Cashbuild

2026

Annual Consolidated Financial Statements

For the 52 weeks ended 28 June 2026

CONTENTS

The reports and statements set out below comprise the consolidated financial statements presented to the shareholders:

DIRECTORS' RESPONSIBILITIES AND APPROVAL

The directors are required in terms of the Companies Act, No. 71 of 2008, as amended, to maintain adequate accounting records and are responsible for the content and integrity of the Group's Annual Consolidated Financial Statements and related financial information included in this report. It is their responsibility to ensure that the Group's Annual Consolidated Financial Statements fairly present the state of affairs of the Group as at the end of the reporting period and the results of its operations and cash flows for the year then ended, in conformity with IFRS® Accounting Standards. The external auditor is engaged to express an independent opinion on the Group's Annual Consolidated Financial Statements.

The Group's Annual Consolidated Financial Statements are prepared in accordance with IFRS® Accounting Standards and are based upon appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates.

The directors acknowledge that they are ultimately responsible for the system of internal financial control established by the Group and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the Board of Directors sets standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and all employees are required to maintain the highest ethical standards in ensuring the Group's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group is on identifying, assessing, managing and monitoring all known forms of risk across the Group. The Group endeavours to minimise operating risk by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors have reviewed the Group's cash flow forecasts for the period up to 31 August 2027 and, in light of this review and the current financial position, they are satisfied that the Group had access to adequate resources to continue in operational existence for the foreseeable future.

The Group's financial statements set out on pages 2 to 70, which have been prepared on the going concern basis under the supervision of the Chief Financial Officer, Mr H Bester CA(SA), were approved by the Board of Directors on 31 August 2026 and were signed on their behalf by:

Alistair Knock
Chairman

Werner de Jager
Chief Executive Officer

31 August 2026

AUDIT AND RISK COMMITTEE REPORT

1. INTRODUCTION

The Audit and Risk Committee has pleasure in submitting this report, as required by section 94 of the South African Companies Act, No. 71 of 2008, as amended and the JSE Listings Requirements. The Audit and Risk Committee acts for the Company and all its subsidiaries and is accountable to the Board and the shareholders. It operates within a documented terms of reference and complies with all relevant legislation, regulations and governance codes and executes its duties in terms of the requirements of the King Report IV™ on Corporate Governance.

The performance of the Audit and Risk Committee is evaluated against its terms of reference on an annual basis and the Committee was deemed to be working satisfactory and effectively during the current year.

The Audit and Risk Committee consists of three independent Non-Executive Directors:

- M Bosman (Mr) (Chairperson)
- M Bosman (Ms)
- GM Tapon Njamo

2. MEETINGS HELD BY THE AUDIT AND RISK COMMITTEE

The Committee held four meetings during the year under review. Attendance has been set out on the Directors' Report.

The internal and external auditors also attended all of the Committee meetings during the year ended 28 June 2026 and reported their activities and findings at these meetings. The Chairperson of the Board, Executive Directors and relevant Senior Managers attended these meetings.

Each Audit and Risk Committee meeting concludes with a confidential meeting between the Committee Members, Non-Executive Directors and the Internal and External auditors, as well as another confidential meeting held with the Chief Executive and Chief Financial Officers. The Committee chairperson also meets separately with external and internal auditors between Committee meetings.

3. FUNCTIONS OF THE COMMITTEE

Responsibilities and duties

The Audit and Risk Committee fulfils its responsibilities and duties as set out in its terms of reference.

The oversight role of the Audit and Risk Committee includes:

- reviewing the Condensed Consolidated Interim Financial Statements and Annual Consolidated Financial Statements and Integrated Report and making recommendations to the Board;
- reviewing the external audit reports, after the review of the Condensed Consolidated Interim Financial Statements and audit of Annual Consolidated Financial Statements;
- assessing the external auditor's independence and performance;
- approving the audit fees in respect of both the interim review and year-end audit;
- specifying guidelines and authorising contract conditions for the award of non-audit services to the external auditors;
- reviewing the internal audit and risk management reports and making recommendations to the Board, where necessary;
- ensuring that a combined assurance model has been applied to provide a coordinated approach to all assurance activities;
- evaluating the appropriateness and effectiveness of risk management, internal controls and the governance processes;
- dealing with concerns relating to accounting practices, internal audit, the audit or content of Annual Consolidated Financial Statements and internal financial controls; and
- reviewing the solvency and liquidity tests in respect of, amongst others, distributions; and going concern statements in respect of financial statements, and recommending proposals to the Board.

External auditor

Independence

During the year under review, the Audit and Risk Committee reviewed the independence of the auditor.

Deloitte & Touche (Deloitte) was the Group's external auditor with Mr James Welch (IRBA 373206) as the independent individual registered auditor. The Committee satisfied itself of Deloitte's independence before recommending its re-election to the shareholders with the prior support of the Board.

The independence assessment was made after considering the following:
- confirmation from the external auditor that all their partners, team members, or their immediate family, do not hold any direct or indirect financial interest or have any material business relationship with Cashbuild. The external auditors also confirmed that they have internal monitoring procedures to ensure their independence;
- the auditor does not, other than in their capacity as external auditors for rendering permitted non-audit services, receive any remuneration or other benefits from Cashbuild;
- the auditor's independence was not prejudiced as a result of any previous appointment as auditor. In addition, an audit partner rotation process is in place in accordance with the relevant legal and regulatory requirements;
- the criteria specified for independence by the Independent Regulatory Board for Auditors; and
- Deloitte submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary. There are no significant matters to report to the shareholders in this regard.

The appointment of Deloitte as external auditor and Mr James Welch (IRBA 373206) as the independent individual registered auditor of the Group was confirmed by the shareholders at the Annual General Meeting held on 24 November 2025.

External audit fees

The Audit and Risk Committee:
- determined, in consultation with management, the interim review and audit fee and engagement terms for the external auditors for the June 2026 financial year;
- reviewed and approved the non-audit services fees for the period under review and ensured that the fees were within limit and in line with the non-audit services policy; and
- determined the nature and extent of allowable non-audit services and approved the contract terms for the provision of non-audit services.

External audit performance

The Audit and Risk Committee:
- reviewed and approved the external audit plan, ensuring that material risk areas were included, and that coverage of the significant business processes were acceptable; and
- reviewed the external audit reports and management's response, and considered their effect on the financial statements and internal financial controls.

The Committee confirms that the external auditor has functioned in accordance with the Committee's terms of reference for the year ended 28 June 2026.

Key audit matters

No matters were noted for the Group.

Financial statements

Responsibility

The Committee reviewed the Annual Consolidated Financial Statements, including the public announcements of the Group's financial results for the year ended 28 June 2026, and made recommendations to the Board for their approval. During its review, the Committee:
- took appropriate steps to ensure that the Annual Consolidated Financial Statements were prepared in accordance with IFRS® Accounting Standards;
- considered the appropriateness of accounting policies and disclosures made; and
- completed a detailed review of the going concern assumption, confirming that it was appropriate in the preparation of the Annual Consolidated Financial Statements.

The Committee was not required to deal with any complaints relating to accounting practices, Internal Audit, the content, and audit of the Annual Consolidated Financial statements, nor the internal financial controls and related matters.

Expertise and experience of Financial Director

As required by JSE Listings Requirement 5.7(h), the Audit and Risk Committee has satisfied itself that the Chief Financial Officer, Mr H Bester, has the appropriate expertise and experience to meet the responsibilities of his appointed position as required by the JSE Listings Requirements.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

Adequacy of finance function

The Audit and Risk Committee has considered and has satisfied itself of the appropriateness of the expertise and adequacy of resources of the finance function and experience of the senior members of management responsible for the financial function.

Quality of earnings

The reconciliation between attributable earnings and headline earnings is set out in note 29 of the Annual Consolidated Financial Statements.

Internal controls

The Cashbuild Way

Internal controls within Cashbuild are based on established policies and procedures contained in The Cashbuild Way policies and procedures. The Cashbuild Way is aligned with ISO 9001 principles and provides a uniform Company-wide standard regarding the defining, implementation and maintenance of policies, procedures and templates within all Cashbuild support and operational areas. Internal controls as contained in The Cashbuild Way are communicated throughout the Group and form the baseline of training provided to staff members.

The Audit and Risk Committee satisfied itself as to the establishment of appropriate financial reporting procedures and that those procedures are operating. This included consideration of all entities included in the annual financial statements, to ensure that the Audit and Risk Committee has access to all the financial information of the Group to allow Cashbuild to effectively prepare and report on the Company and the Group's annual financial statements.

Internal Audit team

The internal audit function within the Cashbuild Group consists of a team of 28 members with three auditors and an internal audit manager dedicated to support and corporate-office based audits, and 18 auditors dedicated to the auditing of key processes at stores. Two internal audit managers and two senior internal auditors take responsibility for quality assurance within the internal audit function. A Data Analyst is dedicated on a full-time basis towards supporting the internal audit team with data analytics, automation of audit tests, and embedding continuous auditing within the internal audit service delivery function. An Operations Risk Manager assists the Risk and Audit Executive with monitoring and reporting on issues management (e.g., tip-offs, burglaries and robberies, OHSA incidents, etc.). Cashbuild's Risk and Audit Executive reports administratively to the Chief Executive Officer with a functional reporting line to the Chairman of the Audit and Risk Committee. Internal Audit results are reported to the Audit and Risk Committee with emphasis placed on areas of high risk requiring management attention as identified in term of non-compliance to key controls.

Internal Audit approach and methodology

Cashbuild's internal audit approach and methodology is risk-based in that key controls addressing identified business control risks are the focus areas driving Internal Audit service delivery. Cashbuild has a 95% target for compliance to key controls designed to mitigate business risk and diligently monitors achievement of this target through review and follow-up of internal audit results. Detailed audit results are shared with store and line management for follow-up and correction.

In terms of the King Report on Corporate Governance, Internal Audit provides a written assessment on the effectiveness of the Group's system of internal control and risk management. This assessment is addressed specifically to the Audit and Risk Committee.

Service delivery by the Group Risk Management department, which includes risk management, issues management and internal audit, aims to achieve the following best practice guidelines during performance of its internal control assessment process:

- identify strategic, sustainability, operational, compliance and financial objectives;
- assess risks that prevent the achievement of these objectives; and
- perform tests and gather evidence relating to the internal controls in place to manage these risks and the adequacy and effectiveness of such internal controls.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

The content of the quarterly Audit and Risk Committee reports are designed in such a way as to provide the necessary information to members of the Audit and Risk Committee to obtain a level of assurance on the Group's system of internal control and risk management. In order to do this, the content of each quarterly Audit and Risk Committee report is aimed at providing the reader with enough information on the following topics:

- the scope of internal auditing activities, which includes the appropriate level and quality of work based on the Group's risks;
- the cycle on which audit plans are based;
- consideration of the control components and limitations of control;
- the status of follow-up activities;
- a discussion of serious problems and solutions; and
- the overall assessment statement for the year.

Risk management

The Board is responsible for risk governance within the Group. Responsibility for the monitoring thereof has been allocated to the Audit and Risk Committee.

Cashbuild management is responsible for the design, implementation and maintenance of a risk management approach, methodology and systems. Monitoring of the status of risks is the responsibility of management risk owners. Formalised monitoring and updating on the status of risks by the Executive Management team takes place on a quarterly basis during scheduled Group risk management review workshops.

Integrated Report

The Committee fulfils an oversight role regarding Cashbuild's Integrated Report and the reporting process. Accordingly, it has considered and assessed the consistency with operational, financial and other information known to the Audit and Risk Committee members, as well as the Annual Consolidated Financial Statements.

4. COMBINED ASSURANCE

Cashbuild's combined assurance framework has the objective of aligning assurance processes and assurance service delivery throughout the Group to maximise risk and governance oversight and control efficiencies and optimise overall assurance to the Audit and Risk Committee. The Cashbuild Group Combined Assurance Model consists of the following five levels of defence to mitigate risk that the Company is exposed to and in doing so provide an appropriate level of assurance to the Board via the Audit and Risk Committee:

- First line of defence being management oversight and controls (also referred to as People, Systems and Controls). Management-based assurance includes establishing policies and procedures, management oversight, strategy implementation, performance measurement, control self-assessment and continual monitoring mechanisms and systems.
- Second line of defence being risk management and compliance services. These are corporate support functions providing assistance to management with regards to the discharging of their responsibility of managing identified business risks.
- Third line of defence being internal audit providing an independent and objective level of assurance over the controls, risk management and governance activities as provided by the first and second lines of defence.
- Fourth line of defence being external assurance providers providing certifications, regulatory reviews, external audits, forensic investigations, external management reviews, valuations, culture climate surveys (as examples of external assurance service delivery).
- Fifth line of defence being Board and Board Committees functions prompting and assessing the level of assurance provided by the first four lines of defence.

The level of assurance provided increases with each line of defence being applied with the least assurance being provided by the first line of defence (internal management oversight) and the highest level of assurance being provided by the fourth line of defence (external objective and independent assurance service provider), and the application of the fifth line of defence providing a final level of governance assurance being oversight by the Board and Board Sub-committees on the extent of assurance provided on identified risks.

Financial statements

The Directors' Report is set out in pages 8 to 10.

External audit

The Independent Auditor's Report is set out on pages 11 to 13.

AUDIT AND RISK COMMITTEE REPORT (CONTINUED)

Quality

Deloitte submitted reports relating to quality assessment reviews undertaken internally and by the Independent Regulatory Board for Auditors (IRBA) and the Public Company Accounting Oversight Board, together with progress on any remedial actions necessary for the 2026 interim period and year-end.

The Audit and Risk Committee reviewed the following in terms of the JSE Listings Requirements:

- A summary report of the most recent IRBA inspection policy report and decision letter from IRBA, the findings report and a copy of the proposed remedial action plan;
- A summary of the information on the designated auditor, Mr J Welch (IRBA 373206), the results of which were satisfactory;
- The IRBA letters for the latest reviews of the firm; and
- The Deloitte Commitment to Audit Quality document.

The Audit and Risk Committee concluded that there were no matters of concern raised during the year under review.

Key audit matters

No matters were noted for the Group

Internal Audit

Considering all of these factors set out in the Internal control and Risk management paragraphs above, the following assessment statement is presented by Cashbuild's Internal Audit: "Work performed by the Cashbuild Group Risk Management Department during the current reporting period (July 2025 to June 2026) supports the assertion that Cashbuild's system of internal controls and risk management is effective, and that any serious problem and/or concern identified by the Group Risk Management Department during performance of its risk management, issues management and internal audit duties are reported on in the quarterly Audit and Risk Committee Reports".

On behalf of the Audit and Risk Committee

Marius Bosman
Audit and Risk Committee Chairperson

31 August 2026

CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER'S RESPONSIBILITY STATEMENT

In terms of section 5.9 of the JSE Listings Requirements, each of the directors, whose names are stated below hereby confirm that:

- the Annual Consolidated Financial Statements set out on pages 2 to 70, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS® Accounting Standards;
- to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Consolidated Financial Statements false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
- the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, and we have fulfilled our role and function as Executive Directors with primary responsibility for implementation and execution of controls;
- where we are not satisfied, we have disclosed to the Audit and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

Signed by the Chief Executive Officer and the Chief Financial Officer on behalf of the Board of Directors by:

Werner de Jager
Chief Executive Officer

Hanré Bester
Chief Financial Officer

31 August 2026

COMPANY SECRETARY'S CERTIFICATION

In terms of section 88(2)(e) of the Companies Act 71 of 2008, as amended, I certify that the Group has lodged with the Companies and Intellectual Property Commission all such returns as are required of a public company in terms of the Companies Act and that all such returns are true, correct and up to date.

Takalani Ṋengovhela
Company Secretary

31 August 2026

DIRECTORS' REPORT

The directors have pleasure in submitting their report on the Annual Consolidated Financial Statements of Cashbuild Limited for the year ended 28 June 2026.

1. NATURE OF THE BUSINESS

Cashbuild is southern Africa's leading retailer of quality building materials and associated products, selling direct to a predominantly cash-paying customer base through its chain of 317 stores at reporting date. Cashbuild carries an in-depth quality product range tailored to the specific needs of the communities it serves. Its customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

Cashbuild has built its credibility and reputation by consistently offering its customers quality building materials at the best value through a purchasing and inventory policy that ensures customers' requirements are always met.

2. FINANCIAL SUMMARY

Revenue for the period increased by 6%. Revenue for stores in existence prior to July 2024 (pre-existing stores – 297 stores) increased by 2% and the 20 new stores contributed 4% to growth. Transactions through the tills increased by 5%. Selling price inflation was 1.5% at the end of June 2026. Gross profit increased by 8% with gross profit margin percentage increasing from 24.8% to 25.3%. Operating expenses increased by 9% (excluding the loss on disposal of the Malawi subsidiary, 7%).

The effective tax rate for the period is 29.2% compared to 26.5% for the prior period.

Basic earnings per share decreased by 25% and headline earnings per share decreased by 8%. The difference is mainly due to the loss realised on disposal of the Malawi subsidiary of R34.9 million.

Cash and short-term funds increased by 4% to R2.0 billion. Inventory levels, including new stores, increased by 7% with stock days at similar levels to prior year at 97 days. Net asset value per share is 7 784 cents (June 2025: 7 996 cents).

During the period the Group opened 9 new stores and closed 11 underperforming stores (5 Cashbuild and 6 P&L Hardware stores). The Group further acquired 3 Amper Alles stores and disposed of the Malawi subsidiary with its 2 stores. The Group further refurbished 19 stores. Cashbuild will continue its store expansion, relocation, and refurbishment strategy in a controlled manner, through its feasibility process. The opening and conversion of stores to the Cashbuild Small Model Stores (SMS) remains on track.

3. ACQUISITION OF SUBSIDIARY

On 1 December 2025 the Group, through its subsidiary, acquired 60.6% of the share capital of Allbuildco Holdings (Amper Alles) for a consideration of R96.4 million and has an option to acquire up to the remaining 39.4% share. The minority in turn has an equivalent put option. The Group has recognised an obligation for this put/call option fair valued at year end at R57.9 million for the remaining 39.4% if certain profit targets are met over a five-year period. The rationale for the acquisition is in line with Cashbuild's strategy of expanding geographical footprint and market share. It is anticipated that Amper Alles will grow and remain a separate brand to Cashbuild.

4. LOSS OF CONTROL OF SUBSIDIARY

During the period, the Group disposed of its 51% interest in Cashbuild Lilongwe Ltd to the non-controlling shareholder Kier & Cawder (Blantyre) Limited by means of a sale of shares transaction. The disposal of the subsidiary represented a loss of control of subsidiary for the Group. The effective date of the disposal and the loss of control was 28 December 2025.

5. REPORTING PERIOD

The Group adopts the retail accounting calendar, which comprises the reporting year ending on the last Sunday of the month June 2026: 28 June 2026 (52 weeks); 29 June 2025 (52 weeks). "Year" refers to a 52-week period in the year.

6. SHARE CAPITAL

During the year under review, the Group repurchased 595 000 ordinary shares as part of a general share repurchase programme. These were subsequently delisted and cancelled. The average share price of the shares repurchased during the year was R129.9. Refer to note 17 for more information.

7. DIVIDENDS

The Board has declared a final dividend (No. 67) of 233.0 cents (2025: 300.0 cents) per ordinary share, out of income reserves to all shareholders of Cashbuild Limited. The dividend per share is calculated based on 22 784 712 (2025: 23 379 712) shares in issue at the date of the dividend declaration. The net local dividend amount is 186.4 cents per share for shareholders liable to pay Dividends Tax and 233.0 cents per share for shareholders exempt from paying Dividends Tax. The total dividend for the year amounts to 626.0 cents (2025: 626.0 cents). Local Dividends Tax is 20%. Cashbuild Limited's tax reference number is 9575168712.

The relevant dates for the declaration are as follows:

Date dividend declared	Wednesday, 2 September 2026
Last day to trade "CUM" the dividend	Monday, 21 September 2026
Date to commence trading "EX" the dividend	Tuesday, 22 September 2026
Record date	Friday, 25 September 2026
Date of payment	Monday, 28 September 2026

Share certificates may not be dematerialised or rematerialised between Tuesday, 22 September 2026 and Friday, 25 September 2026, both dates inclusive.

8. DIRECTORATE

The directors in office at the date of this report are as follows:

WF de Jager (55)	Chief Executive Officer, CA(SA)	Executive
H Bester (47)	Chief Financial Officer, CA(SA), MCom (SA and International Taxation)	Executive
SA Thoresson (63)	Chief Operating Officer	Executive
WP van Aswegen (59)	Commercial and Marketing Director, CA(SA)	Executive
M Bosman (Mr) (69)	CA(SA)	Independent non-executive
M Bosman (Ms) (55)	CA(SA)	Independent non-executive
AGW Knock (75)	Chairman, BSc Eng (Hons); MSc (Engineering); MDP	Independent non-executive
Dr DSS Lushaba (60)	BSc Adv Biochemistry (Hons), Gdip, PGD, MSC, MBA, DBA, CD(SA)	Independent non-executive
AJ Mokgwatsane (48)	Diploma in Integrated Marketing and Communication, MBA	Independent non-executive
GM Tapon Njamo (48)	CA(SA)	Independent non-executive

Details of the directors' remuneration are set out under note 37 of the financial statements.

9. BOARD COMMITTEES AND ATTENDANCE

Name	Board	Audit and Risk Committee	Remuneration Committee	Social and Ethics Committee	IT Governance Committee	Investment Committee	Nomination Committee
Non-executive							
AGW Knock	C – 4/4	I – 4/4	M – 3/3	I – 4/4	M – 4/4	I – 1/1	C – 2/2
M Bosman (Ms)	M – 4/4	M – 4/4	–	M – 4/4	I – 1/1	I – 1/1	–
M Bosman (Mr)	M – 4/4	C – 4/4	–	–	–	C – 1/2	M – 2/2
DSS Lushaba	M – 4/4	I – 4/4	C – 3/3	C – 4/4	–	I – 1/1	–
AJ Mokgwatsane	M – 4/4	I – 2/2	–	M – 4/4	M – 3/4	–	–
GM Tapon Njamo	M – 4/4	M – 4/4	M – 3/3	–	C – 4/4	M – 2/2	–
Executive							
WF de Jager	M – 4/4	I – 4/4	I – 3/3	M – 4/4	M – 4/4	M – 2/2	I – 2/2
H Bester	M – 4/4	I – 4/4	I – 3/3	–	M – 4/4	M – 2/2	–
SA Thoresson	M – 4/4	I – 4/4	–	–	I – 4/4	–	–
WP van Aswegen	M – 4/4	I – 4/4	–	M – 4/4	I – 4/4	I – 1/1	–

Legend
C Chairperson of the Board/Committee.
M Member of the Board/Committee.
I Attendance by invitation.

DIRECTORS' REPORT (CONTINUED)

10. INTERESTS IN SUBSIDIARIES AND OTHER INVESTMENTS

Details of material interests in subsidiary companies, associates and joint arrangements are presented in these financial statements in notes 9 and 12.

11. DIRECTORS' INTERESTS IN CONTRACTS

During the financial period, no contracts were entered into whereby directors or officers of the Group had an interest and which significantly affected the business of the Group.

12. BORROWING POWERS

In terms of the Memorandum of Incorporation of Cashbuild Limited, borrowing powers are unrestricted. Flexible term general banking facilities available are R845.1 million (2025: R640.0 million) with various banks. Refer to note 36.

13. EVENTS AFTER THE REPORTING PERIOD

Refer to note 6 in the directors' report for dividend declaration. The directors are not aware of any material events which occurred after the reporting date and up to the date of this report.

14. PROSPECTS

Group revenue for the 7 weeks subsequent to period end is at similar levels to prior year's comparative 7-week period. Management expects trading conditions to remain challenging. This information has not been reviewed and reported on by the Group's auditor.

15. GOING CONCERN

The directors have assessed the cash flow forecast for the period up to 31 August 2027 and conclude that the Group will be able to continue as a going concern. All proposed financing arrangements and capital expenditures are evaluated and monitored to assess the impact on the Group's ability to meet its obligations. Detailed solvency and liquidity analysis are performed when dividends are declared to ensure the capital base of the Group is not adversely impacted.

16. AUDITOR

Deloitte & Touche was the auditor for the Group for the year ended 28 June 2026.

17. SECRETARY

The Group Secretary is Mr Takalani Ṋengovhela.

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Cashbuild Limited

REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Cashbuild Limited and its subsidiaries (the group) set out on pages 14 to 70, which comprise the consolidated statement of financial position as at 28 June 2026; the consolidated statement of profit or loss, the consolidated statement of other comprehensive income; the consolidated statement of changes in equity; and the consolidated statement of cash flows for the year then ended; and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cashbuild Limited and its subsidiaries as at 28 June 2026, and its consolidated financial performance and consolidated cash flows for the year then ended, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the group in accordance with the Independent Regulatory Board for Auditors' *Code of Professional Conduct for Registered Auditors* (IRBA Code) and other independence requirements applicable to performing audits of financial statements of public interest entities, and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

We define materiality as the magnitude of misstatement in the consolidated financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the nature and extent of our audit work and in evaluating the results of our work.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

Materiality	R102 million
Basis for determining materiality	A key judgement in determining materiality is the appropriate benchmark to select, based on our perception of the needs of shareholders. We considered which benchmarks and key performance indicators have the greatest bearing on shareholder decisions. Revenue was used as the primary benchmark for determining materiality, with consideration of supporting benchmarks of Gross profit and Total assets. Revenue is considered to be a factor on which users are focused, as it provides an indication of the performance of the Group. Based on our professional judgement, for the group we determined materiality to be R102 million which approximates 0.85% of revenue.

Scope of our audit

Our Group audit was scoped by obtaining an understanding of the Group and its environment, including the structure and organisation of the Group, and assessing the risks of material misstatement at the Group level.

We selected components at which audit work in support of the group audit opinion needed to be performed in order to provide an appropriate basis for undertaking audit work to address the risks of material misstatement. Our selection was informed by taking into account the component's contribution to relevant classes of transactions, account balances or disclosures.

Based on our assessment, we performed work at 8 components (2025: 8 components), representing the Group's most material retail operations.

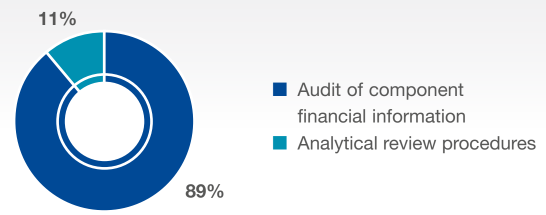
INDEPENDENT AUDITOR'S REPORT (CONTINUED)

The following audit scoping was applied:

- 2 components (2025: 2 components) were audits of the component's financial information; and
- 6 components (2025: 6 components) was included in the residual balance which was addressed by risk assessment and analytical procedures performed at a group level

The 2 components which were subject to a full scope audit accounts for approximately 89% of the Group's total assets and 89% of the Group's revenue.

Revenue and total assets



Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.

We have determined that there are no key audit matters to communicate in respect of the consolidated financial statements.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Cashbuild Limited Annual Consolidated Financial Statements" and in the document titled "Cashbuild Limited Annual Financial Statements" for the year ended 28 June 2026", which includes the Directors' Report, the Audit and Risk Committee's Report and the Company Secretary's Certificate, as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's reports thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the consolidated financial statements, in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are 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 ISAs 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 these consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, 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.
- 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 consolidated financial statements 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent 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 consolidated financial statements. 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 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 with the directors, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period 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 OTHER LEGAL AND REGULATORY REQUIREMENTS

Audit Tenure

In terms of the IRBA Rule published in Government Gazette No. 39475 dated 4 December 2015, we report that Deloitte has been the auditor of Cashbuild Limited for 4 years.

Signed by:

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Deloitte & Touche
Registered Auditor
Per: James Welch
Partner

31 August 2026

5 Magwa Crescent
Waterfall City
2090
Johannesburg
South Africa

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 28 JUNE 2026

Figures in Rand thousand	Note(s)	June 2026	June 2025
Assets			
Non-current assets			
Property, plant and equipment	6	**2 501 301**	2 219 479
Intangible assets	7	**204 616**	125 215
Investment property	8	**38 600**	38 600
Investment in associate	9	**30 000**	30 000
Deferred tax assets	10	**148 735**	159 923
Prepayments	11	**6 472**	983
		2 929 724	2 574 200
Current assets			
Prepayments	11	**21 216**	22 855
Inventories	13	**2 040 353**	1 910 496
Trade and other receivables	14	**129 103**	123 586
Cash and short-term funds	15	**2 033 046**	1 948 586
Current tax assets	31	**–**	2 810
		4 223 718	4 008 333
Non-current assets held for sale	16	**7 374**	24 316
		4 231 092	4 032 649
Total assets		**7 160 816**	6 606 849
Equity and liabilities			
Equity			
Equity attributable to owners of the parent			
Share capital	17	**(806 356)**	(728 797)
Reserves		**132 880**	175 455
Retained earnings		**2 447 016**	2 429 172
		1 773 540	1 875 830
Non-controlling interests		**51 889**	21 799
		1 825 429	1 897 629
Liabilities			
Non-current liabilities			
Joint operation loan payable	9	**18 619**	18 619
Deferred tax liabilities	10	**14 353**	14 188
Cash-settled share-based payment liabilities	18	**12 743**	14 579
Lease liabilities	19	**1 173 168**	1 075 987
Borrowings	20	**77 066**	–
Obligation under put/call option	21	**57 901**	–
		1 353 850	1 123 373
Current liabilities			
Lease liabilities	19	**319 898**	312 343
Borrowings	20	**23 039**	–
Trade and other payables	22	**3 633 996**	3 273 504
Current tax liabilities	31	**4 604**	–
		3 981 537	3 585 847
Total liabilities		**5 335 387**	4 709 220
Total equity and liabilities		**7 160 816**	6 606 849

The accounting policies on pages 19 to 29 and the notes on pages 30 to 70 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE YEAR ENDED 28 JUNE 2026

Figures in Rand thousand	Note(s)	June 2026	June 2025
Revenue	23	**12 113 105**	11 477 631
Cost of sales		**(9 046 829)**	(8 632 851)
Gross profit		**3 066 276**	2 844 780
Selling and marketing expenses	24	**(2 224 485)**	(2 056 018)
Administrative expenses	24	**(498 503)**	(493 432)
Other operating expenses	24	**(67 521)**	(20 310)
Impairment losses on trade receivables	24	**(4 669)**	(2 204)
Other income	25	**20 494**	71 170
Operating profit*		**291 592**	343 986
Finance income	26	**111 394**	120 210
Finance cost	27	**(158 829)**	(153 059)
Profit before tax		**244 157**	311 137
Income tax	28	**(71 247)**	(82 331)
Profit for the year		**172 910**	228 806
Profit attributable to:			
Owners of the parent		**166 434**	221 172
Non-controlling interests		**6 476**	7 634
		172 910	228 806
Earnings per share for profit attributable to the ordinary owners of the parent			
Basic earnings per share (cents)	29	**786.1**	1 042.5
Diluted earnings per share (cents)	29	**783.9**	1 035.4

* *Represents gross profit minus total expenses plus other income.*

The accounting policies on pages 19 to 29 and the notes on pages 30 to 70 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 JUNE 2026

Figures in Rand thousand	June 2026	June 2025
Profit for the year	**172 910**	228 806
Other comprehensive income:		
Items that may be reclassified to profit or loss:		
Owners of the parent	**228**	(1 068)
Foreign exchange differences on translation of foreign operations	**(11 625)**	(1 068)
Foreign currency translation loss reclassified to profit or loss on disposal of subsidiary	**11 853**	–
Non-controlling interest	**(1 051)**	(381)
Foreign exchange differences on translation of foreign operations	**(1 051)**	(381)
Other comprehensive loss for the year net of tax	**(823)**	(1 449)
Total comprehensive income	**172 087**	227 357
Total comprehensive income attributable to:		
Owners of the parent	**166 662**	220 104
Non-controlling interests	**5 425**	7 253
	172 087	227 357

The accounting policies on pages 19 to 29 and the notes on pages 30 to 70 form an integral part of the consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 28 JUNE 2026

Figures in Rand thousand	Share capital	Share premium	Total share capital	FCTR	Share-based payments reserve	Other reserves	Total reserves	Retained earnings	Non-controlling interests	Total equity
Balance at 30 June 2024	209	(679 180)	(678 971)	(16 522)	184 336	–	167 814	2 327 803	15 734	1 832 380
Profit for the year	–	–	–	–	–	–	–	221 172	7 634	228 806
Other comprehensive income for the year	–	–	–	(1 068)	–	–	(1 068)	–	(381)	(1 449)
Total comprehensive income for the year	–	–	–	(1 068)	–	–	(1 068)	221 172	7 253	227 357
Equity-settled share-based payments	–	–	–	–	8 709	–	8 709	–	–	8 709
Shares repurchased and cancelled	(2)	(49 824)	(49 826)	–	–	–	–	–	–	(49 826)
Dividends	–	–	–	–	–	–	–	(119 803)	(1 188)	(120 991)
Balance at 29 June 2025	207	(729 004)	(728 797)	(17 590)	193 045	–	175 455	2 429 172	21 799	1 897 629
Profit for the year	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**166 434**	**6 476**	**172 910**
Other comprehensive loss for the year	**–**	**–**	**–**	**228**	**–**	**–**	**228**	**–**	**(1 051)**	**(823)**
Total comprehensive income for the year	**–**	**–**	**–**	**228**	**–**	**–**	**228**	**166 434**	**5 425**	**172 087**
Equity-settled share-based payments	**–**	**–**	**–**	**–**	**12 470**	**–**	**12 470**	**–**	**–**	**12 470**
Shares repurchased and cancelled	**(6)**	**(77 553)**	**(77 559)**	**–**	**–**	**–**	**–**	**–**	**–**	**(77 559)**
Acquisition of a subsidiary (refer to note 12)	**–**	**–**	**–**	**–**	**–**	**(55 273)**	**(55 273)**	**–**	**37 621**	**(17 652)**
Loss of control of subsidiary (refer to note 12)	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(11 362)**	**(11 362)**
Dividends	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(148 590)**	**(1 594)**	**(150 184)**
Balance at 28 June 2026	**201**	**(806 557)**	**(806 356)**	**(17 362)**	**205 515**	**(55 273)**	**132 880**	**2 447 016**	**51 889**	**1 825 429**
Note(s)	17	17	17		18					

* *Relates to shares repurchased by Cashbuild Limited. During the period 595 000 ordinary shares were repurchased at an average price of R129.9.*

Refer to note 29 for the dividend per share information.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28 JUNE 2026

Figures in Rand thousand	Note(s)	June 2026	June 2025
Cash flows from operating activities			
Cash generated from operations	30	**1 059 638**	1 702 575
Finance cost paid	27	**(158 829)**	(153 059)
Income tax paid	31	**(66 756)**	(71 749)
Net cash generated from operating activities		**834 053**	1 477 767
Cash flows from investing activities			
Additions to property, plant and equipment	6	**(285 234)**	(227 813)
Additions to intangible assets	7	**(7 779)**	(7 577)
Proceeds on disposal of property, plant and equipment		**5 246**	12 611
Acquisition of subsidiary	12	**(96 299)**	–
Net cash movement on disposal of subsidiary	12	**(38 505)**	–
Withdrawals from/(additions) to financial assets at amortised cost	15	**190 142**	(593 226)
Additions to financial assets at fair value through profit or loss	15	**(354 222)**	(601 011)
Finance income received		**125 075**	146 182
Proceeds on disposal of non-current asset held for sale		**–**	8 332
Net cash utilised in investing activities		**(461 576)**	(1 262 502)
Cash flows from financing activities			
Shares repurchased by Cashbuild Limited and cancelled	17	**(77 559)**	(49 826)
Lease liability payments	19	**(312 579)**	(293 017)
Additions to borrowings	20	**101 703**	–
Payments to borrowings	20	**(1 598)**	–
Dividends paid	32	**(148 590)**	(119 803)
Dividends paid to non-controlling interests	32	**(1 594)**	(1 188)
Net cash utilised in financing activities		**(440 217)**	(463 834)
Net decrease in cash and cash equivalents		**(67 740)**	(248 569)
Cash and cash equivalents at the beginning of the year		**509 069**	753 530
Effect of foreign exchange rate changes		**(11 880)**	4 108
Total cash and cash equivalents at the end of the year	15	**429 449**	509 069

ACCOUNTING POLICIES

1. GENERAL INFORMATION

Cashbuild Limited (Cashbuild or the Company) is a public company incorporated and domiciled in South Africa. The consolidated financial statements (the financial statements) of the Company as at and for the period ended 28 June 2026 comprise the Company and its subsidiaries (together referred to as the Group).

Cashbuild is southern Africa's leading retailer of quality building materials and associated products, selling direct to predominantly cash-paying customer base through its chain of 317 (2025: 318) stores at the end of the financial year. Cashbuild carries an in-depth, quality product range tailored to the specific needs of the communities we serve. Our customers are typically home-builders and improvers, contractors, farmers, traders, as well as all other customers requiring quality building materials at the best value.

1.1 Statement of compliance

The financial statements have been prepared in accordance with IFRS® Accounting Standards issued by the International Accounting Standards Board (IASB) (IFRS® Accounting Standards), the South African Institute of Chartered Accountants (SAICA) Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the Companies Act of South Africa (Act 71 of 2008) (Companies Act).

The financial statements were authorised for issue by the Board on 31 August 2026 and are subject to presentation to the shareholders at the AGM.

1.2 Basis of preparation

The financial statements are prepared on a going concern and historical cost basis, except for cash-settled share-based payment liabilities which are measured at fair value. The accounting policies, inclusive of reasonable estimates and judgements, have been consistently applied for all financial years presented and comply with IFRS® Accounting Standards.

The financial statements are presented in South African Rand (ZAR), which is the Group's functional currency, rounded to the nearest thousand, except where otherwise indicated.

2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of consolidation

Subsidiaries

These financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities which are controlled by the Company.

The results of subsidiaries are included in these financial statements from the date on which control commences until the date on which control ceases.

Business combinations

The Group accounts for business combinations using the acquisition method of accounting. The cost of the business combination is measured as the aggregate of the fair value of assets acquired, liabilities incurred and equity instruments issued. Costs directly attributable to the business combination are expensed as incurred, except the costs to issue debt which are amortised as part of the effective interest and costs to issue equity which are included in equity.

Any contingent consideration is included in the cost of the business combination at fair value as at the date of acquisition. Subsequent changes to the assets, liability or equity which arise as a result of the contingent consideration are not affected against goodwill, unless they are valid measurement period adjustments. Otherwise, all subsequent changes to the fair value of contingent consideration that is deemed to be an asset or liability is recognised in either profit or loss.

The acquiree's identifiable assets, liabilities and contingent liabilities which meet the recognition conditions of IFRS 3: *Business Combinations* are recognised at their fair value at acquisition date.

Goodwill is determined as the consideration paid, plus the fair value of any shareholding held prior to obtaining control, plus non-controlling interest and less the fair value of the identifiable assets and liabilities of the acquiree.

Goodwill is not amortised but is tested on an annual basis for impairment. If goodwill is assessed to be impaired, that impairment is not subsequently reversed.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.1 Basis of consolidation (continued)

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related non-controlling interests and other components of equity. Any resulting gain/loss is recognised in profit or loss.

Transactions eliminated on consolidation

Intra-group transactions and balances, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated.

Non-controlling interests (NCI)

NCI that constitutes present ownership interests and entitle their holders to a proportionate interest of the relevant interest by each party in the event of liquidation, are initially measured at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a combination-by-combination basis.

In transactions with non-controlling shareholders, the excess of the cost/proceeds of the transaction over the group's proportionate share of the net asset value acquired/disposed is allocated to the 'Other reserves' in equity. Refer to note 2.13 for policy on the written put/call option over non-controlling interest.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Investment in joint operation

The Group's proportionate share of assets, liabilities, income and expenses from investments in joint operations are included in the financial statements from the effective date of acquisition.

Investment in associate

An associate is an investee over which the Group has significant influence, but does not have control nor joint control over the financial and operating policies. The interest in the associate is accounted for using the equity method from the date on which the investee becomes an associate.

Under the equity method, the associate is initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Group's share of profit or loss and other comprehensive income (OCI) of the associate, until the date on which significant influence ceases.

2.2 Foreign currency

Results included from foreign countries are denominated in the following currencies: Botswana Pula, Malawian Kwacha, Zambian Kwacha and US Dollar.

Foreign currency transactions

Transactions in foreign currency are translated into the respective functional currencies of Group companies at the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency, which is the ZAR, at the exchange rate at the reporting date.

Cash flows arising from foreign currency transactions are recognised in ZAR by applying the relevant exchange rate at the date of the cash flow.

Foreign operations

The results and financial positions of foreign operations are translated into ZAR as follows:

- income and expenses are translated at the average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the date of the transactions);
- assets and liabilities are translated at the closing rates at the reporting date of the foreign operation; and
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve (FCTR).

2. MATERIAL ACCOUNTING POLICIES (continued)

2.3 Property, plant and equipment

Items of property, plant and equipment are initially measured at cost. Subsequently, all items of property, plant and equipment, except land, are measured at cost less accumulated depreciation and any accumulated impairment losses.

Costs incurred on work in progress projects are capitalised until the project is completed. Work in progress assets are subsequently transferred to the relevant asset class.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

Land is not depreciated. Depreciation is calculated as to write-off the cost of all other items of property, plant and equipment over their estimated useful lives to their residual values, using the straight-line method. Depreciation is recognised in profit or loss.

The useful lives are disclosed in note 6. The residual values, useful lives and depreciation methods are reviewed at each reporting date and adjusted if appropriate.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

2.4 Leases

Group as lessee

The Group assesses whether a contract is, or contains a lease, at the inception of the contract. A contract is, or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group entered into various leases in respect of premises. Leases for premises are on average contracted for periods between five and 15 years with renewal options for a further 5 to 10-year periods.

A lease liability and corresponding right-of-use asset are recognised at the lease commencement date for all lease agreements for which the Group is a lessee, except for short-term leases of 12 months or less. For these leases, the Group has elected to recognise the lease payments as an operating expense on a straight-line basis over the term of the lease.

The various lease and non-lease components of contracts containing leases are accounted for separately, with consideration being allocated to each lease component on the basis of the relative stand-alone prices of the lease components and the aggregate stand-alone price of the non-lease components (where non-lease components exist).

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The probability of exercising renewal and termination options are considered when determining the lease term. Refer to note 3 for details relating to the assessment of renewal or termination options.

Assets and liabilities arising from a lease are initially measured at their present value. Lease liabilities include the net present value of the following lease payments:
- fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising that option.

Right-of-use assets are measured at cost comprising:
- the amount of the initial measurement of lease liability;
- any lease payments made at or before the commencement date less any lease incentives received;
- any initial direct costs; and
- restoration costs.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses. Right-of-use assets are depreciated from the commencement date to the end of the lease term. Right-of-use assets are included in property, plant and equipment in the statement of financial position.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.4 Leases (continued)

Lease payments are discounted using the incremental borrowing rate. The incremental borrowing rate is determined by using the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

A number of lease contracts include the option to renew the lease for a further period or terminate the lease earlier. The majority of renewal and termination options held are exercisable only by the Group and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise the renewal option, or not exercise a termination option. Renewal options (or periods after termination options) are only included in the lease term if it is reasonably certain the lease will be extended (or not terminated). The Group applies judgement in assessing whether it is reasonably likely that options will be exercised. Factors considered include how far in the future an option occurs, the Group's business planning cycle, significance of related leasehold improvements and past history of terminating or not renewing leases. The lease term is reassessed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

The Group remeasures the lease liability when the following remeasurements occur:
- there has been a change to the lease term, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- there has been a change to the lease payments due to a change in an index or a rate, in which case the lease liability is remeasured by discounting the revised lease payments using the initial discount rate;
- there has been a change in the assessment of whether the Company will exercise a purchase, termination or extension option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- a lease contract has been modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised payments using a revised discount rate.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recognised in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

2.5 Intangible assets

Each intangible asset class is addressed below.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

The residual values, useful lives and amortisation methods of intangible assets are reviewed at each reporting date and adjusted if appropriate.

Any gain or loss on disposal of an item of property and equipment is recognised in profit or loss.

Goodwill

Goodwill arises on a business combination and is the amount by which the fair value of consideration transferred and the amount of any non-controlling interest recognised exceeds the identifiable assets and liabilities recognised on acquisition. Goodwill is measured at cost less accumulated impairment losses.

Tradenames

Tradenames with a finite useful life are measured at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost of tradenames over their estimated useful life of 10 years.

Tradenames acquired in a business combination are recognised at fair value at the acquisition date.

Amortisation is not recognised for acquired tradenames, however, tested for impairment annually and when there is an indication that the asset may be impaired. No impairment arises if the present value of the expected net cash inflows into perpetuity support the fair value of the intangible asset acquired.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.5 Intangible assets (continued)

Computer software

Computer software is measured at cost less accumulated amortisation and accumulated impairment losses. Directly attributable costs that are capitalised as part of the software product include the software development employee costs and an appropriate portion of relevant overheads.

Amortisation is recognised on a straight-line basis, in profit or loss, over its estimated useful lives of between three and five years.

Customer relationships

Customer relationships acquired in a business combination are recognised at fair value at the acquisition date. Customer relationships are measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation is calculated using the straight-line method to allocate the cost of customer relationships over their estimated useful life.

2.6 Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication that its non-financial assets (other than inventories or deferred tax assets) may be impaired. If any such indication exists, the Group estimates the recoverable amount of the asset.

Irrespective of whether there is any indication of impairment, the Group bi-annually:

- tests intangible assets with indefinite useful live for impairment annually by comparing its carrying amount with their recoverable amounts; and
- tests goodwill for impairment on an annual basis which is monitored at operating segment level, or more frequently if events or changes in circumstances indicate a potential impairment.

If there is any indication that an asset may be impaired, the recoverable amount for the individual asset is estimated. If it is not possible to estimate this recoverable, the recoverable amount of the cash-generating unit (CGU) to which the asset belongs, is determined.

The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal and its value-in-use. Value-in-use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised.

2.7 Financial instruments

Classification

The Group classifies financial assets at amortised cost or at fair value through profit or loss, and financial liabilities as measured at amortised cost.

Financial assets at amortised cost

Financial assets at amortised cost comprise trade receivables, cash and cash equivalents and other funds. These assets have been classified at amortised cost as their contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest and the Group's business model is to collect the contractual cash flows on these financial assets.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets at fair value through profit or loss applies to all other funds that are not classified at amortised cost.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Financial instruments (continued)

Classification (continued)

Financial liabilities measured at amortised cost

Financial liabilities at amortised cost comprise trade payables and borrowings, which comprises term credit facility, instalment sale agreement and overdraft facilities available to the Group.

Financial liabilities at fair value through profit or loss (FVTPL)

Financial liabilities at fair value through profit or loss comprise the put/call option.

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset at amortised cost (unless it is a trade receivable without a significant financing component) or financial liability at amortised cost is initially measured at fair value plus or minus transaction costs that are directly attributable to its acquisition or issue. The Group's trade receivables do not have a significant financing component and are initially measured at the transaction price.

A financial asset at FVTPL or financial liability at FVTPL is initially measured at fair value.

Subsequent measurement

Financial assets

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income and impairment losses are recognised in profit or loss.

Financial assets at fair value through profit or loss are subsequently measured at fair value. Gains and losses arising from changes in fair value are recognised in the statement of profit or loss and presented net with other gains/(losses) in the period in which they arise.

Financial liabilities

Financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

Financial liabilities at fair value through profit or loss, are subsequently measured at fair value. Gains and losses arising from changes in fair value are recognised in the statement of profit or loss and presented net with other gains/(losses) in the period in which they arise.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.7 Financial instruments (continued)

Impairment of financial assets

The Group recognises loss allowances for expected credit losses (ECLs) on financial assets measured at amortised cost. Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial asset. Twelve-month ECLs are the portion of ECLs that result from default events that are possible within 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

ECLs are a probability-weighted estimate of credit losses which are measured as the present value of all cash shortfalls.

The Group measures loss allowances for trade receivables at an amount equal to lifetime ECLs by applying the simplified approach. The Group measures loss allowances for bank balances at an amount equal to 12-month ECLs due to no significant increase in credit risk, i.e., the risk of default occurring over the expected life of the financial instrument, since initial recognition.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk. The Group assumes that the credit risk on a financial asset has increased if it is more than 30 days past due.

The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the trade receivables and the economic environment. The expected loss rates are based on the payment profiles of receivables over a period of 24 months before the reporting date and the corresponding historical credit losses experienced within this period. The forward-looking factors include the trading conditions, credit ratings and reports provided by credit bureaus and the payment patterns of customers.

The Group considers a financial asset to be in default when it is more than 90 days past due. Once a debtor is in default, their account is blocked with the debtor being unable to purchase on credit.

Presentation of loss allowance in statement of financial position
Trade receivables are presented net of loss allowances.

Write-off
The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering such in its entirety, or a portion thereof, and there has been no movement on the debtor's account for three years. Financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due, however, the Group expects no significant recovery from amounts written off.

2.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories (net of rebate income received from suppliers) is assigned using the weighted average cost formula. The same cost formula is used for all inventories having a similar nature and use to the entity.

When inventories are sold, the carrying amount of those inventories are recognised as an expense in profit or loss in the financial year in which the related revenue is recognised. The amount of any write-down of inventories to net realisable value and all losses on inventories are recognised as an expense in profit or loss. The amount of reversals of any write-down of inventories, arising from an increase in net realisable value, are recognised as a reduction in the carrying amount of inventories recognised as an expense, in the year in which the reversals occurs.

An allowance for slow moving, obsolete or damaged inventory is maintained by the Group. Damaged inventories are identified and written down through the inventory verification processes. This allowance represents the value of the difference between the cost of the inventory and its net realisable value at the reporting date. Movements in this allowance are recognised in profit or loss.

Inventories include a right to returned goods which represents the Group's obligation to recover products from customers where customers exercise their right of return under the Group's returns policy (refer to the revenue policy). A corresponding adjustment is recognised in cost of sales.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.9 Non-current assets held for sale

Non-current assets are classified as held for sale if it is highly probable that their carrying amount will be recovered through a sale transaction rather than through continuing use.

Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets or investment property which continue to be measured in accordance with the Group's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss.

Once classified as held-for-sale or while part of a disposal group, intangible assets, investment property and property, plant and equipment are no longer amortised or depreciated.

2.10 Share capital and equity

Ordinary shares are classified as equity. Where Group companies purchase the Company's share capital, the consideration paid including attributable transaction costs (net of income taxes), is deducted from equity attributable to the Group's equity holders as treasury shares until they are cancelled, re-issued or sold. Where such shares are subsequently re-issued or sold, any consideration received net of directly attributable incremental transaction costs and related income tax effects is included in share capital and share premium.

The shares held by The Cashbuild Empowerment Trust, Cashbuild Management Member Trust, Cashbuild (South Africa) Proprietary Limited and Cashbuild Limited are classified as treasury shares.

Dividends received on treasury shares are eliminated on consolidation, except the dividends on which participants are entitled to in terms of The Cashbuild Empowerment Trust deed, which are recognised as employee expenses in profit or loss.

2.11 Income taxes

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of prior years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for tax purposes.

Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that;
  - is not a business combination; and
  - at the time of the transaction (i) affects neither accounting nor taxable profit or loss and (ii) does not give rise to equal taxable and deductible temporary differences;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Group.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.11 Income taxes (continued)

Deferred tax (continued)

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

2.12 Share-based payment transactions

2.12.1 Equity-settled share-based payment transactions

The Group's equity-settled share-based payment transactions include:

Cashbuild Forfeitable Share Plan (FSP)

Shares are offered to Executive Directors and senior management.

The grant-date fair value, determined as the share price at the award date, is recognised as an expense in profit or loss over the three-year vesting period, with a corresponding increase in equity, recognised in the share-based payment reserve. The amount recognised as an expense is based on the Group's estimate of shares that will vest and is adjusted for the effect of non-market performance conditions.

Cashbuild Operations Management Member Trust Scheme

Share incentives under this scheme entitle qualifying store management members to receive a bonus that is split in equal proportion between immediate cash payment (recognised as employee costs in profit or loss) and shares offered to the participants.

The grant-date fair value, determined as the share price at the award date, is recognised as an expense in profit or loss over the four-year vesting period, with a corresponding increase in equity, recognised in the share-based payment reserve. The share portion is recognised as an expense in profit or loss with a corresponding increase in equity, recognised in the share-based payment reserve.

2.12.2 Cash-settled share-based payment transactions

Cash-settled share-based payment liabilities are initially measured at fair value and subsequently remeasured to fair value at each reporting date as well as at the date of settlement, with fair value changes recognised in profit or loss. The expense is recognised on a straight-line basis over the vesting period, with a corresponding increase in the liability. The fair value of the shares represents the liability that will be paid to the employee, as derived from the ruling share price at date of settlement.

2.13 Obligation under put/call option

Obligations under put/call options represent contractual arrangements that impose, or may potentially impose, an obligation on the Group to purchase the shares of a subsidiary for cash. The obligation liability is initially raised from "Other reserves" in equity at the present value of the expected redemption amount payable. The Group may still recognise non-controlling interest where the risks and rewards of ownership are not deemed to have been transferred to the Group on initial recognition of the obligation put/call option. Subsequent revisions to the expected redemption amount payable as well as the unwinding of the discount related to the measurement of the present value of the written put option liability, are recognised in "Other reserves" within equity.

The obligation under put/call option is classified as a financial liability and measured at fair value through profit or loss (FVTPL). The fair value of the liability is determined using an appropriate valuation technique, including the application of relevant market multiples to the subsidiary's equity value.

Subsequently, the liability is remeasured to fair value at each reporting date based on the expected redemption amount payable. Any gains or losses arising from changes in fair value are recognised in net profit or loss and presented within other gains/(losses) in the period in which they arise.

Where an obligation under a put/call option expires unexercised or is cancelled, the carrying amount of the financial liability is derecognised, with the resulting adjustment recognised in "Other reserves" within equity.

2. MATERIAL ACCOUNTING POLICIES (continued)

2.14 Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it satisfies the performance obligation, namely the sale of goods, which is satisfied at a point in time, being the point of sale.

Sale of goods – retail

The Group operates a chain of retail stores selling building materials. Revenue from the sale of goods is recognised when a group entity sells a product to a customer.

Payment of the transaction price is due when the customer purchases the products/services and takes delivery in-store. There are repayment agreements with certain customers, which are typically 30 days.

It is the Group's policy to sell its products to the end customer with a right of return. Thus, a refund liability (included in trade and other payables) and a right to the returned goods (included in inventories) are recognised for the products expected to be returned based on the average number of days it would take a customer to return the goods. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level using the expected value method. Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognised will not occur. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

Certain customers are entitled to volume rebates. Rebates are calculated and awarded based on purchases per agreed rebate structure with the customer. A rebate liability is recognised where amounts are due to customers with a corresponding adjustment to revenue.

2.15 Employee benefits

2.15.1 Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Bonuses

The Group's bonus structure allows monthly and quarterly bonuses that employees at stores can earn based on store and divisional performance. An annual bonus is available to all store and divisional management, based on their store and divisional performance. Support Office staff and Executive Management qualify for annual bonuses which is dependent on the Group's results and performance. Annual bonuses are calculated using a formula that takes into consideration the revenue and profit before tax. The Group recognises a liability and an expense for bonuses. The Group recognises a provision where contractually obliged or where there is a past practice that has created a constructive obligation.

Dividends from The Cashbuild Empowerment Trust

Amounts paid to beneficiaries of the Trust, being employees of the Group, are recognised as employee costs in profit or loss. The amounts paid out to the members are the dividends received by the Trust after deducting specific costs incurred by the Trust.

2.15.2 Other long-term employee benefits

Long service awards

The Group has an obligation in respect of long service awards to employees who reach certain predetermined milestone periods of service. The obligation is the amount of future benefit that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Defined contribution plans

Obligations for contributions to independent defined contribution plans are expensed in profit or loss as the related service is provided.

3. ESTIMATES AND JUDGEMENTS

In preparing these financial statements, management made estimates and judgements that affect the application of the Group's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are applied prospectively.

Judgements

Information about judgements made in applying accounting policies that have a significant effect on the amounts recognised in the financial statements are included in the following notes:

	Related note
Judgement description	
Cash and short-term funds – classification as cash and cash equivalents	15
Leases – determining the lease term and whether the Group is reasonably certain to exercise extension or termination options	19
Refundable customer accounts – determining the refundable customer accounts not likely to be utilised for future purchases	22

Assumptions and estimation uncertainties

There are no critical estimates or judgements that are likely to have a risk of causing a material adjustment to the carrying amounts of the assets and liabilities within the next financial year. Other non-critical estimates and judgements have been applied in the financial statements and disclosed below:

	Related note
Assumptions and estimation uncertainty	
Impairment of goodwill and tradename – key assumptions underlying recoverable amounts	5
Impairment of right-of-use assets – key assumptions underlying recoverable amounts	5
Fair value of intangible assets recognised in business combinations	12
Measurement of ECLs – key assumptions in determining the loss rates and credit ratings	14
Fair value of put/call option – key assumptions underlying fair value and amounts in profit or loss	21

NOTES TO THE ANNUAL CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 28 JUNE 2026

4. SEGMENT INFORMATION

The Executive Directors fulfil the role of chief operating decision maker (CODM). The information presented below is used by the CODM in discharging their duties which includes allocating resources to and assessing performance of each operating segment.

The Group's operating segments have been determined to be the reportable segments, which are as follows:

- Cashbuild (South Africa).
- Rest of South Africa – the segment consists of P&L Hardware and Amper Alles and has been renamed subsequent to the acquisition of Amper Alles.
- Cashbuild Rest of Africa – the segment consists of Eswatini, Lesotho, Namibia, Botswana, Zambia and Malawi, until its disposal date of 28 December 2025. The segment has been reassessed following the disposal of Malawi in December 2025.

All operating segments are in the business of retail of building materials and associated products.

The Group evaluates the performance of its operating segments based on revenue and operating profit. Operating profit represents profit before tax, finance income and finance costs.

Major customers

No single customer contributes 10% or more of the Group's revenue.

Segment revenue, expenses and other items

Figures in Rand thousand	Cashbuild South Africa	Rest of South Africa	Cashbuild Rest of Africa	Total
June 2026				
Revenue – external	**9 981 039**	**971 725**	**1 160 341**	**12 113 105**
Profit before tax	**191 561**	**5 712**	**46 884**	**244 157**
Items included in profit or loss (including non-cash items)				
Cost of sales	**(7 422 195)**	**(737 371)**	**(887 263)**	**(9 046 829)**
Employee costs	**(1 028 034)**	**(92 746)**	**(80 930)**	**(1 201 710)**
Advertising expenses	**(164 435)**	**(8 837)**	**(8 960)**	**(182 232)**
Delivery charges	**(131 076)**	**(12 322)**	**(14 339)**	**(157 737)**
Impairment (losses)/reversals on non-financial assets	**(26)**	**2 807**	**–**	**2 781**
Depreciation and amortisation	**(380 063)**	**(41 223)**	**(24 914)**	**(446 200)**
Finance income	**95 511**	**3 588**	**12 295**	**111 394**
Finance cost	**(131 745)**	**(15 340)**	**(11 744)**	**(158 829)**
Income tax	**(57 220)**	**(1 590)**	**(12 437)**	**(71 247)**

Figures in Rand thousand	Cashbuild South Africa	Rest of South Africa	Cashbuild Rest of Africa	Total
June 2025*				
Revenue	9 462 616	799 196	1 215 819	11 477 631
Profit/(loss) before tax	255 661	(10 119)	65 595	311 137
Items included in profit or loss (including non-cash items)				
Cost of sales	(7 073 050)	(632 136)	(927 665)	(8 632 851)
Employee costs	(978 421)	(70 229)	(83 517)	(1 132 167)
Advertising expenses	(163 544)	(5 568)	(8 971)	(178 083)
Delivery charges	(123 524)	(13 797)	(14 282)	(151 603)
Impairment reversals/(losses) on non-financial assets	7 212	(5 553)	1 371	3 030
Depreciation and amortisation	(363 099)	(31 119)	(25 696)	(419 914)
Finance income	101 789	5 175	13 246	120 210
Finance cost	(136 348)	(6 642)	(10 069)	(153 059)
Income tax	(70 984)	3 727	(15 074)	(82 331)

* *The segment information for prior financial year has been represented in light of the guidance provided by the IFRS Interpretations Committee's (IFRIC) final agenda decision relating to the IFRS 8: Operating Segments on the disclosure of income and expense line items for reportable segments. The Group has elected to provide additional disclosure in light of the IFRIC agenda decision.*

4. SEGMENT INFORMATION (continued)

Segment assets, liabilities and other items

Figures in Rand thousand	Cashbuild South Africa	Rest of South Africa	Cashbuild Rest of Africa	Total
June 2026				
Capital investment*	**193 024**	**55 634**	**36 576**	**285 234**
Total assets	**5 804 083**	**691 761**	**664 972**	**7 160 816**
Total liabilities	**(4 508 212)**	**(447 609)**	**(379 566)**	**(5 335 387)**
Total	**1 488 895**	**299 786**	**321 982**	**2 110 663**
June 2025				
Capital investment*	202 135	12 228	21 027	235 390
Total assets	5 512 711	352 473	741 665	6 606 849
Total liabilities	(3 666 283)	(623 025)	(419 912)	(4 709 220)
Total	2 048 563	(258 324)	342 780	2 133 019

* *Relates to total additions during the financial year of property, plant and equipment, excluding the additions to the right-of-use asset (note 6), and intangible assets (note 7).*

5. IMPAIRMENT OF NON-FINANCIAL ASSETS

The purpose of this note is to summarise the impairment information, including the methods used in calculating impairment losses and reversals on non-financial assets, as well as the amounts recognised in this regard. The effect per asset class is provided in each asset's note, where applicable.

Goodwill and tradename impairment assessment

The following table reflects the carrying amount of goodwill and intangible assets relating to Amper Alles tradename (refer to note 7).

Figures in Rand thousand	June 2026	June 2025
Cashbuild	**112 833**	112 833
Amper Alles (refer to note 12)	**39 956**	–
Total goodwill	**152 789**	112 833
Amper Alles tradename (refer to note 12)	**26 752**	–

Key assumptions used in assessment of Cashbuild goodwill

The recoverable amount of Cashbuild has been determined based on a value-in-use calculation using a five-year forecast period up to June 2031, after which a terminal value has been determined. There is significant headroom available therefore, no sensitivity analysis has been provided.

	June 2026	June 2025
Growth rate#	**5.0%**	5.0%
Terminal growth rate#	**5.0%**	5.0%
Discount rate: pre-tax*	**12.7%-13.7%**	14.4%-15.4%
Discount rate: post-tax*	**9.4%-10.4%**	11.1%-12.1%

\# *Management believes that the Group's growth rate and terminal growth rate is reflective of the long-term growth prospect of the CGU. Inflationary increases will be transferred to the customer base to maintain a constant gross profit margin.*

* *The discount rate decreased due to the decrease in Beta variable and cost of debt.*

5. IMPAIRMENT OF NON-FINANCIAL ASSETS (continued)

Key assumptions used in assessment of Amper Alles goodwill and tradename

The recoverable amount of Amper Alles goodwill and tradename have been determined based on a value-in-use calculation using a five-year forecast period up to June 2031, after which a terminal value has been determined.

	June 2026	June 2025
Growth rate*	**4.8%**	–
Terminal growth rate*	**4.8%**	–
Discount rate: pre-tax	**14.9%-15.9%**	–
Discount rate: post-tax	**12.7%-13.7%**	–

* *Management believes that the Group's growth rate and terminal growth rate is reflective of the long-term growth prospect of the CGU. Inflationary increases will be transferred to the customer base to maintain a constant gross profit margin.*

Sensitivity analysis

A sensitivity analysis was performed to evaluate the impact of changes in the key assumptions applied. This considers the impact if a key assumption changed and all other variables remained constant. The below table illustrates by how much an assumption must change before there is a 10% impairment on the current carrying value.

	Change in assumption applied
Growth rate and terminal value	**Decrease of 1.8% to 3.0%**
Discount rate	**Increase of 1.1%**
Trading profit margin	**Decrease of 0.9%**

Loss-making stores' impairment assessment (including property, plant and equipment (refer to note 6)

When a store is closed the assets are sold for proceeds below carrying amount, excluding the right-of-use assets and inventory. Therefore, loss-making stores are identified for possible impairment of the assets held by these stores. For each loss-making store that leases premises, the value-in-use is calculated as the net present value of the monthly forecasted cash flows per store (calculated to the end of the lease term). A store model specific WACC rate was applied to the cash flow projections.

If at the end of the financial year, a store is no longer loss making and management believes that it will continue on this trend and the recoverable amount exceeds the carrying amount, any previous impairment losses are reversed.

Key assumptions applied

	June 2026	June 2025
Cashbuild stores		
Growth rate	**5.0%-10.0%**	5.0%-10.0%
Discount rate: pre-tax	**12.7%-13.7%**	14.4%-15.4%
P&L Hardware stores		
Growth rate	**7.0%-12.0%**	10.0%-20.0%
Discount rate: pre-tax	**14.4%-15.4%**	16.3%-17.3%

Amper Alles stores

The were no indicators of impairment for the acquired Amper Alles stores.

5. IMPAIRMENT OF NON-FINANCIAL ASSETS (continued)

Impairment losses/(reversals) recognised on property, plant and equipment

Figures in Rand thousand	June 2026	June 2025
Furniture and equipment	**(4 164)**	(2 166)
Right-of-use assets	**6 945**	5 196
	2 781	3 030

During the year, 8 (2025: 9) Cashbuild and 5 (2025: 7) P&L Hardware stores were impaired. The impairment losses recognised are included in selling and marketing costs in profit or loss.

The table below summarises the impairment losses/(reversals) on non-financial assets

Figures in Rand thousand	June 2026	June 2025
Impairment loss relating to loss-making stores	**19 343**	13 879
Impairment reversal relating to loss-making stores	**(22 124)**	(16 909)
Total impairment reversals recognised	**(2 781)**	(3 030)

6. PROPERTY, PLANT AND EQUIPMENT

Figures in Rand thousand	Land and buildings	Leasehold improvements	Furniture and equipment	Vehicles	Right-of-use assets – premises	Total
Carrying amount as at 30 June 2024	701 332	74 848	458 041	3 653	1 035 970	2 273 844
Cost	811 342	244 094	1 711 550	34 538	2 845 697	5 647 221
Accumulated depreciation and accumulated impairment losses	(110 010)	(169 246)	(1 253 509)	(30 885)	(1 809 727)	(3 373 377)
Additions	82 095	23 969	121 585	164	51 499	279 312
Disposals~	(4 837)	(577)	(10 410)	(3 653)	(8 961)	(28 439)
Classified as held-for-sale^	(28 310)	–	–	–	–	(28 310)
Lease remeasurements+	–	–	–	–	134 852	134 852
Foreign exchange movements	(413)	(20)	(168)	–	(395)	(996)
Depreciation	(10 355)	(17 959)	(111 887)	(28)	(273 586)	(413 815)
Impairment (losses)/reversals#	–	–	(2 166)	–	5 196	3 030
Carrying amount as at 29 June 2025	739 512	80 261	454 995	136	944 575	2 219 479
Cost	**858 106**	**263 320**	**1 738 878**	**22 339**	**3 002 396**	**5 885 039**
Accumulated depreciation and accumulated impairment losses	**(118 594)**	**(183 059)**	**(1 283 883)**	**(22 203)**	**(2 057 821)**	**(3 665 560)**
Additions	**66 083**	**28 321**	**187 622**	**3 208**	**49 679**	**334 913**
Disposals~	**–**	**(750)**	**(11 261)**	**–**	**(8 562)**	**(20 573)**
Classified from held-for-sale^	**18 250**	**–**	**–**	**–**	**–**	**18 250**
Lease remeasurements+	**–**	**–**	**–**	**–**	**238 730**	**238 730**
Foreign exchange movements	**(4 987)**	**(191)**	**(2 031)**	**–**	**(2 580)**	**(9 789)**
Depreciation	**(10 865)**	**(21 300)**	**(119 596)**	**(864)**	**(284 936)**	**(437 561)**
Impairment (losses)/reversals#	**–**	**–**	**(4 164)**	**–**	**6 945**	**2 781**
Acquisition of subsidiary (refer to note 12)**	**–**	**–**	**4 228**	**8 673**	**144 151**	**157 052**
Loss of control of subsidiary (refer to note 12)>	**–**	**(93)**	**(446)**	**–**	**(1 440)**	**(1 979)**
Carrying amount as at 28 June 2026	**807 991**	**86 248**	**509 347**	**11 153**	**1 086 562**	**2 501 301**
Cost	**937 451**	**278 497**	**1 865 360**	**34 220**	**3 422 374**	**6 537 902**
Accumulated depreciation and accumulated impairment losses	**(129 460)**	**(192 249)**	**(1 356 013)**	**(23 067)**	**(2 335 812)**	**(4 036 601)**
Carrying amount as at 28 June 2026	**807 991**	**86 248**	**509 347**	**11 153**	**1 086 562**	**2 501 301**

~ *Relates to the early termination of lease agreements and any gain or loss realised is recognised in profit or loss.*
^ *Relates to buildings classified from held for sale (refer to note 16).*
\+ *Relates to the exercising of renewal options in lease agreements, which did not result in separate leases.*
# *Relates to loss-making stores (refer to note 5).*
** *Relates to the acquisition of Amper Alles (refer to note 12).*
> *Relates to the loss of control of Cashbuild Lilongwe (refer to note 12).*

6. PROPERTY, PLANT AND EQUIPMENT (continued)

Depreciation rates

The depreciation methods and average useful lives of property, plant and equipment have been assessed as follows:

- Buildings — Straight-line basis – 50 years
- Leasehold improvements — Straight-line basis – 10 years (limited to lease term)
- Furniture and equipment* — Straight-line basis – 3 to 15 years
- Vehicles — Straight-line basis – 5 to 6 years
- Right-of-use asset^ — Straight-line basis – lease term
- Forklifts* — Running hours – 14 000

* *Forklifts are included in the furniture and equipment asset class within the property, plant and equipment.*

^ *Right-of-use assets relate to leased store properties.*

Figures in Rand thousand	June 2026	June 2025
Amounts recognised in profit and loss for the year:		
Loss on disposal of property, plant and equipment	**(7 055)**	(2 557)
(Loss)/profit on disposal of right-of-use asset	**(2 097)**	3 766

7. INTANGIBLE ASSETS

Figures in Rand thousand	Tradename	Customer relationships	Computer software	Goodwill	Total
Carrying amount as at 30 June 2024	–	–	11 301	112 833	124 134
Cost	99 403	–	106 305	309 135	514 843
Accumulated amortisation and accumulated impairment losses	(99 403)	–	(95 004)	(196 302)	(390 709)
Additions	–	–	7 577	–	7 577
Disposals	–	–	(397)	–	(397)
Amortisation	–	–	(6 099)	–	(6 099)
Carrying amount as at 29 June 2025	–	–	12 382	112 833	125 215
Cost	**99 403**	**–**	**113 124**	**309 135**	**521 662**
Accumulated amortisation and accumulated impairment losses	**(99 403)**	**–**	**(100 742)**	**(196 302)**	**(396 447)**
Additions	**37**	**–**	**7 742**	**–**	**7 779**
Disposals	**–**	**–**	**(26)**	**–**	**(26)**
Amortisation	**(4)**	**(1 555)**	**(7 080)**	**–**	**(8 639)**
Acquisition of subsidiary (refer to note 12)	**26 752**	**13 579**	**–**	**39 956**	**80 287**
Carrying amount as at 28 June 2026	**26 785**	**12 024**	**13 018**	**152 789**	**204 616**
Cost	**126 194**	**13 579**	**112 659**	**349 091**	**601 523**
Accumulated amortisation and accumulated impairment losses	**(99 409)**	**(1 555)**	**(99 641)**	**(196 302)**	**(396 907)**
Carrying amount as at 28 June 2026	**26 785**	**12 024**	**13 018**	**152 789**	**204 616**

Amortisation rates

- Tradename (excluding indefinite-lived) — Straight-line basis – 10 years
- Computer software — Straight-line basis – 5 years
- Customer relationships — Straight line basis – 5 years

8. INVESTMENT PROPERTY

Figures in Rand thousand	June 2026	June 2025
Investment in Nasrec Corner – joint operation	**38 600**	38 600
	38 600	38 600
Reconciliation of investment property		
Investment in Nasrec Corner	**38 600**	38 600
Closing balance	**38 600**	38 600

The fair value of Cashbuild's share in the investment property is R38.6 million based on the external valuation obtained in June 2024. The fair value of the property is equal to its carrying amount, which resulted in no impairment loss (June 2025: Rnil).

Investment property is carried at cost and depreciated on a straight-line basis over 50 years. The residual value was determined to exceed carrying amount and therefore no depreciation was recognised in the current or prior financial years.

9. INTERESTS IN ASSOCIATE AND JOINT OPERATION

Joint operation – Nasrec Corner

During 2014 the Group entered into a joint operation agreement in respect of the Nasrec Corner Shopping Centre in Johannesburg, South Africa. This consortium comprises a right to extend and develop a shopping centre. The Group has 50% participation and control in the owner consortium with the other 50% participant being S-Identity Holdings (Pty) Ltd. Decisions relating to the operations of the consortium require unanimous consent.

S-Identity Holdings (Pty) Ltd has, in its own capacity, raised finance from a third party and funded the remaining construction of the shopping centre. Profits of the joint operation will only be shared when the financed amounts are fully repaid to the third party. The Group is entitled to its share of the assets and liabilities of the joint operation as stipulated in the agreement.

The information presented below is the extract of stand-alone financial information of the Nasrec Corner joint operation at 100% with the application of the Group accounting policies and therefore, does not represent the Group's share.

The table below summarises the financial position of Nasrec Corner as at reporting date:

Summarised financial information (100%)

Figures in Rand thousand	June 2026	June 2025
Investment property	**77 200**	77 200
Total current assets	**10 755**	10 966
Total assets	**87 955**	88 166
Joint operator loan	**85 018**	85 018
Total current liabilities	**2 937**	3 148
Total liabilities	**87 955**	88 166

The table below summarises the statement of profit or loss of Nasrec Corner for the financial year:

Summarised financial information (100%)

Figures in Rand thousand	June 2026	June 2025
Rental income	**5 732**	7 397
Operating expenses	**(5 732)**	(7 397)
Net profit for the period	**–**	–

9. INTERESTS IN ASSOCIATE AND JOINT OPERATION (continued)

Loan from joint operator

The loan payable in Nasrec Corner relates to the other party of the joint operation contributing more assets to the joint operation than the Group. No party can contractually call upon this amount.

The following is a reconciliation of the movement in contributions:

Figures in Rand thousand	June 2026	June 2025
Opening balance	**(18 619)**	(18 619)
Closing balance	**(18 619)**	(18 619)

Associate – Ekhaya Mall

During 2019 the Group entered into a consortium agreement in respect of the Ekhaya Mall in Mpumalanga, South Africa. This consortium comprises a right to extend and develop a shopping centre. The Group has 20% participation and significant influence in the consortium. S-Identity Holdings (Pty) Ltd (SID) holds 60% of the participation and control in the consortium and Nomatiki Trading Enterprise (Pty) Ltd holds the remaining balance of 20%.

The Group holds significant influence as its voting right is equal to its shareholding percentage and the investment in Ekhaya Mall is classified as an associate based on the terms included in the consortium agreement.

The Group contributed R30 million in cash towards the development costs with no further contributions being made.

Below is a summary and reconciliation of the investment in the associate:

Figures in Rand thousand	June 2026	June 2025
Carrying amount	**30 000**	30 000

The table below summarises the financial position of Ekhaya Mall as at reporting date:

Summarised financial information (100%)

Figures in Rand thousand	June 2026	June 2025
Investment property	**119 477**	119 477
Total current assets	**16 478**	26 274
Total assets	**135 955**	145 751
Fair value reserve	**2 697**	2 697
Consortium holders' loans	**122 742**	135 067
Total current liabilities	**10 516**	7 987
Total liabilities	**133 258**	143 054

The table below summarises the statement of profit or loss of Ekhaya Mall for the year:

Summarised financial information (100%)

Figures in Rand thousand	June 2026	June 2025
Rental income	**17 786**	16 802
Operating expenses	**(17 786)**	(16 802)
Net profit for the period	**–**	–

10. DEFERRED TAX

Figures in Rand thousand	June 2026	June 2025
Deferred tax liability:		
Property, plant and equipment	**(63 976)**	(55 534)
Right-of-use assets	**(289 881)**	(249 749)
Prepayments	**(6 765)**	(6 058)
Dividend withholding tax	**(733)**	(3 974)
Disposal of subsidiary	**(2 510)**	–
Acquisition of subsidiary	**(11 523)**	–
Unrealised foreign exchange differences	**–**	(9 595)
Total deferred tax liability	**(375 388)**	(324 910)
Deferred tax asset:		
Employee-related obligation	**51 948**	45 194
Refundable customer accounts	**13 806**	19 736
Deferred lease incentive	**1 536**	1 874
Assessed losses	**24 665**	19 917
Unrealised foreign exchange differences	**516**	–
Lease liabilities	**407 498**	377 689
Refund liability	**745**	642
Share-based payments	**8 938**	5 593
Acquisition of subsidiary	**118**	–
Total deferred tax asset	**509 770**	470 645
Net deferred tax	**134 382**	145 735

10. DEFERRED TAX (continued)

The following are the movements of the deferred tax liabilities and assets recognised by the Group during the year:

Figures in Rand thousand	Opening balance	Recognised in profit or loss	Loss of control in subsidiary	Acquisition of subsidiary	Exchange differences	Closing balance
June 2026						
Deferred tax liability reconciliation:						
Property, plant and equipment	(55 534)	(8 723)	–	–	281	(63 976)
Right-of-use assets	(249 749)	(40 132)	–	–	–	(289 881)
Prepayments	(6 058)	(707)	–	–	–	(6 765)
Dividend withholding tax#	(3 974)	3 241	–	–	–	(733)
Disposal of subsidiary	–	–	(2 510)	–	–	(2 510)
Acquisition of subsidiary	–	–	–	(11 523)	–	(11 523)
Unrealised foreign exchange differences	(9 595)	9 595	–	–	–	–
Total deferred tax liability	(324 910)	(36 726)	(2 510)	(11 523)	281	(375 388)
Deferred tax asset reconciliation:						
Employee-related obligation	45 194	6 884	–	–	(130)	51 948
Refundable customer accounts	19 736	(5 930)	–	–	–	13 806
Deferred lease incentive	1 874	(338)	–	–	–	1 536
Assessed losses*	19 917	4 748	–	–	–	24 665
Lease liabilities	377 689	30 222	–	–	(413)	407 498
Refund liability	642	110	–	–	(7)	745
Unrealised foreign exchange differences	–	607	–	–	(91)	516
Share-based payments	5 593	3 345	–	–	–	8 938
Acquisition of subsidiary	–	–	–	118	–	118
Total deferred tax asset	470 645	39 648	–	118	(641)	509 770
Net deferred tax asset/ (liability)	145 735	2 922	(2 510)	(11 405)	(360)	134 382

\# *Relates to withholding tax payable on future dividend distributions by foreign subsidiaries.*

* *Deferred tax asset recognised on tax losses mainly on the P&L Hardware represents the future tax benefit that the Group expects to realise when utilising the assessed losses. It is probable that sufficient taxable income will be generated in future for the Group to utilise these benefits based on the assumptions applied in the value-in-use calculation for the P&L Hardware. The total assessed loss for the Group is R91.4 million (2025: R74.0 million), which relates to the P&L Hardware operating segment. The deferred tax asset from the prior period relates to the tax losses incurred in P&L Hardware.*

10. DEFERRED TAX (continued)

The following are the movements of the deferred tax liabilities and assets recognised by the Group during the prior financial year:

Figures in Rand thousand	Opening balance	Recognised in profit or loss	Loss of control in subsidiary	Acquisition of subsidiary	Exchange differences	Closing balance
June 2025						
Deferred tax liability reconciliation:						
Property, plant and equipment	(49 279)	(6 267)	–	–	12	(55 534)
Right-of-use assets	(275 023)	25 274	–	–	–	(249 749)
Prepayments	(5 796)	(262)	–	–	–	(6 058)
Dividend withholding tax	(2 264)	(1 708)	–	–	(2)	(3 974)
Unrealised foreign exchange differences	(8 603)	(948)	–	–	(44)	(9 595)
Total deferred tax liability	(340 965)	16 089	–	–	(34)	(324 910)
Deferred tax asset reconciliation:						
Employee-related obligation	37 074	8 150	–	–	(30)	45 194
Refundable customer accounts	–	19 736	–	–	–	19 736
Intangible assets	20	(20)	–	–	–	–
Deferred lease incentive	883	1 017	–	–	(26)	1 874
Assessed losses	20 616	(699)	–	–	–	19 917
Lease liabilities	413 504	(35 808)	–	–	(7)	377 689
Refund liability	638	4	–	–	–	642
Share-based payments	–	5 624	–	–	(31)	5 593
Total deferred tax asset	472 735	(1 996)	–	–	(94)	470 645
Net deferred tax asset/(liability)	131 770	14 093	–	–	(127)	145 735

10. DEFERRED TAX (continued)

The deferred tax assets and the deferred tax liabilities have been presented in the statement of financial position as follows:

Figures in Rand thousand	June 2026	June 2025
Deferred tax liability	**(14 353)**	(14 188)
Deferred tax asset	**148 735**	159 923
Total net deferred tax asset	**134 382**	145 735

The deferred tax asset/(liability) balances presented above are the aggregated net positions of each subsidiary company within the Group.

Deferred tax assets are supported by the expected taxable income generated by the applicable operating entities in the Group.

Amounts expected to be recovered or settled are as follows:

Figures in Rand thousand	June 2026	June 2025
Deferred tax to be recovered beyond 12 months	**76 355**	79 873
Deferred tax to be recovered within 12 months	**58 027**	65 862
	134 382	145 735

Tax losses

The following are the tax losses available to the Group at the reporting date:

	Gross amount		Deferred tax asset	
Figures in Rand thousand	June 2026	June 2025	June 2026	June 2025
Total recognised	**91 356**	74 035	**24 665**	19 917
Total unrecognised	**11 733**	11 733	**3 168**	3 168
Total tax losses	**103 089**	85 768	**27 833**	23 085

11. PREPAYMENTS

Figures in Rand thousand	June 2026	June 2025
Current	**21 216**	22 855
Non-current	**6 472**	983
Total prepayments	**27 688**	23 838

12. INVESTMENTS IN SUBSIDIARIES

Subsidiaries

The following table lists the entities which are controlled by the Group, either directly or indirectly through subsidiaries.

	Country of incorporation and principal place of business	Issued share capital		Nature of business	% holding and voting rights	
		June 2026	June 2025		**June 2026**	June 2025
Group						
Cashbuild (Botswana) (Pty) Ltd	Botswana	**P1 500 000**	P1 500 000	A	**100**	100
Cashbuild (Lesotho) (Pty) Ltd	Lesotho	**M100 000**	M100 000	A	**80**	80
Cashbuild (Namibia) (Pty) Ltd	Namibia	**N$1**	N$1	A	**100**	100
Cashbuild (South Africa) (Pty) Ltd	South Africa	**R54 000**	R54 000	A	**100**	100
Cashbuild (Swaziland) (Pty) Ltd	Eswatini	**E500**	E500	A	**100**	100
P&L Hardware (Pty) Ltd	South Africa	**R101**	R101	A	**100**	100
Amper Alles (Pty) Ltd	South Africa	**R200**	–	A	**100**	–
Cashbuild (Zambia) Ltd	Zambia	**ZMK10 000**	ZMK10 000	B	**100**	100
Cashbuild Management Services (Pty) Ltd	South Africa	**R1**	R1	C	**100**	100
Allbuildco Holdings (Pty) Ltd	South Africa	**R525**	–	C	**61**	–
P&L Boerebenodighede Investments (Pty) Ltd	South Africa	**R1 000**	R1 000	D	**100**	100
Rio Ridge 1027 (Pty) Ltd	South Africa	**R100**	R100	D	**100**	100
Cashbuild (Lilongwe) Ltd	Malawi	**–**	MWK100 000	E	**–**	51
Oldco PandL (Pty) Ltd	South Africa	**–**	R100	F	**–**	100

A – Trading company.
B – Dormant company.
C – Holding company of subsidiaries.
D – Deregistration in process.
E – Disposed during the year.
F – Deregistered during the year.

Non-controlling interests

There are no individual subsidiaries within the Group that have material non-controlling interest amounts. The aggregate non-controlling interests are also not material to the Group, therefore no additional disclosures included.

Trusts

The following trusts were controlled by the Group and created for the purpose of facilitating share-based payment transactions for Group employees:

- Cashbuild Empowerment Trust
- Cashbuild Operations Management Member Trust

The Cashbuild Give-a-Brick Trust is controlled by the Group and was established for corporate social initiatives.

Business combination – acquisition of subsidiary

On 7 April 2025, Cashbuild, through its wholly owned subsidiary Cashbuild Management Services (Pty) Ltd (CMS), entered into, inter alia, a subscription agreement (the Subscription Agreement) to subscribe for a 60.6% controlling interest in Allbuildco Holdings (Pty) Ltd (Allbuildco) for R96.4 million. With effect from 1 December 2025, all conditions were fulfilled and regulatory requirements met. Allbuildco, through a wholly owned subsidiary (Amper Alles), owns the assets and related liabilities of three hardware and building material stores trading under the name Amper Alles in Silverlakes and Rayton (located in Pretoria), and Groblersdal (located in Limpopo).

The acquisition aligns with the Group's strategy to become a market leader in the hardware and building material sector in South Africa across different LSM bands. Cashbuild believes that Amper Alles will provide the growth platform for Cashbuild to target a customer base not previously serviced by the Group. Cashbuild's intention is to leverage its scale, experience and expertise to support the development of Amper Alles in line with the growth strategy for the business.

The acquisition accounting, including the determination of goodwill, non-controlling interests, the tradename and customer relationships, was finalised during the current reporting period. The amounts disclosed at 28 December 2025 were provisional and subject to finalisation upon completion of the purchase price allocation.

12. INVESTMENTS IN SUBSIDIARIES (continued)

Consideration transferred

The following table summarises the acquisition date fair value of each major class of consideration transferred:

Figures in Rand thousand	June 2026
Total cash consideration transferred	**96 387**

The subscription consideration is subject to certain adjustments in relation to working capital and net debt and was paid in cash by CMS to Amper Alles on the effective date. The subscription consideration was funded by a term credit facility advanced.

Obligation under put/call option

Figures in Rand thousand	June 2026
Total obligation	**55 273**

In terms of the Shareholders' Agreement, CMS and the Sellers have agreed to a series of put and call options exercisable during the next five years, and which may result in Cashbuild acquiring a further 10% to 39.4% interest in Amper Alles. The call option requires no initial investment, its value will change with the changes in Amper Alles's equity value and will be exercised when a trigger event occurs. The put option is CMS's obligation to purchase the remaining shares, representing a financial liability and is classified as a Level 3 financial liability, measured at fair value through profit or loss. At reporting date, the option was valued at R57.9 million (refer to note 21).

Working capital loan

In terms of the Shareholders' Agreement, a working capital loan amounting to R10.0 million was granted to Amper Alles by CMS (R6.0 million) and the non-controlling shareholder (R4.0 million).

Acquisition-related costs

Acquisition-related costs are detailed in the table below. These costs are included in administrative expenses in the relevant period incurred.

Figures in Rand thousand	June 2026	Expensed in previous periods
Administrative costs	**1 830**	1 500
Legal fees	**1 952**	2 152
Due diligence costs	**–**	1 250
Total acquisition-related costs incurred	**3 782**	4 902
Cumulative acquisition-related costs	**8 684**	

12. INVESTMENTS IN SUBSIDIARIES (continued)

Identifiable assets and liabilities

The following table summarises the recognised amounts of assets acquired and liabilities assumed at fair value at the date of acquisition:

Figures in Rand thousand	June 2026
Assets	
Property, plant and equipment (refer to note 6)	**156 206**
Trade and other receivables	**9 474**
Inventories	**74 654**
Cash and cash equivalents	**88**
Liabilities	
Long-term borrowings	**(110)**
Deferred tax liability (refer to note 10)	**(11 712)**
Lease liabilities (refer to note 19)	**(144 151)**
Trade and other payables	**(30 656)**
Current tax liability	**(72)**
Total identified net assets at fair value	**53 721**
Customer relationships	**13 579**
Tradename	**26 752**
Total intangible assets acquired	**40 331**
Total net assets at fair value	**94 052**

Acquired receivables

The fair value of the trade and other receivables is R9.5 million. The gross amount of trade and other receivables is R9.8 million and it is expected that the full contractual amounts will be collected.

Non-controlling interest

The Group has elected to recognise non-controlling interest at its proportionate share.

Goodwill

The goodwill arising from the acquisition is attributable to the growth platform that Allbuildco will provide to Cashbuild. Goodwill from the acquisition has been recognised as follows:

Figures in Rand thousand	June 2026
Consideration transferred – cash	**96 387**
NCI, based on their proportionate interest in the recognised amounts of assets and liabilities	**37 621**
Fair value of identifiable net assets	**(94 052)**
Goodwill	**39 956**

Amper Alles's contribution to the Group results

Allbuildco contributed R193.9 million in revenue and profit after tax of R1.3 million, including once-off after tax costs of R0.9 million, since acquisition date and this has been included in the consolidated statement of profit or loss for the reporting period. Had the acquisition occurred on 30 June 2025, the contributed revenue and profit after tax would have been R350.4 million and R5.2 million, respectively.

Loss of control of Cashbuild (Lilongwe) Ltd

During the period, the Group disposed of its 51% interest in Cashbuild (Lilongwe) Ltd (Lilongwe) to the non-controlling shareholder Kier & Cawder (Blantyre) Limited by means of a sale of shares transaction. The disposal of the subsidiary represented a loss of control of subsidiary for the Group. The effective date of the disposal and the loss of control was 28 December 2025.

The subsidiary was disposed of for a total consideration amounting to R8.7 million less withholding tax paid of R1.3 million.

12. INVESTMENTS IN SUBSIDIARIES (continued)

The following table provides information about the disposal of subsidiary and the underlying net identifiable assets immediately before the disposal, for the Group:

Figures in Rand thousand	Carrying amount as at effective date
Assets	
Property, plant and equipment (refer to note 6)	**(1 979)**
Deferred tax assets	**(2 510)**
Prepayments	**(179)**
Current tax assets (refer to note 30)	**(2 608)**
Inventories	**(27 385)**
Trade and other receivables	**(9 655)**
Cash and cash equivalents	**(47 192)**
Liabilities	
Lease liabilities	**5 035**
Trade and other payables	**43 409**
Group's identifiable net assets	**(43 064)**
Non-controlling interest	**11 362**
Group's share of identifiable net assets	**(31 702)**
Derecognition of foreign currency translation reserve	**(11 852)**
Proceeds	**8 687**
Total Group loss due to loss of control of subsidiary recognised in profit or loss	**(34 867)**

13. INVENTORIES

Figures in Rand thousand	June 2026	June 2025
Merchandise	**2 040 353**	1 910 496

Cost of inventories recognised as an expense and included in cost of sales net of rebate income received from suppliers is R9.0 billion (2025: R8.6 billion).

The allowance for slow moving, damaged and obsolete inventory is R101.8 million (2025: R95.2 million).

The right of return asset included in inventory is R10.7 million (2025: R10.4 million).

Cost of inventories written off and included in cost of sales is R31.4 million (2025: R25.2 million).

14. TRADE AND OTHER RECEIVABLES

Figures in Rand thousand	June 2026	June 2025
Financial instruments:		
Trade receivables	**124 437**	116 698
Loss allowance	**(13 248)**	(14 695)
Trade receivables at amortised cost	**111 189**	102 003
Other receivables*	**9 182**	19 945
Total financial instruments	**120 371**	121 948
Non-financial instruments:		
Value-added tax receivable	**8 732**	1 638
Total trade and other receivables	**129 103**	123 586

* *Includes R2.3 million (2025: R15.9 million) related to interest accrued from short-term funds and deposits which are due to mature in the next 12 months and R4.8 million (2025: R5.0 million) interest-free loan advanced for the implementation of the Group's enterprise and supplier development programme.*

14. TRADE AND OTHER RECEIVABLES (continued)

Credit risk of trade receivables

The expected credit losses for trade receivables have been grouped based on shared credit risk characteristics and the days past due. The status of the current nature of the client as well as trade experience are also considered.

The Group receives notifications of adverse changes in debtors' circumstances. This includes information about if they are defaulting on repayments or start losing credit with other creditors. The Group reassesses the credit exposure and adjusts the expected credit loss allowance accordingly. Unused credit facilities are removed regularly, and debtors are required to reapply for extended credit. The Group's exposure to credit risk is reassessed on a continuous basis.

Considering all information available at the Group's disposal, without undue costs or efforts, the estimated impact of forward-looking information on the calculation of expected credit losses are not considered significant.

Credit risk of other receivables

Other receivables primarily consist of deposits held and staff loans. The risk of impairment on these financial instruments are considered to be immaterial.

Charge cards

Cashbuild is predominantly a cash business. Credit however is offered in the form of charge cards. Developers and contractors doing specific contracts with/for Cashbuild can apply for this form of credit. Credit checks are performed and credit limits are set by retrieving credit ratings. A memo is compiled with the information received which is then reviewed and approved by management based on the credit limit applied for. Where the Group has an off-set agreement with the debtor/supplier, risk of default is considered low.

Legal debtors

Charge cards are classified as legal debtors once amounts owed are handed over for collection.

Rebate debtors

Rebate debtors relate to contractual discounts and advertising contributions receivable from suppliers. The contribution is based on purchases made and is calculated on either a percentage of purchases or volume.

For ECL calculation purposes rebate debtors are considered highly recoverable as the Group has the ability to deduct the rebate from payments owed, subject to supplier approval. ECL is applied where there is no legal right of set-off.

Loss allowance

The movement in the loss allowance in respect of trade receivables during the financial year:

Figures in Rand thousand	June 2026	June 2025
Opening balance	**14 695**	17 603
Net remeasurement recognised in profit or loss	**4 669**	4 539
Write-offs	**(6 116)**	(7 447)
Closing balance	**13 248**	14 695

14. TRADE AND OTHER RECEIVABLES (continued)

The following table provides information about the ECLs for trade receivables at the reporting date based on the simplified approach using a provision matrix:

	June 2026		June 2025	
Figures in Rand thousand	**Gross carrying amount**	**Loss allowance (Lifetime expected credit loss)**	Gross carrying amount	Loss allowance (Lifetime expected credit loss)
Sundry debtors				
Current*	**4 057**	**73***	2 141	165*
30 days past due	**29**	**–**	133	–
60 days past due	**66**	**–**	2 922	–
90 days past due	**11**	**–**	105	–
120 days past due	**146**	**–**	28	–
150 days past due	**3 239**	**(1 364)**	1 558	(233)
	7 548	**(1 291)**	6 887	(68)
Legal debtors				
Current	**93**	**(8)**	303	(3)
30 days past due	**–**	**–**	–	–
60 days past due	**–**	**–**	222	(3)
90 days past due	**–**	**–**	261	(11)
120 days past due	**–**	**–**	170	(61)
150 days past due	**8 214**	**(5 272)**	13 493	(9 154)
	8 307	**(5 280)**	14 449	(9 232)
Charge cards				
Current	**14 949**	**(2 588)**	13 858	(2 022)
30 days past due	**11 068**	**(142)**	10 351	(319)
60 days past due	**2 804**	**(60)**	3 643	(155)
90 days past due	**2 254**	**(34)**	3 054	(136)
120 days past due	**918**	**(78)**	2 341	(140)
150 days past due	**15 928**	**(3 775)**	7 782	(2 623)
	47 921	**(6 677)**	41 029	(5 395)
Rebate debtors				
Current	**60 661**	**–**	54 333	–
Total	**124 437**	**(13 248)**	116 698	(14 695)

* *Includes recoveries of previously impaired debtors.*

The following presents the Group's ECL rates having applied all factors above:

	Sundry debtors^	Charge cards^	Legal debtors^	Rebate debtors*
June 2026				
Current	**0%**	**17%**	**9%**	**0%**
30 days past due	**0%**	**1%**	**0%**	**0%**
60 days past due	**0%**	**2%**	**0%**	**0%**
90 days past due	**0%**	**2%**	**0%**	**0%**
120 days past due	**0%**	**8%**	**0%**	**0%**
150 days past due	**42%**	**24%**	**64%**	**0%**
June 2025				
Current	8%	15%	1%	0%
30 days past due	0%	3%	0%	0%
60 days past due	0%	4%	1%	0%
90 days past due	0%	4%	4%	0%
120 days past due	0%	6%	36%	0%
150 days past due	15%	34%	68%	0%

^ *Where the ECL rates for June 2026 are higher than the rates in June 2025, it is as a result of debtors' default status at the reporting date.*
* *Debtors have payment arrangements in place which are honoured on an ongoing basis.*

15. CASH AND SHORT-TERM FUNDS

Figures in Rand thousand	June 2026	June 2025
Financial instruments		
Cash on hand	**2 500**	1 719
Bank balances	**426 949**	507 350
Total cash and cash equivalents	**429 449**	509 069
Short-term funds	**1 603 597**	1 439 517
Total cash and short-term funds	**2 033 046**	1 948 586

Cash comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Short-term funds are all amounts which are not cash and cash equivalents.

Short-term funds

		June 2026		June 2025	
Figures in Rand thousand	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments					
Short-term funds at amortised cost	N/A	**480 769**	**480 769**	670 911	670 911
Short-term funds at fair value	Level 1	**574 083**	**574 083**	262 262	262 262
Short-term funds at fair value	Level 2	**548 745**	**548 745**	506 344	506 344
Total short-term funds		**1 603 597**	**1 603 597**	1 439 517	1 439 517

Fair value hierarchy

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

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

Movement in short-term funds at fair value through profit or loss

Figures in Rand thousand	June 2026	June 2025
Opening balance	**768 606**	167 595
Net additions to short-term funds	**276 275**	555 081
Amount through profit or loss*	**77 947**	45 930
Closing balance	**1 122 828**	768 606

* *The Group withdraws interest and fair value changes before capital.*

Information about the Group's facilities, exposure to credit risk and impairment of cash and cash equivalents is included in note 36.

Credit risk of cash and cash equivalents and short-term funds

Cash balances are kept to an operational minimum and cash management principles are applied by transferring excess balances to more appropriate fixed deposit and money market instruments with high credit ratings as per policy. Group policy diversifies credit exposure to multiple financial institutions.

15. CASH AND SHORT-TERM FUNDS (continued)

Credit quality of cash at bank and short-term funds, excluding cash on hand

The credit quality of cash at bank and short-term deposits, excluding cash on hand can be assessed by reference to external credit ratings:

Figures in Rand thousand	Internal credit rating	External National credit rating	External International credit rating	June 2026	June 2025
Cash and cash equivalents	Moderate	AAA (zaf)	B	**429 449**	509 069
Short-term funds	Moderate	AAA (zaf)	B	**1 603 597**	1 439 517
Total cash held and short-term funds held at financial institutions				**2 033 046**	1 948 586

The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The Fitch Ratings agency is used to determine the credit risk ratings of the financial institutions.

16. NON-CURRENT ASSETS HELD FOR SALE

The following assets were classified as held for sale at reporting date:

Figures in Rand thousand	June 2026	June 2025
Land and buildings held for sale		
Cashbuild Rest of Africa		
– Katatura – Namibia	**–**	18 250
– Kafue Road – Zambia	**7 374**	6 066
	7 374	24 316

Kafue Road – Zambia was classified as held for sale in the 2023 financial year following the closure of the Zambian stores. The property is in the process of being disposed of and the proceeds recorded as money received in advance until the property can be transferred to the purchaser. The property is subject to an infringement case where the court is to decide on ownership. The Group expects the infringement case and the transfer to be concluded in the next 12 months.

17. SHARE CAPITAL

Figures in Rand thousand	June 2026	June 2025
Authorised		
35 000 000 ordinary shares of 1 cent par value each	**350**	350
There has been no change in the authorised share capital in the current or prior financial year.		
Reconciliation of shares issued:		
Total shares issued	**228**	235
Treasury shares held	**(27)**	(28)
Total share capital	**201**	207
Share capital:		
Opening balance	**207**	209
Shares repurchased and cancelled	**(6)**	(2)
Total share capital	**201**	207

As at reporting date the total number of shares in issue and fully paid is 22 784 712 (2025: 23 379 712) and treasury shares held is 2 749 948 (2025: 2 828 810). The average share price for the shares repurchased during the financial year was R129.9 (2025: R157.3).

17. SHARE CAPITAL (continued)

Figures in Rand thousand	June 2026	June 2025
Share premium		
Opening balance	**(729 004)**	(679 180)
Shares repurchased and cancelled	**(77 553)**	(49 824)
Total share premium	**(806 557)**	(729 004)
Consisting of:		
Share premium	**(366 553)**	(289 000)
Treasury share premium	**(440 004)**	(440 004)
Total share premium	**(806 557)**	(729 004)
Total share capital and premium	**(806 356)**	(728 797)

18. SHARE-BASED PAYMENT TRANSACTIONS

Equity-settled share-based payment transactions

Forfeitable Share Plan

Executive Directors and senior management belong to a Cashbuild Forfeitable Share Plan (FSP). Under the FSP, participants will become holders of ordinary shares after meeting the performance conditions and retention period, and benefit from dividends and have shareholder voting rights in respect of the shares during the vesting period. The shares cannot be disposed of by the participants prior to the vesting date as they are subjected to forfeiture restrictions until the vesting date.

The number of performance shares awarded to a participant is based on the participant's current year's annual salary and Paterson grade.

Reconciliation of the active share awards:

	Weighted average price per share on grant date		Number of shares	
	June 2026	June 2025	June 2026	June 2025
Opening balance	**165.6**	188.2	**729 794**	732 106
Shares granted	**140.0**	164.0	**350 698**	271 895
Shares vested	**–**	255.8	**–**	(24 468)
Shares forfeited	**201.2**	165.8	**(182 590)**	(249 739)
Closing balance	**148.4**	165.6	**897 902**	729 794

Details of the active share awards:

	Award 8	Award 9	Award 10
Issue date	**3 Oct 2023**	**4 Oct 2024**	**6 Oct 2025**
Vesting date	**3 Oct 2026**	**4 Oct 2027**	**6 Oct 2028**
Exercise price	**Nil**	**Nil**	**Nil**
Expected lifetime	**3 years**	**3 years**	**3 years**
Share price at grant date	**R143.7**	**R164.0**	**R140.0**

18. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Performance conditions

Vesting conditions consist of the Group's performance conditions and a retention condition that the employees remain in the employ of the Group up to vesting date.

	Applicable to awards 8 to 9		Applicable to award 10	
	Threshold	**Target**	**Threshold**	**Target**
Financial				
Earnings per share	CPI p.a.	CPI +5% p.a. (i.e. 5% real growth p.a.)	N/A	N/A
Relative total shareholder return	Median of own peer group*	Upper quartile of own peer group*	Median of own peer group*	Upper quartile of own peer group*
Return on capital employed	CB WACC	CB WACC +5% p.a.	CB WACC	CB WACC +5% p.a.
Headline earnings per share	N/A	N/A	CPI p.a.	CPI +5% p.a.
Strategy				
Store openings – organic	N/A	N/A	8 new stores per annum	14 new stores per annum
Omnichannel/digitisation	N/A	N/A	Full implementation of Cashbuild Marketplace	Full onboarding of at least 5 suppliers on the Cashbuild Marketplace
ESG (measured over three years)				
Electricity reduction kWh: Eskom and diesel use	N/A	N/A	10% saving on overall electricity and diesel	15% saving on overall electricity and diesel use
Transformation: B-BBEE rating points	N/A	N/A	2.5 points improvement on total points	5 points improvement on total points

* *Based on the median of own peer group at the award date.*

Details of the shares awarded to the Executive Directors:

	Number of shares	Award value* R'000
Executive Directors		
WF de Jager	166 170	24 682
H Bester	59 996	9 031
SA Thoresson	88 674	13 152
WP van Aswegen	86 407	12 835
	401 247	59 700

* *Value of awards calculated as a percentage (65% to 90%) of total annual cost to company, before adjusting for any probability of vesting or attrition.*

Cashbuild Operations Management Member Trust

The operational managers scheme considers all stores that generate an operating margin in excess of 10%. The profit share amount is determined with reference to a specified hurdle rate that takes into account the prior financial year's operating income margin of the qualifying store. The calculated profit share is split equally between a cash bonus and an amount utilised to purchase the Company's shares. The cash bonus is recognised as an employee cost in the financial year in which the store qualifies. The attributable equity portion is treated as an equity-settled share-based payment transaction and recognised as an expense in profit or loss equally over the four-year period which is linked to employment. At the end of the vesting period (third anniversary of the date of distribution) the shares vest with employees.

18. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Cashbuild Operations Management Member Trust (continued)

Details of the number of shares qualified for:

Number of shares	June 2026	June 2025
11th tranche	–	4 798
12th tranche	4 067	4 067
13th tranche	1 482	1 482
14th tranche	5 192	10 018
15th tranche (provisional)	20 418	–
Total	**31 159**	20 365

Summary of equity-settled share-based payment transactions

The Group's equity-settled share-based payment expense and related movement in the share-based payment reserve amounted to R12.5 million (2025: R8.7 million).

The movement in the equity-settled share-based payments reserve:

Figures in Rand thousand	June 2026	June 2025
Share-based payments reserve:		
Opening balance	193 045	184 336
– Forfeitable Share Plan	13 598	8 112
– Cashbuild Operations Management Member Trust	(1 128)	597
Closing balance	**205 515**	193 045

Cash-settled share-based payment transactions

The Group implemented a cash-settled scheme for middle management which entitles participants to a cash payment at the end of the vesting period. The payment is determined with reference to the ruling share price at vesting date, subject to the achievement of performance conditions. The fair value of shares is the closing share price at the reporting date.

Details of the active share awards under this scheme:

	Award 2	Award 3	Award 4
Details of the active share awards under this scheme:			
Award date	3 Oct 2023	4 Oct 2024	3 Oct 2025
Vesting date	2 Oct 2026	4 Oct 2027	3 Oct 2028
Fair value per share at reporting date	R116.0	R116.0	R116.0
Vesting period	3 years	3 years	3 years

18. SHARE-BASED PAYMENT TRANSACTIONS (continued)

Performance conditions

Vesting conditions consist of the Group's performance conditions and a retention condition that the employees remain in the employ of the Group up to vesting date.

	Applicable to awards 2 to 3		Applicable to award 4	
	Threshold	**Target**	**Threshold**	**Target**
Financial Earnings per share	**CPI p.a.**	**CPI +5% p.a. (i.e. 5% real growth p.a.)**	**N/A**	**N/A**
Relative total shareholder return	**Median of own peer group***	**Upper quartile own peer group***	**Median of own peer group***	**Upper quartile own peer group***
Return on capital employed	**CB WACC**	**CB WACC +5% p.a.**	**CB WACC**	**CB WACC +5% p.a.**
Headline earnings per share	**N/A**	**N/A**	**CPI p.a.**	**CPI +5% p.a.**
Strategy Store openings – organic	**N/A**	**N/A**	**8 new stores per annum**	**14 new stores per annum**
Omnichannel/digitisation	**N/A**	**N/A**	**Full implementation of Cashbuild Marketplace**	**Full onboarding of at least 5 suppliers on the Cashbuild Marketplace**
ESG (measured over three years) Electricity reduction kWh: Eskom and diesel use	**N/A**	**N/A**	**10% saving on overall electricity and diesel**	**15% saving on overall electricity and diesel use**
Transformation: B-BBEE rating points	**N/A**	**N/A**	**2.5 points improvement on total points**	**5 points improvement on total points**

* *Based on the median of own peer group at the award date.*

Summary of cash-settled share-based payment transactions

Figures in Rand thousand	**June 2026**	June 2025
– Expenses (including dividend payout)*	**33**	10 165
– Liability	**12 743**	14 579

* *June 2026 expense is lower due to non-vesting of Award 1 in October 2025.*

The movement in the cash-settled share-based payments liability:

Figures in Rand thousand	**June 2026**	June 2025
Cash-settled share-based payment liability:		
Opening balance	**14 579**	5 506
– Net movement for the year	**(1 836)**	9 073
Closing balance	**12 743**	14 579

19. LEASE LIABILITIES

The Group has entered into various leases in respect of premises and details pertaining to leasing arrangements are presented below. Right-of-use assets recognised in the statement of financial position in relation to the Group's lease liabilities are disclosed in note 6.

IFRS 16: *Lease Liability Reconciliation*

Figures in Rand thousand	**June 2026**	June 2025
Opening balance	**1 388 330**	1 513 203
Payments	**(463 275)**	(448 381)
– Capital repayments	**(312 579)**	(297 724)
– Interest repayments	**(150 696)**	(150 657)
Interest	**150 696**	150 657
Additions	**49 679**	51 499
Remeasurements^	**238 730**	134 852
Disposals*	**(6 465)**	(12 728)
Acquisition of subsidiary	**144 151**	–
Loss of control of subsidiary	**(5 035)**	–
Foreign exchange movement	**(3 745)**	(772)
Closing balance	**1 493 066**	1 388 330

^ *Relates to the exercising of renewal options in lease agreements, which did not result in separate leases.*
* *Relates to early lease terminations. Termination options are evaluated and where a penalty lump sum needs to be paid, it is considered a disposal.*

Reconciliation of cash outflow relating to leases

Figures in Rand thousand	**June 2026**	June 2025
Principal payment of lease liability	**(312 579)**	(293 017)
Interest paid	**(150 696)**	(150 657)
Lease payments made against lease liabilities	**(463 275)**	(443 674)
Lease related expenses included in cash generated from operations	**278 199**	172 851
Total cash outflow relating to leases	**(185 076)**	(270 823)

Figures in Rand thousand	**June 2026**	June 2025
Analysis of total lease liabilities		
Non-current	**1 173 168**	1 075 987
Current	**319 898**	312 343
Total lease liabilities	**1 493 066**	1 388 330

Figures in Rand thousand	**June 2026**	June 2025
Amounts recognised in profit or loss		
Interest expense on lease liabilities	**150 696**	150 657
Depreciation on right-of-use assets	**284 936**	273 586
Variable lease payments not included in lease liabilities	**–**	839

Refer to note 36 for a detailed maturity analysis.

20. BORROWINGS

Figures in Rand thousand	June 2026	June 2025
Financial instruments		
Term credit facility	98 418	–
Instalment sale liabilities	1 687	–
Total borrowings	100 105	–

Refer to note 36 for liquidity risk on borrowings.

Term credit facility

Figures in Rand thousand	June 2026	June 2025
Financial instruments		
Opening balance	–	–
Additions	100 000	–
Payments	(6 019)	–
Interest	4 437	–
Total term credit facility	98 418	–

During the year, the Group purchased Amper Alles financed by Nedbank Limited. Interest is charged at rates linked to JIBAR and is repayable over a term of 48 months with an average quarterly repayment of R6.3 million.

To align with the global financial markets' reform, South Africa is transitioning from using the Johannesburg Interbank Average Rate (JIBAR) to the South African Overnight Index Average (ZARONIA). The South African Reserve Bank, which administers ZARONIA, announced 31 December 2026 as the final cessation date for JIBAR, requiring all JIBAR-linked investments to transition by this date. The Group is actively transitioning its JIBAR-linked financial liabilities to ZARONIA.

The term credit facility is subject to covenants. The measurement dates for covenant compliance are end of March, June, September and December of each year. The covenants are as follows:

- Net debt to EBITDA ratio < 2.0:1
- Debt service cover ratio > 1.5:1

Instalment sale liabilities

Figures in Rand thousand	June 2026	June 2025
Financial instruments		
Opening balance	–	–
Additions	1 703	–
Payments	(54)	–
Interest	38	–
Total instalment sale liabilities	1 687	–

During the year, the Group entered into 4 (2025: nil) instalment sale agreements with Nedbank Limited. Interest is charged at rates linked to prime and is repayable over a term of 60 months with an average monthly repayment of R8 774.3 per vehicle.

The Group has access to an approved asset finance facility with a limit of R100.0 million, which may be utilised for the acquisition of movable assets. The liability is secured by motor vehicles with a carrying amount of R1.5 million (2025: nil).

20. BORROWINGS (continued)

Analysis of borrowings

Figures in Rand thousand	June 2026	June 2025
Term credit facility	75 668	–
Instalment sale liabilities	1 398	–
Total non-current borrowings	77 066	–
Term credit facility	22 750	–
Instalment sale liabilities	289	–
Total current borrowings	23 039	–

21. OBLIGATION UNDER PUT/CALL OPTION

		June 2026		June 2025	
Figures in Rand thousand	Fair value hierarchy	Carrying amount	Fair value	Carrying amount	Fair value
Financial instruments					
Obligation under put/call option*	Level 3	57 901	57 901	–	–
Total short-term funds		57 901	57 901	–	–

* *Relates to put/call option written over the non-controlling interest in Amper Alles (refer to note 12).*

Refer to note 36 for obligation under put/call option liquidity risk.

Fair value hierarchy

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

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

Key assumptions used in fair value calculation

The fair value of the obligation arising from the put/call option has been determined using an enterprise value to EBITDA (EV/EBITDA) multiple approach. The valuation is based on the EBITDA expected at the respective exercise dates and the contractual EV/EBITDA multiple specified in the agreement.

	June 2026	June 2025
Growth rate	4.8%	–
Discount rate – pre-tax	14.9%-15.9%	–
Contractual EV/EBITDA multiple	4.5x	–
Expected probability of exercise	100%	–
Expected initial exercise date	2029	–

Sensitivity analysis

A sensitivity analysis was performed to evaluate the impact of changes in the key assumptions applied, assuming that all other variables remain constant. The table below illustrates the extent to which each key assumption would need to change to result in a 10.0% increase in the current carrying value of the obligation.

	Change in assumption applied
Growth rate	Increase of 22.2% to 26.9%
Discount rate	Decrease of 2.8%

21. OBLIGATION UNDER PUT/CALL OPTION (continued)

Movement in other funds at fair value through profit or loss

Figures in Rand thousand	June 2026	June 2025
Opening balance	–	–
Acquisition of subsidiary	55 273	–
Amount through profit or loss	2 628	–
Closing balance	**57 901**	–

22. TRADE AND OTHER PAYABLES

Figures in Rand thousand	June 2026	June 2025
Financial instruments:		
Trade payables at amortised cost#	1 824 959	1 650 383
Refundable customer accounts*	1 396 294	1 262 674
Accruals	186 088	177 776
Retirement awards and gifts	20 172	17 289
Total financial instruments	**3 427 513**	3 108 122
Non-financial instruments:		
Value-added tax payable	109 992	84 365
Employee-related accruals	96 491	81 018
Total non-financial instruments	**206 483**	165 383
Total trade and other payables	**3 633 996**	3 273 504

Includes a refund liability for the expected refunds to customers of R13.4 million (2025: R12.5 million).
* *Relates to amounts received from customers in respect of future purchases and are refundable on demand.*

23. REVENUE

Figures in Rand thousand	June 2026	June 2025
Revenue from contracts with customers		
Sale of retail goods – point in time	12 113 105	11 477 631

Disaggregation of revenue from contracts with customers

The table below illustrates revenue recognised by product category, as determined by management.

	% of revenue		Figures in Rand thousand	
	June 2026	June 2025	June 2026	June 2025
Revenue by product category				
Cement	22	22	2 654 334	2 521 198
Decorative	15	15	1 764 907	1 680 132
Roofing – Covering	8	8	1 015 014	973 315
Openings	7	8	881 444	871 573
Timber	7	7	866 834	804 066
Bricks	7	7	815 462	762 118
Other	34	33	4 115 110	3 865 228
Total	**100**	100	**12 113 105**	11 477 631

Online sale make up 0.3% (2025: 0.2%) of revenue.

24. OPERATING PROFIT

Operating profit includes the following items:

Figures in Rand thousand	June 2026	June 2025
Expenses by nature:		
Employee costs (refer detail below)	**1 201 710**	1 132 167
Depreciation and amortisation	**446 200**	419 914
Advertising expenses	**182 232**	178 083
Delivery charges	**157 737**	151 603
Municipal utility charges	**109 950**	101 846
Bank and speed point charges	**97 640**	93 757
Other expenses	**81 302**	70 072
Repairs and maintenance	**77 465**	74 657
Licences and subscriptions	**57 224**	45 968
Fuel and travel expenses	**46 556**	42 097
Printing, telephone and consumables	**44 060**	40 688
Security	**39 874**	41 830
Loss on disposal of subsidiary	**34 867**	–
Net foreign exchange losses	**16 248**	12 984
Short-term lease expense	**14 020**	8 194
Loss on disposal of property, plant and equipment and intangible assets	**7 079**	3 622
	2 614 164	2 417 482
Expense paid or accrued for outsourced services:		
Information technology	**141 066**	116 719
Administrative	**16 041**	17 125
Technical	**11 991**	10 532
Audit services	**10 355**	8 761
Taxation services	**1 042**	917
Secretarial	**519**	428
	181 014	154 482
Total expenses	**2 795 178**	2 571 964

Expenses presented separately in the statement of profit or loss:

Figures in Rand thousand	June 2026	June 2025
Selling and marketing expenses	**2 224 485**	2 056 018
Administrative expenses	**498 503**	493 432
Other operating expenses	**67 521**	20 310
Impairment losses on trade receivables	**4 669**	2 204
Total expenses	**2 795 178**	2 571 964
Employee costs:		
Salary cost	**1 026 640**	955 951
Defined contribution plan expense	**145 436**	143 492
Equity-settled share-based payment expenses	**12 470**	8 709
Distribution paid to participants of the Cashbuild Empowerment Trust	**12 231**	9 919
Long service awards	**4 900**	3 931
Cash-settled share-based payment expenses (including dividend payout)*	**33**	10 165
Total employee costs	**1 201 710**	1 132 167

* *June 2026 expense is lower due to non-vesting of Award 1 in October 2025.*

24. OPERATING PROFIT (continued)

The external auditor's remuneration amount paid during the year:

Figures in Rand thousand	Deloitte Network 2026	Non-Deloitte Network 2026	Deloitte Network 2025	Non-Deloitte Network 2025
Audit services	**8 901**	**711**	6 664	641
Non-audit services#	**299**	**–**	702	–
Total	**9 200**	**711**	7 366	641

\# *Includes tax services of R0.1 million (2025: R0.1 million).*

25. OTHER INCOME

Figures in Rand thousand	June 2026	June 2025
Sundry income*	**17 713**	61 677
Impairment loss reversal on property, plant and equipment	**2 781**	3 030
Profit on disposal of property, plant and equipment	**–**	2 697
Gains on derecognition of leases	**–**	3 766
Total other income	**20 494**	71 170

* *Includes income from refundable customers' accounts of R15.6 million (2025: R57.7 million) not likely to be refunded.*

26. FINANCE INCOME

Figures in Rand thousand	June 2026	June 2025
Short-term funds at fair value through profit or loss	**77 947**	45 930
Short-term funds at amortised costs	**29 461**	37 690
Bank balances*	**3 986**	35 761
Revenue authorities	**–**	829
Total finance income	**111 394**	120 210

* *Finance income earned includes R13.6 million (2025: R15.9 million) finance income accrued on other funds.*

27. FINANCE COST

Figures in Rand thousand	June 2026	June 2025
Lease liabilities	**150 696**	150 657
Borrowings	**4 475**	–
Bank overdraft	**1 874**	942
Staff savings	**1 551**	1 460
Revenue authorities	**233**	–
Total finance costs	**158 829**	153 059

28. INCOME TAX

Figures in Rand thousand	June 2026	June 2025
Major components of the income tax expense:		
Current tax		
Current period	**55 767**	79 939
Previous periods over provision	**–**	(1 756)
Withholding taxes	**4 683**	4 169
Foreign income tax	**12 418**	14 072
Capital gains taxes on loss of control of subsidiary	**1 302**	–
Total current tax	**74 170**	96 424
Deferred tax		
Current period temporary differences	**(417)**	(10 829)
Previous period's under/(over) provision	**64**	(6 151)
Current period temporary differences – foreign	**(343)**	2 624
Previous period's under provision – foreign	**269**	(1 541)
Corporate tax rate disparity~	**–**	95
Withholding taxes	**(2 496)**	1 709
Total deferred tax	**(2 923)**	(14 093)
Total income tax	**71 247**	82 331
Reconciliation of effective tax rate:		
Applicable tax rate	**27.0%**	27.0%
Exempt income: Learnership and employee tax incentives	**(1.5%)**	(0.7%)
Previous periods under/(over) provision	**0.2%**	(2.9%)
Foreign tax rate differences	**(1.4%)**	(0.4%)
Disallowable charges^	**3.9%**	1.7%
Deferred tax asset not recognised	**(0.1%)**	–
Withholding tax on dividends#	**1.9%**	1.3%
Deferred withholding tax on dividends*	**(4.6%)**	0.5%
Loss of control of subsidiary	**3.8%**	–
	29.2%	26.5%

~ *Relates to tax rate differences amongst the Group companies.*
^ *Mainly due to expenditure related to non-taxable income (2025: Mainly due to dividends distributed to the Group's employees through the Empowerment Trust).*
# *Mainly due to withholding taxes paid on dividends received from foreign subsidiaries and on dividends distributed to the Group's employees through the Empowerment Trust.*
* *Withholding tax payable on future dividend distributions by foreign subsidiaries. The movement is due to the release of deferred tax on the declaration of dividends by foreign subsidiaries during the period.*

29. EARNINGS PER SHARE

Basic earnings per share

The weighted average number of shares in issue is calculated net of treasury shares acquired/sold during the period.

Figures in Rand thousand	June 2026	June 2025
Attributable earnings	**166 434**	221 172
Less: Dividends attributable to participants of the share incentive schemes on unvested shares	**(5 919)**	(4 528)
Adjusted attributable earnings	**160 515**	216 644
Weighted number of shares in issue ('000)	**20 420**	20 780
Basic earnings per share (cents)	**786.1**	1 042.5
Weighted average number of ordinary shares in issue ('000)		
Ordinary shares in issue – beginning of the year	**23 380**	23 695
Less: Weighted average number of shares repurchased and cancelled	**(212)**	(62)
Less: Weighted average number of treasury shares:	**(2 748)**	(2 853)
– The Cashbuild Empowerment Trust	**(1 765)**	(1 765)
– Cashbuild (South Africa) (Pty) Ltd*	**(955)**	(1 023)
– The Cashbuild Operations Management Member Trust	**(28)**	(46)
– Cashbuild Limited	**–**	(19)
Total	**20 240**	20 780

* *Shares held for Cashbuild FSP share scheme's current and future share allocations.*

Diluted earnings per share

In the determination of diluted earnings per share, profit or loss attributable to the equity holders of the parent and the weighted average number of ordinary shares are adjusted for the effects of all dilutive potential ordinary shares.

Figures in Rand thousand	June 2026	June 2025
Adjusted attributable earnings	**160 515**	216 644
Plus: Dividends attributable to participants of the share incentive schemes on unvested shares with dilutive impact	**1 943**	2 026
Diluted adjusted attributable earnings	**162 458**	218 670
Diluted number of ordinary shares in issue ('000)	**20 724**	21 119
Diluted earnings per share (cents)	**783.9**	1 035.4
Fully diluted weighted average number of ordinary shares in issue ('000):		
Weighted number of shares in issue ('000):	**20 420**	20 780
Dilutive effect of the following:		
– Future potential issue of shares	**304**	339
Total	**20 724**	21 119

Headline earnings and diluted headline earnings per share

Headline earnings per share and diluted headline earnings per share are determined by dividing headline earnings and diluted headline earnings by the weighted average number of ordinary shares outstanding at reporting date.

Headline earnings and diluted headline earnings are determined by adjusting basic earnings and diluted earnings by excluding separately identifiable re-measurement items. Headline earnings and diluted headline earnings are presented after tax and non-controlling interest.

29. EARNINGS PER SHARE (continued)

Figures in Rand thousand	June 2026	June 2025
Reconciliation between earnings and headline earnings:		
Adjusted attributable earnings	**160 515**	216 644
Adjusted for:		
Net expense from loss of control of subsidiary	**33 655**	–
Gross loss on loss of control of subsidiary (refer to note 12)	**34 867**	–
Tax effect	**(1 212)**	–
Net loss on disposal of property, plant and equipment	**4 550**	1 671
Gross loss on disposal of property, plant and equipment and intangible assets	**7 057**	925
Tax effect	**(2 507)**	746
Net impairment reversals on non-financial assets	**(2 030)**	(2 032)
Gross impairment reversals on non-financial assets (refer to note 5)	**(2 781)**	(2 754)
Tax effect	**751**	722
Net income from insurance proceeds on property, plant and equipment	**(675)**	(80)
Gain on insurance proceeds on property, plant and equipment	**(925)**	(109)
Tax effect	**250**	29
Headline earnings	**196 015**	216 204
Headline earnings	**196 015**	216 204
Weighted average number of shares in issue ('000)	**20 420**	20 780
Headline earnings per share (cents)	**959.9**	1 040.4
Headline earnings	**196 015**	216 204
Plus: Dividends attributable to participants of the share incentive schemes on unvested shares with dilutive impact	**1 943**	2 026
Diluted headline earnings	**197 958**	218 230
Diluted weighted average number of shares in issue ('000)	**20 724**	21 119
Diluted headline earnings per share (cents)	**955.2**	1 033.3
Dividends per share^		
Interim (c)	**393**#	326
Final (c)	**233**#	300

^ *The dividend is based on a cover ratio of 1.5 times earnings.*
# *The dividend is based on earnings excluding the impact of the loss of control in subsidiary.*

30. CASH GENERATED FROM OPERATIONS

Figures in Rand thousand	June 2026	June 2025
Profit before tax	**244 157**	311 137
Adjustments for:		
Depreciation and amortisation	**446 200**	419 914
Finance costs	**158 829**	153 059
Loss of control of subsidiary (refer to note 12)	**34 867**	–
Equity-settled share-based payment expense	**12 470**	8 709
Loss on disposal of property, plant and equipment and intangible assets	**7 079**	2 557
Fair value adjustment for put/call option	**2 628**	–
Loss/(gains) on derecognition of leases	**2 098**	(3 766)
Profit on disposal of assets held for sale	**–**	(1 632)
Cash-settled share-based payment expense	**(1 836)**	9 073
Impairment reversals on non-financial assets (refer to note 5)	**(2 781)**	(3 030)
Refundable customer accounts income	**(15 715)**	(57 683)
Finance income	**(111 394)**	(120 210)
Changes in working capital:		
Increase in inventories	**(82 587)**	(123 158)
(Increase)/decrease in prepayments	**(4 029)**	4 854
Increase in trade and other receivables	**(19 198)**	(15 294)
Increase in trade and other payables	**388 850**	1 118 045
Total	**1 059 638**	1 702 575

31. INCOME TAX PAID

Figures in Rand thousand	June 2026	June 2025
Current tax asset at the beginning of the year	**2 810**	27 485
Current tax recognised in profit or loss	**(74 170)**	(96 424)
Current tax liability/(asset) at the end of the year	**4 604**	(2 810)
Total	**(66 756)**	(71 749)

32. DIVIDENDS PAID

Figures in Rand thousand	June 2026	June 2025
Final dividend – prior period (Dividend 63)	**–**	(55 920)
Interim dividend – prior period (Dividend 64)	**–**	(63 883)
Final dividend – prior period (Dividend 65)	**(64 844)**	–
Interim dividend – current period (Dividend 66)	**(83 746)**	–
Amounts paid to non-controlling shareholders	**(1 594)**	(1 188)
Total	**(150 184)**	(120 991)

Dividends are paid out of income reserves.

33. COMMITMENTS, CONTINGENCIES AND GUARANTEES

Figures in Rand thousand	June 2026	June 2025
Commitments		
Authorised capital expenditure:		
Capital expenditure to be funded from internal resources as approved by the directors:		
– Authorised but not contracted for	**243 253**	63 460
– Authorised, contracted	**69 402**	94 786
– Acquisition of subsidiary	**–**	93 000

The capital commitments are for building and infrastructure for new stores, store refurbishments or relocations.

Contingencies

No material contingent liabilities or assets including legal or tax exposures existed as at reporting date.

Guarantees

The Group has contingent liabilities in respect of bank and other guarantees in the ordinary course of business from which it is anticipated that no material liabilities will arise. These guarantees consist of amounts held in the interests of suppliers, landlords and revenue authorities.

Figures in Rand thousand	June 2026	June 2025
Bank guarantees*	**4 846**	17 859

* *Decrease is attributable to the expiry of related guarantees.*

34. RELATED PARTIES

The directors are not aware of any related party transactions that occurred during the financial year.

Remuneration of directors and key management is included in note 37.

35. THE CASHBUILD EMPOWERMENT TRUST

The Cashbuild Empowerment Trust (Trust) was incorporated by Cashbuild Limited as part of the Group's broad-based BEE transaction on 7 February 2005 and was funded by way of an interest-free loan from Cashbuild Management Services Proprietary Limited. The shares are held for dividends which are distributed equally amongst employees contracted to the Group on dividend declaration date. At reporting date the Trust holds 1 764 999 (2025: 1 764 999) shares of Cashbuild Limited.

The aggregate number of shares which may be acquired by the Trust may not exceed 10% of the issued share capital of the Company. The majority of the Group's employees are previously disadvantaged. In terms of income benefits, the empowered employees will share in the net dividend of the scheme shares underlying the Trust on an equal basis. In addition to this, the empowered employees of the Group will also benefit on an equitable basis should the capital of the Trust be distributed following a corporate restructuring resulting in a change of control or liquidation.

Dividends paid to the Trust and distributed to employees:

Figures in Rand thousand	June 2026	June 2025
– Final 2024 (Dividend 63)	**–**	4 165
– Interim 2025 (Dividend 64)	**–**	5 754
– Final 2025 (Dividend 65)	**5 295**	–
– Interim 2026 (Dividend 66)	**6 936**	–
Total dividends	**12 231**	9 919

36. FINANCIAL RISK MANAGEMENT

Capital management

The capital structure of the Group consists of debt, which includes lease liabilities (refer to note 19), Borrowings (refer to note 20), Obligation under put/call obligation (refer to note 21) and trade and other payables (refer to note 22) and equity presented in the statement of financial position.

The Group monitors capital using the gearing ratio. The ratio is calculated as debt (interest-bearing liabilities and trade and other payables) divided by capital. Total capital is calculated as the sum of equity and liabilities as presented in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The capital structure and gearing ratio of the Group at reporting date:

Figures in Rand thousand	June 2026	June 2025
Trade and other payables (refer to note 22)	**3 633 996**	3 273 504
Lease liabilities (refer to note 19)	**1 493 066**	1 388 330
Borrowings (refer to note 20)	**100 105**	–
Obligation under put/call option (refer to note 21)	**57 901**	–
Debt	**5 285 068**	4 661 834
Equity	**1 825 429**	1 897 629
Total capital	**7 110 497**	6 559 463
Gearing ratio	**0.74**	0.71
Categories of financial instruments		
Financial assets at amortised cost		
Short-term funds (refer to note 15)	**480 769**	670 911
Cash and cash equivalents (refer to note 15)	**429 449**	509 069
Trade and other receivables (refer to note 14)	**120 371**	121 948
Total	**1 030 589**	1 301 928
Financial assets at fair value through profit or loss		
Short-term funds (refer to note 15)	**1 122 828**	768 606
Financial liabilities at amortised cost		
Trade and other payables (refer to note 22)	**2 031 219**	1 845 448
Refundable customer accounts (refer to note 22)	**1 396 294**	1 262 673
Lease liabilities (refer to note 19)	**1 493 066**	1 388 330
Borrowings (refer to note 20)	**100 105**	–
Total	**5 020 684**	4 496 451
Financial liabilities at fair value through profit or loss		
Obligation under put/call option (refer to note 21)	**57 901**	–

Financial risk management objectives

Risks and related mitigating procedures are assessed by executives with assistance from the managers and employees on a continuous basis to ensure the safeguarding of the Group, its people, assets and business. The Group has exposure to the following risks from its financial instruments:

- Credit risk;
- Market risk (including currency and interest rate risk); and
- Liquidity risk.

The information below contains the Group's objectives, policies, and processes for managing the risk, the methods used to measure the risk, and the Group's capital management. Further quantitative disclosures are included throughout these financial statements.

36. FINANCIAL RISK MANAGEMENT (continued)

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group activities. Through its training and management standards and procedures, the Group aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's objective when managing capital (which includes share capital, borrowings, working capital, cash and short-term funds) is to maintain a flexible capital structure that reduces the cost of capital to an acceptable level of risk and to safeguard the Group's ability to continue as a going concern while taking advantage of strategic opportunities in order to maximise stakeholder returns sustainably.

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Audit and Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit and Risk Committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit and Risk Committee.

Credit risk

Credit risk refers to the risk that a customer or counterparty will default on its contractual obligations resulting in financial loss to the Group. Exposure to credit risk relates to other receivables (refer to note 14), cash and short-term funds (refer to note 15). Credit risk has been addressed in each of the respective notes.

Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group manages liquidity risk through the compilation and monitoring of cash flow forecasts, as well as ensuring that adequate borrowing facilities are maintained.

The Group has unsecured, unutilised banking facilities of R845.1 million (2025: R640.0 million) with banks.

The following are the contractual maturities of financial liabilities, including interest payments and excluding the impact of netting agreements:

Figures in Rand thousand	30 days or less	More than 30 days but less than 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
June 2026						
Non-derivative financial liabilities						
Trade payables	**(926 007)**	**(2 501 506)**	**–**	**–**	**–**	**(3 427 513)**
Refundable customer accounts*	**(1 396 294)**	**–**	**–**	**–**	**–**	**(1 396 294)**
Lease liabilities	**(38 167)**	**(410 437)**	**(403 662)**	**(712 220)**	**(157 681)**	**(1 722 168)**
Borrowings	**(5 837)**	**(17 334)**	**(24 405)**	**(71 076)**	**–**	**(118 652)**
Derivative financial liabilities						
Obligation under put/call option#	**–**	**–**	**–**	**57 901**	**–**	**57 901**
June 2025						
Non-derivative financial liabilities						
Trade payables	(784 246)	(1 061 202)	–	–	–	(1 845 448)
Refundable customer accounts*	(1 262 674)	–	–	–	–	(1 262 674)
Lease liabilities	(37 059)	(474 941)	(443 687)	(1 143 856)	(177 223)	(2 276 766)

* *Included in 30 days or less, as they are due and payable on demand.*

\# *Exercisable over a three-years commencing 2029 to 2031. Upon exercise date, the transaction will be settled in cash.*

The Group expects that trade payables and accruals will be settled by cash resources and changes in working capital. At reporting date, the Group held cash and cash equivalents and other funds of R2.0 billion (2025: R1.9 billion), which is expected to readily generate cash inflows to manage any liquidity risk.

36. FINANCIAL RISK MANAGEMENT (continued)

Interest rate risk

As the Group is operating with a low gearing ratio, interest rate risk on borrowings is minimised. Surplus funds are invested in call and other notice accounts in order to maximise interest earning potential. The Group is exposed to interest rate risk that relates to cash and short-term funds and lease liabilities. The incremental borrowing rate on lease liabilities is linked to the prime interest rate.

An increase of 1% (2025: 1%) in the average interest rates for the reporting period would have increased profit by R6.0 million (2025: increased R1.6 million). The sensitivity analysis has been prepared on the basis that all other variables, in particular foreign currency exchange rates, remain constant and has been performed on the same basis for 2025. A decrease of 1% in the interest rates at the reporting date would have equal but opposite effect.

Foreign currency risk

The Group operates throughout southern Africa and is exposed to foreign exchange risk arising from various currencies, primarily the Botswana Pula, Malawi Kwacha, Zambian Kwacha and United States Dollar. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign entities. A portion of the Group's income is earned in foreign currencies. The Group also has a translation risk arising from the consolidation of foreign operations into ZAR.

Exposure to exchange rate fluctuations on transactions denominated in foreign currency is managed by reviewing foreign currency exposure in order to determine if foreign exchange contracts should be utilised where appropriate. Foreign currency forward exchange contracts protect the Group from movements in exchange rates by establishing the rates at which a foreign currency asset or liability will be settled.

Figures in Rand thousand	June 2026	June 2025
Foreign currency exposure at the reporting date		
Rand exposed to Botswana Pula		
Trade receivables	**28**	1 131
Cash and cash equivalents	**28 208**	43 216
Short-term funds	**4 595**	19 026
Trade payables	**(5 338)**	(6 263)
Rand exposed to Malawi Kwacha		
Trade receivables	**–**	123
Cash and cash equivalents	**–**	47 900
Trade payables	**–**	(4 614)
Rand exposed to Zambia Kwacha		
Cash and cash equivalents^	**130**	476

^ *Decrease is mainly due to the closure of bank accounts as operations were ceased in the country.*

	Closing rate		Average rate	
	June 2026	June 2025	June 2026	June 2025
Exchange rates used for conversions				
Botswana Pula	**1.15**	1.35	**1.21**	1.35
Malawi Kwacha	**–**	0.01	**–**	0.01
Zambia Kwacha	**0.91**	0.75	**0.81**	0.66
US dollar	**16.88**	18.17	**–**	–

A sensitivity analysis was performed to evaluate the impact of exchange rate fluctuations on the exchange rate risk. This considers the impact if currency had weakened/strengthened by 10% and all other variables remained constant. The below table illustrates the net impact on the foreign denominated trade receivables, cash and short-term funds and trade payables.

Figures in Rand thousand	June 2026	June 2025
Rand exposed to Botswana Pula	**2 754**	5 711
Rand exposed to Malawi Kwacha	**–**	4 341
Rand exposed to Zambia Kwacha	**13**	48

37. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS

Executive

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Short-term performance bonus*	Short-term performance bonus – PY under accrual	Total short term	Share-based payments	Total emoluments
June 2026									
WF de Jager	**7 617**	**118**	**548**	**1 343**	**6 722**	**75**	**16 423**	**–**	**16 423**
H Bester	**4 455**	**48**	**–**	**872**	**2 998**	**31**	**8 404**	**–**	**8 404**
SA Thoresson	**4 569**	**132**	**–**	**722**	**2 998**	**958**	**9 379**	**–**	**9 379**
WP van Aswegen	**4 109**	**194**	**–**	**701**	**2 796**	**958**	**8 758**	**–**	**8 758**
	20 750	**492**	**548**	**3 638**	**15 514**	**2 022**	**42 964**	**–**	**42 964**
June 2025									
WF de Jager	7 950	167	460	755	5 940	–	15 272	587	15 859
H Bester	4 486	24	–	470	2 465	–	7 445	–	7 445
SA Thoresson	4 536	164	–	390	1 545	–	6 635	303	6 938
WP van Aswegen	4 238	198	–	395	1 545	–	6 376	294	6 670
	21 210	553	460	2 010	11 495	–	35 728	1 184	36 912

* *2026 accrued for in the year; 2025 accrued in the prior year.*

Share-based payments awards granted to directors:

Refer to note 18 for details of share incentive schemes of which directors are beneficiaries at the reporting date.

37. DIRECTORS' AND KEY MANAGEMENT EMOLUMENTS (continued)

Non-executive

Figures in Rand thousand	Directors' fees June 2026	Directors' fees June 2025
M Bosman (Mr)	**879**	924
M Bosman (Ms)	**813**	737
AGW Knock	**1 418**	1 125
Dr DSS Lushaba	**954**	953
AJ Mokgwatsane	**658**	617
GM Tapon Njamo	**952**	877
	5 674	5 233

The Group assessed DS Masala as key management for the financial year. Key management are paid by the subsidiary company Cashbuild (South Africa) Proprietary Limited.

Figures in Rand thousand	Basic salary	Expenses and travel allowance	Medical benefits	Company pension scheme contributions	Short-term performance bonus*	Short-term performance bonus – PY under accrual	Total short term	Share-based payments	Total emoluments
June 2026									
DS Masala	**2 333**	**122**	**173**	**453**	**539**	**6**	**3 626**	**–**	**3 626**
June 2025									
DS Masala	2 450	131	145	255	477	–	3 458	150	3 608

* *2026 accrued for in the year; 2025 accrued in the prior year.*

38. EVENTS AFTER THE REPORTING PERIOD

Refer to note 5 in the directors' report for dividend declaration. The directors are not aware of other material events which occurred after the reporting date and up to the date of this report.

39. NEW STANDARDS AND INTERPRETATIONS

A number of new standards are effective for annual periods beginning after 1 January 2025 and earlier application is permitted; however, the Group has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are applicable to the Group and are not expected to have a significant impact on the financial statements:

Standard/Interpretation:	Effective date: Years beginning on or after	Expected date of implemen-tation:	Expected impact
Effective for year-ended 28 June 2026 IAS 21: Lack of Exchangeability – Guidance on exchange rate to be used on measurement date for translation of non-exchangeable foreign exchange transaction and balances	**1 January 2025**	**1 July 2025**	No material impact on results or disclosures.
Issued but not yet effective for year-ended 28 June 2026 Amendments to IFRS 9: Clarification regarding the derecognition of financial liabilities settled through electronic transfers and the classification of certain financial assets and IFRS 7: Clarification regarding disclosures of investments in equity instruments designated at fair value through other comprehensive income and contractual terms that could change cash flows impacted by a contingent event.	**1 January 2026**	**1 July 2026**	No impact on results or disclosure. Existing application guidance is applied and not the alternative as financial liabilities are derecognised at settlement date and not before when settled using an electronic payment system. Other amendments have no impact on results or disclosure.
Annual Improvements to IFRS® Accounting Standards (Volume 11): Clarification and improvement of aspects of various IFRS® Accounting Standards, including IFRS 1, IFRS 7, IFRS 9, IFRS 10 and IAS 7.	**1 January 2026**	**1 July 2026**	No impact on results or disclosure.
Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7: Guidance on contracts referencing nature-dependent electricity, including the application of the own-use requirements, hedge accounting and related disclosures.	**1 January 2026**	**1 July 2026**	No impact on results or disclosure.
IFRS 18: Presentation and Disclosure in Financial Statements: This is a new standard on presentation and disclosure in financial statements, with a focus on updates to the statement of profit or loss.	**1 January 2027**	**1 July 2027**	Expected to impact the structure and disclosure of statement of profit or loss and related notes.
IFRS 19: Subsidiaries without Public Accountability: Disclosures – An eligible subsidiary applies the requirements in other IFRS® Accounting Standards except for the disclosure requirements and instead applies the reduced disclosure requirements in IFRS 19.	**1 January 2027**	**1 July 2027**	Expected to impact the disclosure by subsidiaries in their stand-alone annual financial statements.

All standards and interpretations will be adopted at the applicable effective dates.

SHAREHOLDERS' ANALYSIS

	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000	2 280	84.01%	363 739	1.60%
1 001 – 10 000	312	11.50%	1 011 420	4.44%
10 001 – 100 000	92	3.39%	2 892 358	12.69%
100 001 – 1 000 000	22	0.81%	6 912 719	30.34%
Over 1 000 000	8	0.29%	11 604 476	50.93%
Total	**2 714**	**100.00%**	**22 784 712**	**100.00%**
Distribution of shareholders				
Assurance companies	7	0.26%	85 834	0.38%
Close corporations	24	0.88%	25 992	0.11%
Collective investment schemes	48	1.77%	8 894 131	39.04%
Custodians	24	0.88%	386 405	1.70%
Foundations and charitable funds	10	0.37%	108 913	0.48%
Hedge funds	2	0.07%	21 364	0.09%
Insurance companies	1	0.04%	297 148	1.30%
Investment partnerships	7	0.26%	4 214	0.02%
Managed funds	4	0.15%	9 980	0.04%
Medical aid funds	5	0.18%	156 996	0.69%
Organs of state	6	0.22%	1 790 347	7.86%
Private companies	75	2.76%	5 920 368	25.98%
Public companies	3	0.11%	743	0.00%
Retail shareholders	2 332	85.92%	1 509 346	6.62%
Retirement benefit funds	54	1.99%	1 046 394	4.59%
Scrip lending	3	0.11%	212 103	0.93%
Share schemes	2	0.07%	1 794 727	7.88%
Stockbrokers and nominees	11	0.41%	315 356	1.38%
Trusts	95	3.50%	204 304	0.90%
Unclaimed scrip	1	0.04%	47	0.00%
Total	**2 714**	**100.00%**	**22 784 712**	**100.00%**
Shareholder type				
Non-public shareholders	**8**	**0.29%**	**2 807 880**	**12.32%**
Directors and associates (excluding Employee Share Schemes)	5	0.18%	57 932	0.25%
Cashbuild Empowerment Trust	1	0.04%	1 764 999	7.75%
Cashbuild (South Africa)	1	0.04%	955 221	4.19%
Cashbuild Store Operations Management Trust	1	0.04%	29 728	0.13%
Public shareholders	**2 706**	**99.71%**	**19 976 832**	**87.68%**
Total	**2 714**	**100.00%**	**22 784 712**	**100.00%**
Beneficial shareholders with a holding >5% of the issued shares				
SRA Investments (Pty) Ltd (and entities related thereto)			4 894 900	21.48%
Allan Gray			4 022 440	17.65%
Ninety One			3 038 538	13.34%
Government Employees Pension Fund			1 788 866	7.85%
Cashbuild Empowerment Trust			1 764 999	7.75%
Total			**15 509 743**	**68.07%**

INTEREST OF DIRECTORS IN THE SHARE CAPITAL OF CASHBUILD

The aggregate beneficial holdings of the directors of the Company and their immediate families in the issued ordinary shares of the Company are detailed below. There have been no changes in these shareholdings between 28 June 2026 and the date of the approval of this report.

Number of shares held	**28 June 2026 Direct**	**28 June 2026 Indirect**	29 June 2025 Direct	29 June 2025 Indirect
Beneficial				
WF de Jager	**22 706**	**–**	22 706	–
H Bester	**1 900**	**–**	–	–
AJ Mokgwatsane	**1 135**	**–**	1 135	–
SA Thoresson	**19 855**	**–**	19 855	–
WP van Aswegen	**12 336**	**–**	12 336	–
Total	**57 932**	**–**	56 032	–

There are no interests held by associates, and no non-beneficial shareholdings for the abovementioned directors.

CORPORATE INFORMATION

Registration number
1986/001503/06

Share code
CSB

ISIN
ZAE000028320

Registered office
2 Handel Road, Ormonde, Johannesburg, 2001

Postal address
PO Box 90115, Bertsham, 2013

Telephone number
+27 (0)11 248 1500

Facsimile
+27 (0) 86 666 3291

Website
www.cashbuild.co.za

Company Secretary
T Ṋengovhela

Sponsor
Nedbank Corporate and Investment Banking, a division of Nedbank Limited
(Registration number 1966/010630/06)
135 Rivonia Road, Sandown, 2196
(PO Box 1144, Johannesburg, 2000)

Auditors
Deloitte & Touche
5 Magwa Crescent, Waterfall City, Waterfall, Gauteng, 2090
(Private Bag X6, Gallo Manor, 2052)

Transfer Secretaries
JSE Investor Services (Pty) Ltd
(Registration number 2000/007239/07)
One Exchange Square, Gwen Lane, Sandown, Sandton, 2196
(PO Box 4844, Johannesburg, 2000)

Investor Relations
Keyter Rech Investor Solutions CC
(Registration number 2008/156985/23)
214 Mimosa Road, Northcliff, Randburg, 2195
(PO Box 653078, Benmore, 2010)

Transactional Bankers
Nedbank Limited
The Standard Bank of South Africa Limited
First National Bank, a division of FirstRand Limited

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Cashbuild

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