

ASX Announcement

30 September 2025

2025 Annual Report

In accordance with the requirements of the ASX Listing Rules, please find attached the 2025 Annual Report for Temple & Webster Group Limited (**ASX:TPW** or the **Company**), for release to the market.

The 2025 Corporate Governance Statement and Appendix 4G for the Company will be released in conjunction with this announcement.

- ends -

This announcement has been authorised by the board of directors.

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About the Temple & Webster Group

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

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TEMPLE &
WEBSTER

Annual
Report
2025

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Acknowledgement of Country

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

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

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

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Summary

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Strong revenue growth leading to significant market share gains

- Record revenue result of \$601m for FY25, up 21% vs FY24 ('pcp')
- Strong end of financial year promotional period, with revenue from 1 June to 30 June 2025 up 28% year-on-year,¹ resulting in an increased deferred revenue balance which will be recognised in FY26
- Our share of the furniture and homewares market in Australia grew to a record 2.7%, up 17% vs pcp²
- Positive start to FY26, with revenue from 1 July to 11 August up 28% year-on-year¹

Margins above top end of guidance, strong cash flow generation and cash position

- FY25 EBITDA of \$18.8m,³ up 43% vs pcp, representing a margin of 3.1% (+50 bps vs pcp)
- Fixed costs as a % of revenue of 10.6% for FY25, down from 11.3% for FY24, demonstrating continued operating leverage
- Free cash flow of \$38m for FY25,⁴ with a closing cash balance of \$144m⁵ and no debt

Executing well towards our strategic goals and mid-term target of \$1b+ in annual revenue

- Continue to track to plan across all of our long-term strategic goals; on-track to reach our mid-term goal of \$1b+ in annual revenue
- EBITDA margin guidance for FY26 of 3-5%, targeting the mid-point of the range³

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

2. Source: ABS Retail Trade, Australia (June 2025).

3. EBITDA is a non-IFRS measure and is calculated by adding depreciation and amortisation, finance costs and interest income to profit before tax. FY24 comparative EBITDA excludes one-off costs of \$4.7 million.

4. Free cash flow refers to cash flow from operating activities less the capital expenditures necessary to maintain or expand our asset base.

5. Cash in transit of \$11.2 million as of 30 June 2025 (30 June 2024: \$9.2 million) was reclassified from cash and cash equivalents to trade and other receivables. This change in presentation was made in both reporting periods.

FY25 Revenue

\$601m

+21% on FY24

FY25 EBITDA³

\$18.8m

+43% on FY24

Cash Balance at
30 June 2025⁵

\$144m

+37m on FY24

Chair's report

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Dear shareholders,

On behalf of the Board of Directors, I am pleased to present Temple & Webster's 2025 Annual Report. FY25 has been another successful year, as we continue to show progress on our strategic goals, and solidify our position as Australia's leading online retailer for furniture and homewares.¹

Despite a challenging retail backdrop for the year, Temple & Webster has continued to outperform, delivering a record revenue result, expanding our market share, and achieving further operating leverage in our cost base. Our operational and financial performance demonstrates that our proposition centred around price, range and convenience continues to resonate well with customers.

EXECUTING ON STRATEGY

Our goal is to be the largest furniture and homewares retailer, and the first place that Australians turn to when shopping for their homes.

As we continue towards this long-term goal, we outlined a mid-term strategy in August 2023 of reaching \$1 billion in annual sales within three to five years, as well as five key strategic goals which remain our guiding principles today. These strategic goals focus on Temple & Webster becoming top-of-mind in our category to build brand equity and drive market share gains, increasing revenue from exclusive

products over time, developing leading capabilities around data, artificial intelligence ('AI') and technology, driving continued fixed cost leverage, and building scale through adjacent growth plays. I am pleased to report that the company remains on track across these strategic goals and has made progress on each of them through the year. More detail on our achievements relative to these goals can be found in the CEO's report.

FY25 FINANCIAL PERFORMANCE

For FY25, we reported a record revenue result of \$601 million, up 21% on FY24, the prior corresponding period ('pcp'), driven by a record number of active customers, as well as growth in both new and repeat customer orders. The year ended strongly following the end of the financial year promotional period, with revenue in the month of June up 28% year on year.²

Our earnings before interest, taxes, depreciation and amortisation ('EBITDA') was \$18.8 million, up 43% vs pcp, and representing an EBITDA margin of 3.1%.³ This EBITDA margin outcome was slightly above our target range of 1-3% for the financial year and was driven by improvements in fixed cost leverage across the business.

Our asset light, negative working capital model continued to drive material cash flow generation, with free cash flow of \$37.9 million for FY25, up 90% vs pcp.

1. Source: IBISWorld Industry Reports: OD4176 Online Household Furniture Sales in Australia (September 2024), OD4174 Online Home Furnishing Sales in Australia (November 2024).
2. Revenue growth based on checkout revenue, which is pre-accounting adjustments (deferred revenue and refund provision).
3. EBITDA is a non-IFRS measure and is calculated by adding depreciation and amortisation, finance costs and interest income to profit before tax. FY24 comparative EBITDA excludes one-off costs of \$4.7 million.

In terms of our financial position, the company remains debt-free and is funded to execute on organic and inorganic growth opportunities going forward. We finished FY25 with a cash balance of \$144 million,⁴ an increase of 35% from the end of FY24. We intend to keep our on-market share buy-back program in place in order to improve shareholder returns in the absence of more accretive opportunities.

The Group's full year revenue performance resulted in its share of the furniture and homewares market growing by 17% versus pcp, to a record 2.7%.⁵

ESG UPDATE

During the year, we made meaningful progress across each of our environmental, sustainability and governance ('ESG') focus areas. Notable highlights include the installation of solar panels at our head office, reducing our Scope 2 greenhouse gas emissions by over 90% vs pcp, transitioning over 70% of our Temple & Webster delivery fleet across Sydney and Melbourne to electric vehicles, phasing out expanded polystyrene ('EPS') packaging materials across more than 30% of our private label range, and achieving ISO 27001:2002 certification. Further details of these and other ESG-related achievements can be found in our ESG Statement.

In addition, we have updated our materiality assessment in order to ensure that our ESG priorities best reflect the expectations of our key stakeholders, as well as addressing emerging risks, opportunities and regulatory developments. This work is central to shaping our sustainability strategy, guiding disclosures, and informing how we integrate ESG into risk management and long-term value creation. It also represents the initial steps towards compliance with mandatory sustainability-related reporting frameworks over the coming years.

GOVERNANCE AND LEADERSHIP UPDATE

Temple & Webster continues to develop its corporate governance policies and procedures in order to align with best practice. During FY25, we updated our Board Charter in order to more clearly outline the roles and responsibilities of Board members and their engagement, provide guidance on how performance of Board members is assessed, and the role of Executive management. We also updated our Price Sensitive Information Policy in order to better articulate the roles and responsibilities expected of the Board and Executive management in identifying, assessing and communicating material information as required. Both of these changes reflect best practice and enhance the company's approach to corporate governance.

We strengthened Temple & Webster's executive team with Cameron Barnsley joining the company as Chief Financial Officer ('CFO') in September 2024, and Marika Mayhew joining as Chief People Officer in July 2025. Both Cameron and Marika bring significant and complementary experience to the team, and we are grateful to have them on board.

Subsequently, in September 2025, we announced the appointment of Michael Malone as a non-executive director, commencing in October. This appointment reflects our desire to continue to add new capabilities and experience to our Board, and his history in building, scaling and leading digital businesses will be invaluable as we continue to grow our business. I am looking forward to working with him.

LOOKING AHEAD AND ACKNOWLEDGEMENTS

We have the foundations in place to continue to grow, expand market share, and capitalise on long-term growth opportunities that are ahead of us. The company continues to have clear goals and objectives in place, and we remain on track towards our mid-term strategy of achieving \$1 billion in annual sales between FY26 and FY28.

I would like to take a moment to acknowledge my fellow directors for their commitment and stewardship through the year, and for the expertise that they bring. On behalf of the Board, I would also like to thank the entire Temple & Webster team for their continued hard work and diligence through FY25, and to each for playing their part in helping us to achieve our vision of making the world more beautiful, one room at a time.

Finally, thanks to our shareholders for their continued support of Temple & Webster.



Stephen Heath
Chair

4. Cash in transit of \$11.2 million as at 30 June 2025 (30 June 2024: \$9.2 million) was reclassified from cash & cash equivalents to trade and other receivables. This change in presentation was made in both reporting periods.
5. Source: ABS Retail Trade, Australia (June 2025) to calculate total market; market share calculated based on net revenue from the last 12 months to 30 June 2025.

CEO's report

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Dear fellow shareholders,

I am proud to share with you my report for FY25.

Once again, Temple & Webster has produced another set of strong operational and financial results, and we have made solid progress across all of our strategic goals. Now more than ever, I believe that the company is well positioned to continue its growth journey, and remains on track towards our longer-term goal to become Australia's largest furniture and homewares retailer.

Against a challenging macroeconomic backdrop, and a period of subdued consumer sentiment driven by cost-of-living pressures, Temple & Webster was able to serve close to 1.3 million customers during FY25, delivering on our promise to have the best range, beautiful products and great prices. This proposition continues to resonate well with our customers, reflected in record annual revenue of over \$600 million for the year. This is a remarkable achievement, and one that seemed almost impossible when we first founded the business in 2011.

A \$37 BILLION PLUS ADDRESSABLE MARKET

Today, Temple & Webster is growing its business within a \$37 billion market across furniture, homewares and home improvement in Australia. Our core focus remains on the \$19 billion furniture and homewares industry,¹ a market which continues to be incredibly stable in terms of size, affirming our view that many of our products and categories are less discretionary than what people may

think. Beyond this, home improvement now adds a further \$18 billion to our market opportunity,¹ although we are very early in our journey within this segment. It is also worth noting that these two market sizes exclude further upside from our trade and commercial business, or from potential new ventures or international expansion that may be pursued over time, which would be additive to our overall addressable market opportunity.

The furniture, homewares and home improvement categories are characterised by dynamics which are favourable for Temple & Webster and our continued growth. These include offline players with higher fixed costs and price points, higher margins with lower levels of offshore competition, largely unbranded products, mature markets with low volatility in overall spend levels, and low online penetration rates relative to other retail categories.

We continue to believe there is a once-in-a-generation structural shift occurring towards online in the furniture and homewares category, driving our view that a pure-play online retailer can be the largest overall retailer in the category in Australia. Online penetration in the Australian furniture and homewares market remains at just 20% (consistent with FY24), a metric which significantly lags other geographies such as the United States and the United Kingdom, where penetration rates are 35% and 29% respectively.² This is the key reason why we have been focusing our efforts on building brand awareness, our strategic moats and investing in growth.

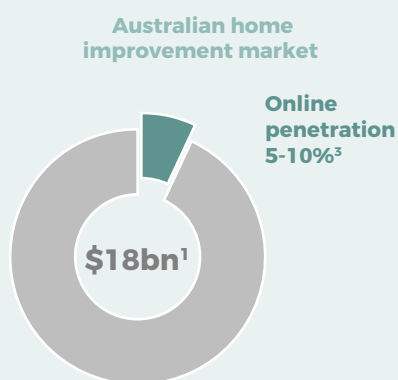
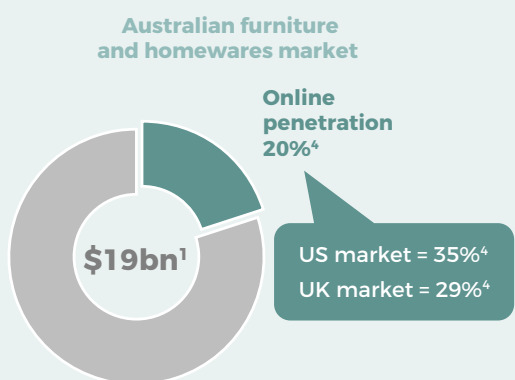
1. Source: ABS Retail Trade, Australia (June 2025); Temple & Webster internal analysis.

2. Source: Euromonitor, Home and Garden, May 2025 (online penetration statistic refers to the homewares and home furnishing categories for the 2024 calendar year) and Euromonitor, Home and Garden, May 2024.



furthermore, we believe that online penetration in the Australian home improvement industry is materially lower than the furniture and homewares industry, at approximately 5-10%.³ This bodes well for continued growth

in sales from our home improvement category and justifies continued investment into the category through greater private label offerings, range expansion, and tailored marketing campaigns.



Further upside from

- + Trade and commercial
- + International expansion
- + New ventures

3. Source: Temple & Webster internal analysis based on Euromonitor, Home and Garden, Australia; competitor disclosures; IBISWorld.

4. Source: Euromonitor, Home and Garden, May 2025, Australia, US and UK (online penetration statistic refers to the homewares and home furnishing categories for the 2024 calendar year).

A CUSTOMER PROPOSITION THAT IS DRIVING
STRONG RESULTS

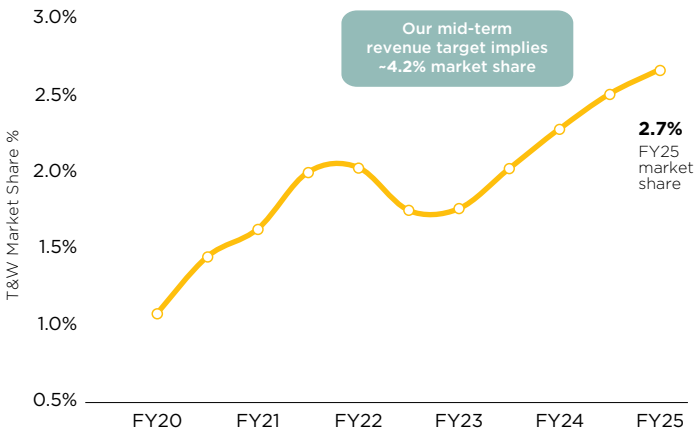
In FY25, we grew our share of the Australian furniture and homewares market from 2.3% to 2.7% — an increase of 17%.⁵ Whilst this metric demonstrates the scale of the opportunity that lies ahead for us, it also demonstrates that our customer proposition continues to resonate well, even in a subdued macro environment and a cost-of-living crisis.

This disruptive proposition centres around three key concepts:

- 1. **Price** — our business model, being online-only and asset light, allows us to operate at a lower delivered margin relative to our competitors, which means that we are able to pass on material savings to our customers.
- 2. **Range** — we have over 170,000 products on offer, enabled by the combination of dropship and private label sourcing, meaning that customers can more often find what they are looking for with us, and also enables us to better personalise customer experiences.

- 3. **Convenience** — 94% of our products are in stock and ready to ship when a customer orders, enabling fast dispatch, and eliminating long lead times that are synonymous with the industry.

T&W share of the total Australian furniture and
homewares market⁶



Source: ABS Retail Trade, Australia (June 2025 and June 2024) to calculate total market; market share calculated based on net revenue from the last 12 months to 30 June 2025 and 30 June 2024.

Source: ABS Retail Trade, Australia (June 2025) to calculate total market; market share calculated based on net revenue from the LTM period ending in December and June each year; note market share presented in our H1 FY25 results presentation for the LTM to 31 December 2024 was based on checkout revenue.



In FY25, we processed close to 1.8 million orders, the majority of which were from repeat customers, generating \$601 million in revenue. This represents an increase of 21% on FY24, and demonstrates that we remain on track towards our \$1 billion mid-term target. Whilst we had significant momentum at the top line, our profitability also expanded through the year, with an EBITDA result of \$18.8 million, an increase of 43% on FY24, and a margin of 3.1%.⁷ These results demonstrate our ability to continue to grow and take market share whilst also managing profitability, although we remain focused on prioritising growth over profit whilst the market opportunity in front of us continues to be highly compelling.

MAKING PROGRESS ACROSS OUR STRATEGIC GOALS

In August 2023, we outlined five key strategic goals that remain our priority as we continue to execute towards our longer-term goal to be the largest furniture and homewares retailer, and the first place Australians turn to when

shopping for their homes. I am pleased to report that we continue to make progress against each of these strategic goals, and I have called out some of the highlights below.

1. Becoming the top-of-mind brand in the category

During FY25, we continued our strategy of adding incremental marketing channels in order to continue growing our brand awareness. Across both FY24 and FY25, we spent a total of \$22 million on brand marketing to continue testing its impact, the outcome of diversifying our channel mix, and optimising our overall marketing investment. Pleasingly, this investment has resulted in an increase in our unprompted brand awareness, which now sits at 9%, and our position in the market has moved from #7 to #6.⁸ We also saw our share of branded searches increase from 4.3% to 4.9%.⁹ Given this success, we will continue to take an always-on approach to brand marketing, in line with detailed marketing mix modelling analysis.

⁷ EBITDA is a non-IFRS measure and is calculated by adding depreciation and amortisation, finance costs and interest income to profit before tax. FY24 comparative EBITDA excludes one-off costs of \$4.7 million.

⁸ Zenith insights, Temple & Webster Brand tracker (June 2025); excludes multi-category department stores / discount retailers.

⁹ Google brand dashboard (June 2025).



2. Majority of revenue from exclusive products

In FY25, revenue from exclusive products grew to 45% of total revenue,¹⁰ driven predominantly by exclusive dropship products. Pleasingly, 79% of our top 500 selling products in FY25 were exclusive to Temple & Webster, up from 70% for FY24. During the year, we added more than 900 proprietary designed products to the site, further reflecting our commitment to growing our exclusive product range, which remains a differentiator and helps to drive longer-term defensibility. In addition, we also opened a dedicated sourcing office in Shanghai during the year, enabling us to have greater visibility over manufacturing, quality and compliance, as well as improving overall speed-to-market for new private label products.

3. Leading capabilities around data, AI and technology

Our continued focus on AI, data and technology continues to deliver improvements on both revenue and costs, and is helping to drive an enhanced customer experience. One example is our experimentation with personalised website experiences and targeted marketing, powered by graph data science, which is using customer preferences to deliver more relevant search results. We are still in the early days of this technology, however we have already been able to demonstrate conversion uplifts from its application. We are also applying AI-based technologies across other areas of the business, including in the calculation of shipping prices, our customer service function, and product onboarding.

4. Lower fixed cost %¹¹ to obtain a price and margin advantage

We continue to make good progress towards our goal of reducing fixed costs as a percentage of revenue. In FY25, we reduced our fixed cost percentage to 10.6%, compared with 11.3% in FY24. This result demonstrates the continued scale benefits that emerge as our company continues to grow revenue, which will enable us to continue to offer a disruptive proposition and the best possible prices to our customers.

5. Build scale through adjacent growth plays

Our home improvement category continues to outperform, generating revenue of \$42 million for FY25, up 42.5% on FY24.¹⁰ Pleasingly, private label penetration in home improvement has increased to 18.5%, with continued success in our own collection of bathroom, fixtures and ventilation products. The Trade & Commercial business grew its revenue to \$48 million for FY25, up 9% on FY24.¹⁰ Growth in this business has been impacted by macroeconomic headwinds and subdued business investment, however we have seen a pick-up in forward order activity, which gives us confidence on the revenue outlook for FY26.

I am pleased and excited that we have been able to make solid progress against each of these goals during FY25, and look forward to updating you on our continued progress through FY26.

BUILDING A BUSINESS TO BE PROUD OF

Whilst we continue to drive towards our longer-term goals and grow our market share, we are careful to ensure that we are building a business that our employees are proud to work for, our customers are confident to purchase from, and that our suppliers and partners are excited to deal with. As such, initiatives related to our people and culture, our philanthropic efforts, and broader sustainability, remain imperative.

In terms of our people, Temple & Webster remains committed to providing a workplace where everyone feels respected, valued, and is able to thrive. Diversity, equity and inclusion have been part of our philosophy since the business was founded, and are embedded in how we work, how we lead, how we support and how we grow together as a team. During the year, we continued to advance initiatives to promote employee wellbeing, including guided mindfulness sessions, catered in-house lunches, additional upskilling and training opportunities, as well as partnering with Indigenous Employment Australia to enhance the inclusiveness of our hiring practices.

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

11. Includes wages, other and share-based payments expenses.

In FY25, we continued our long-standing partnerships with both Women's Community Shelters ('WCS') and the Black Dog Institute ('BDI'), as well as helping to raise money and awareness for several other charitable organisations. During the year, we donated over \$450,000 in cash, products and services to charity partners, with our efforts focused on supporting underrepresented groups, mental health, and safe housing. I am pleased to report that our WCS partnership has now seen over 820 women stay in a Temple & Webster-furnished shelter, providing over 110,000 nights of beautiful safety and support.

From a sustainability standpoint, the business achieved a number of important milestones during FY25, which are outlined in our ESG Statement. I am particularly pleased with our progress on reducing our Scope 2 greenhouse gas emissions, the electrification of our Temple & Webster delivery fleet, increased use of recycled materials in packaging and reduction in single-use plastics, and our continued work with suppliers and partners in relation to ethical procurement and human rights. We also worked to achieve ISO 27001:2022 certification in FY25, a major milestone in relation to data protection and a reflection of our overall commitment to cyber security and resilience.

OUR FOCUS FOR FY26

Our focus remains unchanged. As I already mentioned, we continue to make great progress against our strategic goals, and we remain on track for our mid-term goal of achieving \$1 billion in annual sales between FY26 and FY28.

We are committed to delivering a unique proposition to our customers, centred around price, range and convenience, which will translate into continued growth in revenue and market share gains. Whilst revenue growth remains our primary objective, we will aim to grow profitability and margin, aiming for an EBITDA margin in the range of 3-5% for FY26 (targeting the mid-point of that range). Our strong financial position, with over \$140 million of cash¹² and no debt, ensures we are well capitalised to execute on organic and inorganic growth opportunities as they emerge.

For almost 15 years, Temple & Webster has been challenging the status quo and disrupting the retail industry as customers have migrated to online channels. This ethos and drive is not lost today. There is an immense amount of opportunity for our business, and it is exciting to think about where we might be in another 15 years from now.



THANK YOU

I would like to take this opportunity to give a big shout out to all of our Tempsters. We have an amazing team of individuals who all help to drive our business and our successes, and they do so with an immense amount of energy and passion. Thank you for your hard work and dedication during the year — I am looking forward to what we can achieve together in FY26.

Thank you to our shareholders, customers, employees, suppliers and partners. I appreciate the support of each and every one of you as we continue to execute on our vision to make the world more beautiful, one room at a time.

Mark Coulter

Mark Coulter
Chief Executive Officer

12. Cash in transit of \$11.2 million as at 30 June 2025 (30 June 2024: \$9.2 million) was reclassified from cash and cash equivalents to trade and other receivables. This change in presentation was made in both reporting periods, i.e., in the year ended on 30 June 2025 and in the year ended on 30 June 2024.

Operational review

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OVERVIEW OF FY25 PERFORMANCE

\$601m

FY25 Revenue

\$18.8m

FY25 EBITDA

\$144m

**Cash Balance
at 30 June 2025**

Temple & Webster delivered strong performance for FY25, despite a challenging retail and consumer backdrop. Revenue grew 21% to a record \$601 million, with EBITDA of \$18.8 million (3.1% margin, above guidance of 1-3%)¹, \$38 million of free cash flow, and a year-end cash balance of \$144 million² with no debt. We continued to gain share in a large, underpenetrated market, supporting our mid-term ambition to reach \$1 billion in annual sales.

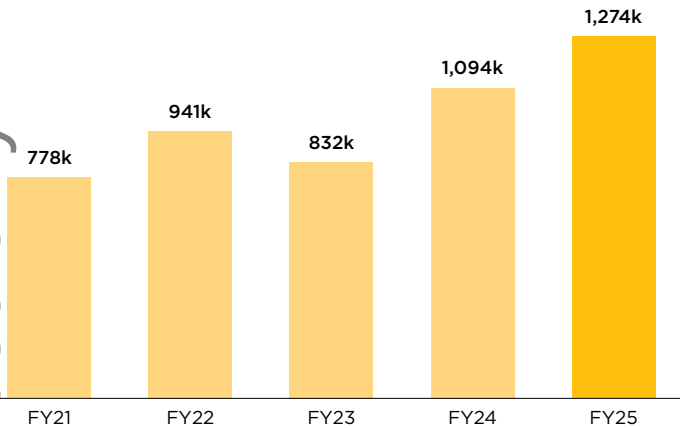
Importantly, we continued to advance our strategic priorities during the year. We strengthened our customer proposition and scaled data and AI to lift conversion and lower cost-to-serve, stepped up brand investment validated by marketing mix modelling ('MMM'), and extended our proprietary product range, with exclusive products becoming a larger share of sales. In addition, we re-engineered our CRM and commenced migration to a best-in-class platform, enhanced our mobile apps and creative capabilities, and improved service and efficiency across the supply chain, reflected in a higher net promoter score ('NPS'). The following sections set out further detail on the key drivers of our operating and financial performance for the year.

1. EBITDA is a non-IFRS measure and is calculated by adding depreciation and amortisation, finance costs and interest income to profit before tax. FY24 comparative EBITDA excludes one-off costs of \$4.7 million.
2. Cash in transit of \$11.2 million as at 30 June 2025 (30 June 2024: \$9.2 million) was reclassified from cash and cash equivalents to trade and other receivables. This change in presentation was made in both reporting periods.

RECORD ACTIVE CUSTOMERS

Temple & Webster supported close to 1.3 million customers throughout FY25, up 16% vs FY24, reflecting the strength of the Company's proposition centred around price, range and convenience.

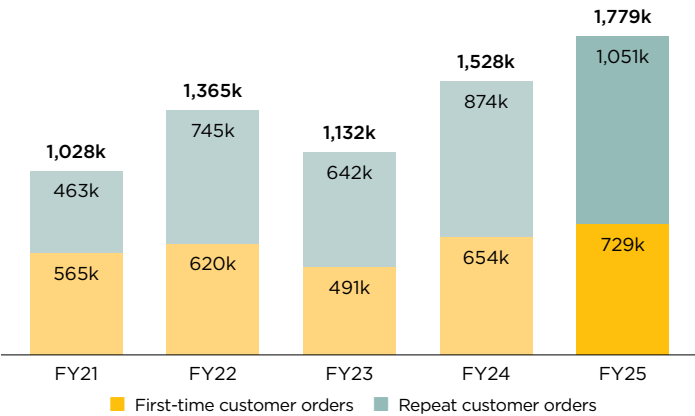
Active customers³



CONTINUED GROWTH IN ORDERS FROM BOTH NEW AND REPEAT CUSTOMERS

Total orders increased to 1.8 million in FY25, an increase of 16% vs FY24. Repeat orders grew faster than new orders, up 20% on FY24, and now account for 59% of total orders.⁴ Continuing to expand our repeat customer base will help to drive further marketing efficiency, and support our longer-term goal to reduce marketing spend to below 11% of revenue.

First time and repeat customer orders



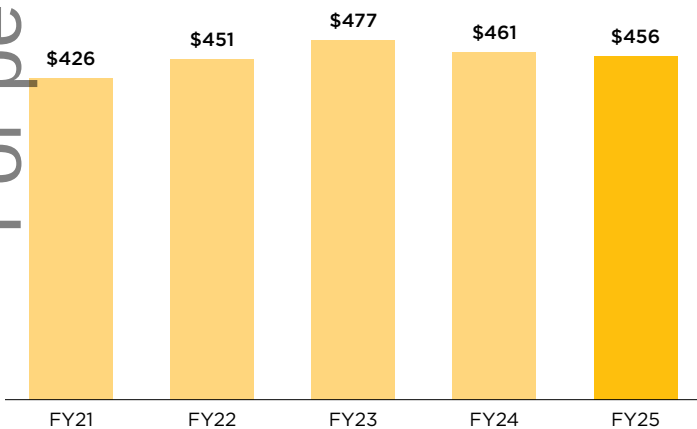
3. Active customers refers to the number of unique customers who have transacted in the last twelve months ('LTM').
4. Customer orders exclude gift card and test orders.



REVENUE PER ACTIVE CUSTOMER SLIGHTLY DOWN YEAR ON YEAR AS CUSTOMERS CONTINUE TO FOCUS ON VALUE

In FY25, revenue per active customer was \$456, a slight decrease compared to the prior year, reflecting a continued focus on value from customers. This modest decline was driven by a lower average order value ('AOV') in the first half of the financial year. Customer repeat rate remained consistent between FY24 and FY25. Pleasingly, AOV showed a clear upward trajectory in the second half, ending the year with positive momentum. This demonstrates our success in offering value for customers, which in-turn supports purchase frequency.

Revenue per active customer⁵

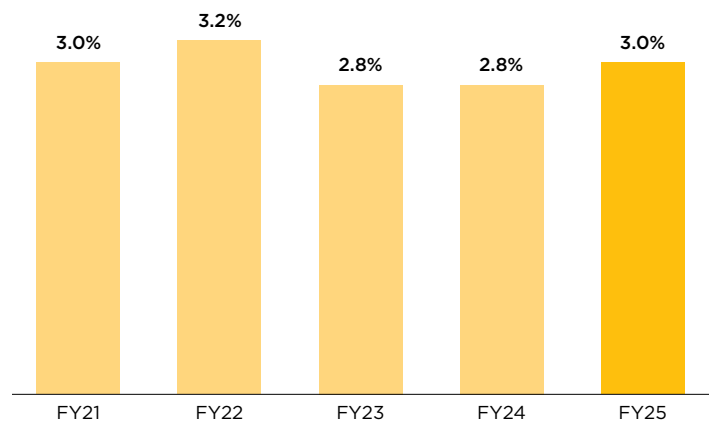


AI TOOLS CONTINUE TO DRIVE CONVERSION RATE GAINS

Temple & Webster continues to leverage its data and AI capabilities through both internal teams and strategic partners to enhance the customer experience and drive operating efficiencies. In FY25, this data and technology-led strategy was a key factor in improving the site's conversion rate by 7% year-on-year to 3%. This was a notable achievement amidst a dynamic retail environment and record traffic levels, demonstrating the growing effectiveness of our approach. It also is consistent with the conversion rate achieved in FY21, which was impacted by a dramatic shift to online in our category as a result of the COVID-19 pandemic.

Despite this strong progress, 97% of our traffic did not convert. This highlights the significant remaining opportunity to drive further improvements and capture additional market share through continued investment in our AI and data roadmap.

Conversion rate⁶



5. Revenue per active customer = LTM net revenue (excluding deferred revenue accounting adjustments) divided by active customers.

6. Average conversion rate is the total number of purchases divided by the total number of monthly users. Sourced from Google Analytics.

REDUCED MARKETING RETURN ON INVESTMENT
REFLECTS INCREASES TO DIGITAL BUDGET AND
BRAND INVESTMENT

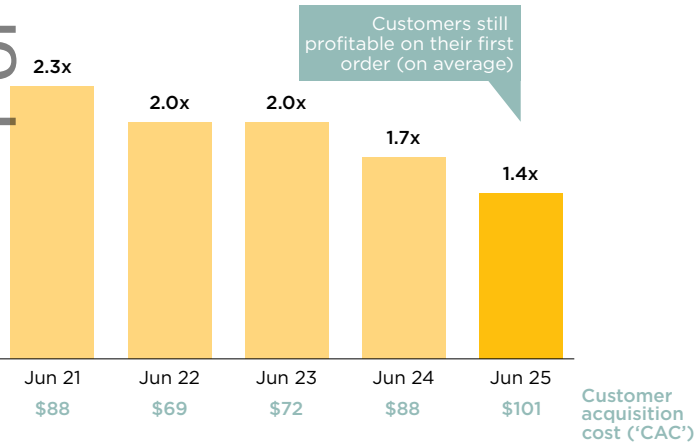
FY25 was a defining year in Temple & Webster’s brand journey. Following the validation of our brand investment through MMM in H1 FY25, we transitioned from short, experimental bursts to an always-on approach and a consistent presence in-market in H2 FY25.

Our strategy gained momentum, our creative platform embedded further, and we made steady progress towards becoming a top-of-mind brand. Branded search share⁷ rose to 4.9% in June 2025, up from 4.3% a year earlier (14% YoY growth), lifting our category ranking from 7th to 5th in the furniture and homewares category. Unprompted awareness⁸ increased to 9%, moving us up to 6th from 7th year on year.

MMM continued to sharpen our investment decisions across offline and online channels. We have seen positive brand ROI trends with each model refit, and our screens-first media strategy delivered reach efficiently across television, broadcast video on demand, online video and social, supported by out-of-home and digital audio.

For the full year, our overall 12-month marketing ROI was in line with our expectations. This reflected increased investment in both performance and brand building channels. Importantly, our customers remained profitable on their first orders and our bottom line has been increasing even with this marketing investment.

12 month marketing ROI⁹



Our efforts in channel diversification continued right across the funnel with investment in emerging channels¹⁰ accounting for 27% of total spend (up from 22% in FY24). We saw promising signs of a flywheel effect of brand investment on our online channels. Moving forward, to improve overall marketing ROI, our strategy will be focused on finding efficiencies in our largest online mature channels through deeper integration of insights and analytics.

We took the opportunity to re-engineer our CRM during FY25 in order to deliver improved customer experiences including the launch of advanced active segmentation and campaigns which are powered by AI. We are well positioned to deliver more relevant and personalised experiences to customers, which are aimed at driving repeat purchase and lowering customer acquisition costs over time.



7. Google Brand Dashboard, June 2025.
8. Zenith Insights, Temple & Webster Brand Tracker — June 2025 results. Excludes multi category dept stores/discount retailers.
9. Marketing ROI = Margin \$/CAC; Margin = Revenue per active customer as at 30 June 2025 x delivered margin % for FY25; CAC = Total marketing spend for FY25 x 75% (being the estimated percentage of marketing spent on new customer acquisition, i.e. excludes estimated spend on repeat customers) divided by the number of first-time customers during the period.
10. T&W FY25 Media Spend. Emerging channels include TV, OOH, BVOD, online video, audio, paid social, display, affiliates, partnerships.

BUILDING AUTHORITY THROUGH INSIGHTS AND TRENDS

The Insights & Trends function was established in March 2024 to position Temple & Webster as a trusted authority on how Australians live and style their homes. Over the past year, the team focused on building internal and external credibility through strategic research, thought leadership, and the provision of actionable trend insights for our internal teams. In July 2024, a comprehensive qualitative study was commissioned to explore Australians' sentiments around their living situations and future housing plans. The findings led to the release of 'Finding the Right Fit: The Future of Rightsizing in Australian Housing', a whitepaper that offered valuable direction for developers, policymakers and industry stakeholders.

In June 2025, the function launched Temple & Webster's inaugural 'Trend Report — drawing on global design movements and customer data to identify what's resonating in Australian homes'. The campaign was brought to life through PR, social media and shoppable website pages, making it easier for customers to understand and shop the latest trends.

79% OF TOP 500 PRODUCTS NOW EXCLUSIVE TO TEMPLE & WEBSTER

One of our mid-term strategic goals is to generate the majority of revenue from our exclusive products. This strategy ensures we differentiate our range from our competitors, adds defensibility to our model and will lead to improved delivered margins in the longer-term.

During FY25, revenue from exclusive products grew to 45% of total revenue, which was driven by growth in both private label and exclusive dropship products. Approximately 79% of our top 500 selling products are now exclusive to Temple & Webster.

Our local dropship suppliers are an important element in growing our contribution from exclusive products. Exclusive dropship products are an ideal outcome for the business, given the potential for improved revenue growth and margin whilst taking no inventory risk.

Private label (products imported directly by Temple & Webster) remained at similar levels to last year at ~28% of sales with sourcing focused largely on indoor and outdoor furniture, lighting and home improvement products. This direct sourcing capability enabled bespoke product development to meet commercial furniture requirements, expanding our range's relevance to that market.



The in-house Buying and Industrial Design teams are now leveraging AI technologies to identify range gaps and accelerate product development, supported by a dedicated sourcing office in China. Our portfolio of registered designs continues to grow.

Our ongoing partnership with the University of New South Wales' Honours Industrial Design program brought innovative ideas and focused research around ecommerce friendly furniture design and fostered young talent through our internship program.

SCALING DATA, AI AND TECHNOLOGY TO FURTHER LIFT CUSTOMER EXPERIENCE AND EFFICIENCY

Our strategy in data, AI and technology remains focused on two core objectives: creating a seamless customer experience to drive conversion and margin per visit, and increasing operational cost efficiencies.

In FY25, we continued to mature our capabilities, evolving from a phase of experimentation to deploying scalable solutions that delivered measurable results across the business. This year's key initiatives included:

Improving the customer experience: We launched several new tools to make discovering the perfect item easier for our customers. This included the roll-out of visual search, allowing customers to find similar products from an image, deployment of more sophisticated AI-powered product recommendation carousels, and AI-driven shipping prices.

Building a digital experience that is inclusive, respectful, and usable for everyone: We have commenced a comprehensive, cross-functional, multi-year program to improve website accessibility and are progressing towards alignment with global accessibility standards.

Helping customers make faster, more informed purchasing decisions: In FY25, the Site Merchandising team successfully completed a program to implement 'Icons at a Glance' across our entire product catalogue. This initiative involved a systematic, class-by-class analysis of the range to determine which attributes could be most effectively represented through visual icons, enabling key product features to be surfaced clearly and intuitively for customers.

Advancing style-led discovery and engagement: To deepen product discovery and create more meaningful engagement, we are developing an aesthetics-based data system which is proprietary to Temple & Webster. The introduction of 'Aesthetic IDs', now applied to furniture SKUs and soon to be extended to homewares, is providing a unified and measurable style-based attribute for each product.

- **Driving cost efficiencies:** In FY25, 80% of customer pre/post sales support interactions were partially or fully handled by AI and technology, resulting in an over 60% reduction in customer care costs as a % of revenue since FY23.
- **Driving internal changes:** Held our first AI-focused Hackathon in July 2025, bringing together over 120 employees to design, build and test new concepts in order to drive further innovation. This initiative showcases how Temple & Webster is incentivising AI adoption across the business.

Looking ahead, the Group's AI roadmap continues to target key disruptions across the retail value chain. We are increasingly focused on leveraging agentic frameworks to create interconnected and scalable solutions, further integrating this technology into our core operations.

AI-LED DISCOVERY TO DELIVERY THROUGH PERSONALISATION AND AUTOMATION

In FY25, we continued to enhance the shopping experience through data and AI-led innovation. We began testing an AI-powered site search to improve product discovery. We also expanded our recommendation suite, refining both what we show and when, to better personalise the customer journey.

We introduced hyper-personalisation experiments, launched visual search in our app, and increased the use of video on product pages to help customers shop with confidence. Promotional messaging was also improved, contributing to increased basket sizes and conversion rates.

Supporting new business growth remains a focus. We connected more customers to our home improvement range via a redesigned navigation structure and expanded the display of user-generated content across product groups.

Post-purchase, we made strong progress in customer communications and operational efficiency. Delivery messaging was improved to keep customers informed, while our AI-powered chat now handles the majority of customer interactions.

We've strengthened supplier integrations 37% of shipping labels are now generated via API, streamlining fulfilment, especially during peak sales periods. We're also progressing work to automate supplier part request processes, enabling faster, more sustainable resolutions to product issues.

MOBILE APPS OUTPERFORM DESKTOP AND MOBILE WEB

With ~1.2 million lifetime downloads, the Temple & Webster iOS and Android apps continue to maintain a strong customer satisfaction rating of 4.8 stars based on 35k+ reviews across the apps. Both apps consistently outperform desktop and mobile web, demonstrating higher conversion rates, greater customer lifetime value and elevated levels of customer satisfaction.

CREATING BEAUTIFUL CONTENT AT SCALE, VIDEO PRODUCTION +340%

FY25 was another strong year for the Creative team as we continued on our mission of creating beauty at scale.

Our studio team's image production output remained on par with last year, noting that in FY24 the studio output almost doubled on the previous year. In FY25 our investment in video production saw a 340% increase in assets delivered vs FY24, to over 4,500. The team produced bespoke product videos, features and benefits clips, real life renovation videos, and our first ever scripted social content series following the exploits of Temple & Webster's fictional Chief Cushiness Officer, featuring Temple & Webster staff with a total campaign reach of 2.4 million.

The studio team also pushed further into their mission to make visually relatable assets, with staff, their families and pets volunteering for photo and video shoots. We also completed four real home location shoots to support our private label ranges, and five real life renovation shoots to show how Australians are making their homes more beautiful using Temple & Webster furniture, homewares and home improvement products.

Balancing the bespoke beauty, we also evolved from testing to producing beauty at scale, expanding our low-cost high-volume offshore image production capabilities to studios in China, Indonesia, Vietnam, Malaysia and India,¹¹ ensuring we take full cost advantage of shooting product at the source while still maintaining our high image quality standards.

With generative AI technology making strides throughout FY25, we also tested how to create high-quality, high-accuracy imagery, publishing our first fully AI generated lifestyle images on-site, completing our first fully AI generated home improvement shoot, and delivering our first AI generated lifestyle video.

The graphic design team implemented a new collaborative workflow for better productivity, visibility, and faster asset delivery. Utilising the new system, our team delivered over 420 individual assets for this year's out-of-home advertising campaign, and will be using AI tools in FY26 to help make asset delivery even faster. The team also implemented a new tiered system for creating promotional campaigns, delivering 49 campaigns (a 48% increase from 33 promos in FY24) and a total of 5,446 assets.

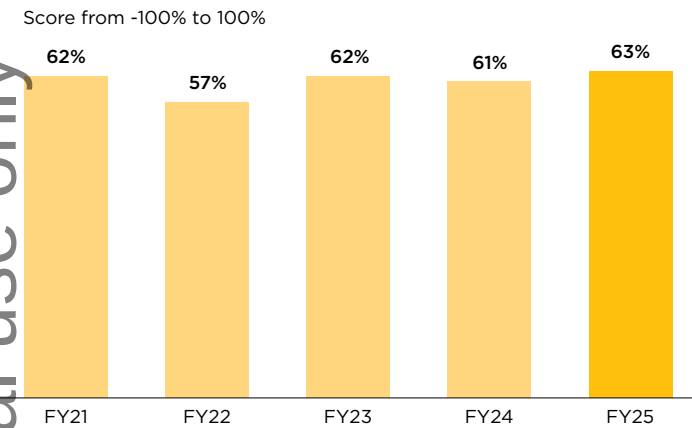


11. Recurring image production in China, Vietnam, Indonesia. Testing in Malaysia and India.

EFFICIENT SCALE AND SUPERIOR SERVICE

We continued to scale efficiently through FY25 while delivering an improved customer experience, achieving a record NPS of +63%. This demonstrates how our long-term investment in people, processes, and technology has strengthened our ability to meet growing operational needs while raising service standards.

Net promoter score

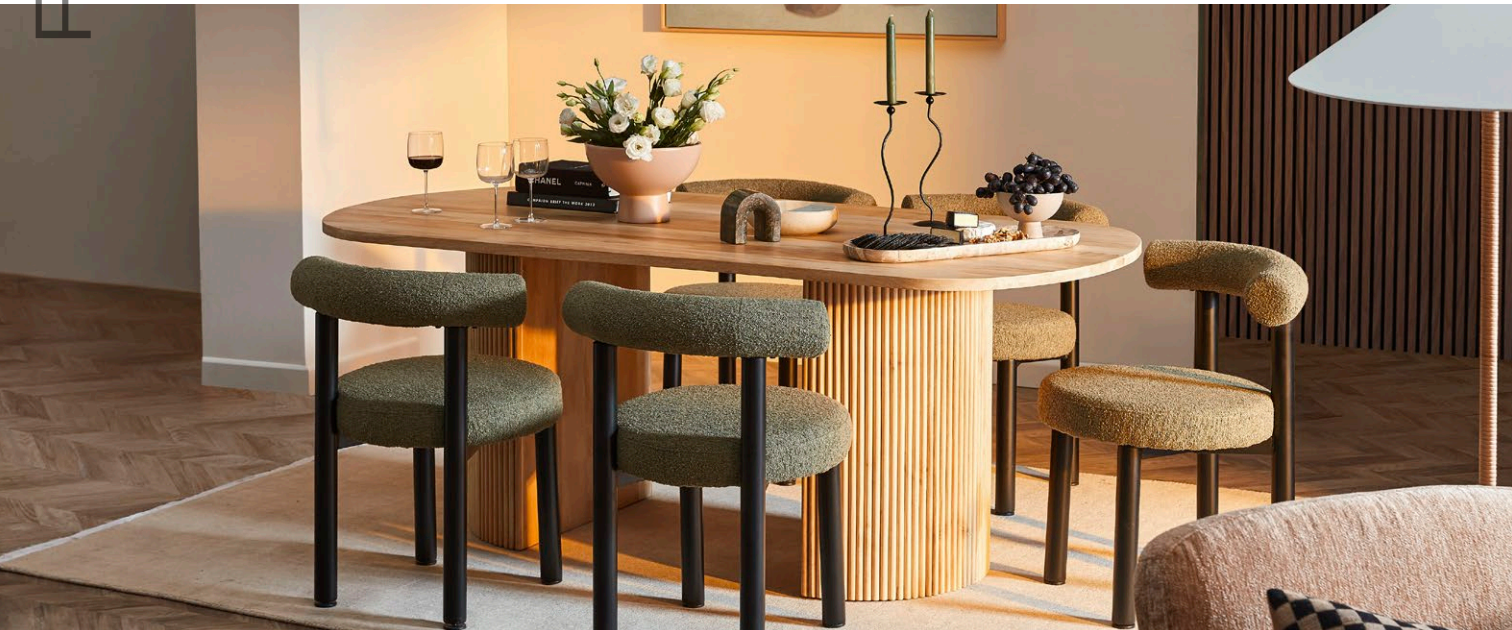


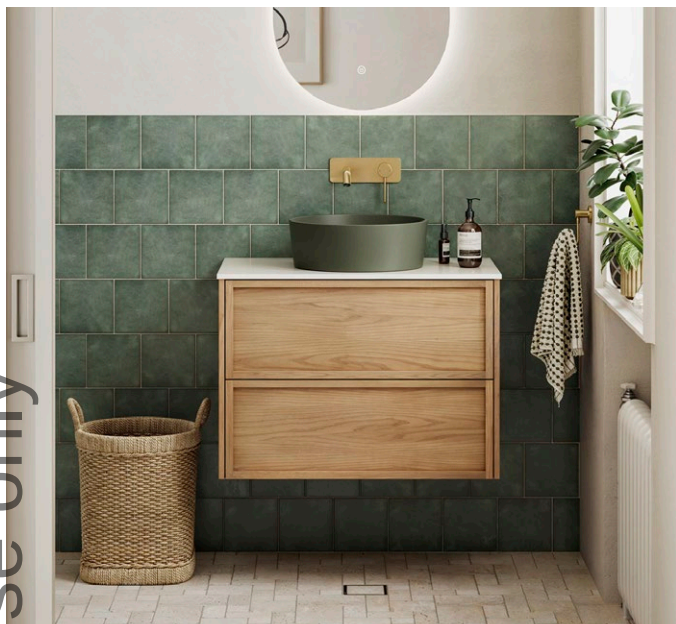
Temple & Webster delivery — our asset-light last-mile service for private label products — expanded with the addition of 14 branded electric vehicles in Sydney and Melbourne. This fleet enhances delivery efficiency, supports our sustainability objectives, and lowers cost-to-serve.

We also advanced our supply chain capabilities during the year. The launch of international consolidation capabilities in mid-2025 close to our factory partners, allows us to position inventory closer to customers, improving availability and delivery speed, especially for bulky items. In Western Australia, a new warehouse in Perth was launched in July 2025, which aims to reduce interstate dependency, improve service reliability, and accelerate delivery times. At the same time, we strengthened our sales and operations planning discipline and enhanced processes to lift accuracy and productivity across exclusive inventory. These initiatives establish a strong foundation ahead of a new planning system roll-out, which is expected to further improve demand-supply alignment, inventory turns, and working capital efficiency.

Investment in partner-enablement technologies remains a priority, helping dropship partners scale with us through better tools, data, and collaboration. Proactive operational management has driven material improvements in service quality: our order-to-contact ratio has improved from ~4.5 contacts per 6 orders in FY22 to fewer than 1 contact per 6 orders in FY25, reflecting reduced friction, fewer escalations, and more first-time-right deliveries.

Over the past year we achieved a significant reduction in supplier turnaround time for product onboarding, delivering an average efficiency gain of 28% through the integration of AI-powered image interpretation tools that pre-populate product data. This has reduced supplier workload, accelerated time-to-market, and enhanced partner experience, with further improvements expected as we explore automated validation of supplier submissions.



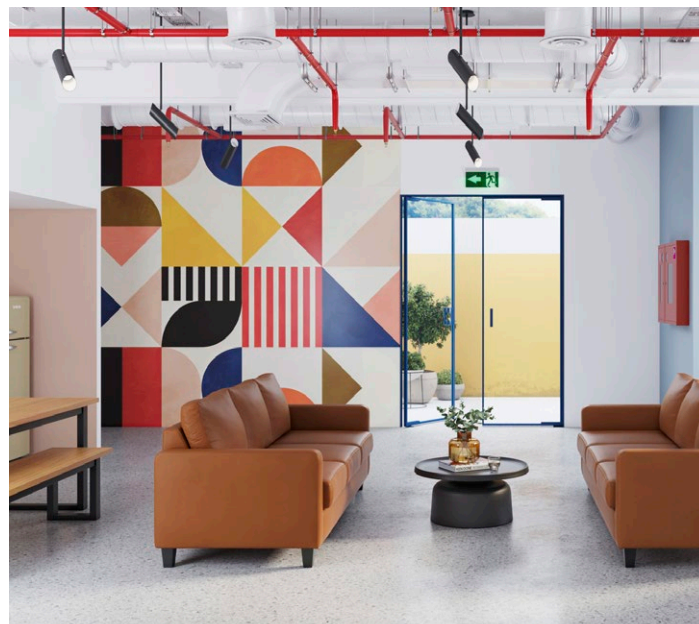


HOME IMPROVEMENT OUTPERFORMS, PRIVATE LABEL DRIVES GROWTH

The home improvement category was a standout performer in FY25, delivering \$42 million in revenue¹² and accelerating its year-on-year growth rate to 42.5%, up from 26% in FY24. The market dynamics for this category remain highly attractive, representing an approximately \$18 billion domestic market with no dominant online-only player and low online penetration. Our strategy of consolidating the business onto the single Temple & Webster platform continues to yield strong results by improving marketing efficiency and the overall customer experience.

Private label was a key driver of this success and will continue to be a critical enabler for growth and range differentiation. During FY25, we launched approximately 200 new private label products, primarily in the bathroom and kitchen categories, bringing the total collection to over 330 products. As a result of this expansion, private label's share of the category's revenue grew significantly from 12.6% in FY24 to 18.5% in FY25.

Looking ahead, we remain focused on expanding our home improvement private label range and developing capabilities across the supply chain and customer experience. These initiatives will better support the needs of the home improvement customer and grow Temple & Webster's market share in this category.



RESILIENT GROWTH IN TRADE & COMMERCIAL WITH STRONG FY26 PIPELINE

The Trade & Commercial division delivered \$48 million in revenue¹² in FY25, representing 9% growth on the previous year. This result reflects the impact of continued macro-economic headwinds and subdued business investment activity during the period.

Building on the foundations from the previous year, the focus for FY25 was to streamline internal processes, refine sales strategies for key sectors, and continue to grow self-serve sales through our online platform.

Encouragingly, forward order activity in the Trade & Commercial division improved significantly during the second half of FY25. This was driven by large customer orders across the hospitality, living, and built-to-rent sectors, with the resulting revenue to be recognised in FY26.

Despite the challenging conditions, the business-to-business market remains a key strategic focus for the company. The market dynamics are very attractive; it is a fragmented, multi-billion dollar market with a lack of digital-focused online players.

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

Environmental, social and governance statement





ABOUT THIS REPORT

This report is our fourth annual Environmental, Social and Governance ('ESG') Statement, outlining material topics, sustainability strategy, governance, performance highlights and progress against our stated goals. The Statement is structured around the three pillars of our sustainability framework: caring for the planet, supporting our people and communities, and being a good corporate citizen.

The reporting period for this Statement is the financial year ended 30 June 2025. Our disclosures are guided by the material topics identified through our FY25 double materiality assessment, which is discussed in detail later in this Statement.

We have structured this Statement with reference to the Global Reporting Initiative ('GRI') Standards (2021), and applied its principles of materiality, stakeholder inclusiveness, and sustainability context, to the extent practicable. We are committed to continuously improving our alignment with the GRI Standards.

The 2025 Statement does not comply with the requirements of the Australian Sustainability Reporting Standards ('AASB S2'). We are working towards AASB S2 in line with legislative and regulatory requirements which is expected to be applicable to the Group in 2027.

This Statement is intended for investors, shareholders, customers, employees, and other stakeholders seeking to understand how we manage ESG impacts across our operations and value chain.

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

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Message from our CEO

At Temple & Webster, we believe that understanding and addressing our most material ESG topics is not just a responsibility, it's a strategic imperative. This year, we undertook a comprehensive double materiality assessment to gain a deeper understanding of the ESG issues that matter most to our stakeholders, and the potential financial risks and opportunities they present to our business.

This assessment represents an important milestone in our sustainability journey. It strengthens the foundation upon which our ESG strategy is built and informs how we respond to a rapidly evolving regulatory landscape, including our preparation for AASB S2 reporting. While this process is still ongoing, it is already proving transformative in how we measure and manage climate-related risk, as well as how we define long-term value creation and resilience across our operations.

As a result, we have strengthened our focus on key material issues such as climate risk, responsible sourcing, data security and inclusive growth. We believe that managing these topics with transparency and discipline is essential to building a more resilient and future-ready business.

We recognise that this is a journey, and that we are continuously learning, improving, and evolving our approach. As we embed ESG more deeply into our business strategy, our ambition is to build a future-fit, responsible and resilient organisation that can deliver both strong financial performance and meaningful, lasting change.

Thank you for your continued support.



Mark Coulter
Chief Executive Officer

Our performance against ESG goals

OUR ESG GOALS

● On hold
 ● Making progress
 ● Completed

Goal	Calendar year target	FY25 progress	Status
Carbon neutral in our controlled operations (Scope 1 and 2 gross emissions)	2030	Carbon neutral in our controlled operations through the purchase of Australian Carbon Credit Units ('ACCUs')	●
45% reduction in our total carbon footprint ^{1,2}	2030	- Scope 2 emissions reduced by 90% year-on-year via transition towards renewable energy - Continued purchasing green power for 25% of our grid energy requirements - Implemented a Virtual Solar Sharing ('VSS') network to optimise use of solar energy for our head office - Defined organisational and operational boundaries for greenhouse gas ('GHG') emissions reporting across the full value chain	●
Audit all private label suppliers for ethical and social compliance	2023	100% of our private label suppliers have been audited for ethical and social compliance - Corrective actions implemented, 64% reviewed via desktop audit 70% of private label suppliers have completed modern slavery self assessment questionnaire	●
100% responsibly sourced solid wood in our private label range	2030	77% of the solid wood used in our private label outdoor range is certified as responsibly sourced	●
100% reusable, recyclable or compostable private label packaging ³	2025	526 out of 3,002 (17%) private label products have fully recyclable packaging ⁴	●
70% of plastic private label packaging being recycled or composted ³	2025	On hold until there is a viable national soft plastics recycling scheme that allows us to progress this goal	●
50% of average recycled content included in private label packaging ³	2025	Increased the proportion of post-consumer recycled content in our branded delivery satchels from 80% to 95%	●

1. Gross emissions compared to our FY25 baseline.

2. The scope of this target has been updated in FY25 to reflect alignment with the UN SDG on Climate Action.

3. These goals are aligned with the APCO National Packaging Targets.

4. Figures are based on packaging metrics for our FY25 Australian Packaging Covenant Organisation ('APCO') annual report.

Environmental, social and governance statement

continued

OUR ESG GOALS (CONTINUED)

● On hold ● Making progress ● Completed

Goal	Calendar year target	FY25 progress	Status
Phase out of expanded polystyrene ('EPS') and expanded polyethylene ('EPE') packaging ³	2025	- EPS packaging removed from more than 30% of our private label range - Communicated our goal to phase out EPS packaging to all local and offshore suppliers	●
Nurture and grow our diverse, equitable and inclusive workplace culture	Ongoing	- Achieved a 4.6% reduction in our median pay gap for the FY23/24 reporting period - Achieved a 72% participation rate for our DEI Survey - Achieved a 78% engagement rate for our annual Employee Engagement Survey - Delivered company-wide unconscious bias training to all employees	●
Continue to invest in the growth and development of our people and to create a resilient and adaptable team for the future	Ongoing	- Rolled out the T&W capability framework - Created learning sprints for all employees - Launched a peer mentoring program for all interested employees	●
Build authentic and respectful relationships with First Nations communities through a Reconciliation Action Plan ('RAP')	Ongoing	- Commenced advertising all employment opportunities on Indigenous Employment Australia - Educational resources provided to all employees during National Reconciliation Week	●
Achieve ISO 27001:2022 Information security management systems certification	2025	Achieved ISO 27001:2022 certification following full-scope implementation of 93 Annex A controls	●

Our approach to ESG: Materiality, priorities and progress

In FY25, we updated our materiality assessment to ensure our ESG priorities reflect our evolving operating context, including stakeholder expectations, emerging risks and opportunities, and regulatory developments. This work is central to shaping our sustainability strategy, guiding disclosures, and informing how we integrate ESG into risk management and long-term value creation.

This process, led by an independent sustainability consultancy, incorporated a double materiality lens, consistent with leading international standards.

The assessment evaluated each ESG topic that was identified against two dimensions in order to assess overall materiality to the business:

Impact materiality — the potential for our business to affect the environment, people and communities, positively or negatively.

Financial materiality — the potential for ESG factors to impact our enterprise value, including through operational disruption, regulatory change, or reputational risk.

The inclusion of financial materiality reflects our business growth since FY22, as well as our ongoing preparation for AASB S2-aligned disclosures, which will shape how we manage ESG risk, governance, and corporate strategy moving forward.

The process to identify, assess and establish material topics involved four key stages:

1. Context review and topic identification

We began with a desktop review of relevant ESG frameworks,⁵ regulatory developments, peer and industry benchmarking, and our existing sustainability strategy. This produced a list of potentially material ESG topics specific to our business operations for review and assessment.

2. Stakeholder consultation

We engaged a range of internal and external stakeholders across our value chain to inform the prioritisation of topics. This included 12 interviews with key stakeholders of our business, including senior executives and members of the Board of Directors, an institutional investor, and a key supplier. We sought to understand their priorities, perceptions of ESG risk, and views on where the business can drive the greatest impact.

3. Impact materiality assessment

All identified topics were assessed for their significance based on GRI methodology, which considers the scale, scope, and irremediable character of potential impacts, as well as their likelihood to occur. This analysis resulted in a significance score for each topic. To understand stakeholder perspectives, we conducted surveys with our team members and customers, asking them to rank ESG topics according to perceived importance. Key stakeholders also scored topics based on both importance and the extent to which we, as a business, can influence outcomes. Final scores for each topic were established during a workshop led by our external consultant with members of the executive team, the Board and the Audit and Risk Committee ('ARC').

4. Financial materiality assessment

In parallel, we assessed ESG-related financial risks and opportunities using our enterprise risk management framework. Topics were scored based on likelihood to occur and financial impact, and a materiality threshold was set to identify financially material topics. This helped identify ESG matters most likely to influence long-term business resilience and value creation. Final scores for each topic were again established during a workshop led by our external consultant with members of the executive team, the Board and the ARC.

5. ESG frameworks considered as part of our double materiality context review included: Sustainability Accounting Standards Board ('SASB'), GRI, European Sustainability Reporting Standards ('ESRS'), Morgan Stanley Capital International ('MSCI') and the United Nations Sustainable Development Goals ('UN SDGs').

Comparing impact and financial perspectives in double materiality

IMPACT MATERIALITY

Inputs

Significance scoring criteria for each topic included:

Likelihood and Severity

- Scale
- Scope
- Irremediable character

Calculation

$Likelihood \times Significance = \text{Material topic score}$

FINANCIAL MATERIALITY

Inputs

Consequence scoring criteria for each risk and opportunity included:

Likelihood and Magnitude

- Financial
- Organisational health and safety
- Operational
- Regulatory
- Reputational

Calculation

$Likelihood \times Consequence = \text{Material topic score}$

The outcome of this process was a defined list of 19 material topics, all of which met or exceeded our materiality threshold (significance score ≥ 2.5 out of 5)⁶. The double material topics are grouped under our three strategic pillars and will guide our future disclosures, focus areas, and forward-looking targets. In addition, they inform how we integrate ESG into risk management, governance structures, and long-term value creation. Refer to page 58 provides a summary of the material ESG topics identified from our FY25 double materiality assessment.

6. The significance score was established in line with the GRI Standards, which assess the significance of an impact based on its severity. Severity is determined by the scale (how serious the impact is), scope (how widespread it is), and, for negative impacts, the degree to which the impact is irremediable. For potential impacts, likelihood is also considered.

FY25 progress highlights

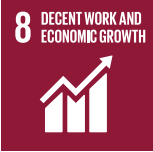
In FY25, we made progress across each of our sustainability focus areas, delivering on several key initiatives, advancing our commitments, and laying the groundwork for future improvements. These efforts reflect our continued focus on embedding sustainability across our value chain and preparing for future regulatory requirements. From FY26, these sustainability focus areas will be revised to reflect the outcomes of our updated double materiality assessment, as discussed in the previous section.

Key achievements in FY25

Pillar	Focus area	Key FY25 achievements	UN SDGs
Caring for the planet	Carbon and energy	- Installed rooftop solar panels at our head office and reduced our Scope 2 emissions by 90% - Transitioned 74% of our Temple & Webster delivery fleet across Sydney and Melbourne to electric vehicles - Purchased ACCUs to offset organisational emissions from FY24 - Defined our organisational and operational carbon reporting boundaries for future disclosure - Identified climate-related risks and opportunities in preparation for AASB S2-aligned reporting	7 AFFORDABLE AND CLEAN ENERGY 13 CLIMATE ACTION
	Reducing the Impact of our products	- Partnered with UNSW Design School on a sustainability-focused product design initiative - Developed our first product sample featuring a new tool-less assembly system - Achieved 77% responsible wood certification for the solid wood across our private label outdoor furniture range, with a target of 100% in FY26 - Established our internal Timber Policy to guide the transition to 100% responsibly sourced solid wood in private label products	12 RESPONSIBLE CONSUMPTION AND PRODUCTION 15 LIFE ON LAND
	Responsible packaging	- Phased out EPS packaging materials across more than 30% of our private label range - Increased recycled content in our branded delivery satchels from 80% to 95% - Commenced catalogue-wide capture of packaging data in preparation for potential Extended Producer Responsibility ('EPR') requirements	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Environmental, social and governance statement
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Pillar	Focus area	Key FY25 achievements	UN SDGs
Supporting our people and communities	Diversity, equity and inclusion	- Continued to offer daily mindfulness sessions for all employees in our dedicated wellness room - Provided catered lunches for all employees in the office three days per week, including the introduction of onsite caterers who prepare fresh, healthy meals for staff whilst reducing packaging waste - Commenced advertising all employment opportunities on Indigenous Employment Australia - Offered skills sprints for employee learning and development, with a strong focus on learning how to apply emerging technologies, such as AI, to our everyday work - Donated, furnished and designed trauma-informed spaces for women and children fleeing domestic violence, young people experiencing homelessness and professional mental health services	5 GENDER EQUALITY 
			8 DECENT WORK AND ECONOMIC GROWTH 
			10 REDUCED INEQUALITIES 
Being a good corporate citizen	Data privacy and security	- Achieved ISO 27001:2022 certification in March 2025 - Implemented a comprehensive cyber security uplift, enhancing identity access management ('IAM'), security information and event management ('SIEM'), and other detection controls - Established a proactive threat detection and response program - No reportable data breaches or security incidents in FY25	16 PEACE, JUSTICE AND STRONG INSTITUTIONS 

Organisational profile

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

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

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

As at 30 June 2025, Temple & Webster employed 209 team members in Australia. Our website listed more than 170,000 unique products. In FY25, the website attracted over 100 million sessions, and the company generated \$601 million in revenue.

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

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

Our range

Over 170,000 products from over 200 categories

Our team

Over 200 employees

Our customers

Greater than 100 million website visits in FY25

Our performance

601 million annual revenue in FY25

Governance, strategy and risk management

Our approach to sustainability governance is built on transparency, accountability, and integration. We recognise that strong governance is essential for driving long-term value and resilience, not only through sound oversight but by embedding sustainability into the way we manage strategy and risk across the business.

BOARD AND EXECUTIVE OVERSIGHT OF ESG

The Board holds ultimate accountability for overseeing sustainability-related risks and opportunities, and receives regular updates on key ESG developments, regulatory changes, and progress against our strategic priorities. ESG matters are reviewed by the ARC and the executive team, with specific responsibilities distributed across subject-matter leads within the business.

The Head of Sustainability leads the sustainability strategy and reporting function, and is responsible for integrating ESG into the broader corporate strategy, including coordination of our response to emerging requirements such as AASB S2. The Head of Sustainability reports directly to the Chief Financial Officer ('CFO') and provides updates to the Board throughout the year.

ROLES AND RESPONSIBILITIES

Sustainability is a shared responsibility across our business. Key internal stakeholders are responsible for delivering initiatives aligned with our material topics and ensuring sustainability is embedded across day-to-day operations and business planning. In FY25, cross-functional working groups supported progress on topics such as packaging, timber sourcing, DEI, data security and climate resilience.

We also work closely with key external partners – including industry bodies, auditors and sustainability consultants – to ensure we are keeping pace with evolving best practices, frameworks and stakeholder expectations.

INTEGRATION OF ESG IN BUSINESS STRATEGY

Our FY25 materiality assessment strengthened the link between ESG and long-term strategic planning. By assessing both impact and financial materiality, we identified a set of material topics that influence our operational priorities, product development, supply chain management and stakeholder engagement. These topics will form the foundation of our future sustainability strategy and will be embedded within our broader ESG framework.

We understand that ESG considerations are not separate from business strategy. They are a critical input that supports strategic decision making and risk management. Our strategic approach to ESG aims to balance commercial goals with long-term social and environmental responsibility by embedding sustainability into procurement practices, strengthening supply chain governance, and building resilience to environmental and operational risks across our value chain.

To ensure continued alignment with stakeholder expectations and regulatory developments, we will update our core sustainability focus areas in FY26 based on the outcomes of the FY25 double materiality assessment. This update will ensure that our sustainability strategy remains responsive to evolving risks and opportunities, and that our disclosures and performance targets reflect the most material ESG issues for our business and value chain. This work supports our commitment to embedding ESG into broader business planning and reinforces our goal to create long-term value across economic, environmental and social dimensions.

SUSTAINABILITY RISK MANAGEMENT

Sustainability-related risks and opportunities are assessed using our enterprise risk management framework. This includes the identification, scoring and monitoring of ESG risks, such as climate transition risk, supply chain disruptions, or regulatory changes that may impact the business' performance, reputation or compliance in future.

In FY25, we expanded our approach to ESG risk by incorporating financial materiality into our materiality assessment process. This involved applying our internal risk assessment methodology⁷ to ESG topics, helping us identify those with the potential to materially affect business value. This forms the foundation of our preparation for AASB S2-aligned disclosures.

We will continue to evolve our risk management practices to align with emerging ESG risks and regulatory expectations through broader Business Continuity Planning ('BCP'), including the use of simulation exercises and scenario analysis where appropriate. The Head of Sustainability works closely with the Head of Risk, Quality and Compliance to ensure that our risk management reporting and practices continue to capture our ESG risks as they evolve.

Our ESG governance and risk management function



PREPARING FOR AASB S2 AND THE PATH FORWARD

As previously mentioned, the 2025 Statement does not comply with the requirements of AASB S2. In preparation for AASB S2, we have, in collaboration with an external consultant, commenced a company-wide program of work to uplift our governance, data systems, controls, and reporting capabilities. As a first step, we have undertaken a comprehensive gap assessment to evaluate our current state against the requirements of AASB S2. This has enabled us to pinpoint areas requiring improvement and embed necessary changes into our daily operations, in preparation for our first year of mandatory reporting. We see this as a transformative opportunity to refine our compliance structure and to better integrate ESG into our decision-making and long-term value creation strategy.

As we progress on this journey, we remain focused on continuous improvement and accountability, with governance as a cornerstone of how we deliver against our sustainability goals and respond to evolving stakeholder expectations.

7. Risk ratings are determined using our enterprise risk management methodology, which evaluates risk across three core measures: impact, likelihood, and control effectiveness. The impact measure assesses the potential consequences of a risk event across five dimensions: financial impact, organisational health and safety, operational disruption, legal and compliance obligations, and reputational damage. Likelihood is assessed based on the probability of the risk event occurring, considering both internal and external influencing factors. Control effectiveness refers to the strength of existing mitigation measures in place to prevent or respond to the risk. Combined, these dimensions help determine the overall risk rating, prioritisation, and required management response.

Caring for the planet

Climate change mitigation and resilience

As a company with a growing operational footprint and global value chain, we recognise that taking meaningful action on climate change is essential to meeting the expectations of our stakeholders. Reducing our GHG emissions and building resilience to the physical and transitional risks of climate change are critical to maintaining trust, supporting long-term value, and ensuring we operate responsibly in a changing environment.

Our work in this area has continued to mature in FY25, focusing on strengthening our emissions reporting capability, advancing operational decarbonisation, and integrating climate risk into our enterprise strategy.

Our strategy is focused on two core objectives:

- Reducing emissions across our value chain through operational innovation and investing in carbon credits to offset a portion of our total carbon footprint, and

- Improving data quality and governance so we can report accurately, set data-based targets, make informed decisions, and ensure readiness for regulatory requirements.

We have begun transitioning from spend-based to activity-based emissions data to improve the accuracy and relevance of our Scope 3 reporting. Spend-based estimates rely on financial data and are useful as an early-stage measurement tool, but become more limited as our business grows and increasing expenditure results in higher reported emissions. As a result, this makes it difficult to set meaningful reduction targets as a company. By adopting a more detailed activity-based approach, we are better positioned to identify key emissions drivers, prioritise operational improvements, and build a more mature and actionable decarbonisation strategy across our supply chain. As part of this uplift in emissions reporting capability, we also defined our carbon reporting boundaries in FY25 in line with the GHG Protocol, applying the operational control approach. This includes emissions from our warehousing, directly controlled operations, and private label supply chain. Emissions associated with our dropshipping model and third-party logistics partners are captured under Scope 3 and remain a key focus area for future data quality and engagement improvements.

We are now focused on building the capability and data quality needed to deliver mature Scope 3 GHG emissions disclosures across all relevant reporting boundaries. This includes working closely with suppliers, logistics partners and other key stakeholders to capture accurate, activity-based data across priority emissions categories.

Our goal is to ensure that our GHG inventory is complete, accurate and verifiable, providing a strong foundation for transparent and credible reporting. This work will position us to publish our first fully aligned emissions disclosures under the AASB S2 framework, supporting informed target setting, progress measurement, and accountability to stakeholders.

In FY25, we achieved a key milestone in our decarbonisation efforts by securing activity-based emissions data for media spend with a key advertising partner. This improvement in data quality has enabled more accurate emissions reporting and greater visibility into the specific drivers of our Scope 3 footprint. In FY24, this supplier accounted for 64% of our Category 1 (purchased goods and services) emissions and 30% of our total carbon footprint. In FY25, these figures were reduced to 0.58% and 0.04%, respectively. This outcome reflects stronger supplier engagement and improved transparency. With more accurate data now available, we are better equipped to analyse emission drivers and identify opportunities for improvement. This supports our long-term ambition to reduce emissions by focusing on the most material impact areas across our value chain. It also aligns with our goal of collaborating with partners who are already advanced in carbon data management and emissions reduction.

Additionally, we installed rooftop solar at our corporate head office, which is the sole contributor to our Scope 1 and 2 emissions. The solar installation was designed to reduce reliance on grid electricity, increase the use of renewable energy and reduce our Scope 2 emissions. This installation contributed to a 32% year-on-year reduction in site grid energy consumption. We complemented this by implementing a Virtual Solar Sharing (“VSS”) system, which matches a portion of our excess solar energy export directly with our electricity usage at other meters at the same time. Over a quarter of our solar exports were matched to our electricity usage in this way, helping us optimise renewable energy use whilst achieving cost savings. Combined, these initiatives significantly lowered our reliance on conventional grid-based electricity in favour of renewable energy. We also maintained our commitment to sourcing 25% of our remaining grid energy from accredited green power. Altogether, these efforts delivered a total YoY reduction of 90% in Scope 2 emissions. We have continued to purchase carbon credits to offset 100% of our Scope 1 and 2 emissions. In FY25, we purchased 211 tonnes of Australian Carbon Credit Units (“ACCUs”) from Sunnyside Permanent Planting Forest initiative, a project which sequesters carbon

through the protection of forests and the avoidance of logging. Through this project, our investment also supports important environmental and social benefits, including:

- Conservation and restoration of Australian biodiversity, and
- Investment in First Nations-focused land management practices and connection to Country.

In FY25, we reduced our Scope 2 emissions by over 90%

While Scope 2 accounts for only 0.02% of our total emissions profile, the decarbonisation of our directly controlled operations is a meaningful milestone. It brings us significantly closer to achieving net zero emissions across our own operations and allows us to focus on addressing the more complex Scope 3 categories in our value chain.

In FY25, we made further progress in reducing our Scope 3 emissions by continuing the transition of our Temple & Webster delivery service fleet to electric vehicles. This initiative has led to a reduction of 15 tonnes of carbon dioxide equivalent ('tCO₂e') from our Temple & Webster delivery fleet compared with FY24 (3.5% reduction year-on-year).

The transition to electric vehicles supports our broader Scope 3 decarbonisation strategy, which focuses on working closely with logistics partners to reduce transport-related emissions. These emissions are one of the most material Scope 3 categories for our business. As vehicle availability, charging infrastructure and cost efficiency improve, we aim to increase the proportion of electric deliveries across our national network. This initiative demonstrates our commitment to long-term emissions reduction by addressing indirect emissions through operational influence and supplier collaboration.

In FY25, we advanced the integration of climate-related risks into our enterprise risk management framework, recognising the growing expectations from regulators, investors and other stakeholders for credible and useful climate disclosures. As part of this process, we engaged a sustainability consultant to assist in identifying, assessing and prioritising climate-related risks and opportunities relevant to our operations and value chain.

These risks were evaluated using a structured scoring methodology that considered both the likelihood of occurrence and the severity of potential impacts, including financial cost, operational disruption, reputational damage and regulatory exposure. Risks were assessed across multiple time horizons and mapped against physical and transition risk categories in alignment with the recommendations of the Task Force on Climate-related Financial Disclosures ('TCFD'). This approach enabled us to prioritise the most material climate risks and opportunities and ensure they are reflected in our enterprise risk register.

The outcomes of this work have directly informed our strategic planning and supported the integration of climate considerations into procurement decisions, capital allocation processes, and the development of future scenario analysis. These efforts are foundational in preparing for compliance with mandatory climate-related financial disclosures under the AASB S2 standard.

In parallel, we undertook a gap assessment of our existing climate-related governance, strategy, risk management, and metrics and targets against the disclosure requirements set out in AASB S2. This review, led by an external advisory firm, is guiding a company-wide uplift in capability to ensure we address all material gaps ahead of our first reporting period under AASB S2. In response to the findings, we are implementing a structured roadmap to strengthen alignment across key areas including governance documentation, scenario analysis and climate-related performance metrics. A cross-functional working group, reporting to the ARC, will be responsible for overseeing this uplift, with targeted improvements scheduled for delivery throughout FY26.

This program supports our broader objective to embed climate risk into business planning processes as a core strategic input, rather than approaching it as a standalone compliance exercise.

Governance of climate-related risks and opportunities is overseen by the ARC, with implementation responsibility shared across senior leaders in sustainability, operations, marketing, sourcing, data and analytics, and finance. These coordinated efforts are central to strengthening the integrity of our climate-related disclosures and building the foundations for a credible, long-term decarbonisation strategy.

CARING FOR THE PLANET: FY25 HIGHLIGHTS

Initiative	Description
Installed rooftop solar	Commissioned solar panels at our head office to reduce reliance on grid electricity, procure renewable energy and lower Scope 2 emissions.
Fleet transition to electric vehicles	Continued the phased transition of our leased delivery vehicle fleet to electric vehicles.
Carbon offset purchases	Purchased ACCUs to offset residual Scope 1 and 2 emissions, supporting verified local emissions reduction projects.
Defined carbon reporting boundaries	Established and documented the organisational and operational boundaries for our carbon footprint, aligning with the GHG Protocol.
Improved data quality	Shifted toward activity-based data capture for emissions hotspots to strengthen the accuracy of Scope 3 emissions estimates.
Climate-related risk and opportunity assessment	Identified, evaluated, and documented climate risks and opportunities in alignment with AASB S2 requirements. This work will inform future reporting and risk management integration.

WHAT'S NEXT

- Complete the transition to activity-based emissions data** across priority Scope 3 categories to support improved emissions accuracy, future science-based target setting, and a data-driven decarbonisation roadmap.

Develop a formal emissions reduction pathway for Scope 1, 2 and high-impact Scope 3 categories, including near-term targets and timelines based on the GHG Protocol and internal baseline data.

 - Explore opportunities to expand renewable energy adoption** across owned and third-party facilities by engaging with logistics and warehousing partners that offer on-site or procured renewable energy solutions.
- Further integrate climate-related risks and opportunities into business strategy** by embedding scenario analysis and transition risk planning into capital allocation, procurement, and broader corporate planning processes.
 - Progress alignment with AASB S2 climate disclosure requirements** including quantification of risks, development of transition plans, and uplift of governance, metrics and controls across key climate-related disclosures.

Gross emissions⁸

Temple & Webster GHG emissions (t CO ₂ e)	FY23	FY24	FY25	Year-on-year change
Scope 1	0.05	0.06	0.14	133%
Scope 2	255.79	210.49	19.05	(91%)
Scope 3*	27,759.05	31,492.52	28,309.18	(10%)
Total GHG emissions	28,014.89	31,703.07	28,328.37	(11%)

* Excludes emissions associated with product manufacturing, use of sold products, end-of-life treatment of sold products, and investments due to data availability and system limitations. Our intention is to progressively expand our reporting boundary to include these categories over time as we prepare for compliance with AASB S2 requirement.

Emissions intensity⁸

Carbon Intensity	FY23	FY24	FY25	Year-on-year change
Tonnes carbon dioxide equivalent (t CO ₂ e)	28,014.89	31,703.07	28,328.37	(11%)
Revenue (\$'000)	\$395,513	\$497,841	\$600,719	21%
Carbon intensity (t CO₂e/revenue)	0.00007083	0.00006368	0.00004716	(26%)



8. Scope 1 and 2 emissions have been calculated using the methodology and emission factors presented by the Australian Government's Australian National Greenhouse Accounts ('NGA') Factors. Scope 3 emissions have been calculated using a variety of sources, with methodologies following the guidance of the GHG Protocol Corporate Value Chain (Scope 3) Standard. No external assurance was provided for our FY25 GHG emissions data.

Sustainable products and materials

As a leading retailer of furniture and homewares, the materials we choose and the way we design our products have a significant impact on the environment. Our customers and stakeholders increasingly expect us to reduce this impact by sourcing responsibly, designing for longevity, and using lower-impact materials. Responsible material sourcing is a key part of our sustainability strategy, contributing to reduced deforestation, improved biodiversity outcomes and reduced emissions throughout the value chain. It is also closely linked to several of our double material topics, including circularity and waste, climate, responsible sourcing, and protecting nature.

We are focused on reducing the environmental impact of our products across their lifecycle, from material selection through to design, use, and end-of-life. Our private label range gives us greater control over material choices and sourcing practices, enabling us to embed sustainability principles early in the product development process.

In FY25, we launched our Timber Policy, which sets out a clear and measurable transition plan towards 100% responsibly sourced solid wood in our private label range by 2030. This commitment supports our broader goal of improving traceability, reducing deforestation risks, and ensuring alignment with stakeholder expectations on responsible sourcing and biodiversity protection. Our approach prioritises product categories that contain the highest volume of solid wood by proportion of finished goods. In FY25, our focus was on using certified solid wood in our outdoor furniture range, primarily as it consists largely of solid wood products.

In parallel, we continued to expand the use of certified lower-impact materials across other high-volume product categories. This includes increased adoption of CertiPUR-US® certified foams, which are rigorously tested to be made without formaldehyde, heavy metals, ozone depleters, and other harmful substances. These foams also meet strict standards for indoor air quality and emissions, improving safety and wellbeing for both our customers and manufacturing partners. Compared to conventional polyurethane foams, CertiPUR-US® certified alternatives contribute to better environmental outcomes by limiting the use of volatile organic compounds ('VOCs').

To reduce material use, improve durability and simplify disassembly, we continued refining our design specifications across key flat-pack product lines. These factors are central to extending the lifespan of our private label products, helping to keep them in use for longer and out of landfill, while maintaining a compelling value



proposition for customers. Striking this balance between commercial outcomes and sustainability objectives is essential for delivering long-term value to all stakeholders.

In FY25, our Industrial Design team developed a sample buffet unit featuring a new tool-less assembly system. This system was designed to support ease of assembly, simplify components to improve manufacturing and material efficiency, and maintain or improve product durability. Pending final assessments, we plan to expand the use of this assembly method across select product categories with high order volumes – including bedside tables, chests of drawers, and TV units. These items are targeted for launch on our website in FY26. While an earlier trial using a best-selling private label product revealed the design was not compatible with the tool-less system, this provided valuable insights into the technical constraints and highlighted opportunities to better align future design specifications with technologies that support sustainability and circularity. These learnings will inform how we evolve product development to integrate sustainable features without compromising quality or performance.



To strengthen our understanding of material impacts and improve our reporting capabilities, we commenced development of a materials dashboard in FY25. This tool is designed to capture and analyse the types and volumes of raw materials such as timber, cotton and steel used across our product range. Once implemented, the dashboard will enable us to quantify the proportion of our range by material type, providing a clearer view of our material footprint. This insight will improve our ability to set evidence-based certification targets, monitor progress and report transparently under disclosure standards such as GRI 301-1. Over time, this capability will also support our broader sustainability strategy by informing circular design initiatives and identifying opportunities to reduce material-related emissions across the product lifecycle.

We recognise that driving meaningful innovation in sustainable product design requires collaboration and diverse perspectives. In FY25, we partnered with the University of New South Wales ('UNSW') Design School to explore how flat pack furniture could be reimaged to improve quality, enhance durability and shift the perception that flat pack is inherently disposable or low quality. Through this partnership, we worked directly with the next generation of designers to tackle real-world sustainability

challenges, providing them with a practical brief and the opportunity to apply systems thinking to product development.

The students applied the Okala design framework⁹ to evaluate their concepts across key impact areas such as materials selection, manufacturing innovation, product longevity, and end-of-life outcomes. This approach not only promoted innovative thinking but also reinforced the importance of balancing environmental performance with functionality, user experience and commercial viability. Collaborating in this way has helped us surface fresh ideas while strengthening our internal knowledge of emerging design principles.

Together, these initiatives reflect our commitment to reducing the environmental impact of our products at every stage of their lifecycle. By combining responsible material choices, thoughtful design and cross-sector collaboration, we are building the foundations for a more sustainable and circular product range. As our capabilities mature, we will continue to embed these practices across our private label range, ensuring our sustainability ambitions are realised in ways that are measurable, commercially viable, and aligned with stakeholder expectations.

9. The Okala Design Framework is a lifecycle-based methodology developed to guide sustainable product development. It helps designers evaluate environmental impacts across a product's entire lifecycle - from raw material extraction through to end-of-life - using principles such as design for durability, ease of disassembly, recyclability, and reduced resource intensity. The framework supports decision making that balances environmental performance with functionality and user needs, and is commonly used in academic and industry settings to advance circular and low-impact design.

SUSTAINABLE PRODUCTS AND MATERIALS: FY25 HIGHLIGHTS

Initiative	Description
UNSW Design School partnership	Collaborated with UNSW Design School to explore new approaches to sustainable product development. Students applied the Okala design framework to develop concepts focused on durability, material impact and end-of-life outcomes, helping us identify innovative ideas to develop sustainable products which are aligned with commercial needs.
Responsible certification of outdoor furniture	Validated 77% responsible wood certification for our private label outdoor furniture range containing solid wood. This category was prioritised due to its high solid wood content. We are targeting 100% certification in this category by FY26 to reduce deforestation risks and improve traceability.
Timber Policy launch	Launched our Timber Policy, setting out a roadmap to achieve 100% responsibly sourced solid wood in our private label range by 2030. The policy includes supplier expectations, certification pathways, and prioritisation of high-volume categories.
Materials dashboard development	Commenced development of a materials dashboard to track raw material inputs (e.g. timber, cotton, steel) by volume across our range. This tool will support target setting, GRI 301-1 reporting, and broader circularity and decarbonisation strategies.
Tool-less assembly system trial	Developed a buffet sample using a tool-less assembly system to improve ease of assembly, simplify components, and enhance durability. Pending results, we aim to expand to additional high-volume categories in FY26.
Expansion of certified foams	Increased use of CertiPUR-US® certified foams across our range. These foams are lower-impact alternatives and contribute to better indoor air quality.

WHAT'S NEXT

- **Progress toward our 2030 timber certification target** for our private label range and begin exploring certification pathways across additional solid wood categories with high material volumes.
- **Expand the scope of our responsible materials framework** to include textiles, finishes, and packaging components, building on the foundations established in timber sourcing.
- **Improve data capture and reporting capability** by refining internal systems that track material inputs at the product level, supporting more accurate measurement, lifecycle assessment and target setting.
- **Deepen supplier engagement on sustainable sourcing practices** by continuing to implement our Timber Policy, sharing technical guidance, and supporting suppliers through capability-building efforts.
- **Advance circular design initiatives** by piloting modular or repairable product formats to assess market uptake.
- **Trial an end-of-life solution for a new product category** with the aim of reducing landfill and improving resource recovery through strategic partnerships and customer engagement.

Responsible and sustainable packaging

Packaging is essential to ensuring our products arrive safely to customers; but it also contributes to environmental challenges, including resource consumption, waste to landfill, and difficulties in recycling at end-of-life. As a pure-play online furniture and homewares retailer, we recognise that packaging is a key part of our environmental footprint, particularly given the need for protective materials across bulky and fragile goods. Responsible packaging is a material issue under our ‘Caring for the planet’ pillar, reflecting the growing expectations of our customers, regulators and the broader community to reduce waste and increase recyclability. In line with these expectations, we are working to reduce the environmental impact of our packaging by improving design, increasing recycled content, and improving recyclability – thus supporting broader circular economy outcomes.

This section outlines the progress we made in FY25 and the steps we are taking to strengthen performance and accountability in this area.

As an APCO signatory, we are committed to eliminating unnecessary single-use plastics from our packaging, with a particular focus on expanded plastics such as expanded polystyrene (‘EPS’), polyethylene (‘EPE’), polypropylene (‘EPP’), and ethylene-vinyl acetate (‘EVA’). EPS foam has traditionally been the most commonly used expanded plastic in our private label packaging due to its lightweight, shock-absorbing properties, especially for bulky or fragile products. In FY24, EPS accounted for approximately 66 tonnes of the packaging material we placed on the market.



Environmental, social and governance statement

continued

Throughout FY25, we worked closely with our private label suppliers to reduce reliance on EPS by trialling and implementing more recyclable alternatives, including cardboard and honeycomb board. These changes led to a reduction of approximately 6 tonnes of EPS packaging placed on the market compared with the previous year, a 10% reduction year on year. To ensure that packaging changes did not compromise product integrity, we conducted drop testing on all products before EPS foam was replaced. This helped confirm whether alternative materials were fit for purpose and able to protect products during handling and transit. For products where EPS could not be removed, such as ceramic sinks and mirrors that are especially large or fragile, we continued to test where feasible. In some cases, the fragility or size of the item limited the ability to test alternatives; and EPS was retained to ensure adequate protection, customer safety, and to avoid the product ending up in landfill.

While EPS remains necessary in a small portion of our range to prevent damage during transit, our approach prioritises removal wherever feasible. We continue to explore and test innovative packaging solutions to ensure any remaining use of EPS is limited, justified, and supported by quality assurance controls. This initiative supports our broader packaging strategy, contributes to waste minimisation goals, and aligns with circular economy principles by increasing recyclability and reducing reliance on virgin plastics.

In parallel, we assessed the potential to remove EPE sheets, which are commonly used across our range to prevent surface scratching and abrasion during shipping. Working in partnership with our suppliers, we trialled a range of alternative materials, including paper and softer plastics. However, these options often proved insufficient. Paper did not provide adequate protection against scuffing, especially in flat-packed items with multiple components; and other plastic alternatives failed to prevent internal rubbing between parts during transit. These limitations resulted in a higher risk of cosmetic damage and potential customer dissatisfaction. While we were unable to fully phase out EPE during FY25, we remain committed to finding suitable alternatives. This work will continue into FY26 and beyond, with a focus on collaborating with suppliers to identify and test materials that meet both our sustainability and performance standards.

We recognise that improving the recyclability of our packaging is only one part of our broader responsibility to reduce environmental impact. To establish a truly circular packaging model, it is also critical that we increase the use of recycled content in our packaging materials. This approach supports the development of domestic recycling infrastructure, strengthens demand for post-

consumer recycled materials, and helps to divert valuable resources from landfill. It also aligns with investor and regulatory expectations for businesses to demonstrate measurable actions that promote circularity and resource efficiency.

In FY25, we worked closely with our supplier of branded delivery satchels to improve the recycled content in these materials. Previously made from 80% post-consumer recycled plastic and certified under the Global Recycled Standard ('GRS'), the satchels were redesigned to incorporate 95% post-consumer recycled content. This improvement was achieved without compromising packaging performance or product protection during transit. Although delivery satchels represent less than 1% of our branded packaging volume by weight, this initiative demonstrates the feasibility of adopting near-fully-recycled content in certain packaging types.

We view this progress as an important step towards aligning more of our range with sustainable packaging principles, such as those outlined in APCO's Sustainable Packaging Guidelines. It also provides evidence for future supplier collaboration, reinforcing that sustainable packaging choices can be achieved without trade-offs in quality or customer experience. We will continue to explore similar opportunities across other packaging types, working to expand the use of recycled content and reduce our reliance on virgin materials.

In preparation for potential packaging regulation reforms, we have worked closely with suppliers to map the types of packaging materials used across our product catalogue at an item level. This work is helping us identify opportunities to improve recyclability, reduce material use, and increase the proportion of recycled content in our packaging. Our long-term goal is for 100% of our packaging to be recyclable through kerbside collection systems, supporting a transition to a more circular model.

This data is also helping us identify products that may be affected by EPR regulations in future, particularly those that use materials classified as hard to recycle. By proactively addressing these risks, we are not only mitigating potential cost impacts associated with future EPR levies but also accelerating the reduction of unnecessary packaging and the adoption of more recyclable alternatives. This approach enables us to maintain affordability for customers while advancing our broader packaging sustainability objectives.

While we acknowledge that regulatory changes may increase the cost of goods sold, we fully support reforms that encourage better environmental outcomes across the board. We remain focused on preparing early to reduce potential impacts and ensure a smooth transition for all stakeholders.

Responsibility for delivering our sustainable packaging strategy sits collectively with our Sustainability, Buying, Category Management and Quality teams, who work closely with private label manufacturers and dropship suppliers to implement improvements. This cross-functional approach ensures that sustainability considerations are embedded into packaging design and procurement decisions, while also supporting supplier alignment with our long-term goals for circularity, compliance and waste reduction.

As we continue to scale our operations, we remain focused on reducing the environmental impact of our packaging through better design, responsible material choices, and improved supplier collaboration. Our efforts are grounded in a commitment to circular economy principles and shaped by evolving customer, investor and regulatory expectations. By embedding sustainable packaging practices across our value chain, we aim to minimise waste, improve recyclability, and support sustainable material markets as we grow.

RESPONSIBLE AND SUSTAINABLE PACKAGING: FY25 HIGHLIGHTS

Initiative	Description
Phased out expanded plastic packaging material	Removed or replaced EPS foam in favour of more recyclable or lower-impact alternatives (such as honeycomb cardboard, paper and plastic bubble wrap). This saw an approximate reduction in 6 tonnes of EPS packaging compared with the previous year.
Increased recycled content in our branded delivery satchels	Branded delivery satchels are now made from 80% to 95% post-consumer recycled content, reducing the demand for virgin plastic and aligning with circularity principles.
Prepared for potential EPR requirements	Commenced catalogue-wide packaging data capture, enabling visibility of material types and volumes used across all SKUs. This is a foundational step in preparing for potential EPR reporting obligations and supports more informed packaging decisions in future.

WHAT'S NEXT

- Expand the phase-out of non-recyclable packaging materials** by identifying additional product lines where alternatives such as cardboard, honeycomb board or recycled content can be used without compromising product protection or commercial requirements.

 - Update packaging design guidelines for suppliers** to embed sustainability principles early in the development process and promote the use of recyclable, low-impact materials across both private label and dropship ranges, whilst offsetting potential impacts associated with EPR compliance.
- Establish medium-term packaging targets** to support continuous improvement, with a focus on increasing recyclability, reducing material use, and boosting the percentage of recycled content used in the packaging across our range.
 - Ensure operational readiness for EPR regulations** by finalising material data capture, packaging classification processes and compliance systems across impacted jurisdictions.

Supporting our people and communities

Diversity, equity and inclusion

At Temple & Webster, we are committed to providing a workplace where everyone feels respected, valued and able to thrive. DEI has always been integral to our culture and long-term success, helping us attract and retain talent, better understand our customers, and drive innovation across the business. We aim to cultivate a workplace where individuality is celebrated, a variety of perspectives are embraced, and people feel connected through a shared sense of purpose and belonging.

Diversity, equity and inclusion have been part of our philosophy since day one. As a values-led organisation, we have always known that creating a workplace where people feel respected, safe and supported in their individuality is fundamental to our success. DEI is embedded in how we work, how we lead, how we support and how we grow together as a team.

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

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

In FY25, we continued to advance initiatives that promote employee wellbeing, support inclusive hiring practices, and foster a culture of continuous learning. These actions reflect our ethos to create a safe, inclusive and engaging workplace that enables our people to thrive.

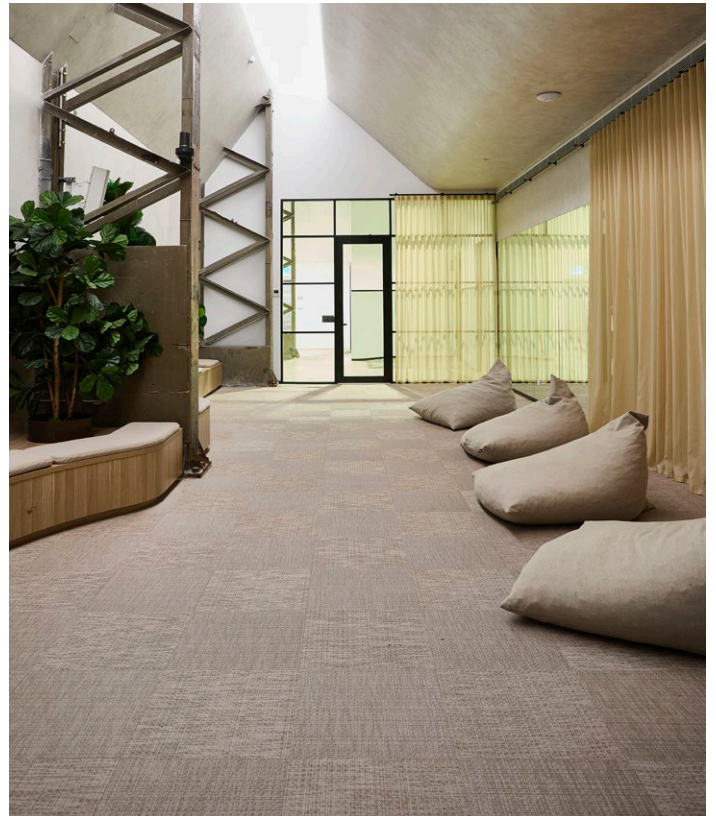
We continue to focus on the actions and targets outlined in our Gender Equality Strategy, and have made some pleasing progress. In the FY23/FY24 reporting period, we recorded a 4.6% reduction in our median gender pay gap, and continue to focus on ways in which we can reduce our gender pay gap over time.

To support mental health and wellbeing, we continue to offer guided mindfulness sessions during office days, now three times daily in our on-site wellness space. These sessions provide our team with structured opportunities to pause, reset and learn to manage stress throughout the workday, and in addition we pay for mindfulness apps for all employees to be used at a time that works for them. Regular mindfulness practice has been shown to reduce symptoms of anxiety and depression, improve focus and emotional regulation, and enhance overall wellbeing. Studies have also demonstrated a positive link between mindfulness at work and improved job satisfaction, resilience and interpersonal relationships. By embedding these sessions into our daily routine, we aim to foster a more focused, emotionally healthy and productive working environment that supports both individual and organisational performance.



Fostering a supportive and inclusive culture also means creating shared experiences that bring people together, such as providing catered lunches three days per week for all Sydney-based team members. In FY25, we transitioned to using onsite caterers who prepare meals in our commercial kitchen. This shift has reduced the amount of packaging waste generated through external catering and placed a greater focus on healthy team nourishment. By providing shared meals in a communal setting, we have created more opportunities for informal connection, cross-functional interaction, and a stronger sense of community within the workplace. These moments of connection contribute to a more engaged and inclusive team culture.

As part of our inclusive recruitment efforts, we began advertising all job opportunities on Indigenous Employment Australia, a national job board that connects employers with Aboriginal and Torres Strait Islander job seekers. This platform supports more equitable access to employment by increasing visibility of our roles within Indigenous communities and helping to ensure our recruitment processes are open and inclusive of First Nations peoples. This initiative supports our goal of broadening access to employment and ensuring that our recruitment practices are inclusive, transparent and equitable. By actively engaging platforms that reach under-represented communities, we aim to remove



systemic barriers to employment and promote greater diversity within our applicant pool. Our intention is to build a workforce that reflects the diverse backgrounds, perspectives and experiences of the communities in which we operate. We recognise that attracting talent from a broad range of cultural and social backgrounds contributes to a more inclusive and innovative workplace, while helping to advance equity and representation across all levels of our business.

Supporting the growth and development of our people is fundamental to building a resilient and future-ready workforce. As the pace of technological and organisational change accelerates, continuous learning has become critical to ensuring our team remains agile, engaged and empowered to deliver value in a digital-first environment. By investing in upskilling, we are not only strengthening our organisational capabilities but also enabling individuals to develop the confidence and resilience needed to grow their careers over the long-term.

Environmental, social and governance statement
continued

In FY25, we continued to strengthen our focus on learning and development by introducing a number of targeted initiatives across the business. These include the roll-out of:

- **T&W Capability Framework** — introduced a new company-wide capability framework that defines the core capabilities required across all roles and maps these to structured learning pathways. The framework prioritises future-focused skills, including artificial intelligence, eCommerce and retail, critical thinking and problem-solving, along with emotional intelligence.
- **Learning sprints** — delivered targeted Learning Sprints on emerging technologies, including practical guidance on how to apply AI in daily work. These sessions helped build digital literacy, adaptability and curiosity across teams.
- **Unconscious bias training** — rolled out mandatory unconscious bias training to all employees to deepen awareness and foster more inclusive behaviours across the organisation.
- **Peer mentoring** — launched a new peer mentoring program to support leadership development, cross-functional learning and knowledge sharing.

Looking ahead, in FY26 we will be launching a formal skill development program aligned to our capability framework, called the T&W University, which aims to support long-term career growth for our employees. All employees will have career development plans linked to our capability framework, enabling clearer pathways for progression and more tailored learning experiences. By providing structured opportunities for growth and upskilling, the framework plays an important role in supporting employee engagement and retention, helping our people see a future with us while ensuring the organisation is equipped to meet evolving business needs.

As part of our ongoing commitment to DEI, we continued to acknowledge and celebrate a wide range of days of significance through events that promote awareness, education and cultural appreciation, including:

- **International Women’s Day** — we held a week of educational sessions covering topics such as women’s superannuation, optimising women’s health, and understanding Temple & Webster’s strategy to close the gender pay gap. As part of the week, four team members were selected to attend the ‘Where Women Lead, Change Happens’ lunch at Doltone House, celebrating female leadership and fostering inspiration across the team.
- **Wear it Purple Day** — we celebrated and raised awareness for young people in the LGBTQ+ community and hosted drag trivia for all employees.
- **Eid celebration** — to celebrate the end of the month of Ramadan, we catered lunches of middle eastern cuisine for our employees to enjoy and share. Personal stories and insights were also shared across our company-wide communications channels.

SUPPORTING OUR PEOPLE AND COMMUNITIES: FY25 PROGRESS

Initiative	Description
Company-wide learning and development initiatives	Launched a new capability framework, tailored learning sprints, a peer mentoring program, and mandatory unconscious bias training to support inclusive leadership and future-focused skill development.
Expanded inclusive recruitment practices	Commenced listing all job opportunities on Indigenous Employment Australia to improve access for Aboriginal and Torres Strait Islander job seekers and reduce systemic barriers to employment.
Enhanced wellbeing and workplace inclusion	Offered daily mindfulness sessions and communal in-office meals, promoting both mental health and team connection. On-site catering also helped reduce packaging waste, aligning with broader environmental goals.
Strengthened cultural awareness and team engagement	Celebrated days of significance, including International Women’s Day, Wear It Purple Day, Eid, Lunar New Year and Diwali – fostering shared understanding and belonging.

WHAT’S NEXT

- Launch T&W University**, a formal learning and development program aligned with our capability framework, providing employees with structured career growth opportunities and supporting organisational capability.

Implement career development plans for all employees, with learning pathways linked to the capability framework to support internal mobility, leadership readiness and long-term retention.
- **Expand inclusive hiring practices** by continuing to refine outreach strategies and broaden sourcing channels to attract talent from under-represented groups.
 - **Further embed inclusive behaviours into daily work** by enhancing leadership accountability, refining policy communications, and continuing DEI-focused training across all levels.
 - **Neurodiversity education** for all employees, including targeted sessions for managers, leaders and People & Culture/DEI teams.

Community engagement and partnerships

Guided by our vision to make the world more beautiful, one room at a time, we are committed to supporting communities through meaningful partnerships and contributions that create impact beyond our core business. Community investment is embedded within our organisational strategy, led by our Chief of Staff, and is a natural extension of our values as an online furniture and homewares retailer. We focus our efforts on supporting underrepresented groups, mental health, and safe housing, recognising that the spaces people live and work in have an important influence on healing, recovery, wellbeing and belonging.

In FY25, we continued our long-standing partnerships with Women's Community Shelters ('WCS') and the Black Dog Institute ('BDI'), alongside providing support to several other organisations through the donation of furniture, homewares, delivery services and styling.

Our partnership with WCS, established in 2018, plays a central role in our community impact program. In FY25, our support included:

- A \$25,000 cash donation to help fund WCS operations and services.
- Full furnishing, styling and delivery of 20 bedrooms and communal areas at Tingira House, a meanwhile-use facility supporting homeless women aged 55+.
- Contributions to Allawah House and Beecroft House, both transitional facilities for women aged 55+, including furnishing, delivery, and styling services.
- Furniture, homewares and delivery provided to WCS properties Guildford House and The Haven, along with 10 x \$500 gift vouchers to help women get started when transitioning out of the shelters.
- Donation of styling services and a gift voucher for the WCS raffle.

Since the beginning of our partnership with WCS, more than 820 women have stayed in a Temple & Webster-furnished shelter, providing over 110,600 nights of beautiful safety and support

In partnership with the Black Dog Institute, we continued our support by enhancing therapeutic environments, donating:

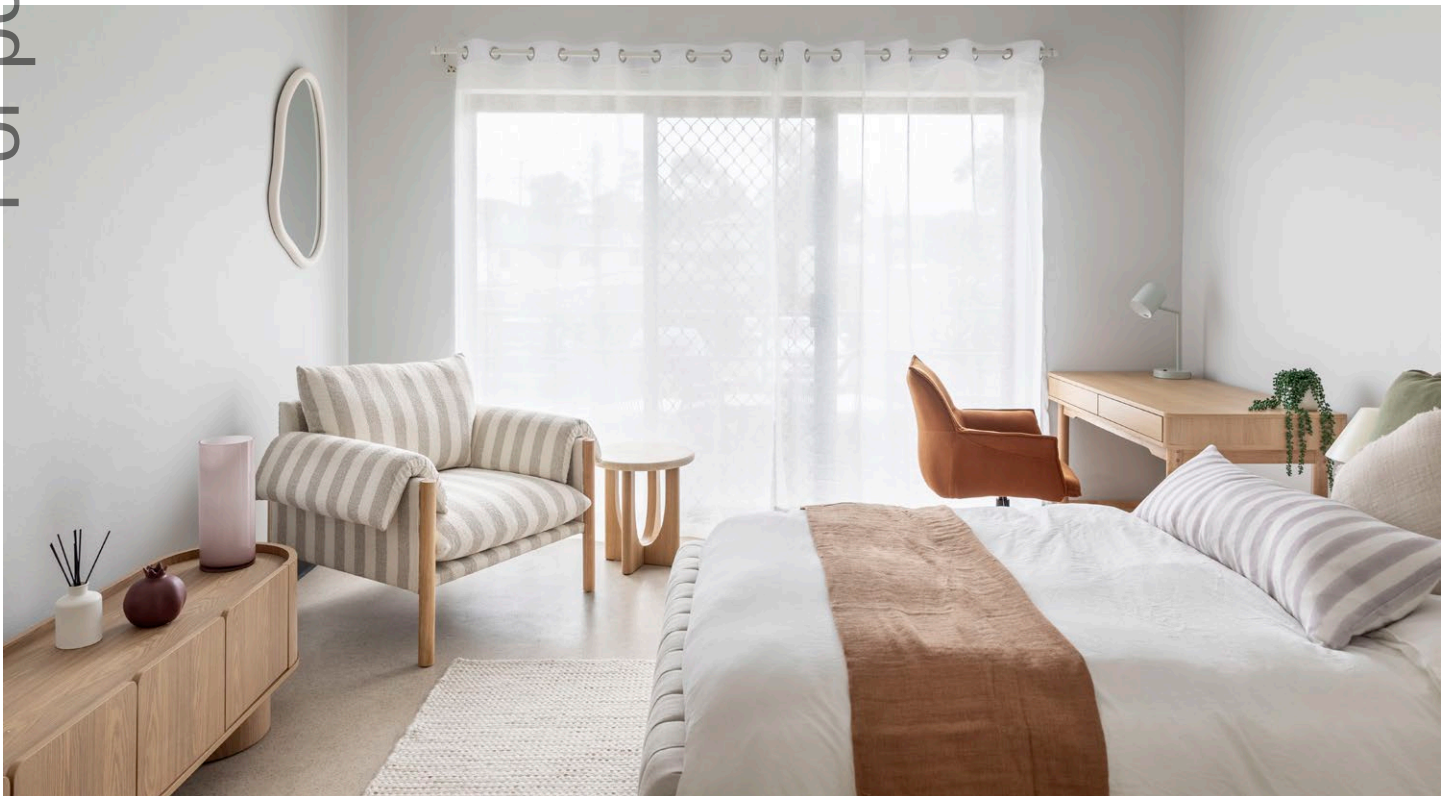
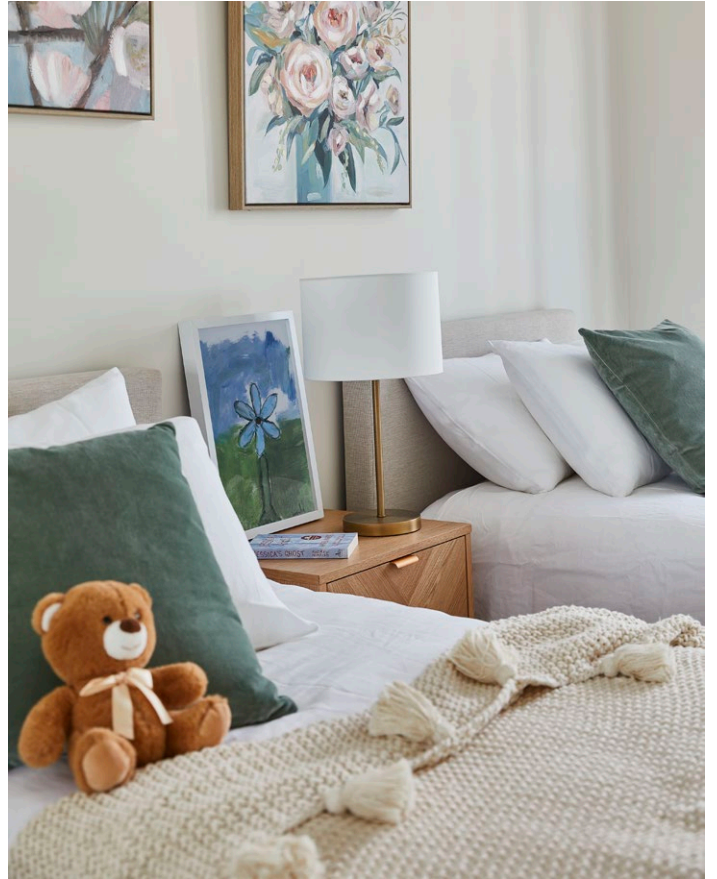
- Furniture, homewares, and styling of two clinic rooms.
- 24 ergonomic office chairs and additional seating to support their employee comfort and daily operations.

We also contributed to a wide range of community-based organisations by donating furniture, homewares, delivery, and styling where required. These included:

- Sheltered by Grace
- Head Start Homes
- Lomandra School
- Jabani Jinna Indigenous Corporation
- Zig Zag Young Women's Resource Centre Inc.
- The Lillian Howell Project
- RSPCA
- Platform Youth Services, where we fully furnished and styled a six-bedroom house to create a safe and welcoming home for homeless youth dedicated to completing their education
- ReLove

In FY25, we donated over \$450,000 in cash, products and services to charity partners

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



Being a good corporate citizen

Safeguarding customer trust: data privacy and cybersecurity

Protecting the privacy and security of customer and employee data is central to maintaining trust and upholding our responsibilities as a digital-first business. As a company operating entirely online, data protection is not just a compliance obligation, but a critical component of our operational resilience and governance framework. We remain committed to meeting all applicable legal requirements, including the *Privacy Act 1988* (Cth) and the Notifiable Data Breaches scheme, while continuously strengthening our cybersecurity posture in response to an evolving risk landscape.

The frequency and scale of cyberattacks across Australia highlight the need for sustained vigilance and proactive investment in information security. Cybersecurity is overseen by the Board as a matter of strategic importance and organisational risk. Operational governance is led by our Information Security Management System ('ISMS') Committee, chaired by our Information Security Officer, which is responsible for managing risk controls, incident response, and continuous improvement across our technology environment. For matters related to the Privacy Act and broader data governance, our Data and Privacy Committee, chaired by the Head of Legal, plays a central role in coordinating and implementing our information security roadmap. Both committees meet monthly, whilst the Data and Privacy committee includes senior leaders from technology, marketing and customer experience to ensure a cross-functional approach to managing data protection risks, monitoring threat landscapes, and advancing our cybersecurity capabilities.

FY25 was a defining year for the maturity of our cybersecurity approach. In March 2025, we achieved ISO 27001:2022 certification, a globally recognised standard for information security management. This certification reflects the strength and resilience of our ISMS and affirms that our controls and practices meet international best-practice standards for safeguarding sensitive data.

The certification followed a multi-year, organisation-wide implementation effort that involved the adoption of all 93 Annex A controls under the ISO 27001:2022 framework. This comprehensive scope demonstrates our commitment to embedding robust information security practices across people, processes and technology. It also reinforces our ability to manage and mitigate risk in a rapidly evolving digital landscape, while maintaining the trust of our customers, team members and business partners.

As part of our broader commitment to protecting stakeholder data and strengthening digital resilience, we implemented a company-wide cybersecurity program focused on proactive threat detection and response. Key enhancements included strengthening our IAM systems, advancing our SIEM capabilities, and expanding monitoring controls in alignment with ISO 27001:2022 standards.

These technical uplifts were underpinned by regular mapping of cyber risks against our control environment, ongoing vulnerability assessments, and expanded training to embed secure behaviours across the workforce. Together, these efforts support a more mature, responsive and prevention-oriented cybersecurity posture that aligns with our operational priorities and stakeholder expectations.

Throughout FY25, we actively monitored cyber risks across key categories, enabling timely responses and supporting a reduction in cyber-related incidents. We are pleased to report that no notifiable data breaches or reportable security incidents occurred during the reporting period. This outcome reflects the strength of our controls, the vigilance of our teams, and our commitment to maintaining the trust of our stakeholders.

As we continue to navigate an increasingly complex digital landscape, we remain focused on evolving our cybersecurity practices to safeguard sensitive information and uphold our responsibilities as a trusted online business.

BEING A GOOD CORPORATE CITIZEN: FY25 PROGRESS

Initiative	Description
Achieved ISO 27001:2022 certification	Completed audit and certification to the ISO 27001:2022 standard, validating our ISMS against international best practice and reinforcing our commitment to robust data protection across operations.
Company-wide cybersecurity uplift program	Gained improvements in IAM, SIEM and proactive threat monitoring in alignment with ISO standards.
Strengthened governance and cross-functional oversight	Continued monthly meetings of the Data and Privacy Committee, chaired by the Head of Legal and including executive leaders from technology, customer experience and marketing.
Cyber risk mapping	Mapped cyber risks against our control environment to improve detection and response capabilities, supported by vulnerability testing and security awareness initiatives across the workforce.
Operational resilience	Maintained strong operational resilience, with no reportable security incidents or notifiable data breaches during the reporting period, reflecting the effectiveness of our controls and vigilance across the organisation.

WHAT'S NEXT

- Continue to evolve our cybersecurity strategy** to respond to emerging risks, with a focus on integrating threat intelligence and adaptive risk mitigation measures into our operating model.

Advance workforce capability and awareness by continuing to embed cybersecurity responsibilities across functions and expanding training tailored to evolving risks and role-based vulnerabilities.

 - Strengthen incident response planning** including tabletop exercises, escalation pathways, and improved communication protocols to support business continuity in the event of a breach.
- Enhance data governance and privacy practices** by reviewing policies and procedures in line with upcoming reforms to the Privacy Act and increasing transparency in how data is collected, stored and protected.
 - Align internal metrics with external ESG and regulatory reporting expectations**, improving the quality of cybersecurity disclosures in future ESG and sustainability statements.

Human rights and ethical procurement

As a company with a growing operational footprint and global supply chain, we recognise that the risk of modern slavery may be present within our operations and extended value chain. Preventing and addressing this risk remains a core component of our sustainability strategy and is critical to meeting stakeholder expectations, maintaining trust, and strengthening supply chain resilience. We are committed to partnering with suppliers who share our values and who are willing to work collaboratively to improve human rights and labour practices. To support this, we maintain a structured due diligence system that helps us assess and manage modern slavery risks, monitor supplier performance over time, and identify where additional support or engagement may be required. This enables us to take a targeted, risk-based approach while continuing to drive improvement across the supply chain.

Our approach to managing modern slavery risk is underpinned by strong governance and clearly defined expectations for ethical conduct. This includes our Anti-Slavery Policy and Supplier Code of Conduct, which outline our minimum standards on human rights, labour conditions and ethical sourcing. These policies form the foundation of our supplier engagement and risk management processes, and are regularly reviewed to ensure they remain aligned with regulatory and stakeholder expectations.

Our private label ethical sourcing approach is founded on a system of due diligence. We have established systems which allow us to identify, assess, mitigate and monitor human rights risks in alignment with globally recognised frameworks. It is guided by the UN Guiding Principles on Business and Human Rights and supported by the Organisation for Cooperation and Development ('OECD') Due Diligence Guidance for Responsible Business Conduct. This approach is embedded across our procurement and supplier engagement processes, shaping how we set expectations, manage risk and report transparently.

To support modern slavery risk assessments across our vast supply chain at scale, we have continued to use a third-party risk assessment platform, iPRO, to conduct modern slavery risk assessments across our direct tier-one operations and supply chains. This system enables us to evaluate suppliers against consistent risk indicators and globally recognised benchmarks, generating standardised

scores that support effective prioritisation and action. Using this platform, we assess both operational and product suppliers across key areas including governance, geographic risk, traceability, and labour practices. The insights generated inform supplier onboarding, engagement, and the development of corrective action plans, ensuring that our due diligence process is both data-driven and responsive to evolving risk.

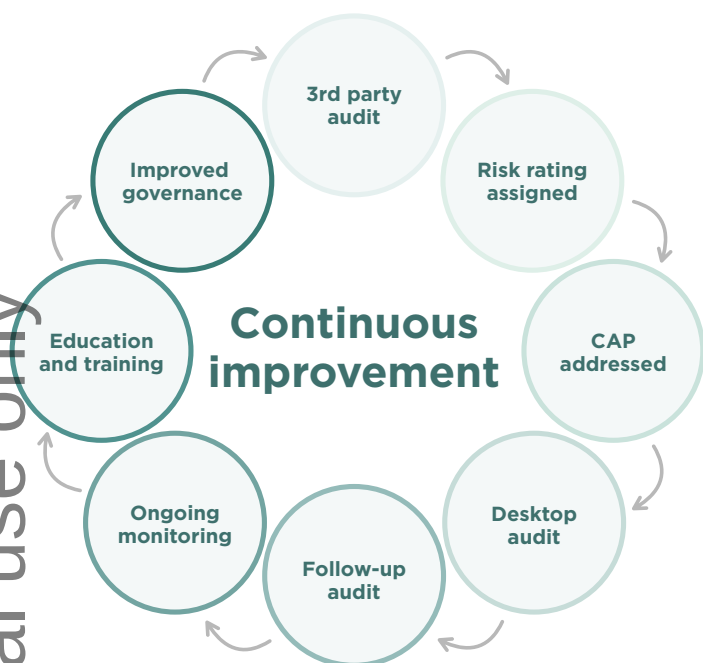
Since 2020, we have assessed the social and ethical compliance of our private label suppliers through third-party factory audits, conducted prior to formal onboarding or purchase order issuance. These audits evaluate suppliers against a broad set of criteria, including working conditions, wages and benefits, freedom of association, health and safety, and indicators of modern slavery risk. Each audit report is reviewed by our Sustainability team to identify any modern slavery-related non-conformances.

For new suppliers, this review takes place before they are set up in our internal systems and before any purchase orders are raised, ensuring that key risks are identified and captured in corrective action plans ('CAPs') from the outset. For existing suppliers, audit frequency is established based on our risk-based audit framework, and is determined by the audit inspection agency and outlined in the final report. Re-audits are scheduled in line with this framework to ensure that performance is continuously monitored and improved over time. Our Buying team actively reviews the risk status of existing suppliers when raising new purchase orders to ensure decisions are made with full visibility of any outstanding corrective actions. This approach enables us to manage risk proactively, while using our commercial leverage to encourage improvements in supplier operations and strengthen accountability in relation to outstanding CAP items.

Where modern slavery risks are identified, we work closely with suppliers to develop and implement CAPs, supported by clear guidance on how to address priority issues. CAPs are tracked internally and reviewed through follow-up checks such as desktop audits, documentation reviews and re-audits. In cases where material issues are not resolved within agreed timeframes, further escalation or alternative sourcing decisions may be considered.

Private label supply chain modern slavery risk management approach

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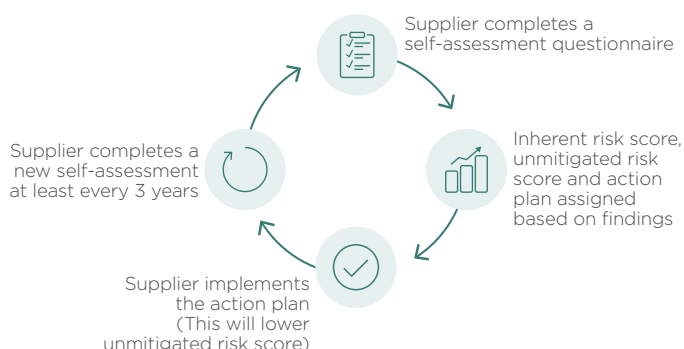
Audit frequency is determined by the supplier's risk profile, which is based on the nature and severity of findings identified in their audit report, particularly where unaddressed risks could cause or contribute to modern slavery. This includes issues such as excessive working hours, insufficient documentation, and recruitment fee practices. Suppliers with higher-risk findings¹⁰ are subject to more frequent re-audits and additional monitoring to ensure corrective actions are implemented and sustained. This targeted approach allows us to direct resources where they are most needed and support improved conditions over time.

In FY24, we strengthened our ability to assess and mitigate modern slavery risks by implementing iPRO, a third-party risk assessment platform built on globally recognised indicators and frameworks¹¹. The platform enables us to evaluate suppliers against a consistent set of risk factors, identify inherent risks, and assign risk scores to support targeted engagement. Based on the results of supplier

self-assessments, iPRO also generates tailored action plans to help suppliers address and mitigate identified risks and improve their overall risk rating over time. By FY25, we had successfully integrated all direct (tier one) suppliers into the platform, including private label manufacturers, operational vendors, and dropship suppliers. This has significantly improved our visibility into supplier risk profiles and enhanced our ability to manage and monitor modern slavery risks across our direct supply base in a standardised approach.

This platform provides us with a centralised and scalable system to assess and benchmark modern slavery risks across our supplier base. It allows us to consistently apply risk criteria, set performance expectations, and support targeted engagement with higher-risk suppliers through tailored action plans and monitoring. The system improves data accuracy by standardising inputs across supplier types and regions, which in turn enhances the reliability of our risk insights. It also enables us to align our internal reporting metrics with external disclosure requirements, including those set out in modern slavery legislation and voluntary ESG frameworks. Over time, this capability strengthens our ability to track changes in supplier risk profiles, measure the effectiveness of mitigation efforts, and report transparently on progress to investors, regulators and other key stakeholders. Looking ahead, we intend to expand the use of this platform to improve transparency beyond direct suppliers, enhancing our oversight of potential risks in deeper tiers of the supply chain and supporting a more mature, data-driven due diligence approach.

iPRO modern slavery supplier risk assessment cycle



10. Under our risk-audit framework, suppliers are assigned a risk rating based on findings from third-party audits. High-risk suppliers are re-audited every 12 months, medium-risk suppliers every 24 months, and low-risk suppliers every 36 months. This schedule ensures that higher-risk suppliers receive more frequent monitoring and support to improve compliance over time.

11. The iPRO Modern Slavery Assessment Framework is based on the global framework developed by the Social Responsibility Alliance, with minor adjustments made under the guidance of Australian modern slavery expert Kate Kennedy AM. The Social Responsibility Alliance's global framework was developed by over 50 experts from industry, academia, legal, consulting and advocacy backgrounds. The framework assesses risk by bringing together research and reports from credible sources such as the International Labour Organisation, International Organisation for Migration, UNICEF, Bureau of International Labor Affairs, and others. The particular sources used change from year to year as new research and reports are released.

Environmental, social and governance statement
continued

In FY25, we focused on strengthening our human rights due diligence program through capability-building, process standardisation, and targeted risk mitigation. These actions were designed to enhance the effectiveness of our modern slavery risk management approach and ensure alignment with our most material areas of exposure.

To build internal capability, we expanded our modern slavery training program to include our offshore team based in the Philippines. This extension helped ensure consistent understanding of key risk indicators, reporting obligations, and the actions we have taken as a business to assess and address modern slavery risks. Equipping team members with the knowledge to identify and respond to potential risks is a critical step in building a more responsive and resilient supply chain.

Throughout the year, we continued to work closely with private label suppliers to implement and monitor CAPs in response to audit findings and risk assessments. As of the

end of FY25, 64% of corrective actions had been reviewed through desktop audits. These follow-ups are important for ensuring that identified issues are being addressed and that risk mitigation efforts are sustained over time.

In parallel, we continued to align our actions with procurement exposure by developing modern slavery mitigation plans for suppliers accounting for more than 80% of our total FY24 spend. This spend-weighted approach ensures that our engagement efforts are concentrated where the potential impact is greatest and where we have the strongest ability to influence outcomes.

Further detail on our due diligence practices, risk assessment outcomes and actions to prevent modern slavery can be found in our annual Modern Slavery Statement, available via <https://modernslaveryregister.gov.au/> (search 'Temple & Webster').

HUMAN RIGHTS AND ETHICAL PROCUREMENT: FY25 PROGRESS

Initiative	Description
Modern slavery training	Broadened organisational training reach by extending modern slavery training to our offshore team in the Philippines.
Standardised risk assessment procedure	Standardised risk assessment across all direct suppliers by integrating private label product suppliers into our third-party due diligence platform. All tier one suppliers are now assessed using a unified methodology, strengthening visibility, comparability and accountability.
Progress against supplier CAPs	Monitored and followed up on supplier CAPs developed in response to risk indicators from audit findings. By year-end, 64% of these actions had been reviewed via desktop audit, contributing to assurance and continuous improvement.
Developed supplier action plans	Focused mitigation and oversight on high-exposure suppliers, providing modern slavery mitigation plans for suppliers representing 80% of FY24 procurement spend. This approach allows us to concentrate resources where we have the greatest potential to drive improvement.

WHAT'S NEXT

- **Expand education and engagement**, particularly for stakeholders engaged in procurement activities.
- **Enhance data analytics capabilities** within our due diligence platform to better track progress, analyse trends, and align internal metrics with evolving disclosure expectations.
- **Embed human rights considerations more deeply into sourcing and procurement decisions** including supplier onboarding, risk escalation procedures and long-term sourcing strategy.
- **Review and refresh core governance documents** including the Anti-Slavery Policy and Remediation Procedure, to ensure alignment with emerging global expectations and strengthen accountability mechanisms.

Business ethics and integrity

Acting with integrity is fundamental to our business. We are committed to maintaining the highest standards of ethical conduct, supported by clear policies, internal accountability mechanisms, and a culture that prioritises doing what is right. Ethical behaviour is embedded across our operations, guiding how we engage with customers, suppliers, colleagues and the broader community.

Our Code of Conduct sets clear expectations for all team members to act honestly, transparently and with respect in every interaction. It outlines our values-led approach to business and reinforces our commitment to compliance, fairness and integrity. The Code applies to all directors, employees and contractors, and is publicly available on our investor relations website.

To help maintain a transparent and accountable workplace, we maintain a robust Whistleblower Policy, which provides a safe and confidential channel for employees, contractors, suppliers and other stakeholders to report concerns about potential misconduct, unethical behaviour, or unlawful activity. Reports can be made to designated internal officers or relevant external authorities such as ASIC or APRA. The policy prohibits retaliation of any kind and ensures that all disclosures are managed with sensitivity and discretion. Our People & Culture team reviews all disclosures and provides quarterly reports to the ARC outlining any material incidents raised under the policy.

Our Anti-Bribery and Corruption Policy further supports ethical conduct across the business by setting clear expectations regarding gifts, benefits and conflicts of interest. The policy explicitly prohibits facilitation payments and outlines a defined approval and record-keeping process through our Gifts and Entertainment Register, where all employees are required to declare any potential conflicts. Breaches of this policy are treated seriously and may result in disciplinary action, including termination of employment or engagement.

Corporate governance

Our governance framework ensures that ethical conduct, transparency and accountability are embedded in decision making at every level of the business. This structure also ensures that sustainability is not treated as a standalone function, but as a core component of responsible business leadership.

Our dedicated Sustainability team is responsible for embedding our ESG priorities across the business. The team drives implementation of our sustainability strategy and works with leaders across key functions to identify risks, monitor performance, and pursue opportunities to improve impact. The Board receives updates on sustainability performance and emerging ESG risks, either directly or through the ARC. In FY25, this governance structure supported the integration of sustainability into our enterprise risk management framework and helped align our ESG strategy with our broader corporate objectives.

The Board is ultimately responsible for the overall stewardship, leadership and governance of the company. It is committed to maintaining high standards of ethical, financial and legislative compliance. Our corporate governance framework is aligned with the ASX Corporate Governance Principles and Recommendations (fourth edition) and is designed to support effective oversight, strategic clarity and long-term resilience. The Board reviews this framework periodically to ensure it remains fit for purpose in an evolving environment.

Our Corporate Governance Statement outlines the company's approach and level of compliance with these principles and has been approved by the Board. This statement, along with further information on our governance policies and Board charters, is available on our investor relations website.

Double materiality and looking ahead to FY26

As we look ahead, the insights gained through our FY25 double materiality assessment will serve as the foundation for a refreshed three-year ESG strategy. This assessment has sharpened our understanding of where our operations create the most significant impacts, and where environmental and social issues are most likely to influence our long-term performance, resilience and stakeholder trust.

In FY26, we will use these findings to update our focus areas, refine our targets, and direct our efforts toward the issues that matter most to our stakeholders and our business. This work will support the development of a renewed ESG framework, roadmap and targets, which we will publish in our FY26 ESG Statement for transparency and accountability.

Our updated strategy will be designed to align with evolving global and domestic standards, including the GRI Standards, the AASB sustainability disclosure requirements, and the Modern Slavery Act. It will also guide how we manage risk, inform procurement and supply chain decisions, support innovation, and create value over the long-term.

We remain committed to clear, measurable progress – and to working in partnership with our stakeholders to ensure our sustainability actions reflect shared expectations, commercial realities and our responsibilities as a purpose-driven business.

The below table provides a summary of the material ESG topics identified from our FY25 double materiality assessment.

List of material ESG topics from our FY25 double materiality assessment

'Double material' topics

Focus areas since FY22

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



'Double material' topics



Focus areas since FY22

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

Environmental, social and governance statement

continued

The final materiality matrix reflects the intersection of impact and financial materiality considerations, as shown in the figure below.

Our FY25 double materiality matrix



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Financial Report 2025

Directors' report

The directors present their report, together with the consolidated financial statements, on the consolidated entity (referred to hereafter as the 'Group') consisting of Temple & Webster Group Ltd (referred to hereafter as the 'Company' or 'parent entity') and the entities it controlled at the end of, or during, the year ended 30 June 2025.

DIRECTORS

The following persons were directors of Temple & Webster Group Ltd during the whole of the financial year and up to the date of this report, unless otherwise stated:

Stephen Heath

Conrad Yiu

Belinda Rowe

Melinda Snowden

Mark Coulter

PRINCIPAL ACTIVITIES

Temple & Webster is Australia's largest pure play online retailer of furniture and homewares.

The business runs an innovative drop-shipping model whereby products are sent directly to customers by suppliers, enabling faster delivery times and reducing the need to hold inventory, allowing for a larger product range.

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

The Group also offers a huge range of home improvement products that customers need to renovate and redecorate their homes, and solutions to the Trade & Commercial market, which includes exclusive product ranges, procurement, styling, specialised delivery and installation services, and a dedicated support team.

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

DIVIDENDS

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

OPERATING AND FINANCIAL REVIEW

Key operating and financial metrics for the year ended 30 June 2025 include:

- Record FY25 revenue of \$600.7 million, which was up 20.7% vs last year, supported by growth in both new and repeat customers, with all-time high active customers of 1.3 million, up 16% vs last year;
 - Gross margin % for FY25 decreased slightly from 33.4% in FY24 to 33.0% for FY25, reflecting slightly higher promotional cadence, offset by some savings in product and transport costs during FY25;
 - EBITDA of \$18.8 million, representing an EBITDA margin of 3.1%, above the Group's FY25 guidance range of 1-3% (reconciliation of EBITDA to statutory profit before tax on the following page);
 - Profit before tax was \$14.8 million, up \$8.5 million or 133.4% vs last year, primarily driven by disciplined cost management, resulting in a reduction in operating expenses as a % of revenue, as well as the absence of one-off costs incurred last year (a fair value adjustment of the convertible notes and an impairment of the investment in an associate); and
- The Group's asset light, negative working capital model drove positive free cash flow¹ of \$37.9 million with a closing cash balance of \$144.3 million. The Group remains debt free.

STRATEGIC PRIORITY UPDATE

In August 2023, the Group outlined a strategy to target annual sales of \$1 billion+ within 3-5 years, with a focus on five key strategic priorities, being:

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

The Group made good progress against each of its strategic priorities in FY25:

- During FY24 and FY25, the Group spent \$22 million on brand marketing to continue testing its impact, diversifying channel mix and optimising overall marketing investment. Results showed positive momentum, with the Group's unprompted brand awareness position moving from #7 to #6 in the Australian market²;
- Revenue from exclusive products grew to 45% of total revenue during FY25, predominantly driven by exclusive drop-ship products. 79% of the Group's top 500 selling products in FY25 were exclusive to the Group (up from 70% in FY24);
- The Group continued to leverage Data and AI across the business, with a growing internal team and key partners delivering initiatives that drive revenue and reduce costs. In FY25, 80% of customer pre / post sales support interactions were partially or fully handled by AI and technology, resulting in an over 60% reduction in customer care costs as a % of revenue since FY23. The Group also experimented with personalised website experiences and targeted marketing, resulting in early conversion uplifts. The Group's mobile app remained the fastest-growing and highest-converting platform;
- Fixed costs as a % of revenue decreased since last year, as a result of disciplined cost management, and measured fixed cost investments being outpaced by revenue growth; and
- Our home improvement category delivered revenue growth of 43% in FY25, with private label now making up -19% of revenue, up 47% vs FY24. In addition, Trade & Commercial revenue grew by 9% in FY25, noting that forward order activity in Trade & Commercial improved during the second half of FY25, driven by large customer orders across the hospitality, living, and built-to-rent sectors.

The Group remains committed to achieving our mid-term goal of \$1 billion+ in annual sales.

1. Free cash flow calculated as Cash from Operating Activities less Payments for Plant and Equipment, Intangible Assets and Lease Liabilities; excludes any cash flows associated with share buy-backs and shares issuance.

2. Zenith Insights, Temple & Webster Brand Tracker (June 2025); excludes multi-category department stores / discount retailers.

RECONCILIATION OF EBITDA TO STATUTORY PROFIT BEFORE TAX

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

	Consolidated	
	2025 \$'000	2024 \$'000
Profit before tax	14,839	6,358
Adjustments		
Add: Depreciation and amortisation	8,360	5,830
Add: Interest on lease liabilities	1,266	1,207
Less: Interest income	(5,674)	(4,964)
EBITDA	18,791	8,431
One-off costs		
Add: Impairment of investment in an associate	-	1,665
Add: Convertible notes fair value adjustment	-	3,024
EBITDA (pre-one-off costs)	18,791	13,120

Further commentary on operational and financial results can be found in the Group's annual results presentation lodged with the ASX on 14 August 2025.

KEY BUSINESS RISKS

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

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

Key risk	Description
Performance, reliability and security of websites, databases, operating systems	The Group's financial and operational performance could be adversely affected by a system failure that causes disruption to its websites, or to third party suppliers of its systems and products, which may or may not be the result of a cybersecurity incident. This could directly damage the reputation and brand of the relevant platform and could reduce visitors to the Group's website and directly influence sales to customers. The Group's databases and systems are hosted on platforms provided by third-party providers. As a result, the Group is subject to its own disaster planning contingencies and those of its third parties to deal with events that are beyond the control of those parties such as natural disasters, infrastructure failures, terrorist and cyber-attacks. A material failure in the systems of a third-party provider is likely to have a material impact on the systems and operations of the Group's platforms.
Unauthorised use of intellectual property or independent development of technology	Substantial parts of the Group's online platforms, distribution software, applications, data analytics and customer databases are seen as proprietary information. Unauthorised parties may obtain or copy, or seek to imitate all or portions of this intellectual property, or independently develop technology that is similar and may be in breach of proprietary rights. In this instance, the Group may seek legal actions to remedy the breach of proprietary information. This may incur legal or other fees and, if unsuccessful, may have a materially adverse effect on the Group's financial and operational performance in the future.
Laws and regulations may change	The Group is subject to, and must comply with, a variety of laws and regulations in the ordinary course of its business. These laws and regulations include those that relate to fair trading and consumer protection, product safety, employment, property, taxation (including goods and services taxes and stamp duty), accounting standards, customs and tariffs. This also includes emerging workplace safety obligations, such as psychosocial risk regulations and updates to workplace health and safety codes of practice. Failure to comply with, or changes to, laws and regulations may adversely affect the Group, including by increasing its costs either directly or indirectly (including by increasing the cost to the business of complying with legal requirements).
Key Management Personnel ('KMP') and employee retention	The Group relies on the expertise, experience and strategic direction provided by its KMP. These individuals have extensive experience in, and knowledge of, the Group's business. Additionally, successful operation of the Group's business depends on its ability to attract and retain quality employees. Competition could increase the demand for, and cost of hiring, quality employees. The Group's ability to meet its labour needs while controlling costs associated with hiring and training employees is subject to external factors such as unemployment rates, prevailing wage legislation and changing demographics. There is also increasing stakeholder expectation for values-led leadership. The Group recognises this and continues to embed ethical conduct expectations at all levels.
Brand and reputational damage	The Group is exposed to a range of brand and reputational risks that may negatively impact customer trust, investor confidence or public perception. These include public complaint escalation, inappropriate or misjudged content on owned channels, influencer or ambassador misconduct, and misalignment between the Group's brand positioning and partnerships or campaigns. Increasing use of artificial intelligence ('AI') tools also introduces the risk of inaccurate or inappropriate content being published without oversight. In addition, inappropriate public comments or behaviour by employees or executives may go viral and attract media or regulatory scrutiny. The Group manages these risks through strong brand governance, training, layered content reviews, monitoring of social and media sentiment, and clearly defined protocols for escalation and spokesperson conduct.

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SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

On 17 June 2024, the Group initiated a \$30 million (maximum value) on-market share buy-back program for a period of up to 12 months from initiation, concluding on 30 May 2025. The Group thereafter initiated a new on-market share buy-back program, which commenced on 20 June 2025. The Group considers the buy-back program to be an effective use of capital while retaining financial flexibility to fund accretive organic and inorganic opportunities as part of its growth strategy. During the current financial year, the Group purchased 88,341 ordinary shares (2024: 1,735,838) on issue at average price of \$12.29 (2024: \$7.22). All the shares bought-back were cancelled as at 30 June 2025.

MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

No matters or circumstances have arisen since 30 June 2025 that significantly affected, or may significantly affect, the Group’s operations, the results of those operations, or the Group’s state of affairs in future financial years.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS OF OPERATIONS

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

ENVIRONMENTAL REGULATION

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

UNISSUED SHARES

Share options

As at the date of this report and at the reporting date, there were 8,600,000 unissued ordinary shares under options. Refer to the remuneration report for further details of the options outstanding for Key Management Personnel (‘KMP’).

Performance rights

As at the date of this report and at the reporting date, there were 114,612 unissued shares under performance rights. Refer to the remuneration report for further details of the performance rights outstanding for KMP.

Restricted rights

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

INFORMATION ON DIRECTORS

Name:	Stephen Heath
Title:	Independent Non-Executive Director
Qualifications:	Graduate of the Australian Institute of Company Directors
Experience and expertise:	Stephen is a specialist in consumer goods brand management with over 25 years of manufacturing/wholesale distribution and retail experience. Stephen spent 16 years as CEO of some of Australia’s best-known consumer brands that include Rebel Sport and Fantastic Holdings with operations experience in Australia, New Zealand and Asia. His experience includes working for both ASX-listed and Private Equity owned companies.
Other current directorships:	Non-Executive Director of G8 Education Limited (ASX:GEM) (appointed on 3 June 2024).
Former directorships (last 3 years):	Non-Executive Director of Best & Less Group Holdings Ltd (ASX:BST) (appointed on 24 June 2021 and resigned on 10 July 2023).
Special responsibilities:	Chair of the Board
Interests in shares:	11,026
Interests in options over shares:	Nil
Interests in restricted rights:	15,878

Directors' report

continued

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Name:	Melinda Snowden
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Economics and Laws from the University of Sydney, Graduate Diploma in Applied Finance and Investment (SIA), Graduate of the Australian Institute of Company Directors
Experience and expertise:	Melinda joined the Group in June 2023. Melinda has extensive experience in legal and professional corporate advisory roles, as well as on listed Boards in technology, retailing, property and funds management. Melinda has over 30 years of experience in finance and has been a professional Non-Executive Director since 2010 in a broad range of industries. Melinda is Chair of the Board and a Non-Executive Director of Megaport Limited (ASX:MP1) and a Non-Executive Director of WAM Leaders Limited (ASX:WLE). Melinda has held previous Non-Executive Director roles at Best & Less Group Holdings Ltd, Newmark Property REIT, MLC, Vita Group, Mercer Investments (Australia), Sandon Capital Investments, Our Ark Mutual, Newington College, Sane Australia and Kennards Self Storage. Prior to her non-executive career, Melinda held investment banking roles with Grant Samuel, Merrill Lynch and Goldman Sachs and was a solicitor in the corporate division of Herbert Smith Freehills.
Other current directorships:	Chair of Board and Non-Executive Director of Megaport Limited (appointed to Board on 1 June 2021, appointed as Chair on 30 June 2024) and WAM Leaders Limited (appointed 31 December 2024).
Former directorships (last 3 years):	Non-Executive Director and Chair of the Audit and Risk Committee of Best & Less Group Holdings Ltd (ASX:BST) (appointed on 18 May 2021 and resigned to 10 July 2023) and Newmark Property REIT (ASX:NPR) (appointed on 1 March 2021 and resigned 27 March 2024).
Special responsibilities:	Chair of the Audit and Risk Management Committee
Interests in shares:	1,500
Interests in options over shares:	Nil
Interests in restricted rights:	1,728
Name:	Conrad Yiu
Title:	Non-Executive Director
Qualifications:	Bachelor of Commerce from the University of New South Wales, Chartered Accountant Australia and New Zealand, Master of Business Administration from the University of Cambridge, Member of the Australian Institute of Company Directors
Experience and expertise:	Conrad is a co-founder of Temple & Webster and joined the Board on its formation in July 2011. Conrad was Chairperson of the Company until immediately prior to the IPO. Conrad has over 30 years' commercial and advisory experience with a focus on investing in, acquiring and building high growth businesses in the consumer and technology sectors. Conrad was previously Director of Corporate Development with the digital division of NewsCorp Australia (formerly News Digital Media), co-founder and Director of a London-based mobile technology company, a manager at Arthur Andersen and is a principal of ArdenPoint, an investment firm which he co-founded with Mark Coulter in 2011, the CEO of Temple & Webster Group Ltd. Conrad is a co-founder and current partner of AS1 Growth Partners, a private investment firm focused on growth and technology investments in public and private markets.
Other current directorships:	Nil
Former directorships (last 3 years):	Non-Executive Director of FiscalNote (NYSE: NOTE) (appointed 25 October 2020 and retired on 31 December 2024).
Special responsibilities:	Deputy Chair of the Board from 1 November 2022
Interests in shares:	2,008,959 ordinary shares*
Interests in options over shares:	Nil
Interests in restricted rights:	23,125

Name:	Belinda Rowe
Title:	Independent Non-Executive Director
Qualifications:	Bachelor of Arts from Monash University, Graduate of the Australian Institute of Company Directors
Experience and expertise:	Belinda is an experienced business leader and successful marketing executive. Belinda's extensive professional experience lies in marketing communications, content, media and digital marketing technologies. Belinda led media and marketing communications businesses for Zenith and Publicis Media globally based in the UK, and held many senior roles in the marketing industry, including as CEO of ZenithOptimedia for 10 years in Australia and as Director Brand & Marcoms for O2 Telefonica in the UK.
Other current directorships:	Independent Non-Executive Director of ARN Media Ltd (appointed on 5 February 2019), and Sky NZ (appointed on 1 March 2023).
Former directorships (last 3 years):	Nominated Director Soprano Design (appointed on 22 September 2020 and resigned in February 2023) and Non-Executive Director 3P Learning Limited (appointed on 20 September 2021 and retired on 20 November 2024).
Special responsibilities:	Chair of the Nomination and Remuneration Committee
Interests in shares:	12,100
Interests in options over shares:	Nil
Interests in restricted rights:	8,542
Name:	Mark Coulter
Title:	Executive Director
Qualifications:	Bachelor of Laws and Bachelor of Science (Biochemistry) from the University of Sydney and Graduate Diploma of Psychology from Monash University
Experience and expertise:	Mark is a co-founder of Temple & Webster, Australia's largest online retailer for the home. Previously, Mark worked at News Limited where he was the Director of Strategy for the Digital Media properties and additionally managed a portfolio of digital businesses. Mark was also a solicitor at Gilbert + Tobin and management consultant at McKinsey & Company.
Other current directorships:	None
Former directorships (last 3 years):	None
Special responsibilities:	Chief Executive Officer
Interests in shares:	758,537 ordinary shares*
Interests in options over shares:	8,600,000
Interests in restricted rights:	Nil

* ArdenPoint Ecommerce Unit Trust ('Trust') is the registered holder of 1,427,828 Ordinary Shares of Temple & Webster Group Ltd. For the purpose of the above table, both Mr Coulter and Mr Yiu, the beneficiaries of the Trust, are considered to hold 50% of the shares held by the Trust. This is same as prior financial years.

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

'Former directorships (last 3 years)' quoted above are directorships held in the last three years for listed entities only and exclude directorships of all other types of entities, unless otherwise stated.

COMPANY SECRETARY

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

MEETINGS OF DIRECTORS

The number of meetings of the Group's Board of Directors ('the Board') held during the year ended 30 June 2025, and the number of meetings attended by each director were:

	Full Board		Nomination and Remuneration Committee		Audit and Risk Management Committee	
	Attended	Held	Attended	Held	Attended	Held
Stephen Heath	6	6	5	5	4	4
Conrad Yiu	6	6	5	5	4	4
Melinda Snowden	7	7	5	5	4	4
Belinda Rowe	7	7	5	5	4	4
Mark Coulter	7	7	-	-	-	-

Held: represents the number of meetings held during the time the director held office and which the director was eligible to attend.

SHARES ISSUED ON THE EXERCISE OF PERFORMANCE RIGHTS

During the financial year, employees and executives exercised performance rights to acquire Nil (2024: nil) fully paid ordinary shares in Temple & Webster Group Ltd (refer to note 21).

SHARES ISSUED ON THE EXERCISE OF OPTIONS

During the financial year, options to acquire 362,052 (2024: nil) fully paid ordinary shares in Temple & Webster Group Ltd were exercised (refer to note 19).

INDEMNITY AND INSURANCE OF OFFICERS

The Company has indemnified the directors and executives of the Company for costs incurred, in their capacity as a director or executive, for which they may be held personally liable, except where there is a lack of good faith.

During the financial year, the Company paid a premium in respect of a contract to insure the directors and executives of the Company against a liability to the extent permitted by the Corporations Act 2001. The contract of insurance prohibits disclosure of the nature of the liability and the amount of the premium.

INDEMNITY AND INSURANCE OF AUDITOR

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

Remuneration report

Dear shareholders,

On behalf of the Board, it gives me pleasure to present the FY25 remuneration report.

FY25 was another record year for Temple & Webster, with revenue of \$600.7 million, up 20.7% year-on-year, and active customers reaching 1.3 million. We were able to achieve this growth in revenue and market share whilst also improving profitability, with EBITDA of \$18.8 million for FY25, representing a margin of 3.1% (up from 2.6% in FY24, pre-one-off costs). This result was above the top-end of our guidance range. We finished the year with \$144.3 million of cash on balance sheet and no debt, remaining well capitalised to execute on organic and inorganic opportunities going forward.

Importantly, our FY25 results and achievements demonstrate that we continue to execute well across our five strategic goals, and towards our mid-term strategy to achieve \$1 billion+ in annual revenue (as first outlined in August 2023). We have improved our overall brand recognition following two years of brand investment, increased exclusive product penetration, and are seeing improvements in conversion rates and costs from our continued investment in AI, data and technology. We have also seen a reduction in our fixed costs as a percentage of revenue in FY25.

In FY25, we continued our focus on our people, prioritising wellbeing and the retention of top talent through the roll-out of a comprehensive people program encompassing diversity, equity, and inclusion initiatives, actionable engagement survey insights, targeted learning skill sprints, and the implementation of our capability framework.

The Board has established a remuneration framework that clearly links the Group's performance to remuneration outcomes for senior management, and rewards the continued execution of the Group's strategic goals.

The Board is confident that the outcomes described below are fair and reasonable. We believe that the outcomes strike the right balance between rewarding and motivating our key executives and meeting the expectations of our shareholders.

FY25 REMUNERATION OUTCOMES

The key remuneration outcomes for FY25 were:

- Despite the continued strong performance of the Company, there was no change to the remuneration package for the CEO in FY25. This is in accordance with the terms of the CEO's remuneration approved by shareholders at the 2022 AGM (see further section 5.2).
- Mr Adam McWhinney, Chief Experience Officer ('CXO'), received a 4.5% increase in fixed remuneration. He also had his target and stretch short-term and long-term incentive increased to 50% and 80% of fixed remuneration respectively, to align with the package agreed with Mr Cameron Barnsley, the new Chief Financial Officer ('CFO').
- The FY25 short-term variable remuneration ('STVR') outcomes for the CFO and CXO were both 120% of target, respectively. Further details regarding the STVR outcomes are set out in section 4.2 of this report.
- As the Temple & Webster share price at the end of the FY22-24 performance period (ended 30 June 2024) was below the share price at the start of the period, the positive total shareholder return ('TSR') gateway was not met and no portion of the FY22 long-term variable remuneration ('LTVR') award vested.

Remuneration report

continued

- The CXO and CFO received LTVR awards in FY25. The awards have 50% of the award measured against a relative total shareholder return ('RTSR') target, measuring the Group's TSR over the measurement period with the constituents of the ASX 300 Industrials Index (a change from FY24 and earlier awards in which Temple & Webster's TSR was measured against the Index itself). The remaining 50% of the award has an earnings per share growth ('EPSG') hurdle. As in FY23 and FY24, the structure of the LTVR awards prioritises and rewards RTSR growth, to give the executive team and the Board flexibility to adapt the Group's strategy as the market evolves. The maximum reward will only be permitted under the awards where Temple & Webster has materially outperformed the market. Further details of these awards are set out in section 5.1 of this report.
- No changes to Board fees in FY25. Three Non-Executive Directors sacrificed a portion of their fees to receive rights under the Temple & Webster Group Ltd NED Equity Plan ('NED Equity Plan') in FY25.

FY25 EXECUTIVE KMP AND BOARD CHANGES

As noted in the FY24 Remuneration Report, effective 2 September 2024, Mr Barnsley joined Temple & Webster in the CFO role. Mr Barnsley replaced Mr Mark Tayler who moved to a new, non-KMP executive role within the Group.

There were no further changes to Executive KMP or the Board in FY25.

LOOKING FORWARD TO FY26

There will be no changes to the CEO's remuneration in FY26. A focus for the year looking forward will be to explore the remuneration package of the CEO for FY27 and beyond.

Both the CFO and CXO will receive a 4% increase in fixed remuneration in FY26, consistent with salary increases across the broader organisation. Their target and stretch short and long term incentive opportunities, at 50% and 80% of fixed remuneration respectively, will remain unchanged.

The Board has determined that the structure of the STVR and LTVR programs will be the same as the programs run in FY25. The same overall metrics (revenue growth, EBITDA, net promoter score ('NPS') and employee engagement) and weighting will apply to the Group targets used for the STVR awards. The same RTSR and EPS Growth hurdles will be used for the LTVR awards.

The FY26 Board base and committee fees will increase by approximately 6% in FY26. This is the first increase in fees since FY24. This is broadly in line with CPI increases across the last two years.

Over the FY23-25 measurement period (ended 30 June 2025) for the FY23 LTVR awards, the Group's TSR was 490% with an 80% CAGR, compared to TSR for the ASX 300 Industrials Total Return Index of 52% and a CAGR of 15%. Over this three-year period, the Group's share price increased from \$3.32 at 30 June 2022 to \$21.32 at 30 June 2025. This result materially exceeded stretch performance for the iTSR hurdled awards. As the Group's EPS Growth of this period was below the 8% threshold level, under the terms of the FY23 LTVR award (set out in the FY23 Remuneration Report) the stretch iTSR performance results in 100% of the iTSR hurdled rights and 100% of the EPSG hurdled rights vesting in August 2025. This iTSR 'override' was specifically put in place in line with the Group's strategy that prioritises and rewards TSR growth, and only permits maximum reward under the LTVR award terms where the Group has materially outperformed the market. Further details on these results are set out in section 5.2 below.

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



Belinda Rowe

Chair, Nomination and Remuneration Committee

The Directors of Temple & Webster Group Ltd present the Remuneration report ('the Report') for the Group and its controlled entities for the year ended 30 June 2025. This Report forms part of the Directors' Report and has been prepared in accordance with the Corporations Act 2001 ('the Act'), Corporations Regulation 2M.3.03, in compliance with AASB 124 *Related Party Disclosures*, and audited as required by section 208(3C) of the Act.

The Report is divided into the following sections:

Section	Description
1. Persons covered by this Report	This section provides details of the directors and executives who are subject to the disclosure requirements of this report, together with the KMP, including roles and changes in roles.
2. Remuneration overview	This section provides an overview of performance and reward for FY25.
3. Remuneration framework, strategy and governance	This section provides details of the elements of the remuneration framework, including market positioning, changes to fixed remuneration, variable remuneration principles, and the terms of variable remuneration.
4. FY25 Executive Short-Term Variable Remuneration ('STVR') plan and outcomes	This section outlines the key terms of the FY25 STVR Plan, the key metrics that apply to Executive KMPs under the STVR Plan and their STVR outcomes.
5. Executive Long-Term Variable Remuneration ('LTVR') plans and outcomes	This section outlines the key terms of the FY25 LTVR Plan awards and key prior year equity awards.
6. Non-executive Director remuneration	This section outlines the Non-executive Director fee policy, aggregate Board fees, Board and Committee fees. It also sets out any prior years' equity awards to Non-executive Directors.
7. Statutory tables and supporting disclosures	This section provides the statutory disclosures not addressed by preceding sections of the Report, including statutory remuneration tables, changes in equity, KMP service agreements, related party loans/transactions, and the engagement of external remuneration consultants.

Remuneration report (audited)
continued

1. PERSONS COVERED BY THIS REPORT

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

Committees ¹				
Name	Role	Appointed/ (Retired)	Nomination and Remuneration	Audit and Risk Management
Non-Executive Directors				
Stephen Heath	Independent Board Chair	15 March 2016	M	M
Conrad Yiu ²	Deputy Chair, Non-executive Director	6 October 2015	M	M
Belinda Rowe	Independent Non-executive Director	26 February 2021	C	M
Melinda Snowden	Independent Non-executive Director	1 June 2023	M	C
Executive KMP				
Mark Coulter ²	Managing Director and Chief Executive Officer ('CEO')	22 April 2016	n/a	n/a
Adam McWhinney ²	Chief Experience Officer ('CXO')	1 July 2017 ³	n/a	n/a
Cameron Barnsley	Chief Financial Officer ('CFO')	2 September 2024 ⁴	n/a	n/a
Former Executive KMP				
Mark Tayler	Chief Financial Officer ('CFO')	(1 September 2024) ⁵	n/a	n/a

1. M = Member, C = Chair.
2. These individuals are considered co-founders of the Group.
3. Mr McWhinney has been employed by the Group since 1 January 2012 and became a KMP of the Group on 1 July 2017.
4. All references to the CFO in this Report will be to Mr Barnsley unless explicitly stated otherwise.
5. From 1 September 2024 Mr Tayler moved to another non-KMP role within the Group. All references to the former CFO in this Report will be to Mr Tayler.

2. REMUNERATION OVERVIEW

2.1 Executive remuneration structure at-a-glance

The following diagram outlines the Executive KMP remuneration cycle under the remuneration framework as applicable to FY25:

Executive Remuneration Components

The timeline below outlines how remuneration is delivered.

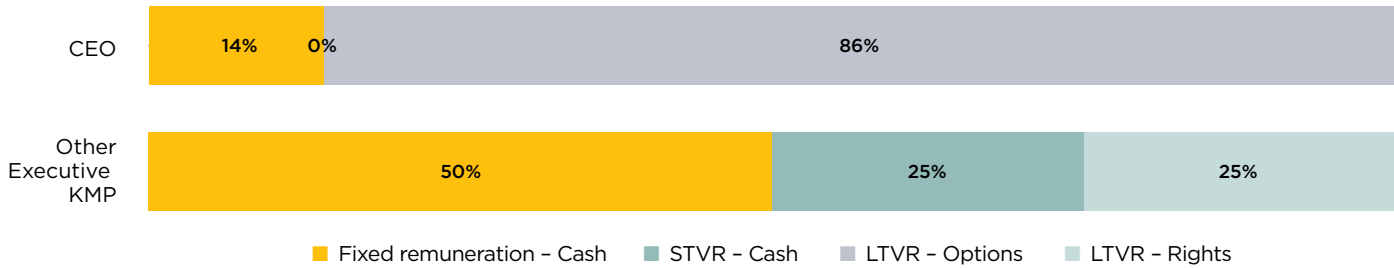
Component	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Fixed remuneration	Salary and statutory superannuation					
STVR	1 year performance period	▲				
FY25	Y1 STVR performance period commences	- STVR performance tested - STVR award delivered in Q1, Y2 – 100% cash unless Board determines otherwise				
LTVR	●			■		■
FY25-FY27	- Y1 LTVR performance period commences - Performance rights for Y1 LTVR granted in Q1, Y1 - LTVR service tested in Y1			Y1-Y3 LTVR performance tested On vesting, rights automatically exercised and shares are allocated with the two-year disposal restriction	Two-year additional disposal restriction	
● Performance rights granted ▲ Performance tested, and cash award paid ■ Performance tested ■ Shares released						

The structure outlined above applies to the CXO, CFO and non-KMP executives in the current financial year. The CEO does not participate in the STVR plan and received three tranches of premium-priced options in FY23 which are intended to cover the period to and including FY26. The terms of the CEO's Options are discussed in section 5.2 of this Report and the terms of STVR and LTVR performance rights for other KMPs are discussed in sections 4.1 and 5.1 respectively. The FY25 STVR outcomes for participating Executive KMP are set out in section 4.2 and LTVR outcomes of performance rights due for vesting in FY25 for participating Executive KMP are set out in section 5.2.

Remuneration report (audited)
continued

2.2 Executive remuneration mix at target

Total remuneration packages for the CEO and other Executive KMP are broken down into the following elements:



The CEO, Mark Coulter, does not receive an annual LTVR award as he received a single award of options in FY23 designed to be his equity awards over a four-year term (FY23 - FY26). Accordingly, in calculating his FY25 remuneration mix, Mark Coulter's LTVR component value was determined by pro-rating the value of his FY23 option award (as determined by an independent valuer), so that one-quarter of the value was attributed to FY25 (refer to section 5.2 for more details).

2.3 Group's performance at-a-glance

The following outlines the Group's performance in FY25 in the context of the prior four years, which is intended to assist in demonstrating the link between performance, value creation for shareholders, and executive reward:

FY end date	Revenue \$000s	NPAT \$000s	Share price ¹ \$	Change in share price \$	Dividends ² \$	Change in shareholder wealth ³	Rolling 3-year annualised TSR ⁴ %
30/06/2025	600,719	11,302	21.32	11.93	-	127%	86%
30/06/2024	497,841	1,786	9.39	3.51	-	60%	(5%)
30/06/2023	395,513	8,305	5.88	2.56	-	77%	(2%)
30/06/2022	426,335	11,968	3.32	(7.47)	-	(69%)	35%
30/06/2021	326,344	13,954	10.79	4.48	-	71%	142%

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

3. REMUNERATION FRAMEWORK, STRATEGY AND GOVERNANCE

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

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

Fixed remuneration	Short-term variable remuneration	Long-term variable remuneration
Fixed remuneration comprises of base salary, plus any other fixed elements such as superannuation, allowances, benefits, fixed equity and fringe benefits. Fixed remuneration is intended to be positioned competitively in the market when assessed against suitable benchmarks but may vary with decisions around the mix of cash, equity and performance-linked remuneration as negotiated between the Board and each incumbent on a case-by-case and fit-for-purpose basis.	100% of the FY25 STVR will be paid in cash (unless determined otherwise by the Board). Performance is measured over the financial year with a combination of financial and non-financial goals for Executive KMP, both at a Group and Individual scorecard level with threshold, target and stretch levels. FY25 STVR goals were: Group targets (80%) • Group revenue growth (30%) • EBITDA margin (30%) • Customer satisfaction, as measured by NPS (20%) • Employee engagement (20%) Individual targets are linked to the CEO’s evaluation of performance against the Company’s leadership values and the completion of special projects (weighted at 20%). Performance against these targets will be assessed using a score rating scale from 1 to 5, with 5 representing the highest level of achievement. Refer to section 4.1 for more details.	Performance rights vesting after three years. The LTVR program aligns executives to shareholder interests through 50% of the award being tested against the RTSR targets measured over a three-year measurement period. The Company’s TSR will be compared to that of the ASX 300 Industrials Index constituents (‘Comparator Group’), established as at 1 July 2024. This structure ensures that executives are only rewarded when shareholder returns at least match the median RTSR of the Comparator Group. The RTSR remains the primary performance measure within the LTVR scheme, with full vesting available only in cases of exceptional RTSR performance. There is also an EPS Growth (‘EPSG’) measure that applies to 50% of the award. In certain cases, where the EPSG measure is below threshold, TSR result can override the EPSG performance. Any shares allocated after vesting are subject to an additional disposal restriction of two years after the Measurement period. Refer to section 5.1 for more details.

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

Remuneration report (audited)

continued

3.2 Benchmarking Approach

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

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

3.3 Remuneration governance framework

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

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

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

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

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

3.4 External remuneration consultants

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

During FY25 no external remuneration consultants were engaged by the Board to provide remuneration recommendations for any KMP. Executive remuneration data was provided by Mercer, which formed the basis of the Board's decisions regarding executive remuneration increases during the year.

4. FY25 EXECUTIVE STVR PLAN AND OUTCOMES

4.1 FY25 STVR Plan

A description of the STVR structure applicable for FY25 is set out below.

Term	Detail
Purpose	To provide at-risk remuneration and incentives that reward executives for performance against annual objectives set by the Board at the beginning of the financial year. Objectives selected were designed to support long-term value creation for shareholders, and link to the long-term strategy on an annual basis.
Measurement period	The financial year of the Group ending 30 June 2025.
Opportunity	The target value for Executive KMP participating in the STVR was 50% of fixed remuneration, with a maximum stretch target of 80% of fixed remuneration.
Outcome metrics and weightings	The STVR was dependent on meeting Group and individual performance objectives. For FY25, the metrics were as follows: Group targets – weighted at 80% of target opportunity. These Group Targets include: • revenue growth – 30% weighting; • EBITDA margin – 30% weighting; • customer satisfaction (NPS) – 20% weighting; and • employee engagement – 20% weighting. Individual targets – weighted at 20% of target opportunity. These metrics were selected because they are viewed by the Board as the primary drivers of value creation for the business in FY25.
Settlement	Awards are determined following release of the audited financial statements after the end of the financial year. The Board has discretion to determine whether the STVR award is settled in cash or in equity interests such as rights. The Board elected to settle the FY25 STVR in cash.
Malus and clawback	Should the Board determine that any portion of STVR is deferred, the deferral would be in the form of share rights and therefore subject to the malus and clawback clauses under the Group's Rights plan (see further section 5.1).
Board discretions	The Board has discretion to modify the awards payable to participants regardless of any performance outcome or gate, to ensure that outcomes are appropriate to the circumstances that prevailed over the Measurement period.
Corporate actions	The Board has discretion to determine the treatment of unpaid STVR in the case of major corporate actions such as a change in control, delisting, major return of capital or demerger.

4.2 Executive KMP STVR plan – objectives and outcomes

All Executive KMP, aside from the CEO, participated in the STVR Plan in FY25.

Metric/measure	Performance/comment
Group targets (80% of total opportunity)	
Revenue growth (30% weighting of Group target)	
Revenue growth is a critical metric when assessing the performance of the business. For FY25, this measure compares TPW's revenue to FY24, with threshold, target and stretch performance set at 20%, 25% and 30% growth respectively.	The Group delivered a very strong result with revenue of \$600.7 million, an improvement of 20.7% on the prior year. However, due to the challenging nature of the STVR revenue metrics this result was judged at between threshold and target.
EBITDA margin (30% weighting of Group target)	
This measure tracks EBITDA margin with a minimum 1.7% margin required at threshold, with target and stretch set at 2% and 3% respectively.	EBITDA of 3.1% of revenue was above the Group's stated guidance range for the year and above the stretch target from the STVR point of view.
Customer satisfaction (20% weighting of Group target)	
Customer experience and satisfaction are critical to the success of the Group. This measure tracks customer satisfaction using Net Promoter Score ('NPS') scoring, with threshold performance at 60%, target NPS set at 62.5% and stretch at 65%.	The Group has consistently set challenging NPS metrics, reflecting the importance the Group places on customer satisfaction. In FY25, the Group achieved a rating just above target of 62.9%.
Employee engagement (20% weighting of Group target)	
The Group's employees are one of its key assets and primary drivers of success. It is vitally important they are engaged as measured by Industry Employee Engagement Benchmarks as measured against the All Australia Benchmark. Threshold performance requires beating the Benchmark, target is a Top 25% performance and stretch being in the top 10% of the Benchmark.	The FY25 result was an engagement level between target and stretch, achieving a result in the top quartile of the All Australia comparator group. This is an excellent result and demonstrates the importance placed on employee engagement in the Group and reflects the high level of engagement across the employee base.

Metric/measure	Performance/comment
Individual targets (20% of total opportunity)	
The individual targets are determined by the CEO based on performance against the Temple & Webster executive leader values and the execution of any special projects agreed between the CXO or CFO and the CEO during FY25.	The CXO's personal targets were assessed against the Group's leadership values framework. In FY25, the CXO was given an overall rating of '5'. This was based on sustained improvement across key performance areas, including a year-on-year uplift in conversion rates and consistent customer experience metrics (including improved NPS), supported by an ongoing program of experimentation and optimisation. Engagement scores for the CXO's teams remained strong with one team achieving the highest engagement score in the Company. Strategic leadership was provided across initiatives in experimentation, personalisation, AI-enhanced customer experience, accessibility, and Reconciliation Action Plan delivery. The CFO's personal targets were assessed against the Group's leadership values framework. In FY25, the CFO was given an overall rating of '5'. This rating was based on the pace at which he integrated into the business, implementation of new policies and procedures within the finance function, execution of specific initiatives to drive both revenue growth and margin improvement, and prioritising team well being and development opportunities. In particular, he led the implementation of new capital management and investment frameworks, the enhancement of the Group's M&A assessment process, the implementation of new investor relations and corporate communications strategies, and the expansion of the Group's risk management and compliance functions.

The table below sets out the actual STVR outcomes as a percentage of their maximum STVR opportunity for FY25 and FY24.

Executive KMP ¹	FY25	FY24
Adam McWhinney	75.2%	67.2%
Cameron Barnsley	75.2%	n/a

1. The CEO did not participate in the STVR Plan in either FY24 or FY25.

The Board considers the FY25 remuneration outcomes to be appropriately aligned with the Company's remuneration framework and shareholder interests. This alignment is demonstrated by the Group's and individual executives' achievement of annual performance targets and significant progress towards strategic growth objectives, despite challenging economic conditions. The Board is satisfied that remuneration outcomes fairly reflect performance and support long-term value creation for shareholders.

5. EXECUTIVE LTVR PLANS AND OUTCOMES

5.1 Executive KMP LTVR plan – Performance rights

A description of the LTVR awards granted in FY25 to Executive KMP, aside from the CEO, under the Temple & Webster Group Ltd Rights Plan (‘the Plan’) is set out below.

Term	Detail															
Purpose	To provide at-risk remuneration and incentives that reward executives for performance against long-term value creation objectives set by the Board at the beginning of the financial year and to align the interests of executives with the interests of shareholders.															
Measurement period	3 years from 1 July 2024 to 30 June 2027.															
Opportunity	The target value is 50% of fixed remuneration, with a maximum 80% of fixed remuneration.															
Price	The price is nil because it forms part of the remuneration of the participant.															
Exercise price	The exercise price is nil.															
Allocation method	The grant number is determined by dividing the stretch LTVR value by the 30-day volume weighted average price (‘VWAP’) following the release of the financial results for FY24.															
Performance metrics and weightings	Performance rights granted in FY25 have two performance hurdles, each with a 50% weighting. 1. Performance rights with a relative total shareholder return (‘RTSR’) vesting condition. The vesting of such Performance rights will be determined by comparing the Group’s TSR over the Measurement period with the TSR of the constituents of the ASX 300 Industrials Index (‘Comparator Group’) according to the following vesting scale: <table><tr><th>Performance level</th><th>TSR of the Group vs TSR of the Comparator Group</th><th>Vesting %</th></tr><tr><td>Stretch</td><td>At or above the 75th percentile</td><td>100%</td></tr><tr><td>Target</td><td>At the 62.5th percentile</td><td>75%</td></tr><tr><td>Threshold</td><td>At the 50th percentile</td><td>50%</td></tr><tr><td>Below threshold</td><td>Below the 50th percentile</td><td>0%</td></tr></table>	Performance level	TSR of the Group vs TSR of the Comparator Group	Vesting %	Stretch	At or above the 75 th percentile	100%	Target	At the 62.5 th percentile	75%	Threshold	At the 50 th percentile	50%	Below threshold	Below the 50 th percentile	0%
Performance level	TSR of the Group vs TSR of the Comparator Group	Vesting %														
Stretch	At or above the 75 th percentile	100%														
Target	At the 62.5 th percentile	75%														
Threshold	At the 50 th percentile	50%														
Below threshold	Below the 50 th percentile	0%														

Outcomes that fall between the specified levels of performance will result in a pro-rata calculation being applied.

TSR is the sum of share price appreciation and dividends (assumed to be reinvested in shares) during the Measurement period. It is annualised for the purposes of the above vesting scale. The TSR of the Group over the Measurement period will be calculated and converted to a Compound Annual Growth Rate (‘CAGR’) value for the purposes of assessment against this scale. During periods of nil dividends being declared, TSR is equal to change in share price.

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

5.2 Prior years equity awards

FY22 LTVR awards

In FY22, LTVR awards were granted to the CXO, the former CFO and non-KMP executives. The FY22 LTVR awards were Performance rights with a Measurement period of three years from 1 July 2021 to 30 June 2024. The awards were issued at no cost to all executives, including the CXO and the former CFO, and had a nil exercise price.

For the FY22 LTVR awards, an indexed TSR ('iTSR') hurdle applies to the entire award, and it has a positive TSR gateway. This iTSR hurdle requires the TSR of the Group to be above the TSR of the ASX 300 Industrials Total Return Index to meet threshold and for any portion of the award to vest. Target and Stretch vesting results in 50% and 100% of the award vesting and requires Index TSR +5% TSR p.a. and Index TSR +10% TSR p.a. respectively. Pro-rata vesting occurs between these points.

For the three-year period ended 30 June 2024, Temple & Webster's share price at the end of the performance period was lower than its share price at the commencement of the period. Accordingly, the positive TSR gate was not met and no portion of the award vested.

FY23 and FY24 LTVR awards

The FY23 and FY24 LTVR awards are structured so that fifty percent (50%) of the awards have an iTSR hurdle with the same vesting schedule as the iTSR vesting schedule set out above for the FY22 awards. The remaining fifty percent (50%) have an EPSG hurdle, with the same vesting schedule as set out above for the FY25 award. The FY23 and FY24 LTVR awards have three-year Measurement periods, 1 July 2022 to 30 June 2025 and 1 July 2023 to 30 June 2026 respectively.

On completion of the Measurement period, the awards will vest or lapse in FY26 and FY27 respectively once the Board has determined the extent to which the performance hurdle has been met. The iTSR and EPSG vesting conditions will be assessed separately by the Board at the end of the Measurement period. However, where target EPSG performance has not been achieved, a portion of the EPSG Performance rights may still vest, depending on the level of performance achieved under the iTSR vesting condition.

Other key terms of the FY23 and FY24 awards are as noted above for the FY25 awards (except that the FY23 and FY24 awards are not auto-exercised and may be exercised within 15 years of grant, otherwise they lapse).

The FY23 LTVR iTSR performance saw the Group's TSR for the measurement period reach 490%, measured against the TSR of the ASX 300 Industrials Total Return Index of 52% for the same period (over 900% better than the Index of this three-year period). This exceptional Group TSR result materially exceeded the stretch iTSR hurdle of 'Index TSR +10% p.a.' by a significant margin. The EPSG hurdle was not met, with performance below threshold as the FY25 EPS result of 9.52 cps, was below the FY22 EPS of 9.93 cps and below the 8% CAGR threshold required over the period.

However, as set out in the FY23 Remuneration Report and the terms of the FY23 LTVR awards, because a stretch iTSR result has been achieved, with EPSG performance below target, then both 100% of the iTSR hurdled rights and 100% of the EPSG hurdled rights will vest in August 2025. This iTSR 'override' was specifically put in place in line with the Group's strategy that prioritises and rewards TSR growth. This was (and is) intended to provide management and the Board with the flexibility to adapt the Group's strategy as market conditions evolve. Maximum reward under the LTVR award terms is only available where the Group has materially outperformed the market. This was demonstrated over the three-year FY23 LTVR measurement period, during which the share price increased from \$3.32 to \$21.32.

FY23 CEO Option awards

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

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

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6. NON-EXECUTIVE DIRECTOR REMUNERATION

6.1 Non-executive Directors' fee policy

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

Principles

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

Fees structured to preserve independence

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

Aggregate Board Fees approved by shareholders

The total amount of fees paid to Non-executive Directors in FY25 is within the aggregate amount approved at a general meeting of the Group on 18 October 2021 of \$1,100,000 a year. Grants of equity approved by shareholders are excluded from counting towards the aggregate Board Fees, in accordance with the ASX Listing Rules.

Board and Committee fees

The following outlines the Board Fees applicable as at the end of FY25 which were subject to independent review by external remuneration consultants on a periodic basis:

Role/function	Main Board	Audit and Risk Management Committee	Nomination and Remuneration Committee
Chair	\$223,388	\$21,000	\$21,000
Deputy Chair	\$141,750	n/a	n/a
Member	\$120,750	\$10,500	\$10,500

Fees are expressed as inclusive of superannuation. Any increases to superannuation contributions are absorbed within the applicable Board fees. The Board Chair does not receive Committee fees. Non-executive Directors are also reimbursed for out-of-pocket expenses that are directly related to the Group's business. There is an option to sacrifice part of the fee in exchange for equity or other benefits (i.e., the values are inclusive of any equity). In FY25, three Non-executive Directors elected to have part of their directors' fees paid in Restricted rights.

6.2 NED Equity Plan

The terms of the NED Equity Plan are set out below.

Term	Detail
Purpose	To provide long-term alignment with shareholders through the grant of rights over the Company's shares.
Instrument	Restricted rights over ordinary shares in the Company.
Eligibility	All Non-executive Directors of the Company are entitled to participate in the NED Equity Plan.
Price	Rights are granted for nil consideration.
Exercise price	There is no exercise price for Rights issued under this Plan.
Allocation method	The number of Rights granted under the NED Equity Plan in FY25 is determined by the value of Board fees sacrificed, divided by the 10-trading day VWAP of an ordinary Company share following the date of release of the prior financial year's financial results.
Vesting Conditions	There are no vesting conditions.
Exercise restrictions and disposal restrictions	Restricted rights may be exercised at any time following the end of the exercise restrictions. This means Restricted rights are exercisable 90 days from the date of grant, until the end of the Term. Disposal restrictions apply that prevent the sale of Restricted shares resulting from the exercise of Restricted rights, until the earlier to occur of: • the elapsing of 15 years from the Grant Date; or • the participant ceasing to hold the office of Non-executive Director and employment with the Company.
Settlement	The Restricted rights may only be settled in shares.
Term	Restricted rights have a term of 15 years from the date of grant, after which time they lapse.
Cessation of Directorship	If a participant is neither a Non-executive Director nor holds employment with the Group, and their Restricted rights remain subject to an Exercise Restriction or have not been exercised, all the Restricted rights will lapse and they will not be allocated any Shares. The Participant will receive a cash payment in respect of Board fees that have already been sacrificed from the start of the relevant Participation Period up until the date of cessation. As noted, any Restricted shares awarded upon exercise of Restricted rights will have any disposal restrictions removed on cessation of directorship (provided they do not remain employed with the Group).

Remuneration report (audited)

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7. STATUTORY TABLES AND SUPPORTING DISCLOSURES

7.1 Executive KMP statutory remuneration

The following table outlines the statutory remuneration of Executive KMP:

Name	FY	Fixed remuneration				Variable remuneration				Total for year	Other statutory items
		Salary \$	Super \$	Total fixed remuneration		Cash STVR ¹		LTVR ²		Statutory Total Remuneration Package ('TRP') \$	Change in accrued leave ³ \$
						Amount \$	% of TRP	Amount \$	% of TRP		
Mark Coulter	2025	470,608	29,932	500,000	13%	–	0%	3,484,800	87%	3,984,800 ⁴	5,262
	2024	472,601	27,399	500,000	13%	–	0%	3,484,800	87%	3,984,800 ⁴	(31,174)
Adam McWhinney	2025	328,776	29,932	358,708	49%	216,634	29%	164,561	22%	739,904	(8,439)
	2024	316,246	27,399	343,645	61%	115,768	20%	106,884	19%	566,297	(12,789)
Cameron Barnsley ⁵	2025	361,307	26,604	387,911	53%	233,430	32%	107,977	15%	729,318	14,451
Former Executive KMP											
Mark Tayler ⁶	2025	68,926	7,483	76,409	81%	–	0%	18,100	19%	94,509	(1,400)
	2024	399,753	27,399	427,151	60%	146,488	20%	143,859	20%	717,498	(12,300)

¹ This is the value of the total STVR award calculated following the end of the financial year. In both FY25 and FY24 the Board determined that it would be settled in cash only, to be paid in following the close of the respective FY.

² Note that the LTVR value reported in this table is the amortised accounting charge of all grants that have not lapsed or vested as at the start of the reporting period.

³ Not included in TRP.

⁴ TRP values for CEO are mainly due to valuation of options awarded and LTVR expense applied in FY24 and FY25. See further section 5.2 on details of options awarded including details of premium exercise prices which must be met for options to be exercised.

⁵ Remuneration for Mr Barnsley is shown from 2 September 2024, the date from which Mr Barnsley was appointed CFO and became an Executive. Mr Barnsley's full-year fixed remuneration package (including superannuation) is \$463,500.

⁶ Remuneration of Mr Tayler for FY25 is for the period 1 July to 1 September 2024 (inclusive), after which time Mr Tayler ceased to be an Executive KMP. This includes the LTVR expense relating to prior years awards which were retained as he remained an employee of the Group for FY25. Mr Tayler did not receive an LTVR award in FY25.

7.2 Non-executive Director KMP statutory remuneration

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

Name	FY	Board Fees \$	Committee Fees \$	Superannuation \$	Other Benefits \$	Equity grant Expense \$	Termination Benefits \$	Total \$
Non-Executive Directors								
Stephen Heath ¹	2025	182,410	-	20,977	-	22,723	-	226,111
	2024	201,250	-	22,138	-	-	-	223,388
Conrad Yiu ²	2025	141,750	21,000	-	-	-	-	162,750
	2024	141,750	21,000	-	-	-	-	162,750
Belinda Rowe ¹	2025	85,874	28,251	13,124	-	28,404	-	155,654
	2024	108,784	28,378	15,088	-	-	-	152,250
Melinda Snowden ¹	2025	90,359	28,251	13,640	-	22,723	-	154,973
	2024	108,784	28,378	15,088	-	-	-	152,250

In FY25, the nominated Non-executive Directors elected to have part of their directors' fees paid in Restricted rights under the 'NED Equity Plan' which reduced the Cash Board fees (refer to section 6.1 and 6.2 above for further details). As there was no fee sacrifice into Restricted rights in FY24, the Board fees (paid in cash), were higher in FY24 than in FY25. As per the Group's accounting policy, the FY25 Restricted rights were accounted for at fair value at the grant date which is shown under the 'Equity Grant Expense' column above. As a result, there is a difference between the total fees paid to the Non-executive Directors per the above table and what would have been the total fees paid to them in cash.

² Conrad Yiu elected not to receive superannuation from the Group.

Remuneration report (audited)

continued

7.3 KMP equity interests and changes during FY25

Movements in rights and options held by Executive KMP and Non-executive Directors, during FY25, are set out below:

		Balance at the start of the year	Granted as remuneration during FY25		Vested	Exercised	Lapsed	Balance 30 June 2025		
Name	Instrument	Number	Date granted	Number	Number	Number	Number	Number	Vested and exercisable	Vested and not exercisable
Executive KMP										
Mark Coulter	Options	8,600,000	-	-	-	-	-	8,600,000	5,000,000	-
Adam McWhinney	Rights	70,690	29/11/24	25,022	-	-	(13,316)	82,396	-	-
Cameron Barnsley	Rights	-	29/11/24	32,216	-	-	-	32,216	-	-
Former Executive KMP										
Mark Tayler	Rights	95,150	-	-	-	-	(17,928)	77,222	-	-
Non-Executive Directors										
Stephen Heath	Rights	14,150	9/12/24	1,728	1,728	-	-	15,878	15,878	-
	Options¹	181,026	-	-	-	(181,026)	-	-	-	-
Conrad Yiu	Rights	23,125	-	-	-	-	-	23,125	23,125	-
	Options¹	181,026	-	-	-	(181,026)	-	-	-	-
Belinda Rowe	Rights	6,382	9/12/24	2,160	2,160	-	-	8,542	8,542	-
Melinda Snowden	Rights	-	9/12/24	1,728	1,728	-	-	1,728	1,728	-

¹ These options vested in the previous financial years and had to be exercised by 30 June 2025, or the awards lapsed.

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

Name	Balance at the start of the year	Received on exercise of Right or Option	Purchased	Sold	Balance at the end of the year
Executive KMP					
Mark Coulter ¹	1,008,537	-	-	(250,000)	758,537
Adam McWhinney	2,309,855	-	-	(1,800,000)	509,855
Cameron Barnsley	-	-	-	-	-
Former Executive KMP					
Mark Tayler	75,086	-	-	(44,167)	30,919 ²
Non-Executive Directors					
Stephen Heath	-	181,026	-	(170,000)	11,026
Conrad Yiu ¹	2,077,933	181,026	-	(250,000)	2,008,959
Belinda Rowe	12,100	-	-	-	12,100
Melinda Snowden	-	-	1,500	-	1,500

1. ArdenPoint Ecommerce Unit Trust ('Trust') is the registered holder of 1,427,828 Ordinary Shares of Temple & Webster Group Ltd. For the purpose of the above table, both Mr Coulter and Mr Yiu, the beneficiaries of the Trust, are considered to hold 50% of the shares held by the Trust. This is the same as in prior financial years.

2. Closing balance of shares shown in the table for Mr Tayler is as at 1 September 2024, after which time Mr Tayler ceased to be an Executive KMP. Subsequently, Mr Tayler sold all his shares after moving to a non-KMP role and the number of shares held by Mr Tayler as at 30 June 2025 is nil.

The following table outlines the accounting values and potential future costs of equity remuneration granted during FY25 for executive KMP:

Name	Award	Vesting Conditions	Grant Date	Number	Exercise Price at Vesting	Fair Value at Grant Date	Total Fair Value at Grant	Value Expensed in FY25	Max Value to be Expensed in Future Years
Adam McWhinney	PRs ¹	RTSR	29/11/2024	12,511	-	8.30	103,841	34,614	69,228
		EPSG	29/11/2024	12,511	-	11.81	147,755	49,252	98,503
Cameron Barnsley	PRs ¹	RTSR	29/11/2024	16,108	-	8.30	133,696	44,565	89,131
		EPSG	29/11/2024	16,108	-	11.81	190,235	63,412	126,824

Non-Executive Directors²									
Stephen Heath	Rights	n/a	9/12/24	1,728	-	13.15	22,723	22,723	-
Belinda Rowe	Rights	n/a	9/12/24	2,160	-	13.15	28,404	28,404	-
Melinda Snowden	Rights	n/a	9/12/24	1,728	-	13.15	22,723	22,723	-

1. PRs means Performance rights.

2. Mr Yiu did not elect to sacrifice any fees for rights in FY25.

Remuneration report (audited)

continued

7.4 KMP service agreements

Executive KMP service agreements

The following outlines current executive KMP service agreements:

Name	Employing company	Duration of contract	Period of notice	
			From Company	From KMP
Mark Coulter	TPW Group Services Pty Ltd	No fixed term	3 months	3 months
Adam McWhinney	TPW Group Services Pty Ltd	No fixed term	2 months	2 months
Cameron Barnsley	TPW Group Services Pty Ltd	No fixed term	3 months	3 months

Non-executive Directors service agreements

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

7.5 Other statutory disclosures

Loans to KMP and their related parties

During FY25 and to the date of this report, the Group made no loans to directors and other KMP and none were outstanding as at 30 June 2025.

Other transactions with KMP

During FY25 there were no other reportable transactions between the Group and its directors, KMP, or their personally related entities ('Related Parties').

This concludes the Remuneration report, which has been audited.

PROCEEDINGS ON BEHALF OF THE COMPANY

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

NON-AUDIT SERVICES

The amount paid or payable to the auditor for non-audit services during the financial year was \$50,480 (2024: \$201,750). This is outlined in note 26 to the consolidated financial statements.

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

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

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

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

ROUNDING OF AMOUNTS

Amounts in this report have been rounded off to the nearest thousand dollars, or in certain cases, the nearest dollar, under the option available to the Company under ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191. The Company is an entity to which this legislative instrument applies.

AUDITOR'S INDEPENDENCE DECLARATION

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

AUDITOR

Ernst & Young continues in office in accordance with section 327 of the Corporations Act 2001.
This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the Directors.



Stephen Heath
Chair

14 August 2025

Auditor's independence declaration



Ernst & Young
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Fax: +61 2 9248 5959
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Auditor's independence declaration to the directors of Temple & Webster Group Ltd

As lead auditor for the audit of the financial report of Temple & Webster Group Ltd for the financial year ended 30 June 2025, I declare to the best of my knowledge and belief, there have been:

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

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

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

Ernst & Young

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

Rachel Rudman
Partner
14 August 2025

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Consolidated statement of profit or loss and other comprehensive income

For the year ended 30 June 2025

	Note	Consolidated	
		2025 \$'000	2024 \$'000
Revenue			
Revenue from contracts with customers	4	600,719	497,841
Cost of goods sold		(402,598)	(331,779)
Gross margin		198,121	166,062
Interest income		5,674	4,964
Expenses			
Marketing		(98,045)	(77,864)
Employee benefits	5	(50,785)	(44,931)
Warehouse		(7,588)	(8,638)
Depreciation and amortisation	5	(8,360)	(5,830)
Merchant fees		(6,605)	(5,412)
Finance costs	5	(1,266)	(1,207)
Other expenses	5	(16,307)	(18,361)
Share of loss of an associate		-	(2,425)
Profit before tax		14,839	6,358
Income tax expense	6	(3,537)	(4,572)
Profit after tax for the year attributable to the owners of Temple & Webster Group Ltd		11,302	1,786
Other comprehensive income			
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the owners of Temple & Webster Group Ltd		11,302	1,786
		Cents	Cents
Basic earnings per share	34	9.52	1.50
Diluted earnings per share	34	9.02	1.43

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

Consolidated statement of financial position

As at 30 June 2025

	Note	Consolidated	
		2025 \$'000	2024 \$'000
Assets			
Current assets			
Cash and cash equivalents ¹	7	144,346	107,152
Trade and other receivables	8	11,602	10,542
Inventories	9	29,034	26,466
Other current assets	10	5,307	4,063
Other financial assets – current		–	202
Total current assets		190,289	148,425
Non-current assets			
Right-of-use assets	11	22,120	21,068
Property, plant and equipment	12	5,459	5,993
Intangibles	13	8,731	8,204
Deferred tax assets	6	50,877	22,774
Other non-current assets		34	20
Total non-current assets		87,221	58,059
Total assets		277,510	206,484
Liabilities			
Current liabilities			
Trade and other payables	14	66,199	47,475
Lease liabilities	5	8,918	4,286
Income tax payable		2,428	825
Employee benefits	15	3,191	2,611
Provisions	16	2,862	3,460
Deferred revenue	17	27,768	21,156
Other financial liabilities – current	18	1,252	–
Total current liabilities		112,618	79,813
Non-current liabilities			
Employee benefits		609	776
Lease liabilities	5	14,802	18,037
Make good provision	16	1,404	1,335
Total non-current liabilities		16,815	20,148
Total liabilities		129,433	99,961
Net assets		148,077	106,523
Equity			
Contributed capital	19	105,375	101,944
Reserves	20	45,483	18,662
Accumulated losses		(2,781)	(14,083)
Total equity		148,077	106,523

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

1. Cash and cash equivalents as at 30/06/2024 included cash-in-transit of \$9,201,000 which has now been reclassified to trade and other receivables. This was a change in presentation during the year ended 30 June 2025, and the comparative prior year balances were also updated in line with this change in presentation. Refer to note 35 in notes to the consolidated financial statements.

Consolidated statement of changes in equity

For the year ended 30 June 2025

Consolidated	Contributed capital \$'000	Treasury shares \$'000	Reserves \$'000	Accumulated losses \$'000	Total equity \$'000
Balance at 1 July 2023	114,472	-	9,128	(15,869)	107,731
Profit after tax for the year	-	-	-	1,786	1,786
Other comprehensive income for the year, net of tax	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,786	1,786
Exercise of options	-	-	-	-	-
Share-based payments (note 20)	-	-	3,854	-	3,854
Tax impact on share-based payments (note 20)	-	-	5,680	-	5,680
Share buy-back (note 19)	(12,528)	-	-	-	(12,528)
Transaction costs	-	-	-	-	-
Issue of shares to Employee Share Trust (note 19)	-	-	-	-	-
Shares transferred to employees under LTVR scheme (note 19)	-	-	-	-	-
Balance at 30 June 2024	101,944	-	18,662	(14,083)	106,523

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

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

Consolidated statement of cash flows

For the year ended 30 June 2025

	Note	Consolidated	
		2025 \$'000	2024 \$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		665,846	548,559
Payments to suppliers and employees (inclusive of GST)		(620,458)	(525,827)
Interest received		5,674	4,964
Interest and other finance costs paid		(1,197)	(1,142)
Income tax paid		(3,920)	(2,285)
Net cash from operating activities	33	45,945	24,269
Cash flows from investing activities			
Payment for other non-current financial assets		-	(2,428)
Payments for property, plant and equipment	12	(399)	(61)
Proceeds from sale of property, plant and equipment	12	3	-
Payments for intangibles	13	(812)	(491)
Net cash used in investing activities		(1,208)	(2,980)
Cash flows from financing activities			
Proceeds from exercise of share options	19	361	-
Payments for share buy-back	19	(1,086)	(12,092)
Transaction costs of issue of shares		(20)	-
Payment of principal portion of lease liabilities	5	(6,798)	(3,709)
Net cash used in financing activities		(7,543)	(15,801)
Net increase in cash and cash equivalents		37,194	5,488
Cash and cash equivalents at the beginning of the financial year ¹		107,152	101,664
Cash and cash equivalents at the end of the financial year ¹	7	144,346	107,152

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

1. Cash and cash equivalents as at 30/06/2024 included cash-in-transit of \$9,201,000 which has now been reclassified to trade and other receivables. This was a change in presentation during the year ended 30 June 2025, and the comparative prior year balances were also updated in line with this change in presentation. Refer to note 35 in notes to the consolidated financial statements.

Notes to the consolidated financial statements

NOTE 1. CORPORATE INFORMATION

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

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

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

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

The consolidated financial statements were authorised for issue, in accordance with a resolution of Directors, on 14 August 2025. The Directors have the power to amend and reissue the consolidated financial statements.

NOTE 2. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

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

Goodwill and other indefinite life intangible assets

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

Share-based payment transactions

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

Notes to the consolidated financial statements
continued

Refunds provision

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

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

Deferred tax assets

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

Determining the lease term of contracts with renewal options

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

NOTE 3. OPERATING SEGMENTS

Identification of reportable operating segments

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

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

NOTE 4. REVENUE FROM CONTRACTS WITH CUSTOMERS

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

	Consolidated	
	2025 \$'000	2024 \$'000
Sale of goods	599,210	496,670
Purchase protection	1,509	1,171
	600,719	497,841

Accounting policy for revenue

Revenue recognition

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

Contracts with customers and performance obligations

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

Transaction price and variable consideration

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

Right-of-return

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

Deferred revenue – gift cards/store credits

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

Deferred revenue – other

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

Presentation and disclosure requirements

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

Notes to the consolidated financial statements

continued

NOTE 5. EXPENSES

	Consolidated	
	2025 \$'000	2024 \$'000
Profit before income tax includes the following specific expenses:		
<i>Depreciation</i>		
Right-of-use assets – buildings	7,144	4,527
Plant and equipment	223	363
Leasehold improvements	709	682
Total depreciation	8,076	5,572
<i>Amortisation</i>		
Software and websites	284	258
Total amortisation	284	258
Total depreciation and amortisation	8,360	5,830
<i>Finance costs</i>		
Interest on lease liabilities	1,266	1,207
Total finance costs	1,266	1,207
<i>Other expenses</i>		
Hosting and other IT	9,302	6,637
Consulting services	2,910	4,271
Change in fair value of other non-current financial assets	–	3,024
Fees and services	1,439	1,741
Rent, occupancy and property insurance	1,022	884
Travelling expenses	576	527
Other	1,058	1,277
Total other expenses	16,307	18,361
<i>Employee benefits expense</i>		
Employee benefits expense excluding superannuation	41,270	37,311
Equity-settled share-based payment expense (refer to note 20)	4,880	3,854
Cash-settled share-based payment expense (refer to note 21)	1,368	1,000
Superannuation contribution expense	3,267	2,766
Total employee benefits expense	50,785	44,931

Accounting policy for leases

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

Group as a lessee

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

Right-of-use assets

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

Lease liabilities

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

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

Short-term leases and leases of low-value assets

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

Presentation and disclosure requirements

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

Notes to the consolidated financial statements

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

Consolidated	\$'000 Total
Balance at 1 July 2023	25,033
Accretion of interest	1,138
Payments – principal and interest	(4,847)
Re-measurement	999
Balance at 30 June 2024	22,323
Current	4,286
Non-current	18,037
Balance at 1 July 2024	22,323
Accretion of interest	1,198
Payments – principal and interest	(7,996)
New Leases	7,687
Re-measurement	508
Balance at 30 June 2025	23,720
Current	8,918
Non-current	14,802

The Group classifies interest paid as cash flows from operating activities. The undiscounted potential future rental payments pertaining to lease extension options not reflected in the lease liabilities total to \$33,043,000 (2024: \$26,868,000).

During the year ended 30 June 2025, the Group entered into a warehouse lease contract that contains variable payments based on the number of pallets stored in the warehouse. The variable lease payment for storing pallets in this warehouse is included in warehouse expenses in the consolidated statement of profit or loss. The following provides information on the Group's variable lease payments, including the magnitude in relation to fixed payments:

	Fixed payments \$'000	Variable payment \$'000	Total \$'000
Fixed rent	7,996	–	7,996
Variable rent	–	1,240	1,240
Total payments	7,996	1,240	9,236

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

NOTE 6. INCOME TAX EXPENSE

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

	Consolidated	
	2025 \$'000	2024 \$'000
Current income tax expense	6,705	3,439
Deferred income tax expense/(benefit)	(3,168)	1,133
	3,537	4,572

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

	Consolidated	
	2025 \$'000	2024 \$'000
Accounting profit before income tax expense	14,839	6,358
Income tax expense at the statutory tax rate of 30%	4,452	1,907
Adjustments in respect of current income tax of previous years	12	(38)
(Deductible)/non-deductible expenses for tax purposes – share-based payments	(1,050)	1,065
Tax on proceeds from exercise of equity options	108	–
Non-deductible expenses for tax purposes – share of loss of an associate	–	727
Non-deductible expenses for tax purposes – change in fair value of other non-current financial assets	–	907
Non-deductible expenses for tax purposes – others	15	4
Income tax expense reported in the consolidated statement of profit or loss	3,537	4,572

Deferred tax

Deferred tax asset recognised comprises temporary differences attributable to:

	Consolidated	
	2025 \$'000	2024 \$'000
Share-based payments	42,663	15,279
Lease liabilities	7,116	6,697
Deferred revenue	4,689	3,179
Carry-forward tax losses	2,434	2,711
Provisions for returns, refunds, inventory and bad debtors	1,491	1,860
Employee benefits	1,224	1,086
Property, plant and equipment	385	167
Deductible capital raising costs	59	105
Right-of-use assets	(6,636)	(6,320)
Accrued expenses	(2,151)	(1,146)
Intangibles	(789)	(795)
Foreign exchange	399	(47)
Prepayments and others	(7)	(2)
	50,877	22,774

Deferred tax assets have been recognised to the extent the Group has estimated it will be probable that future taxable amounts will be available to utilise those temporary differences. The deferred tax asset on unrecognised tax losses amounting to \$2,434,000 (2024: \$2,711,000) was recognised for the year ended 30 June 2025. The carry-forward tax losses have been recognised to the extent that it is probable that future taxable amounts will be able to be utilised in the foreseeable future. These tax losses can only be utilised in the future if the continuity of ownership test is passed, or failing that, the same business test is passed.

Notes to the consolidated financial statements
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Accounting for tax

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

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

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

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

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

Tax consolidated group

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

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

Franking credits

The franking credits available as at 30 June 2025 is \$14,272,000 (2024: \$10,351,000) from the payment of income tax.

NOTE 7. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	Consolidated	
	2025 \$'000	2024 \$'000
Cash at bank ¹	71,312	37,192
Cash on deposit	73,034	69,960
	144,346	107,152

Cash on deposit includes \$2,669,000 (2024: \$3,075,000) restricted cash balance subject to contractual restrictions and this is not available for use by the Group.

1. The comparative information has been reclassified. Refer to note 35 in notes to the consolidated financial statements for further details.

Accounting policy for cash and cash equivalents

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

NOTE 8. CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	Consolidated	
	2025 \$'000	2024 \$'000
Trade receivables	325	1,341
Other receivables ¹	11,277	9,201
	11,602	10,542

Other receivable includes \$11,249,000 (2024: \$9,201,000) cash-in-transit balance. This was a change in presentation during the year ended 30 June 2025.

NOTE 9. CURRENT ASSETS - INVENTORIES

	Consolidated	
	2025 \$'000	2024 \$'000
Stock in transit	8,857	8,852
Stock on hand	21,195	19,026
Less: Provision for impairment	(1,018)	(1,412)
Stock on hand (net)	20,177	17,614
	29,034	26,466

Inventory that was recognised as an expense in the statement of profit or loss amounted to \$310,926,000 (2024: 256,794,000) for the year ended 30 June 2025 and was recognised in Cost of goods sold.

Cost of goods sold also includes the shipping costs incurred on delivery of products to customers of \$91,672,000 (2024: \$74,985,000).

Accounting policy for inventories

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

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

1. The comparative information has been reclassified. Refer to note 35 in notes to the consolidated financial statements for further details.

Notes to the consolidated financial statements

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NOTE 10. CURRENT ASSETS - OTHER

	Consolidated	
	2025 \$'000	2024 \$'000
Prepayments	4,690	3,829
Right-of-return assets	479	224
Security deposits	138	10
	5,307	4,063

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

	Consolidated	
	2025 \$'000	2024 \$'000
Buildings (at cost) – Balance at 1 July	30,808	29,809
Additions	7,687	–
Re-measurement	509	999
	39,004	30,808
Less: Accumulated depreciation	(16,884)	(9,740)
Balance at 30 June	22,120	21,068

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

Consolidated	Buildings \$'000	Total \$'000
Balance at 1 July 2023	24,596	24,596
Re-measurement	999	999
Depreciation expense	(4,527)	(4,527)
Balance at 30 June 2024	21,068	21,068
Balance at 1 July 2024	21,068	21,068
Additions	7,687	7,687
Re-measurement	509	509
Depreciation expense	(7,144)	(7,144)
Balance at 30 June 2025	22,120	22,120

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

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

	Consolidated	
	2025 \$'000	2024 \$'000
Leasehold improvements – at cost	7,149	6,904
Less: Accumulated depreciation on leasehold improvements	(1,943)	(1,235)
	5,206	5,669
Construction in progress	-	24
Plant and equipment – at cost	2,540	2,363
Less: Accumulated depreciation	(2,287)	(2,063)
	253	300
	5,459	5,993

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

Consolidated	Leasehold improvements \$'000	Construction in progress \$'000	Plant and equipment \$'000	Total \$'000
Balance at 1 July 2023	6,344	-	633	6,977
Additions	7	24	30	61
Depreciation expense	(682)	-	(363)	(1,045)
Balance at 30 June 2024	5,669	24	300	5,993
Balance at 1 July 2024	5,669	24	300	5,993
Additions	-	221	182	403
Disposals	-	-	(5)	(5)
Transfers	245	(245)	-	-
Depreciation expense	(708)	-	(224)	(932)
Balance at 30 June 2025	5,206	-	253	5,459

Accounting policy for property, plant and equipment

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

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

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

Plant, machinery and equipment	2 to 20 years
Leasehold improvements	2 to 10 years

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

Notes to the consolidated financial statements

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NOTE 13. NON-CURRENT ASSETS - INTANGIBLES

	Consolidated	
	2025 \$'000	2024 \$'000
Goodwill - at cost	22,434	22,434
Less: Accumulated impairment	(17,902)	(17,902)
	4,532	4,532
Brands - at cost	2,781	2,781
Software and websites - at cost	4,652	3,632
Less: Accumulated amortisation	(1,853)	(1,568)
Less: Accumulated impairment	(1,474)	(1,474)
	1,325	590
Development costs	49	257
Other	44	44
	8,731	8,204

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

Consolidated	Goodwill \$'000	Brands \$'000	Software and websites \$'000	Development costs \$'000	Other \$'000	Total \$'000
Balance at 1 July 2023	4,532	2,781	614	-	44	7,971
Additions	-	-	-	491	-	491
Transfer of software upon completion	-	-	234	(234)	-	-
Amortisation expense	-	-	(258)	-	-	(258)
Balance at 30 June 2024	4,532	2,781	590	257	44	8,204
Balance at 1 July 2024	4,532	2,781	590	257	44	8,204
Additions	-	-	-	812	-	812
Transfer of software upon completion	-	-	1,020	(1,020)	-	-
Amortisation expense	-	-	(285)	-	-	(285)
Balance at 30 June 2025	4,532	2,781	1,325	49	44	8,731

Impairment testing

For impairment testing, goodwill and brands acquired through business combinations are allocated to the Temple & Webster CGU ('TPW') and amounted to \$7,313,000 in the current and previous financial year. The Group performed its annual impairment test in June 2025 and June 2024. The recoverable amount of the TPW CGU was assessed based on a value-in-use calculation, using a discounted cash flow model, based on a five-year projection period including the budget approved by the Board for the financial year ended 30 June 2026. The key assumptions used to determine the value-in-use of the TPW CGU are based on the Directors' current expectations which were considered to be reasonably achievable. However, significant changes in any of these key estimates, assumptions or regulatory environments may result in the TPW CGU carrying value exceeding its recoverable value, requiring an impairment charge to be recognised. Any reasonable possible change in any of the assumptions used did not result in an impairment charge at 30 June 2025. The key assumptions are those to which the recoverable amount of an asset or CGU is most sensitive.

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

- 13.5% pre-tax discount rate (14.5% in the previous financial year),
- revenue growth in year 1 as per the next financial year budget approved by the Board (consistent approach with the previous financial year),
- revenue growth in years 2 to 5 calculated based on the combination of the historical growth rates over the past four years as well as external industry data (consistent approach with the previous financial year),
- 3% terminal growth rate in the current and the previous financial year.

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

Based on the above assumptions, the calculated recoverable amount was higher than the carrying value of the TPW CGU and therefore no impairment charge was expensed to profit or loss for the year ended 30 June 2025.

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

Accounting policy for impairment of non-financial assets

Goodwill and other intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

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

Accounting policy for intangible assets

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

Notes to the consolidated financial statements

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Goodwill

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

Brands

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

Software and websites

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

Research and development

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

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

Customer relationships

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

NOTE 14. CURRENT LIABILITIES - TRADE AND OTHER PAYABLES

	Consolidated	
	2025 \$'000	2024 \$'000
Trade payables	48,340	36,295
Accrued payables	13,197	6,880
Employee related payables	1,214	1,189
Cash-settled share-based payments (refer to note 21)	1,368	1,000
On-costs on share-based payments	81	59
Other payables	1,999	2,052
	66,199	47,475

Accounting policy for trade and other payables

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

Defined contribution superannuation expense

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

NOTE 15. CURRENT LIABILITIES - EMPLOYEE BENEFITS

	Consolidated	
	2025 \$'000	2024 \$'000
Annual leave	2,143	2,083
Long service leave	1,048	528
	3,191	2,611

Accounting policy for employee benefits

Employee benefits

Short-term employee benefits

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

Long-term employee benefits

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

NOTE 16. PROVISIONS

	Consolidated	
	2025 \$'000	2024 \$'000
Current provisions		
Refunds and replacements	2,862	3,460
	2,862	3,460
Non-current provisions		
Make good obligation	1,404	1,335
	1,404	1,335

Notes to the consolidated financial statements

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Movements in provisions

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

Consolidated	Make good obligation \$'000	Refunds and replacements \$'000	Total \$'000
Carrying amount at 1 July 2023	1,270	3,570	4,840
Additional provisions recognised	65	27,757	27,822
Amounts used	-	(24,506)	(24,506)
Unused amounts reversed	-	(3,361)	(3,361)
Carrying amount at 30 June 2024	1,335	3,460	4,795
Additional provisions recognised	69	35,193	35,262
Amounts used	-	(33,623)	(33,623)
Unused amounts reversed	-	(2,168)	(2,168)
Carrying amount at 30 June 2025	1,404	2,862	4,266

Accounting policy for provisions

Lease make good

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

Refunds and replacements

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

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

NOTE 17. CURRENT LIABILITIES - DEFERRED REVENUE

	Consolidated	
	2025 \$'000	2024 \$'000
Deferred revenue	27,768	21,156

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

	Deferred revenue \$'000
Carrying amount at 1 July 2023	13,665
Additional revenue deferred	505,332
Revenue recognised	(497,841)
Carrying amount at 30 June 2024	21,156
Additional revenue deferred	607,331
Revenue recognised	(600,719)
Carrying amount at 30 June 2025	27,768

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

NOTE 18. OTHER FINANCIAL LIABILITIES - CURRENT

	Consolidated	
	2025 \$'000	2024 \$'000
Current		
Foreign exchange forward contract	1,252	-
	1,252	-

Refer to note 23 for the accounting policies on financial liabilities.

Notes to the consolidated financial statements

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NOTE 19. EQUITY - CONTRIBUTED CAPITAL AND TREASURY SHARES

	Consolidated			
	2025 Shares	2024 Shares	2025 \$'000	2024 \$'000
Ordinary shares - fully paid	118,789,993	118,570,156	105,375	101,944

Movements in ordinary share capital

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2023	120,253,448		114,472
Shares bought back and cancelled	see 'Ordinary shares' note below	(1,683,292)		(12,528)
Balance	1 July 2024	118,570,156		101,944
Exercise of options		-		361
Issue of shares to Employee Share Trust	26 August 2024	181,026	\$11.42	2,069
Issue of shares to Employee Share Trust	27 November 2024	181,026	\$11.53	2,087
Shares bought back and cancelled	see 'Ordinary shares' note below	(142,215)		(1,086)
Balance	30 June 2025	118,789,993		105,375

Movements in treasury shares

Details	Date	Shares	Issue price	\$'000
Balance	1 July 2024	-		-
Shares purchased under LTVR scheme		(362,052)	11.48	(4,156)
Shares transferred to employees under LTVR scheme		362,052	11.48	4,156
Balance	30 June 2025	-		-

Ordinary shares

Ordinary shares entitle the holder to participate in dividends and the proceeds on the winding up of the Company in proportion to the number of and amounts paid on the shares held. The fully paid ordinary shares have no par value and the Company does not have a limited amount of authorised capital.

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

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

During the year ended 30 June 2025, the Group purchased 88,341 ordinary shares (2024: 1,735,838) on issue at average price of \$12.29 (2024: \$7.22) under the on-market share buy-back programs. All the shares bought-back were cancelled as at 30 June 2025.

Treasury shares

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

Capital risk management

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

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares. The Group would look to raise capital when an opportunity to invest in a business or company is seen as value adding relative to the current Company's share price at the time of the investment. No changes were made in the objectives, policies or processes for managing capital during the years ended 30 June 2025 and 30 June 2024. The Group used the cash and assets in a form readily convertible to cash that it had at the time of admission in a way consistent with its business objectives in the financial years ended 30 June 2025 and 30 June 2024.

Accounting policy for contributed capital

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

NOTE 20. EQUITY - RESERVES

	Consolidated	
	2025 \$'000	2024 \$'000
Share-based payments reserve	45,483	18,662
	45,483	18,662

Accounting policy for reserves

Share-based payments reserve

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

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

Movements in reserves

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

Consolidated	Share-based payments \$'000
Balance at 1 July 2023	9,128
Transaction Cost	-
Shares issued to employees under LTVR scheme	-
Share-based payments	3,854
Tax impact on share-based payments	5,680
Balance at 30 June 2024	18,662
Transaction Cost	(20)
Shares issued to employees under LTVR scheme	(4,156)
Share-based payments	4,880
Tax impact on share-based payments	26,117
Balance at 30 June 2025	45,483

Notes to the consolidated financial statements

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NOTE 21. SHARE-BASED PAYMENTS

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

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

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

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

Set out below are summaries of performance rights granted under the LTVR plans as at 30 June 2024:

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Vested but not exercised	Exercised	Expired/ forfeited/ replaced	Balance at the end of the year
28/06/2021	30/06/2023	\$0.00	109,705	-	-	-	(109,705)	-
21/12/2021	30/06/2024	\$0.00	104,083	-	-	-	-	104,083
30/06/2022	30/06/2026	\$0.00	538,756	-	-	-	(538,756)	-
11/05/2023	30/06/2025	\$0.00	272,728	-	-	-	-	272,728
13/11/2023	30/06/2026	\$0.00	-	195,144	-	-	-	195,144
1/12/2023	31/08/2025	\$0.00	-	18,509	-	-	-	18,509
1/12/2023	31/08/2026	\$0.00	-	18,509	-	-	-	18,509
1/04/2024	31/08/2025	\$0.00	-	3,022	-	-	-	3,022
1/04/2024	31/08/2026	\$0.00	-	3,022	-	-	-	3,022
			1,025,272	238,206	-	-	(648,461)	615,017

The weighted average remaining contractual life of performance rights outstanding at the end of the 2024 financial year was 1.19 years.

The Group issued Long-Term Variable Remuneration ('LTVR') Performance Rights and Retention Rights to the executive and management team during the current financial year. Of the total LTVR performance rights granted during the current financial year on 29 November 2024, 50% of the LTVR have market vesting condition based on Group's Total Shareholder Return ('TSR') as compared to TSR of the constituents of the S&P/ASX 300 Industrials Index over the performance period and the remaining 50% of the LTVR have non-market vesting condition based on the achievement of a certain Earnings Per Share Growth ('EPSG') target.

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

Grant date	Vesting date	Share price at grant date	Exercise price	Expected volatility	Dividend yield	Risk-free interest rate	Fair value at grant date
29/11/2024	30/06/2027	\$11.81	\$0.00	53.00%	-	3.92%	\$8.30

For the LTVR performance rights granted to the executive and management team with an EPSG target, the share price on the grant date is determined to be the fair value at the grant date of \$11.81.

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

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

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

Set out below are summaries of options granted under the LTVR and salary sacrifice plans as at 30 June 2025:

Grant date	Vesting date	Exercise price	Balance at the start of the year	Granted	Vested but not exercised	Exercised	Expired/forfeited/replaced	Balance at the end of the year
1/07/2018	31/08/2022	\$0.74	5,000,000	-	5,000,000	-	-	5,000,000
27/11/2018	30/06/2021	\$0.99	362,052	-	-	(362,052)	-	-
30/11/2022	31/08/2026	\$7.06	1,200,000	-	-	-	-	1,200,000
30/11/2022	31/08/2026	\$9.53	1,200,000	-	-	-	-	1,200,000
30/11/2022	31/08/2026	\$12.86	1,200,000	-	-	-	-	1,200,000
			8,962,052	-	5,000,000	(362,052)	-	8,600,000

For the LTVR and salary sacrifice options granted during the previous financial years to the CEO and Non-executive Directors ('NED'), and still outstanding as at 30 June 2025, the valuation model inputs used to determine the fair value at the grant date are as follows:

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

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Set out below are summaries of restricted rights granted under the LTVR plans as at 30 June 2025 and fair value:

Grant date	Vesting date	Share price at grant date	Balance at the start of the year	Granted	Vested but not exercised	Exercised	Expired/forfeited/replaced	Balance at the end of the year
12/11/2021	12/11/2021	\$10.86	9,729	-	9,729	-	-	9,729
11/05/2023	11/05/2023	\$3.77	33,928	-	33,928	-	-	33,928
9/12/2024	9/12/2024	\$13.15	-	5,616	5,616	-	-	5,616
			43,657	5,616	49,273	-	-	49,273

Cash-settled share-based payments of \$1,368,000 were granted under the STVR Plan on 1 July 2024 and vested on 30 June 2025 (2024: \$1,000,000). The STVR is dependent on meeting Group and individual performance objectives and each participant is also required to meet a service condition.

Accounting policy for share-based payments

Equity-settled transactions

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

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

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

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

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

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

Cash-settled transactions

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

NOTE 22. EQUITY - DIVIDENDS

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

NOTE 23. FINANCIAL INSTRUMENTS

Financial risk management objectives

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

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

Market risk

Foreign currency risk

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

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

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

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

Consolidated	Assets		Liabilities	
	2025 \$'000	2024 \$'000	2025 \$'000	2024 \$'000
Trade and other payables	-	-	1,399	902
Foreign exchange forward contracts	-	202	1,252	-
	-	202	2,651	902

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

Interest rate risk

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

Credit risk

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

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Liquidity risk

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

Remaining contractual maturities

The following tables detail the Group's remaining contractual maturities for its financial instrument liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the financial liabilities are required to be paid. The tables include both interest and principal cash flows disclosed as remaining contractual maturities and therefore these totals may differ from their carrying amounts in the consolidated statement of financial position.

Consolidated – 2025	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives						
Trade payables	-	48,340	-	-	-	48,340
Other payables	-	1,999	-	-	-	1,999
Interest bearing lease liabilities	5.2	9,897	2,573	8,234	8,478	29,182
Total non-derivative financial liabilities		60,236	2,573	8,234	8,478	79,521
Derivatives						
Foreign exchange forward contract		1,252	-	-	-	1,252
Total derivative financial liabilities		1,252	-	-	-	1,252

Consolidated – 2024	Weighted average interest rate %	1 year or less \$'000	Between 1 and 2 years \$'000	Between 2 and 5 years \$'000	Over 5 years \$'000	Remaining contractual maturities \$'000
Non-derivatives						
Trade payables	-	36,295	-	-	-	36,295
Other payables	-	2,052	-	-	-	2,052
Interest bearing lease liabilities	4.8	5,255	4,468	7,811	10,980	28,514
Total non-derivative financial liabilities		43,602	4,468	7,811	10,980	66,861
Total derivative financial liabilities		-	-	-	-	-

The cash flows in the maturity analysis above are not expected to occur significantly earlier than contractually disclosed above.

Accounting policy for financial instruments

AASB 9 *Financial Instruments*

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

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

Financial assets – classification and measurement

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

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

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

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

Financial liabilities

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

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

Derivatives

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

NOTE 24. FAIR VALUE MEASUREMENT

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

Accounting policy for fair value measurement

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

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

Assets and liabilities measured at fair value are classified into three levels using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. Derivatives held by the Group are considered to be Level 2. Classifications are reviewed at each reporting date and transfers between levels are determined based on a reassessment of the lowest level of input that is significant to the fair value measurement.

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

NOTE 25. KEY MANAGEMENT PERSONNEL DISCLOSURES

Compensation

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

	Consolidated	
	2025 \$	2024 \$
Short-term employee benefits	1,806,972	1,826,924
Post-employment benefits	141,693	134,510
Variable short-term employee benefits	450,064	262,256
Share-based payment	3,849,288	3,735,543
	6,248,017	5,959,233

NOTE 26. REMUNERATION OF AUDITORS

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

	Consolidated	
	2025 \$	2024 \$
<i>Audit services – Ernst & Young Australia</i>		
Audit or review of the financial report	325,800	304,882
<i>Other services – Ernst & Young Australia</i>		
Due diligence	-	95,000
Other tax services	-	64,000
Tax compliance	41,630	39,250
Other	8,850	3,500
	376,280	506,632

NOTE 27. CONTINGENT LIABILITIES

The Group had no contingent liabilities at 30 June 2025 and 30 June 2024.

NOTE 28. COMMITMENTS

The Group had no capital commitments at 30 June 2025.

NOTE 29. RELATED PARTY TRANSACTIONS

Parent entity

Temple & Webster Group Ltd is the parent entity.

Subsidiaries

Interests in subsidiaries are set out in note 31.

Key management personnel

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

Transactions with related parties

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

Receivable from and payable to related parties

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

Loans to/from related parties

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

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NOTE 30. PARENT ENTITY INFORMATION

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

Consolidated statement of profit or loss and other comprehensive income

	2025 \$'000	2024 \$'000
Loss after income tax	(5,845)	(4,584)
Total comprehensive loss	(5,845)	(4,584)

Consolidated statement of financial position

	2025 \$'000	2024 \$'000
Total current assets	104,393	77,915
Total assets	110,434	83,956
Total current liabilities	40,639	38,568
Total liabilities	40,639	38,568
Net assets	69,795	45,388
Equity		
Contributed capital	123,279	119,868
Reserves	40,726	13,885
Accumulated losses	(94,210)	(88,365)
Total equity	69,795	45,388

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

The parent entity had no guarantees in relation to the debts of its subsidiaries as at 30 June 2025 and 30 June 2024.

Contingent liabilities

The parent entity had no contingent liabilities as at 30 June 2025 and 30 June 2024.

Capital commitments – Property, plant and equipment

The parent entity had no capital commitments for property, plant and equipment as at 30 June 2025 and 30 June 2024.

Material accounting policies

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

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

Deed of cross guarantee

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

NOTE 31. INTERESTS IN SUBSIDIARIES

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

Name	Principal place of business/Country of incorporation	Country of tax residency	Ownership interest	
			2025 %	2024 %
Temple & Webster Pty Ltd	Australia	Australia	100.00%	100.00%
Temple & Webster Services Pty Ltd	Australia	Australia	100.00%	100.00%
TPW Group Services Pty Ltd	Australia	Australia	100.00%	100.00%
Milan Direct Group Investments Pty Ltd	Australia	Australia	100.00%	100.00%
Milan Direct Pty Ltd	Australia	Australia	100.00%	100.00%
Milan Direct UK Pty Ltd	Australia	Australia	100.00%	100.00%
Temple & Webster NZ Ltd	New Zealand	New Zealand	100.00%	100.00%
Temple & Webster Group Ltd Employee Share Trust	Australia	Australia	100.00%	100.00%

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

NOTE 32. DEED OF CROSS GUARANTEE

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

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

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

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

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

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

	Consolidated	
	2025 \$'000	2024 \$'000
Profit after tax for the year	11,302	1,786
Adjustments for:		
Share-based payment expense	4,880	3,854
Depreciation and amortisation	8,360	5,830
Loss on disposal of fixed assets	2	-
Deferred income tax (benefit)/expense	(1,990)	1,133
Change in fair value of other non-current assets	-	3,024
Share of loss of an associate	-	2,425
Interest on make-good	69	65
Change in operating assets and liabilities:		
(Increase)/decrease in trade and other receivables	(1,060)	(6,499)
(Increase)/decrease in inventories	(2,568)	(8,372)
(Increase)/decrease in tax receivables	-	329
(Increase)/decrease in other assets	(1,258)	474
(Increase)/decrease in other current financial assets	202	1,101
Increase/(decrease) in trade and other payables	18,724	10,315
Increase/(decrease) in employee benefits	413	598
Increase/(decrease) in other provisions	(598)	(110)
Increase/(decrease) in deferred revenue	6,612	7,491
Increase/(decrease) in other current financial liabilities	1,252	-
Increase/(decrease) in income tax payable	1,603	825
Net cash from operating activities	45,945	24,269

NOTE 34. EARNINGS PER SHARE

	Consolidated	
	2025 \$'000	2024 \$'000
Profit after income tax attributable to the owners of Temple & Webster Group Ltd	11,302	1,786
	Number	Number
Weighted average number of ordinary shares used in calculating basic earnings per share	118,732,568	119,175,160
Effects of dilution from share-based payments	6,543,092	5,778,688
Weighted average number of ordinary shares used in calculating diluted earnings per share	125,275,660	124,953,848
	Cents	Cents
Basic earnings per share	9.52	1.50
Diluted earnings per share	9.02	1.43

Accounting policy for earnings per share

Basic earnings per share

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

Diluted earnings per share

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

NOTE 35. MATERIAL ACCOUNTING POLICIES

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

New, revised or amending Accounting Standards and Interpretations adopted

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

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the Corporations Act 2001, as appropriate for for-profit oriented entities. These consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board ('IASB').

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

Historical cost convention

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

Critical accounting estimates

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

Changes in presentation

During the year ended 30 June 2025, there were certain changes in presentation to provide a clear, relevant, and comparable view of the Company's financial performance, facilitating informed decision making by the users of these financial statements.

Notes to the consolidated financial statements

continued

Cash-in-transit

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

As a result, during the current financial year, cash in transit has been reclassified from cash and cash equivalents to trade and other receivables in the statement of financial position.

The comparative information has been updated in line with the above change in presentation during the year ended 30 June 2025.

Parent entity information

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

Principles of consolidation

The consolidated financial statements incorporate the assets and liabilities of all subsidiaries of Temple & Webster Group Ltd as at 30 June 2025 and the results of all subsidiaries for the year then ended.

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

Intercompany transactions, balances and unrealised gains on transactions between entities in the Group are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of the impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

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

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

Foreign currency translation

Foreign currency transactions

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

Foreign operations

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

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

Current and non-current classification

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

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

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

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

Investments and other financial assets

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

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

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

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

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

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

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

Rounding of amounts

The Group is of a kind referred to in Corporations Instrument 2016/191, issued by the Australian Securities and Investments Commission, relating to 'rounding-off'. Amounts in this report have been rounded off in accordance with that Corporations Instrument to the nearest thousand dollars, or, in certain cases, the nearest dollar.

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

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory, have not been early adopted by the Group for the annual reporting period ended 30 June 2025. Management is currently assessing the impact of these standards on the Group's financial statements in the year of initial application.

NOTE 37. EVENTS AFTER THE REPORTING PERIOD

There has been no matter or circumstance that has arisen since 30 June 2025 that has significantly affected, or may significantly affect, the Group's operations, the results of those operations, or the Group's state of affairs in future financial years.

Consolidated entity disclosure statement

Name	Entity Type	Body corporate country of Incorporation	Country of tax residence	Body corporate % of ownership interest	
				2025 %	2024 %
Temple & Webster Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Temple & Webster Services Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
TPW Group Services Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Milan Direct Group Investments Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Milan Direct Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Milan Direct UK Pty Ltd	Body corporate	Australia	Australia	100.00%	100.00%
Temple & Webster NZ Ltd	Body corporate	New Zealand	New Zealand	100.00%	100.00%
Temple & Webster Group Ltd Employee Share Trust	Body corporate	Australia	Australia	100.00%	100.00%

Directors' declaration

In the Directors' opinion:

- the attached consolidated financial statements and notes comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached consolidated financial statements and notes comply with International Financial Reporting Standards as issued by the International Accounting Standards Board as described in note 35 to the consolidated financial statements;
- the attached consolidated financial statements and notes give a true and fair view of the Group's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;
- the consolidated entity disclosure statement required by section 295(3A) of the Corporations Act is true and correct;
- there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable; and
- at the date of this declaration, there are reasonable grounds to believe that the members of the Extended Closed Group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee described in note 32 to the consolidated financial statements.

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

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

On behalf of the Directors



Stephen Heath
Chair

14 August 2025
Sydney

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Independent auditor's report



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

Report on the audit of the financial report

Opinion

We have audited the financial report of Temple & Webster Group Ltd (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2025, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including material accounting policy information, the consolidated entity disclosure statement and the directors' declaration.

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

- a. Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2025 and of its consolidated financial performance for the year ended on that date; and
- b. Complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including *Independence Standards*) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Key audit matters

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

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

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Why significant	How our audit addressed the key audit matter
As disclosed in note 4 to the financial report, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The majority of the Group's revenue transactions are completed through the "drop-ship" model, whereby suppliers deliver goods directly to the Group's customers. The Group is the principal in these transactions; therefore, revenue is recognised as the gross selling price net of rebates and discounts. Revenue is only recognised when delivery of goods is made to the customer. Judgement is required in determining the date of delivery in instances where an order has been shipped, but delivery status remains unknown at the year end date. Due to the judgement involved in this assessment, the volume of online retail transactions processed on a daily basis, and the arrangements in place with suppliers, the timing of when revenue and deferred revenue is recognised is considered to be a key audit matter.	Our audit procedures included the following: - Assessed the design of relevant controls in place relating to the recognition and measurement of revenue transactions. - Used data analytical procedures to corroborate expected correlations between revenue, cash and deferred revenue. - Selected a sample of revenue transactions during the financial year and subsequent to 30 June 2025 and tested whether revenue was recognised in the correct period. This included testing whether revenue transactions were recognised as deferred revenue at balance date where applicable. - Selected a sample of customer returns and credit notes issued post 30 June 2025 relating to sales recognised in the 2025 financial year and tested whether revenue was recognised in the correct period. - Assessed whether the Group's revenue recognition accounting policy applied to the terms and conditions of sale was in accordance with the requirements of Australian Accounting Standards. - Assessed the adequacy of the financial report disclosures relating to revenue contained in note 4.

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

The directors are responsible for the other information. The other information comprises the information included in the Group's 2025 annual report, but does not include the financial report and our auditor's report thereon.

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.



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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 financial report

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

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

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

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

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

Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

- ▶ Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ▶ 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.

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- ▶ Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- ▶ Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- ▶ Plan and perform the Group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the Group financial report. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on the audit of the Remuneration Report

Opinion on the Remuneration Report

We have audited the Remuneration Report included in pages 71 to 90 of the directors' report for the year ended 30 June 2025.

In our opinion, the Remuneration Report of Temple & Webster Group Ltd for the year ended 30 June 2025, complies with section 300A of the *Corporations Act 2001*.



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Responsibilities

The directors of the Company are responsible for the preparation and presentation of the Remuneration Report in accordance with section 300A of the *Corporations Act 2001*. Our responsibility is to express an opinion on the Remuneration Report, based on our audit conducted in accordance with Australian Auditing Standards.

Ernst & Young

Ernst & Young

Rudman

Rachel Rudman
Partner
Sydney
14 August 2025

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Shareholder information

The shareholder information set out below is applicable as at 1 September 2025.

NUMBER OF EQUITY SECURITY HOLDERS

The number of holders of Ordinary equity securities was 6,230.

The number of holders of unquoted Performance Rights was 16.

The number of holders of unquoted Options was 1.

The number of holders of unquoted Restricted rights was 4.

VOTING RIGHTS

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

ORDINARY SHARES

On a show of hands every member present at a meeting in person or by proxy shall have one vote and upon a poll each share shall have one vote.

PERFORMANCE RIGHTS

Holders of Performance Rights do not have any voting rights.

OPTIONS

Holders of Options do not have any voting rights.

DISTRIBUTION OF EQUITY SECURITIES

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

Range	Securities	%	No. of holders of ordinary shares	%
100,001 and Over	113,441,603	94.32	34	0.55
10,001 to 100,000	2,729,074	2.27	88	1.41
5,001 to 10,000	725,560	0.60	100	1.61
1,001 to 5,000	1,924,088	1.60	880	14.13
1 to 1,000	1,453,484	1.21	5,128	82.31
Total	120,273,809	100.00	6,230	100.00

Shareholder information

continued

Distribution of unquoted equity securities

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

Range	Securities	%	No. of holders of ordinary shares	%
100,001 and Over	-	-	-	-
10,001 to 100,000	646,014	99.06	14	87.50
5,001 to 10,000	-	-	-	-
1,001 to 5,000	6,044	0.94	2	12.50
1 to 1,000	-	-	-	-
Total	652,058	100.00	16	100.00

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

Range	Securities	%	No. of holders of ordinary shares	%
100,001 and Over	7,400,000	100	1	100
10,001 to 100,000	-	0	-	-
5,001 to 10,000	-	0	-	-
1,001 to 5,000	-	0	-	-
1 to 1,000	-	0	-	-
Total	7,400,000	100	1	100

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

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

Substantial holders

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

	Ordinary shares held	% of issued shares
AustralianSuper Pty Ltd	12,388,333	10.43
Kinderhook 2 LP	10,852,114	9.1
Timothy M Riley and associated parties (Riley Shareholders)	9,250,000	7.52

MARKETABLE PARCEL

The number of holders holding less than a marketable parcel of Ordinary securities was 186.

TWENTY LARGEST QUOTED EQUITY SECURITY HOLDERS

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

Name	Ordinary shares held	% of issued shares
CITICORP NOMINEES PTY LIMITED	36,647,235	30.47
J P MORGAN NOMINEES AUSTRALIA PTY LIMITED	27,429,085	22.81
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	26,390,823	21.94
NETWEALTH INVESTMENTS LIMITED	6,296,648	5.24
BNP PARIBAS NOMINEES PTY LTD	2,084,585	1.73
BNP PARIBAS NOMS PTY LTD	1,726,494	1.44
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED - A/C 2	1,424,374	1.18
PALM BEACH NOMINEES PTY LIMITED	1,011,066	0.84
66 VENTURES PTY LTD	999,966	0.83
KINDERHOOK 2 LP	958,500	0.80
MIRRABOOKA INVESTMENTS LIMITED	839,000	0.70
ECAPITAL NOMINEES PTY LIMITED	772,186	0.64
NEWECONOMY COM AU NOMINEES PTY LIMITED	665,116	0.55
NATIONAL NOMINEES LIMITED	656,018	0.55
BNP PARIBAS NOMINEES PTY LTD	639,669	0.53
AP ECOMMERCE PTY LTD	627,828	0.52
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED-GSCO ECA	472,942	0.39
HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED	464,288	0.39
HINGTAI PTY LIMITED	415,000	0.34
ADAM RICHARD MCWHINNEY	407,408	0.34
Total	110,928,231	92.23
Balance of register	9,345,578	7.77
Grand Total	120,273,809	100.00

On-market buy-back

The Company announced a new on-market share buy-back program on 2 June 2025. Please refer to note 19 for more details regarding the buy-back.

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Corporate directory

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

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