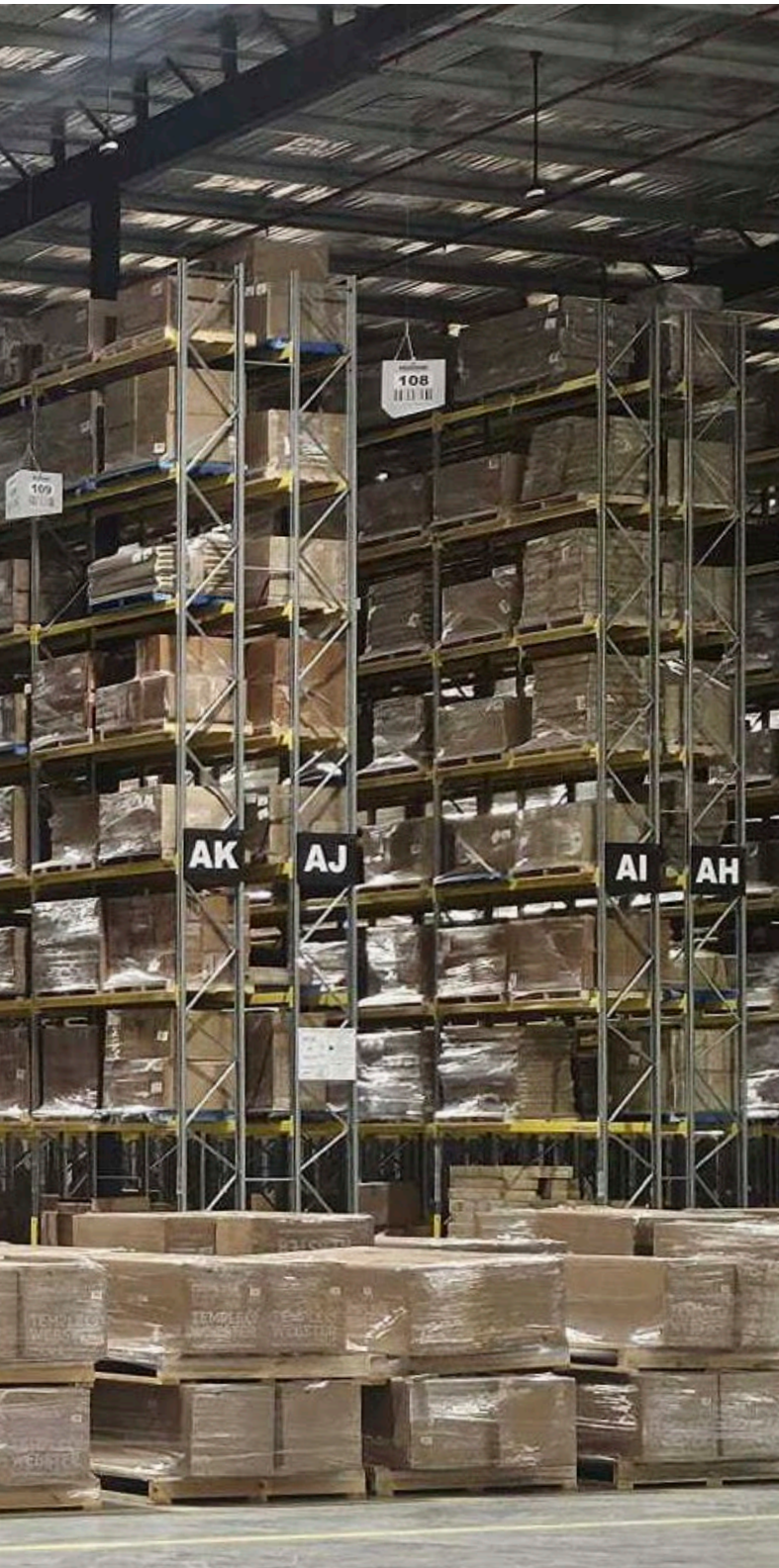
employees

OUR CUSTOMERS

More than

115 million

website visits in FY26



directly, optimising delivery times and improving the customer experience for high-demand items. By combining this dedicated space with our established third-party logistics partnerships and local dropship network, we are continuing to create a flexible fulfilment model that supports our next phase of growth.

As at 30 June 2026, Temple & Webster employed 208 team members across Australia. Our website listed more than 170,000 unique products and attracted over 115 million sessions. In FY26 the company generated \$665 million in revenue.

We maintain a global supplier network tailored to our product sourcing streams. Our private label products are predominantly sourced through manufacturers based in Asia. These partnerships are formed through direct engagement, enabling us to develop product designs and ensure oversight of quality and ethical sourcing standards. Our dropship product range is supplied by hundreds of Australian importers and wholesalers. These suppliers undergo a structured onboarding process that includes due diligence on product compliance, quality control, and alignment with our sustainability and ethical sourcing requirements.

Temple & Webster is committed to responsible business practices and participates in a number of external initiatives that align with our ESG objectives. These include compliance with the *Modern Slavery Act 2018* (Cth), membership of the Australian Packaging Covenant Organisation ('APCO'), and certification under ISO 27001:2022 for information security management. We are also proud members of the Diversity Council Australia and Pride in Diversity.

OUR MARKETS

Servicing customers
across

2 countries

OUR PERFORMANCE

\$665 million

in annual revenue
and \$22 million
in EBITDA in FY26

Part 1: Foundations and Governance continued

Sustainability governance and risk management

We manage sustainability through a structured framework that integrates oversight directly into our executive decisions and risk management processes. As we prepare for evolving framework requirements, we have formalised our internal reporting pathways to support clear accountability at both the Board and management levels. This disciplined approach supports the consideration of ESG factors alongside our standard commercial priorities to maintain long-term business resilience.

Our ESG governance and risk management function



BOARD OVERSIGHT AND MANAGEMENT ACCOUNTABILITY

The Board holds ultimate accountability for overseeing strategic sustainability-related risks and opportunities, and receives regular updates on key ESG developments, regulatory changes, and progress against our strategic priorities. This year, we formalised the Board's accountability for ESG oversight within both the Board and ARC Charters.

ESG matters are reviewed by the ARC and the executive team, with specific responsibilities distributed across subject matter leads within the business. To support an objective and comprehensive view of the landscape, updates to the Board and committees are maintained by a mix of internal team leads and external subject-matter experts.

The Head of Sustainability continues to lead the sustainability strategy and reporting function, and is responsible for integrating ESG into the broader corporate strategy. This includes coordinating our response to emerging regulatory requirements and upcoming Extended Producer Responsibility ('EPR') frameworks. The Head of Sustainability reports directly to the CFO and provides updates to the Board throughout the year, or as otherwise required.

RISK MANAGEMENT: ENTERPRISE RISK INTEGRATION

We manage sustainability-related risks, including physical disruptions and regulatory shifts, with the same operational rigour applied to traditional business risks. Following the formal embedding of sustainability risk into our existing ERM framework, this integration supports full visibility, categorisation, and evaluation of these factors across our entire operational footprint. These areas are monitored under a standardised reporting frequency to the ARC and the Board.

Our structured risk process supports continuous visibility across our leadership team regarding the likelihood and potential impact of operational risks. Looking ahead, we are working towards a more mature and refined framework for evaluating our ESG risks. This includes establishing dedicated Key Risk Indicators ('KRIs') and Board-approved risk thresholds specifically for these areas, with a target of FY27 for full implementation.

We recognise that effective risk thresholds require a reliable data foundation to accurately reflect our current operational state and future trajectory. Therefore, our immediate strategic priority is to improve our data governance and integrity. Maturing our internal databases will feed directly into this KRI framework, allowing us to transition from qualitative risk oversight to a quantitative model that strengthens our long-term business resilience and internal accountability mechanisms.

OPERATIONAL RISK FOCUS: DATA PRIVACY AND CYBERSECURITY

Protecting the privacy and security of customer and employee data is central to maintaining trust and upholding our responsibilities as a digital-first business. Operating entirely online, data protection is a critical component of our operational resilience and governance framework. We remain committed to meeting all applicable legal requirements, including the Privacy Act 1988 (Cth) and the Notifiable Data Breaches scheme, while continuously strengthening our cybersecurity posture in response to an evolving risk landscape.

Cybersecurity is overseen by the Board as a matter of strategic importance and organisational risk. Operational governance is led by our Information Security Management System (ISMS) Committee, chaired by our Information Security Officer, which manages risk controls, incident response, and continuous improvement across our technology environment.

For matters related to the Privacy Act and broader data governance, our Data and Privacy Committee, chaired by the Head of Legal, coordinates and implements our information security roadmap. Both committees meet monthly and include senior leaders from technology, marketing, and customer experience to ensure a cross-functional approach to managing data protection risks.

MAINTAINING GLOBAL SECURITY STANDARDS

Following our initial ISO 27001:2022 certification in FY25, we continued to mature our information security program during the reporting period. We successfully completed our first annual ISO 27001:2022 surveillance audit, which independently verified our ongoing compliance and confirmed that our 93 Annex A risk controls continue to meet international best-practice standards.

THREAT DETECTION AND BRAND PROTECTION UPLIFTS

During the year, we focused on practical technical enhancements to protect our operations and our customers from evolving digital threats:

- Brand and reputation protection: we implemented improved security tools to rapidly detect and respond to fraudulent websites and applications designed to impersonate our brand and target our customers.
- Vulnerability management: we accelerated our internal vulnerability assessment processes, enabling faster identification and remediation of security weaknesses across our technology environment to reduce our window of exposure to known threats.
- SIEM capability expansion: we consolidated and streamlined our log data sources into our Security Information and Event Management (SIEM) platform, directly improving the quality, clarity, and coverage of our threat detection systems.
- Threat intelligence integration: we invested in advanced security operations initiatives, including the integration of live threat intelligence feeds, to improve our ability to proactively identify and respond to emerging cyber threats unique to the Australian retail sector.

These cumulative improvements to our security posture ensured that we experienced zero reportable data breaches or cybersecurity incidents during the year. Moving forward, we remain committed to continuously strengthening our security posture through dedicated investment in skilled talent, team training, and modern security technologies.

Together, these governance structures, risk frameworks, and operational controls establish the foundational discipline needed to effectively manage our material ESG priorities.

Part 1: Foundations and Governance continued

Our materiality baseline

The insights gained from our double materiality assessment continue to serve as our structural guide, supporting a balanced strategic response across our 19 material topics. This foundational work directly informs the development and implementation of our corporate roadmap, allowing us to translate our material priorities into functional business initiatives while aligning our systems with emerging regulatory framework expectations.

By aligning these operational improvements, strategic priorities, and compliance milestones with our commercial roadmap, our sustainability strategy acts as a genuine driver of business resilience. We aim to deliver clear progress, working in partnership with our stakeholders to confirm that our actions reflect shared expectations, commercial realities, and our long-term responsibilities to our shareholders.

The table below provides a summary of the material ESG topics identified from our double materiality assessment, which underpin our strategic roadmap.

List of material ESG topics from our FY25 double materiality assessment



'Double material' topics



Focus areas since FY22

Pillar	Material topics	Description
Caring for the planet	Climate change mitigation and resilience	Addressing greenhouse gas emissions across our operations and supply chain, while strengthening business resilience to physical and transitional climate risks.
	Circularity and waste	Minimising waste and promoting circular design principles through material efficiency, repairability, recyclability, extended product life and end of life solutions.
	Sustainable packaging	Reducing the environmental footprint of packaging by eliminating hard-to-recycle materials, increasing recycled content, and designing for circularity and compliance with emerging regulations.
	Energy management	Improving energy efficiency and accelerating the transition to renewable energy within our directly controlled operations and broader value chain.
	Responsible sourcing	Embedding environmental and social responsibility into procurement by shifting toward certified and lower-impact raw materials to reduce environmental and social risks in the supply chain and support traceability.
	Protecting nature/preserving biodiversity	Mitigating negative impacts on ecosystems by addressing deforestation, land use, and biodiversity through responsible sourcing, reforestation and supplier engagement.



'Double material' topics



Focus areas since FY22

Pillar	Material topics	Description
Caring for people and communities	Team development, wellbeing, health and safety	Supporting physical and mental wellbeing, safety, and continuous learning to foster a high-performing and resilient workforce.
	Team diversity, equity and inclusion	Building an inclusive, respectful workplace that attracts and retains diverse talent and promotes equity in opportunity, representation and leadership.
	Ethical sourcing	Managing human rights and labour risks through due diligence, supplier engagement, and continuous monitoring of working conditions in global supply chains.
	Reconciliation with First Nations peoples	Advancing reconciliation through culturally respectful engagement, inclusive hiring practices, and support for Aboriginal and Torres Strait Islander communities.
Being a good corporate citizen	Customer data privacy and security	Protecting customer and employee data through robust cybersecurity practices, risk management, and compliance with privacy regulations.
	Customer and stakeholder education on ESG	Providing clear and accessible information that empowers responsible consumption and encourages stakeholder participation in sustainability goals.
	Industry engagement on ESG topics	Collaborating with industry bodies, peers and partners to advocate for sustainable business practices and contribute to sector-wide improvements.
	Responsible management of AI	Ensuring ethical, inclusive and transparent use of artificial intelligence in product and service development, with appropriate oversight and controls.
	Animal welfare	Upholding animal welfare standards through responsible sourcing of animal-derived materials and alignment with globally recognised welfare frameworks.
	Responsible marketing	Ensuring marketing and product communications are honest, transparent, inclusive, and aligned with sustainability values and customer expectations.
	Business conduct, ethics and transparency	Upholding strong governance, ethical behaviour, and transparent reporting to maintain trust with stakeholders and ensure regulatory compliance.
	Product quality and safety	Delivering safe, durable and compliant products that meet high standards of performance and support customer wellbeing.
	Business continuity/strategy	Embedding ESG considerations into strategic planning and risk management to improve operational resilience and long-term business continuity.

Part 2: Climate Change and Environmental Resilience

DATA MATURITY, AASB S2 READINESS, AND ESTABLISHING A RELIABLE BASELINE

Our primary focus during the reporting period was progressing our readiness for mandatory climate related financial disclosures. Guided by the roadmap established from our FY25 gap assessment, our Sustainability team implemented structural data uplifts to support our disclosure capabilities ahead of future regulatory requirements.

In FY26, we progressed our carbon footprint assessment across our operational reporting boundary. Refined data inputs across this baseline provide valuable insights into our broader value chain emissions, bringing us closer to establishing a comprehensive footprint against which we can set future reduction targets and track decarbonisation progress.

We also advanced our transition from spend-based estimates to operational data by capturing primary carbon metrics from select key suppliers during the year. Replacing financial spend metrics with primary data can improve our reporting accuracy and gives us a more defined view of our upstream value chain footprint. Building this reliable data foundation is essential to supporting long-term commercial resilience.

Moving forward, we are structuring our climate response across four distinct stages: mitigation, resilience, transition, and adaptation. We are continuing to build our operational capabilities around this model to support our infrastructure, clarify our transition pathways, and prepare our business for future regulatory and market shifts.

Operational management of these climate priorities is distributed across our sustainability, operations, procurement, data, and finance teams, with formal governance and progress tracked through regular reporting to the ARC. To coordinate this work and strengthen our preparation for upcoming climate reporting, we established a cross-functional AASB S2 steering committee this year, led by executive and operational management to support the integration of our regulatory response into everyday business planning.

OPERATIONAL MITIGATION AND PROGRESS

We continued to execute direct mitigation initiatives across our corporate facilities, logistics network, and broader value chain during the year:

- **Full-year solar performance:** FY26 marked the first full year of operational performance for the rooftop solar installation at our corporate head office. Supported by our virtual solar share system, which matches excess solar export directly with our other electricity meters, this infrastructure has lowered our reliance on conventional grid-based electricity.
- **Logistics network expansion:** we expanded our fulfilment network by leasing a new warehouse facility in Victoria. Sustainability considerations were integrated into our site selection process, with the property manager targeting a formal Green Star certification for the facility to support our logistics growth goals.
- **Delivery fleet transition:** we continued to expand the transition of our leased delivery vehicle fleet to EVs. We now operate eight EV trucks in New South Wales, seven in Victoria, and one in Queensland. This deployment means that over 65% of our leased delivery vehicle fleet is now electric, and over 50% of all deliveries through this specific supply network are managed by EVs.



CASE STUDY: EMPLOYEE DECARBONISATION THROUGH NOVATED EV LEASING

As part of our efforts to reduce transport-related emissions across our broader organisational boundary, we launched an EV novated leasing program for our corporate team in FY25. This initiative was designed to reduce the upfront cost barriers often associated with low-emission vehicles, making sustainable transport options accessible to our team. By leveraging corporate leasing structures, the program provides team members with a practical pathway to transition away from traditional combustion engine vehicles, supporting our broader focus on operational mitigation and value-chain carbon reduction.

Following the launch of this initiative, we recorded positive engagement across our team, with the program supporting the ongoing transition of staff members to low-emission transport options. Our annual carbon footprint assessment revealed an overall year-on-year reduction in total employee commuting emissions.

Our data analysis shows that this trend is driven by three distinct shifts in workforce behaviour. First, we recorded an increase in electric vehicle adoption, expanding total EV commuting distance and increasing the percentage of total kilometres driven by our team via low-emission options. Second, we saw an upward trend in public transport utilisation. Finally, these trends directly offset traditional vehicle travel, resulting in a year-on-year reduction in standard vehicle distance.

Key learnings and future horizon

The core takeaway from this initiative is that value-chain decarbonisation cannot rely on a single solution. While the novated leasing program supports staff switching to low-emission driving alternatives, our broader emission reductions remain equally dependent on clean collective travel modes, such as public transport. Moving forward, we will continue to explore ways to manage our Scope 3 transport footprint by leveraging a combination of both EVs and public transport alternatives, while tracking these shifting commuter habits with greater data precision.

OFFSETS AND OPERATIONAL CONTROL

Purchasing carbon credits to offset residual emissions remains a core component of our broader carbon reduction strategy. As precise emissions profiles can only be calculated after the conclusion of a reporting period, our policy is to retrospectively offset our verified footprint from the preceding financial year. In line with this approach, we maintained our commitment to offsetting 100% of our direct operational footprint by purchasing carbon credits to match our FY25 Scope 1 and Scope 2 emissions, which totalled 19.2 tonnes of CO₂-e.

While these direct operational scopes account for a minor percentage of our total carbon footprint, neutralising our residual emissions is an important operational imperative. This allows management to focus resources on addressing the more complex Scope 3 categories across our value chain.

In FY26, we purchased 20 tonnes of Australian Carbon Credit Units (ACCUs) from the Sunnyside Permanent Planting Forest initiative in Western Australia. Located within a global biodiversity hotspot, this project permanently protects a 560-hectare Eucalyptus plantation from being cleared for agricultural use, locking away carbon and safeguarding an additional 750 hectares of high-conservation native habitat.

The initiative is managed in partnership with Gondwana Link and local First Nations communities, supporting the cultural and economic outcomes of the Menang people of the Noongar Nation through on-Country employment, traditional land management, and bushfood cultivation.

Part 2: Climate Change and Environmental Resilience continued

FY26 CARBON EMISSIONS DATA AND OPERATIONAL REPORTING BOUNDARY

To maintain clear year-on-year reporting integrity and progress our internal capabilities ahead of future reporting obligations, we have refined our FY26 disclosure boundary to focus on direct operational emissions under our control (Scope 1 and Scope 2).

In preparation for upcoming climate disclosure requirements, we are currently executing a broader program to strengthen our overall carbon data governance. We have elected not to include Scope 3 emissions metrics in this ESG Statement

while we transition away from secondary spend-based estimations and work to establish more reliable, verifiable data across our complete reporting boundary.

Presenting unverified Scope 3 estimations during this transitional phase introduces calculation uncertainties that disrupt multi-year baseline analysis. Temporarily pausing Scope 3 disclosures allows us to build the necessary data collection systems across our supply network and operations. Value-chain metrics will be re-introduced under an updated, comprehensive baseline in line with statutory reporting timelines.

Figure 1: Gross operational emissions

Temple & Webster GHG Emissions (t CO ₂ e) ⁴	FY24	FY25	FY26	YoY % Change
Scope 1 ⁴	0.06	0.14	345.77	N.M. ⁵
Scope 2 (location-based) ⁶	NA	NA	182.88	N.M.
Scope 2 (market-based) ⁷	210.49	19.05	0.00	N.M.
Total operational emissions (market-based)	210.55	19.19	345.77	N.M.
Total operational emissions (location-based)	NA	NA	528.65	N.M.

Figure 2: Operational carbon intensity (location-based)

Carbon Intensity	FY24	FY25	FY26	YoY % Change
Location-based operational emissions (t CO ₂ e)	NA	NA	528.65	N.M.
Revenue ('000)	\$497,841	\$600,719	\$664,586	▲ 10.63%
Operational carbon intensity (t CO ₂ e/\$1M revenue)	NA	NA	0.80	N.M.

N.M. = Not meaningful

4. Scope 1 emissions have been calculated using the methodology and emission factors presented by the Australian Government's Australian National Greenhouse Accounts ('NGA') Factors. No external assurance was provided for our FY26 GHG emissions data.

5. The year-on-year percentage variance for Scope 1 emissions is not meaningful due to a near-zero operational baseline in the prior period. This increase is driven by the expansion of our logistics network to a new warehouse facility in Victoria, which required the temporary use of an onsite diesel generator prior to establishing a formal grid connection.

6. Scope 2 emissions are presented using both location-based and market-based methodologies to support dual-reporting best practice ahead of future regulatory requirements. The location-based figure reflects the physical, average emissions intensity of the state grids from which electricity is consumed. Due to this reporting update, the location-based baseline is not directly comparable to prior year's reporting, which historically treated renewable energy purchases as zero emissions (similar to a market-based approach). Moving forward, this dual framework will serve as our reporting baseline. Consequently, the year-on-year percentage variance for the location-based metric is marked as not meaningful (N.M.).

7. Scope 2 (market-based) emissions for FY26 are zero (0.00 t CO₂e). Under the GHG Protocol Scope 2 Guidance, market-based emissions are floored at zero. Our procurement of accredited 100% GreenPower and clean energy allocations fully covered our grid electricity consumption across reporting facilities during the period.

Sustainable products and packaging

Integrating product and packaging circularity relies on a disciplined commercial approach to support a framework where sustainable material transitions do not compromise quality, margin, or customer affordability. To manage this balance, we utilise our private label range as a strategic lever to test, validate, and scale circular design practices. This targeted approach allows us to assess vendor capabilities and material performance in a controlled environment, implementing sustainable alternatives where they are commercially viable and aligned with our long-term financial objectives.

LINKING RESPONSIBLE SOURCING WITH COMMERCIAL OBJECTIVES

While our Timber Transition Roadmap was established in FY25 with a target of 100% responsibly sourced solid wood in our private label range by 2030, we refined the framework in FY26. To maintain a balance between our environmental goals and commercial performance, we integrated price elasticity and margin flex indicators into our prioritisation framework.

The inclusion of margin flex identifies where we are able to absorb input cost increases within current pricing architecture, while elasticity metrics help preserve our competitive position. By overlaying these two commercial indicators across our private label solid timber range, we have structured a transition plan that also supports financial outcomes. This methodology was directly informed by our preparation for AASB S2 compliance and will serve as the blueprint for future frameworks across other areas of the business, including our packaging strategy.



PACKAGING MATERIAL TRANSITIONS

Our packaging strategy focuses on reducing waste and increasing the use of materials that can be recycled through domestic kerbside collection systems, balanced against the operational necessity of protecting goods during transit.

As an online-only retailer of bulky and delicate furniture and homewares, protective packaging is essential to prevent transit damage. In certain cases, expanded polystyrene (EPS) foam remains necessary to ensure products arrive in good condition, preventing items from being written off and sent to landfill due to delivery damages.

Despite these constraints, we continued to work with our suppliers to identify, source, and trial alternative packaging materials that improve kerbside recyclability and the customer experience. As at 30 June 2026, over 80% of our private label range and over 12% of our drop-ship range do not use EPS foam packaging.

PACKAGING CIRCULARITY AND DATA ARCHITECTURE

Our long-term goal remains to transition towards fully recyclable packaging across our entire range. As at 30 June 2026, 16% of our private label range and 9% of our dropship range utilised fully recyclable packaging. We do not yet have a completely accurate baseline for our dropship network and are actively working with these suppliers to secure clearer data so we can better target our future circularity efforts.

To improve the quality, accuracy, and reportability of this information, we developed new data fields within our Enterprise Resource Planning ('ERP') system during the year. This configuration captures individual packaging materials and their specific weights at a carton level. Implementing this control supports the collection of key packaging data early in the product development process, streamlining our internal reporting and our external disclosures to APCO while progressing our readiness for upcoming eco-modulated EPR fee structures. Reflecting these data and sourcing improvements, we progressed our APCO overall performance rating from "Good Progress" to "Advanced" during the reporting period.

Part 3: Social Impact and Workplace Culture

Human rights and ethical procurement

We support upcoming changes to modern slavery legislation and continue to update our frameworks as standards evolve. During FY26, we published our sixth Modern Slavery Statement, covering the period from 1 July 2024 to 30 June 2025. This reporting process has significantly enhanced our supply chain visibility and helped improve our internal due diligence systems. As our international footprint grows, managing these risks remains a key focus for the business.

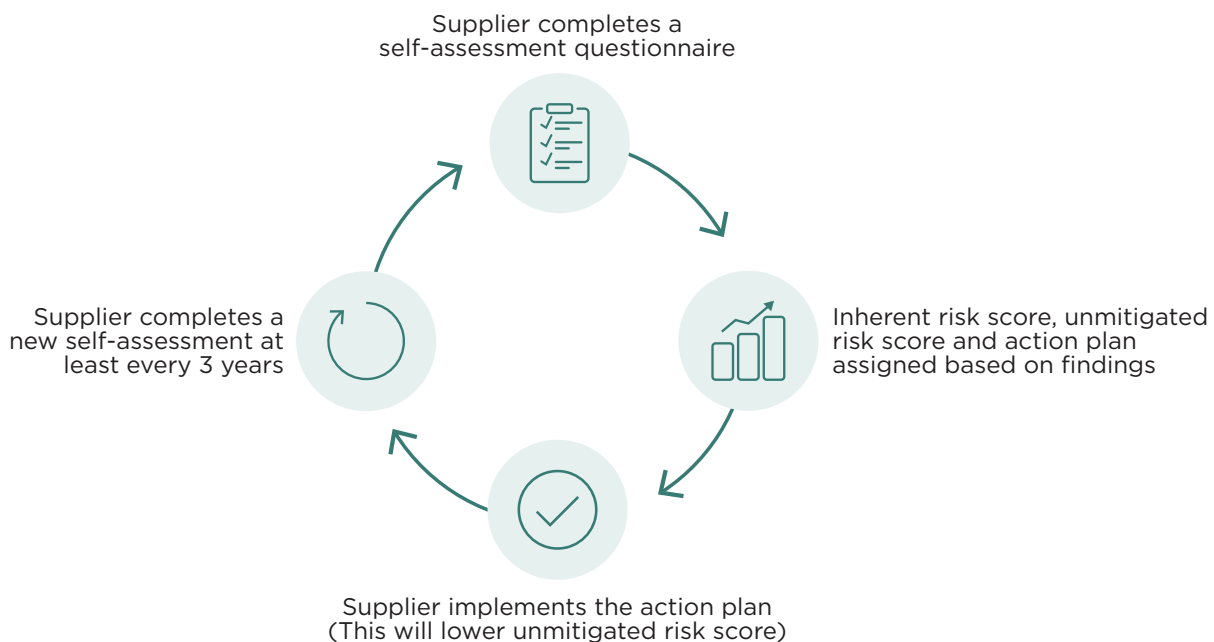
FY26 OPERATIONAL PERFORMANCE AND IMPACT METRICS

In FY26, we focused on practical interventions across our supplier network to turn compliance data into active risk mitigation:

- **Addressing active risks:** we followed up with our private label suppliers on 100% of active Corrective Action Plans (CAPs). This process ensures we are actively closing identified vulnerabilities, allowing us to provide targeted support where suppliers face operational bottlenecks and verify that improvements are lasting.

- **Assessing our supply chain:** we ensured that 71% of our total supply network, including private label manufacturers, dropship vendors, and operational suppliers, completed their modern slavery risk self-assessments via our third-party software, iPRO. Expanding this data capture gives us a clearer view of our modern slavery risk profile across all vendor categories.
- **Supporting key partners:** we engaged our key suppliers, defined as those who make up the top 80% of our spend, to support them in executing their iPRO action plans. By focusing on our highest-volume relationships, we help key partners lower their risk scores and ensure our primary supply lines remain resilient.
- **Upskilling our procurement team:** we delivered tailored, scenario-based training to our procurement team to ensure they have the practical tools to detect and manage risk indicators unique to their specific commercial categories.

iPRO modern slavery supplier risk assessment cycle



CASE STUDY: OPERATIONALISING ETHICAL DUE DILIGENCE IN PROCUREMENT

We delivered tailored, scenario-based modern slavery training to our procurement teams. The primary objective of this program was to shift modern slavery awareness from a high-level compliance requirement to a practical, front-line risk management discipline.

The curriculum focused heavily on the direct relationship between commercial decisions made in Australia and working conditions across our global supply chains. Key learning outcomes and practical touchpoints included:

- **Understanding sourcing triggers:** upskilling buyers to recognise that unrealistic price negotiations, short lead times, and sudden order spikes are primary drivers that inadvertently pressure suppliers into forced overtime or unauthorised third-party subcontracting.
- **Category-specific interventions:** providing team members with targeted strategy playbooks relevant to their specific roles. For example, Category Managers focused on mandatory supplier self-assessments, Quality Control teams were trained on first-hand verification of worker freedoms during onsite factory visits, and Merchandise Planners focused on managing purchase order lead times to mitigate high-risk production pressure during peak seasonal spikes.
- **Practical scenario analysis:** testing teams against real-world procurement dilemmas, such as managing suppliers offering discounts without cost transparency, navigating tight seasonal replenishment windows, and identifying hidden labour exploitation risks within international shipping lanes.
- **Enforcing the reporting protocol:** reinforcing clear operational boundaries, specifically instructing teams to document and escalate warning signs to the Sustainability team rather than attempting to investigate incidents or alert suppliers independently.

By embedding this capability across the entire product lifecycle, from initial design and contract negotiation through to shipping, we look to further align our commercial targets with our ethical sourcing commitments.

STRENGTHENING FRAMEWORKS: FY27 HORIZON

To ensure our internal response mechanisms are fit for purpose, we completed a comprehensive review and update of our internal Remediation Procedure during FY26. Aligned with the UN Guiding Principles on Business and Human Rights, this update simplifies and streamlines our internal steps, removing administrative complexity to ensure immediate, agile accountability when responding to value-chain incidents.

As part of this review, we engaged with a globally recognised social compliance non-profit to explore how they could support and facilitate localised grievance mechanisms within our manufacturing factories. While their current geographic footprint did not meet our criteria for a full network roll-out, we continue to investigate various grievance channels to complement our due diligence systems.

Demonstrating our commitment to expanding transparency deeper into our supply chain, we also completed a comprehensive review of a social compliance audit for a key Tier 2 partner. This entity was originally onboarded as a strategic raw material supplier to several of our private label factories, prompting us to assess human rights and modern slavery risks at their facility. Marking our first-ever social compliance audit of a Tier 2 supplier, this initiative provides invaluable baseline insights as we mature our upstream due diligence capabilities.

To expand our oversight beyond Tier 1 compliance, we have integrated specific modern slavery metrics into our broader supplier performance review framework. Moving into FY27, our operational insights will expand to track:

- The percentage of “critical risk” audit findings (such as restricted movement or identity document withholding) successfully remediated within three months.
- The percentage of a supplier’s own critical sub-contractors (raw materials and components) formally disclosed and mapped.
- Verified documentation of modern slavery training completed by the supplier’s senior management team.

Further detail on our due diligence practices, risk assessment outcomes, and actions to prevent modern slavery can be found in our annual Modern Slavery Statement, available via the Commonwealth Modern Slavery Register (search ‘Temple & Webster’).

Part 3: Social Impact and Workplace Culture continued

DIVERSITY, EQUITY AND INCLUSION

At Temple & Webster, we continue our commitment to providing a workplace where everyone feels respected, valued and able to thrive. Diversity, equity and inclusion have been part of our philosophy since day one. As a values-led organisation, we have always known that creating a workplace where people feel respected, safe and supported in their individuality is fundamental to our long-term success. DEI is embedded in how we work, how we lead, how we support and how we grow together as a team.

Our commitment is underpinned by a suite of internal policies and codes that outline our expectations, guide our decision-making, and support a safe, respectful and inclusive workplace for all team members. These governing policies include:

- Code of Conduct
- Leave Policy
- Parental Leave Policy
- EEO, Harassment and Bullying Policy
- Whistleblower Policy
- Grievance Policy
- Work, Health and Safety Policy
- Diversity, Equity and Inclusion Policy
- Gender Equality Strategy
- Flexibility Policy
- Family and Caring Responsibilities Policy

In FY26, we continued to advance initiatives that promote employee wellbeing, support inclusive hiring practices, and foster a culture of continuous learning. These actions reflect our ethos to create a safe, inclusive and engaging workplace that enables our people to excel and prosper. To support our internal initiatives, we also continued our active corporate memberships with Diversity Council Australia and Pride in Diversity.

A key highlight of our educational calendar this year was the rollout of our Neurodiversity at Work Awareness training across the organisation. This initiative offered a comprehensive introduction to neurodiversity in the workplace and provided practical insights on how to design an environment where all cognitive styles can thrive. To structurally embed these principles, our People and Culture team received specialised education on delivering more inclusive recruitment techniques, while our leadership group was upskilled on inclusive leadership styles to better support neurodivergent team members.

GENDER EQUALITY AND REPRESENTATION

We remain focused on the actions and targets outlined in our Gender Equality Strategy. In the FY24/ FY25 reporting period, we recorded a 0.8% reduction in our median gender pay gap, and we continue to target further reductions over time.

Our broader workforce gender metrics as at the date of this report are detailed in the table below:

Workforce Category	Male	Female
Board	66.7%	33.3%
Executive	55.6%	44.4%
Management	49.3%	50.7%
All Direct Employees	27.1%	72.9%

EQUITABLE RECRUITMENT AND CAREER DEVELOPMENT

We continue to advertise all job opportunities on Indigenous Employment Australia, a national job board that connects employers with Aboriginal and Torres Strait Islander job seekers. This platform supports more equitable access to employment by increasing the visibility of our roles within Indigenous communities and helping to ensure our recruitment processes are transparent, open, and inclusive of First Nations peoples. By actively engaging platforms that reach under-represented communities, we aim to remove systemic barriers to employment and build a workforce that reflects the diverse communities in which we operate.

Supporting the growth and development of our people is fundamental to building a resilient, future-ready workforce. As the pace of technological change accelerates, continuous learning ensures our team remains agile and empowered to deliver value in a digital-first environment. By investing in targeted upskilling, we strengthen our collective organisational capabilities while enabling individuals to develop the confidence and resilience needed to grow their careers with us over the long term.

Learning and capability

Our learning and development strategy focuses on building practical capability that drives business value. We continue to embed learning initiatives into our daily operations, with a strong emphasis on supporting artificial intelligence (AI) adoption and developing the technical skills required for an increasingly digital environment.

As technology evolves, we focus on strengthening both AI fluency and the critical human skills necessary for effective operation, including communication, critical thinking, collaboration, and emotional intelligence. This approach supports our people in adapting to technological shifts, builds confidence in utilising new tools, and assists with career progression as the business grows.

FRAMEWORK: TEMPSTER GROWTH GUIDE

We continued to embed the Tempster Growth Guide capability framework across the business during the year. This framework takes a balanced approach by connecting individual development with our strategic goals. It assists employees in assessing their personal skills and behaviours, identifying individual development opportunities, and establishing clear career pathways that align their individual professional growth with future capability and operational needs.

ENGAGEMENT: SKILL SPRINTS AND LEARNING EVENTS

During the reporting period, we delivered 72 learning sessions covering topics such as commercial awareness, negotiation, storytelling, presentation skills, emotional intelligence, neurodiversity, and wellness.

These sessions recorded more than 2,400 attendances, with an average participation rate of 72% across our non-mandatory learning modules. On average, employees attended more than 10 learning sessions each, representing over 13 hours of formal learning and development per person.

PILOT: PEER MENTORING PROGRAM

We piloted a new peer mentoring program during the year, with 22 mentors and mentees participating across the business. Following strong engagement and positive feedback from the pilot phase, the programme is currently being expanded, with a new cohort scheduled to commence in H1 FY27.

INNOVATION: ANALYTICAL EXCELLENCE PROGRAM

To further support our broader AI strategy, we commenced development of an Analytical Excellence Programme designed to strengthen AI fluency, critical thinking, and data-driven decision-making.

The programme focuses on establishing clear internal standards for the validation, governance, and effective use of AI tools, ensuring the business maximises operational value as adoption scales. Scheduled for delivery in H1 FY27, this initiative will provide employees with the frameworks required to confidently and consistently apply AI tools in their daily responsibilities.

Community engagement and partnerships

Our social impact strategy focuses on leveraging our design, styling, and logistics expertise to create therapeutic spaces that promote healing for those most in need of support. We have created a clear framework to select our partners, ensuring our community projects align with our values, engage our teams, and focus directly on housing and homelessness.

In FY26 we continued our long-standing partnership with Women's Community Shelters ('WCS') on a variety of collaborative projects.

Our FY26 support of WCS included:

- Over \$100,000 in furniture, homewares, delivery and installation donated to Glenfield House, a 'meanwhile use' facility, which accommodates up to 28 homeless women aged 55+.
- Over \$40,000 in furniture and homewares donated to The Haven, a six-bedroom house for women and children fleeing domestic violence and homelessness.
- Over \$25,000 in furniture, homewares, delivery and installation donated to Ashfield House, a multi-use facility addressing homelessness, which includes a 10-bedroom temporary accommodation facility for women.
- Over \$15,000 in furniture, homewares and installation to Biyani House, a property comprising four new self-contained modular units for women and children fleeing domestic violence and homelessness, along with a 4-bedroom house.



SPOTLIGHT

Since the beginning of our partnership with WCS, more than 2,600 women and children have stayed in a Temple & Webster-furnished shelter, providing over 216,161 nights of therapeutic safety and support.



We also started a new partnership with the AWCCS, who provide crisis accommodation for Aboriginal women and children fleeing domestic violence and homelessness. We supported their facilities by donating furniture and homewares, alongside a selection of Christmas gifts contributed by our employees for the families staying there.

Through these partnerships, we continue to use our products and expertise around trauma informed design to help transform spaces into meaningful homes of recovery, healing and new beginnings. By thoughtfully curating furniture and homewares that bring comfort, warmth and functionality, we aim to help our partners create spaces that support emotional wellbeing and empower individuals as they navigate their recovery. We know that beautiful spaces can play a powerful role in restoring dignity, confidence, and hope.

SPOTLIGHT

In FY26, we donated over \$300k in products and services to various charity partners.



Financial report 2026

Directors' report

The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Temple & Webster Group Ltd (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 following persons were directors of Temple & Webster Group Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Heath

Conrad Yiu

Mark Coulter

Belinda Rowe

Michael Malone (appointed on 1 October 2025)

Melinda Snowden

PRINCIPAL ACTIVITIES

Temple & Webster is Australia's largest pure play online retailer of furniture and homewares. The business runs an innovative drop-shipping model whereby products are sent directly to customers by suppliers, enabling faster delivery times and reducing the need to hold inventory, allowing for a larger product range.

The drop-ship range is complemented by a private label range which is sourced directly by Temple & Webster from overseas suppliers.

Temple & Webster's Trade & Commercial division services the B2B market, offering exclusive product ranges, procurement, styling, specialised delivery and installation services by a dedicated support team.

The Group also offers a huge range of home improvement products that customers need to renovate and redecorate their homes.

Temple & Webster Group's registered office and principal place of business is Building 2, 1-7 Unwins Bridge Road, St Peters, Sydney, Australia and is listed on the Australian Securities Exchange ('ASX') under the code TPW.

DIVIDENDS

There were no dividends paid, recommended, or declared during the current or previous financial year.

OPERATING AND FINANCIAL REVIEW

Key operating and financial metrics for the year ended 30 June 2026 include:

- Record revenue of \$664.6 million, which was up 10.6% vs last year, delivered despite a challenging consumer environment. This outcome was driven by strategic initiatives that increased average order value across both repeat and new customers, as well as growth in active customers (up by 4.6% vs last year);
- Market share increased from 2.7% in FY25 to 2.9%¹, driven by strong growth in H1 FY26, offset by weaker trading conditions in H2 FY26;

1. Source: ABS Retail Trade, Australia (June 2025), IBISWorld Retail Trade Report G4211 Furniture Retailing in Australia (June 2026) to calculate total market; market share calculated based on last 12 months period ending 30 June 2026.

- Gross margin % for FY26 decreased from 33.0% to 31.5%, reflecting increased investment in price and promotion to drive revenue growth. This was offset by the successful implementation of a margin optimisation program through March 2026, which resulted in a material increase in run-rate unit economics and overall profitability in the fourth quarter of FY26, helping to drive the increase in EBITDA for the full year;
- All other operating expenses reduced as a % of revenue in FY26, as a result of disciplined cost management and a focus on AI and automation across the business;
- EBITDA of \$21.9 million, at the top of the guidance range communicated to the market in May 2026, represents a margin of 3.3% and growth of 16.6% vs last year;
- Underlying EBITDA (ex-FX)² of \$25.9 million, represents a margin of 3.9% and growth of 28.0% vs last year (reconciliation of EBITDA to statutory profit before tax on the following page);
- Profit before tax decreased by 20.0% vs last year to \$11.9 million, primarily driven by reduced gross margin % and higher depreciation and amortisation expense and offset partially by disciplined fixed cost management;
- Profit after tax decreased by 61.9% vs last year to \$4.3 million. The effective tax rate was higher than historical levels as a result of derecognition of a deferred tax asset on share-based option plans; and
- The Group's asset light, negative working capital model drove positive operating cash flow of \$23.9 million, with a closing cash balance of \$122.7 million. The Group remains debt free.

STRATEGIC PRIORITY UPDATE

In August 2023, the Group outlined five key strategic pillars to drive long-term profitability and scale:

- Becoming the top-of-mind brand in the furniture and homewares category;
- Generating the majority of revenue from exclusive products;
- Developing market-leading capabilities around data, AI and technology;
- Lowering our fixed costs as a percentage of revenue to obtain a price and margin advantage; and
- Building scale through adjacent growth plays, including Home Improvement and Trade & Commercial (B2B).

The Group continued to make strong progress against each of its strategic priorities in FY26:

- Brand investment continued to yield positive results, supported by an ongoing focus on building brand awareness to drive long-term marketing efficiency. The Group executed a marketing restructure, introducing more granular, category-specific bidding strategies across digital channels to increase spend flexibility. The successful implementation of these revised bidding strategies drove an improvement in marketing ROI in Q4 FY26;
- Revenue from exclusive products (both private label and drop-ship) grew to 50.5% of total revenue in FY26 (up from 45.1% in FY25), and 82.8% of the Group's top 500 selling products in FY26 were exclusive (up from 78.6% in FY25). Over 1,100 new private label options were added across key furniture categories, supported by conversion-enhancing tools such as a new sofa configurator and upgraded shipping options;
- The Group expanded its data and AI integration into core operations, launching AI-led personalisation initiatives and a new storefront architecture that improved site performance and reliability. Additionally, the Group rolled out insights agents across the business to automate key workflows and extract deeper actionable insights from T&W's data lake;
- Fixed costs as a percentage of revenue declined vs last year, due to disciplined cost management and a company-wide AI adoption approach that reduces the need to scale costs at the pace of revenue; and

2. Underlying EBITDA (ex-FX) is presented to reflect the core trading performance of the Group. Adjustments captured within this measure include: (i) one-off, non-recurring setup and dual-running expenses related to relocating to the new 10-year Melbourne warehouse; (ii) early-stage market establishment costs for the New Zealand expansion, isolating initial growth investments from the underlying performance of the Australian core business; and (iii) unrealised foreign exchange differences, which are non-cash, volatile, and outside of management's control (reconciliation of EBITDA to statutory profit before tax on the following page).

Directors' report continued

- The Group's growth adjacencies reached \$117.2 million³ in annual revenue (30.3% growth vs last year), representing a major milestone in business mix diversification:
 - Home Improvement achieved \$58.5 million in revenue (39.1% growth vs last year) with private label penetration expanding to 27.5% (up from 18.5% in FY25 and 12.6% in FY24), supported by ~250 new private label option launches and mid-funnel brand marketing;
 - Trade & Commercial achieved \$55.7 million in revenue (16.2% growth vs last year) despite slower macro conditions, driven by self-serve demand for cost-effective solutions and large, six-figure orders across hospitality, student accommodation, retirement, and childcare sectors; and
 - The Group commenced selling products in New Zealand in October 2025 and achieved \$3.0 million in revenue in its first eight months, capturing 7.4k orders with an Average Order Value ('AOV') of \$401. The New Zealand operation reached contribution margin break-even ahead of expectations, demonstrating customer behaviour and order values consistent with the Australian market.

RECONCILIATION OF EBITDA TO STATUTORY PROFIT BEFORE TAX

Earnings before interest, tax, depreciation and amortisation ('EBITDA') and Underlying EBITDA are non-IFRS measures. EBITDA is the primary reporting measure used by the Chief Operating Decision-Making bodies, being the Chief Executive Officer and the Board of Directors, for the purpose of assessing the performance of the Group.

	Consolidated	
	2026 \$'000	2025 \$'000
Profit before tax	11,867	14,839
Adjustments		
Add: Depreciation and amortisation	12,939	8,360
Add: Interest on lease liabilities	1,946	1,266
Less: Interest income	(4,847)	(5,674)
EBITDA	21,905	18,791
Significant items		
Add: Melbourne warehouse transfer costs	944	-
Add: New Zealand start-up investment	2,357	-
Underlying EBITDA	25,206	18,791
Add: Unrealised foreign exchange loss	682	1,437
Underlying EBITDA (ex-FX)	25,888	20,228

Further commentary on operational and financial results can be found in the Group's annual results presentation lodged with the ASX on 19 August 2026.

KEY BUSINESS RISKS

There are a number of market, financial and operational risks, both specific to the Group and externally, that could have an adverse effect on the Group's future performance. The Group has a risk management framework in place with internal control systems to identify key business risks and mitigate them to an acceptable level. The material business risks are summarised below (not exhaustive nor in order of materiality).

3. Revenue based on checkout revenue which is pre-accounting adjustments (deferred revenue and refund provision).

Key risk	Description
Continued growth of retail e-commerce in general and growth in demand may be affected by economic factors	While the B2C retail ecommerce market and the online market for furniture, homewares and home improvement have been growing, there is no guarantee this will continue into the future. The Group is subject to factors outside of its current control, including the outlook for economic growth in Australia, the cash rate and interest rate movements, taxation and related policy changes, the unemployment rate, consumer sentiment levels, home building activity, as well as broader impacts to the global economy. One or more of these factors could cause a slowing or contraction in the forecasted growth in the market and industry.
Competitive, market or reputational changes could adversely affect demand, prices and decrease the Group's market share	The Australian furniture, homewares and home improvement segment is highly fragmented. Competition can arise from a number of different sources including domestic and foreign traditional offline retailers, including multi-channel, mono-channel, multi-branded retailers, and online-only ecommerce competitors. Existing online competitors may strengthen through funding or industry consolidation, or through financial or operational advantages which allow them to compete aggressively on pricing. The Group is also exposed to reputational and market risks which may impact demand for our products, including (but not limited to) negative media coverage or product reviews, product quality incidents or recalls, negative investor sentiment or activist behaviour. Competition may also come from third-party suppliers establishing their own online presence as opposed to utilising the Group's platform. As a result, this may increase the cost of customer acquisition, lower margins due to pricing pressure and reduce the Group's market share in the furniture and homewares segment in Australia.
Political, economic or social instability	The Group's suppliers and service providers are also subject to various risks which could limit their ability to provide the Group with sufficient, or any, products or services. Some of these risks include raw material costs, inflation, labour disputes, union activities, boycotts, financial liquidity, product merchantability, safety issues, natural disasters, disruption in exports, trade restrictions, currency fluctuations and general economic and political instability. The Group is also exposed to risks related to labour practices, environmental matters, disruptions to production and ability to supply, and other issues in the foreign jurisdictions where suppliers and service providers operate. This includes the risk of unethical conduct such as bribery and corruption, particularly in high-risk sourcing regions, which is closely linked to the Group's ethical sourcing and modern slavery commitments. Any of these risks, individually or collectively, could materially adversely affect the Group's financial and operational performance.
Supply chain might be disrupted	There remains a risk that an unforeseen, rare and impactful event (including but not limited to pandemics, military conflicts, terrorist attacks, and severe weather events) may cause a significant disruption in the Group's supply chain. This could occur if the ability to transport products between countries or States of Australia is disrupted, the Group's key suppliers are negatively affected, or the Group is otherwise unable to efficiently distribute products to customers. In the event that the supply chain of the Group is disrupted, this may have a material adverse effect on the Group's operating performance and earnings.
Performance, reliability and security of websites, databases, operating systems	The Group's financial and operational performance could be adversely affected by a system failure that causes disruption to its websites, or to third-party suppliers of its systems and products, which may or not be the result of a cybersecurity incident. This could directly damage the reputation and brand of the relevant platform and could reduce visitors to the Group's website and directly influence sales to customers, as well as expose the Group to severe regulatory penalties in the event of a data breach or third-party misuse of customer information. The Group's databases and systems are hosted on platforms provided by third-party providers, including artificial intelligence and language model platforms. As a result, the Group is subject to its own disaster planning contingencies and those of its third parties to deal with events that are beyond the control of those parties such as natural disasters, infrastructure or API failures, terrorist attacks and cyber-attacks. A material failure in the systems of a third-party provider is likely to have a material impact on the systems and operations of the Group's platforms.

Directors' report continued

Key risk	Description
Unauthorised use of intellectual property or independent development of technology	Substantial parts of the Group's online platforms, distribution software, applications, data analytics and customer databases are seen as proprietary information. Unauthorised parties may obtain or copy, or seek to imitate, all or portions of this intellectual property or independently develop technology that is similar and may be in breach of the Group's proprietary rights. In such instances, the Group may seek legal actions to remedy the breach of its proprietary information. This may incur legal or other fees and if unsuccessful may have a materially adverse effect on the Group's financial and operational performance in the future.
Laws and regulations may change	The Group is subject to, and must comply with, a variety of laws and regulations in the ordinary course of its business. These laws and regulations include those that relate to fair trading and consumer protection, product safety, employment, property, taxation (including goods and services taxes and stamp duty), accounting standards, customs, tariffs, data privacy, and cyber security. This also includes emerging workplace safety obligations, such as psychosocial risk regulations and updates to workplace health and safety codes of practice. Failure to comply with, or changes to, laws and regulations may adversely affect the Group, including by increasing its costs either directly or indirectly (including by increasing the cost to the business of complying with legal requirements), or by exposing the Group to significant regulatory fines or penalties.
Key Management Personnel ('KMP')	The Group relies on the expertise, experience and strategic direction provided by its Key Management Personnel. These individuals have extensive experience in, and knowledge of, the Group's business. The unplanned loss of key personnel, or an inability to attract and retain quality employees, could impact operational continuity. Competition could increase the demand for, and cost of hiring, quality employees. The Group's ability to meet its labour needs while controlling costs associated with hiring and training employees is subject to external factors such as unemployment rates, prevailing wage legislation and changing demographics. There is also increasing stakeholder expectation for values-led leadership. The Group recognises this and continues to embed ethical conduct expectations and succession planning at all levels.
Brand and reputational damage	The Group is exposed to a range of brand and reputational risks that may negatively impact customer trust, investor confidence or public perception. These include public complaint escalation, inappropriate or misjudged content on owned channels, influencer or ambassador misconduct, and misalignment between the Group's brand positioning and partnerships or campaigns. Increasing use of AI tools and automated customer-facing platforms also introduces the risk of inaccurate or inappropriate content being published or communicated without adequate human oversight. In addition, inappropriate public comments or behaviour by employees or executives may go viral and attract media or regulatory scrutiny. The Group manages these risks through strong brand governance, training, layered content reviews, monitoring of social and media sentiment, responsible AI usage guardrails, and clearly defined protocols for escalation and spokesperson conduct.
Acquisitions and strategic investments	The Group may pursue acquisitions, strategic investments, or partnerships as part of its growth strategy. However, there is a risk that the Group may execute inadequate due diligence, overvalue target businesses, or encounter material difficulties integrating the operations, systems, culture, and workforce of acquired entities. Ineffective integration, operational friction, or unforeseen historical liabilities could divert management focus and resources away from core operations, result in impairment write-downs or sunk capital, and lead to a failure to realise anticipated cost or revenue synergies. Any of these factors could adversely affect the Group's business, financial condition and operational results.

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

The Group had initiated a buy-back program on 20 June 2025 which concluded on 19 June 2026. The Group considers the acquisition of shares at prevailing prices to be effective capital management while retaining financial flexibility to fund accretive organic and inorganic opportunities as part of its growth strategy. During the current financial year, the Group purchased 3,728,078 ordinary shares (2025: 88,341) on issue at an average price of \$8.00 (2025: \$12.29). All the shares bought-back were cancelled as at 30 June 2026.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since 30 June 2026 that 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

Other than the developments described in this report, the Directors are of the opinion that no other matters or circumstances will significantly affect the operations and expected results of the Group.

ENVIRONMENTAL REGULATION

The Group is not subject to any significant environmental regulation under Australian Commonwealth or State law.

UNISSUED SHARES

Share options

As at the date of this report and at the reporting date, there were 7,400,000 unissued ordinary shares under options. Refer to the remuneration report for further details of the options outstanding for Key Management Personnel ('KMP').

Performance rights

As at the date of this report and at the reporting date, there were 566,728 unissued shares under performance rights. Refer to the remuneration report for further details of the performance rights outstanding for KMP.

Restricted rights

As at the date of this report and at the reporting date, there were 49,273 unissued shares under restricted rights. Refer to the remuneration report for further details of the restricted rights outstanding for KMP.

Directors' report continued

INFORMATION ON DIRECTORS

Name:	Stephen Heath
Title:	Lead Independent Director
Qualifications:	Graduate of the Australian Institute of Company Directors
Experience and expertise:	Stephen is a specialist in consumer goods brand management with over 25 years of manufacturing/wholesale distribution and retail experience. Stephen spent 16 years as CEO of some of Australia's best-known consumer brands that include Rebel Sport and Fantastic Holdings with operations experience in Australia, New Zealand and Asia. His experience includes working for both ASX-listed and private equity owned companies.
Other current directorships:	Non-Executive Director of G8 Education Limited (ASX:GEM) (appointed on 3 June 2024).
Former directorships (last 3 years):	Non-Executive Director of Best & Less Group Holdings Ltd (ASX:BST) (appointed on 24 June 2021 and resigned 10 July 2023).
Special responsibilities:	Lead Independent Director
Interests in shares:	17,914
Interests in options over shares:	Nil
Interests in restricted rights:	15,878

Name:	Melinda Snowden
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Economics and Laws from the University of Sydney, Graduate Diploma in Applied Finance and Investment (SIA), Graduate of the Australian Institute of Company Directors.
Experience and expertise:	Melinda joined the Group in June 2023. Melinda has extensive experience in legal and professional corporate advisory roles, as well as serving on listed Boards in technology, retailing, property and funds management. Melinda has over 30 years of experience in finance and has been a professional Non-Executive Director since 2010 in a broad range of industries. Melinda is Chair of the Board and a Non-Executive Director of Megaport Limited (ASX:MP1) and a Non-Executive Director of WAM Leaders Limited (ASX:WLE). Melinda previously held Non-Executive Director roles at Best & Less Group Holdings Ltd, Newmark Property REIT, MLC, Vita Group, Mercer Investments (Australia), Sandon Capital Investments, Our Ark Mutual, Newington College, SANE Australia and Kennards Self Storage. Prior to her non-executive career, Melinda held investment banking roles with Grant Samuel, Merrill Lynch and Goldman Sachs and was a solicitor in the corporate division of Herbert Smith Freehills.
Other current directorships:	Chair of Board and Non-Executive Director of Megaport Limited (appointed to Board on 1 June 2021, appointed as Chair on 30 June 2024) and WAM Leaders Limited (appointed on 31 December 2024).
Former directorships (last 3 years):	Non-Executive Director and Chair of the Audit and Risk Committee of Best & Less Group Holdings Ltd (ASX:BST) (appointed on 18 May 2021 and resigned 10 July 2023), Newmark Property REIT (ASX:NPR) (appointed on 1 March 2021 and resigned 27 March 2024), and Carma Limited (ASX:CMA) (appointed on 16 September 2025 and resigned 28 April 2026).
Special responsibilities:	Chair of the Audit and Risk Management Committee
Interests in shares:	1,500
Interests in options over shares:	Nil
Interests in restricted rights:	1,728

Name:	Conrad Yiu
Title:	Non-Executive Director
Qualifications:	Bachelor of Commerce from the University of New South Wales, Chartered Accountant Australia and New Zealand, Master of Business Administration from the University of Cambridge, Member of the Australian Institute of Company Directors.
Experience and expertise:	Conrad is a co-founder of Temple & Webster and joined the Board on its formation in July 2011. Conrad was Chairperson of the Company until immediately prior to the IPO. Conrad has over 30 years' commercial and advisory experience with a focus on investing in, acquiring and building high growth businesses in the consumer and technology sectors. Conrad was previously Director of Corporate Development with the digital division of NewsCorp Australia (formerly News Digital Media), co-founder and Director of a London-based mobile technology company, a manager at Arthur Andersen and is a principal of ArdenPoint, an investment firm which he co-founded with Mark Coulter in 2011, the Executive Chair of Temple & Webster Group Ltd. Conrad is a co-founder and current partner of ASI Growth Partners, a private investment firm focused on growth and technology investments in public and private markets.
Other current directorships:	Nil
Former directorships (last 3 years):	Non-Executive Director of FiscalNote (NYSE: NOTE) (appointed on 25 October 2020 and retired 31 December 2024).
Special responsibilities:	Deputy Chair of the Board from 1 November 2022 until 30 June 2026
Interests in shares:	1,626,816 ordinary shares*
Interests in options over shares:	Nil
Interests in restricted rights:	23,125
Name:	Belinda Rowe
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Arts Monash University, Graduate of Australia Institute of Company Directors
Experience and expertise:	Belinda is an experienced business leader and successful marketing executive. Belinda's extensive professional experience lies in marketing communications, content, media and digital marketing technologies. Belinda led media and marketing communications businesses for Zenith and Publicis Media globally based in the UK, and held many senior roles in the marketing industry, including as CEO of ZenithOptimedia for 10 years in Australia and as Director Brand & Marcoms for O2 Telefonica in the UK.
Other current directorships:	Independent Non-Executive Director of ARN Media Ltd (appointed on 5 February 2019) and Sky NZ (appointed on 1 March 2023).
Former directorships (last 3 years):	Non-Executive Director of 3P Learning Limited (appointed on 20 September 2021 and retired on 20 November 2024).
Special responsibilities:	Chair of the Nomination and Remuneration Committee
Interests in shares:	19,400
Interests in options over shares:	Nil
Interests in restricted rights:	8,542

Directors' report continued

Name:	Michael Malone
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Science (Mathematics) and Post Graduate Diploma in Education from University of Western Australia, and Fellow of the Australian Institute of Company Directors, the Australian Computer Society and the Australian Institute of Managements.
Experience and expertise:	Michael brings significant experience across the technology and consumer sectors, including founding and scaling businesses domestically and internationally. Michael founded iiNet in 1993, establishing Western Australia's first internet service provider which was later listed on the ASX. He led the company as its CEO from founding until 2014, growing the business to employ over 3,000 people and generating over \$1 billion in annual revenue.
Other current directorships:	Independent Non-Executive Director of Jumbo Interactive Ltd (ASX:JIN) (appointed on 25 September 2024)
Former directorships (last 3 years):	Independent Non-Executive Director of Wisetech Global Ltd (ASX:WTC) (resigned 25 February 2025) Independent Non-Executive Director of Seven West Media Ltd (ASX:SWM) (resigned 24 February 2026)
Special responsibilities:	None
Interests in shares:	5,600
Interests in options over shares:	Nil
Interests in restricted rights:	Nil

Name:	Mark Coulter
Title:	Executive Chair (appointed on 1 July 2026), Chief Executive Officer (until 30 June 2026)
Qualifications:	Bachelor of Laws and Bachelor of Science (Biochemistry) from the University of Sydney and Graduate Diploma of Psychology from Monash University.
Experience and expertise:	Mark is a co-founder of Temple & Webster, Australia's largest online only retailer for the home. Previously, Mark worked at News Limited where he was the Director of Strategy for the Digital Media properties and additionally managed a portfolio of digital businesses. Mark was also a solicitor at Gilbert + Tobin and management consultant at McKinsey & Company.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Executive Chair
Interests in shares:	557,035 ordinary shares*
Interests in options over shares:	7,400,000
Interests in restricted rights:	Nil

* ArdenPoint Ecommerce Unit Trust ('Trust') is the registered holder of 627,828 Ordinary Shares of Temple & Webster Group Ltd. For the purpose of the above table, both Mr Coulter and Mr Yiu, the beneficiaries of the Trust, are considered to hold 50% of the shares held by the Trust. This is same as prior financial years.

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

'Former directorships (last 3 years)' quoted 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.

COMPANY SECRETARY

Lisa Jones is Company Secretary of Temple & Webster Group Ltd. Lisa is a corporate lawyer and corporate governance professional with more than 20 years' experience in commercial law and corporate affairs, working with both public listed and private companies in Australia and in Europe after starting her career in the corporate practice of Allens.

MEETINGS OF DIRECTORS

The number of meetings of the Group's Board of Directors ('Board') held during the year ended 30 June 2026, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Management Committee	
	ATTENDED	HELD	ATTENDED	HELD	ATTENDED	HELD
Stephen Heath	8	8	5	5	6	6
Conrad Yiu	8	8	5	5	6	6
Melinda Snowden	8	8	5	5	6	6
Belinda Rowe	8	8	5	5	6	6
Michael Malone	7	7	4	4	5	5
Mark Coulter	8	8	-	-	-	-

Held: represents the number of meetings held during the time the director held office.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

During the financial year, employees and executives exercised performance rights to acquire 154,799 (2025: Nil) fully paid ordinary shares in Temple & Webster Group Ltd (refer to note 21).

SHARES ISSUED ON THE EXERCISE OF OPTIONS

During the financial year, options to acquire 1,200,000 (2025: 362,052) fully paid ordinary shares in Temple & Webster Group Ltd were exercised (refer to note 21).

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith. During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

To the extent permitted by law, the Company has agreed to indemnify its auditor, Ernst & Young, as part of its audit engagement agreement against claims by third parties arising from the audit (for an unspecified amount), other than a loss arising from Ernst & Young's negligent, wrongful or wilful acts or omissions. No payment has been made to indemnify Ernst & Young during the financial year and up to the date of this report.

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.

Remuneration report

Dear shareholders,

On behalf of the Board, it gives me pleasure to present the FY26 remuneration report.

FY26 was another record year for Temple & Webster. Despite a challenging consumer backdrop, the business delivered record annual revenue of \$664.6 million (up 10.6% year-on-year), driven by both an increase in active customers and higher revenue per customer. We achieved strong growth in profitability, with EBITDA reaching \$21.9 million, representing a margin of 3.3%, up 16.6% on FY25. This result was at the top of our EBITDA guidance range communicated to the market in May 2026. Underlying EBITDA (ex-FX), which excludes one-off costs relating to our Melbourne warehouse transfer, investment in the startup of our New Zealand operations, and unrealised losses on foreign exchange hedging positions, increased by 28.0% to \$25.9 million (a 3.9% margin). This result was supported by the successful implementation of our margin optimisation program in the second half of this financial year, which delivered a material step-change in run-rate unit economics. We finished the year with \$122.7 million in cash and no debt, after returning \$29.9 million to shareholders via an on-market share buy-back program. The business remains well-capitalised to execute on organic and inorganic opportunities going forward.

Our FY26 results demonstrate disciplined execution against our key strategic pillars. During the year, we continued building top-of-mind brand awareness through targeted investments in brand marketing, while also improving digital marketing efficiency and ROI through a revised digital bidding strategy. Exclusive product penetration grew to a record 50.5% of revenue, fixed costs as a percentage of revenue declined from 10.6% to 10.1%, and we continued to embed data, AI and automation technology across our operations. Additionally, our adjacent growth plays reached a milestone of \$117.2 million in annual revenue (+30.3% year-on-year), led by continued strong growth in Home Improvement, Trade & Commercial, and the successful launch of our New Zealand operations.

In FY26, we continued our focus on our people, prioritising wellbeing, diversity and talent development through the roll-out of a comprehensive people program encompassing neurodiversity awareness training, inclusive leadership initiatives, and the implementation of the Tempster Growth Guide. We also expanded our development offerings with a new peer mentoring program and commenced development of the Analytical Excellence Pillar to support upskilling in AI and data standards.

Based on our results and continued strategic execution, the Board has established a remuneration framework that clearly links the Group's performance to remuneration outcomes for senior management. It ensures that the interests of directors, management and shareholders are closely aligned.

The Board is confident that the outcomes described below are fair and reasonable. We believe that the outcomes strike the right balance, as they reward and motivate our key executives whilst meeting the expectations of our shareholders.

FY26 REMUNERATION OUTCOMES

The key remuneration outcomes for FY26 were:

- There was no change to the remuneration package for the CEO in FY26. This is in accordance with the terms of the CEO's remuneration approved by shareholders at the 2022 AGM (see further section 5.2).
- Mr Cameron Barnsley, the Chief Financial Officer ('CFO') and Mr Adam McWhinney, Chief Experience Officer ('CXO') both received a 4% increase in fixed remuneration, consistent with salary increases across the broader organisation. Their target and stretch short-term and long-term incentive remained unchanged at 50% and 80% of fixed remuneration respectively.
- The FY26 short-term variable remuneration ('STVR') outcomes for the CFO and CXO were both 65% of target. Further details regarding the STVR outcomes are set out in section 4.2 of this report.
- Over the FY23-25 measurement period (ended 30 June 2025) for the FY23 LTVR awards, the Group's TSR was 490% with a 80% CAGR, compared to TSR for the ASX 300 Industrials Total Return Index of 52% and a CAGR of 15%. Over this three-year period, the Temple & Webster share price increased from \$3.32 (30 June

2022) to \$21.32 (30 June 2025). This result materially exceeded stretch performance for the iTSR hurdled awards. As the Group's EPS Growth of this period was below the threshold 8% level, under the terms of the FY23 LTVR award (set out in the FY23 Remuneration Report) the stretch iTSR performance resulted in 100% of the iTSR hurdled rights and 100% of the EPSG hurdled rights vesting in August 2025. This iTSR 'override' was specifically put in place in line with the Group's strategy that prioritises and rewards TSR growth and only permits maximum reward under the LTVR award terms where Temple & Webster has materially outperformed the market. Further details on these results are set out in section 5.2 below.

- The CXO and CFO received LTVR awards in FY26. Similar to FY25, the LTVR awards have two performance hurdles. Fifty percent (50%) of the award is measured against a relative total shareholder return ('RTSR') target, measuring the Group's TSR over the Measurement Period against the constituents of the ASX 300 Industrials Index. The remaining 50% of the award has an earnings per share growth ('EPSG') hurdle. As for the prior three years' awards, the structure of the LTVR awards prioritises and rewards RTSR growth, to give the executive team and the Board flexibility to adapt the Group's strategy as the market evolves. The maximum reward will only be permitted under the awards where Temple & Webster has materially outperformed the market. Further details of these awards are set out in section 5.1 of this report.
- The FY26 Board base and committee fees increased by approximately 6% in FY26. This is the first increase in fees since FY24 and was broadly in line with CPI increases across this period.

FY26 EXECUTIVE KMP AND BOARD CHANGES

There were no changes to Executive KMP in FY26. Mr Michael Malone was appointed to the Board on 1 October 2025 and had this appointment ratified by shareholders at the 2025 Annual General Meeting.

LOOKING FORWARD TO FY27

- As announced to the ASX in April 2026, the Managing Director and CEO will transition to the role of Executive Chair and Susie Sugden, a former Temple & Webster Executive, will be appointed Chief Executive Officer ('CEO'), both appointments effective 1 July 2026. Ms Sugden will receive an annual fixed remuneration ('FR') of \$850,000 and participate in the STVR program with a target opportunity of 50% of FR (stretch 80%). She will also participate in the LTVR program in FY27 with a target value of 75% of FR (stretch 120%). Mr Coulter will retain his current FR of \$500,000 in his new Executive Chair role, not participate in the STVR program, and align his LTVR participation with the new CEO with a target value of 75% of FR (stretch 120%).
- Both the CFO and CXO will receive a 4% increase in fixed remuneration in FY27, consistent with salary increases across the broader organisation. Their target and stretch short- and long-term incentive opportunities, at 50% and 80% of fixed remuneration respectively, will remain unchanged.
- The Board has determined that the structure of the STVR and LTVR programs will be broadly the same as the programs run in FY26. The same overall metrics (revenue growth, EBITDA, NPS and employee engagement) will be retained, although the Board is reviewing the weighting of the financial metrics and the appropriate revenue and EBITDA metrics. The current RTSR and EPS Growth hurdles will be retained for the FY27 LTVR awards and the current disposal restrictions will be reviewed so they are better aligned with the Group's Minimum Shareholding Policy.
- Effective 1 July 2026, Mr Stephen Heath will transition from Chair of the Board to Lead Independent Director. The role of Deputy Chair will no longer be filled, and Mr Conrad Yiu will move to the new role of Chair of the Technology Committee. The FY26 Board base and committee fees will be subject to an annual review in FY27.
- Over the FY24 LTVR awards FY24-26 measurement period (ended 30 June 2026), the Group's TSR was 8% with a 3% CAGR, compared to TSR for the ASX 300 Industrials Total Return Index of 31% and a CAGR of 10%. This will result in no portion of the iTSR performance rights vesting. The Group's EPS in the last year of the FY24-26 measurement period was 3.62, i.e. below the FY23 base year EPS. As this result is below the required 8% CAGR, no portion of the EPSG hurdled rights will vest. This means no portion of the FY24 LTVR will vest. Further details on these results are set out in section 5.2 below.

I hope the information in this year's Remuneration report helps shareholders to understand how the Group manages remuneration.



Belinda Rowe
Chair, Nomination and Remuneration Committee

Remuneration report (audited) continued

The directors of Temple & Webster Group Ltd present the Remuneration report ('Report') for the Group and its controlled entities for the year ended 30 June 2026. This Report forms part of the Directors' Report and has been prepared in accordance with the Corporations Act 2001 ('the Act'), Corporations Regulation 2M.3.03, in compliance with AASB 124 *Related Party Disclosures*, and audited as required by section 208(3C) of the Act.

The Report is divided into the following sections:

Section	Description
1. Persons covered by this Report	This section provides details of the directors and executives who are subject to the disclosure requirements of this report, together with the KMP, including roles and changes in roles.
2. Remuneration overview	This section provides an overview of performance and reward for FY26.
3. Remuneration framework, strategy and governance	This section provides details of the elements of the remuneration framework, including market positioning, changes to fixed remuneration, variable remuneration principles, and the terms of variable remuneration.
4. FY26 Executive Short-Term Variable Remuneration ('STVR') plan and outcomes	This section outlines the key terms of the FY26 STVR Plan, the key metrics that apply to Executive KMPs under the STVR Plan and their STVR outcomes.
5. Executive Long-Term Variable Remuneration ('LTVR') plans and outcomes	This section outlines the key terms of the FY26 LTVR Plan awards and key prior year equity awards.
6. Non-executive Director remuneration	This section outlines the Non-executive Director fee policy, aggregate Board fees, Board and Committee fees. It also sets out any prior years' equity awards to Non-executive Directors.
7. Statutory tables and supporting disclosures	This section provides the statutory disclosures not addressed by preceding sections of the Report, including statutory remuneration tables, changes in equity, KMP service agreements, related party loans/transactions, and the engagement of external remuneration consultants.

1. PERSONS COVERED BY THIS REPORT

This report covers KMP which are defined as those who have the authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including any director (whether executive or otherwise) of the Group. The below table outlines the KMP of the Group:

			Committees ¹	
Name	Role	Appointed/(Retired)	Nomination and Remuneration	Audit and Risk Management
Non-Executive Directors				
Stephen Heath	Independent Board Chair	15 March 2016	M	M
Conrad Yiu ²	Deputy Chair, Non-executive Director	6 October 2015	M	M
Belinda Rowe	Independent Non-executive Director	26 February 2021	C	M
Melinda Snowden	Independent Non-executive Director	1 June 2023	M	C
Michael Malone	Independent Non-executive Director	1 October 2025	M	M
Executive KMP				
Mark Coulter ²	Managing Director and Chief Executive Officer ('CEO')	22 April 2016	n/a	n/a
Adam McWhinney ²	Chief Experience Officer ('CXO')	1 July 2017 ³	n/a	n/a
Cameron Barnsley	Chief Financial Officer ('CFO')	2 September 2024	n/a	n/a

1. M = Member, C = Chair.

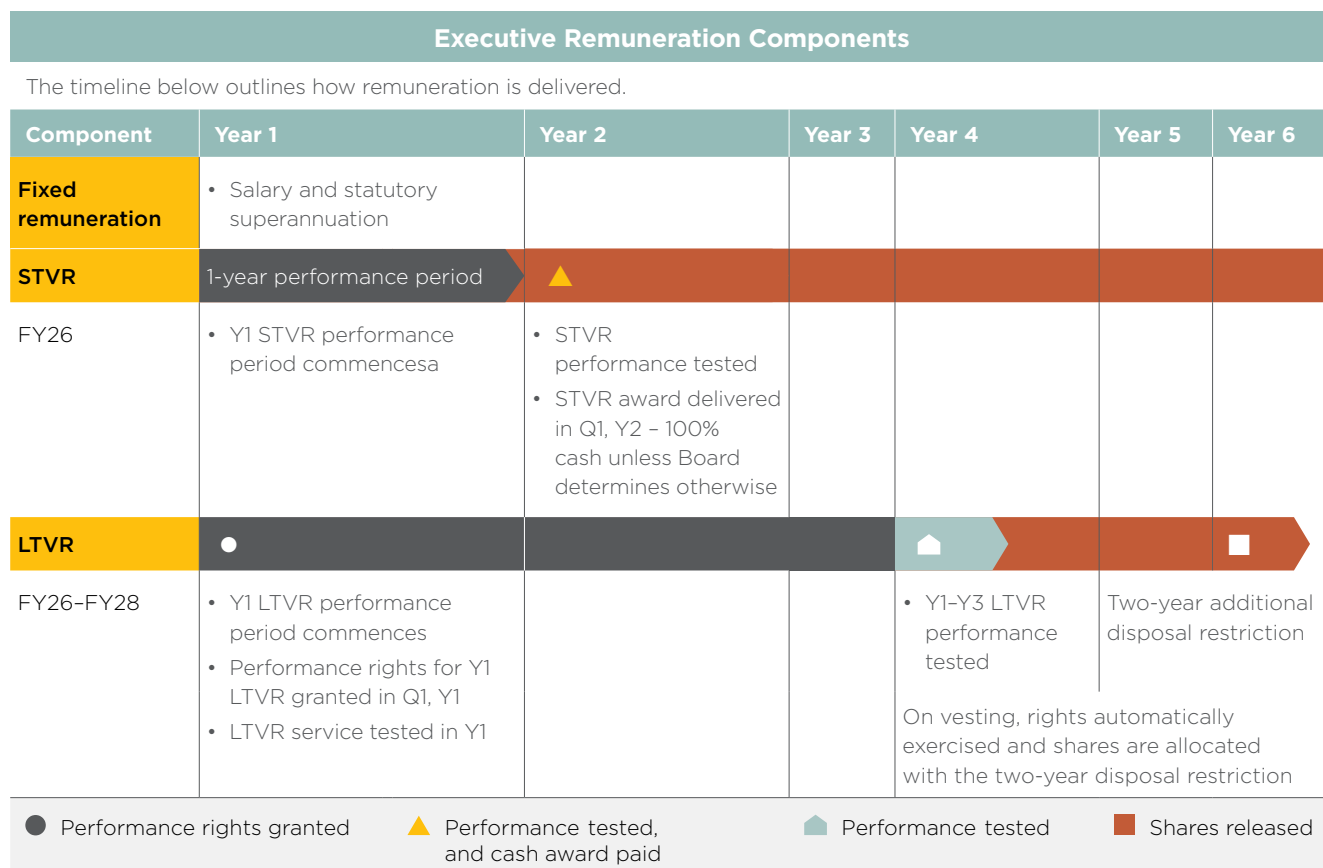
2. These individuals are considered co-founders of the Group and referred as 'founder executives' in this report.

3. Mr McWhinney has been employed by the Group since 1 January 2012 and became a KMP of the Group on 1 July 2017.

2. REMUNERATION OVERVIEW

2.1. Executive remuneration structure at-a-glance

The following diagram outlines the Executive KMP remuneration cycle under the remuneration framework as applicable to FY26:

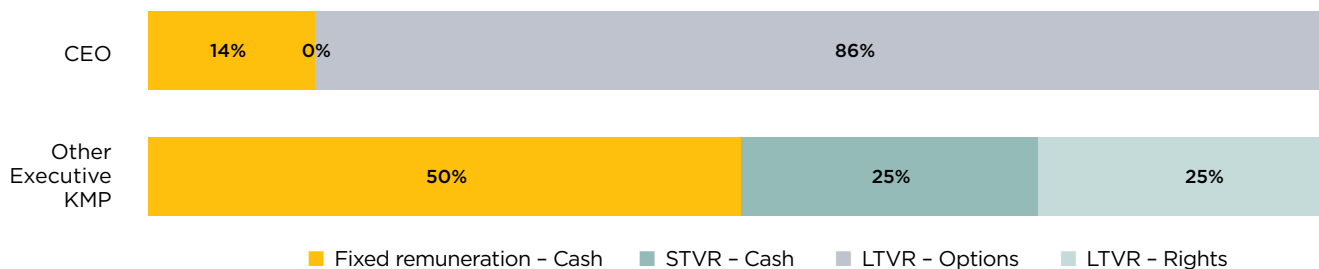


The structure outlined above applies to the CXO, CFO and non-KMP executives in the current financial year. The CEO does not participate in the STVR plan and received three tranches of premium-priced options in FY23 which are intended to cover the period to and including FY26. The terms of the CEO's Options are discussed in section 5.2 and the terms of STVR and LTVR performance rights for other KMPs are discussed in sections 4.1 and 5.1 respectively. The FY26 STVR outcomes for participating Executive KMP are set out in section 4.2 and LTVR outcomes of performance rights due for vesting in FY26 for participating Executive KMP are set out in section 5.2.

Remuneration report (audited) continued

2.2 Executive remuneration mix at target

CEO, and other executives including KMPs, total remuneration packages (including stretch target) are broken down into the following elements.



The CEO, Mark Coulter, does not receive an annual LTVR award as he received a single award of options in FY23 designed to be his equity awards over a four-year term (FY23 - FY26). Accordingly, in calculating his FY26 remuneration mix, Mark Coulter's LTVR component value was determined by pro-rating the value of his FY23 option award (as determined by an independent valuer), so that one-quarter of the value was attributed to FY26 (refer to section 5.2 for more details).

2.3 Group's performance at-a-glance

The following outlines the Group's performance in FY26 in the context of the prior four years, which is intended to assist in demonstrating the link between performance, value creation for shareholders, and executive reward:

FY end date	Revenue \$000s	NPAT \$000s	Share price ¹ \$	Change in share price \$	Dividends ² \$	Change in shareholder wealth ³ %	Rolling 3-year annualised TSR ⁴ %
30/06/2026	664,586	4,304	6.20	(15.12)	-	(71%)	2%
30/06/2025	600,719	11,302	21.32	11.93	-	127%	86%
30/06/2024	497,841	1,786	9.39	3.51	-	60%	(5%)
30/06/2023	395,513	8,305	5.88	2.56	-	77%	(2%)
30/06/2022	426,335	11,968	3.32	(7.47)	-	(69%)	35%

- Share price at the end of the financial year.
- Dividends paid during the financial year.
- Share price change plus dividends on prior financial year.
- Total shareholder return ('TSR') is the sum of share price appreciation and dividends (assumed to be reinvested in shares) during the Measurement period expressed as a growth %. While the Group is not paying the dividends, it's equal to a rolling three-year annualised share price growth.

3. REMUNERATION FRAMEWORK, STRATEGY AND GOVERNANCE

3.1 Executive remuneration – fixed remuneration, total remuneration package and variable remuneration framework

Total remuneration package ('TRP') is intended to be composed of an appropriate mix of remuneration elements including fixed remuneration, short-term variable remuneration and long-term variable remuneration. This structure applies to all Executive KMP and senior management, other than the CEO.

Fixed remuneration	Short-term variable remuneration	Long-term variable remuneration
Fixed remuneration comprises of base salary, plus any other fixed elements such as superannuation, allowances, benefits, fixed equity and fringe benefits. Fixed remuneration is intended to be positioned competitively in the market when assessed against suitable benchmarks but may vary with decisions around the mix of cash, equity and performance-linked remuneration as negotiated between the Board and each incumbent on a case-by-case and fit-for-purpose basis.	100% of the FY26 STVR will be paid in cash (unless determined otherwise by the Board). Performance is measured over the financial year with a combination of financial and non-financial goals for Executive KMP, both at a Group and Individual scorecard level with threshold, target and stretch levels. FY26 STVR goals were: • Group Targets (80%) • Group revenue growth (30%) • EBITDA margin (30%) • Customer satisfaction (20%) • Employee engagement (20%) Individual targets tied to CEO's assessment of performance against the Company's leadership values and achievement of any special projects (20%). These targets will be calculated on a score rating from 1 to 5, with 5 being the highest. Refer to section 4.1 for more details.	Performance rights vesting after three years. The LTVR program aligns executives to shareholder interests through 50% of the award being tested against the RTSR targets measured over a three-year measurement period. The Company's TSR will be compared to that of the ASX 300 Industrials Index constituents (Comparator Group), established as at 1 July 2025. This structure ensures that executives are only rewarded when shareholder returns at least match the median RTSR of the Comparator group. There is also an EPSG measure that applies to 50% of the award. In certain cases, where the EPSG measure is below threshold, TSR result can override the EPSG performance. RTSR remains the primary performance measure within the LTVR scheme, with full vesting available only in cases of exceptional RTSR performance. Any shares allocated after vesting are subject to an additional disposal restriction of two years after the Measurement period. Refer to section 5.1 for more details.

Variable remuneration is not a 'bonus', but a blend of at-risk remuneration (below target) and incentives (above target and up to stretch). Metrics selected are intended to be linked to the primary drivers of value creation for stakeholders, and successful implementation of the long-term strategy over both the short and long term. Thresholds are intended to be a near-miss of expectations, while target is intended to be a challenging but realistically achievable objective with a probability of around 50% to 60%. Stretch, on the other hand, is designed to be exceptionally challenging with a probability of around 10% to 20%.

Remuneration report (audited) continued**3.2 Benchmarking approach**

Executive KMP remuneration has been tested regularly by reference to appropriate independently sourced comparable benchmark data, and specific advice as may be appropriate from time to time. Previously, two peer groups were used to benchmark Executive KMP and senior executives at Temple & Webster. A primary peer group consisting of Consumer Discretionary and Information Technology focused companies, with 15 above and 15 below the Company's market capitalisation. A secondary peer group based on market capitalisation (using ASX-listed companies within 50-200% of Temple & Webster's 12-month market capitalisation). However, recent benchmarking has used a job-sizing approach, where each role is independently assessed based on its responsibilities, complexity, and required skills. This has been done using external, independent databases and standardised methodologies to ensure fair and market-aligned evaluations. Benchmarks may be adjusted upwards or downwards for variations in role design compared to market benchmark roles, and individual remuneration may vary to reflect individual factors such as experience, qualifications and performance. In addition, where there are specific individual roles benchmarked, a bespoke benchmark group may be used from comparable Consumer Discretionary and Information Technology focused companies.

The Board will continue to monitor market positioning to ensure that appropriate talent can be attracted, retained and aligned to the strategic needs of the business. More detail on the TRP is set out in section 7.1.

3.3 Remuneration governance framework

The Board takes an active role in the governance and oversight of the Group's remuneration policies and practices. Approval of certain key remuneration practices is reserved for the Board, including appointing the CEO, and monitoring their performance and other key senior executives. In addition, the Board has final approval of the Group's remuneration framework, including approving remuneration of the CEO, the remuneration policy and succession plans for the CEO. However, the Nomination and Remuneration Committee assists the Board in fulfilling its corporate governance and oversight responsibilities in terms of the remuneration structures, processes and annual remuneration cycle of the Board and its senior executives, including all Executive KMPs, as well as Group culture and employee engagement.

The Nomination and Remuneration Committee has a formal Charter which outlines the roles and responsibilities of the Committee. This is available on the Group website (templeandwebstergroup.com.au). The Committee's responsibilities include:

- providing advice and recommendations to the Board with respect to the appointment and removal of Directors and senior executives;
- providing the Board with advice and recommendations regarding executive and senior executive remuneration policy;
- reviewing and providing recommendations to the Board with respect to the remuneration packages of senior executives and executive directors;
- providing advice to the Board with respect to Non-executive Directors' remuneration;
- reviewing and providing recommendations to the Board with respect to incentive schemes; and
- reviewing and providing recommendations to the Board on the Group's remuneration, recruitment, retention and termination policies.

The Group has a Securities Dealing Policy which outlines under what circumstances and when trading in the Group's securities by KMP and other nominated employees may be permitted or prohibited. This is available on the Group website.

The Group also has a Diversity, Equity and Inclusion Policy, which supports the Board and management in making sustainable and appropriate decisions around hiring, career development and remuneration. This is available on the Group website as well.

3.4 External remuneration consultants ('ERC')

The External Remuneration Consultant Engagement Policy is intended to ensure the independence of any recommendation received regarding KMP remuneration. In addition to the requirements outlined in the Corporations Act, it requires the external remuneration consultant to notify the Board if management contacts the external remuneration consultant on remuneration matters outside of interactions approved or supervised by the Board, such as the provision of factual information for benchmarking purposes.

During FY26, no external remuneration consultants were engaged by the Board to provide remuneration recommendations for any KMP. However, KPMG were engaged to provide remuneration benchmarking data to assist the Board in determining the appropriate packages for the CEO to be appointed in FY27 and for the Executive Chairman's role.

4. FY26 EXECUTIVE STVR PLAN AND OUTCOMES

4.1 FY26 STVR Plan

A description of the STVR structure applicable for FY26 is set out below.

Term	Detail
Purpose	To provide at-risk remuneration and incentives that reward executives for performance against annual objectives set by the Board at the beginning of the financial year. Objectives selected were designed to support long-term value creation for shareholders, and link to the long-term strategy on an annual basis.
Measurement period	The financial year of the Group ending 30 June 2026.
Opportunity	The target value for Executive KMP participating in the STVR was 50% of fixed remuneration, with a maximum stretch target of 80% of fixed remuneration.
Outcome metrics and weightings	The STVR was dependent on meeting Group and individual performance objectives. For FY26, the metrics were as follows: Group Targets – weighted at 80% of target opportunity. These Group Targets include: • revenue growth – 30% weighting; • EBITDA margin – 30% weighting; • customer satisfaction – 20% weighting; and • employee engagement – 20% weighting. Individual Targets – weighted at 20% of target opportunity. These metrics were selected because they are viewed by the Board as the primary drivers of value creation for the business in FY26.
Settlement	Awards are determined following release of the audited financial statements after the end of the financial year. The Board has discretion to determine whether the STVR award is settled in cash or in equity interests such as rights. The Board elected to settle the FY26 STVR in cash.
Malus and clawback	Should the Board determine that any portion of STVR is deferred, the deferral would be in the form of share rights and therefore subject to the malus and clawback clauses under the Group's Rights plan (see further section 5.1).
Board discretions	The Board has discretion to modify the awards payable to participants regardless of any performance outcome or gate, to ensure that outcomes are appropriate to the circumstances that prevailed over the Measurement period.
Corporate actions	The Board has discretion to determine the treatment of unpaid STVR in the case of major corporate actions such as a change in control, delisting, major return of capital or demerger.

Remuneration report (audited) continued

4.2 Executive KMP STVR plan – objectives and outcomes

All Executive KMP, aside from the CEO, participated in the STVR Plan in FY26.

Metric/Measure	Performance/Comment
Group Targets (80% of total opportunity)	
Revenue growth (30% weighting of Group target)	
Revenue growth is an important metric when assessing the performance of the business. For FY26, this measure compares TPW's revenue to FY25, with threshold, target, and stretch performance levels set at 18%, 21%, and 25% revenue growth above the FY25 result, respectively.	The Group delivered a strong result with revenue of \$664.6 million, representing 10.6% growth on the prior year in a difficult year for the discretionary retail sector. However, due to the challenging nature of the STVR revenue metrics, this result did not achieve the 18% revenue growth threshold.
EBITDA margin (30% weighting of Group target)	
EBITDA margin is also an important measure of financial performance of the business. This measure tracks EBITDA margin with a minimum 3% required at threshold, with target and stretch set at 4% and 5% respectively.	EBITDA of \$21.9 million was at the top of the guidance range communicated to the market in May 2026. This represents an EBITDA margin of 3.3% of revenue which was between the threshold and target from the STVR point of view.
Customer satisfaction (20% weighting of Group target)	
Customer experience and satisfaction are critical to the success of the Group. This measure tracks customer satisfaction using Net Promoter Score ('NPS') scoring, with threshold performance at 60%, target NPS set at 62.5% and stretch at 65%.	The Group has consistently set challenging NPS metrics, reflecting the importance the Group places on customer satisfaction. In FY26, the Group achieved a rating above the threshold, at 60.2% but below the target of 62.5%.
Employee engagement (20% weighting of Group target)	
The Group's employees are one of its key assets and primary drivers of success. It is vitally important they are engaged as measured by Industry Employee Engagement Benchmarks as measured against the All Australia Benchmark. Threshold performance requires beating the Benchmark, target is a Top 25% performance and stretch being in the top 10% of the Benchmark.	The FY26 result was an engagement level just below target, which is well above the median of the All Australia comparator group, and just below its top quartile. This is a strong result and continues to demonstrate the importance placed on employee engagement in the Group and reflects the strong level of engagement across the employee base.
Individual Targets (20% of total opportunity)	
The individual targets are determined by the CEO based on performance against the Temple & Webster executive leader values and the execution of any special projects agreed between the CFO or CXO and the CEO during FY26.	The CFO's and CXO's personal targets were assessed against the Group's leadership values framework. In FY26, the CFO was given an overall rating of '4'. This was based on strong execution across key projects and initiatives within the business. These include certain cost reduction and margin enhancement opportunities undertaken during FY26, improved capital allocation frameworks, market communications and investor relations efforts, assessment of M&A opportunities, and continued expansion of the risk management and compliance function. The CFO's rating also reflects his impact on Company culture, fostering a supportive and inclusive workplace, and prioritising team development opportunities. In FY26, the CXO was given an overall rating of '4'. This was based on our digital customer experience consistently rated highly by customers, the CXO's teams supporting the delivery of the majority of the Company's key initiatives, our AI team delivering a ground breaking insights and analysis tool, an experimentation program providing key conversion optimisation insights throughout a challenging period of low consumer confidence and engagement scores for the CXO's teams once again remained strong with all teams above Company benchmarks and one team achieving the equal highest engagement score in the Company. His leadership and advocacy for AI adoption, website accessibility, Women's Community Shelters and Reconciliation Action Plan delivery round out his additional contributions.

The table below sets out the actual STVR outcomes as a percentage of their maximum STVR opportunity for FY25 and FY26.

Executive KMP(1)	FY26	FY25
Adam McWhinney	40.7%	75.2%
Cameron Barnsley	40.7%	75.2%

1. The CEO did not participate in the STVR Plan in either FY25 or FY26.

The Board considers the FY26 remuneration outcomes to be appropriately aligned with the Company's remuneration framework and shareholder interests. This alignment is demonstrated by the Group's and individual executives' achievement of annual performance targets, its demanding revenue and EBITDA margin STVR metrics and significant progress towards strategic growth objectives, despite challenging economic conditions. The Board is satisfied that remuneration outcomes fairly reflect performance and support long-term value creation for shareholders.

5. EXECUTIVE LTVR PLANS AND OUTCOMES

5.1 Executive LTVR plan – Performance rights

A description of the LTVR awards granted in FY26 to Executive KMP, aside from the CEO, under the Temple & Webster Group Ltd Rights Plan ('the Plan') is set out below.

Term	Detail															
Purpose	To provide at-risk remuneration and incentives that reward executives for performance against long-term value creation objectives set by the Board at the beginning of the financial year and to align the interests of executives with the interests of shareholders.															
Measurement period	Three years from 1 July 2025 to 30 June 2028.															
Opportunity	The target value is 50% of fixed remuneration, with a maximum 80% of fixed remuneration.															
Price	The price is nil because it forms part of the remuneration of the participant.															
Exercise price	The exercise price is nil.															
Allocation method	The grant number is determined by dividing the stretch LTVR value by the 30-day volume weighted average price ('VWAP') following the release of the financial results for FY25.															
Performance metrics and weightings	Performance rights granted in FY26 have two performance hurdles, each with a 50% weighting. 1. Performance rights with a relative Total Shareholder Return ('RTSR') vesting condition (50% weighting). The vesting of such Performance rights will be determined by comparing the Group's TSR over the Measurement period with the TSR of the constituents of the ASX 300 Industrials Index ('Comparator Group') according to the following vesting scale: <table><tr><th>Performance level</th><th>TSR of the Group vs TSR of the Comparator Group</th><th>Vesting %</th></tr><tr><td>Stretch</td><td>At or above the 75th percentile</td><td>100%</td></tr><tr><td>Target</td><td>At the 62.5th percentile</td><td>75%</td></tr><tr><td>Threshold</td><td>At the 50th percentile</td><td>50%</td></tr><tr><td>Below threshold</td><td>Below the 50th percentile</td><td>0%</td></tr></table> A gate of the Group's TSR being positive for the Measurement period applies. Outcomes that fall between the specified levels of performance will result in a pro-rata calculation being applied.	Performance level	TSR of the Group vs TSR of the Comparator Group	Vesting %	Stretch	At or above the 75th percentile	100%	Target	At the 62.5th percentile	75%	Threshold	At the 50th percentile	50%	Below threshold	Below the 50th percentile	0%
Performance level	TSR of the Group vs TSR of the Comparator Group	Vesting %														
Stretch	At or above the 75th percentile	100%														
Target	At the 62.5th percentile	75%														
Threshold	At the 50th percentile	50%														
Below threshold	Below the 50th percentile	0%														

Remuneration report (audited) continued

Term	Detail															
Performance metrics and weightings (continued)	TSR is the sum of share price appreciation and dividends (assumed to be reinvested in shares) during the Measurement period. It is annualised for the purposes of the above vesting scale. The TSR of the Group over the Measurement period will be calculated and converted to a Compound Annual Growth Rate ('CAGR') value for the purposes of assessment against this scale. During periods of nil dividends being declared, TSR is equal to change in share price. This metric was selected because it is the best measure of value creation for shareholders that adjusts for windfall gains and losses arising from broad market movements. Equity grants are tested against the performance measures set. If the performance metric is not met at the vesting date, Performance rights lapse. 2. Performance rights with an Earnings Per Share Growth (EPSG) target vesting condition (50% weighting) EPSG is the CAGR in the Group's basic earnings per share calculated by dividing the Group's earnings by the weighted average number of ordinary shares outstanding during the financial year. The Rights will vest according to the following vesting scale. <table><tr><th>Performance level</th><th>Earnings per Share Growth</th><th>Vesting %</th></tr><tr><td>Stretch</td><td>15% CAGR</td><td>100%</td></tr><tr><td>Target</td><td>10% CAGR</td><td>50%</td></tr><tr><td>Threshold</td><td>8% CAGR</td><td>0%</td></tr><tr><td>Below threshold</td><td>8% CAGR</td><td>0%</td></tr></table> For the purposes of calculating the EPSG during the Measurement period the relevant earnings to be used for: - the opening of the Measurement period will be as set out in the audited annual consolidated accounts for the year ending 30 June 2025; and - the closing of the Measurement period will be as set out in the audited annual consolidated accounts for the year ending to 30 June 2028. In each case, the EPSG calculation is subject to the Board's discretion to normalise earnings to ensure comparison is being made on a like-for-like basis and/or to exclude the effects of extraordinary events, material business acquisitions or divestments and for certain one-off costs. Note: The RTSR and EPSG vesting conditions will be assessed separately by the Board at the end of the Measurement period. However, where target EPSG performance has not been achieved, a portion of the EPSG Performance rights may still vest, depending on the level of performance achieved under the RTSR vesting condition. If 100% of the RTSR hurdled rights vest, then all of the EPSG rights are also eligible to vest (resulting in 100% of the entire award vesting). If RTSR performance is achieved such that 75% or more of RTSR rights vest (up to 100%), then a maximum of 50% of EPSG Rights can also vest. This RTSR 'override' prioritises and rewards RTSR growth, to give management and the Board flexibility to adapt the Group's strategy as the market evolves but only permitting maximum reward under the LTVR award where the Group has materially outperformed the market.	Performance level	Earnings per Share Growth	Vesting %	Stretch	15% CAGR	100%	Target	10% CAGR	50%	Threshold	8% CAGR	0%	Below threshold	8% CAGR	0%
Performance level	Earnings per Share Growth	Vesting %														
Stretch	15% CAGR	100%														
Target	10% CAGR	50%														
Threshold	8% CAGR	0%														
Below threshold	8% CAGR	0%														
Gate	RTSR Performance rights are subject to a positive TSR gate to ensure the grant does not vest when shareholders are losing value. There are no such gate restrictions for EPSG.															
Vesting Date	The vesting date of these awards will be the date advised in writing by the Board following consideration of the performance metrics after the Measurement period.															
Retesting	No retesting of the performance metrics will apply.															
Settlement	The rights are 'indeterminate rights' which may be settled in the form of a Company share (including a restricted share), or cash equivalent at the discretion of the Board, upon valid exercise.															
Disposal restrictions	Shares that result from the exercise of rights will be subject to a disposal restriction such that they may not be disposed of or otherwise dealt with until the elapsing of two years following the end of the Measurement period. There are also additional disposal restrictions which may apply where the sale of shares acquired on exercise of vested rights may be prohibited due to the Group's Share Trading Policy, and the Corporations Act.															
Process on vesting	Rights will be automatically exercised, depending to the extent the Vesting Conditions have been met, otherwise they will lapse.															

Term	Detail
Service condition	In addition to the performance conditions, continued service during the full first year of the Measurement period is a requirement for any rights to become eligible to vest.
Termination of employment	In the case of a termination of employment in the first year of the Measurement period, unvested Performance rights will be forfeited at termination, unless otherwise determined by the Board. All other unvested Performance rights will be forfeited pro-rata based on the remaining portion of the Measurement period, with any remainder retained for possible vesting based on performance during the Measurement period. In the case of termination due to dismissal for cause or otherwise as determined by the Board, all unvested Performance rights will be forfeited and lapse.
Malus and clawback	The rights plan includes malus and clawback clauses which will result in forfeiture of unvested rights in a range of circumstances, including material misstatements resulting in overpayment, or the participant joining a competitor or being involved in actions that are deemed to have harmed other stakeholders.
Board discretions	The Board has discretion to modify vesting to participants regardless of any performance outcome or gate, to ensure that outcomes are appropriate to the circumstances that prevailed over the Measurement period.
Corporate actions	In the case of a change in control, the modifications are subject to the Board's discretion. In the case of a delisting of the Group's shares, the automatic vesting will occur based on the increase in the share price since the start of the Measurement period, with Board discretion regarding the lapsing or vesting of any remainder. In the case of a major return of capital or demerger, the Board has discretion to bring forward vesting or to alter the number of rights or the exercise price or to alter vesting conditions to ensure that the outcome is fair to participants. This is because, following such an event, the share price is likely to be materially different from the basis of the grant, and performance conditions set may be unable to be met.

5.2 Prior years equity awards

FY23 LTVR awards

The FY23 awards had a three-year Measurement period 1 July 2022 to 30 June 2025. The award was structured so that fifty percent (50%) of the awards had an iTSR hurdle requiring the TSR of the Group to be above the TSR of the ASX 300 Industrials Total Return Index to meet threshold and for any portion of the award to vest. Target and stretch vesting results in 50% and 100% of the award vesting and requires Index TSR +5% TSR p.a. and Index TSR +10% TSR p.a. respectively. Pro-rata vesting occurs between these points. The remaining fifty percent (50%) has an EPSG hurdle, with the same vesting schedule as set out above for the FY26 award.

The FY23 LTVR iTSR performance saw the Group's TSR for the measurement period reach 490%, measured against the TSR of the ASX 300 Industrials Total Return Index of 52% for the same period (over 900% better than the Index of this three-year period). Over this three-year period, the Temple & Webster share price increased from \$3.32 at 30 June 2022 to \$21.32 at 30 June 2025. This exceptional Group TSR result materially exceeded the stretch iTSR hurdle of Index TSR +10% p.a. by a significant margin. The EPSG hurdle was not met, with performance below threshold as the FY25 EPS result of 9.52 cps was below the FY22 EPS of 9.93 cps and below the 8% CAGR threshold required over the period. Under the terms of the FY23 LTVR award (set out in the FY23 Remuneration report) the stretch iTSR performance resulted in 100% of the iTSR hurdled rights and 100% of the EPSG hurdled rights vesting in August 2025. This iTSR 'override' was specifically put in place in line with the Group's strategy that prioritises and rewards TSR growth and only permits maximum reward under the LTVR award terms where the Group has materially outperformed the market.

Remuneration report (audited) continued**FY24 and FY25 LTVR awards**

The FY24 LTVR award is structured so that fifty percent (50%) of the awards have an iTSR hurdle with the same vesting schedule as the iTSR vesting schedule set out above for the FY23 awards. While the FY25 LTVR award also has 50% of the award with a TSR hurdle, this award compares the Group's TSR over the Measurement period relative to the TSR of the constituents of the ASX 300 Industrials Index (not the Index itself).

The remaining fifty percent (50%) of both awards have an EPSG hurdle, with the same vesting schedule as set out above for the FY26 LTVR award. The FY24 and FY25 LTVR awards have three-year Measurement periods, 1 July 2023 to 30 June 2026 and 1 July 2024 to 30 June 2027, respectively.

On completion of the Measurement period, the awards will vest or lapse in FY27 and FY28 respectively once the Board has determined the extent to which the performance hurdle has been met. The iTSR and EPSG vesting conditions will be assessed separately by the Board at the end of the Measurement period. However, where target EPSG performance has not been achieved, a portion of the EPSG Performance rights may still vest, depending on the level of performance achieved under the iTSR vesting condition.

Other key terms of the FY24 and FY25 awards are as noted above for the FY26 awards (except that the FY24 awards are not auto-exercise and these awards may be exercised within 15 years of grant, otherwise they lapse).

For the FY24 LTVR iTSR hurdled awards, the Group's TSR was below that of the ASX 300 Industrials Total Return Index (8% vs 31% cumulative TSR over the measurement period), and no portion of these awards will vest. The EPS Growth hurdled awards saw the Group's EPS of 3.62 cps in the last year of the measurement period against the FY23 base year EPS of 6.82 cps. As this was also below the challenging 8% EPS CAGR threshold, these results mean no portion of the FY24 LTVR awards vested in August 2026 when the Board reviewed the performance hurdles.

FY23 CEO Option awards

In FY23, the CEO was awarded 3,600,000 Options which vest on the date the FY26 annual accounts are approved in August 2026. The options are intended to be the CEO's only variable incentive over the four-year period (FY23 to FY26). No additional long-term variable awards have been made to the CEO over this period. The options awarded to the CEO were set at a significant premium to the Temple & Webster share price at the date of grant in November 2022 (which was \$5.27). The options are split into three equal tranches of 1,200,000 options, with an exercise price of \$7.06, \$9.53 and \$12.86 respectively. No value will arise for the CEO unless there is a significant increase in the value of the Company's shares over the vesting and exercise period.

The CEO must remain continuously employed by Temple & Webster from the date of grant to the date the FY26 annual accounts are approved, and all three tranches can be exercised once the service condition is met. Where the CEO ceases employment with Temple & Webster, all unvested options lapse. However, where employment ceases due to a Special Circumstance, which includes total and permanent disability, death or redundancy, the Board has a discretion to allow accelerated vesting. The options will lapse on the earlier of 15 years or any earlier lapsing event occurring (such as early vesting or cancellation). Further detail regarding these awards was set out in the FY23 Remuneration Report.

6. NON-EXECUTIVE DIRECTOR REMUNERATION

6.1 Non-executive Directors' fee policy

The principles that the Group applies to governing the Non-executive Directors' remuneration are outlined below.

Principles

- Fees for Non-executive Directors are based on the nature of the Directors' work and their responsibilities, taking into account the nature and complexity of the Group and the skills and experience of the Directors.
- Non-executive Directors' fees are recommended by the Nomination and Remuneration Committee and determined by the Board.
- External consultants were used to source the relevant data and commentary and to obtain independent recommendations given the potential for a conflict of interest in the Board setting its own fees.
- Fees are intended to be positioned around the 50th percentile of the tailored market benchmarks.

Fees structured to preserve independence

To preserve independence and impartiality, Non-executive Directors are not entitled to any form of variable remuneration payments and the level of their fees is not set with reference to measures of the Group's performance.

Aggregate Board Fees approved by shareholders

The total amount of fees paid to Non-executive Directors in FY26 is within the aggregate amount approved at a general meeting of the Group on 18 October 2021 of \$1,100,000 a year. Grants of equity approved by shareholders are excluded from counting towards the aggregate Board Fees, in accordance with the ASX Listing Rules.

Board and Committee fees

The following outlines the Board Fees applicable as at the end of FY26 which were subject to independent review by external remuneration consultants on a periodic basis:

Role/Function	Main Board	Audit and Risk Management Committee	Nomination and Remuneration Committee
Chair	\$236,800	\$22,250	\$22,250
Deputy Chair	\$150,250	n/a	n/a
Member	\$128,000	\$11,130	\$11,130

Fees are expressed as inclusive of superannuation. Any increases to superannuation contributions are absorbed within the applicable Board fees. The Board Chair does not receive Committee fees. Non-executive Directors are also reimbursed for out-of-pocket expenses that are directly related to the Group's business. There is an option to sacrifice part of the fee in exchange for equity or other benefits (i.e., the values are inclusive of any equity). In FY26, no Non-executive Directors elected to have part of their Directors' fees paid in Restricted rights.

Remuneration report (audited) continued

6.2 NED Equity Plan

The terms of the Non-executive Director ('NED') Equity Plan are set out below.

Term	Detail
Purpose	To provide long-term alignment with shareholders through the grant of rights over Group Shares.
Instrument	Restricted rights over ordinary shares in the Company.
Eligibility	All Non-executive Directors of the Company are entitled to participate in the NED Equity Plan.
Price	Rights are granted for nil consideration.
Exercise price	There is no exercise price for Rights issued under this Plan.
Allocation method	The number of Rights granted under the NED Equity Plan is typically determined by the value of Board fees sacrificed, divided by the 10-trading day VWAP of an ordinary Company share following the date of release of the prior financial year's financial results.
Vesting Conditions	There are no vesting conditions.
Exercise restrictions and disposal restrictions	Restricted rights may be exercised at any time following the end of the exercise restrictions. This means Restricted rights are exercisable 90 days from the date of grant, until the end of the Term. Disposal restrictions apply that prevent the sale of Restricted shares resulting from the exercise of Restricted rights, until the earlier to occur of: • the elapsing of 15 years from the Grant Date; or • the participant ceasing to hold the office of Non-executive Director and employment with the Company.
Settlement	The Restricted rights may only be settled in shares.
Term	Restricted rights have a term of 15 years from the date of grant, after which time they lapse.
Cessation of Directorship	If a participant is neither a Non-executive Director nor holds employment with the Group, and their Restricted rights remain subject to an Exercise Restriction or have not been exercised, all the Restricted rights will lapse and they will not be allocated any Shares. The Participant will receive a cash payment in respect of Board Fees that have already been sacrificed from the start of the relevant Participation Period up until the date of cessation. As noted, any Restricted shares awarded upon exercise of Restricted rights will have any disposal restrictions removed on cessation of directorship (provided they do not remain employed with the Group).

7. STATUTORY TABLES AND SUPPORTING DISCLOSURES

7.1 Executive KMP statutory remuneration

The following table outlines the statutory remuneration of Executive KMP:

Name	FY	Fixed remuneration				Variable Remuneration		Total for year		Other statutory items	
		Salary \$	Super \$	Total Fixed remuneration		Cash STVR ¹		LTVR ²		Statutory Total Remuneration Package (TRP) \$	Change in accrued leave ⁵ \$
				Amount \$	% of TRP	Amount \$	% of TRP	Amount \$	% of TRP		
Mark Coulter	2026	470,000	30,000	500,000	14%	-	0%	3,194,400	86%	3,694,400	(10,853)
	2025	470,608	29,932	500,000	13%	-	0%	3,484,800	87%	3,984,800 ⁴	5,262
Adam McWhinney	2026	343,292	30,000	373,292	57%	121,811	18%	165,354	25%	660,456	5,410
	2025	328,776	29,932	358,708	49%	216,634	29%	164,561	22%	739,904	(8,439)
Cameron Barnsley ⁵	2026	450,458	30,000	480,458	58%	156,776	19%	187,124	23%	824,358	11,044
	2025	361,307	26,604	387,911	53%	233,430	32%	107,977	15%	729,318	14,451

1. This is the value of the total STVR award calculated following the end of the Financial Year. In both FY26 and FY25 the Board determined that it would be settled in cash only, to be paid following the close of the respective FY.
2. Note that the LTVR value reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period.
3. Not included in TRP.
4. TRP values for CEO are mainly due to valuation of options awarded and LTVR expense applied in FY25 and FY26. See further section 5.2 on details of options awarded including details of premium exercise prices which must be met for options to be exercised.
5. Remuneration for Cameron Barnsley in FY25 is shown from 2 September 2024, the date from which Mr Barnsley was appointed CFO and became an Executive KMP. FY26 remuneration details reflect the entire year.

7.2 Non-executive Director KMP statutory remuneration

The following table outlines the statutory remuneration of the Non-executive Director KMP:

Name	FY	Board Fees \$	Committee Fees \$	Superannuation \$	Other Benefits \$	Equity Grant Expense \$	Termination Benefits \$	Total \$
Non-Executive Directors								
Stephen Heath ¹	2026	210,431	-	25,252	-	-	-	235,683
	2025	182,410	-	20,977	-	22,723	-	226,111
Conrad Yiu ²	2026	160,567	11,130	-	-	-	-	171,697
	2025	141,750	21,000	-	-	-	-	162,750
Michael Malone ³	2026	100,621	-	12,074	-	-	-	112,695
	2025	-	-	-	-	-	-	-
Belinda Rowe ¹	2026	128,508	14,902	17,209	-	-	-	160,619
	2025	85,874	28,251	13,124	-	28,404	-	155,654
Melinda Snowden ¹	2026	128,508	14,902	17,209	-	-	-	160,619
	2025	90,359	28,251	13,640	-	22,723	-	154,973

1. In FY25, the nominated Non-executive Directors elected to have part of their Directors' fees paid in Restricted rights under the 'NED Equity Plan' which reduced the Cash Board fees (refer to section 6.1 and 6.2 above for further details). As there was no fee sacrifice into Restricted rights in FY26, the Board fees (paid in cash), were higher in FY26 than in FY25. As per the Group's accounting policy, the FY25 Restricted rights were accounted at fair value at the grant date which is shown under the 'Equity Grant Expense' column above. As a result, there is a difference between the total fees paid to the Non-executive Directors per above table and what would have been the total fees paid to them in cash.
2. Conrad Yiu elected not to receive superannuation from the Group.
3. Remuneration for Michael Malone in FY26 is shown from 1 October 2025, the date from which Mr Malone was appointed a director and became a KMP.

Remuneration report (audited) continued

7.3 KMP equity interests and changes during FY26

Movements in rights and options held by Executive KMP and Non-executive Directors during FY26 are set out below:

Name	Instrument	Balance at the start of the year	Granted as remuneration during FY26	Vested	Exercised	Lapsed	Balance 30 June 2026			
		Number	Date granted	Number	Number	Number	Number	Number	Vested and exercisable	Vested and not exercisable
Executive KMP										
Mark Coulter	Options	8,600,000	-	-	-	1,200,000	-	7,400,000	3,800,000	-
Adam McWhinney	Rights	82,396	20/11/25	12,588	15,674	-	-	94,984	31,348	-
Cameron Barnsley	Rights	32,216	20/11/25	16,202	-	-	-	48,418	-	-
Non-executive Directors										
Stephen Heath	Rights	15,878	-	-	-	-	-	15,878	15,878	-
Conrad Yiu	Rights	23,125	-	-	-	-	-	23,125	23,125	-
Michael Malone ¹	Rights	-	-	-	-	-	-	-	-	-
Belinda Rowe	Rights	8,542	-	-	-	-	-	8,542	8,542	-
Melinda Snowden	Rights	1,728	-	-	-	-	-	1,728	1,728	-

1. Michael Malone was appointed a Director effective from 1 October 2025. Any balances and transactions are from this date.

Share movements held by Executive KMP and Non-executive Directors during the reporting period, including their related parties, are set out below:

Name	Balance at the start of the year	Received on exercise of Right or Option	Purchased	Sold	Balance at the end of the year
Executive KMP					
Mark Coulter ¹	758,537	1,200,000	198,498	1,600,000	557,035
Adam McWhinney	509,855	-	-	-	509,855
Cameron Barnsley	-	-	-	-	-
Non-executive Director					
Stephen Heath	11,026	-	6,888	-	17,914
Conrad Yiu ¹	2,008,959	-	17,857	400,000	1,626,816
Michael Malone ²	2,100	-	3,500	-	5,600
Belinda Rowe	12,100	-	7,300	-	19,400
Melinda Snowden	1,500	-	-	-	1,500

1. ArdenPoint Ecommerce Unit Trust ('Trust') is the registered holder of 627,828 Ordinary Shares of Temple & Webster Group Ltd. For the purpose of above table, both Mr Coulter and Mr Yiu, the beneficiaries of the Trust, are considered to hold 50% of the shares held by the Trust. This is the same as in prior financial years.

2. Michael Malone was appointed a Director effective from 1 October 2025. Any balances and transactions are from this date.

The following table outlines the accounting values and potential future costs of equity remuneration granted during FY26 for executive KMP:

Name	Award	Vesting Conditions	Grant Date	Number	Exercise Price at vesting	Fair Value at Grant Date	Total Fair Value at Grant	Value Expensed in FY26	Max Value to be Expensed in Future Years
Executive KMP									
Adam McWhinney	PRs ¹	RTSR	20/11/2025	6,294	–	9.98	62,814	20,938	41,876
		EPSG	20/11/2025	6,294	–	19.33	121,663	40,554	81,109
Cameron Barnsley	PRs ¹	RTSR	20/11/2025	8,101	–	9.98	80,848	26,949	53,899
		EPSG	20/11/2025	8,101	–	19.33	156,592	52,197	104,395

1. PRs means Performance rights.

7.4 KMP service agreements

Executive KMP service agreements

The following outlines current executive KMP service agreements:

Name	Employing company	Duration of contract	Period of Notice	
			From company	From KMP
Mark Coulter	TPW Group Services Pty Ltd	No fixed term	3 months	3 months
Adam McWhinney	TPW Group Services Pty Ltd	No fixed term	6 months	6 months
Cameron Barnsley	TPW Group Services Pty Ltd	No fixed term	6 months	6 months

Non-executive Directors service agreements

The appointment of Non-executive Directors is subject to a letter of engagement. Under this approach, NEDs are not eligible for any termination benefits following termination of their office, nor any payments other than those required under law such as in respect of superannuation. There are no notice periods applicable to either party under this approach.

7.5 Other statutory disclosures

Loans to KMP and their related parties

During FY26 and to the date of this report, the Group made no loans to directors and other KMP and none were outstanding as at 30 June 2026.

Other transactions with KMP

During FY26 there were no other reportable transactions between the Group and its directors, KMP, or their personally related entities ('Related Parties').

This concludes the Remuneration report, which has been audited.

Directors' report continued

NON-AUDIT SERVICES

The amounts paid or payable to the auditor for non-audit services during the financial year was \$83,015 (2025: \$50,480). This is outlined in note 26 to the consolidated financial statements.

The directors are of the opinion that the services as disclosed in note 26 to the consolidated financial statements do not compromise the external auditor's independence requirements of the Corporations Act 2001 for the following reasons:

- all non-audit services have been reviewed and approved to ensure that they do not impact the integrity and objectivity of the auditor; and
- none of the services undermine the general principles relating to auditor independence as set out in APES 110 *Code of Ethics for Professional Accountants* issued by the Accounting Professional and Ethical Standards Board, including reviewing or auditing the auditor's own work, acting in a management or decision-making capacity for the Company, acting as advocate for the Company or jointly sharing economic risks and rewards.

OFFICERS OF THE COMPANY WHO ARE FORMER PARTNERS OF ERNST & YOUNG

There are no officers of the Company who are former partners of Ernst & Young.

ROUNDING OF AMOUNTS

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar, under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2026/183. The Company is an entity to which this legislative instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on the following page.

AUDITOR

Ernst & Young 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



Mark Coulter
Executive Chair
19 August 2026

Auditor's independence declaration



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Auditor's independence declaration to the directors of Temple & Webster Group Ltd

As lead auditor for the audit of the financial report of Temple & Webster Group Ltd for the financial year ended 30 June 2026, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Temple & Webster Group Ltd and the entities it controlled during the financial year.

Ernst & Young

Ernst & Young

R Rudman

Rachel Rudman
Partner
19 August 2026

Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2026

		Consolidated	
	Note	2026 \$'000	2025 \$'000
Revenue			
Revenue from contracts with customers	4	664,586	600,719
Cost of goods sold		(455,237)	(402,598)
Gross margin		209,349	198,121
Interest income		4,847	5,674
Expenses			
Marketing		(101,242)	(98,045)
Employee benefits	5	(50,900)	(50,785)
Warehouse		(8,334)	(7,588)
Depreciation and amortisation	5	(12,939)	(8,360)
Merchant fees		(7,363)	(6,605)
Finance costs	5	(1,946)	(1,266)
Other expenses	5	(19,605)	(16,307)
Profit/(loss) before tax		11,867	14,839
Income tax expense	6	(7,563)	(3,537)
Profit/(loss) after tax for the year attributable to the owners of Temple & Webster Group Ltd		4,304	11,302
Other comprehensive income			
Other comprehensive income/(loss) for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Temple & Webster Group Ltd		4,304	11,302
		Cents	Cents
Basic earnings per share	34	3.62	9.52
Diluted earnings per share	34	3.47	9.02

The above consolidated statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Consolidated statement of financial position

As at 30 June 2026

	Note	Consolidated	
		2026 \$'000	2025 \$'000
Assets			
Current assets			
Cash and cash equivalents	7	122,694	144,346
Trade and other receivables	8	7,507	11,602
Inventories	9	32,704	29,034
Other current assets	10	5,591	5,307
Income tax receivable		1,226	-
Total current assets		169,722	190,289
Non-current assets			
Right-of-use assets	11	36,464	22,120
Property, plant and equipment	12	9,787	5,459
Intangibles	13	12,695	8,731
Deferred tax assets	6	21,411	50,877
Other non-current assets		3	34
Total non-current assets		80,360	87,221
Total assets		250,082	277,510
Liabilities			
Current liabilities			
Trade and other payables	14	68,272	66,199
Lease liabilities	5	12,155	8,918
Income tax payable		-	2,428
Employee benefits	15	3,633	3,191
Provisions	16	3,192	2,862
Deferred revenue	17	22,458	27,768
Other financial liabilities – current	18	1,903	1,252
Total current liabilities		111,613	112,618
Non-current liabilities			
Employee benefits		684	609
Lease liabilities	5	30,217	14,802
Make good provision	16	1,934	1,404
Total non-current liabilities		32,835	16,815
Total liabilities		144,448	129,433
Net assets		105,634	148,077
Equity			
Contributed capital	19	114,571	105,375
Treasury shares	19	(3,431)	-
Reserves	20	(7,029)	45,483
Retained earnings/(Accumulated losses)		1,523	(2,781)
Total equity		105,634	148,077

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

Consolidated	Contributed capital \$'000	Treasury shares \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2024	101,944	-	18,662	(14,083)	106,523
Profit after tax for the year	-	-	-	11,302	11,302
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	11,302	11,302
Exercise of options	361	-	-	-	361
Share-based payments (note 20)	-	-	4,880	-	4,880
Tax impact on share-based payments (note 20)	-	-	26,117	-	26,117
Share buy-back (note 19)	(1,086)	-	-	-	(1,086)
Transaction costs	-	-	(20)	-	(20)
Issue of shares to Employee Share Trust (note 19)	4,156	(4,156)	-	-	-
Shares transferred to employees under LTVR scheme (note 19)	-	4,156	(4,156)	-	-
Balance at 30 June 2025	105,375	-	45,483	(2,781)	148,077

Consolidated	Contributed capital \$'000	Treasury shares \$'000	Reserves \$'000	Retained earnings/ (accumulated losses) \$'000	Total equity \$'000
Balance at 1 July 2025	105,375	-	45,483	(2,781)	148,077
Profit after tax for the year	-	-	-	4,304	4,304
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	4,304	4,304
Exercise of options	885	-	-	-	885
Share-based payments (note 20)	-	-	4,177	-	4,177
Tax impact on share-based payments (note 20)	-	-	(21,832)	-	(21,832)
Share buy-back (note 19)	(29,925)	-	-	-	(29,925)
Transaction costs	-	-	(52)	-	(52)
Issue of shares to Employee Share Trust (note 19)	38,236	(38,236)	-	-	-
Shares transferred to employees under LTVR scheme (note 19)	-	34,805	(34,805)	-	-
Balance at 30 June 2026	114,571	(3,431)	(7,029)	1,523	105,634

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	Consolidated	
		2026 \$'000	2025 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		729,616	665,846
Payments to suppliers and employees (inclusive of GST)		(705,101)	(620,458)
Interest received		4,847	5,674
Interest and other finance costs paid		(1,858)	(1,197)
Income tax paid		(3,583)	(3,920)
Net cash from operating activities	33	23,921	45,945
Cash flows from investing activities			
Payments for property, plant and equipment	12	(5,358)	(399)
Proceeds from sale of property, plant and equipment	12	-	3
Payments for intangibles	13	(4,508)	(812)
Net cash used in investing activities		(9,866)	(1,208)
Cash flows from financing activities			
Proceeds from exercise of share options	19	885	361
Payments for share buy-back	19	(29,925)	(1,086)
Transaction costs of issue of shares		(52)	(20)
Payment of principal portion of lease liabilities	5	(6,615)	(6,798)
Net cash used in financing activities		(35,707)	(7,543)
Net increase/(decrease) in cash and cash equivalents		(21,652)	37,194
Cash and cash equivalents at the beginning of the financial year		144,346	107,152
Cash and cash equivalents at the end of the financial year	7	122,694	144,346

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

Notes to the consolidated financial statements

30 June 2026

NOTE 1. CORPORATE INFORMATION

The consolidated financial statements cover Temple & Webster Group Ltd (referred to as 'Company' or 'parent entity') as a Group consisting of Temple & Webster Group Ltd and the entities it controlled at the end of, or during, the year (collectively referred to in these consolidated financial statements as the 'Group'). The consolidated financial statements are presented in Australian dollars, which is Temple & Webster Group Ltd's functional and presentation currency.

Temple & Webster Group Ltd is a for profit company incorporated and domiciled in Australia whose shares are publicly traded on the Australian Securities Exchange. The Group's principal place of business is:

Building 2/1-7 Unwins Bridge Road
St Peters, NSW 2044

A description of the nature of the Group's operations and its principal activities is included in the Directors' report, which is not part of the consolidated financial statements.

The consolidated financial statements were authorised for issue, in accordance with a resolution of Directors, on 19 August 2026. The Directors have the power to amend and reissue the consolidated financial statements.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the consolidated financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on various other factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Goodwill and other indefinite life intangible assets

The Group tests annually, or more frequently if events or changes in circumstances indicate impairment, whether goodwill and other indefinite life intangible assets have suffered any impairment, in accordance with the stated accounting policy. The recoverable amount of the cash-generating unit has been determined based on a value-in-use calculation. This calculation requires the use of assumptions, including estimated discount rates based on the current cost of capital and growth rates of the estimated future cash flows.

Share-based payment transactions

The Group measures the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date at which they are granted. The fair value of long-term variable remuneration ('LTVR') performance rights is determined by using either the Trinomial, Monte Carlo or Black-Scholes models, as appropriate, taking into account the terms and conditions upon which the instruments were granted. Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's judgement on the number of equity instruments that will ultimately vest. The fair value of short-term variable remuneration ('STVR') performance rights is based on the market value of Temple & Webster Group Ltd shares less dividend yield at the date each performance right is accepted by the participant, or a fixed percentage of remuneration as determined by the Performance Rights Plan. The accounting estimates and assumptions relating to equity-settled share-based payments would have no impact on the carrying amounts of assets and liabilities within the next annual reporting period but may impact profit or loss and equity.

Refunds provision

In determining the level of the provision, the Group has made judgements in respect of the expected return of products, number of customers who will actually return the products and how often, and the costs of fulfilling the return.

Historical experience and current knowledge of the performance of the products have been used in determining this provision. Refer to note 16 for further details.

Deferred tax assets

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies. Refer to note 6 for further details.

Determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew, i.e. it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g. a change in business strategy). For the building lease, the Group has not included the renewal period as part of the lease term.

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

The Group operates in one segment being the sale of furniture, homewares and home improvement products through its online platforms. This operating segment is based on the internal reports that are reviewed and used by the Board of Directors (who are identified as the Chief Operating Decision Makers ('CODM') in assessing performance and in determining the allocation of resources). There is no aggregation of operating segments.

The operating segment information is the same information as provided throughout the consolidated financial statements and therefore not duplicated. The information reported to the CODM is on at least a monthly basis.

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	Consolidated	
	2026 \$'000	2025 \$'000
Sale of goods	662,852	599,210
Purchase protection	1,734	1,509
	664,586	600,719

Notes to the consolidated financial statements continued

Accounting policy for revenue

Revenue recognition

AASB 15 establishes a five-step model to account for revenue arising from contracts with customers. Under the standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

Contracts with customers and performance obligations

The Group sells furniture and homewares online to both end consumers and commercial customers. Each sale represents a separate identified contract with a customer for which generally two performance obligations are expected: sales of goods and purchase protection revenue. For sales of goods, the revenue is recognised at a point in time when control of the asset is transferred to the customer, generally on delivery of the goods, whilst purchase protection is recognised over time.

Transaction price and variable consideration

In accordance with the standard, when a performance obligation is satisfied, the Group recognises revenue to the extent of the transaction price allocated to that performance obligation taking into account the impact of constraints arising from variable consideration. If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts provide customers with a right of return and/or trade discounts. Such provisions might give rise to variable consideration.

Right-of-return

When a contract with a customer provides a right to return the goods within a specified period, a provision for the amount of revenue related to the expected returns is recognised in the consolidated statement of financial position, and an asset for the right to recover products from customers on settling the refund liability.

Deferred revenue – gift cards/store credits

When a customer purchases a gift card, it is pre-paying for goods or services to be delivered in the future. The Group has an obligation to transfer, or stand ready to transfer, the goods or services in the future – creating a performance obligation. The Group recognises a contract liability for the prepayment and derecognises the liability (and recognises revenue) when it fulfils the performance obligation. As a result, revenue from the sale of a gift card is recognised when the Group supplies the goods upon exercise of the gift card. Store credits are treated in a similar way with the difference that no cash was received from customers when they are issued. Breakage (i.e. the customer's unexercised right) is to be estimated and recognised as revenue in proportion to the pattern of rights exercised by the customer.

Deferred revenue – other

Generally, the Group receives only short-term advances from its customers. The Group does not receive material long-term advances. The Group has decided to use the practical expedient provided under the standard to not adjust the promised amount of consideration for the effects of a significant financing component in the contracts, where the Group expects, at contract inception, that the period between the transfer of a promised good or service to a customer and when the customer pays for that good or service, will be one year or less. The Group concludes this does not have a material impact on the Group's consolidated financial statements.

Presentation and disclosure requirements

As required for the consolidated financial statements, the Group disaggregated revenue recognised from contracts with customers into categories that depict the nature and amount. Refer above for the disclosure on disaggregated revenue.

NOTE 5. EXPENSES

	Consolidated	
	2026	2025
	\$'000	\$'000
Profit/(loss) before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Right-of-use assets – buildings	11,365	7,144
Plant and equipment	290	223
Leasehold improvements	740	709
Total depreciation	12,395	8,076
<i>Amortisation</i>		
Software and websites	544	284
Total amortisation	544	284
Total depreciation and amortisation	12,939	8,360
<i>Finance costs</i>		
Interest on lease liabilities	1,946	1,266
Total finance costs	1,946	1,266
<i>Other expenses</i>		
Hosting and other IT	11,314	9,302
Consulting services	4,186	2,910
Fees and services	1,274	1,439
Rent, occupancy and property insurance	1,169	1,022
Travelling expenses	456	576
Other	1,206	1,058
Total other expenses	19,605	16,307
<i>Employee benefits expense</i>		
Employee benefits expense excluding superannuation	42,161	41,270
Equity-settled share-based payment expense (refer to note 20)	4,177	4,880
Cash-settled share-based payment expense (refer to note 21)	810	1,368
Superannuation contribution expense	3,752	3,267
Total employee benefits expense	50,900	50,785

Notes to the consolidated financial statements continued

Accounting policy for leases

Set out below are the accounting policies of the Group in relation to AASB 16 *Leases*.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of their estimated useful life and the lease term. Right-of-use assets are subject to impairment, consistent with the Group's property, plant and equipment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as expenses in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of equipment that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

Presentation and disclosure requirements

As required for the consolidated financial statements, the Group has recognised the relevant Right-of-use assets and Lease liabilities in relation to the leases the Group currently holds.

The changes in lease liabilities from financing activities are set out below:

Consolidated	\$'000 Total
Balance at 1 July 2024	22,323
Accretion of interest	1,198
Payments – principal and interest	(7,996)
New leases	7,687
Re-measurement	508
Balance at 30 June 2025	23,720
Current	8,918
Non-current	14,802
Balance at 1 July 2025	23,720
Accretion of interest	1,857
Payments – principal and interest	(11,762)
New leases	22,763
Re-measurement	5,794
Balance at 30 June 2026	42,372
Current	12,155
Non-current	30,217

Total cash outflows for leases during the year is net of lease incentives received of \$3,291,000 (2025: Nil). The Group classifies interest paid as cash flows from operating activities. The undiscounted potential future rental payments pertaining to lease extension options not reflected in the lease liabilities total to \$50,889,000 (2025: \$33,043,000).

During the year ended 30 June 2026, the Group entered into a warehouse lease contract that contains variable payments based on the number of pallets stored in the warehouse. The variable lease payment for storing pallets in this warehouse is included in warehouse expenses in the consolidated statement of profit or loss. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	Fixed payments \$'000	Variable payments \$'000	Total \$'000
Fixed rent	11,762	–	11,762
Variable rent	–	1,526	1,526
Total payments	11,762	1,526	13,288

A 5% increase in number of pallets stored at the warehouse would increase total lease payments by 1%.

NOTE 6. INCOME TAX EXPENSE/(BENEFIT)

The major components of income tax expense/(benefit) in the consolidated statement of profit or loss are:

	Consolidated	
	2026 \$'000	2025 \$'000
Current income tax expense	6,868	6,705
Deferred income tax expense/(benefit)	695	(3,168)
	7,563	3,537

Notes to the consolidated financial statements continued

Reconciliation of tax expense/(benefit) and the accounting profit multiplied by the Group's statutory tax rate for the current and the previous financial year:

	Consolidated	
	2026 \$'000	2025 \$'000
Accounting profit before income tax expense/(benefit)	11,867	14,839
Income tax expense at the statutory tax rate of 30%	3,560	4,452
Adjustments in respect of current income tax of previous years	-	12
Non-deductible/(deductible) expenses for tax purposes – share-based payments	3,995	(1,050)
Tax on proceeds from exercise of equity options	-	108
Non-deductible expenses for tax purposes – share of loss of an associate	-	-
Non-deductible expenses for tax purposes – change in fair value of other non-current financial assets	-	-
Non-deductible expenses for tax purposes – others	26	15
Non-deductible/(deductible) expenses for tax purposes – others	(18)	-
Income tax expense/(benefit) reported in the consolidated statement of profit or loss	7,563	3,537

Deferred tax

Deferred tax asset recognised comprises temporary differences attributable to:

	Consolidated	
	2026 \$'000	2025 \$'000
Share-based payments	6,890	42,663
Lease liabilities	12,712	7,116
Deferred revenue	4,253	4,689
Carry-forward tax losses	6,341	2,434
Provisions for returns, refunds, inventory and bad debtors	2,213	1,491
Employee benefits	1,482	1,224
Deductible capital raising costs	54	59
Property, plant and equipment	556	385
Right-of-use assets	(10,939)	(6,636)
Accrued expenses	(1,952)	(2,151)
Intangibles	(765)	(789)
Foreign exchange	576	399
Prepayments and others	(10)	(7)
	21,411	50,877

Deferred tax assets have been recognised to the extent the Group has estimated it will be probable that future taxable amounts will be available to utilise those temporary differences. The deferred tax asset on carry-forward tax losses amounting to \$6,341,000 (2025: \$2,434,000) was recognised for the year ended 30 June 2026. The carry-forward tax losses have been recognised to the extent that it is probable that future taxable amounts will be able to be utilised in the foreseeable future. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Accounting for tax

Income tax expense or benefit for the period is the tax payable on that period's taxable income based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences, unused tax losses and the adjustment recognised for prior periods, where applicable.

Deferred tax assets and liabilities are recognised for temporary differences at the tax rates expected to be applied when the assets are recovered or liabilities are settled, based on those tax rates that are enacted or substantively enacted, except for:

- i. when the deferred income tax asset or liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither the accounting nor taxable profits; or
- ii. when the taxable temporary difference is associated with interests in subsidiaries, associates or joint ventures, and the timing of the reversal can be controlled, and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset only where there is a legally enforceable right to offset current tax assets against current deferred tax liabilities; and they relate to the same taxable authority on either the same taxable entity or different taxable entities which intend to settle simultaneously.

Tax consolidated group

Temple & Webster Group Ltd (the 'head entity') and its wholly owned Australian subsidiaries formed an income tax consolidated group ('tax group') under the tax consolidation regime with effect from 4 December 2015. Each entity in the tax group continues to account for their own current and deferred tax amounts. The tax group has applied the 'group allocation' approach in determining the appropriate amount of taxes to allocate to group members. In addition to its own tax amounts, the head entity also recognises the tax arising from unused tax losses and tax credits assumed from each subsidiary in the tax group.

Assets or liabilities arising under tax funding agreements are recognised as amounts receivable from or payable to other entities in the tax group. The tax funding arrangement ensures that the intercompany charge equals the current tax liability or benefit of each tax group member, resulting in neither a contribution by the head entity to the subsidiaries nor a distribution by the subsidiaries to the head entity.

Franking credits

The franking credits available as at 30 June 2026 is \$17,854,000 (2025: \$14,272,000) from the payment of income tax.

NOTE 7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2026 \$'000	2025 \$'000
Cash at bank	81,263	71,312
Cash on deposit	41,431	73,034
	122,694	144,346

Cash on deposit includes \$5,554,000 (2025: \$2,669,000) of term deposits pledged as security to financial institutions for third-party bank guarantees issued on behalf of the Group. These deposits are subject to contractual restrictions and are not available for use by the Group.

Notes to the consolidated financial statements continued

Accounting policy for cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with financial institutions, and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. For cash flow purposes, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

NOTE 8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2026 \$'000	2025 \$'000
Trade receivables	1,590	325
Other receivables	5,917	11,277
	7,507	11,602

NOTE 9. CURRENT ASSETS - INVENTORIES

	Consolidated	
	2026 \$'000	2025 \$'000
Stock in transit	6,957	8,857
Stock on hand	28,063	21,195
Less: Provision for impairment	(2,316)	(1,018)
	25,747	20,177
	32,704	29,034

Inventory that was recognised as an expense in the Statement of Profit or Loss amounted to \$344,724,000 (2025: \$310,926,000) for the year ended 30 June 2026 and was recognised in Cost of goods sold.

Cost of goods sold also includes the shipping costs incurred on delivery of products to customers of \$110,513,000 (2025: \$91,672,000).

Accounting policy for inventories

Stock in transit and stock on hand are stated at the lower of cost and net realisable value. The costs of purchase of inventories comprise the purchase price, import duties and other taxes (other than those subsequently recoverable by the entity from the taxing authorities), and transport, handling and other costs directly attributable to the acquisition of finished goods, materials and services. Trade discounts, rebates and other similar items are deducted in determining the costs of purchase.

Both stock in transit and stock on hand are finished goods for which net realisable value is the estimated selling price in the ordinary course of business less the estimated selling costs necessary to make the sale.

NOTE 10. CURRENT ASSETS - OTHER

	Consolidated	
	2026 \$'000	2025 \$'000
Prepayments	5,204	4,690
Right-of-return assets	249	479
Security deposits	138	138
	5,591	5,307

NOTE 11. NON-CURRENT ASSETS – RIGHT-OF-USE ASSETS

	Consolidated	
	2026 \$'000	2025 \$'000
Buildings (at cost) – Balance as at 1 July	39,004	30,808
Additions	19,914	7,687
Re-measurement	5,794	509
	64,712	39,004
Less: Accumulated depreciation	(28,248)	(16,884)
Balance as at 30 June	36,464	22,120

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Buildings \$'000	Total \$'000
Balance at 1 July 2024	21,068	21,068
Additions	7,687	7,687
Re-measurement	509	509
Depreciation expense	(7,144)	(7,144)
Balance at 30 June 2025	22,120	22,120
Balance at 1 July 2025	22,120	22,120
Additions	19,914	19,914
Re-measurement	5,795	5,795
Depreciation expense	(11,365)	(11,365)
Balance at 30 June 2026	36,464	36,464

Refer to note 5 for the accounting policies on right-of-use assets.

NOTE 12. NON-CURRENT ASSETS – PROPERTY, PLANT AND EQUIPMENT

	Consolidated	
	2026 \$'000	2025 \$'000
Leasehold improvements – at cost	8,731	7,149
Less: Accumulated depreciation on leasehold improvements	(2,683)	(1,943)
	6,048	5,206
Plant and equipment – at cost	6,120	2,540
Less: Accumulated depreciation	(2,381)	(2,287)
	3,739	253
	9,787	5,459

Notes to the consolidated financial statements continued

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Leasehold improvements \$'000	Construction in progress \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2024	5,669	24	300	5,993
Additions	-	221	182	403
Disposals	-	-	(5)	(5)
Transfers	245	(245)	-	-
Depreciation expense	(708)	-	(224)	(932)
Balance at 30 June 2025	5,206	-	253	5,459
Balance at 1 July 2025	5,206	-	253	5,459
Additions	302	4,718	338	5,358
Disposals	-	-	-	-
Transfers	1,280	(4,718)	3,438	-
Depreciation expense	(740)	-	(290)	(1,030)
Balance at 30 June 2026	6,048	-	3,739	9,787

Accounting policy for property, plant and equipment

Plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment, if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives.

Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. The present value of the expected cost for the decommissioning of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

Plant, machinery and equipment	2 to 20 years
Leasehold improvements	2 to 10 years or lease term whichever is lower

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

NOTE 13. NON-CURRENT ASSETS – INTANGIBLES

	Consolidated	
	2026 \$'000	2025 \$'000
Goodwill – at cost	22,434	22,434
Less: Accumulated impairment	(17,902)	(17,902)
	4,532	4,532
Brands – at cost	2,781	2,781
Software and websites – at cost	5,204	4,652
Less: Accumulated amortisation	(2,397)	(1,853)
Less: Accumulated impairment	(1,474)	(1,474)
	1,333	1,325
Development costs	4,005	49
Other	44	44
	12,695	8,731

Reconciliations of the written down values at the beginning and end of the current and previous financial year are set out below:

Consolidated	Goodwill \$'000	Brands \$'000	Software and websites \$'000	Development costs \$'000	Other \$'000	Total \$'000
Balance at 1 July 2024	4,532	2,781	590	257	44	8,204
Additions	-	-	-	812	-	812
Transfer of software upon completion	-	-	1,020	(1,020)	-	-
Amortisation expense	-	-	(285)	-	-	(285)
Balance at 30 June 2025	4,532	2,781	1,325	49	44	8,731
Balance at 1 July 2025	4,532	2,781	1,325	49	44	8,731
Additions	-	-	5	4,503	-	4,508
Transfer of software upon completion	-	-	547	(547)	-	-
Amortisation expense	-	-	(544)	-	-	(544)
Balance at 30 June 2026	4,532	2,781	1,333	4,005	44	12,695

Impairment testing

For impairment testing, goodwill and brands acquired through business combinations are allocated to the Temple & Webster CGU ('TPW CGU') and amounted to \$7,313,000 in the current and previous financial year. The Group performed its annual impairment test in June 2026 and June 2025. The recoverable amount of the TPW CGU was assessed based on a value-in-use calculation, using a discounted cash flow model, based on a five-year projection period including the budget approved by the Board for the financial year ended 30 June 2027. The key assumptions used to determine the value-in-use of the TPW CGU are based on the Directors' current expectations which were considered to be reasonably achievable. However, significant changes in any of these key estimates, assumptions or regulatory environments may result in the TPW CGU carrying value exceeding its recoverable value, requiring an impairment charge to be recognised. Any reasonable possible change in any of the assumptions used did not result in an impairment charge at 30 June 2026. The key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive.

Notes to the consolidated financial statements continued

The following key assumptions were used in the value-in-use calculation for the TPW CGU:

- a. 13.5% pre-tax discount rate (13.5% in the previous financial year),
- b. revenue growth in year 1 as per the next financial year budget approved by the Board (consistent approach with the previous financial year),
- c. revenue growth in years 2 to 5 calculated based on the combination of the historical growth rates over the past four years as well as external industry data (consistent approach with the previous financial year),
- d. 3% terminal growth rate in the current and the previous financial year.

In accordance with AASB 136 'Impairment of assets', forecasts did not include estimated future cash inflows or outflows that were expected to arise from improving or enhancing the CGU's performance.

Based on the above assumptions, the calculated recoverable amount was higher than the carrying value of the TPW CGU and therefore no impairment charge was expensed to profit or loss for the year ended 30 June 2026.

No changes to the CGU structure were made in the current financial year. No reasonable possible change in assumptions would result in impairment to the CGU.

Accounting policy for impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together with a cash-generating unit.

Accounting policy for intangible assets

Intangible assets acquired as part of a business combination, other than goodwill, are initially measured at their fair value at the date of the acquisition. Intangible assets acquired separately are initially recognised at cost. Indefinite life intangible assets are not amortised and are subsequently measured at cost less any impairment. Finite life intangible assets are subsequently measured at cost less amortisation and any impairment. The gains or losses recognised in profit or loss arising from the derecognition of intangible assets are measured as the difference between net disposal proceeds and the carrying amount of the intangible asset. The method and useful lives of finite life intangible assets are reviewed annually. Changes in the expected pattern of consumption or useful life are accounted for prospectively by changing the amortisation method or period.

Goodwill

Goodwill arises on the acquisition of a business. Goodwill is not amortised. Instead, goodwill is tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired and is carried at cost less accumulated impairment losses. Impairment losses on goodwill are taken to profit or loss and are not subsequently reversed.

Brands

Brand costs acquired are capitalised as an asset. These costs are not subsequently amortised as they have an indefinite useful life; instead they are tested annually for impairment.

Software and websites

Significant costs associated with software are deferred and amortised on a straight-line basis over the period of their expected benefit, being their finite useful lives of between two to seven years.

Research and development

Research costs are expensed in the period in which they are incurred. Development costs are capitalised when it is probable that the project will be a success considering its commercial and technical feasibility, the Group is able to use or sell the asset, the Group has sufficient resources and intent to complete the development and its costs can be measured reliably.

Capitalised development costs are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of three years.

Customer relationships

Customer contracts acquired in a business combination are amortised on a straight-line basis over the period of their expected benefit, being their finite useful life of four years.

NOTE 14. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2026 \$'000	2025 \$'000
Trade payables	41,590	48,340
Accrued payables	22,490	13,197
Employee-related payables	1,523	1,214
Cash-settled share-based payments (refer to note 21)	810	1,368
On-costs on share-based payments	46	81
Other payables	1,813	1,999
	68,272	66,199

Accounting policy for trade and other payables

These amounts represent liabilities for wages, salaries and goods and services provided to the Group prior to the end of the reporting period and which are unpaid. Due to their short-term nature, they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition. Gains and losses are recognised in profit or loss when the liabilities are derecognised.

Defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

NOTE 15. CURRENT LIABILITIES - EMPLOYEE BENEFITS

	Consolidated	
	2026 \$'000	2025 \$'000
Annual leave	2,453	2,143
Long service leave	1,180	1,048
	3,633	3,191

Notes to the consolidated financial statements continued

Accounting policy for employee benefits

Employee benefits

Short-term employee benefits

Liabilities recognised for salaries and wages, annual leave and any other short-term employee benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are measured at the amounts expected to be paid when the liabilities are settled in respect of services provided by employees up to the reporting date.

Long-term employee benefits

The Group's net obligation in respect of long-term service benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the expected future increases in wage and salary rates including related on-costs and expected settlement dates, and is discounted using rates attached to bonds with sufficiently long maturities at the balance sheet date, which have maturity dates approximating to the terms of the Group's obligations.

NOTE 16. PROVISIONS

	Consolidated	
	2026 \$'000	2025 \$'000
Current provisions		
Refunds and replacements	3,192	2,862
	3,192	2,862
Non-current provisions		
Make good obligation	1,934	1,404
	1,934	1,404

Movements in provisions

Movements in each class of provision during the current financial year are set out below:

Consolidated	Make good obligation \$'000	Refunds and replacements \$'000	Total \$'000
Carrying amount at 30 June 2024	1,335	3,460	4,795
Additional provisions recognised	69	35,193	35,262
Amounts used	-	(33,623)	(33,623)
Unused amounts reversed	-	(2,168)	(2,168)
Carrying amount at 30 June 2025	1,404	2,862	4,266
Additional provisions recognised	530	38,240	38,770
Amounts used	-	(36,005)	(36,005)
Unused amounts reversed	-	(1,905)	(1,905)
Carrying amount at 30 June 2026	1,934	3,192	5,126

Accounting policy for provisions

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Group at the end of the respective lease terms.

Refunds and replacements

The refunds provision represents the value of goods expected to be returned by customers as a result of 'change of mind' or defective goods receipted by customers. The replacement provision represents the value of goods expected to be replaced by the Group as a result of defective and damaged goods receipted by customers. The provisions are estimated based on historical data using the percentage of actual refunds and replacements against sales revenue and cost of goods sold.

Provisions are recognised when the Group has a present (legal or constructive) obligation as a result of a past event, it is probable the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost in profit or loss.

NOTE 17. CURRENT LIABILITIES - DEFERRED REVENUE

	Consolidated	
	2026 \$'000	2025 \$'000
Deferred revenue	22,458	27,768

Movements in deferred revenue during the current financial year are set out below:

	Deferred revenue \$'000
Carrying amount at 1 July 2024	21,156
Additional revenue deferred	607,331
Revenue recognised	(600,719)
Carrying amount at 30 June 2025	27,768
Additional revenue deferred	659,276
Revenue recognised	(664,586)
Carrying amount at 30 June 2026	22,458

Refer to note 4 for the accounting policies on deferred revenue.

Notes to the consolidated financial statements continued

NOTE 18. OTHER FINANCIAL LIABILITIES – CURRENT

	Consolidated	
	2026 \$'000	2025 \$'000
Current		
Foreign exchange forward contract	1,903	1,252
	1,903	1,252

NOTE 19. EQUITY – CONTRIBUTED CAPITAL AND TREASURY SHARES

	Consolidated			
	2026 Shares	2025 Shares	2026 \$'000	2025 \$'000
Ordinary shares – fully paid	116,546,731	118,789,993	114,571	105,375

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2024	118,570,156		101,944
Exercise of options		-		361
Issue of shares to Employee Share Trust	26 August 2024	181,026	\$11.42	2,069
Issue of shares to Employee Share Trust	27 November 2024	181,026	\$11.53	2,087
Shares bought back and cancelled	see 'Ordinary shares' note below	(142,215)		(1,086)
Balance	1 July 2025	118,789,993		105,375
Exercise of options		-		885
Issue of shares to Employee Share Trust	18 August 2025	284,816	\$26.39	7,516
Issue of shares to Employee Share Trust	20 August 2025	1,200,000	\$25.60	30,720
Shares bought back and cancelled	see 'Ordinary shares' note below	(3,728,078)		(29,925)
Balance	30 June 2026	116,546,731		114,571

Movements in treasury shares

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2025	-		-
Shares purchased under LTVR scheme		1,484,816	25.75	38,236
Shares transferred to employees under LTVR scheme		(1,354,799)	25.69	(34,805)
Balance	30 June 2026	130,017		3,431

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. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

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.

The on-market share buy-back program that was initiated by the Group on 17 June 2024 was concluded on 30 May 2025. Subsequently, on 2 June 2025, the Group announced a new 'on-market' share buy-back program for a 12-month period ending 19 June 2026.

During the year ended 30 June 2026, the Group purchased 3,728,078 ordinary shares (2025: 88,341) on issue at average price of \$8.00 (2025: \$12.29) under the on-market share buy-back programs. All the shares bought-back were cancelled as at 30 June 2026.

Treasury shares

Treasury shares represent own equity instruments which are issued or acquired for later payment as part of employee share-based payment arrangements and deducted from equity. These shares are held in trust by the trustee of the Temple & Webster Group Ltd Employee Share Trust and vest in accordance with the conditions attached to the granting of the shares. The accounting policy applied in respect of share-based payments is disclosed in note 21. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

Capital risk management

The Group's objective when managing capital is to safeguard its ability to continue as a going concern, so that it can provide returns for shareholders and benefits for other stakeholders and to maintain an optimum capital structure to reduce the cost of capital. Capital is regarded as total equity, as recognised in the consolidated statement of financial position, plus net debt. Net debt is calculated as total borrowings and trade and other payables, less cash and cash equivalents.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group would look to raise capital when an opportunity to invest in a business or company is seen as value adding relative to the current Company's share price at the time of the investment. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2026 and 30 June 2025. The Group used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives in the financial years ended 30 June 2026 and 30 June 2025.

Accounting policy for contributed capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

Notes to the consolidated financial statements continued

NOTE 20. EQUITY - RESERVES

	Consolidated	
	2026 \$'000	2025 \$'000
Share-based payments reserve	(7,029)	45,483
	(7,029)	45,483

Accounting policy for reserves

Share-based payments reserve

The reserve is used to recognise the value of equity benefits provided to employees and directors as part of their remuneration, and to other parties as part of their compensation for services.

Shares issued to employees by the Temple & Webster Employee Share Trust are recognised against the reserve.

Movements in reserves

Movements in each class of reserve during the current and previous financial year are set out below:

Consolidated	Share-based payments \$'000
Balance at 1 July 2024	18,662
Transaction cost	(20)
Shares issued to employees under LTVR scheme	(4,156)
Share-based payments	4,880
Tax impact on share-based payments	26,117
Balance at 30 June 2025	45,483
Transaction cost	(52)
Shares issued to employees under LTVR scheme	(34,805)
Share-based payments	4,177
Tax impact on share-based payments	(21,832)
Balance at 30 June 2026	(7,029)

NOTE 21. SHARE-BASED PAYMENTS

Long-Term Variable Remuneration ('LTVR') plans were established by the Group and approved by the Board, whereby the Group may, at the discretion of the Nomination and Remuneration Committee, grant performance rights, options or restricted rights over ordinary shares in the Company to employees and directors of the Group. The performance rights are issued for nil consideration and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. The options are issued at a pre-determined consideration amount and are granted in accordance with performance guidelines established by the Nomination and Remuneration Committee. The restricted rights are issued based on participants sacrificing a portion of their salary in return for a grant of restricted rights. The LTVR performance targets are based on share price hurdles, total shareholder returns or earnings per share which are set at the beginning of the performance period and are aligned to business level strategic priorities. Each participant is required to meet a service condition for performance rights to vest.

Set out below are summaries of performance rights granted under the LTVR plans as at 30 June 2026:

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Vested but not exercised	Exercised	Expired/ forfeited/ replaced	Balance at the end of the year
11/05/2023	30/06/2025	\$0.00	272,728	-	143,804	(128,924)	-	143,804
13/11/2023	30/06/2026	\$0.00	195,144	-	-	-	(6,572)	188,572
1/12/2023	31/08/2025	\$0.00	18,509	-	-	(18,509)	-	-
1/12/2023	31/08/2026	\$0.00	18,509	-	-	-	(9,443)	9,066
1/04/2024	31/08/2025	\$0.00	3,022	-	-	(3,022)	-	-
1/04/2024	31/08/2026	\$0.00	3,022	-	-	-	-	3,022
29/11/2024	30/06/2027	\$0.00	144,518	-	-	-	(9,336)	135,182
1/12/2024	28/02/2026	\$0.00	4,344	-	-	(4,344)	-	-
1/12/2024	31/08/2027	\$0.00	4,344	-	-	-	-	4,344
20/11/2025	30/06/2028	\$0.00	-	85,784	-	-	(7,248)	78,536
1/12/2025	31/08/2027	\$0.00	-	2,101	-	-	-	2,101
1/12/2025	31/08/2028	\$0.00	-	2,101	-	-	-	2,101
			664,140	89,986	143,804	(154,799)	(32,599)	566,728

The weighted average remaining contractual life of performance rights outstanding at the end of the 2026 financial year was 0.54 years.

Set out below are summaries of performance rights granted under the LTVR plans as at 30 June 2025:

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Vested but not exercised	Exercised	Expired/ forfeited/ replaced	Balance at the end of the year
21/12/2021	30/06/2024	\$0.00	104,083	-	-	-	(104,083)	-
11/05/2023	30/06/2025	\$0.00	272,728	-	-	-	-	272,728
13/11/2023	30/06/2026	\$0.00	195,144	-	-	-	-	195,144
1/12/2023	31/08/2025	\$0.00	18,509	-	-	-	-	18,509
1/12/2023	31/08/2026	\$0.00	18,509	-	-	-	-	18,509
1/04/2024	31/08/2025	\$0.00	3,022	-	-	-	-	3,022
1/04/2024	31/08/2026	\$0.00	3,022	-	-	-	-	3,022
29/11/2024	30/06/2027	\$0.00	-	144,518	-	-	-	144,518
1/12/2024	28/02/2026	\$0.00	-	4,344	-	-	-	4,344
1/12/2024	31/08/2027	\$0.00	-	4,344	-	-	-	4,344
			615,017	153,206	-	-	(104,083)	664,140

The weighted average remaining contractual life of performance rights outstanding at the end of the 2025 financial year was 0.79 years.

The Group issued LTVR Performance Rights and Retention Rights to the executive and management team during the current financial year. Of the total LTVR performance rights granted during the current financial year on 20 November 2025, 50% of the LTVR have market vesting conditions based on the Group's Total Shareholder Return ('TSR') as compared to TSR of the constituents of the S&P/ASX 300 Industrials Index over the performance period and the remaining 50% of the LTVR have non-market vesting conditions based on the achievement of a certain Earnings Per Share Growth ('EPSG') target.

Notes to the consolidated financial statements continued

For the LTVR performance rights granted during the current financial year to the executive and management team with a TSR target, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
20/11/2025	30/06/2028	\$19.33	\$0.00	42.00%	-	3.74%	\$9.98

For the LTVR performance rights with an EPSG target and retention rights granted to the executive and management team, the share price on the grant date is determined to be the fair value at the grant date of \$19.33.

For the LTVR performance rights granted during the previous financial years, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
21/12/2021	30/06/2024	\$10.09	\$0.00	63.12%	-	0.76%	\$5.90
11/05/2023	30/06/2025	\$3.77	\$0.00	67.76%	-	3.03%	\$2.36
13/11/2023	30/06/2026	\$6.61	\$0.00	57.00%	-	4.31%	\$4.61
29/11/2024	30/06/2027	\$11.81	\$0.00	53.00%	-	3.92%	\$8.30

Nil dividend yield was used in the valuation of the share-based payments granted in the current financial year.

Set out below are summaries of options granted under the LTVR and salary sacrifice plans as at 30 June 2026:

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Vested but not exercised	Exercised	Expired/ forfeited/ replaced	Balance at the end of the year
1/07/2018	31/08/2022	\$0.74	5,000,000	-	3,800,000	(1,200,000)	-	3,800,000
30/11/2022	31/08/2026	\$7.06	1,200,000	-	-	-	-	1,200,000
30/11/2022	31/08/2026	\$9.53	1,200,000	-	-	-	-	1,200,000
30/11/2022	31/08/2026	\$12.86	1,200,000	-	-	-	-	1,200,000
			8,600,000	-	3,800,000	(1,200,000)	-	7,400,000

For the LTVR and salary sacrifice options granted during the previous financial years to the CEO and Non-executive Directors ('NED'), and still outstanding as at 30 June 2026, the valuation model inputs used to determine the fair value at the grant date are as follows:

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
1/07/2018	31/08/2022	\$0.76	\$0.74	58.00%	-	2.19%	\$0.352
30/11/2022	31/08/2026	\$5.27	\$7.06	71.54%	-	3.51%	\$3.860
30/11/2022	31/08/2026	\$5.27	\$9.53	71.54%	-	3.51%	\$3.630
30/11/2022	31/08/2026	\$5.27	\$12.86	71.54%	-	3.51%	\$3.400

Set out below are summaries of restricted rights granted under the LTVR plans as at 30 June 2026 and fair value:

Grant date	Vesting date	Share price at grant date	Balance at the start of the year	Granted	Vested but not exercised	Exercised	Expired/ forfeited/ replaced	Balance at the end of the year
12/11/2021	12/11/2021	\$10.86	9,729	-	9,729	-	-	9,729
11/05/2023	11/05/2023	\$3.77	33,928	-	33,928	-	-	33,928
9/12/2024	9/12/2024	\$13.15	5,616	-	5,616	-	-	5,616
			49,273	-	49,273	-	-	49,273

Cash-settled share-based payments of \$810,000 were granted under the STVR Plan on 1 July 2025 and vested on 30 June 2026 (2025: \$1,368,000). The STVR is dependent on meeting Group and individual performance objectives, and each participant is also required to meet a service condition.

Accounting policy for share-based payments

Equity-settled transactions

Equity-settled transactions are awards of shares, or options over shares, that are provided to employees in exchange for the rendering of services. The cost of equity-settled transactions is measured at fair value on grant date. For the LTVR performance rights or options, fair value is independently determined using either the Trinomial, Monte Carlo or Black-Scholes option pricing model that takes into account the exercise price, the term of the option, the impact of dilution, the share price at grant date and expected price volatility of the underlying share, the expected dividend yield and the risk-free interest rate for the term of the option, together with non-vesting conditions and hurdles that do not determine whether the Group receives the services that entitle the employees to receive payment. For the STVR performance rights the valuation model used to determine the fair value at the issue date is based on the market value of Temple & Webster Group Ltd shares less dividend yield at the date each performance right was accepted by the participant, or a fixed percentage of remuneration as determined by the Performance Rights Plan.

The cost of equity-settled transactions is recognised as an expense with a corresponding increase in equity over the vesting period. The cumulative charge to profit or loss is calculated based on the grant date fair value of the award, the best estimate of the number of awards that are likely to vest and the expired portion of the vesting period. The amount recognised in profit or loss for the period is the cumulative amount calculated at each reporting date less amounts already recognised in previous periods.

Market conditions are taken into consideration in determining fair value. Therefore, any awards subject to market conditions are considered to vest irrespective of whether or not that market condition has been met, provided all other conditions are satisfied.

If equity-settled awards are modified, as a minimum an expense is recognised as if the modification has not been made. An additional expense is recognised, over the remaining vesting period, for any modification that increases the total fair value of the share-based compensation benefit as at the date of modification.

If the non-vesting condition is within the control of the Group or employee, the failure to satisfy the condition is treated as a cancellation. If the condition is not within the control of the Group or employee and is not satisfied during the vesting period, any remaining expense for the award is recognised over the remaining vesting period, unless the award is forfeited.

If equity-settled awards are cancelled, they are treated as if they have vested on the date of cancellation, and any remaining expense is recognised immediately. If a new replacement award is substituted for the cancelled award, the cancelled and new award are treated as if they were a modification.

Cash-settled transactions

A liability is recognised for the fair value of cash-settled transactions. The fair value is measured initially and at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense (refer to note 5). The fair value is expensed over the period until the vesting date with recognition of a corresponding liability and is determined as a percentage of the fixed remuneration.

Notes to the consolidated financial statements continued

NOTE 22. EQUITY – DIVIDENDS

There were no dividends paid, recommended or declared during the current or previous financial year.

NOTE 23. FINANCIAL INSTRUMENTS

Financial risk management objectives

The Group's activities expose it to a variety of financial risks: market risk (including foreign currency risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group.

Risk management is carried out by senior finance executives ('finance') under policies approved by the Board of Directors ('the Board'). These policies include identification and analysis of the risk exposure of the Group and appropriate procedures, controls and risk limits. Finance identifies, evaluates and hedges financial risks within the Group's operating units. Finance reports to the Board on a quarterly basis.

Market risk

Foreign currency risk

The Group undertakes certain transactions denominated in foreign currency and is exposed to foreign currency risk through foreign exchange rate fluctuations.

Foreign exchange risk arises from future commercial transactions and recognised financial assets and financial liabilities denominated in a currency that is not the entity's functional currency. The risk is measured using sensitivity analysis and cash flow forecasting.

The Group uses foreign exchange forward contracts to manage some of its transaction exposures resulting from purchases in USD. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions, generally from one to six months. The foreign exchange forward contract balances vary with the level of expected foreign currency purchases and changes in foreign exchange forward rates. The foreign exchange forward contracts are measured at fair value through profit or loss.

The carrying amounts of the Group's foreign currency denominated financial assets and financial liabilities at the reporting date were as follows:

Consolidated	Assets		Liabilities	
	2026 \$'000	2025 \$'000	2026 \$'000	2025 \$'000
Trade and other payables	-	-	662	1,399
Foreign exchange forward contracts	-	-	1,903	1,252
Cash at bank – USD	3,807	3,886		
Cash at bank – NZD	89	-		
	3,896	3,886	2,565	2,651

Based on this position, the Group is not exposed to any significant foreign currency sensitivity from its existing assets or liabilities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group is not materially exposed to any significant interest rate risk.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group is not materially exposed to any significant credit risk. All cash and cash equivalents are held by well-established banks, hence the expected default rate for these institutions is highly unlikely. All receivables are neither past due nor impaired.

Liquidity risk

Vigilant liquidity risk management requires the Group to maintain sufficient liquid assets (mainly cash and cash equivalents) to be able to pay debts as and when they become due and payable. The Group manages liquidity risk by maintaining adequate cash reserves by continuously monitoring actual and forecast cash flows and matching the maturity profiles of financial assets and liabilities.

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturities 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 interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amounts in the consolidated statement of financial position.

Consolidated – 2026	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives						
Trade payables	-	41,590	-	-	-	41,590
Accrued payables		22,490	-	-	-	22,490
Other payables	-	1,813	-	-	-	1,813
Lease liabilities	5.6	14,146	8,931	20,810	3,796	47,683
Total non-derivative financial liabilities		80,039	8,931	20,810	3,796	113,576
Derivatives						
Foreign exchange forward contract		1,903	-	-	-	1,903
Total derivative financial liabilities		1,903	-	-	-	1,903

Consolidated – 2025	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives						
Trade payables	-	48,340	-	-	-	48,340
Accrued payables		13,197	-	-	-	13,197
Other payables	-	1,999	-	-	-	1,999
Lease liabilities	5.2	9,897	2,573	8,234	8,478	29,182
Total non-derivative financial liabilities		73,433	2,573	8,234	8,478	92,718
Derivatives						
Foreign exchange forward contract		1,252	-	-	-	1,252
Total derivative financial liabilities		1,252	-	-	-	1,252

Notes to the consolidated financial statements continued**Accounting policy for financial instruments****AASB 9 Financial Instruments**

A financial asset shall be measured at amortised cost, if it is held within a business model whose objective is to hold assets in order to collect contractual cash flows, which arise on specified dates and are solely principal and interest. All other financial assets are to be classified and measured at fair value through profit or loss unless the entity makes an irrevocable election on initial recognition to present gains and losses on equity instruments (that are not held-for-trading) in Other Comprehensive Income ('OCI').

Impairment requirements use an Expected Credit Loss ('ECL') model to recognise an allowance. Impairment is measured under a 12-month ECL method unless the credit risk on a financial instrument has increased significantly since initial recognition in which case the lifetime ECL method is adopted.

Financial assets – classification and measurement

The Group classifies its financial assets into the following categories: those to be measured subsequently at fair value (either through OCI, or profit or loss) and those to be held at amortised cost. Classification depends on the business model for managing the financial assets and the contractual terms of the cash flows.

At initial recognition, the Group measures its current financial assets at amortised cost at fair value plus transaction costs unless otherwise stated. These financial assets are subsequently measured using the Effective Interest Rate ('EIR') method and are subject to impairment.

For Trade and other receivables, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Other current financial assets and other non-current financial assets are initially and subsequently measured at fair value through profit or loss, whilst all transaction costs are expensed immediately at initial recognition. Gains and losses are recognised in the profit or loss.

Financial liabilities

Financial liabilities are classified, at initial recognition, as payables at amortised cost or as derivatives at fair value through profit or loss. The Group's financial liabilities include Trade and other payables and Derivative financial instruments.

The Trade and other payables are recognised initially at fair value plus transaction costs. These financial liabilities are subsequently measured at amortised cost using the EIR method.

Derivatives

The Group uses derivative financial instruments to hedge its risks associated with foreign currency fluctuations arising from operating activities. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured 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.

NOTE 24. FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables, trade and other payables and other financial liabilities approximate their fair values due to their short-term nature. The carrying amounts of current financial assets and derivatives are initially recognised at fair value on the date on which the transaction occurs or the contract is entered into and are subsequently remeasured at fair value.

Accounting policy for fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances, and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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. Derivatives held by the Group are considered to be Level 2. 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 period 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 25. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

The aggregate compensation made to directors and other members of KMP of the Group is set out below:

	Consolidated	
	2026 \$	2025 \$
Short-term employee benefits	2,033,318	1,806,972
Post-employment benefits	161,745	141,693
Variable short-term employee benefits	278,587	450,064
Share-based payment	3,546,878	3,849,288
	6,020,528	6,248,017

NOTE 26. REMUNERATION OF AUDITORS

During the financial year the following fees were paid or payable for services provided by Ernst & Young Australia, the auditor of the Group:

	Consolidated	
	2026 \$	2025 \$
<i>Audit services – Ernst & Young Australia</i>		
Audit or review of the financial report	324,178	325,800
<i>Other services – Ernst & Young Australia</i>		
Due diligence	-	-
Other tax services	-	-
Tax compliance	47,800	41,630
Other	35,215	8,850
	407,193	376,280

Notes to the consolidated financial statements continued

NOTE 27. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2026 and 30 June 2025.

NOTE 28. COMMITMENTS

The Group had no capital commitments at 30 June 2026.

NOTE 29. RELATED PARTY TRANSACTIONS

Parent entity

Temple & Webster Group Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Key management personnel

Disclosures relating to key management personnel are set out in note 25 and the Remuneration report included in the Directors' report.

Transactions with related parties

No transactions with related parties other than key management personnel occurred in the current and previous financial year.

Receivable from and payable to related parties

There were no outstanding balances in relation to transactions with related parties at the current and previous reporting date.

Loans to/from related parties

There were no loans to or from related parties at the current and previous reporting date.

NOTE 30. PARENT ENTITY INFORMATION

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

Statement of profit or loss and other comprehensive income

	2026 \$'000	2025 \$'000
Loss after income tax	(5,364)	(5,845)
Total comprehensive loss	(5,364)	(5,845)

Statement of financial position

	2026 \$'000	2025 \$'000
Total current assets	83,446	104,393
Total assets	89,487	110,434
Total current liabilities	71,802	40,639
Total liabilities	71,802	40,639
Net assets	17,685	69,795
Equity		
Contributed capital	132,424	123,279
Reserves	(15,165)	40,726
Accumulated losses	(99,574)	(94,210)
Total equity	17,685	69,795

Guarantees entered into by the parent entity in relation to the debts of its subsidiaries

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2026 and 30 June 2025.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2026 and 30 June 2025.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2026 and 30 June 2025.

Material accounting policies

The accounting policies of the parent entity are consistent with those of the Group except for the following:

- Investments in subsidiaries are accounted for at cost, less any impairment, in the parent entity.
- Dividends received from subsidiaries are recognised as other income by the parent entity and their receipt may be an indicator of an impairment of the investment.

Deed of cross guarantee

The parent entity is a party to a deed of cross guarantee (refer to note 32).

Notes to the consolidated financial statements continued

NOTE 31. INTERESTS IN SUBSIDIARIES

The consolidated financial statements of the Group include the following subsidiaries:

Name	Principal place of business/Country of incorporation	Country of tax residency	Ownership interest	
			2026 %	2025 %
Temple & Webster Pty Ltd	Australia	Australia	100.00%	100.00%
Temple & Webster Services Pty Ltd	Australia	Australia	100.00%	100.00%
TPW Group Services Pty Ltd	Australia	Australia	100.00%	100.00%
Milan Direct Group Investments Pty Ltd	Australia	Australia	100.00%	100.00%
Milan Direct Pty Ltd	Australia	Australia	100.00%	100.00%
Milan Direct UK Pty Ltd	Australia	Australia	100.00%	100.00%
Temple & Webster NZ Ltd	New Zealand	New Zealand	100.00%	100.00%
Temple & Webster Group Ltd Employee Share Trust	Australia	Australia	100.00%	100.00%

The principal continuing activities of the Group consisted of the sale of furniture, homewares and home improvement products.

NOTE 32. DEED OF CROSS GUARANTEE

The following entities are party to a deed of cross guarantee under which each company guarantees the debts of the others:

- Temple & Webster Group Ltd (Holding entity)
- Temple & Webster Pty Ltd
- Temple & Webster Services Pty Ltd
- TPW Group Services Pty Ltd
- Milan Direct Group Investments Pty Ltd
- Milan Direct Pty Ltd
- Milan Direct UK Pty Ltd

By entering into the deed, the wholly-owned Australian entities have been relieved from the requirement to prepare financial statements and directors' reports under ASIC Corporations ('Wholly-owned Companies') Instrument 2016/785 issued by the Australian Securities and Investments Commission ('ASIC').

The above companies represent a 'Closed Group' for the purposes of the ASIC Instrument, and as there are no other parties to the deed of cross guarantee that are controlled by Temple & Webster Group Ltd, they also represent the 'Extended Closed Group'.

The consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position are the same as the Group and therefore have not been separately disclosed.

NOTE 33. RECONCILIATION OF PROFIT AFTER TAX TO NET CASH FROM OPERATING ACTIVITIES

	Consolidated	
	2026 \$'000	2025 \$'000
Profit after tax for the year	4,304	11,302
Adjustments for:		
Share-based payment expense	4,177	4,880
Depreciation and amortisation	12,939	8,360
Loss on disposal of fixed assets	-	2
Income tax expense/(benefit)	7,563	(1,990)
Interest on make-good	88	69
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	4,095	(1,060)
(Increase)/decrease in inventories	(3,670)	(2,568)
(Increase)/decrease in other assets	(253)	(1,258)
(Increase)/decrease in other current financial assets	-	202
Increase/(decrease) in trade and other payables	2,073	18,724
Increase/(decrease) in employee benefits	517	413
Increase/(decrease) in other provisions	330	(598)
Increase/(decrease) in deferred revenue	(5,310)	6,612
Increase/(decrease) in other current financial liabilities	651	1,252
Increase/(decrease) in income tax payable	(3,583)	1,603
Net cash from operating activities	23,921	45,945

NOTE 34. EARNINGS PER SHARE

	Consolidated	
	2026 \$'000	2025 \$'000
Profit after income tax attributable to the owners of Temple & Webster Group Ltd	4,304	11,302
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	118,829,968	118,732,568
Effects of dilution from share-based payments	5,355,949	6,543,092
Weighted average number of ordinary shares used in calculating diluted earnings per share	124,185,917	125,275,660
	Cents	Cents
Basic earnings per share	3.62	9.52
Diluted earnings per share	3.47	9.02

Notes to the consolidated financial statements continued

Accounting policy for earnings per share

Basic earnings per share

Basic earnings per share is calculated by dividing the profit attributable to the owners of Temple & Webster Group Ltd, excluding any costs of servicing equity other than ordinary shares, by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the financial year.

Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after income tax effect of interest and other financing costs associated with dilutive potential ordinary shares and the weighted average number of shares assumed to have been issued for no consideration in relation to dilutive potential ordinary shares.

NOTE 35. MATERIAL ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out either in the respective notes or below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The accounting policies adopted in the preparation of the Group's annual consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 30 June 2025. Several amendments and interpretations apply for the first time in the current financial year, but do not have an impact on the annual consolidated financial statements of the Group. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

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, as appropriate for for-profit oriented entities. These consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

The consolidated financial statements provide comparative information in respect of the previous period with the exception of new accounting standards adopted in the period.

Historical cost convention

The consolidated financial statements have been prepared under the historical cost convention except for financial instruments, which are measured at fair value.

Critical accounting estimates

The preparation of the consolidated financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the consolidated entity's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in note 2.

Changes in presentation

There have been no changes in presentation during the current financial year.

Cash-in-transit

Cash equivalents are defined as short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Typically, these investments have a short maturity period of three months or less from the date of acquisition. Instruments such as treasury bills, commercial paper, and money market funds often qualify as cash equivalents under these criteria. However, in the context of non-banking institutions, cash in transit or other similar items often fail to meet the requirements for classification as cash and cash equivalents.

As a result, cash in transit has been classified as trade and other receivables in the statement of financial position.

Parent entity information

In accordance with the Corporations Act 2001, these consolidated financial statements present the results of the Group only. Supplementary information about the parent entity is disclosed in note 30.

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Temple & Webster Group Ltd as at 30 June 2026 and the results of all subsidiaries for the year then ended.

Subsidiaries are all those entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to 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. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

The acquisition of subsidiaries is accounted for using the acquisition method of accounting. A change in ownership interest, without the loss of control, is accounted for as an equity transaction, where the difference between the consideration transferred and the book value of the share of the non-controlling interest acquired is recognised directly in equity attributable to the parent.

Where the Group loses control over a subsidiary, it derecognises the assets including goodwill, liabilities and non-controlling interest in the subsidiary together with any cumulative translation differences recognised in equity. The Group recognises the fair value of the consideration received and the fair value of any investment retained together with any gain or loss in profit or loss.

Foreign currency translation

Foreign currency transactions

Foreign currency transactions are translated into Australian dollars using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

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.

The foreign currency reserve is recognised in profit or loss when the foreign operation or net investment is disposed of.

Notes to the consolidated financial statements continued**Current and non-current classification**

Assets and liabilities are presented in the consolidated 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 the Group's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; 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 period. All other assets are classified as non-current.

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

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

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the consolidated statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to, the tax authority, are presented as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the tax authority.

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 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 Corporations Instrument to the nearest thousand dollars, or, in certain cases, the nearest dollar.

NOTE 36. NEW ACCOUNTING STANDARDS AND INTERPRETATIONS NOT YET MANDATORY OR EARLY ADOPTED

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2026. The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

AASB 18 *Presentation and Disclosure in Financial Statements*

In April 2024, the International Accounting Standards Board issued IFRS 18 *Presentation and Disclosure in Financial Statements*, which replaces IAS 1 *Presentation of Financial Statements*. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new. AASB 18 *Presentation and Disclosure in Financial Statements* is the Australian equivalent of IFRS 18.

The standard requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements ('PFS') and the notes.

In addition, narrow-scope amendments have been made to AASB 107 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

AASB 18, and the amendments to the other standards, are effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. AASB 18 will apply retrospectively.

Management is currently working to identify all impacts the amendments will have on the Group's financial statements in the year of initial application.

NOTE 37. EVENTS AFTER THE REPORTING PERIOD

There has been no matter or circumstance that 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.

Consolidated entity disclosure statement

Name	Entity Type	Body corporate country of incorporation	Country of tax residence	Body corporate % of ownership interest	
				2026 %	2025 %
Temple & Webster Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Temple & Webster Services Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
TPW Group Services Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Milan Direct Group Investments Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Milan Direct Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Milan Direct UK Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Temple & Webster NZ Ltd	Body corporate	New Zealand	New Zealand	100.00%	100.00%
Temple & Webster Group Ltd Employee Share Trust	Body corporate	Australia	Australia	100.00%	100.00%

Directors' declaration

In the Directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 35 to the consolidated financial statements;
- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2026 and of its performance for the financial year ended on that date;
- the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group 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 described in note 32 to the consolidated financial statements.

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



Mark Coulter

Executive Chair

19 August 2026, Sydney

Independent auditor's report



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Independent auditor's report to the members of Temple & Webster Group Ltd

Report on the audit of the financial report

Opinion

We have audited the financial report of Temple & Webster Group Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2026, the 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, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2026 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. 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 Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to audits of the financial report of public interest entities in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial report of the current year. These matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, but we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the financial report* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial report. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial report.

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Revenue Recognition

Why significant	How our audit addressed the key audit matter
For the year ended 30 June 2026, the Group recognised revenue of \$664,586,000 as disclosed in note 4 to the financial report. Revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The majority of the Group's revenue transactions are completed through the "drop-ship" model, whereby suppliers deliver goods directly to the Group's customers. The Group is the principal in these transactions; therefore, revenue is recognised as the gross selling price net of rebates and discounts. Revenue is only recognised when delivery of goods is made to the customer. Judgement is required in determining the date of delivery in instances where an order has been shipped, but delivery status remains unknown at the year end date. Due to the judgement involved in this assessment, the volume of online retail transactions processed on a daily basis, and the arrangements in place with suppliers, the timing of when revenue and deferred revenue is recognised is considered to be a key audit matter.	Our audit procedures included the following: - Assessed the design and implementation of relevant controls in place relating to the recognition and measurement of revenue transactions. - Used data analytical procedures to corroborate expected correlations between revenue, cash and deferred revenue. - Selected a sample of revenue transactions during the financial year and subsequent to 30 June 2026 and assessed whether revenue was recognised in the correct period. This included evaluating whether revenue transactions were recognised as deferred revenue at balance date where applicable. - Selected a sample of customer returns and credit notes issued subsequent to 30 June 2026 relating to sales recognised in the 2026 financial year and assessed whether revenue was recognised in the correct period. - Assessed whether the Group's revenue recognition accounting policy applied to the terms and conditions of sale was in accordance with the requirements of Australian Accounting Standards. - Assessed the adequacy and appropriateness of the financial report disclosures relating to revenue disclosed in note 4.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information comprises the information included in the Company's 2026 annual report other than the financial report and our auditor's report thereon. We obtained the directors' report and the Remuneration report that are to be included in the annual report, prior to the date of this auditor's report, and we expect to obtain the remaining sections of the annual report after the date of this auditor's report.

Our opinion on the financial report does not cover the other information and we do not and will not express any form of assurance conclusion thereon, with the exception of the Remuneration Report and our related assurance opinion.

Independent auditor's report continued



**Shape the future
with confidence**

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, 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.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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 of the directors for the financial report

The directors of the Company are responsible for the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001*; and
- ▶ The consolidated entity disclosure statement that is true and correct in accordance with the *Corporations Act 2001*; and

for such internal control as the directors determine is necessary to enable the preparation of:

- ▶ The financial report (other than the consolidated entity disclosure statement) that gives a true and fair view and is free from material misstatement, whether due to fraud or error; and
- ▶ The consolidated entity disclosure statement that is true and correct and is free of misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial report

Our objectives are 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 the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and 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 this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.

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- ▶ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- ▶ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated to the directors, we determine those matters that were of most significance in the audit of the financial report of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 14 to 29 of the directors' report for the year ended 30 June 2026.

In our opinion, the Remuneration Report of Temple & Webster Group Ltd for the year ended 30 June 2026, complies with section 300A of the *Corporations Act 2001*.

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Independent auditor's report continued



Shape the future
with confidence

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 responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'R Rudman'.

Rachel Rudman
Partner
Sydney
19 August 2026

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Shareholder information

The shareholder information set out below is applicable as at 8 September 2026.

NUMBER OF EQUITY SECURITY HOLDERS

The number of holders of Ordinary equity securities was 9,447.

The number of holders of unquoted Performance Rights was 15.

The number of holders of unquoted Options was 1.

The number of holders of unquoted Restricted rights was 4.

VOTING RIGHTS

The voting rights attaching to each class of equity securities are set out below:

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.

PERFORMANCE RIGHTS

Holders of Performance Rights do not have any voting rights.

OPTIONS

Holders of Options do not have any voting rights.

DISTRIBUTION OF EQUITY SECURITIES

Analysis of number of quoted equity security holders by size of holding:

Range	Securities	%	No. of holders of ordinary shares	%
100,001 and Over	100,080,285	87.24	35	0.37
10,001 to 100,000	6,190,477	5.40	245	2.59
5,001 to 10,000	2,032,477	1.77	276	2.92
1,001 to 5,000	4,242,608	3.70	1,823	19.30
1 to 1,000	2,175,960	1.89	7,068	74.82
Total	114,721,807	100.00	9,447	100.00

Shareholder information continued

DISTRIBUTION OF UNQUOTED EQUITY SECURITIES

Analysis of number of unquoted performance rights holders by size of holding:

Range	Securities	%	No. of holders of ordinary shares	%
100,001 and Over	-	-	-	-
10,001 to 100,000	471,407	96.27	12	80.00
5,001 to 10,000	14,070	2.87	2	13.33
1,001 to 5,000	4,202	0.86	1	6.67
1 to 1,000	-	-	-	-
Total	489,679	100	15	100

Analysis of number of unquoted option holders by size of holding:

Range	Securities	%	No. of holders of ordinary shares	%
100,001 and Over	7,400,000	100	1	100
10,001 to 100,000	-	-	-	-
5,001 to 10,000	-	-	-	-
1,001 to 5,000	-	-	-	-
1 to 1,000	-	-	-	-
Total	7,400,000	100	1	100

Analysis of number of unquoted restricted rights holders by size of holding:

Range	Securities	%	No. of holders of ordinary shares	%
100,001 and Over	-	-	-	-
10,001 to 100,000	39,003	79.16	2	50.00
5,001 to 10,000	8,542	17.34	1	25.00
1,001 to 5,000	1,728	3.51	1	25.00
1 to 1,000	-	-	-	-
Total	49,273	100	4	100

Substantial holders

Substantial holders as disclosed in substantial holding notices given to the Company are:

	Ordinary shares held ¹	% of issued shares ¹
Timothy M Riley and associated parties (Riley Shareholders)	14,000,000	12.15
AustralianSuper Pty Ltd	14,126,079	11.49
Kinderhook 2 LP	9,784,835	8.10
Tackelly Pty Ltd	7,117,666	5.98
AMP Limited	6,358,836	5.46
ECP Asset Management Pty Ltd, EC Pohl & Co Pty Ltd	6,131,161	5.10
Vanguard Group	6,130,949	5.10

1. The number of shares held and the percentage of issued shares for each substantial holder are as disclosed in that holder's most recent substantial holding notice as at 8 September 2026.

MARKETABLE PARCEL

The number of holders holding less than a marketable parcel of Ordinary securities was 2,267.

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

The names of the 20 largest holders of quoted equity securities as per the Group's share register are listed below:

Name	Ordinary shares held	% of issued shares
CITICORP NOMINEES PTY LIMITED	37,727,839	32.89
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	24,510,590	21.37
NETWEALTH INVESTMENTS LIMITED	8,171,058	7.12
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	6,996,038	6.10
BNP PARIBAS NOMINEES PTY LTD	4,309,774	3.76
BNP PARIBAS NOMINEES PTY LTD	3,335,189	2.91
BNP PARIBAS NOMS PTY LTD	2,426,523	2.12
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,839,157	1.60
3RD WAVE INVESTORS PTY LTD	1,500,000	1.31
MIRRABOOKA INVESTMENTS LIMITED	1,500,000	1.31
66 VENTURES PTY LTD	999,966	0.87
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	711,273	0.62
WARBONT NOMINEES PTY LTD	707,849	0.62
HINGTAI PTY LIMITED	665,000	0.58
AP ECOMMERCE PTY LTD	627,828	0.55
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	574,859	0.50
ADAM RICHARD MCWHINNEY	407,408	0.36
SANDHURST TRUSTEES LTD	387,769	0.34
MR ANTHONY SCOTT COOK	321,133	0.28
PACIFIC CUSTODIANS PTY LIMITED	241,534	0.21
MR KING SHUN TAM	235,750	0.21
Total	98,196,537	85.60
Balance of register	16,525,270	14.40
Grand Total	114,721,807	100.00

On-market buy-back

The Company announced a new on-market share buy-back program on 31 July 2026. Please refer to note 19 for more details regarding the share buy-backs.

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Corporate directory

Directors	Stephen Heath, retired as Chair on 30 June 2026, appointed as Lead Independent Director on 1 July 2026 Conrad Yiu, retired as Deputy Chair on 30 June 2026, continuing role as Non-Executive Director Belinda Rowe, Independent Non-Executive Director Michael Malone, Independent Non-Executive Director Melinda Snowden, Independent Non-Executive Director Mark Coulter, retired as CEO on 30 June 2026, appointed as Executive Chair on 1 July 2026
Company secretary	Lisa Jones
Registered office/ principal place of business	Unit 2/1-7 Unwins Bridge Road St Peters, NSW 2044
Share registry	MUFG Corporate Markets A division of MUFG Pension & Market Services 161 Castlereagh Street Sydney, NSW 2000 Share registry telephone: 1300 554 474
Auditor	Ernst & Young 200 George Street Sydney, NSW 2000
Stock exchange listing	Temple & Webster Group Ltd shares are listed on the Australian Securities Exchange (ASX code: TPW)
Website	www.templeandwebstergroup.com.au
Corporate Governance Statement	Refer to the Group's website for all corporate governance information www.templeandwebstergroup.com.au/Home/?page=corporate-governance

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