Universal Store

ASX Announcement

Brisbane, 21 August 2025

APPENDIX 4E AND ANNUAL REPORT FOR UNIVERSAL STORE HOLDINGS LIMITED

In accordance with the Listing Rules of the Australian Securities Exchange (ASX), Universal Store Holdings Limited (ASX:UNI) encloses for release the following information:

- Appendix 4E, the Preliminary Final Report for the year ended 30 June 2025; and
- 2025 Annual Report.

Authorised for release by the Board of Universal Store Holdings Limited.

-ENDS-

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ABOUT UNIVERSAL STORE

Universal Store Holdings (ASX: UNI) owns a portfolio of premium youth fashion brands and omni-channel retail and wholesale businesses. The Company's principal businesses are Universal Store (trading under the Universal Store and Perfect Stranger retail banners) and CTC (trading the THRILLS and Worship brands). The Company currently operates 112 physical stores across Australia in addition to online channels. The Company's strategy is to grow and develop its premium youth fashion apparel brands and retail formats to deliver a carefully curated selection of on-trend apparel products to a target 16-35 year-old fashion focused customer.

APPENDIX 4E

30 JUNE 2025

1. COMPANY DETAILS

Name of entity: Universal Store Holdings Limited

ABN: 94 628 836 484

Reporting period: For the year ended 30 June 2025

Previous period: For the year ended 30 June 2024

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2. RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2025 $'000	2024 $'000	Change %
Revenue	333,266	288,523	15.5
Gross profit	203,661	173,525	17.4
Gross margin	61.1%	60.1%	1.6
EBIT	43,011	51,193	(16.0)
Net profit after tax	23,261	34,336	(32.3)
Basic earnings per share (cents)	30.4	45.0	(32.4)
Reconciliation to underlying EBIT			
EBIT	**43,011**	**51,193**	**(16.0)**
Impairment of CTC goodwill	13,600	–	100.0
Fair value gain on deferred variable consideration	(2,056)	(4,117)	(50.1)
Underlying EBIT	**54,555**	**47,076**	**15.9**
Underlying EBIT margin	16.4%	16.3%	0.6
Reconciliation to underlying NPAT			
Net profit after tax	**23,261**	**34,336**	**(32.3)**
Impairment of CTC goodwill	13,600	–	100.0
Fair value gain on deferred variable consideration	(2,056)	(4,117)	(50.1)
Underlying NPAT	**34,805**	**30,219**	**15.2**

Commentary on results for the period

Universal Store Holdings Limited (the "Company") and its controlled entities (the "Group") delivered a strong FY25 financial result with revenue of $333.3 million representing growth of $44.8 million or 15.5% on FY24.

This sales growth was delivered by strong like-for-like (LFL) growth and the opening of 12 new stores across the Group. This was partially offset by three store closures and decreased Cheap Thrills Cycles Pty Ltd (CTC) wholesale sales. The Group ended the year with 111 stores – 84 Universal Store (US) stores, 19 Perfect Stranger (PS) stores and eight THRILLS stores.

The US and PS retail formats delivered LFL growth for the year of +13.0% and +25.5% respectively. This growth reflects the team's success in delivering on-trend, occasion wear for our customers, who continue to be discerning with their purchases. Five new US and five new PS stores were opened during the year.

APPENDIX 4E (CONT.)

CTC experienced mixed performance from its two key brands THRILLS and Worship during the year. Worship continues to perform well with sales growing in FY25. In contrast, the THRILLS brand experienced a decline in the wholesale channel attributable to a small number of significant retail accounts. These accounts have shifted their strategy away from third-party brands or experienced deteriorating sales in their own retail network.

FY25 wholesale sales of $29.2 million, including sales made from CTC to Universal Store, were down $4.7 million or 13.8% on FY24, with growth in Worship more than offset by the sales decline in THRILLS. This structural shift and volatility, in CTC's wholesale channel, reinforces CTC's strategy to grow its retail and online channels. The THRILLS retail channel delivered +2.9% LFL growth on FY24 with two new stores opened during the year. This was offset by the closure of two underperforming stores. The two new stores opened have increased our confidence that we are getting progressively closer to unlocking a scalable retail store format under the THRILLS banner. New leadership was onboarded during the year to drive the retail growth strategy and stabilise the wholesale channel.

Group FY25 gross margin of 61.1% represents a 100-basis point improvement on FY24. This improvement was driven by the continued growth of the PS retail format, increased private brand penetration and supported by the team's disciplined approach to pricing and promotional activity.

The Group invested in team capability and capacity during the year. This investment is reflected in the FY25 cost of doing business being 33.1% of sales for the year. This represents a 130-basis point increase on FY24. The Group continues to leverage the store labour planning and warehouse process efficiencies initiated in FY24.

Group underlying EBIT was $54.6 million, for the year, representing a $7.5 million or 15.9% increase on FY24. Statutory EBIT of $43.0 million includes the $13.6 million CTC goodwill impairment expense recognised in H1 FY25 and a $2.1 million fair value gain on deferred variable consideration.

The Group ended the year with inventory of $33.3 million compared to $29.9 million in FY24. This $3.4 million or 11.4% increase reflects a larger store network and demand-based investment. Aged inventory is consistent with FY24 and continues to be managed through a disciplined markdown process.

Capital expenditure was $12.1 million for the year, driven by new stores, four store relocations and minor store refurbishments. The Group continues to invest in digital and system capability to support future growth and process efficiencies.

The Group delivered a robust underlying cash flow from operations of $98.0 million for the year. This represents an $18.5 million or 23% increase on prior year and brings the Group's operating cash flow conversion to 105.0% versus 97.0% in FY24. This strong operating cash flow enabled the Group to fully pay down its $15 million term loan and fund an 80% dividend payout. The Group finished the year with a net cash balance of $17.2 million which represents a $2.9 million increase on FY24.

3. NET TANGIBLE ASSETS PER SECURITY

	2025	2024
Net tangible assets per ordinary security	$0.44	$0.36

Net tangible assets are calculated by deducting intangible assets of the Group adjusted for the associated deferred tax liability of $15.5 million (2024: $15.5 million).

If the right-of-use assets and the associated deferred tax liability were excluded from the calculation the net tangible assets per security would have been negative $0.31 per ordinary share (2024: negative $0.15).

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APPENDIX 4E (CONT.)

4. DIVIDENDS

	Amount per security Cents	Franked amount per security Cents
Final dividend		
Current year	16.5	16.5
Previous year	19.0	19.0
Interim dividend		
Current year	22.0	22.0
Previous year	16.5	16.5

Total dividends on all securities for the year

	2025 $'000	2024 $'000
Dividend paid on ordinary securities	31,455	18,797

A final dividend of 19.0 cents per share ($14.6 million) was declared on 21 August 2024 and paid on 26 September 2024. In respect of the half year ended 31 December 2024, an interim dividend of 22.0 cents per share ($16.9 million) was declared on 19 February 2025 and paid on 28 March 2025 (2024: 16.5 cents per share, $12.7 million).

On 20 August 2025, the Directors determined a final dividend of 16.5 cents per share ($12.7 million) to be paid on 25 September 2025 (2024: 19.0 cents per share, $14.6 million). The record date for 2025 final dividend is 4 September 2025. This dividend reflects the Group's strong trading performance and solid cash position, placing it at the higher end of the Company's dividend policy range.

5. RESULTS FOR THE PERIOD

5.1 Earnings per security

	2025 Cents	2024 Cents
Basic earnings per share	30.4	45.0
Diluted earnings per share	30.2	44.9

	2025	2024
Weighted average number or ordinary shares outstanding during the period used in the calculation of basic EPS	76,607,751	76,254,143
Effect of dilution from: Share-based payments	325,780	273,114
Weighted average number or ordinary shares adjusted for the effect of dilution	**76,933,531**	**76,527,257**

Using the weighted average number of ordinary shares outstanding during the period and the underlying net profit after tax, the underlying EPS in FY25 is 45.4 cents (2024: 39.6 cents).

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APPENDIX 4E (CONT.)

6. NOTICE OF THE 2025 ANNUAL GENERAL MEETING AND CLOSING DATE FOR DIRECTOR NOMINATIONS

Universal Store Holdings Limited (ASX: UNI) gives notice that the 2025 Annual General Meeting is to be held on Thursday 30 October 2025. Further details on the 2025 Annual General Meeting will be provided to shareholders in mid-September 2025.

The closing date for the Group's receipt of any nominations for the position of director at the 2025 Annual General Meeting is 28 August 2025.

7. OTHER INFORMATION

This report is based on the consolidated financial statements which have been audited by PricewaterhouseCoopers.

For further explanation of the figures above please refer to the ASX Announcement dated 21 August 2025 on the results for the year ended 30 June 2025 and the notes to the consolidated financial statements.

Sign here:



Peter Birtles
Independent Non-Executive Director and Chair

20 August 2025

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UNIVERSAL SPIRIT

THE UNIQUE ABILITY TO CREATE MEMORABLE AND POSITIVE EXPERIENCES FOR ALL. CREATING AN EXPERIENCE THAT IS FUN, OPEN, AND BASED ON KINDNESS. THE ENVIRONMENT THAT ENABLES A PERSON TO BE THEIR BEST. OUR MISSION IS TO MAKE THE WORLD A MORE WELCOMING PLACE ONE INTERACTION AT A TIME.





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YEAR IN REVIEW

It was a successful year for the Group with strong sales and EBIT growth. The team continue to deliver products, services and communication that resonate with our customers.

In February, the Group announced the appointment of George Do into the newly created role of Universal Store & Perfect Stranger Divisional CEO, effective 1 March 2025. George has played a critical role in the long-term success of the Group and this appointment enables Group CEO Alice Barbery to focus on long term strategy, continuing to build team culture and realising Cheap Thrills Cycles (CTC) strategic potential. The Group also onboarded new leadership within CTC to progress the direct to customer strategy and stabilise the wholesale channel.

THE GROUP IS WELL POSITIONED HEADING INTO THE FY26 FINANCIAL YEAR.



ABOUT US

WE APPLY A CUSTOMER LED, NIMBLE, TEST AND LEARN APPROACH TO PROVIDE OUR CUSTOMERS WITH ON-TREND FASHION APPAREL SOLUTIONS FOR ANY OCCASION.

Our range is based on a differentiated premium product offering, sourced from our owned brands and from leading third-party brands. With customer experience at our core, we welcome a diverse range of customers, helping them express their individuality. As a fashion retailer, we are committed to helping our team and customers make sustainably conscious decisions.



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OUR LANGUAGE

UNI OR GROUP OR THE COMPANY

Consolidated group parent

US

Universal Store/Universal Store business (including PS)

CTC

Cheap Thrills Cycles business and THRILLS and Worship fashion brands

PS

Perfect Stranger retail store format

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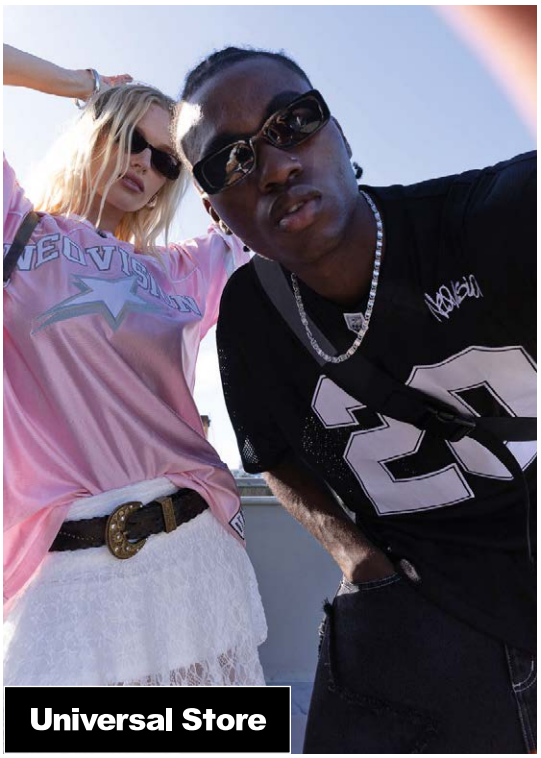
THRILLS

THRILLS celebrates its Byron Bay heritage and a passion for music, art, and a vintage aesthetic. This is reflected in the THRILLS emerging standalone retail concept with eight THRILLS stores as at 30 June 2025. THRILLS also has a wholesale channel with premium retail partners like Universal Store.

THRILLS OFFERS A COLLECTION OF HIGH-QUALITY, VINTAGE INSPIRED PIECES CELEBRATING A COASTAL LIFESTYLE, MUSIC AND ADVENTURE.





PERFECT STRANGER

Perfect Stranger is a versatile women's fashion brand and standalone retail concept. As a brand, Perfect Stranger offers a cohesive collection of thoughtfully designed pieces for effortless styling. As a retail concept, Perfect Stranger makes an aspirational boutique accessible. Perfect Stranger had 19 stores as at 30 June 2025.

PERFECT STRANGER IS PROGRESSING ITS NATIONAL ROLLOUT, OPENING FIVE NEW STORES DURING THE YEAR.

UNIVERSAL STORE

Universal Store is a brand aggregator of national and international brands specialising in streetwear fashion and outfitting events. Universal Store's customer focus and speed to market approach provides customers with the latest trends for any occasion. As at 30 June 2025, Universal Store has 84 stores.

UNIVERSAL STORE SPECIALISES IN PREMIUM, ON-TREND FASHION APPAREL. ITS STRONG OWNED BRANDS AND THIRD-PARTY RELATIONSHIPS PROVIDES DIFFERENTIATION FROM OTHER RETAILERS.

UNIVERSAL STORE UPDATE

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FINANCIAL RESULTS

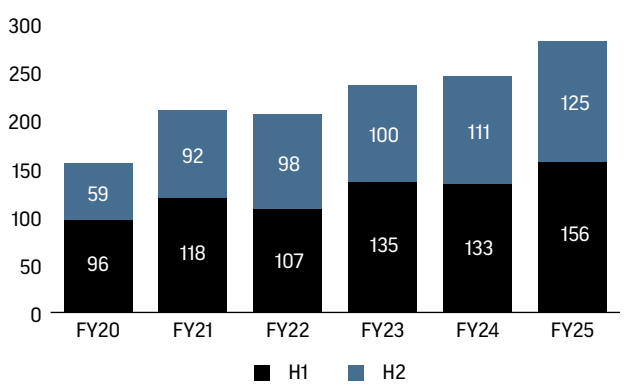
- Sales grew 15.0% on FY24 due to robust LFL growth of 13.0% and five new stores.
- Underlying EBIT[1] (including PS) of $53.2 million up $11.1 million or 26.4% on pcp.

15.0%↑
SALES GROWTH ON FY24

$53.2m
UNDERLYING EBIT[1]

1. US and PS operate as a combined business unit, with shared resources and infrastructure. Therefore, allocation of EBIT contribution between US and PS is subjective and requires arbitrary allocations in a range of areas. We therefore do not report an allocated EBIT between US and PS.

US Revenue ($ million)



AT 30 JUNE 2025

84 STORES



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NEW STORE ROLLOUT

- Five new stores opened in FY25 with four to six new stores planned for FY26.
- Four stores were relocated during the year with a further three planned for FY26.
- Four major refurbishments planned for FY26.

OMNI CHANNEL & DIGITAL

- Online sales of $36.2 million up 5.1% on prior year.
- Evolved customer reach through influencers and social media to drive customer engagement and visitation.

CUSTOMER & PRODUCT

- Continued success in delivering a product range that is on trend and resonates with our customer.
- The Neovision owned brand expanded into the women's and unisex categories during the year and contributed ~18% of US sales mix.
- Collaborated with key third-party brands, such as Frontrunner, to deliver engaging and memorable customer activations.
- Building Product team depth through internal development and key appointments.
- Commenced independent customer research at the end of the financial year.

PRODUCTIVITY

- Improved warehouse labour planning resulted in improved store delivery service levels during the key peak trading period without a corresponding increase in cost.
- The new Human Capital Management (HCM) system was implemented in August 2024. Evaluation underway of additional capability offered through the new HCM.
- New point of sale (POS) progressing with implementation scheduled post FY26 peak trading period and a targeted go-live in Q4 FY26.
- Evaluation underway of Group wide warehouse management system (WMS) capability.
- Evolved hedging program to manage foreign exchange risk from a six-month to rolling 12-month time horizon.
- Where applicable, incorporated CTC into third-party provider contract negotiations to achieve economies of scale.

TOTAL SALES

$280.9m

PERFECT STRANGER UPDATE



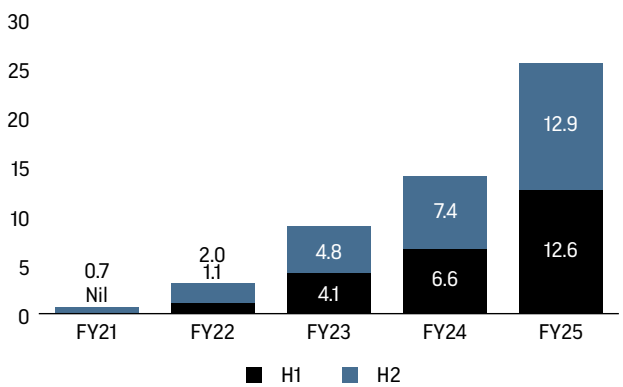
FINANCIAL RESULTS

- Sales grew 83.1% on FY24 driven by robust LFL of +25.5% and five new stores.
- Average PS store sales are $1.3 million per annum.

83.1%↑
SALES GROWTH ON FY24

$1.3m
AVERAGE STORE SALES PER ANNUM

PS Revenue ($ million)



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NEW STORE ROLLOUT

- Five new stores opened in FY25 with five to seven new stores planned for FY26.
- One store relocation planned for FY26.
- Store design has been elevated to provide a customer with a more premium shopping experience.

OMNI CHANNEL & DIGITAL

- Online sales of $3.3 million up 94.2% on prior year.

CUSTOMER & PRODUCT

- Customer-led, nimble, test and learn approach for range curation.
- Product range continues to evolve with a focus on elevated quality and refined collections.
- Investment in dedicated Retail, Marketing and Product team to support future growth and differentiation from US.
- Focus on building brand awareness through influencer/social media marketing and brand storytelling.
- Commenced independent customer research at the end of the financial year.

PRODUCTIVITY

- PS leverages the productivity enhancements achieved through US and shares resources in support functions such as Information Technology, Finance and the Distribution Centre.

AT 30 JUNE 2025

19
STORES

TOTAL SALES

$25.5m

CTC UPDATE



FINANCIAL RESULTS

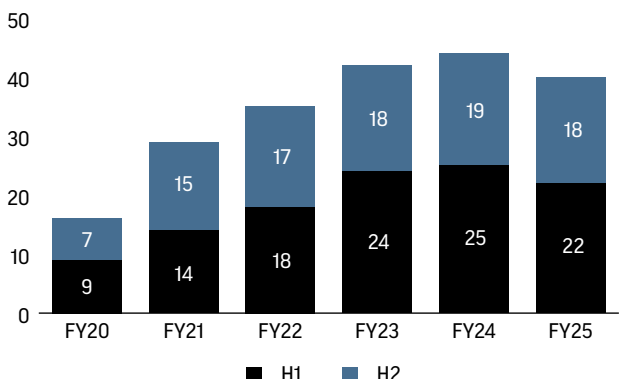
- Total sales were down 9.8%[1] driven by the wholesale channel which experienced sales decline in a small number of significant retail accounts.
- Retail concept LFL sales grew 2.9% while sales in the wholesale channel were down 13.8% on pcp.
- GP of 42.9% was down 330 bps on pcp. This decrease was driven by clearance activity and product sales mix.
- Underlying EBIT of $1.5 million compares to $5.4 million in FY24. This decrease is a result of lower sales and GP% as described above.

TOTAL SALES

$40.1m

1. CTC operating segment sales include intercompany sales made to US.

CTC Revenue ($ million)



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NEW STORE ROLLOUT

- Two new stores opened in FY25 with two to four new stores planned for FY26.
- Two underperforming legacy stores were closed during the year.

OMNI CHANNEL & DIGITAL

- Online sales of $4.9 million up 3.1% on prior year.
- Website and digital product imagery updated to better represent brand identity.

CUSTOMER & PRODUCT

- Worship continues to perform well with sales growing in FY25. In contrast, the THRILLS brand experienced a decline in wholesale channel attributable to a small number of significant retail accounts. These accounts have shifted their strategy away from third-party brands or experienced deteriorating sales in their own retail network.
- Decision made to pause the USA wholesale market due to tariff impact and to focus on Australian retail and wholesale opportunities.
- Commenced independent retail customer research at the end of the financial year.

PRODUCTIVITY

- First phase of new Group point of sale system implemented in November 2024 to modernise the customer and team experience.
- Increased operational alignment with US shared service functions such as Information Technology, Human Resources and Finance.

STRATEGIC PRIORITIES

- New CEO and Head of Product onboarded during the year to drive retail strategy, execution and to stabilise the wholesale channel.
- Transition the Product and Marketing processes from a wholesale centric to retail centric operating model with a focus on speed to market.
- Refreshing THRILLS product range to more closely align with the brand's Byron Bay heritage. Focus on reducing width of range to better support depth of high sell through products.
- Build awareness through brand imagery, storytelling and influencer/ social media marketing.

AT 30 JUNE 2025

8 STORES

CHAIR'S REPORT

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DEAR FELLOW SHAREHOLDERS,

WELCOME TO THE UNIVERSAL STORE HOLDINGS LIMITED ANNUAL REPORT FOR THE 2025 FINANCIAL YEAR. THIS MARKS THE 5TH ANNUAL REPORT OF THE COMPANY, SINCE THE INITIAL PUBLIC OFFER IN LATE 2020, AND I WOULD LIKE TO START BY REFLECTING ON THE GROWTH OF YOUR COMPANY OVER THAT TIME.



PETER BIRTLES
CHAIR

Sales revenue has grown from $155 million in FY20 to $333.3 million in FY25 while underlying EBIT has grown from $24 million to $54.6 million over the same period.

The persistent commitment to staying close to emerging customer trends, to maintaining agile and responsive product curation and supply chain, to developing inspirational retail formats and to cultivating a culture that fosters empowered and engaged team members have been the driving forces.

This disciplined approach has enabled the Company to deliver strong like-for-like sales growth while enhancing gross margins despite the sustained volatile retail conditions and consequential higher levels of competitive promotional discounting.

The volatility in the retail market has continued to impact the wholesale sales of the CTC business which has resulted in the Directors determining to impair the carrying value of the goodwill associated with the CTC acquisition. However, there has been strong growth in CTC's Worship brand, and we remain positive about the opportunity for the development of CTC's retail channel.

We are well placed for continued growth with three distinct retail formats, a stable of private label apparel brands and a continued focus on building the required organisational capabilities.

FINANCIAL RESULTS

Group revenue at $333.3 million was 15.5% higher than FY24. Underlying Group profit after income tax, at $34.8 million was 15.2% higher than the prior comparative period. Underlying earnings per share was 45.4 cents per share.

The strong earnings performance supported by disciplined inventory management generated underlying operating cash flow after capital expenditure of $86.8 million, which resulted in year-end net cash of $17.2 million. Your Company is in a robust financial position.

Managing Director and Chief Executive Office (CEO), Alice Barbery, will outline further detail on the operating performance of the Company in her report.

CAPITAL MANAGEMENT

Your Board is committed to generating strong returns to shareholders while investing the capabilities required to successfully implement the Company's strategy and to operate at our targeted Risk Appetite. The current dividend policy of the Board is to target a payout of 60% to 80% of Underlying Net Profit After Tax.

The strong underlying financial performance of the Group has enabled the Directors to declare total fully franked dividends of 38.5 cents per share up from 35.5 cents per share in FY24.

STRATEGY

Our core strategy is to grow and strengthen our existing portfolio of premium youth fashion retail formats and private label brands to deliver a carefully curated assortment of on-trend apparel products to 16 to 35 year-old fashion conscious customers.

We plan to continue to grow our retail store network and our digital channel. We opened 12 stores across the Group during the financial year including five in both the Universal Store and Perfect Stranger formats. We would anticipate a similar pace of store rollout in the year ahead for these formats. We opened two stores in the Thrills format as we continue to test and refine the product offer and look and feel of the stores. Once we crystallise this format, we anticipate the opportunity to increase the pace of store rollout.



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We will also continue to invest in building the systems and capabilities required to implement our strategy. Current priorities include digital marketing, customer data analytics, point of sale and human capital management systems.

ENVIRONMENTAL SOCIAL GOVERNANCE

The Group is committed to responsible practices and to contributing to the transformation of our industry towards a sustainable future. We are active members of Seamless, the first Australian national clothing stewardship scheme.

Our approach to sustainability focuses on four strategic pillars: Tread Lightly, Expect Transparency, Climate Action and Amplify our Actions. We provide a full report on our strategy and current initiatives in our Sustainability Report which is set out on pages 17 to 30.

Diversity and inclusion is core to the ethos of the Group. The team consists of 71% female with 45% of senior leadership roles and 50% of the Board of Directors being female. We are in line with our 40:40:20 target.

We continue to invest in strengthening the risk management and governance processes across the Group with a continued focus on health and safety, cyber security and payroll compliance.

REMUNERATION AND PEOPLE

The Group has established remuneration practices that are pragmatic and achieve alignment between the implementation of strategy and delivery of sustainable performance and the reward to Executive Directors and Senior Leadership.

Details of our arrangements are set out in the Remuneration Report which is on pages 44 to 58.

In last year's report, I recognised the contribution of our previous CFO, Renee Jones who had announced her decision to prioritise her family commitments. Her successor, Ethan Orsini, joined the Company in August 2024, bringing significant financial and operational experience in the retail and consumer goods industries and he has made an excellent start to his tenure.

We were also very pleased that our long-standing Head of Product, George Do was promoted into the role of Universal Store and Perfect Stranger Divisional Chief Executive Officer, effective 1 March 2025. George has made a significant contribution to the success of those two businesses, and we look forward to future growth under his stewardship.

CONCLUSION

Your Company can look forward with confidence. We have a strong business model, a robust balance sheet, high quality leadership and most importantly an engaged and energetic team. We will continue to open new stores across all three of our businesses while range curation and private label development will continue to drive like-for-like sales growth.

Finally, I would like to thank my Board colleagues, our Group CEO Alice Barbery, the Senior Leadership Team and wider team for their continued commitment and contribution.



Peter Birtles
Chair

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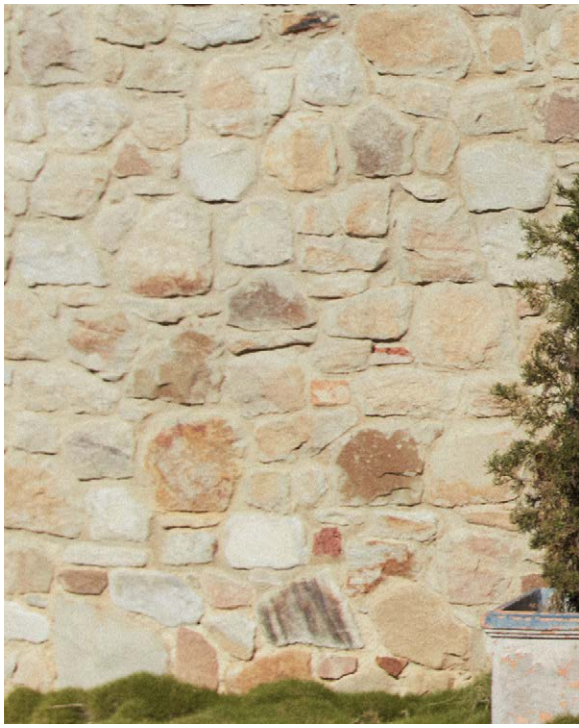
GROUP CEO'S LETTER



DEAR SHAREHOLDERS,

I AM PLEASED TO REPORT THAT THE GROUP DELIVERED A STRONG FINANCIAL RESULT FOR FY25, REFLECTING OUR CONTINUED FOCUS ON STRATEGIC GROWTH, OPERATIONAL DISCIPLINE, AND CUSTOMER-CENTRIC EXECUTION.



ALICE BARBERY
GROUP CHIEF EXECUTIVE OFFICER

The Group achieved solid sales growth compared to FY24, underpinned by strong like-for-like (LFL) performance and the successful opening of 12 new stores across the portfolio. We ended the year with 111 stores, comprising 84 Universal Stores, 19 Perfect Stranger, and eight THRILLS stores.

Universal Store continues to impress, delivering another year of strong double-digit LFL growth. This outstanding performance is a testament to the team's unwavering focus on the customer experience, and a highly effective merchandising strategy. Regular, on-trend stock drops keep the offer fresh and exciting, while the thoughtful expansion of both private label and third-party brands ensures a compelling and differentiated product mix.

Together, these efforts are translating into exceptional commercial results and building strong brand momentum in a competitive retail landscape.

Perfect Stranger delivered another standout performance within the portfolio, delivering strong, sustained growth. Key contributors to this success include the ongoing expansion of our dedicated Perfect Stranger retail format, which continues to resonate with our core customer, as well as increased penetration of our high-margin private label offering. A disciplined and data-driven approach to pricing and promotions ensured we maintained margin integrity while still delivering value for customers. This combination of brand clarity, executional focus, and commercial rigour made a significant and positive contribution to our overall Group result.

Our growth trajectory was partially offset by the closure of two underperforming locations and a decline in wholesale sales – primarily within the THRILLS brand. The wholesale channel faced structural headwinds during the year, with several large retail partners shifting strategy away from third-party brands or facing deteriorating sales in their own networks. This volatility has further reinforced our strategic direction to focus on growing our direct-to-consumer channels, particularly bricks and mortar and online.

Within the CTC business, Worship continued to deliver positive results, with sales growth in FY25. While the THRILLS brand experienced softness in wholesale, its retail channel posted LFL growth, supported by two new store openings. These gains were moderated by the closure of two legacy stores in less strategic locations.





FY25

12 NEW STORES

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We also continued to invest in our people and capabilities during the year. This included expanding our team and attracting senior talent to strengthen leadership across the portfolio. While this investment impacted our FY25 cost base, it positions us well to deliver long-term shareholder value. At the same time, we leveraged store labour planning and warehouse efficiency initiatives introduced in FY24 to maintain strong operational momentum.

Inventory remains healthy and consistent with FY24 levels, managed through a disciplined markdown process. Capital expenditure in FY25 was focused on growth, supporting new store openings, relocations, and a series of minor refurbishments. We also advanced our investment in digital infrastructure and systems capability to enable future scalability and efficiency.



WE CLOSED THE YEAR IN A STRONG FINANCIAL POSITION, WITH A ROBUST NET CASH BALANCE AND NO BANK BORROWINGS.

As we look ahead, our focus remains firmly on strategic, long-term growth. We are committed to maintaining our leadership position by staying agile, investing wisely, and making decisions that create enduring value. Reflecting on our journey since listing in October 2020, I am incredibly proud of the progress we've made. Much of that success is thanks to the dedicated core team who have remained with us, and grown with us, since listing.

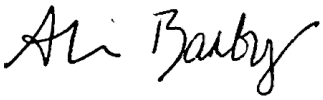
At the same time, I recognise the increasing governance expectations, the need for scalable systems, and the importance of nimbleness in an ever-competitive and fast-changing retail environment. While the broader market continues to face challenges from elevated discounting to a crowded landscape, it is the unwavering commitment of our team, their alignment around purpose, and their drive to win as one that gives us confidence in our ability to continue delivering growth.

To every team member across the UNI Group: thank you. Your passion, care for our customers, and support for each other are the heart of this business.

To our Board: thank you for your guidance, your support, and your belief in our long-term vision.

And to our shareholders: we are grateful for your continued confidence in us. We remain committed to making you proud of your decision to back this business, and we appreciate your support every day.

Yours sincerely,



Alice Barbery
Group Chief Executive Officer
UNI Group

STRATEGIC ENABLERS



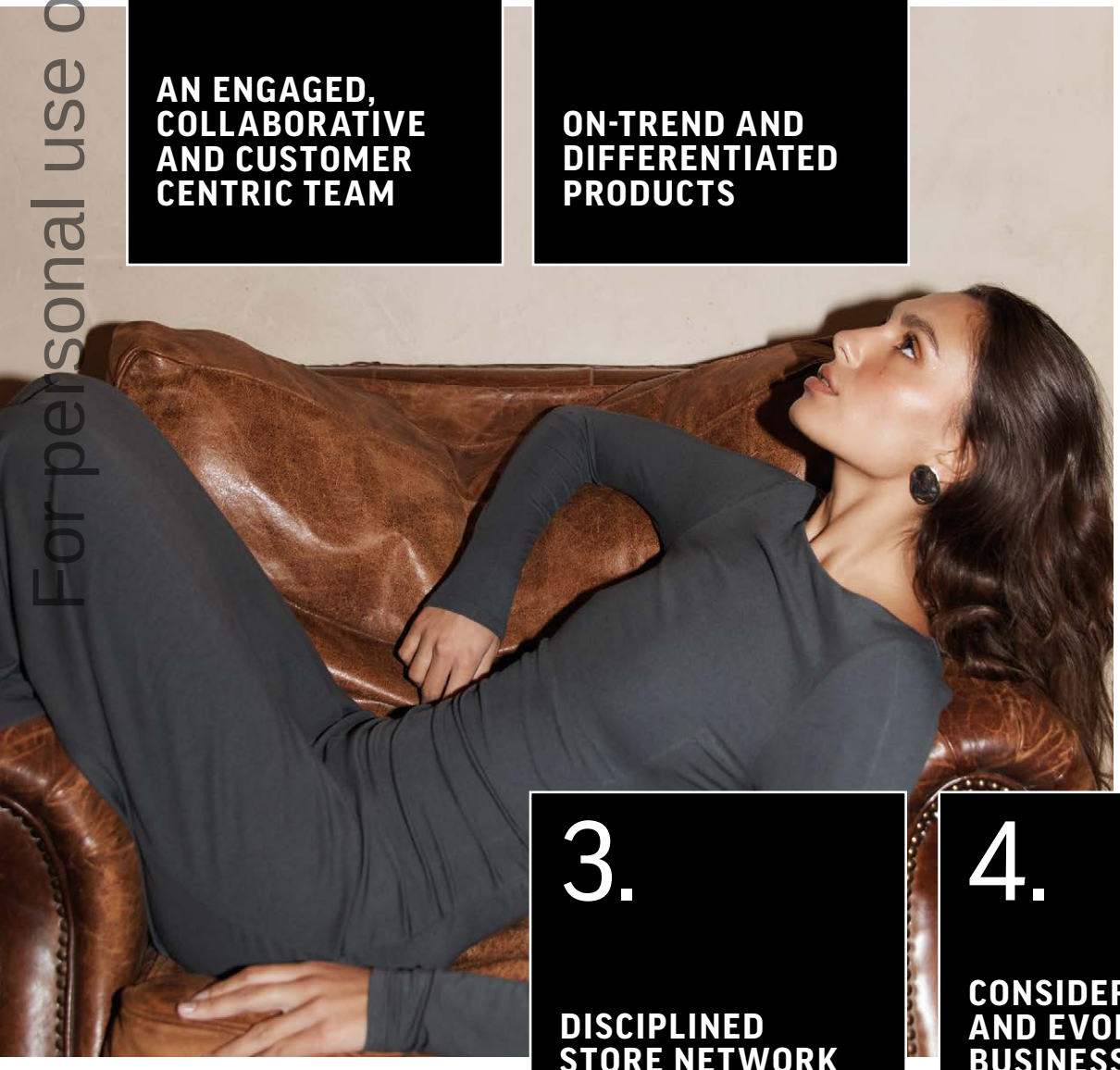
THE GROUP'S STRATEGIC POINT OF DIFFERENCE IS BASED THROUGH FOUR CORE ENABLERS:

1.

AN ENGAGED, COLLABORATIVE AND CUSTOMER CENTRIC TEAM

2.

ON-TREND AND DIFFERENTIATED PRODUCTS



3.

DISCIPLINED STORE NETWORK MANAGEMENT

4.

CONSIDERED AND EVOLVING BUSINESS PROCESSES

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1

ENGAGED, COLLABORATIVE & CUSTOMER CENTRIC TEAM

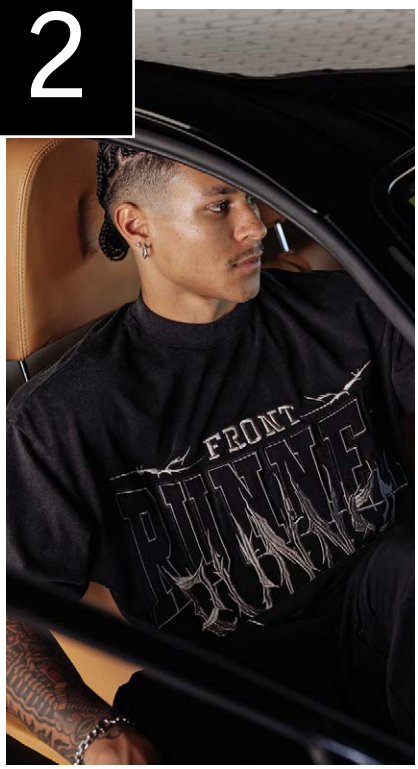
Many of our team members naturally align with our target customer profile, which strengthens our customer-centric culture. This close connection, combined with collaborative feedback loops between the Group's Retail Operations, Marketing, and Product teams, drives engagement and ensures the voice of the customer is heard and shared across the Group.

Team connection and shared purpose is fostered through store roadshows, cultural development and leadership training sessions. From September to early November, senior leaders travel to each state for our store roadshows. These roadshows involve store manager training and events for all store team to reinforce cultural values and build engagement.

Our Support Office team participate in "vibe" sessions for professional development, cultural alignment and teamwork.

The Group is building depth in its Product, Marketing, Human Resource and Retail teams through internal promotions, training programs and external recruitment.

2



ON-TREND & DIFFERENTIATED PRODUCTS

We build customer trust by providing on-trend, occasion for wear fashion apparel, footwear and accessories. The Group continues to apply four key principles in its product ranging decisions (1) customer led (2) test & learn approach (3) nimble, fast to market sourcing and (4) data driven.

The Group's product offering is based on both strong owned and third-party brands providing our customers with a wide range of options. The Group has a strong portfolio of owned brands including Neovision, Common Need, Perfect Stranger, Luck & Trouble, Worship and THRILLS. These owned brands provide product exclusivity, nimbleness and speed to market.

Collaborative partnerships with third-party international and national brands continue to be critical for meeting our customers' needs. Through these partnerships, the Group looks to achieve exclusivity and differentiation from its core competitors. Universal Store and the third-party brand Front Runner have built a strong relationship resulting in impactful activations which created memorable brand moments for our customers.

Our trade partner Abrand supported a national roadshow to showcase their denim range and build brand engagement with our store team.

Delivering an on-trend, differentiated and regularly refreshed product offering enables the Group to continue its disciplined pricing approach and supports increased customer visitation.

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3





DISCIPLINED STORE NETWORK MANAGEMENT

The Group continues to take a disciplined approach in managing its store network. Senior Leadership visit all prospective new stores as part of the decision-making process. New store leases are entered into only where Management is confident with long-term commercial viability. The same long-term approach is taken with lease renewals of existing stores.

We continue to evolve the store design of all three retail banners:

- Perfect Stranger store design has been elevated to provide a customer with a more premium shopping experience.
- Universal Store is trialling new store design concepts with a focus on improving in-store merchandising and customer experience.
- THRILLS continues to evolve its store design with a focus on celebrating its Byron Bay heritage.

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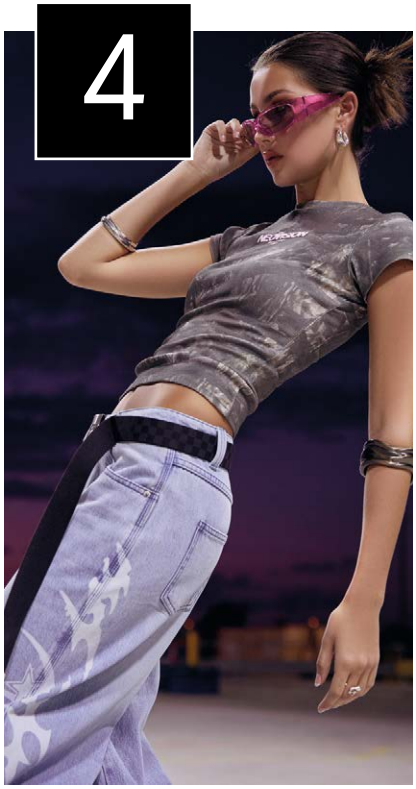
CONSIDERED AND EVOLVING BUSINESS PROCESSES

As the Group continues to grow, it is evolving its business systems and processes in a disciplined and considered manner:

- A new human capital management (HCM) system was implemented in August 2024. This system was implemented across the Universal Store and Perfect Stranger businesses. The Group is evaluating the suitability of additional functionality available in the HCM system.
- The Group is upgrading to a new point of sale (POS) system across all US, PS & THRILLS stores. This new POS modernises the customer and team member experience. The new POS will be rolled out progressively in Q3 and Q4 FY26.
- The Group's hedging policy evolved to a rolling 12-month program to provide greater certainty in managing foreign currency risk.
- The Group is looking for opportunities to consolidate CTC into existing third-party supplier contracts. This consolidation will support cost efficiencies and operational simplicity.
- Management completed a three-year strategic planning process to build an aligned Group roadmap. This roadmap is underpinned by growing the Group's three retail banners, building a scalable and efficient operating model and ensuring we continue to have a safe, connected and engaged team.

4



SUSTAINABILITY



REPORT

ABOUT THIS REPORT

During the year, the Group progressed sustainability outcomes across packaging, product, transparency, climate action, and community:

- Universal Store and THRILLS achieved brand certification under the Global Recycled Standard (GRS) and Organic Content Standard (OCS), strengthening product traceability and enabling clear, credible labelling for our customers.
- We continued to build transparency across our supplier network, deepening Tier 2 traceability and assessing human rights risks. A benchmarking survey helped evaluate environmental performance across our top factories, whilst additional analysis focused on measures that could be implemented to reduce excessive working hours in factories.
- Sustainability criteria were introduced for the procurement of customer packaging, shifting to recyclable options.
- Renewable electricity certificates were procured for our Brisbane Support Office and Distribution Centre.
- In preparation for new mandatory climate change reporting standards, the Group conducted a detailed assessment of climate risks impacting our operations and value chain. The new climate change reporting standards will first apply to the Group in FY27.
- The team engaged in a number of sustainability activities including the Thrills Community Day at Brunswick River, the Universal Store's head office Swap Shop which strengthened circularity efforts, and through our membership in Seamless, supporting the national goal of a circular clothing economy by 2030.



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OUR SUSTAINABILITY STRATEGY

Our commitment to sustainability is based on a holistic approach to meeting the expectations of our customers, team and other stakeholders while delivering sustainable value to our shareholders.

Our Sustainability Plan is founded on four commitments:

TREAD LIGHTLY

CLIMATE ACTION

EXPECT TRANSPARENCY

AMPLIFY OUR ACTIONS

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We invite you to explore our progress and challenges towards sustainability. We are guided by our four foundational commitments as we endeavour to create a more equitable, resilient, and sustainable future for all.

This report is to be read in conjunction with our **Modern Slavery Statement** which provides details of our supply chain modern slavery risk assessment, due diligence systems and implemented monitoring processes to eliminate Modern slavery risks in our supply chain.

For questions and feedback, please contact us at: **sustainability@universalstore.com.au**

REPORTING STANDARDS AND FRAMEWORKS

The Group uses globally recognised standards such as the Global Reporting Initiative (GRI), and the Sustainability Accounting Standards Board (SASB) to guide corporate reporting. By aligning to these standards and expectations, we ensure that our stakeholders receive comprehensive and comparable information.

By aligning to these standards and expectations, we ensure that our stakeholders receive comprehensive and comparable information. In accordance with the new mandatory climate change reporting standards, the Group's compliance will be independently audited from FY27. Visit **www.universalstore.com/sustainability** for information on our sustainability and emissions calculations and the procedures used to gather and disclose our data.

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GOVERNANCE

Our sustainability governance system ensures collaboration between the Board of Directors, Group CEO, leadership team, and the Sustainability & Ethical Sourcing (SES) team and reflects our sustainability strategy.

Key elements of our governance system include:

- Board and senior management commitment to human rights and sustainability.
- The Board's Audit and Risk Committee is responsible for overseeing the adequate management of sustainability risks, with sustainability being a standard agenda item and the Committee also ensuring adequate disclosures are provided.
- The Group CEO oversees policy implementation.
- Regular reporting of sustainability KPIs and regulatory disclosures to our Executive Team and the Board.
- The Group's sustainability team is responsible for policy development and collaborates with other functional teams and suppliers to drive improvements.





THESE INITIATIVES, INCLUDING SUPPLIER RELATIONSHIP MANAGEMENT AND PROGRESS REPORTING, ARE REVIEWED AT THE BOARD'S AUDIT AND RISK COMMITTEE MEETINGS TO GUIDE RISK MANAGEMENT. THROUGH THESE MECHANISMS, WE UPHOLD ETHICAL AND SUSTAINABLE PRACTICES WHILE STRIVING FOR CONTINUOUS ENHANCEMENT.



PROGRESS ON OUR TARGETS

Our sustainability strategy includes 10 targets to guide our journey towards a more sustainable future. The table below provides an overview of our progress against each target.

FOCUS AREA		TARGET	2025 PROGRESS
TREAD LIGHTLY			
	Resources & packaging	Targeting zero waste to landfill from DC operations by 2030.	80%
		100% of bags and online mailers are reusable, recyclable or compostable by 2025.	100%
	Responsible procurement	Procure at least 50% of all cotton from certified sources by 2025.	54.5%
		Procure at least 50% of polyester from certified recycled sources by 2028.	25.1%
EXPECT TRANSPARENCY			
	Policies & procedures	100% of suppliers endorse our Supplier Code of Conduct.	Private brand factories – 100% Third Party brands – 99%
	Social audits	100% of Tier 1 factories audited.	Tier 1 – 100%
	Energy & water efficiency	Target suppliers with manufacturing facilities applying best practice water, waste and chemical management practices by 2025.	Survey completed
CLIMATE ACTION			
	Reduce carbon emissions	100% of stores equipped with energy efficient LED lights.	100%*
		Maximise the proportion of on-site renewable electricity for our support office and DC by 2025.	27% average
AMPLIFY OUR ACTIONS			
	Charter of environmental attributes	To have one million customer education touchpoints on responsible use and care of garments by 2025.	Refer to Amplify Our Actions section for more details

* Universal Store Marion will be upgraded to LED lighting as that store is refurbished in FY26.

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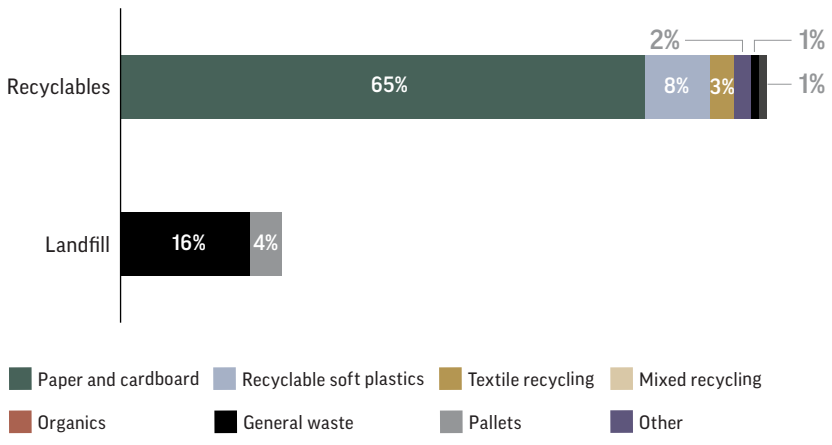
TREAD LIGHTLY

RESOURCES, PACKAGING & RECYCLING

Our Universal Store Distribution Centre (DC) recycling performance reached 80% in FY25. Our recyclable materials collected in our DC have increased by 50% year on year driven principally by the cardboard and soft plastics quantities collected due to additional volumes of goods processed in the period and the team's efforts to collect recyclable materials efficiently. Our team members continue to focus on the efficient use of recycling infrastructure to sort and recycle packaging materials such as paper, cardboard and soft plastics. We seek to innovate by partnering with existing and new waste and recycling service providers to ensure an increasing volume of valuable resources are diverted from landfill.



WASTE COMPOSITION (% TOTAL WEIGHT*)



DIVERSION FROM LANDFILL (% TOTAL WASTE TONNAGE*) IN FY25

80%

*Universal Store operations only

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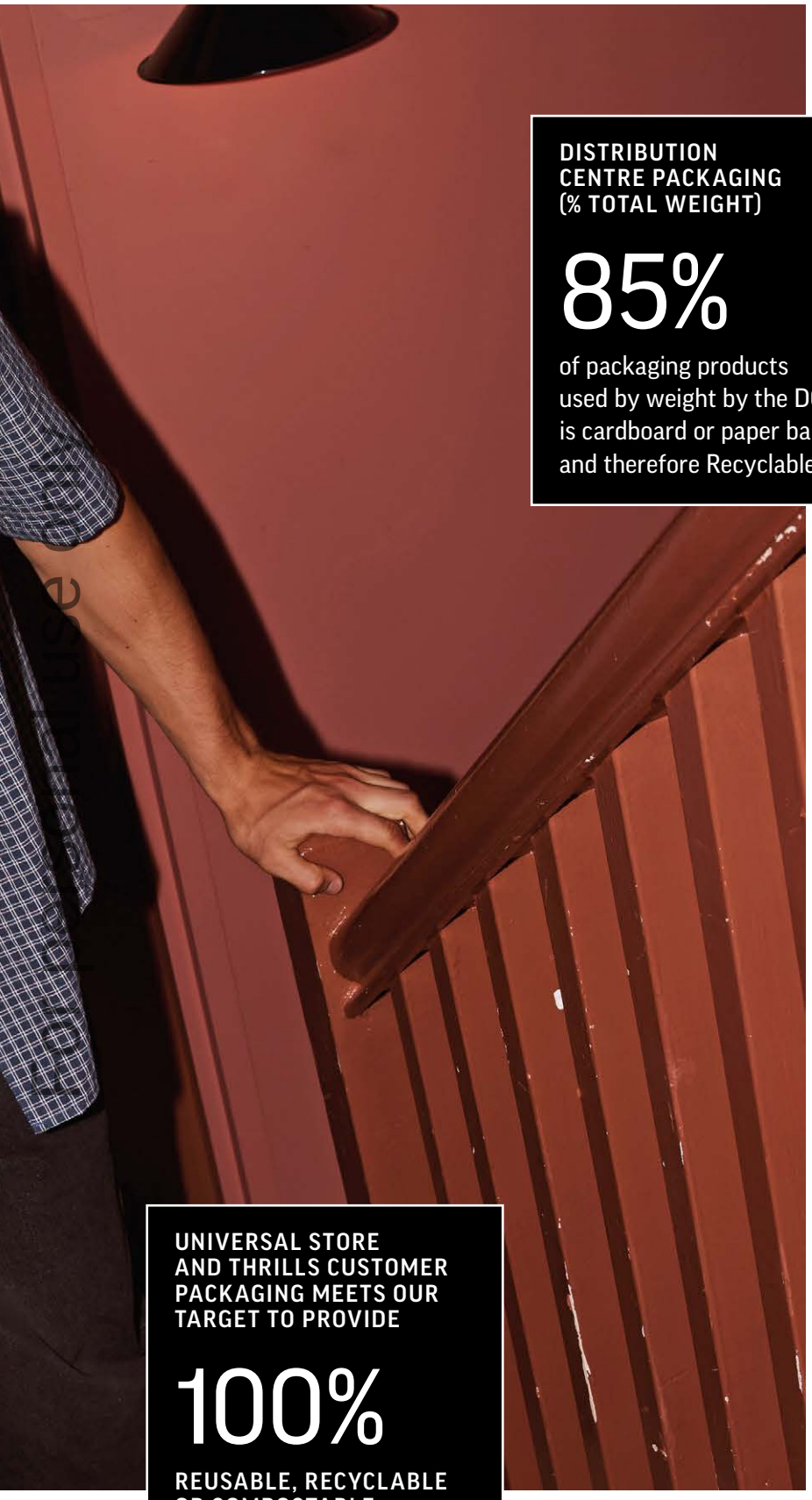


DISTRIBUTION CENTRE PACKAGING (% TOTAL WEIGHT)

85%

of packaging products used by weight by the DC is cardboard or paper based and therefore Recyclable.

PRODUCT PACKAGING (% TOTAL WEIGHT)

63%

of packaging products used by weight for on-product labelling are recyclable materials.

SUSTAINABLE PACKAGING PROCUREMENT

As part of our commitment to sustainable packaging, and in alignment with our Sustainable Packaging Policy, we've set clear sustainability criteria for the procurement of online mailers for our Perfect Stranger brand. We focused on identifying a packaging solution made from recyclable materials, supporting our 2025 goal for 100% of bags and online mailers to be reusable, recyclable or compostable. The move to paper-based mailers offers clear benefits for customers, who can now easily recycle packaging through household recycling systems. This change brings us one step closer to circularity in packaging.

In addition, we focus on the use of recycled materials for our packaging. We prioritise packaging solutions that have recycled content in their composition such as recycled cardboard shipping boxes and recycled card swing tags for on-product labelling. Our target will be updated to reflect circular priorities including recycled content, reusability and recyclability.

UNIVERSAL STORE AND THRILLS CUSTOMER PACKAGING MEETS OUR TARGET TO PROVIDE

100%

REUSABLE, RECYCLABLE OR COMPOSTABLE CUSTOMER BAGS AND ONLINE MAILERS BY 2025.

TREAD LIGHTLY (CONT.)



RESPONSIBLE PROCUREMENT

PREFERRED FIBRE PROCUREMENT

In FY25, the Group procured a total of 1,273 tonnes of fibres, reflecting business growth. Nearly half (49%) of these were preferred fibres – a slight dip from 51% in FY24, yet still a strong signal of our commitment to reducing environmental and carbon impacts linked to raw material choices.

Organic cotton remains our most used fibre, now making up one-third of all fibres procured – a 2% increase year-on-year. Thrills and Worship continue to lead, with over 70% of their fibre being organic cotton. These results reinforce our drive to prioritise lower-impact fibres across our product range.

FIBRES CERTIFIED TO TEXTILE STANDARDS (% OF TOTAL WEIGHT)

54.5%
FY25 COTTON

25.1%
FY25 POLYESTER

US PREFERRED FIBRE (% OF TOTAL FIBRE USED)

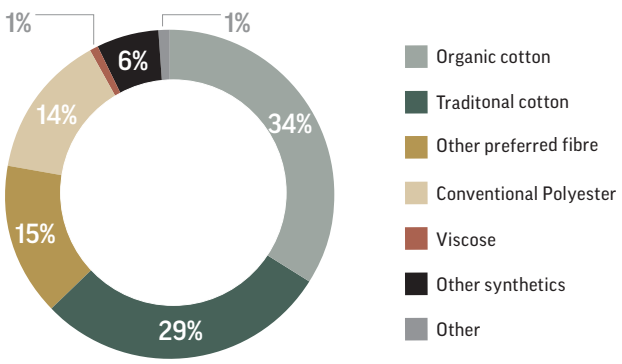
49%

FIBRE USE (TOTAL TONNES FOR APPAREL ONLY EXCL. SHOES, ACCESSORIES, AND GIFTING)

1,273t
FY25 US

352t
FY25 CTC

TRADITIONAL AND PREFERRED FIBRE USED (% TOTAL TONNES FIBRE)



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BRAND CERTIFICATION

The Group is working towards sourcing at least 50% of our cotton from certified sources by 2025 and 50% of our polyester from certified recycled sources by 2028. To support these goals, we continue to engage with suppliers and brands to clarify certification expectations early in the product development and ranging processes. We have implemented internal reporting systems to track and communicate our progress with procurement of preferred fibre styles.

During the year, we reached a key milestone by achieving brand certification under the Organic Content Standard (OCS) and the Global Recycled Standard (GRS), both managed by Textile Exchange. Brand certification strengthens supply chain transparency and enables the Group to label products in line with internationally recognised textile sustainability standards.

Whilst we are still developing and implementing guidance for our design teams on labelling, certification helps reduce the risk of greenwashing. Clear labelling empowers our customers with credible information about the certified materials in their products – reinforcing trust and promoting more responsible purchasing choices.

CHEMICALS SAFETY

As part of our commitment to responsible procurement, the Group continuously monitors developments in regard to the regulation of harmful chemicals in Australia to further refine our approach to chemical use. To date, this work has focused on building a foundational understanding of the substances, dyeing processes and printing techniques commonly used across the industry. We've also surveyed our Tier 1 factories to assess their chemical management practices and certifications. This research is guiding our understanding of the use of hazardous substances in the industry and a move towards safer, more sustainable alternatives. Next, we will continue implement our environmental survey to factories and fabric suppliers to better understand the dyeing and printing methods used and their management protocols. We are also exploring sustainable dyes and techniques and considering safe chemical management certification options.

TRANSPARENCY

MAPPING TIER TWO MANUFACTURING FACILITIES

In FY25, we continued to strengthen visibility and assess human rights risks deeper within our supply chain. Our focus was on gathering reliable Tier 2 factory data and reviewing social risks of declared facilities.

Analysis confirmed that our top-spend suppliers continue to work with the same partners, with most holding valid SMETA or BSCI audits, as well as preferred fibre certification.

However, we observed significant movements among lower-spend suppliers, resulting in new supply chain relationships to monitor. The dynamic nature of deeper levels of our supply chain is leading us to reassess our approach to Tier 2 compliance, instead considering the benefits of focussing on the resolution of audit issues for our strategic partners and their supply chain.

Our commitment to transparency through the Tier 2 social audit process has allowed us to identify and address issues driving continuous improvement of working conditions deeper in our supply chain.

Resolution of Social Audits Non-Conformances:

CATEGORY	OPEN	RESOLVED
Health & Safety	64	62
Working hours	26	–
Wages and social insurance benefits	26	–
Governance	5	4

As part of our audit programme, the Group collaborates with direct suppliers to obtain independent third-party audit reports for all Tier 1 and nominated Tier 2 factories.

During FY25, 121 audit non-conformances were raised in Tier 1 and Tier 2 suppliers' annual audit reports.

Most non-conformances related to health and safety matters, which we prioritised for resolution. 97% of Health & Safety matters were resolved during the period.

For more details on our suppliers' engagement process and remediation of non-conformances, please refer to our Modern Slavery Statement which includes details of our approach, collaborative efforts, case studies and key performance indicators including the ratio of non-conformances by category in audit reports.

ENDORSEMENT OF SUPPLIER CODE OF CONDUCT (% TOTAL NUMBER OF SUPPLIERS) IN FY25

100%

PRIVATE BRAND SUPPLIERS

99%

THIRD PARTY BRANDS*

FACILITIES AUDITED DURING THE PERIOD (% TOTAL FACILITIES) IN FY25

100%

TIER 1 (US + CTC)



* 180 brands signed and one in progress.

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WORKING HOURS NON-CONFORMANCES

While our efforts have focused heavily on resolving health and safety concerns as a priority, we recognise the need for attention to industry risks, particularly those relating to the use of excessive working hours in textile manufacturing factories in China. In FY25, we conducted targeted analysis of working hour non-conformances, which remain a common and complex issue across manufacturing sites in China. Drawing on the success of our existing non-conformance review process, we applied a similar approach to address working hours non-conformances. This included investigating root causes of overtime exceeding the lawful limit of 36 hours per month and working with suppliers on practical improvement strategies.

We encouraged our suppliers to:

- Monitor working and overtime hours;
- Improve production planning and efficiency; and
- Build greater workforce flexibility, including hiring additional staff during peak production periods.

These steps support more sustainable labour practices, while ensuring production goals are met without breaching legal or ethical standards. Our collaboration with suppliers continues and more details will be shared in our FY25 Modern Slavery statement.

BEST PRACTICE IN MANUFACTURING

Environmental Survey

Universal Store is committed to work with factories that adopt best practice environmental management systems by 2025. This year, we established environmental performance baselines for the garment manufacturing facilities in our supply chain. We engaged suppliers, trained them to collect environmental data, and collated information on their factories environmental performance.

The survey unveiled that our top 10 suppliers – representing 93% of our total FY25 spend– use factories that actively track environmental performance using industry tools or structured internal systems. It is a satisfactory outcome to have established that factories have access to reliable data, increasing the environmental accountability of our supply chain which all Tier 1 factories have committed to in line with our Supplier Code of Conduct. We continue to prioritise partnerships with suppliers that demonstrate strong environmental practices and transparent data reporting.

CLIMATE ACTION

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CLIMATE REPORTING

The Group is a reporting entity under the recently introduced Australian Sustainability Reporting Standard AASB – S2 *Climate risk-related disclosures*. The business has completed a gap analysis of the standard requirements.

During the year, we have held Board and executive level education sessions and set up an executive working group to undertake preparatory work. The Group is working towards meeting the Climate risk disclosures requirements with our first mandatory disclosure due as part of our FY27 annual reports.

EMISSIONS FOOTPRINT

The Group continues to mature its approach to measurement and reporting of carbon emissions by seeking to collect and report emissions data in alignment with the Greenhouse Gas Protocol. We continue to gain maturity in this area and to translate our footprint into valuable insights for the business to drive decision making in our operations.

TOTAL EMISSION FOOTPRINT* – UNIVERSAL STORE & THRILLS (KT OF CO_2e) IN FY25

28.9kt
CO_2e EMISSIONS

COMPRISED OF

1.8kt
SCOPE 1 & 2 EMISSIONS

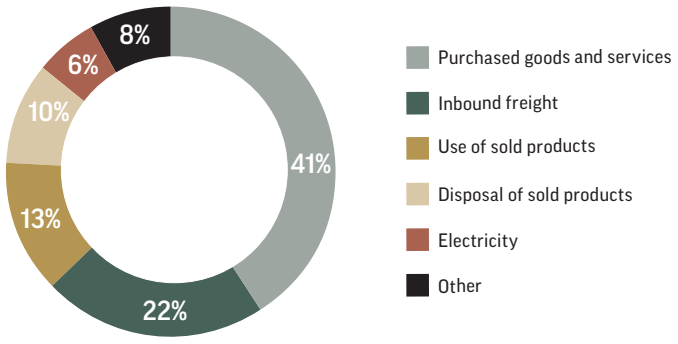
27.1kt
SCOPE 3 EMISSIONS.

6%
of emissions related to Scope 2 emissions, from the use of electricity across our operations

94%
of emissions are Scope 3 emissions, such as emissions relating to upstream and downstream activities.

* Visit www.universalstore.com/sustainability for information on the basis of our emissions footprint calculations and the procedures outlining how we gather and disclose our data.

EMISSIONS SOURCES (% OF TOTAL EMISSIONS)



The Group most significant sources of emission are purchased goods (41%) such as emissions associated with fibre consumed and manufacturing of products. Other Scope 3 emission sources comprise Inbound Freight (22%), use of sold products (13%), clothing end-of-life textile waste (10%). The remaining % include various emission sources such as employee commuting, postage and courier services, waste, and business travel. We continue to focus on increasing the accuracy and streamlining of data collection to improve future emissions inventories.

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CARBON EMISSIONS

Renewable Energy Investments

This year, we procured GreenPower® certificates by our Universal Store Support Office and DC for the equivalent electricity consumed from the grid. GreenPower® certificates are a government-accredited product certifying renewable electricity generation. This supports our Climate Action pillar and represents a key step in reducing our controllable Scope 2 emissions.

GreenPower® is an effective option for smaller energy users like Universal Store, with our energy retailer purchasing and retiring renewable energy certificates on our behalf. Importantly, GreenPower® is additional to Australia's Renewable Energy Target and is independently audited, helping to drive further investment in renewable energy infrastructure across the country.

AS NEXT STEPS, WE WILL CONTINUE TO MAXIMISE ONSITE SOLAR OPPORTUNITIES AND ARE ACTIVELY INVESTIGATING RENEWABLE ENERGY PROCUREMENT OPTIONS ACROSS OUR NATIONAL STORE NETWORK.



AMPLIFY OUR ACTIONS

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INDUSTRY COLLABORATION

Seamless Member





SEAMLESS NATIONAL STEWARDSHIP SCHEME

Universal Store is proud to be a member of Seamless, Australia's national clothing stewardship scheme, which aims to create a fully circular clothing economy by 2030. This industry-led initiative addresses the staggering volume of unwanted clothing sent to landfill each year and calls on all brands to take responsibility for the full lifecycle of the garments they produce. By joining Seamless, Universal Store acknowledges our joint responsibility – from how we design and manufacture products to how they are reused, reprocessed, or recycled at end of life.

We are proud to support this recently formed industry group and we actively engaged in Seamless working groups, contributing to the development of a shared roadmap for the industry and identifying practical solutions to common industry challenges. We also took meaningful steps to build internal capability, with several design team members completing specialist training on circular design principles.

TEAM INVOLVEMENT IN SUSTAINABILITY

The team has enthusiastically come together across a range of initiatives to support and advance our sustainability goals. One standout initiative was the Team Swap Shop, hosted by the Universal Store support office, which piloted a successful recommerce event. This initiative encouraged circular fashion by giving pre-loved clothing a second life and highlighting the value of reuse within our community.

Our CTC team took part in a community tree planting day in the Northern Rivers region of NSW, volunteering their time to help regenerate degraded farmland – demonstrating our continued commitment to environmental restoration.

We also offer a Rag Bag initiative at our support office, allowing faulty, unsaleable items and samples to be redistributed among team members, reducing waste and keeping usable product out of landfill. In addition, teams at our distribution centre and support office participate in Containers for Change, with funds raised donated to support a sea life charity – combining recycling with purpose.

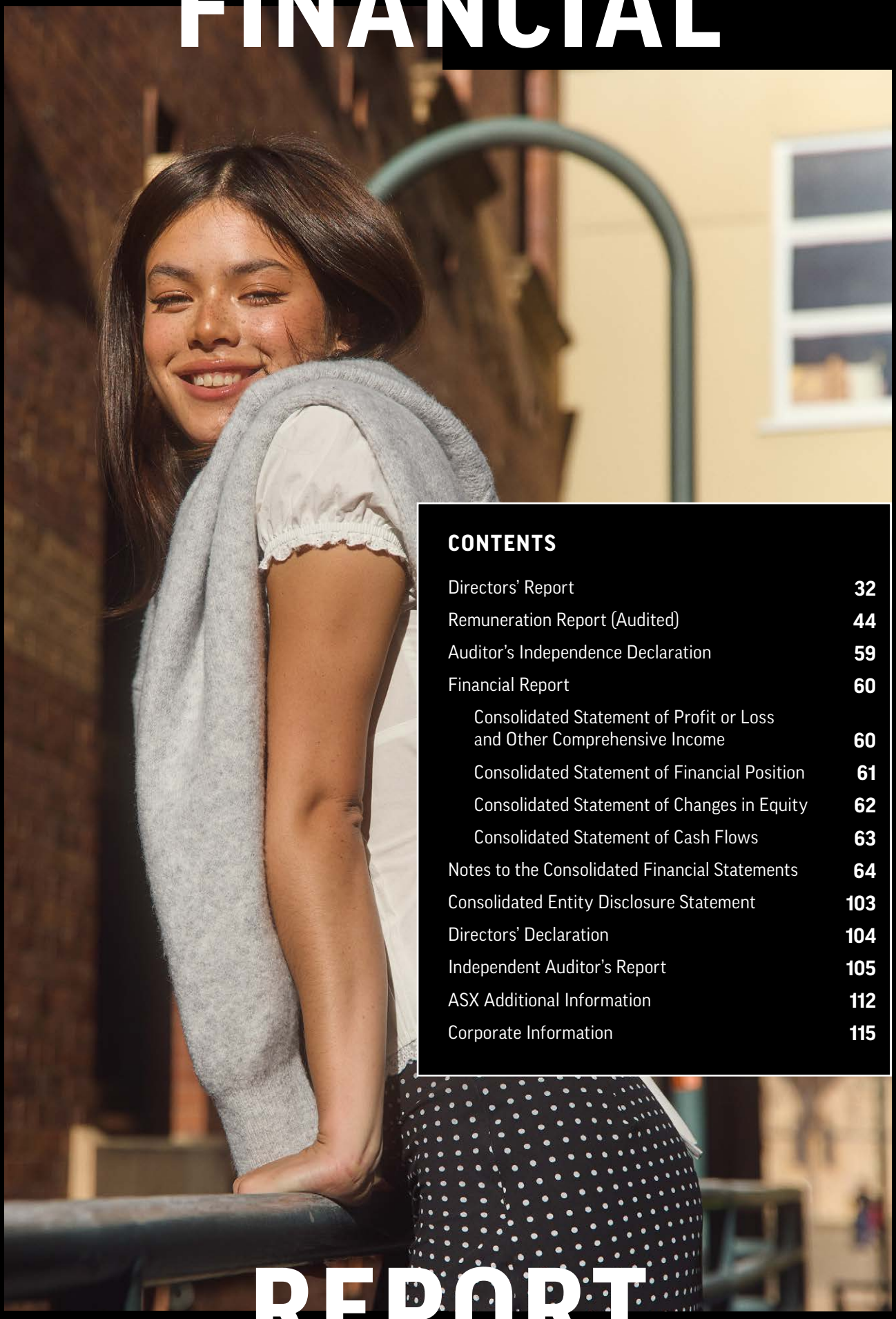
Together, these efforts show how sustainability is not just a goal for the Group, but a shared team value brought to life through practical, community-focused action.

CUSTOMER EDUCATION

In FY25, Universal Store achieved creating 360k customer touch points on responsible use and care of garments. Our online care guide was launched in 2024 and we have included this information in shipment confirmation emails to help customers learn how to extend the life of their garments.

The Group is undertaking customer research to better understand its customers' sustainability expectations. This understanding will inform future customer facing measures and targets.

FINANCIAL REPORT



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DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2025

The Directors submit their report on the Consolidated Entity consisting of Universal Store Holdings Limited (the "Company") and its controlled entities (the "Group") for the year ended 30 June 2025.

DIRECTORS

The names and details of the Group's Directors in office during the financial year and until the date of this report are set out below. Directors were in office for this entire period unless otherwise stated.

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Names, qualifications, experience and special responsibilities

Peter Birtles (Independent Non-Executive Director and Chair)

Appointed to the Board of Universal Store Holdings Limited in October 2020 as a Non-Executive Director and Chair and as a member of the Audit and Risk Management Committee and the People and Remuneration Committee.

Peter is Chair and Non-Executive Director of Metcash Limited (since August 2022). Peter was previously a Non-Executive Director of GWA Group Limited (November 2010 – June 2022). He also provides mentoring advice to a number of small businesses that operate in or service the retail industry.

Prior to his Non-Executive career, Peter was the Group Managing Director and CEO of Super Retail Group Limited. Peter joined Super Retail Group Limited in April 2001 as Chief Financial Officer and was Group Managing Director and Chief Executive Officer from January 2006 until February 2019.

Prior to joining Super Retail Group Limited, Peter spent 12 years working with The Boots Company in the UK and Australia in a variety of senior finance, operations and information technology roles. Peter is a Chartered Accountant who started his career working with Coopers & Lybrand.

Alice Barbery (Group Chief Executive Officer (CEO) and Managing Director)

Appointed to the Board of Universal Store Holdings Limited in October 2020 as an Executive Director.

Alice has over 30 years' experience in retail and service-centric roles across the USA, UK and Australia.

Alice first met the Universal Store Holdings Limited (Universal Store) founders in 2002 when she helped them establish a framework for the business as a retail specialist until 2004. Alice joined Universal Store full-time as Chief Operating Officer in 2009 and was appointed Chief Executive Officer in 2017. Alice has been a shareholder of Universal Store since 2016.

Prior to joining Universal Store, Alice served as the Leadership Development Manager at former ASX listed Virgin Australia Holdings Ltd where she designed and delivered leadership training for all service leaders in ground and cabin crew departments nationally. This role helped Alice develop her differentiated leadership style and focus on bespoke training methods which are utilised at Universal Store.

Alice moved to Australia in 1997 to be the National Sales Manager for former ASX listed Colorado Group Limited, leading the early expansion from 15 to 80 stores. Prior to her move to Australia, Alice worked at GAP International, transferring from the USA to the UK. In this role, Alice supported the expansion of GAP in the UK, before taking a national leadership role with women's fashion brand EAST which she successfully expanded throughout England.

Alice is also a Non-Executive board member of the National Retail Association since May 2021.

Kaylene Gaffney (Independent Non-Executive Director)

Appointed to the Board of Universal Store Holdings Limited in October 2020 as a Non-Executive Director and as Chair of the Audit and Risk Management Committee.

Kaylene has had a career in senior financial roles for over 25 years in the retail, health, aviation, telecommunications and information technology sectors.

Kaylene is currently a Director of Vermont Aus Holdco Pty Ltd (effective 28 February 2024). Previously she has served as a Non-Executive Director and Chair of the Audit and Risk Committee of formerly ASX listed National Veterinary Care Ltd, MSL Solutions Ltd and Wotif.com (all delisted). In 2016, she served as Queensland State Chair of Chartered Accountants Australia and New Zealand.

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David MacLean (Independent Non-Executive Director)

Appointed to the Board of Universal Store Holdings Limited in October 2019 as a Non-Executive Director and as a member of the People and Remuneration Committee.

David was formerly the CEO and Managing Director of ASX listed Adairs Limited for 14 years from 2002 to 2016.

David is currently a Non-Executive Director at ASX listed Adairs Limited (since January 2002), and Dusk Group Limited (since November 2015) and runs his family investment office as well as holding minority interests in several private retail businesses (since January 2002).

Trent Peterson (Independent Non-Executive Director)

Appointed to the Board of Universal Store Holdings Limited in September 2018 as a Non-Executive Director and as Chair of the People and Remuneration Committee.

Trent has over 20 years of investment and private equity experience, focused primarily on businesses operating in consumer, retail and media sectors. Trent is the Managing Director of Catalyst Investment Managers Pty Ltd and the Managing Director of Catalyst Direct Capital Management Pty Ltd.

Trent was Chair of the Board of Directors of Universal Store Holdings Limited from October 2018 until the completion of the listing exercise and has since been appointed as the Chair of the People and Remuneration Committee.

Trent is also a Non-Executive Director of ASX listed Adairs Limited (since November 2010), Shaver Shop Group Limited (since May 2016) and Dusk Group Limited (since February 2015) and is Chair of non-ASX listed Australian Doctor Group Pty Ltd. Trent was previously a Director of Just Group Limited (now delisted) and Global Television Limited (now delisted).

Renee Gamble (Independent Non-Executive Director)

Appointed to the Board of Universal Store Holdings Limited in December 2021 as a Non-Executive Director and as a member of the Audit and Risk Management Committee.

Renee Gamble is Managing Director at Google Australia, leading the Sydney headquartered Large Customer Solutions sales team. Renee is also the Executive Sponsor of Google's APAC Retail Leadership Steering Committee and a member of the Google APAC Hiring Committee.

She is a Graduate of the Australian Institute of Company Directors and brings an extensive track record of technology and business innovation leadership with over 10 years at Microsoft in Singapore and Australia in various sales and business leadership roles. Renee previously worked as an industry analyst and business leader with International Data Corporation across Hong Kong, Beijing, and Singapore.

Interests in the shares and options of the Group and related bodies corporate

As at the date of this report, the interests of the Directors in the shares and options of Universal Store Holdings Limited were:

	Number of ordinary shares	Number of options over ordinary shares
Peter Birtles	220,000	–
Alice Barbery	1,812,897	–
Kaylene Gaffney	25,000	–
David MacLean	883,053	–
Trent Peterson	1,150,000	–
Renee Gamble	–	–

DIRECTORS' REPORT (CONT.)

COMPANY SECRETARIES

Ethan Orsini

Appointed on 17 September 2024.

Ethan has an Honours in Business Administration from the Richard Ivey School of Business (University of Western Ontario), is a Chartered Professional Accountant (Canada) and Graduate of the Australian Institute of Company Directors. Ethan has over 20 years of retail experience having previously spent 19 years at Super Retail Group in senior roles across Finance, BCF and Logistics.

Clare Craven

Appointed on 13 May 2022.

BLegS, FGIA, FCG, GAICD

Clare has over 25 years' legal, company secretarial and corporate governance experience gained in listed, non-listed public and private companies across various industries including banking, financial services and wealth management, retail, construction and not-for-profit. She currently acts as Company Secretary for several of MUFG Corporate Governance's clients. Previously, Clare held various senior leadership roles within Group Secretariat at Westpac Banking Corporation.

Clare is admitted as a Solicitor of the Supreme Court of NSW and holds a Bachelor of Legal Studies and a Graduate Diploma in Applied Corporate Governance.

Renee Jones

Appointed 27 October 2020 and resigned 30 August 2024.

DIVIDENDS

A final dividend of 19.0 cents per share ($14.6 million) was declared on 21 August 2024 and paid on 26 September 2024. In respect of the half-year ended 31 December 2024, an interim dividend of 22.0 cents per share ($16.9 million) was declared on 19 February 2025 and paid on 28 March 2025 (2024: 16.5 cents per share, $12.7 million). On 20 August 2025, the Directors determined a final dividend of 16.5 cents per share ($12.7 million) to be paid on 25 September 2025 (2024: 19.0 cents per share, $14.6 million). This dividend reflects the Group's strong trading performance and solid cash position, placing it at the higher end of the Company's dividend policy range.

PRINCIPAL ACTIVITY

During the year, the principal activity of the Group consisted of fashion retailing, which includes designing and wholesaling.

There were no other significant changes in the nature of activity during the period.

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DIRECTORS' REPORT (CONT.)

REVIEW OF OPERATIONS

The net profit after tax of the Group for year ended 30 June 2025 was $23.3 million (2024: $34.3 million).

	2025 $M	2024 $M	Change %
Revenue from contracts with customers	333.3	288.5	15.5
Other income	–	0.2	(100.0)
Expenses	(240.0)	(206.7)	16.1
Underlying EBITDA[1]	**93.3**	**82.0**	**13.8**
Depreciation and amortisation expense	(38.7)	(34.9)	10.9
Underlying EBIT[2]	**54.6**	**47.1**	**15.9**
Finance income	0.9	1.2	(25.0)
Finance costs	(5.4)	(5.0)	8.0
Underlying Profit before tax	**50.1**	**43.3**	**15.7**
Income tax expense	(15.3)	(13.1)	16.8
Underlying Profit after tax	**34.8**	**30.2**	**15.2**

	2025 $M	2024 $M	Change %
Reconciliation to Profit after tax			
Underlying EBIT	**54.6**	**47.1**	**15.9**
Finance income	0.9	1.2	(25.0)
Finance costs	(5.4)	(5.0)	8.0
Impairment of CTC goodwill	(13.6)	–	(100.0)
Fair value gain on deferred variable consideration	2.1	4.1	(50.1)
Profit before tax	**38.6**	**47.4**	**(18.6)**
Income tax expense	(15.3)	(13.1)	16.8
Profit after tax	**23.3**	**34.3**	**(32.3)**

	2025 Cents	2024 Cents
Basic earnings per share	30.4	45.0
Diluted earnings per share	30.2	44.9
Underlying EPS[3]	45.4	39.6

1. Earnings before interest, tax, depreciation, amortisation and impairment (EBITDA).
2. Earnings before interest and tax (EBIT).
3. Underlying EPS is calculated using underlying NPAT and the weighted average number of ordinary shares outstanding during the period 76.6 million (2024: 76.3 million).

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DIRECTORS' REPORT (CONT.)

OPERATIONS

The Group delivered a strong FY25 financial result with revenue of $333.3 million representing growth of $44.8 million or 15.5% on FY24. The Group ended the year with 111 stores – 84 Universal Store (US) stores, 19 Perfect Stranger (PS) stores and eight THRILLS stores.

This sales growth was delivered by strong like-for-like (LFL) growth and the opening of 12 new stores across the Group. This was partially offset by three store closures and decreased Cheap Thrills Cycles Pty Ltd (CTC) wholesale sales.

The US and PS retail formats delivered LFL growth for the year of +13.0% and +25.5% respectively. This growth reflects the team's success in delivering on-trend, occasion wear for our customers, who continue to be discerning with their purchases. Five new US and five new PS stores were opened during the year.

CTC experienced mixed performance from its two key brands THRILLS and Worship during the year. Worship continues to perform well with sales growing in FY25. In contrast, the THRILLS brand experienced a decline in the wholesale channel attributable to a small number of significant retail accounts. These accounts have shifted their strategy away from third-party brands or experienced deteriorating sales in their own retail network.

FY25 wholesale sales of $29.2 million, including sales made from CTC to Universal Store, were down $4.7 million or 13.8% on FY24, with growth in Worship more than offset by the sales decline in THRILLS. This structural shift and volatility, in CTC's wholesale channel, reinforces CTC's strategy to grow its retail and online channels. The THRILLS retail channel delivered +2.9% LFL growth on FY24 with two new stores opened during the year. This was offset by the closure of two underperforming stores. The two new stores opened have increased our confidence that we are getting progressively closer to unlocking a scalable retail store format under the THRILLS banner. New leadership was onboarded during the year to drive the retail growth strategy and stabilise the wholesale channel.

Group FY25 gross margin of 61.1% represents a 100-basis point improvement on FY24. This improvement was driven by the continued growth of the PS retail format, increased private brand penetration and supported by the team's disciplined approach to pricing and promotional activity.

The Group invested in team capability and capacity during the year. This investment is reflected in the FY25 cost of doing business being 33.1% of sales for the year. This represents a 130-basis point increase on FY24. The Group continues to leverage the store labour planning and warehouse process efficiencies initiated in FY24.

Group underlying EBIT was $54.6 million, for the year, representing a $7.5 million or 15.9% increase on FY24. Statutory EBIT of $43.0 million includes the $13.6 million CTC goodwill impairment expense recognised in H1 FY25 and a $2.1 million fair value gain on deferred variable consideration.

The Group ended the year with inventory of $33.3 million compared to $29.9 million in FY24. This $3.4 million or 11.4% increase reflects a larger store network and demand-based investment. Aged inventory is consistent with FY24 and continues to be managed through a disciplined markdown process.

Capital expenditure was $12.1 million for the year, driven by new stores, four store relocations and minor store refurbishments. The Group continues to invest in digital and system capability to support future growth and process efficiencies.

The Group delivered a robust underlying cash flow from operations of $98.0 million for the year. This represents an $18.5 million or 23% increase on prior year and brings the Group's operating cash flow conversion to 105.0% versus 97.0% in FY24. This strong operating cash flow enabled the Group to fully pay down its $15 million term loan and fund an 80% dividend payout. The Group finished the year with a net cash balance of $17.2 million which represents a $2.9 million increase on FY24. The Group complies with and has significant headroom against each of its bank covenants.

During the period, the Group amended the facility agreement with ANZ to facilitate the repayment of Facility A, totalling $15.0 million and converted it into a $15.0 million redrawable term loan facility. Additionally, ANZ replaced Facility A1, the $0.3 million commercial card facility with Facility F, also a $0.3 million commercial card Facility.

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The Group currently has the following debt facilities available with ANZ:

+ Facility A for $15.0 million redrawable term loan facility, which is undrawn.
+ Facility D a $8.5 million revolving working capital facility, which is undrawn.
+ Facility E a $5.0 million standby letter of credit/guarantee facility.
+ Facility F a $0.3 million corporate card facility, of which $0.1 million is undrawn.

Facilities A and D expire in April 2027. Facility E and Facility F are reviewed annually.

Facilities are secured by a General Security Agreement (GSA) and Corporate Guarantee provided by Universal Store Holdings Ltd, US 1A Pty Ltd, US 1B Pty Ltd, US Australia Pty Ltd and Universal Store Pty Ltd. A negative pledge has been provided by all parties via the ANZ Facility Agreement.

The Group has complied with all the financial covenants of its borrowing facilities during the 2025 and 2024 reporting periods and continues to have significant headroom.

Key business risks

The Group is committed to maintaining effective risk management systems to address both financial and non-financial risks. The Group continues to evolve its approach to risk management to meet the demands of the trading environment. The business risks faced by the Group that may have a material effect on its financial results are listed below, including an overview of the Group's mitigating actions:

Key Risk and Description	Mitigation Activities
Retail Environment and economic conditions	
The Group's products are generally discretionary in nature. Consumer spending on these items is potentially sensitive to changes in general consumer sentiment. Factors which affect general consumer sentiment may adversely impact the spending levels of the Group's customers. These factors include house prices, political uncertainty, economic outlook, employment certainty, conflict and terror events. Disposable incomes of the Group's customers can vary as a result of changes in the cost of petrol, rent, food and energy prices or changes in interest rates, unemployment levels and taxation. Any material reduction in consumer spending on discretionary items may result in lower levels of Group revenue and profitability.	+ Proactively monitor the market, economic conditions, and customer sentiment. + Promptly react to consumer demand and using predicative analysis to mitigate risks or act on opportunities. + Manage variable costs in-line with sales and invest in initiatives to drive process and cost efficiency.
Business Disruption	
The Group may experience material or extended disruptions to trade due to unexpected events such as pandemics, severe weather events or other natural hazards. Such events may result in financial loss due to disruption to the Group's supply chain or its stores being unable to operate.	+ Maintain updated business continuity plans supported with event simulations to test the Group's readiness. + Proactively monitor extreme weather events to assess potential risks and mitigation plans on a timely basis. + Ensure the Group's insurance coverage aligns with its risk exposure and risk appetite.

DIRECTORS' REPORT (CONT.)

Key Risk and Description	Mitigation Activities
Competition The Australian apparel, footwear and accessories market, in which the Group operates, is highly competitive and subject to constantly changing consumer preferences in relation to trends, brands and shopping channels. The competitor set is fluid and evolving. There is a risk that the Group may lose market share to new or existing competitors. Examples of these risks include: + Increased competition through new market entrants or existing competition gaining market share through store openings, product offerings, marketing strategies or price discounting. + Online disruption resulting in a significant shift in customer preference from physical stores to the online channel. Universal Store's customers may choose to purchase products from its competitors rather than from Universal Store and this may in turn reduce Universal Store's revenue. Such a reduction in revenue may have an adverse impact on Universal Store's financial performance.	+ Remain relevant and nimble, ensuring our channels continuously exceed customer expectations both in stores and online channels. + Active awareness of competitive environment and emerging trends and ensuring appropriate mitigation strategies in place. + Maintain product exclusivity through owned brands and special make up product with third-party brands.
Fashion trends and consumer preferences Demand for the Group's products is sensitive to it being on-trend. While a level of error in fashion design is normal, sustained and material misjudgements in relation to evolving fashion trends and product range can adversely affect sales levels and consumer perspectives of its brand and result in a loss of market share. The Group can also mis-quantify the consumer demand arising from certain fashion trends, and therefore offer too much or too little product that is relevant to a particular fashion trend. In addition, with third-party brands contributing a material amount of Group sales, the business is also reliant on the fashion judgements and range development of these suppliers.	+ Remain relevant, ensuring curated outfits are in demand and on trend. + Continue to test and trial and leverage customer data to identify and validate fashion trends before investing heavily. + Proactively identify and manage aged and out of trend products through a disciplined markdown process. + Monitor and stay close to customers and the events, social outings, occasions they are attending. + Continue to work with suppliers on special make-up and diversification. + Maintain shorter lead times to react to trends with speed.
Supplier relationships The Group is dependent on its ability to retain its existing key supplier relationships and ability to attract new suppliers on acceptable terms. The deterioration of key relationships may have a material adverse effect on the Group's financial and/or operational performance. Similarly, the Group relies on its key product suppliers for product innovation, product quality and maintaining and building the consumer appeal and demand for these brands. The Group may also be impacted by changes or disruptions to their key product suppliers supply chains or customer facing strategies and perceptions Material changes by any of Universal Store's key suppliers may impact Universal Store's financial and/or operational performance in the future.	+ Maintain respectful and transparent relationships. + Continue to build relationships based on trust and develop win/win strategies for the Group and supplier. + Continue to enhance the Group's brand positioning (marketing, campaigns, etc.).

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Key Risk and Description	Mitigation Activities
Product sourcing The Group's products have historically been predominantly sourced from China and within Australia. While the Group has a diversified supplier base, the business still relies on key suppliers. Regardless of the nature and domicile of the supplier, most of the goods are manufactured in China. Any material change or disruption to product sourcing or supply chain could have an adverse impact on inventory availability in the Group. The following matters are examples of factors which could adversely impact the timing, cost and reliability of the Group's product sourcing and supply chain, and therefore the business' overall financial performance: Adverse effects of acts of war or terrorism, natural disasters or an outbreak of an epidemic, including disruption to critical points of infrastructure such as ports. Any adverse change in existing relationships or operations with product and service suppliers, unexpected, prolonged or repeated disruption to services provided by suppliers, or adverse changes to the terms and conditions of suppliers. Furthermore, geographical concentration of overseas suppliers exposes the Group to the impact of geopolitical disruption such as a material change in tariffs on imports or exports. These may result in material delays in the supply chain, which may adversely affect cost of sales and overall financial performance.	+ Understand and assess options to diversify and reduce reliance on China and how these balance risk mitigation with product quality and commercial outcomes. + Limited dependency on a single vendor which creates more flexibility and reduces risks. + Proactively manage key supplier relationships to identify and mitigate any potential disruptions. + Continue to refine and enhance the Group's responsible procurement policy which addresses the risk of modern slavery throughout the supply chain and business operations.
Cyber security and data privacy The Group's business may be materially adversely affected by malicious third parties or applications that interfere with, or exploit, security flaws in websites. The security of information stored in the Group's systems could be put at risk by attacks from malicious software programs or persons, or inadvertent breaches. There is a risk that, if a cyber-attack were successful, any data security breaches, failure to protect confidential information or disruption to the Group store's website could result in a loss of information integrity, breaches of obligations under applicable laws and website and system outages. Similarly, given some third-party suppliers hold confidential customer data in relation to the Group, the Group may be involved in such a breach. The occurrence of any of these events may potentially have a material adverse impact on Universal Store Group's reputation, business, financial performance and operations.	+ Continue adherence to the CIS security framework, ensuring compliance and proactive improvement to enhance overall security posture. + Conduct regular penetration testing and risk assessments to identify and address potential security gaps. + Conduct regular training and education of the Group's team to build awareness of cyber security risk and the team's role in mitigating this risk. + Enhance network security by continuously improving firewall configurations, intrusion detection systems, and antivirus software. + Continue to invest into our advanced threat detection and response, supported by our external cyber partner. + Leverage our centralised and streamlined security monitoring platform to automate risk detection and mitigation. + Build upon the disaster recovery strategy and introduce comprehensive business continuity planning to ensure readiness in the event of a cyber incident. + Ensure ongoing compliance with Payment Card Industry Data Security Standard (PCI DSS) to protect credit card transactions. + Collaborate with third-party suppliers to ensure they adhere to the Group's security policies and standards to minimise the risk of breaches through external partners.

DIRECTORS' REPORT (CONT.)

Key Risk and Description	Mitigation Activities
Health and Safety	
The Group operates nationally across Australia and must comply with safety standards to ensure their customers are shopping in a safe and risk-free environment. The Group's employees are at risk of workplace accidents and incidents. Should an employee, supplier, contractor or customer be injured in t he course of their employment or engagement with the business on premises, the Group may be liable for penalties or damages as a result. If the Group was required to pay monetary penalties, this may adversely affect its financial position and reputation.	+ Continue to encourage employee assistance program usage and optimise as necessary. + The Group's Health & Safety committee is responsible for reporting, tracking training, and proving risk mitigation plans. + Continue to facilitate and mitigate risks by team training and education programs, in particular the Distribution centres and Stores.
Legal and compliance	
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 GST and stamp duty), customs and tariffs. Changes to laws and regulations in these areas may adversely affect the Group, including by increasing costs either directly (such as an increase in the amount of tax the Group is required to pay), or indirectly (including by increasing the cost to the business of complying with legal requirements). Any such adverse effect may impact the Group's future financial performance. The Group may be involved in disputes or litigation, be the subject of disputes, complaints, inquiries or audits. These disputes may be related to warranties, product descriptions, personal injury, health, environmental, safety or operational concerns, nuisance, negligence or failure to comply with applicable laws and regulations. If the Group were to be found liable under a claim, the Group's financial position and future financial and operational performance may be adversely affected.	+ External assurance and support engaged to ensure compliance with all laws and regulations. + Experienced leadership team ensuring appropriate governance is embedded to support the business in its operations.
Climate Change	
Changes in the climate is leading to increased weather variability and increased risk of extreme weather events and natural disasters. These events may impact the Group's supply chain operations and/or its stores ability to trade. Therefore, there is a risk of an adverse impact to the Group's revenue and operating costs such as increased insurance premiums. Furthermore, the world is transitioning to lower carbon emissions and increased mandatory climate reporting. These changes present both risks and opportunities in relation to reputational, financial, regulatory and technological outcomes. These outcomes may result in reduced revenue and/or increased operating costs across the Group.	+ The Group established and monitors performance against a series of published sustainability targets. These targets include both short- and long-term measures of success. + A working group has been created to understand the impact of the incoming Mandatory Climate Reporting requirements which the Group will need to adopt commencing in FY27. This working group includes external assurance and support as appropriate. + For further information on how environmental risks are managed, refer to the Sustainability Report, available in the annual report.

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DIRECTORS' REPORT (CONT.)

SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

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

SIGNIFICANT EVENTS AFTER THE REPORTING DATE

On 20 August 2025, the Directors of Universal Store Holdings Limited determined a final dividend on ordinary shares in respect of the 2025 financial year. The amount of the dividend is 16.5 cents per share ($12.7 million) to be paid on 25 September 2025. This dividend reflects the Group's strong trading performance and solid cash position, placing it at the higher end of the Company's dividend policy range.

There were no other significant events which occurred after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

LIKELY DEVELOPMENTS AND EXPECTED RESULTS

Likely developments in the operations of the Group and the expected results of those operations in future financial years have not been included in this report as the inclusion of such information is likely to result in unreasonable prejudice to the Group.

ENVIRONMENTAL REGULATION AND PERFORMANCE

The Group is not subject to any particular or significant environmental regulation under laws of the Commonwealth or of a State or Territory.

SHARE OPTIONS

No option to acquire shares in the Group has been granted to any person. No shares have been issued during the financial year or since the end thereof by virtue of the exercise of any options. There are no unissued shares under option at the date of this report.

INDEMNIFICATION AND INSURANCE OF DIRECTORS AND OFFICERS

During the financial year, the Group paid a premium to insure the Directors and Secretaries of the Group and the general managers of each of the divisions of the Group.

The liabilities insured are legal costs that may be incurred in defending civil or criminal proceedings that may be brought against the officers in their capacity as officers of entities in the Group, and any other payments arising from liabilities incurred by the officers in connection with such proceedings. This does not include such liabilities that arise from conduct involving a wilful breach of duty by the officers or the improper use by the officers of their position or of information to gain advantage for themselves or someone else or to cause detriment to the Group. It is not possible to apportion the premium between amounts relating to the insurance against legal costs and those relating to other liabilities. The policy prohibits the disclosure of the premium paid.

INDEMNIFICATION OF AUDITORS

Universal Store Holdings Limited has agreed to reimburse PricewaterhouseCoopers ("PricewaterhouseCoopers") for any liability (including reasonable legal costs) that PricewaterhouseCoopers incur in connection with any claim by a third party arising from a breach by Universal Store Holdings Limited of its agreement with PricewaterhouseCoopers.

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DIRECTORS' REPORT (CONT.)

NON-AUDIT SERVICES

From time to time, non-audit services are provided by the entity's auditor, PricewaterhouseCoopers. The Directors are satisfied that the provision of non-audit services is compatible with the general standard of independence for auditors imposed by the *Corporations Act 2001*. The nature and scope of each type of non-audit service provided means that auditor independence was not compromised.

PricewaterhouseCoopers received, or are due to receive, the following amounts for the provision of non-audit services:

	2025 $	2024 $
Amounts paid or payable to PricewaterhouseCoopers for:		
Assurance services – Group audit and half-year review	389,000	313,000
Other services	53,000	12,000
Total remuneration of PricewaterhouseCoopers Australia	**442,000**	**325,000**

DIRECTORS' MEETINGS

The number of meetings of Directors (including meetings of committees of Directors) held during the year and the number of meetings attended by each Director were as follows:

			Meetings of Committees			
	Board Meetings		Audit and Risk		People and Remuneration	
Total number of meetings held	**12**		**4**		**4**	
	Attended	**Eligible***	**Attended**	**Eligible***	**Attended**	**Eligible***
Peter Birtles	12	12	4	4	4	4
Alice Barbery	12	12	4	–	4	–
Kaylene Gaffney	12	12	4	4	–	–
David MacLean	12	12	–	–	3	4
Trent Peterson	12	12	–	–	4	4
Renee Gamble	12	12	4	4	–	–

* Directors are eligible to attend a meeting from appointment to the Board, or as a member of a Committee. At times, non-member Directors attend meetings of sub-committees by invitation.

COMMITTEE MEMBERSHIP

Members acting on the committees of the Board during the year were:

Audit and Risk Management	People and Remuneration
Kaylene Gaffney (Chair)	Trent Peterson (Chair)
Peter Birtles	Peter Birtles
Renee Gamble	David MacLean

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DIRECTORS' REPORT (CONT.)

PROCEEDINGS ON BEHALF OF THE GROUP

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

No proceedings have been brought or intervened in on behalf of the Group with leave of the Court under section 237 of the *Corporations Act 2001*.

ROUNDING

The amounts contained in the financial report were rounded to the nearest $1,000 (where rounding is applicable) where noted ($000) under the option available to the Group under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Group is an entity to which this legislative instrument applies.

CORPORATE GOVERNANCE STATEMENT

Universal Store Holdings Limited Corporate Governance Statement discloses how the Group complies with the Principles and Recommendations of the ASX Corporate Governance Council (4th Edition) and sets out the Group's main corporate governance practices. This statement has been approved by the Board and is current as at 20 August 2025. The Corporate Governance Statement of Universal Store can be found on the Group's website: https://investors.universalstore.com/investor-centre/#governance

AUDITOR'S INDEPENDENCE DECLARATION

The Directors have received a declaration from the auditor of Universal Store Holdings Limited. This has been included on page 59.

The Directors of Universal Store Holdings Limited present the Remuneration Report (the "Report") for the Group for the year ended 30 June 2025. This Report forms part of the Directors' report and has been audited in accordance with section 300A of the *Corporations Act 2001*.

The Report details the remuneration arrangements for the Group's key management personnel ("KMP") comprised of Non-Executive Directors, Executive Directors and Senior Executives.

The KMP of the Group are those persons who, directly or indirectly, have authority and responsibility for planning, directing and controlling the major activities of the Group.

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REMUNERATION REPORT (AUDITED)

The table below outlines the KMP of the Group and their movement during the financial year.

Name	Position	Terms at KMP
Non-Executive Directors		
Peter Birtles	Non-Executive Director and Chair	Full financial year
Kaylene Gaffney	Non-Executive Director	Full financial year
David MacLean	Non-Executive Director	Full financial year
Trent Peterson	Non-Executive Director	Full financial year
Renee Gamble	Non-Executive Director	Full financial year
Executive Directors and Senior Executives		
Alice Barbery	Group Chief Executive Officer (CEO) and Managing Director	Full financial year
Ethan Orsini	Group Chief Financial Officer (CFO)	Appointed 5 August 2024
George Do	Universal Store & Perfect Stranger Divisional CEO	Appointed 1 March 2025
Renee Jones	Group Chief Financial Officer (CFO)	Resigned 30 August 2024

The focus of this Report is on the remuneration arrangements and outcomes for the KMP listed in the table above.

CONTENTS:

Section 1: Remuneration strategy and policy

Section 2: Role of the People and Remuneration Committee

Section 3: Group Performance – relationship between financial performance and remuneration

Section 4: Details of remuneration

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REMUNERATION REPORT (AUDITED) (CONT.)

SECTION 1: REMUNERATION STRATEGY AND POLICY

The People and Remuneration Committee (PRC) is responsible for determining and reviewing the remuneration arrangements for its Directors and Executives.

From a remuneration perspective, the objective of Universal Store Holdings Limited is to attract and retain talented and motivated, culturally aligned Executives and Team who can enhance the Group's performance through their teamwork, choices and leadership. The Board believe that our people are a key source of competitive advantage that is fundamental to the long-term success of the Group. Fostering a workplace culture that supports the imperative to maintain and develop current and future generations of leaders is a key priority of the Group.

The Executive remuneration and reward arrangements at Universal Store Holdings Limited have two components:

+ Fixed remuneration comprising of salary and superannuation.
+ Variable remuneration including short-term incentives ("STI") in the form of a cash-based reward and long-term incentives ("LTI") in the form of an equity reward.

The elements of the total remuneration package may vary according to the job role, team members experience and performance. Generically, the two key variables driving the mix of fixed versus 'at risk' or variable remuneration are (1) seniority and responsibility level and (2) ability to impact performance and shareholder value.



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REMUNERATION REPORT (AUDITED) (CONT.)

In considering the remuneration arrangements of KMP and applying the market remuneration governance standards, the PRC makes recommendations based on the following objectives:



Strengthen our capabilities by attracting and retaining high calibre talent



Align the interest of the Company's KMPs to those of the shareholders



Drive sustainable long-term performance of the business



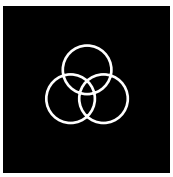
Promote individual and cross functional teamwork



Reward for outcomes and performance



Conscious of risks and managing reliance on KMP individuals



Be simple and transparent



Flexibility to adjust in the event of ESG breaches

The Committee considers individual remuneration arrangements, and assesses how the individual's contracted terms measure up against these principles. Market movements and benchmarks are considered, however we do not set specific remuneration objectives or benchmarks (e.g. meet 'second quartile' remuneration benchmarks) or adhere to the benchmarks or movements strictly. Instead, granular knowledge of roles, market dynamics, individual capabilities and circumstances, the risk and return trade-offs faced by the Group to determine remuneration arrangements. Remuneration is considered as just one part of an employee's reward for employment with the Group.

The remuneration policies are designed to achieve alignment between the Group's business strategy, values and the behaviour of employees as well as recognise and reward individual responsibility levels.

In relation to its most senior Team Members, the Board believes that an important part of building employee engagement is to align management with each other and with shareholder interests through the ownership of shares or related securities. The Group CEO and the US & PS Divisional CEO have material shareholdings in the Group, as do other members of the leadership team and various Board members. In FY23, the Board implemented a new layer to our existing LTI plans to deepen this alignment and bring the Group's remuneration approach more in line with mechanics commonly offered by our ASX listed peers.

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REMUNERATION REPORT (AUDITED) (CONT.)

Executive Directors and Senior Executives' remuneration

The Group CEO and Senior Executives are rewarded with a level and mix of remuneration appropriate to their position, responsibilities and performance, in a way that aligns with our business strategy.

Remuneration for KMP during the financial year consists of both fixed remuneration and variable remuneration.

Fixed remuneration

Fixed remuneration is in the form of salary, superannuation contributions and other benefits and allowances and is designed to reward for:

+ The scope of the Executive's role;
+ The Executive's skills, experience and qualifications;
+ Strategic value of the role;
+ Size and complexity of the role; and
+ Individual performance.

As discussed above, fixed remuneration is set with reference to comparable roles in similar companies, coupled with detailed knowledge of an individual's performance, nuance of their role, and the risk and return trade-offs associated with the role and its contribution to the Group. Additionally, there is consideration for the context of an individual's participation in STI and LTI plans of the Group and their remuneration history.

Variable remuneration

Variable remuneration includes STI in the form of a cash-based reward and an LTI in the form of an equity reward.

Short-Term Incentive Plan

Members of the Group's Management (including the Group CEO and Senior Executives who are considered KMP) are eligible to participate in the Group's STI plan. Participants in the STI plan have a target cash payment amount which is set each year ("Maximum Bonus Amount").

Provisional STI amounts in any given year may be between 0% and 100% of the Maximum Bonus Amount and are assessed having regard to the Group's actual underlying EBIT result delivered in the relevant year relative to pre-set annual underlying EBIT targets (benchmarks may ignore one offs and other abnormal or non-trading items).

For the FY25 STI arrangements, the Board set a performance based STI range linked to the Group's FY25 underlying EBIT result, with the minimum and maximum underlying EBIT thresholds per the below:

+ At the low end: KMP will receive an STI of 20% of the Maximum Bonus Amount if Group underlying EBIT reaches $43.5 million in FY25.
+ At the high end: an STI of 100% of the Maximum Bonus Amount will be paid if Group underlying EBIT reaches $51.0 million or more in FY25.

For results falling within this STI range, a pro-rated payment will be made, and the final payment will be subject to the Board's discretion, including having regard to the Board's assessment of any material Environmental, Social or Governance ("ESG") breach, should this occur – which it did not in FY25.

The Board continues to believe that underlying EBIT is an appropriate primary measure for determining STI outcomes. Underlying EBIT is widely understood by both our team and shareholders and in most circumstances, underlying EBIT based targets achieve a balance between a measure that can be materially influenced by management and a measure of sound proxy for the leadership team's ability to deliver results that contribute to driving shareholder value.

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The participants in the Executive STI plan have varying levels of direct influence over the Group's underlying EBIT result. Notwithstanding, the participants all play an important role in delivering our results and managing the risks associated with our short- and long-term financial results. Teamwork is required from all leadership to deliver our financial results, coupled with the collaborative culture the Group strives to build and maintain, is a sound reason for having one primary financial measure to assess and drive the STI outcome.

Payments under the STI plan will be made following the release of the full-year financial results. Participants in the STI plan may have to repay the Group some or all the payments made under the STI plan in an event of any serious misconduct or material misstatement in the financial statements of the Group during any of the three preceding financial years, subject to Board approval. Generally, no incentive payment is payable if the threshold performance target is not met.

The measures are reviewed and reset each year and are tested annually after the end of the relevant financial year. An individual's eligibility to receive an STI in any year is also subject to Board discretion in relation to any major ESG breach or incident which the Board consider to be sufficiently material and attributable to an individual or group of individuals that the payment of all or part of an STI entitlement would be inappropriate.

Long-Term Incentive Plan

In FY23, the Group established a LTI scheme for KMP and designated senior management as described on pages 53 to 55.

The existing equity ownership arrangements for the Group CEO and US & PS Divisional CEO were established during the Group's transition from private to public ownership (in some instances, many years prior to the IPO). As a result, the Group CEO and US & PS Divisional CEO each hold a material number of shares with significantly greater value than their individual fixed and short-term incentive arrangements.

The Group CEO and US & PS Divisional CEO currently hold in aggregate 3,968,821 shares, representing 5.2% of the shares on issue as at 30 June 2025.

During the year, Renee Jones repaid her outstanding limited recourse loan in full of $0.7 million. All remaining outstanding amounts receivable relating to the limited recourse loans issued under the pre-IPO long-term incentive program have been repaid during the year with nil owing to the Group as at 30 June 2025 ($0.7 million at 30 June 2024). The loan amounts were not included on the balance sheet of the Group as these instruments are accounted under AASB 2 *Share based Payment* as share-based payments.

Senior Executive employment arrangements

Remuneration arrangements for Executives are formalised in employment agreements. The following outlines the details of specific contracts with Executives:

Group Chief Executive Officer

Alice Barbery is employed in the position of CEO of the Group. Alice is entitled to a base salary of $590,000 per annum (inclusive of statutory superannuation) for the 2025 financial year.

In addition to her base salary, Alice is eligible to participate in the Group's STI and LTI plans. Alice is eligible for an annualised bonus of $475,000 (inclusive of superannuation) under the FY25 STI plan. Alice is a participant in the FY23, FY24 and FY25 LTI plans as described on page 54.

The term of Alice's employment as Group CEO is ongoing. Alice's employment may be terminated by either party giving six months' notice. The Group may pay Alice in lieu of giving her notice. The Group may terminate Alice's employment immediately where there is cause to do so (e.g., serious misconduct or a material breach of her terms and conditions of employment), without notice or payment in lieu of notice.

Upon termination, Alice is bound by a restraint period of up to six months, during which time she cannot compete with the Group, provide services in any capacity to a competitor of the Group or solicit current or proposed suppliers or employees of the Group in Australia.

The Group announced the appointment of George Do as Universal Store & Perfect Stranger Divisional CEO from 1 March 2025. The substance of Alice's role and accountability for group outcomes remains unchanged with George's appointment.

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REMUNERATION REPORT (AUDITED) (CONT.)

Group Chief Financial Officer

Ethan Orsini commenced in the position of CFO of the Group on 5 August 2024. Ethan is entitled to a base salary of $430,000 per annum (inclusive of superannuation) for the 2025 financial year.

In addition to his base salary, Ethan is eligible to participate in the Group's STI plan. Ethan is eligible for an annualised bonus of $215,000 (inclusive of superannuation) under the FY25 STI plan. Ethan is a participant in the FY25 LTI plans as described on page 54.

The term of Ethan's employment as Group CFO is ongoing. Ethan's employment may be terminated by either party giving six months' notice. The Group may pay Ethan in lieu of giving his notice. The Group may terminate Ethan's employment immediately where there is cause to do so (e.g., serious misconduct or a material breach of his terms and conditions of employment), without notice or payment in lieu of notice.

Upon termination, Ethan is bound by a restraint period of up to six months, during which time he cannot compete with the Group, provide services in any capacity to a competitor of the Group or solicit current or proposed suppliers or employees of the Group in Australia.

Renee Jones ceased employment as Group CFO on 30 August 2024 following her resignation.

Universal Store & Perfect Stranger Divisional CEO

George Do commenced in the position of Universal Store & Perfect Stranger Divisional CEO of the Group on 1 March 2025. George has been a key contributor to the Group's success and the Divisional CEO role provides him with greater operational scope and strategic accountability for the Group. George is entitled to a base salary of $460,000 per annum (inclusive of superannuation) for the 2025 financial year.

In addition to his base salary, George is eligible to participate in the Group's STI plan. George is eligible for an annualised bonus of $285,000 (inclusive of superannuation) under the FY25 STI plan. George is a participant in the FY23, FY24 and FY25 LTI plans as described on page 54.

The term of George's employment as Universal Store & Perfect Stranger Divisional CEO is ongoing. George's employment may be terminated by either party giving six months' notice. The Group may pay George in lieu of giving his notice. The Group may terminate George's employment immediately where there is cause to do so (e.g., serious misconduct or a material breach of his terms and conditions of employment), without notice or payment in lieu of notice.

Upon termination, George is bound by a restraint period of up to six months, during which time he cannot compete with the Group, provide services in any capacity to a competitor of the Group or solicit current or proposed suppliers or employees of the Group in Australia.

Non-Executive Directors' remuneration

Under the Company's Constitution, the Board may decide the remuneration from the Company to which each Director is entitled for their services as a Director, subject to ASX Listing Rules from time to time. However, the total aggregate amount provided to all Non-Executive Directors in any financial year for their services as Directors must not exceed the aggregate amount of Non-Executive Directors' fees approved by Shareholders at the Company's annual general meeting. This amount is currently fixed at $750,000 per annum. Any change to this aggregate annual sum needs to be approved by Shareholders. The aggregate sum does not include any special and additional remuneration for special exertions and additional services performed by a Director as determined appropriate by the Board or any amounts payable to any Executive Director under any executive services agreements. As required by ASX Listing Rule, the remuneration of Directors does not include a commission on, or a percentage of profits or operating revenue.

Directors may also be reimbursed for all reasonable travel and other expenses incurred by the Directors in attending to the Company's affairs including attending and returning from Board meetings or any meetings of committees of Directors and in attending and returning from any general meetings of the Group.

Directors may be paid such additional or special remuneration if they, at the request of the Board, and for the purposes of the Group, perform any extra services outside the scope or ordinary duties of a Director.

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REMUNERATION REPORT (AUDITED) (CONT.)

The Board reviewed the remuneration levels for Board members at the end of FY24, and commencing from 1 July 2024 has implemented the following changes:

	Base Non-Executive Fees	Audit & Risk Committee	People & Remuneration Committee
Chair Fee	$163,000 (from $150,000)	$15,000 (from $10,000)	$10,000 (from $5,000)
Member Fee	$87,000 (from $80,000)	$6,000 (from $4,000)	$4,000 (from $2,000)

Subsequent to the October 2022 acquisition of CTC, the Board established the CTC Advisory Board to provide oversight of CTC's strategic direction and operational performance. The Board nominated Trent Peterson as chair of this Advisory Board for which he receives an additional amount of $40,000 per annum.

The fees paid to Directors remains significantly under the cap approved by shareholders of $750,000.

Other policies

Claw back policy

If the Group becomes aware of serious misconduct or a material misstatement in its financial statements, the Board may claw back that overpayment. The PRC will review this claw back policy at least annually and make recommendations to the Board as to any changes it considers should be made.

Securities trading policy

In all instances, buying or selling shares is not permitted at any time by any KMP who possess inside information in a manner contrary to the *Corporations Act 2001*. Black-out periods are strictly applied.

SECTION 2: ROLE OF THE PEOPLE AND REMUNERATION COMMITTEE

The role of the PRC is to assist the Board in fulfilling its statutory and regulatory responsibilities for corporate governance and overseeing the Group's nomination and remuneration policies and practices.

This includes evaluating and recommending the remuneration packages and policies related to the KMP, Directors and other members of Management to the Board for approval. The PRC is also responsible for administering short-term and long-term incentive plans (including any equity plans).

The Committee seeks independent advice where appropriate. No advice or guidance was sought or obtained during FY25.

The Group complies with the recommendations set by ASX Listing Rules and ASX Corporate Governance Council in relation to the composition and operation of the Committee. The Committee comprises Trent Peterson (as Chair), David MacLean and Peter Birtles.

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SECTION 3: GROUP PERFORMANCE – RELATIONSHIP BETWEEN FINANCIAL PERFORMANCE AND REMUNERATION

Overview of Our Results and the STI Outcomes for KMP

FY25 is the Group's fifth annual result since its IPO in November 2020.

The table below summarises the headline results and the outcomes under the STI plan for our KMP across the last 5 years.

	FY20	FY21	FY22	FY23	FY24	FY25
Sales ($m)[1]	154,869	210,817	207,969	243,634	288,523	333,266
Underlying EBIT (excluding AASB 16 until FY24) ($m)[1,2]	23,666	44,040	30,943	35,972	47,076	54,555
Group CEO Fixed Rem ($000's)	430	430	545	545	545	590
Group CEO Max STI available ($000's)	231	231	327	360	375	475
Group CEO Actual STI received ($000's)	120	231	–	234	375	475
Group CFO Fixed Rem ($000's)[3]	320	320	400	415	415	387
Group CFO Max STI available ($000's)[3]	160	160	200	215	230	197
Group CFO Actual STI received ($000's)[3]	96	128	–	140	230	197
US & PS Divisional CEO Fixed Rem ($000's)[4]	–	–	–	–	–	154
US & PS Divisional CEO Max STI available ($000's)[4]	–	–	–	–	–	96
US & PS Divisional CEO Actual STI received ($000's)[4]	–	–	–	–	–	96

1. This number is unaudited as it excludes CTC results for FY20 – FY23 as STI targets were agreed prior to acquisition. FY24 & FY25 is inclusive of CTC results.
2. This is a non-IFRS measure that is unaudited but derived from audited Financial Statements. Underlying EBIT for FY20 – FY23 is exclusive of AASB 16 *Leases*. FY24 & FY25 underlying EBIT is inclusive of AASB 16 *Leases*.
3. Amount reflects pro-rata allocation from commencement of KMP role on 5 August 2024.
4. Amount reflects pro-rata allocation from commencement of newly established KMP role on 1 March 2025.

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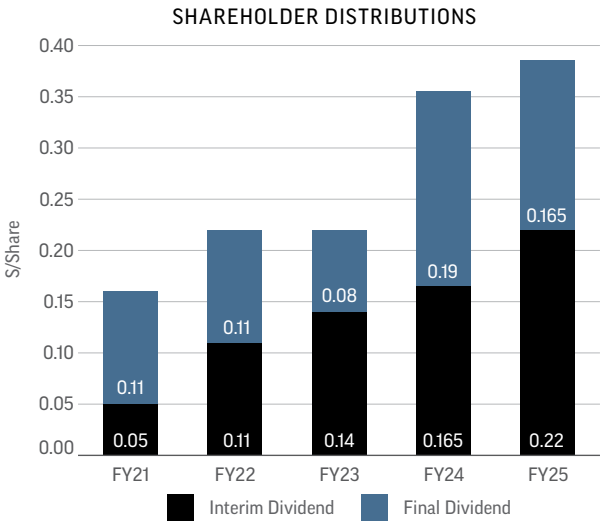
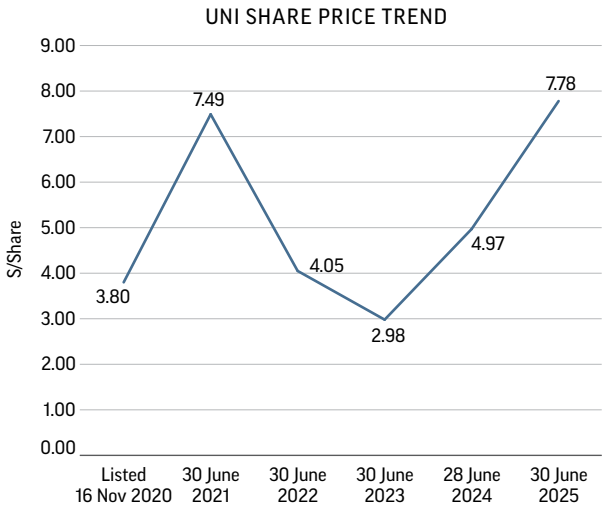
REMUNERATION REPORT (AUDITED) (CONT.)





Executive Director and Senior Executives Remuneration Structure

The Executive Director and Senior Executives are currently remunerated under a total reward structure that consists of both fixed remuneration comprising base salary package (inclusive of superannuation contributions and other allowances) and STI.

The annualised mix of fixed remuneration and at-risk elements as a percentage of total target remuneration for 30 June 2025 was as follows:

	% of total target annual remuneration for 30 June 2025		
		At risk remuneration	
	Fixed Remuneration	STI maximum opportunity	LTI maximum opportunity
Alice Barbery	35.6%	28.7%	35.7%
Ethan Orsini*	45.5%	22.7%	31.8%
George Do**	46.0%	28.5%	25.6%

* Amounts reflect annualised target remuneration. Ethan commenced KMP role on 5 August 2024.

** Amounts reflect annualised target remuneration. George commenced KMP role on 1 March 2025.

Fixed remuneration

The remuneration for Senior Executives includes a fixed component comprised of base salary and employer superannuation contributions that are in line with statutory obligations.

The base salary reflects comparable roles in similar sized companies operating in the retail industry, having regard to the experience and expertise of the Senior Executive, their performance, and history with the Group, and other relevant factors. This requires both quantitative and subjective assessment.

Fixed remuneration is reviewed annually by the PRC, with recommendations made to and approved by the Board. Approved changes are usually effective from the commencement of the new financial year.

The Board agreed to increase the fixed remuneration of the Group CEO for FY25. This decision was made having regard to changes in market, expanded responsibility given the scale and complexity of the Group, and having regard to Alice's continued strong performance and leadership. From 1 July 2024, the fixed remuneration of the Group CEO increased to $590,000 per annum (inclusive of employer superannuation contributions).

The Board agreed, from 1 July 2025, the fixed remuneration of the Group CEO will increase to $625,000 per annum. The fixed remuneration of the Group CFO will increase to $455,000 per annum, and the fixed remuneration of the Divisional CEO is $460,000 per annum.

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REMUNERATION REPORT (AUDITED) (CONT.)

Short-Term Incentive Plan

The 30 June 2025 STI plan was assessed following the completion of the performance period from 1 July 2024 to 30 June 2025. The STI plan awarded to each Senior Executive is detailed in the table below:

Senior Executive	Target STI ($)	Actual STI awarded ($)	Actual STI awarded as a % of maximum STI	% of maximum STI award forfeited
Alice Barbery	475,000	475,000	100%	0%
Ethan Orsini*	197,000	197,000	100%	0%
George Do**	95,530	95,530	100%	0%

* Amount reflects pro-rata allocation from commencement of KMP role on 5 August 2024. The maximum STI for Ethan Orsini is $215,000.

** Amount reflects pro-rata allocation from commencement of KMP role on 1 March 2025. The maximum STI for George Do is $285,000.

The maximum (100%) STI measure for KMP was set at an underlying EBIT (post AASB 16) of $51.0 million in FY25, with this threshold being met. Note STI targets may adjust for one off, abnormal or non-trading items. The FY25 STI outcome was based on Group underlying EBIT of $54.6 million which excludes the $13.6 million CTC goodwill impairment expense and the $1.9 million DVC write-down.

The Board increased the FY25 Target STI for the Group CEO to $475,000 (26.7% increase from FY24 Target STI).

The Board increased the FY26 Target STI of the Group CEO to $500,000 per annum, the FY26 Target STI of the Group CFO to $227,500 per annum, and the FY26 Target STI of the Divisional CEO to $322,000 per annum.

Pre-listing Long-term Incentive Plan

The pre-listing LTI scheme was developed and implemented over the five years prior to the IPO which saw various members of the Executive leadership team acquire shareholdings in the business. A significant portion of the capital invested by the participants was funded by limited recourse loans from the Group. No further loans were made to participants since the IPO. The loans are accounted for as share-based payments, all of which are fully vested, and no options or rights have been granted during the period. In the case of the KMP, as at 30 June 2025, all remaining loans have been repaid during the period. No Non-Executive member of the Board is a beneficiary of loans from the Group.

Current Executive Long-Term Incentive Plan

As a listed Company, the Board believe there is both scope and merit in maintaining a LTI scheme to align the interests of the KMP and senior management with the Company's shareholders. As a result, the existing LTI scheme was created with the FY23 LTI plan being approved at 24 November 2022 AGM.

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REMUNERATION REPORT (AUDITED) (CONT.)

An overview is set out below:

Instrument	Performance Rights
Quantum	Group CEO: Target ~100% of TFR.*
	Group CFO: Target ~70% of TFR*
	US & PS Divisional CEO: Target ~70% of TFR*
	Vesting period: shares vest after the end of the Performance period for each grant of Performance Rights.
	Allocation Price: 5 trading day volume weighted average price (VWAP) immediately following the date of release of annual results.
	Performance measure: Return on Capital Employed (ROCE) gateway target in the final year of the performance period of not less than 20%. ROCE is calculated by dividing EBIT by total shareholder equity.
	Performance measure: Specified Earnings Per Share targets.
	Service condition: the Participants must remain employed or engaged in a full-time capacity by the Group, and must not have given notice of resignation or been given notice of termination, as at the end of the Performance period. The Board has established criteria to recognise good leaver status to Participants exiting the Group. Where good leaver status has been achieved, the Board may deem the Participant to continue to be eligible for a portion of the performance rights relating to the Participants employment with the Group.
	Rights may vest after the end of the Performance period. Achievement of the minimum threshold results in 30% of performance rights vesting. Where actual EPS is greater than the minimum threshold and lower than the maximum threshold, the amount of shares vested is calculated on a straight line pro-rata basis. Thresholds are listed in the table below.

Grant	Performance Period	Minimum Threshold EPS Target	Maximum Threshold EPS Target
FY23	1 July 2022 to 30 June 2025	$0.45	$0.60
FY24	1 July 2023 to 30 June 2026	$0.45	$0.60
FY25	1 July 2024 to 30 June 2027	$0.50	$0.65

The specified earnings per share target will be calculated based on underlying EPS. Underlying adjustments may be made for matters including for material one off items that do not reflect the underlying earnings and therefore EPS of the Company, or where there was a major capital event (e.g. acquisition) changing the Company's capital structure such that statutory EPS did not fairly represent the performance of the Company.

* TFR is made up of salary and superannuation.

The Board believes that EPS is a sound measure as an indicator of long-term performance of the Company and management's ability to drive results which are strongly correlated with shareholder value. This plan coupled with the existing shareholdings of management ensures that the participants have a significant focus on and alignment with the share price performance of the Company over the long term.

Details of the performance rights for the Senior Executives are included in Section 4 of the Remuneration Report.

The Board has issued an additional grant of securities to KMP under the LTI Plan for FY25. This grant follows the same plan rules and proportions relative to TFR as the FY23 & FY24 grant. FY25 performance measures were considered by the Board and again based on ROCE and EPS targets.

These measures are reviewed annually, taking into account business performance and the macro-environment, with FY25 LTI targets increased from FY24 levels.

The Board anticipates a further FY26 LTI grant under the same plan rules.

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REMUNERATION REPORT (AUDITED) (CONT.)

Claw back policy

The Board may claw back overpayment if the Group becomes aware of participant actions or circumstances that may lead to unfair benefits. This includes instances of fraud, serious misconduct, material financial losses, material reputational damage, breach of duties, convictions, or material misstatement in the financial statement. Additionally, the Board may act if it becomes aware of relevant circumstances after a participant's employment ceases, or if the initial Award is no longer justified based on new information. The PRC will review this claw back policy at least annually and make recommendations to the Board as to any changes it considers should be made.

SECTION 4: DETAILS OF REMUNERATION

Non-Executive and Executive Directors' remuneration

The following annual base fees are payable to Directors in FY25:

Director fees (Base Fees)	$	Directors in office
Chair	$163,000	Peter Birtles
Non-Executive Directors	$127,000	Trent Peterson*
	$87,000	Kaylene Gaffney
	$87,000	David MacLean
	$87,000	Renee Gamble

* Annual fees paid to Trent Peterson include $40,000 relating to his additional responsibilities in chairing the CTC Advisory Board.

The following annual committee fees are payable to the Chair and members of each of the Audit and Risk Management Committee and People and Remuneration Committee:

Committee fees for FY25	$	Directors in office
Audit and Risk Management Committee		
Chair	$15,000	Kaylene Gaffney
Non-Executive Directors	$6,000	Peter Birtles Renee Gamble
People and Remuneration Committee		
Chair	$10,000	Trent Peterson
Non-Executive Directors	$4,000	Peter Birtles David MacLean

There are no retirement benefit schemes for Non-Executive Directors, other than statutory superannuation contributions. Details of the remuneration of the Directors and KMP of the Group for the current financial year are set out below.

		Short-term benefits		
Name	Financial year	Board and committee fees $	Super-annuation $	Total $
Non-Executive Directors				
Peter Birtles*	2025	173,000	–	173,000
Kaylene Gaffney	2025	91,480	10,520	102,000
David MacLean	2025	81,614	9,386	91,000
Trent Peterson*	2025	137,000	–	137,000
Renee Gamble	2025	93,000	–	93,000
Total Non-Executive Directors	**2025**	**576,094**	**19,906**	**596,000**

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REMUNERATION REPORT (AUDITED) (CONT.)

Name	Financial year	Short-term benefits: Board and committee fees $	Short-term benefits: Super-annuation $	Total $
Non-Executive Directors				
Peter Birtles*	2024	156,000	–	156,000
Kaylene Gaffney	2024	81,081	8,919	90,000
David MacLean	2024	73,874	8,126	82,000
Trent Peterson*	2024	125,000	–	125,000
Renee Gamble	2024	84,000	–	84,000
Total Non-Executive Directors	**2024**	**519,955**	**17,045**	**537,000**

* Fees paid for Peter Birtles are paid to Trent Bridge Consulting, fees paid for Trent Peterson are paid to Catalyst Direct Capital Management.

Name	Financial year	Short-term benefits: Salary & fees $	Short-term benefits: Cash bonus $	Short-term benefits: Annual leave $	Long-term benefits: Long-service leave $	Post-employment: Superannuation $	Share-based payments: Share-based payments $	Total $	% Performance related
Executive Directors and Senior Executives									
Alice Barbery	2025	560,068	475,000	20,518	19,672	29,932	270,118	1,375,308	54.2%
Ethan Orsini*	2025	360,061	197,083	13,848	–	27,054	83,375	681,421	41.2%
George Do**	2025	144,121	95,530	41,401	31,640	10,032	39,121	361,845	37.2%
Renee Jones	2025	64,418	–	3,404	–	7,408	(48,678)	26,552	0.0%
Total Executive Directors and Senior Executives	**2025**	**1,128,668**	**767,613**	**79,171**	**51,312**	**74,426**	**343,936**	**2,445,126**	

* Amount reflects pro-rata allocation from commencement of KMP role on 5 August 2024.

** Amount reflects pro-rata allocation from commencement of KMP role on 1 March 2025.

Name	Financial year	Short-term benefits: Salary & fees $	Short-term benefits: Cash bonus $	Short-term benefits: Annual leave $	Long-term benefits: Long-service leave $	Post-employment: Superannuation $	Share-based payments: Share-based payments $	Total $	% Performance related
Executive Directors and Senior Executives									
Alice Barbery	2024	517,601	375,000	(637)	8,150	27,399	46,128	973,641	43.3%
Renee Jones	2024	387,601	230,000	16,276	–	27,399	24,531	685,806	37.1%
Total Executive Directors and Senior Executives	**2024**	**905,202**	**605,000**	**15,639**	**8,150**	**54,798**	**70,659**	**1,659,447**	

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REMUNERATION REPORT (AUDITED) (CONT.)

Performance rights

Performance rights under the LTI scheme have been granted during FY25. The performance rights vest after three years from the grant date. On vesting, each right automatically converts into one ordinary share. The Executives do not receive any dividends and are not entitled to vote in relation to the rights during the vesting period. If an Executive ceases employment before the rights vest, the rights will be forfeited, except in limited circumstances that are approved by the Board on a case-by-case basis.

The fair value of the rights is determined based on the market price of the Group's shares at the grant date, with an adjustment made to take into account the three year vesting period and expected dividends during that period that will not be received by the KMP.

Grant date	Vesting date	Grant date value	Exercise price
24 November 2022	30 June 2025	$4.59	nil
21 December 2022	30 June 2025	$4.59	nil
20 November 2023	30 June 2026	$2.86	nil
30 October 2024	30 June 2027	$6.99	nil

Performance rights

This table shows how many performance rights were granted, vested and forfeited during the year.

Name	Performance Rights Grant Date	Balance at start of the Year (Number)	Granted during the Year (Number)	Vested during the Year (Number)	Forfeited during the Year (Number)	Balance at end of the Year (Number)	Maximum value yet to vest
Alice Barbery*	24 November 2022	114,017	–	–	–	114,017	523,338
Renee Jones**	21 December 2022	60,774	–	–	(20,258)	40,516	185,968
Alice Barbery*	20 November 2023	145,101	–	–	–	145,101	414,989
Renee Jones**	20 November 2023	77,343	–	–	(51,562)	25,781	73,734
Alice Barbery*	30 October 2024	–	85,537	–	–	85,537	597,901
Ethan Orsini***	30 October 2024	–	43,638	–	–	43,638	305,031
George Do****	21 December 2022	49,791	–	–	–	49,791	185,968
George Do****	20 November 2023	63,365	–	–	–	63,365	181,225
George Do****	30 October 2024	–	37,042	–	–	37,042	258,922
Total		**510,391**	**166,217**	**–**	**(71,820)**	**604,788**	**2,727,076**

* Approval by shareholders under LR 10.14 for grant has been obtained.

** The entitlement to performance rights for Renee Jones reflects the balance held as at cessation of employment on 30 August 2024. The Board recognised Renee with good leaver status, entitling Renee with a pro-rata portion of her unvested Performance Rights. The vesting of these Performance Rights is subject to the previously established gateway and performance conditions of ROCE and EPS.

*** Ethan Orsini commenced KMP role on 5 August 2024.

**** Reflects the balance held at commencement of KMP on 1 March 2025.

As of 30 June 2025, the performance period for the FY23 LTI grant has now come to an end. As communicated to shareholders during the 2022 AGM and in accordance with the award rules, the vesting assessment for the grant will take place following the release of the FY25 audited financial results. As a result, the performance outcomes relating to the FY23 grant will be reported in the FY26 Remuneration Report.

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REMUNERATION REPORT (AUDITED) (CONT.)

Shareholdings of KMP*

Shares held in Universal Store Holdings Limited (number)

	Balance 1 July 2024 Ord	Shares acquired during the year through the vesting of LTI Ord	Other shares acquired (disposed of) during the year Ord	Balance 30 June 2025 Ord	Held nominally 30 June 2025 Ord
Non-Executive Directors					
Peter Birtles	220,000	–	–	220,000	–
Kaylene Gaffney	25,000	–	–	25,000	–
David MacLean	1,129,113	–	(246,060)	883,053	–
Trent Peterson	1,300,000	–	(150,000)	1,150,000	–
Renee Gamble	–	–	–	–	–
Executive Directors and Senior Executives					
Alice Barbery	2,162,897	–	(350,000)	1,812,897	–
Ethan Orsini	–	–	–	–	–
George Do**	2,230,924	–	(75,000)	2,155,924	–
Renee Jones***	583,333	–	(291,666)	291,667	–

* Includes shares and options held directly, indirectly and beneficially by KMP.

** Reflects the balance held at commencement of KMP on 1 March 2025.

*** Reflects the balance held at cessation of employment on 30 August 2024.

All equity transactions with KMP other than those arising from the exercise of remuneration options have been entered into under terms and conditions no more favourable than those the Group would have adopted if dealing at arm's length.

Other transactions and loans with KMP

There are no other transactions or outstanding loans to KMP in the current or prior period. Signed in accordance with a resolution of the Directors.



Peter Birtles
Independent Non-Executive Director and Chair

20 August 2025

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AUDITOR'S INDEPENDENCE DECLARATION

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Auditor's Independence Declaration

As lead auditor for the audit of Universal Store Holdings Limited for the year ended 30 June 2025, I declare that 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; and

b. no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Universal Store Holdings Limited and the entities it controlled during the period.

Kim Challenor
Partner
PricewaterhouseCoopers

Brisbane
20 August 2025

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CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Revenue from contracts with customers	5.1	333,266	288,523
Raw materials and consumables used	5.2	(129,605)	(114,998)
		203,661	173,525
Other income	6	2,056	4,292
Other loss		(15)	(18)
Employee benefits expenses	5.3	(80,581)	(66,737)
Occupancy expenses		(7,426)	(6,259)
Depreciation and amortisation expense	5.4	(38,756)	(34,862)
Impairment of CTC goodwill	15	(13,600)	–
Marketing expenses		(9,862)	(8,414)
Banking and transaction fees		(38)	(38)
Other expenses		(12,428)	(10,296)
Finance costs	5.5	(5,396)	(4,924)
Finance income		982	1,171
Profit before income tax		**38,597**	**47,440**
Income tax expense	7	(15,336)	(13,104)
Profit for the period		**23,261**	**34,336**
Profit for the year is attributable to:			
Owners of Universal Store Holdings Limited		23,261	34,336
Other comprehensive income			
Items that may be reclassified to profit or loss			
Loss on cash flow hedges	23	(302)	–
Other comprehensive income for the period, net of tax		**(302)**	**–**
Total comprehensive income for the period is attributable to:			
Owners of Universal Store Holdings Limited		22,959	34,336
		22,959	**34,336**
Earnings per share			
Basic earnings per share (cents)	9	30.4	45.0
Diluted earnings per share (cents)	9	30.2	44.9

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2025

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	Notes	30 June 2025 $'000	30 June 2024 $'000
Assets			
Current assets			
Cash and cash equivalents	10	17,160	29,267
Trade receivables	11	1,285	1,549
Other receivables	12	3,588	4,208
Inventories	13	33,300	29,895
Total current assets		**55,333**	**64,919**
Non-current assets			
Plant and equipment	14	22,127	17,937
Right-of-use assets	16	82,541	56,098
Goodwill and intangible assets	15	126,979	140,141
Total non-current assets		**231,647**	**214,176**
Total assets		**286,980**	**279,095**
Liabilities			
Current liabilities			
Trade and other payables	17	28,609	25,175
Lease liabilities	16	28,311	20,698
Contract liabilities	20	2,432	1,846
Provisions	21	2,855	2,384
Derivative financial instruments	27.5	431	14
Current tax liabilities		5,900	3,487
Total current liabilities		**68,538**	**53,604**
Non-current liabilities			
Borrowings	19	–	14,936
Lease liabilities	16	60,134	40,572
Provisions	21	1,467	1,093
Other payables	18	–	2,906
Deferred tax liabilities	7	11,446	13,584
Total non-current liabilities		**73,047**	**73,091**
Total liabilities		**141,585**	**126,695**
Net assets		**145,395**	**152,400**
Equity			
Contributed equity	22	110,844	110,844
Cash flow hedges	23	(302)	–
Share-based payment reserve	23	10,993	9,501
Retained earnings		23,860	32,055
Total equity		**145,395**	**152,400**

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	Contributed equity $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
At 1 July 2024		110,844	9,501	32,055	152,400
Profit for the period		–	–	23,261	23,261
Other comprehensive income		–	(302)	–	(302)
Total comprehensive income for the period		**–**	**(302)**	**23,261**	**22,959**
Transactions with owners in their capacity as owners:					
Dividends paid	24	–	–	(31,456)	(31,456)
Share-based payment	23	–	780	–	780
MEP loan repayment	23	–	712	–	712
At 30 June 2025		**110,844**	**10,691**	**23,860**	**145,395**
At 1 July 2023		110,844	9,083	16,516	136,443
Profit for the period		–	–	34,336	34,336
Other comprehensive income		–	–	–	–
Total comprehensive income for the period		**–**	**–**	**34,336**	**34,336**
Transactions with owners in their capacity as owners:					
Dividends paid	24	–	–	(18,797)	(18,797)
Share-based payment	23	–	372	–	372
MEP loan repayment	23	–	46	–	46
At 30 June 2024		**110,844**	**9,501**	**32,055**	**152,400**

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

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CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2025

	Notes	2025 $'000	2024 $'000
Operating activities			
Receipts from customers (inclusive of GST)		369,103	317,661
Payments to suppliers and employees (inclusive of GST)		(271,049)	(238,160)
Interest received		982	1,171
Interest paid		(5,338)	(4,860)
Income taxes paid		(14,933)	(8,306)
Net cash flows from operating activities	**10**	**78,765**	**67,506**
Investing activities			
Payment of deferred variable consideration associated with acquisition of CTC		(2,629)	(3,043)
Proceeds from sale of plant and equipment		857	1,264
Purchase of plant and equipment	14	(11,118)	(8,559)
Purchase of intangible assets	15	(949)	(210)
Net cash flows used in investing activities		**(13,839)**	**(10,548)**
Financing activities			
Payment of principle portion of lease liabilities	10.3	(32,234)	(30,478)
Lease incentives received in cash		950	94
Repayment of borrowings		(15,000)	–
Upfront finance charge of borrowings	10.3	(5)	–
Dividends paid to the equity holders of the Parent	24	(31,456)	(18,797)
Proceeds from MEP loan repayments		712	46
Net cash used in financing activities		**(77,033)**	**(49,135)**
Net (decrease)/increase in cash and cash equivalents		(12,107)	7,823
Cash and cash equivalents at the beginning of the financial year		29,267	21,444
Cash and cash equivalents at end of the period	**10**	**17,160**	**29,267**

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2025

1. CORPORATE INFORMATION

The consolidated financial statements of Universal Store Holdings Limited (the "Company" or "Parent") and its controlled entities (the "Group") for the year ended 30 June 2025 were authorised for issue in accordance with a resolution of the Directors on 20 August 2025.

Universal Store Holdings Limited is a for-profit Company limited by shares, incorporated and domiciled in Australia whose shares from 16 November 2020 are publicly traded on the Australian Stock Exchange ('ASX').

The Group is principally engaged in retail operations in the fashion market segment in Australia, and further information on the nature of the operations and principal activity of the Group are described in the Directors' report. Information on the Group's structure is provided in Note 25. Information on other related party relationships of the Group is provided in Note 26.

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2. MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board.

The consolidated financial statements have been prepared on a historical cost basis, except for certain financial liabilities measured at fair value or remeasured amount.

The consolidated financial statements are presented in Australian dollars and all values are rounded to the nearest thousand ($000), except when otherwise indicated under the option available to the Group under *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Group is an entity to which this legislative instrument applies.

Compliance with International Financial Reporting Standards (IFRS)

The consolidated financial statements also comply with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board.

The Directors have the power to amend and reissue the financial statements.

2.2 Changes in accounting policies and disclosures

New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year. The Group has adopted hedge accounting in accordance with AASB 9 *Financial Instruments* for the first time in the period, refer Note 2.4 (f) for more information.

Accounting Standards and Interpretations issued but not yet effective

Certain Australian Accounting Standards and Interpretations have recently been issued or amended but are not yet effective and have not been adopted by the Group for the annual reporting year ended 30 June 2025. These standards, amendments or interpretations are not expected to have a material impact on the Group in the current or future reporting periods and on foreseeable future transactions.

2.3 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2025. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

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Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

2.4 Material of significant accounting policies

(a) Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within 12 months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- It does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

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

(b) Foreign currencies

The Group's consolidated financial statements are presented in Australian dollars.

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(I) TRANSACTIONS AND BALANCES

Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

(c) Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the CGU's fair value less costs of disposal.

For the purpose of assessing the recoverability of property, plant and equipment, all stores are individual CGUs. For the purpose of assessing the recoverability of goodwill, brand names and other net CGU assets, the testing is performed at the operating segment level. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing fair value, the estimated future cash flows are discounted to their present value using a post-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on most recent budgets and forecast calculations, which are prepared separately for each of the Group's operating segments. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cash flows after the fifth year.

Impairment losses are recognised in the consolidated statement of profit or loss and other comprehensive statement in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such a reversal is recognised in the consolidated statement of profit or loss and other comprehensive income.

Goodwill is tested for impairment annually and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

Intangible assets with indefinite useful lives are tested annually for impairment at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

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(d) Finance income

Interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in the Consolidated Statement of Profit or Loss and Other Comprehensive Income.

(e) Goods and services tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except:

+ When the GST incurred on a sale or purchase of assets or services is not payable to or recoverable from the taxation authority, in which case the GST is recognised as part of the revenue or the expense item or as part of the cost of acquisition of the asset, as applicable; and
+ When receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Consolidated Statement of Financial Position. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Cash flows are included in the Consolidated Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authority is classified as part of operating cash flows.

(f) Derivatives and hedging activities

Derivatives are initially recognised at fair value on the date when a derivative contract is entered into, and they are subsequently remeasured to their fair value at the end of each reporting period. The accounting for subsequent changes in fair value depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged. The Group designates certain derivatives as hedges of a particular risk associated with the cash flows of recognised assets and liabilities and highly probable forecast transactions (cash flow hedges).

At inception of the hedge relationship, the Group documents the economic relationship between hedging instruments and hedged items including whether changes in the cash flows of the hedging instruments are expected to offset changes in the cash flows of hedged items. The Group documents its risk management objective and strategy for undertaking its hedge transactions.

The fair values of derivative financial instruments designated in hedge relationships are disclosed in Note 8.1. Movements in the hedging reserve in shareholders' equity are shown in Note 23.

(i) CASH FLOW HEDGES THAT QUALIFY FOR HEDGE ACCOUNTING

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges is recognised in the cash flow hedge reserve within equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss, within other gains/(losses).

When forward contracts are used to hedge forecast transactions, the Group generally designates only the change in fair value of the forward contract related to the spot component as the hedging instrument. Gains or losses relating to the effective portion of the change in the spot component of the forward contracts are recognised in the cash flow hedge reserve within equity. The change in the forward element of the contract that relates to the hedged item ('aligned forward element') is recognised within OCI in the costs of hedging reserve within equity. In some cases, the entity might designate the full change in fair value of the forward contract (including forward points) as the hedging instrument. In such cases, the gains or losses relating to the effective portion of the change in fair value of the entire forward contract are recognised in the cash flow hedge reserve within equity.

Amounts accumulated in equity are accounted for as follows:

+ Where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), the deferred hedging gains and losses, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss because the hedged item affects profit or loss (for example, through cost of goods sold).

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity until the forecast transaction occurs, resulting in the recognition of a non-financial asset such as inventory. When the forecast transaction is no longer expected to occur, the cumulative gain or loss and deferred costs of hedging that were reported in equity are immediately reclassified to profit or loss.

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(II) DERIVATIVES THAT DO NOT QUALIFY FOR HEDGE ACCOUNTING

Certain derivative instruments do not qualify for hedge accounting. Changes in the fair value of any derivative instrument that does not qualify for hedge accounting are recognised immediately in profit or loss and are included in other gains/(losses).

(III) HEDGE EFFECTIVENESS

Hedge effectiveness is determined at the inception of the hedge relationship, and through prospective effectiveness assessments to ensure that an economic relationship exists between the hedged item and the hedging instrument.

The Group buys inventories that are purchased in US Dollars (USD). In order to protect against exchange rate movements and to manage the inventory purchases process, the Group has entered into forward exchange contracts to purchase USD. Outstanding contracts are hedging highly probable forecasted inventory purchases and the contract notional value is forecast to total less than the expected level of total purchases of inventory in USD within 12 months.

Forward currency contracts are timed to mature when payments are scheduled to be made. These derivatives have met the requirements to qualify for hedge accounting with movements recorded in other comprehensive income accordingly.

(g) Comparatives

Where necessary, comparative figures have been reclassified to conform with changes in presentation of assets and liabilities but resulting in no impact to the overall profit for the period.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Leases – Estimating the Incremental Borrowing Rate ('IBR')

The Group cannot readily determine the interest rate implicit in the lease, therefore, it uses its IBR to measure lease liabilities.

The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR build-up approach is that the Group provides Australia and New Zealand Banking Group (ANZ) the lease details and ANZ provides the Group with an estimated interest rate.

Measurement of fair value

The Group applies specific accounting policies and disclosures that require measuring fair values for both financial and non-financial assets and liabilities.

To ensure accurate fair value measurements, the Group finance team regularly reviews important inputs and adjustments used for fair value measurements. When third-party information is used, the team carefully examines the evidence to ensure compliance with AASB 13 *Fair Value Measurement* and proper classification in the fair value hierarchy.

The Group primarily uses observable market data when determining fair values. Fair values are categorised into three levels in the fair value hierarchy based on the inputs used:

+ Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

- Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.
- Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

If inputs used for fair value measurement fall into different levels, the entire fair value is categorised under the level of the lowest significant input to ensure consistency. Transfers between levels are recognised at the end of the reporting period.

All of the Group's financial instruments were valued using the Level 3 technique, with no transfers between levels during the period.

The fair value of the deferred variable consideration has been determined by discounting the expected future cash flows using a risk-adjusted discount rate. The expected cash flows are based on the actual underlying EBIT for FY25.

For more details about the assumptions in measuring fair values, please refer to the relevant notes:

- Note 8 – Financial assets and financial liabilities (Level 2); and
- Note 18 – Other payables (Level 3).

Make good provisions

Make good provisions represent for the estimated cost of the legal obligations of restoring leased premises to their original condition at the end of the lease term. Significant management judgement is required to estimate make good obligations to dismantle, remove and restore items of right-of-use assets and property, plant and equipment.

Key assumptions used for goodwill and brand names impairment testing

The Group tests whether goodwill and brand names have suffered any impairment on an annual basis. The recoverable amount of the CGUs was determined based on fair value less costs of disposal calculations which require the use of assumptions. Management uses cash flow projections based on approved financial budgets and projections covering a five-year period. Cash flows beyond the five-year period are extrapolated using a terminal growth rate of 2.5%. For further information refer to Note 15.

The Group has developed various accounting estimates in the consolidated financial statements based on forecasts of economic conditions which reflect expectations and assumptions as at 30 June 2025 about future events that the Directors believe are reasonable in the circumstances. There is a considerable degree of judgement involved in preparing forecasts. The underlying assumptions are also subject to uncertainties which are often outside the control of the Group. Accordingly, actual economic conditions are likely to be different from those forecast since anticipated events frequently do not occur as expected, and the effect of those differences may significantly impact accounting estimates included in the consolidated financial statements.

The significant accounting estimates impacted by these forecasts and associated uncertainties are predominantly related to impairment of assets such as goodwill, brands, right-of-use assets and inventory.

4. REPORTABLE SEGMENTS

The Group is required to determine and present its operating segments based on the way in which financial information is organised and reported to the chief operating decision-maker (CODMs). The CODMs have been identified as the Board of Directors and the Executive Management Team on the basis that they make the key operating decisions of the Group and are responsible for allocating resources and assessing performance.

Key internal reports received by the CODMs, primarily the management accounts, focus on the performance of the Group as two reportable segments, being Universal Store and CTC. The CODMs use underlying EBIT to assess performance and make decisions about allocating resources to these segments. The accounting policies adopted for internal reporting to the CODMs are consistent with those adopted in the consolidated financial statements.

The Group has considered its internal reporting framework, management and operating structure and the Directors' conclusion is that the Group operates as two reportable segments.

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4.1 Segment information provided to the CODMs

The table below shows the segment information provided to the CODMs for the reportable segments for the year ended 30 June 2025 and also the basis on which revenue is recognised:

For the year ended 30 June 2025	US & PS $'000	CTC $'000	Inter-segment Elimination/ Unallocated items $'000	Total $'000
Total segment revenue	306,410	26,856	–	333,266
Inter-segment revenue	–	13,206	(13,206)	–
Revenue from external customers	**306,410**	**40,062**	**(13,206)**	**333,266**
Gross Profit	186,547	17,179	(65)	203,661
Cost of doing business	(96,445)	(13,905)	–	(110,350)
Underlying EBITDA	**90,102**	**3,274**	**(65)**	**93,311**
Depreciation (PP&E)	(6,223)	(327)	–	(6,550)
Depreciation (ROU Assets)	(30,716)	(1,490)	–	(32,206)
Underlying EBIT	**53,163**	**1,457**	**(65)**	**54,555**
CTC goodwill impairment	–	(13,600)	–	(13,600)
Fair value gain on deferred variable consideration	–	–	2,056	2,056
EBIT	**53,163**	**(12,143)**	**1,991**	**43,011**
Finance income	906	76	–	982
Finance costs	(5,203)	(193)	–	(5,396)
Income tax	(14,935)	(421)	20	(15,336)
Net profit after tax	**33,931**	**(12,681)**	**2,011**	**23,261**
Total Assets	**234,296**	**52,684**	**–**	**286,980**
Total Liabilities	**128,672**	**12,079**	**834**	**141,585**

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For the year ended 30 June 2024	US & PS $'000	CTC $'000	Inter-segment Elimination/ Unallocated items $'000	Total $'000
Total segment revenue	258,147	30,376	–	288,523
Inter-segment revenue	–	14,058	(14,058)	–
Revenue from external customers	**258,147**	**44,434**	**(14,058)**	**288,523**
Gross Profit	153,434	20,515	(424)	173,525
Cost of doing business	(78,056)	(13,531)	–	(91,587)
Underlying EBITDA	**75,378**	**6,984**	**(424)**	**81,938**
Depreciation (PP&E)	(5,120)	(247)	–	(5,367)
Depreciation (ROU Assets)	(28,189)	(1,306)	–	(29,495)
Underlying EBIT	**42,069**	**5,431**	**(424)**	**47,076**
Fair value gain on deferred variable consideration	–	–	4,117	4,117
EBIT	**42,069**	**5,431**	**3,693**	**51,193**
Finance income	1,093	78	–	1,171
Finance costs	(4,703)	(221)	–	(4,924)
Income tax	(11,581)	(1,650)	127	(13,104)
Net profit after tax	**26,878**	**3,638**	**3,820**	**34,336**
Total Assets	**209,935**	**69,160**	**–**	**279,095**
Total Liabilities	**109,320**	**11,856**	**5,519**	**126,695**

5. REVENUE AND EXPENSES

5.1 Revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time as follows:

	2025 $'000	2024 $'000
Total revenue from contracts with customers	333,266	288,523

Within the revenue stream of sales of goods, the Group has three sales channels being store sales, online sales and wholesale, at 82%, 13% and 5% of the total sales of goods respectively during the period. (2024: 79% store sales, 14% online sales and 7% wholesale).

Material accounting policies

Revenue from contracts with customers is recognised when performance obligations are satisfied and the amount of transaction price allocated to satisfied performance obligations. A performance obligation is satisfied by transferring a promised good to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods. The Group has generally concluded that it is the principal in its revenue arrangements.

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Sales of goods

STORE SALES

Revenue from store sales is recognised at the point in time when the performance obligation is satisfied, which is generally on the handover of goods.

ONLINE SALES

Revenue from sale of goods in online sales is recognised when the Group's performance obligations is satisfied, which is when the inventory has been delivered to customers.

WHOLESALE

Revenue from sale of wholesale goods is recognised when the Group's performance obligations is satisfied, which is when the inventory has been delivered to customers.

Rights of return assets and refund liabilities

For sales transactions that permit the customer to return the goods within a specified period, revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. A refund liability (included in contract liabilities) is recognised for expected sales returns by the customer in relation to sales made until the end of the reporting period. The validity of the assumption and the estimated amount of returns are reassessed at each reporting date.

CONTRACT LIABILITIES

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., a performance obligation is satisfied by transferring a promised good to the customer).

The Group's contract liabilities predominantly relate to gift cards. A contract liability is recognised when payment is made in exchange for a gift card. Revenue is recognised when the gift card is redeemed in exchange for goods.

5.2 Included in raw materials and consumables used

Raw materials and consumables used includes net foreign exchange gains and losses and merchant fees.

5.3 Employee benefits expense

	2025 $'000	2024 $'000
Employee benefits expense	80,581	66,737

5.4 Depreciation and amortisation expense

	Notes	2025 $'000	2024 $'000
Plant and equipment	14	6,039	4,903
Right-of-use assets	16	32,206	29,495
Intangible assets	15	511	464
Depreciation and amortisation expense		**38,756**	**34,862**

5.5 Finance costs

	Notes	2025 $'000	2024 $'000
Interest on debt and borrowings		807	1,402
Interest on lease liabilities	16	4,589	3,522
		5,396	**4,924**

Material accounting policies

Finance costs comprise interest expense on leases, borrowings and other finance charges. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest rate (EIR) method.

6. OTHER INCOME AND EXPENSE ITEMS

6.1 Other income

	2025 $'000	2024 $'000
Fair value gain on deferred variable consideration	2,056	4,117
Other items	–	175
	2,056	**4,292**

7. INCOME TAX

The major components of income tax expense for the years ended 30 June 2025 and 2024 are:

	2025 $'000	2024 $'000
Current income tax:		
Current income tax expense	17,326	13,305
Under/over provision for income tax	19	(795)
Deferred tax:		
Deferred income tax expense	(2,009)	(162)
Adjustments for deferred tax of prior periods	–	756
Income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**15,336**	**13,104**

Reconciliation of tax expense and the accounting profit multiplied by Australia's domestic tax rate for the years ended 30 June 2025 and 2024:

	2025 $'000	2024 $'000
Accounting profit before income tax	**38,597**	**47,440**
At Australia's statutory income tax rate of 30% (2024 – 30%)	11,579	14,232
Adjustments in respect of current income tax of previous years	19	(38)
Items not assessable or deductible for tax purposes	3,738	(1,090)
Income tax expense reported in the Consolidated Statement of Profit or Loss and Other Comprehensive Income	**15,336**	**13,104**

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Deferred tax balances

(i) Deferred tax assets

	2025 $'000	2024 $'000
The balance comprises temporary differences attributable to:		
Employee benefits	995	814
Provisions	2,263	1,473
Lease liabilities	27,192	18,620
Blackhole expenditure	133	695
Derivative financial instruments	129	–
Other	–	16
Total deferred tax assets	30,712	21,618
Set-off of deferred tax assets pursuant to set-off provisions	(30,712)	(21,618)
Net deferred tax assets	**–**	**–**

	Employee benefits $'000	Provisions $'000	Lease liabilities $'000	Blackhole expenditure $'000	Derivative financial instruments $'000	Other $'000	Total $'000
At 1 July 2023	825	1,843	18,954	1,299	–	537	23,458
(Charged)/credited to profit and loss	(11)	(370)	(334)	(604)	–	(521)	(1,840)
At 30 June 2024	**814**	**1,473**	**18,620**	**695**	**–**	**16**	**21,618**
(Charged)/credited to profit and loss	181	790	8,572	(562)	–	(16)	8,965
Amounts credited directly to other comprehensive income	–	–	–	–	129	–	129
At 30 June 2025	**995**	**2,263**	**27,192**	**133**	**129**	**–**	**30,712**

(ii) Deferred tax liabilities

	2025 $'000	2024 $'000
The balance comprises temporary differences attributable to:		
Right-of-use assets	24,763	16,830
Property, plant and equipment	1,908	2,885
Intangible assets	15,487	15,487
Total deferred tax liabilities	42,158	35,202
Set-off of deferred tax assets pursuant to set-off provisions	(30,712)	(21,618)
Net deferred tax liabilities	**11,446**	**13,584**

	Right-of-use assets $'000	Property, plant and equipment $'000	Intangible assets $'000	Total $'000
At 1 July 2023	17,077	3,885	15,487	36,449
Charged/(credited) to profit and loss	(247)	(1,000)	–	(1,247)
At 30 June 2024	**16,830**	**2,885**	**15,487**	**35,202**
Charged/(credited) to profit and loss	7,933	(977)	–	6,956
At 30 June 2025	**24,763**	**1,908**	**15,487**	**42,158**

Offsetting within tax consolidated group

Universal Store Holdings Limited and its wholly-owned Australian subsidiaries have applied the tax consolidation legislation which means that these entities are taxed as a single entity. As a consequence, the deferred tax assets and deferred tax liabilities of these entities have been offset in the consolidated financial statements.

Material accounting policies

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the consolidated statement of profit or loss and Other Comprehensive Income. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

+ When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
+ In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

+ When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
+ In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognised subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognised in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

Tax consolidation legislation

Universal Store Holdings Limited and its wholly-owned Australian controlled entities have implemented the tax consolidation legislation.

The head entity, Universal Store Holdings Limited and the controlled entities in the tax consolidated group account for their own current and deferred tax amounts. These tax amounts are measured as if each entity in the tax consolidated group continues to be a stand-alone taxpayer in its own right.

In addition to its own current and deferred tax amounts, Universal Store Holdings Limited also recognises the current tax liabilities (or assets) and the deferred tax assets arising from unused tax losses and unused tax credits assumed from controlled entities in the tax consolidated group.

The entities have also entered into a tax funding agreement under which the wholly-owned entities fully compensate the head entity for any current tax payable assumed and are compensated by the head entity for any current tax receivable and deferred tax assets relating to unused tax losses or unused tax credits that are transferred to the head entity under the tax consolidation legislation.

The funding amounts are determined by reference to the amounts recognised in the wholly-owned entities' financial statements.

The amounts receivable/payable under the tax funding agreement are due upon receipt of the funding advice from the head entity, which is issued as soon as practicable after the end of each financial year. The head entity may also require payment of interim funding amounts to assist with its obligations to pay tax instalments.

Assets or liabilities arising under tax funding agreements with the tax consolidated entities are recognised as current amounts receivable from or payable to other entities in the Group.

Any difference between the amounts assumed and amounts receivable or payable under the tax funding agreement are recognised as a contribution to (or distribution from) wholly-owned tax consolidated entities.

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8. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The Group holds the following financial instruments:

	Notes	2025 $'000	2024 $'000
Financial assets*			
Financial assets at amortised cost			
Trade receivables		1,285	1,549
Other receivables		3,588	4,208
Cash and cash equivalents	10	17,160	29,267
		22,033	**35,024**
Financial liabilities			
Liabilities at amortised cost			
Trade and other payables *	17	28,609	25,175
Borrowings	19	–	14,936
Lease liabilities	16	88,445	61,270
Derivative financial instruments			
Derivative financial instruments	27.5	431	14
		117,485	**101,395**

* Excluding non-financial liabilities.

The Group's exposure to various risks associated with the financial instruments is discussed in Note 27. The maximum exposure to credit risk at the end of the reporting period is the carrying amount of each class of financial assets mentioned above.

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8.1 Recognised fair value measurements

(a) Fair value hierarchy

At 30 June 2025	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets					
Hedging derivatives – forward foreign exchange contracts		–	–	–	–
Total financial assets		**–**	**–**	**–**	**–**
Financial Liabilities					
Deferred variable consideration payable		–	–	834	834
Hedging derivatives – foreign currency forwards	27.5	–	431	–	431
Total financial liabilities		**–**	**431**	**834**	**1,265**

At 30 June 2024	Notes	Level 1 $'000	Level 2 $'000	Level 3 $'000	Total $'000
Financial assets					
Hedging derivatives – forward foreign exchange contracts		–	–	–	–
Total financial assets		**–**	**–**	**–**	**–**
Financial Liabilities					
Deferred variable consideration payable		–	–	5,518	5,518
Hedging derivatives – foreign currency forwards	27.5	–	14	–	14
Total financial liabilities		**–**	**14**	**5,518**	**5,532**

There were no transfers between levels 1 ,2 and 3 for recurring fair value measurements during the year.

The Group's policy is to recognise transfers into and out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (e.g. over-the counter derivatives) is determined using valuation techniques that maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

(b) Valuation techniques used to determine fair values

Specific valuation techniques used to value financial instruments include:

+ the use of quoted market prices or dealer quotes for similar instruments;
+ for foreign currency forwards – the present value of future cash flows based on the forward exchange rates at the reporting date; and
+ for other financial instruments – discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2, where the fair values have been determined based on present values and the discount rates used were adjusted for counterparty or own credit risk.

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9. EARNINGS PER SHARE (EPS)

Basic EPS is calculated by dividing profit for the period attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period.

Diluted EPS is calculated by dividing the net profit attributable to ordinary equity holders of the Group by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

The following table reflects the income and share data used in the basic and diluted EPS computations:

	2025 $'000	2024 $'000
Profit attributable to ordinary share holders	**23,261**	**34,336**

	2025	2024
Weighted average number of ordinary shares for basic earnings per share	76,607,751	76,254,143
Effect of dilution from:		
Share-based payments	325,780	273,114
Weighted average number of ordinary shares adjusted for the effect of dilution	**76,933,531**	**76,527,257**

	2025 Cents	2024 Cents
Basic earnings per share	30.4	45.0
Diluted earnings per share	30.2	44.9

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10. CASH AND CASH EQUIVALENTS

	2025 $'000	2024 $'000
Cash on hand	71	64
Cash at bank	17,089	29,203
	17,160	**29,267**

	2025 $'000	2024 $'000
Cash flow reconciliation		
Profit after tax	23,261	34,336
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation of plant and equipment	6,039	4,903
Depreciation of right-of-use assets	32,206	29,495
Amortisation of intangible assets	511	464
Impairment of CTC goodwill	13,600	–
Non-cash share-based payment	780	372
Amortisation of debt issue costs	69	56
(Gain)/loss on derivatives	(13)	13
Loss on disposal of assets	29	4
Amortisation of lease incentives[1]	–	(108)
Bad debt expense	–	30
Change in operating assets and liabilities, net of assets and liabilities acquired as part of a business combination:		
Decrease/(increase) in trade and other receivables	883	(334)
(Increase) in inventories	(3,405)	(3,915)
(Decrease)/increase in deferred tax liabilities	(2,009)	594
Increase/(decrease) in trade and other payables	3,743	(2,833)
Increase in current tax liabilities	2,413	4,204
Increase in other provisions	658	225
Net cash flows from operating activities	**78,765**	**67,506**

1. Lease incentives include amounts received that fall outside the scope of AASB 16 *Leases*.

10.1 Non-cash investing and financing activities

Non-cash investing and financing activities disclosed in other notes are:

+ Acquisition of right-of-use assets – Note 16.

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10.2 Net debt reconciliation

	Notes	2025 $'000	2024 $'000
Net debt			
Cash and cash equivalents	10	17,160	29,267
Lease liabilities	16	(88,445)	(61,270)
Borrowings	19	–	(14,936)
		(71,285)	(46,939)

10.3 Changes in liabilities arising from financing activities

	1 July 2024 $'000	Cash inflows $'000	Cash outflows $'000	Amortisation of debt issue costs $'000	Non-cash additions and modifications of lease liabilities $'000	Other* $'000	30 June 2025 $'000
Borrowings	15,000	808	(15,808)	–	–	–	–
Debt issue costs	(65)	–	(5)	70	–	–	–
Lease liabilities	61,270	–	(31,285)	–	58,460	–	88,445
Total liabilities from financing activities	**76,205**	**808**	**(47,098)**	**70**	**58,460**	**–**	**88,445**

	1 July 2023 $'000	Cash inflows $'000	Cash outflows $'000	Amortisation of debt issue costs $'000	Non-cash additions and modifications of lease liabilities $'000	Other* $'000	30 June 2024 $'000
Borrowings	15,000	–	(1,402)	–	–	1,402	15,000
Debt issue costs	(121)	–	–	56	–	–	(65)
Lease liabilities	63,510	–	(30,385)	–	28,145	–	61,270
Total liabilities from financing activities	**78,389**	**–**	**(31,787)**	**56**	**28,145**	**1,402**	**76,205**

* Interest paid on borrowings.

Material Accounting Policy – Cash and cash equivalents

Cash and cash equivalents in the Consolidated Statement of Financial Position comprise of cash at banks and on hand.

For the purpose of the Consolidated Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

11. TRADE RECEIVABLES

	2025 $'000	2024 $'000
Trade receivables	1,285	1,549
	1,285	**1,549**

Material Accounting policy

(i) Classification as trade receivables

Trade receivables are amounts due from wholesale customers for goods sold in the ordinary course of business. They are generally due for settlement within 30 days from end of month and are all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 27.4.

(ii) Fair values of trade receivables

Due to the short-term nature of the current receivables, their carrying amount is considered to be the same as their fair value.

(iii) Impairment and risk exposure

The Group has assessed the impairment based on historical loss experience, which has been adjusted to reflect information about current conditions and has concluded that the balance of trade receivables is not impaired.

12. OTHER RECEIVABLES

	2025 $'000	2024 $'000
Other receivables	780	1,624
Prepayments and deposits	2,808	2,584
	3,588	**4,208**

Material Accounting policy

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest rate (EIR) method.

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13. INVENTORIES

	2025 $'000	2024 $'000
Stock on hand at cost	31,949	29,128
Goods in transit at cost	3,097	1,503
Provision for inventory write-downs	(1,746)	(736)
	33,300	**29,895**

Inventories recognised as an expense during the year ended 30 June 2025 amount to $114.0 million (2024: $102.4 million). Write-downs of inventories to net realisable value recognised as an expense during the year ended 30 June 2025 amounted to $2.9 million (2024: $1.3 million). These were included in raw materials and consumables used.

Material accounting policies

Inventory is stated at the lower of cost and net realisable value. Costs of purchased inventory are determined after deducting rebates and discounts and are assigned to quantities of inventory on hand on a weighted average costing basis.

14. PLANT AND EQUIPMENT

	Fixtures and fittings $'000	Leasehold improvements $'000	Plant and equipment $'000	Total $'000
Cost				
At 1 July 2023	6,210	18,404	7,081	31,695
Additions	1,260	4,679	2,620	8,559
Disposals	–	(1,796)	(40)	(1,836)
At 30 June 2024	**7,470**	**21,287**	**9,661**	**38,418**
Additions	882	8,973	1,263	11,118
Disposals	(9)	(876)	(12)	(897)
At 30 June 2025	**8,343**	**29,384**	**10,912**	**48,639**
Depreciation				
At 1 July 2023	2,331	9,807	3,496	15,634
Depreciation charge	832	2,828	1,243	4,903
Disposals	–	(16)	(40)	(56)
At 30 June 2024	**3,163**	**12,619**	**4,699**	**20,481**
Depreciation charge	949	3,571	1,519	6,039
Disposals	–	(3)	(5)	(8)
At 30 June 2025	**4,112**	**16,187**	**6,213**	**26,512**
Net book value				
At 30 June 2024	4,307	8,668	4,962	17,937
At 30 June 2025	**4,231**	**13,197**	**4,699**	**22,127**

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Material accounting policies

Plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate the cost or revalued amounts of the assets, net of their residual values, over their estimated useful lives or, in the case of leasehold improvements and certain leased plant and equipment, the shorter lease term as follows:

Fixtures and fittings	2 to 10 years
Leasehold improvements	1 to 10 years
Other equipment	1 to 12 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.4(c)).

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss.

15. GOODWILL AND INTANGIBLE ASSETS

	Goodwill $'000	Brand names $'000	Software $'000	Total $'000
Cost				
At 1 July 2023	87,721	51,834	2,064	141,619
Additions	–	–	210	210
At 30 June 2024	**87,721**	**51,834**	**2,274**	**141,829**
Additions	–	–	949	949
Disposals	–	–	(550)	(550)
At 30 June 2025	**87,721**	**51,834**	**2,673**	**142,228**
Amortisation				
At 1 July 2023	–	212	1,012	1,224
Amortisation	–	–	464	464
At 30 June 2024	**–**	**212**	**1,476**	**1,688**
Amortisation	–	–	511	511
Impairment	13,600	–	–	13,600
Disposals	–	–	(550)	(550)
At 30 June 2025	**13,600**	**212**	**1,437**	**15,249**
Net book value				
At 30 June 2024	87,721	51,622	798	140,141
At 30 June 2025	**74,121**	**51,622**	**1,236**	**126,979**

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Impairment testing of goodwill and brand names

Goodwill and brand names are tested annually for impairment, or more frequently if events or changes in circumstances indicate that it might be impaired.

Carrying amount of goodwill and brand names allocated to the CGUs is as follows:

	Universal Store $'000	CTC $'000	Total $'000
Goodwill	55,516	18,605	74,121
Brand	36,408	15,214	51,622

Impairment testing was carried out at the operating segment cash-generating unit (CGU) level, based on a fair value less cost of disposal (FVLCD) analysis with management performing sensitivity analysis on key assumptions used in the impairment model. Management has considered reasonable, possible changes in key assumptions that would cause the carrying amount of CGU assets to exceed the CGU's FVLCD.

Cash flow forecasts are based on the Group's most recent budget and growth outlook. Revenue for the purposes of impairment testing was based on expectations of future outcomes having regard to available market information and historical experience. Cash flow forecasts are modelled over a five-year forecast period with a terminal growth rate at the end of year five discounted to present value.

The key assumptions at CGU level are as follows:

	Assumption	
Item	**Universal Store**	**CTC**
WACC (post tax)	11.5% (2024: 11.5%)	13.5% (2024: 13.5%)
Terminal growth rate	2.5% (2024: 2.5%)	2.5% (2024: 2.5%)
Retail sales (existing stores)	**Year 1:** forecast sales are based on the most recent sales profile by store	**Year 1:** 16% growth due to annualisation of FY25 new stores and 9% LFL growth of remaining stores
	Year 2 to 5: existing store revenue growth rate of 6%	**Year 2 to 5:** annual LFL growth rate of 5% to 10%
Retail store numbers	**Year 1:** 10 new store openings	**Year 1:** 4 new store openings
	Year 2 to 5: 32 new stores over the period	**Year 2 to 5:** 20 new stores over the period
Wholesale sales	Not applicable	**Year 1:** – 4% decrease due to USA tariffs and annualised FY25 decline in key retail accounts
		Year 2 to 5: annual growth rate of 4% to 5%

Management assessed CTC goodwill carrying value as at 31 December 2024 based on the deterioration of the wholesale channel. This assessment was based on a fair value less cost of disposal (FVLCD) analysis. Based on this analysis, Management recognised a $13.6 million impairment of CTC goodwill in the 31 December 2024 half-year report.

Management updated its FVLCD analysis of CTC goodwill carrying value, as at 30 June 2025. The updated analysis incorporates Management's current growth outlook and FY26 budget. Consistent with the 31 December 2024 analysis, Management assumes the Wholesale channel will take up to 3 years to fully recover from the decline in key retail accounts experienced in FY25. The updated 30 June 2025 FVLCD analysis is materially consistent with the CTC CGU carrying value and Management has not recognised any further impairment of CTC goodwill.

Management has considered the impact of reasonable possible changes in key assumptions that would result in further CTC goodwill impairment as per the table below.

Key Assumption	Sensitivity Scenario	Impact on Goodwill Carrying Value $'000
WACC	14.0%	nil
Terminal value	2.0%	nil
Wholesale	Sales 5% lower annually over the five-year period	(1,626)
Retail	Store and online sales 5% lower annually over the five-year period	(2,158)

The expansion of CTC's Retail channel, particularly through new store rollouts, is critical for the long-term growth of the CTC business. Retail growth continues to be a strategic priority for Management. The Group remains committed to the CTC business reflected in the onboarding of new leadership and the opening of two new stores in FY25 with another store opening confirmed in Q1 FY26. Based on this commitment, Management continues to view the Thrills brand name as having an indefinite life.

Material accounting policies

(i) Goodwill

Goodwill on acquisition of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

For the purposes of managing goodwill, the Group treats all stores and the central distribution centre as a single cash-generating unit (CGU) or aggregation of CGUs.

(ii) Brand names

Separately acquired brand names are shown at historical cost. Brand names acquired in a business combination are recognised at fair value at the acquisition date. They have an indefinite useful life and are assessed annually for impairment.

(iii) Software

SOFTWARE-AS-A-SERVICE (SAAS) ARRANGEMENTS

Where costs incurred to configure or customise SaaS arrangements result in the creation of a resource which is identifiable, and where the Group has the power to obtain the future economic benefits flowing from the underlying resource and to restrict the access of others to those benefits, such costs are recognised as a separate intangible software asset and amortised over the useful life of the software on a straight-line basis. The amortisation is reviewed at least at the end of each reporting period and any changes are treated as changes in accounting estimates.

Where costs incurred to configure or customise do not result in the recognition of an intangible software asset, then those costs that provide the Group with a distinct service (in addition to the SaaS access) are now recognised as expenses when the supplier provides the services. When such costs incurred do not provide a distinct service, the costs are now recognised as expenses over the duration of the SaaS contract.

Software costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the Group are recognised as intangible assets where the following criteria are met:

+ it is technically feasible to complete the software so that it will be available for use;
+ management intends to complete the software and use or sell it;
+ there is an ability to use or sell the software;

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- it can be demonstrated how the software will generate probable future economic benefits;
- adequate technical, financial and other resources to complete the development and to use or sell the software are available; and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use. Software is amortised over a period of five years.

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16. LEASES

Group as a lessee

The Group has lease contracts for various properties used in its operations and equipment. Leases of properties generally have lease terms between one to seven years and leases of equipment generally have lease terms between one to five years. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Properties $'000	Equipment $'000	Total $'000
At 1 July 2023	**57,114**	**256**	**57,370**
Additions*	7,800	127	7,927
Modifications**	20,296	–	20,296
Depreciation expense	(29,403)	(92)	(29,495)
At 30 June 2024	**55,807**	**291**	**56,098**
Additions*	17,856	47	17,903
Modifications**	40,746	–	40,746
Depreciation expense	(32,089)	(117)	(32,206)
At 30 June 2025	**82,320**	**221**	**82,541**

* The amount includes rent incentives of $950,000 in 2025 (2024: $390,000).

Set out below are the carrying amounts of lease liabilities and the movements during the period:

	2025 $'000	2024 $'000
At 1 July	**61,270**	**63,510**
Additions	17,714	7,849
Modifications	40,746	20,296
Accretion of interest	4,589	3,522
Payments	(35,874)	(33,907)
At 30 June	**88,445**	**61,270**
Current	28,311	20,698
Non-current	60,134	40,572

The following are the amounts recognised in profit or loss:

	2025 $'000	2024 $'000
Depreciation expense of right-of-use assets	32,206	29,495
Interest expense on lease liabilities	4,589	3,522
Expense relating to variable lease payments not included in lease liabilities	7,426	6,283
Short-term rental reliefs received	–	(24)
Total amount recognised in profit or loss	**44,221**	**39,276**

The Group had total cash outflows for leases of $43.3 million in 2025 (2024: $40.2 million). The Group also had non-cash additions to right-of-use assets of $58.7 million (2024: $28.2 million) and to lease liabilities of $58.5 million in 2025 (2024: $28.1 million). During the period, there was a notable increase in lease modifications. This increase was driven by a large number of renewed or renegotiated leases previously in a holdover arrangement. These modifications resulted in changes to lease terms, including revised lease periods and rental amounts. In accordance with AASB 16, the Group has reassessed the lease liabilities and right-of-use assets associated with these contracts to reflect the updated lease terms.

Lease payments that depend on sales or usage

Some property leases contain variable payment terms that are linked to sales generated from a store. For individual stores, up to 100% of lease payments are on basis of variable payment terms with percentages ranging from 10% to 15% of sales. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments.

Material accounting policies

The Group has lease contracts for various properties used in its operations. The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

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.

(I) 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, make good provision, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

+ Properties (offices, warehouses, retail stores and equipment) 1 to 10 years.

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 leases if it is reasonably certain to be exercised, or any periods covered by an option to terminate the leases, if it is reasonably certain not to be exercised.

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in Note 2.4(c) Impairment of non-financial assets.

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Make good provision

A provision has been made for the present value of anticipated costs of future restoration of leased premises. The provision includes future cost estimates associated with returning the premises to its original condition. The calculation of this provision requires assumptions such as expected lease expiry dates, and cost estimates. These uncertainties may result in future actual expenditure differing from the amounts currently provided. The provision recognised for each leased premises is periodically reviewed and updated based on the facts and circumstances available at the time. Changes to the estimated future costs for sites are recognised in the Consolidated Statement of Financial Position by adjusting both the expense or asset (if applicable) and provision.

(II) 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 lease components, fixed payments (including in-substance 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 the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) 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 its incremental borrowing rate ("IBR") at the lease commencement date because the interest rate implicit in the lease is not readily determinable. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. 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 lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(iii) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of equipment (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 office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

(iv) Variable lease payments

Some property leases contain variable payment terms that are linked to sales generated from a store. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

Future cash outflows to which the lessee is potentially exposed are not reflected in the measurement of lease liabilities. This includes exposure arising from variable lease payments.

(v) Lease modification

Modification accounting as applicable for lessees is defined by AASB 16. A lease modification (as considered in these financial statements, which does not address changes in the leased asset, such as decreases in leased space) arises when the lease contract is altered such that future cash flows and/or the scope of the lease change. Where an increase in scope occurs, the lease payments are adjusted to the commensurate market rates.

Otherwise, the original lease is remeasured by:

+ Identifying a revised IBR appropriate to the revised lease term, underlying asset and the lessee;
+ Determining the net present value of future cash outflows using that revised IBR; and
+ Adjusting the remaining right-of-use asset for the increase or decrease in the lease liability. If the adjustment exceeds the carrying value of the right-of-use asset, this excess is recognised as a gain in profit or loss.

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17. TRADE AND OTHER PAYABLES

	2025 $'000	2024 $'000
Current		
Trade payables	13,750	10,152
GST payable	1,215	1,120
Accrued expenses	12,810	11,237
Deferred variable consideration	834	2,612
Other payables	–	54
	28,609	**25,175**

The carrying amounts of trade and other payables are considered to be the same as their fair values, due to their short-term nature.

Material accounting policies

These amounts, excluding deferred variable consideration, represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 45 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months from the reporting date.

18. OTHER PAYABLES

	2025 $'000	2024 $'000
Non-current		
Deferred variable consideration	–	2,906

Deferred variable consideration

Deferred variable consideration is estimated by calculating the present value of the future expected cash flows.

19. BORROWINGS

	2025 $'000	2024 $'000
Non-current		
Bank borrowings (Facility A)*	–	14,936

* The capitalised borrowing costs have been fully amortised in the current year (2024: $64,000).

During the period, the Group amended the facility agreement with ANZ to facilitate the repayment of Facility A, totalling $15.0 million and converted it into a $15.0 million redrawable term loan facility. Additionally, ANZ replaced Facility A1, the $0.3 million commercial card facility with Facility F, also a $0.3 million commercial card Facility.

The Group currently has the following debt facilities available with ANZ:

+ Facility A for $15.0 million redrawable term loan facility, which is undrawn.
+ Facility D a $8.5 million revolving working capital facility, which is undrawn.
+ Facility E a $5.0 million standby letter of credit/guarantee facility.
+ Facility F a $0.3 million corporate card facility, of which $0.1 million is undrawn.

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Facilities A and D expire in April 2027. Facility E and Facility F are reviewed annually.

Facilities are secured by a General Security Agreement (GSA) and Corporate Guarantee provided by Universal Store Holdings Limited, US 1A Pty Ltd, US 1B Pty Ltd, US Australia Pty Ltd and Universal Store Pty Ltd. A negative pledge has been provided by all parties via the ANZ Facility Agreement.

The Group has complied with all of the financial covenants of its borrowing facilities during the 2025 and 2024 reporting period and continues to have significant headroom.

Material accounting policies

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the year of the borrowings using the EIR method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the year of the facility to which it relates.

Borrowings are removed from the Consolidated Statement of Financial Position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

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

20. CONTRACT LIABILITIES

	2025 $'000	2024 $'000
Gift cards	1,759	1,609
Other contract liabilities	673	237
	2,432	**1,846**

	Gift cards $'000	Other contract liabilities $'000	Total $'000
At 1 July 2023	**1,399**	**169**	**1,568**
Deferred during the period	3,184	218	3,402
Recognised as revenue during the period	(2,974)	(150)	(3,124)
At 30 June 2024	**1,609**	**237**	**1,846**
Deferred during the period	3,477	652	4,129
Recognised as revenue during the period	(3,327)	(216)	(3,543)
At 30 June 2025	**1,759**	**673**	**2,432**

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21. PROVISIONS

	2025 $'000	2024 $'000
Current		
Employee benefits	2,855	2,384
Non-current		
Employee benefits	295	178
Make good provision	1,076	915
Other provisions	96	–
	1,467	**1,093**

(a) Information about individual provisions and significant estimates

Make good provision

The Group is required to restore the leased premises of its retail stores to their original condition at the end of the respective lease terms. A provision has been recognised for the present value of the estimated expenditure required to remove any leasehold improvements. These costs have been capitalised as part of the cost of the right-of-use asset and are amortised over the lease term.

(b) Movements in provisions

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

	Make good provision $'000	Employee benefits $'000	Other $'000	Total $'000
At 1 July 2023	866	2,386	–	3,252
Additional provision charged to right-of-use asset	87	–	–	87
Charged to profit or loss	(38)	176	–	138
At 30 June 2024	**915**	**2,562**	**–**	**3,477**
Additional provision charged to right-of-use asset	188	–	–	188
Charged to profit or loss	(27)	588	96	657
At 30 June 2025	**1,076**	**3,150**	**96**	**4,322**

Material accounting policies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the consolidated statement of profit or loss and other comprehensive income net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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WAGES, SALARIES AND SICK LEAVE

Liabilities for wages and salaries, including non-monetary benefits and accumulating sick leave which are expected to be settled within 12 months of the reporting date are recognised in respect of employees' services up to the reporting date. They are measured at the amounts expected to be paid when the liabilities are settled. Expenses for non-accumulating sick leave are recognised when the leave is taken and are measured at the rates paid or payable.

LONG SERVICE LEAVE AND ANNUAL LEAVE

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

22. CONTRIBUTED EQUITY

	2025 $'000	2024 $'000
Ordinary shares	110,844	110,844

Ordinary shares issued and fully paid	Number of shares '000	$'000
At 1 July 2023	**76,720**	**110,844**
At 30 June 2024	**76,720**	**110,844**
At 30 June 2025	**76,720**	**110,844**

22.1 Ordinary shares

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. Ordinary shares entitle the holder to participate in dividends and the proceeds on winding up of the Group in proportion to the number of shares held.

On a show of hands every holder of ordinary shares present at a meeting in person or by proxy, is entitled to one vote, and upon a poll each share is entitled to one vote.

Ordinary shares have no par value. The Group does not have a limited amount of authorised capital.

22.2 Related party disclosures

Material accounting policies – Contributed equity

Limited recourse loans had been provided to employees under a MEP (refer Note 23.1 (b)) with equity issued in Universal Store Holdings Limited. The limited recourse loans have been fully repaid. The limited recourse loans are accounted for as a share-based payment which is recognised as an expense over time (until vesting).

22.3 Share buy back

There is no current on-market share buy-back.

23. RESERVES

	2025 $'000	2024 $'000
Reverses		
Cash flow hedges	(302)	–
Share-based payment reserve	10,993	9,501
Total	**10,691**	**9,501**

	Notes	2025 $'000	2024 $'000
Movements:			
Cash flow hedges			
Opening balance		–	–
Revaluation – gross	27.5	(431)	–
Deferred tax	7	129	–
Balance 30 June		**(302)**	**–**
Share-based payments			
Opening balance		9,501	9,083
Share-based payment	23	780	372
MEP loan repayment		712	46
Balance 30 June		**10,993**	**9,501**

23.1 Nature and purpose of reserves

(a) Cash flow hedges

The cash flow hedge reserve is used to recognise the effective portion of gains or losses on derivatives that are designated and qualify as cash flow hedges, as described in Note 2.4 (f). Amounts are subsequently either transferred to the initial cost of inventory or reclassified to profit or loss as appropriate.

The Group defers the changes in the forward element of forward contracts and the time value of option contracts in the costs of hedging reserve. These deferred costs of hedging are included in the initial cost of the related inventory when it is recognised.

(b) Share-based payments

The share-based payment reserve is used to record the fair value of the shares attached to the non-recourse loans provided to management. Non-recourse loans had been provided to employees under a MEP. These transactions are accounted for as a share-based payment in-substance arrangement.

During FY23, the Group has established the Universal Store Holdings Limited Equity Incentive Plan to reward, motivate, and incentivise participants. The Equity Incentive Plan is designed to align interests with those of Shareholders by providing an opportunity to receive an equity interest in the Group in the form of performance rights. The Board from time to time in its absolute discretion may determine Employees who are eligible to participate in the Plan.

Members of the Leadership Team were granted performance rights during the period. These performance rights have vesting conditions based on the Group achieving:

+ Return on Capital Employed (ROCE) target in the final year of the performance period (FY27);
+ Earnings Per Share (EPS) targets over the performance period (1 July 2024 – 30 June 2027); and
+ the Participant remaining employed or engaged in a full-time capacity by the Group. These performance rights vest on 30 June 2027.

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Performance Rights Grant Date	Balance at start of the Year (Number)	Granted during the Year (Number)	Exercised during the Year (Number)	Forfeited during the Year (Number)	Balance at end of the Year (Number)	Maximum value yet to vest
24 November 2022	114,017	–	–	–	114,017	523,338
21 December 2022	209,728	–	–	(20,258)	189,470	869,667
20 November 2023	549,306	–	–	(86,173)	463,133	1,324,566
30 October 2024	–	302,668	–	–	302,668	2,115,645
	873,051	**302,668**	**–**	**(106,431)**	**1,069,288**	**4,833,216**

24. DIVIDENDS

24.1 Ordinary shares

The final dividend for the year ended 30 June 2024 of 19.0 cents per share was paid on 26 September 2024 ($14.6 million).

In respect of the half-year ended 31 December 2024, an interim dividend of 22.0 cents per share was declared on 19 February 2025 and paid on 28 March 2025 ($16.9 million) (2024: 16.5 cents per share, $12.7 million).

On 20 August 2025, the Directors determined a final dividend of 16.5 cents per share to be paid on 25 September 2025 ($12.7 million) (2024: 19.0 cents per share, $14.6 million). This dividend reflects the Group's strong trading performance and solid cash position, placing it at the higher end of the Company's dividend policy range.

24.2 Franked dividends

The final dividends determined after 30 June 2025 will be fully franked out of existing franking credits, or out of franking credits that arose from the payment of income tax during the year ended 30 June 2025.

	2025 $'000	2024 $'000
Franking credit balance		
The amount of franking credits available for the subsequent financial year are:		
Franking account balance as at the end of the financial year at 30.0%	18,698	17,246

The above amounts are calculated from the balance of the franking account as at the end of the reporting year, adjusted for franking credits and debits that will arise from the settlement of liabilities or receivables for income tax and dividends after the end of the period.

The payment of the dividend proposed subsequent to year end is expected to give rise to franking debits of $5.4 million.

Material accounting policies

The Group recognises a liability to pay a dividend when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws of Australia, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

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25. INTERESTS IN OTHER ENTITIES

Material subsidiaries

The Group's principal subsidiaries at 30 June 2025 are set out below. Unless otherwise stated, they have share capital consisting solely of ordinary shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

		Ownership interest held by the Group	
Name of entity	**Place of business/country of incorporation**	**2025 %**	**2024 %**
Cheap Thrills Cycles Pty Ltd	Australia	100	100
Universal Store Pty Ltd	Australia	100	100
US Australia Pty Ltd	Australia	100	100
US 1B Pty Ltd	Australia	100	100
US 1A Pty Ltd	Australia	100	100

Pursuant to *ASIC Corporations (Wholly owned Companies) Instrument 2016/785*, the Group and its controlled entities have entered into a deed of cross guarantee on 12 May 2021 (amended 8 May 2023 to include Cheap Thrills Cycles Pty Ltd). The effect of the deed is that the Group has guaranteed to pay any deficiency in the event of winding up of any controlled entity or if they do not meet their obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee.

The controlled entities have also given a similar guarantee in the event that the Group is wound up or if it does not meet its obligations under the terms of overdrafts, loans, leases or other liabilities subject to the guarantee. The above companies represent a 'closed group' for the purposes of the deed of cross guarantee that are controlled by Universal Store Holdings Limited, they also represent the extended closed group. There is no difference in closed group and the extended closed groups and there is no change to the consolidated group numbers.

26. RELATED PARTY TRANSACTIONS

26.1 Key management personnel compensation

	2025 $	**2024 $**
Short-term employee benefits	2,551,546	2,045,796
Long-term employee benefits	51,312	8,150
Post-employment benefits	94,332	71,843
Share-based payments	343,936	70,659
	3,041,126	**2,196,448**

Detailed remuneration disclosures are provided in the remuneration report.

26.2 Transactions with other related parties

	2025 $	**2024 $**
Repayment of MEP loans by KMP	(711,032)	(46,665)
Amounts paid to KMP as shareholders:		
Dividends	**2,439,923**	**1,323,084**

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27. FINANCIAL RISK MANAGEMENT

As outlined in this note, the Group is exposed to a number of financial risks that could affect its future financial performance.

27.1 Interest rate

At 30 June 2025, the Group had no outstanding borrowings and therefore not exposed to interest rate risk at the reporting date.

In prior periods, the Group's principal interest rate risk arose from long-term borrowings with variable interest rates, which exposed the Group to cash flow interest rate risk. These borrowings were denominated in Australian dollars (AUD). The Group repaid all such borrowings during the financial year ended 30 June 2025.

Interest rate risk continues to be monitored by the Board as part of the Group's overall risk management framework.

27.2 Foreign exchange risk

Foreign currency risk refers to the potential fluctuation in the fair value or future cash flows of an exposure due to changes in foreign exchange rates. The Group is exposed to foreign currency risk through its procurement of retail inventory and other services from international suppliers. These purchases are predominantly made in United States dollars (USD). The Group currently realises an immaterial value of sales to international customers through a number of different currencies.

The Group manages risks associated with foreign currency by utilising a combination of internal and external information, such as market forecasts, historical trends, sensitivity analyses, and scenario modelling. Foreign currency risk is managed under a formal hedging policy, which mandates the use of forward exchange contracts to hedge the Group's anticipated foreign currency cash flows over a twelve-month period, as outlined below:

+ Hedge 40% to 90% of foreign currency cash flows payable within the next three months.
+ Hedge 20% to 75% of anticipated foreign currency cash flows payable in the next three to six months.
+ Hedge 0% to 50% of anticipated foreign currency cash flows payable in the next six to twelve months.

Exposure

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Australian dollar, was as follows:

	30 Jun 2025		30 Jun 2024	
	US dollar transactional exposure $'000	**Australian dollar equivalent $'000**	**US dollar transactional exposure $'000**	**Australian dollar equivalent $'000**
Trade receivables	216	334	231	349
Trade payables	(3,002)	(4,605)	(2,461)	(3,712)
Foreign currency forwards	(15,170)	(23,540)	(2,670)	(4,001)
Transactional foreign exchange risk	**(17,956)**	**(27,811)**	**(4,900)**	**(7,364)**

The Group's exposure to foreign currency risk other than that of US dollar is immaterial.

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Sensitivity

The Group is primarily exposed to changes in AUD/USD exchange rates. The sensitivity of profit or loss to changes in the exchange rates arises mainly from US dollar-denominated financial instruments and the impact on other components of equity arises from foreign forward exchange contracts designated as cash flow hedges.

The sensitivity of the Group's transactional foreign currency risk exposure is estimated by assessing the impact that a 10% increase and 10% decrease in the Australian Dollar/US Dollar exchange rate would have on profit and equity of the Group at the reporting date.

	30 Jun 2025			30 Jun 2024		
	Movement in Australian dollar/ US dollar exchange rate %	**Increase/ (decrease) in post-tax profit or loss $'000**	**Increase/ (decrease) in other comprehensive income $'000**	**Movement in Australian dollar/ US dollar exchange rate %**	**Increase/ (decrease) in post-tax profit or loss $'000**	**Increase/ (decrease) in other comprehensive income $'000**
AUD/USD exchange rate	10%	272	(1,471)	10%	214	(256)
AUD/USD exchange rate	(10%)	(332)	1,797	(10%)	(262)	312

A sensitivity of 10% was selected following review of historic trends.

27.3 Liquidity risk

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

	2025 $'000	**2024 $'000**
Floating rate		
Expiring within one year (commercial card facility)	160	110
Expiring beyond one year (bank loans)	23,500	8,500
	23,660	**8,610**

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Maturities of financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Year ended 30 June 2025	Less than 6 months $'000	6 to 12 months $'000	1 to 2 years $'000	2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000
Non-derivatives						
Trade payables	13,750	–	–	–	–	13,750
Deferred variable consideration	834	–	–	–	–	834
Borrowings	–	–	–	–	–	–
Lease liabilities	16,290	17,075	26,785	36,449	4,591	101,190
Total non-derivatives	**30,874**	**17,075**	**26,785**	**36,449**	**4,591**	**115,774**
Derivatives						
Gross settled (foreign currency forwards – cash flow hedges)						
(inflow)	(16,290)	(6,819)	–	–	–	(23,109)
outflow	16,604	6,936	–	–	–	23,540
Total derivatives	**314**	**117**	**–**	**–**	**–**	**431**

Year ended 30 June 2024	Less than 6 months $'000	6 to 12 months $'000	1 to 2 years $'000	2 and 5 years $'000	Over 5 years $'000	Total contractual cash flows $'000
Non-derivatives						
Trade payables	10,152	–	–	–	–	10,152
Deferred variable consideration	2,612	–	3,300	–	–	5,912
Borrowings	–	–	–	15,000	–	15,000
Lease liabilities	12,560	11,383	19,516	21,665	4,328	69,452
Total non-derivatives	**25,324**	**11,383**	**22,816**	**36,665**	**4,328**	**100,516**
Derivatives						
Gross settled						
(foreign currency forwards – cash flow hedges)						
(inflow)	(4,001)	–	–	–	–	(4,001)
outflow	4,015	–	–	–	–	4,015
Total derivatives	**14**	**–**	**–**	**–**	**–**	**14**

Concentration Risk

Concentration risk refers to potential financial loss due to a high reliance on a limited number of customers, suppliers or geographic areas. The Group's key risk concentration is in relation to its suppliers, with the majority of its suppliers being based in China. The Group is working to mitigate this risk by creating a diversified portfolio of supplier based both locally and internationally.

27.4 Credit risk

Credit risk arises from cash and cash equivalents, deposits with banks and financial institutions, as well as credit exposures to wholesale and retail customers, including outstanding receivables.

(a) Risk management

Credit risk is managed on a Group basis. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. Sales to retail customers are required to be settled in cash, major credit cards and Afterpay, mitigating credit risk. Trade receivables primarily pertain to the wholesale channel, and the Group maintain a proactive approach in monitoring and managing debtors. As a result, and based on historical trends no provisions for credit losses are necessary. There are no significant concentrations of credit risk, whether through exposure to individual and wholesale customers, specific industry sectors and/or regions.

27.5 Derivatives

The Group has the following derivative financial instruments in the following line items of the balance sheet:

	2025 $'000	2024 $'000
Current assets		
Forward foreign exchange contracts – cash flow hedges	–	–
Total current derivative financial instrument assets	**–**	**–**
Current liabilities		
Forward foreign exchange contracts – cash flow hedges	431	14
Total current derivative financial instrument liabilities	**431**	**14**

(a) Classification of derivatives

Derivatives are only used for economic hedging purposes and not as speculative investments. They are presented as current assets or liabilities to the extent they are expected to be settled within 12 months after the end of the reporting period.

The full fair value of hedging derivatives is classified as a non-current asset or liability where the remaining maturity of the hedged item is more than 12 months. It is classified as a current asset or liability where the remaining maturity of the hedged item is less than 12 months.

The Group's accounting policy for its cash flow hedges is set out in Note 2.4 (f). Further information about the derivatives used by the Group is provided in Note 8.

(b) Fair value measurement

For information about the methods and assumptions used in determining the fair value of derivatives see Note 8.1.

As outlined in this note, the Group is exposed to a number of financial risks that could affect its future financial performance.

28. CAPITAL RISK MANAGEMENT

Risk management

The Group's objectives when managing capital are to:

+ safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders; and
+ maintain an optimal capital structure to reduce the cost of capital.

The capital structure of the Group consists of cash and cash equivalents, trade and other receivables, inventories, intangibles and net working capital. The equity issued to equity holders of the Parent entity comprises issued capital and reserves and retained earnings.

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Management manages the capital position by assessing the Group's financial risk and ensuring due diligence on all capital investments, adjusting the capital structure in response to any risks or changes in market conditions. These responses include the ability to adjust debt levels, distributions to shareholders and share issues.

The Group monitors capital on the basis of a gearing ratio which is net debt divided by total equity. Interest bearing loans and borrowings, less cash and short-term deposits are included in net debt.

	Notes	2025 $'000	2024 $'000
Borrowings	19	–	14,936
Add: lease liabilities		88,445	61,270
Less: cash and cash equivalents	10	(17,160)	(29,267)
Net debt		**71,285**	**46,939**
Total equity		**145,395**	**152,400**
Net debt to equity ratio		**49%**	**31%**

The Group had access to the following undrawn debt facilities at the end of the reporting period:

	2025 $'000	2024 $'000
Redrawable term loan	15,000	–
Working capital facility	8,500	8,500
Bank guarantee facility	1,828	1,760
Commercial card facility	160	110
	25,488	**10,370**

29. COMMITMENTS AND CONTINGENCIES

The Group had contingent liabilities at 30 June 2025 in respect of:

Guarantees

The Group has given guarantees in respect of various retail tenancies amounting to $3,172,000 of which $218,000 relates to CTC (2024: $3,505,000).

Upon signing certain leases, the Group has received a fixed contribution towards costs of fit-outs. Some of these leases contain repayment clauses should certain default events occur.

Lease commitments

The Group has also signed new lease commitment amounting to $5,265,000 for new store opening in FY26.

Capital commitments

The Group has committed capital expenditure of $1,720,000 for the new store opening for FY26.

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30. AUDITOR'S REMUNERATION

The auditor of Universal Store Holdings Limited is PricewaterhouseCoopers.

	2025 $	2024 $
Amounts paid or payable to PricewaterhouseCoopers for:		
Audit and other assurance services:		
Assurance services – Group audit and half-year review	389,000	313,000
Other non-audit services:		
Other services	53,000	12,000
Total remuneration of PricewaterhouseCoopers Australia	**442,000**	**325,000**

31. EVENTS AFTER THE REPORTING PERIOD

Subsequent to the reporting date the following events have occurred:

On 20 August 2025, the Directors of Universal Store Holdings Limited determined a final dividend on ordinary shares in respect of the 2025 financial year. The amount of the dividend is 16.5 cents per share ($12.7 million) to be paid on 25 September 2025. This dividend reflects the Group's strong trading performance and solid cash position, placing it at the higher end of the Company's dividend policy range.

There were no other significant events occurring after the balance date which may affect either the Group's operations or results of those operations or the Group's state of affairs.

32. INFORMATION RELATING TO UNIVERSAL STORE HOLDINGS LIMITED (THE PARENT)

	2025 $'000	2024 $'000
Current assets	4	2,421
Non-current assets	127,977	137,179
Total assets	**127,981**	**139,600**
Current liabilities	5,356	2,015
Non-current liabilities	–	14,936
Total liabilities	**5,356**	**16,951**
Contributed equity	110,844	110,844
Retained earnings	788	2,304
Share-based payment reserve	10,993	9,501
Total equity	**122,625**	**122,649**
Profit/(loss) of the Parent entity	29,939	17,367
Total comprehensive income/(loss) of the Parent entity	29,939	17,367

The Parent entity did not have any contingent liabilities or commitments as at 30 June 2025 or 30 June 2024.

The financial information for the Parent entity has been prepared on the same basis as the consolidated financial statements.

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CONSOLIDATED ENTITY DISCLOSURE STATEMENT

AS AT 30 JUNE 2025

Name of entity	Type of entity	Trustee, partner or participant in JV	% of share capital	Place of business/ country of incorporation	Australian resident or foreign resident	Foreign jurisdiction(s) of foreign residents
Cheap Thrills Cycles Pty Ltd	Body corporate	–	100	Australia	Australian	n/a
Universal Store Pty Ltd	Body corporate	–	100	Australia	Australian	n/a
US Australia Pty Ltd	Body corporate	–	100	Australia	Australian	n/a
US 1B Pty Ltd	Body corporate	–	100	Australia	Australian	n/a
US 1A Pty Ltd	Body corporate	–	100	Australia	Australian	n/a
Universal Store Holdings Limited	Body corporate	–	n/a	Australia	Australian	n/a

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DIRECTORS' DECLARATION

In the Directors' opinion:

(a) the consolidated financial statements and notes set out on pages 32 to 102 are in accordance with the *Corporations Act 2001*, including:

  (i) complying with Australian Accounting Standards and the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and

  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2025 and of its performance for the financial year ended on that date;

(b) there are reasonable grounds to believe that the Group will be able to pay its debts as and when they become due and payable;

(c) the consolidated entity disclosure statement on page 103 is true and correct; and

(d) 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 liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

Note 2.1 confirms that the consolidated financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of the Directors.

On behalf of the Board



Peter Birtles
Independent Non-Executive Director and Chair

20 August 2025

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INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS 30 JUNE 2025

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Independent auditor's report

To the members of Universal Store Holdings Limited

Report on the audit of the financial report

Our opinion

In our opinion:

The accompanying financial report of Universal Store Holdings Limited (the Company) and its controlled entities (together the Group) is in accordance with the *Corporations Act 2001*, including:

a. giving a true and fair view of the Group's financial position as at 30 June 2025 and of its financial performance for the year then ended

b. complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

What we have audited

The financial report comprises:

- the consolidated statement of financial position as at 30 June 2025
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of profit or loss and other comprehensive income for the year then ended
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information
- the consolidated entity disclosure statement as at 30 June 2025
- the directors' declaration.

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

Independence

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 & 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.

Our audit approach

An audit is designed to provide reasonable assurance about whether the financial report is free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report.

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial report as a whole, taking into account the geographic and management structure of the Group, its accounting processes and controls and the industry in which it operates.

Audit Scope

Our audit focused on where the Group made subjective judgements; for example, significant accounting estimates involving assumptions and inherently uncertain future events.

In establishing the overall approach to the group audit, we determined the type of work that needed to be performed by us as the group auditor.

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Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial report for the current period. The key audit matters were addressed in the context of our audit of the financial report as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Further, any commentary on the outcomes of a particular audit procedure is made in that context. We communicated the key audit matters to the Audit and Risk Committee.

Key audit matter	*How our audit addressed the key audit matter*
Carrying Value of indefinite lived assets of the CTC Cash Generating Unit (CGU) *(Refer to note 15)* The carrying value of goodwill and brand names for CTC was a key audit matter due to their size and the judgement involved in estimating the cash flow forecasts, including consideration of revenue growth, new store openings, margins and profitability, the discount rate and terminal growth rate. The group performed an impairment assessment for the CGU by preparing a fair value less cost of disposal (FVLCD) model to determine the recoverable amount of the CGU. This assessment resulted in an impairment of goodwill.	Our procedures in relation to the recoverable amount of indefinite lived assets of CTC CGU included, amongst others: • Developed an understanding of the relevant controls associated with the preparation of the FVLCD model used to assess the recoverable amount of the Group's CTC CGU (the impairment model) • Evaluated the Group's assessment that the indefinite life assumption for brand names remained appropriate with respect to the period over which the Group expects to generate cash flows • Tested the mathematical accuracy of key data included in the impairment model calculation. • Compared actual results with historical forecasts to assess the Group's ability to reliably make forecasts used in the cashflow model • Based on our knowledge of the Group's operations, assessed whether the carrying value of CTC CGU included all assets and liabilities directly attributable to CTC CGU

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Key audit matter	How our audit addressed the key audit matter
	and that the impairment models included all cashflows directly attributable to the CGU • Compared the cash flow forecasts for FY26 in the impairment model to the Board-endorsed FY26 budget, adjusted for alternative scenarios as assessed by management • Together with our PwC valuation experts, assessed the valuation methodology of the FVLCD model and compared the discount rate, terminal growth rate and valuation multiples to market observable inputs • Compared the recoverable amount per the FVLCD model to the carrying value, verifying the accuracy of the impairment of Goodwill recognised during the financial year • Evaluated the reasonableness of the disclosures made in the financial report, in light of the requirements of Australian Accounting Standards
Accounting for leases *(Refer to note 16)* Accounting for leases was a key audit matter due to the size of right-of-use assets and lease liability balances included in the financial report and the judgement involved in determining the balances, including the incremental borrowing rate used for discounting, accounting for leases in holdover and treatment of lease incentives and modifications.	Our procedures in relation to the accounting for leases included, amongst others: • Assessed whether the Group's accounting policies are in accordance with the requirements of Australian Accounting Standards • For a sample of lease agreements: – compared the inputs of the lease calculation to the lease agreement,

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Key audit matter	How our audit addressed the key audit matter
	including relevant dates and terms, lease payments, lease options and incentives – assessed the mathematical accuracy of leases renewed or extended during the year – assessed the incremental borrowing rate used in discounting future lease payments – tested the mathematical accuracy of the lease calculations – assessed the Group's application of the Australian Accounting Standards to these leases to evaluate whether they had been accounted for appropriately • Evaluated the reasonableness of the disclosures made in Note 16 in light of the requirements of Australian Accounting Standards

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report for the year ended 30 June 2025, 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 through our opinion on the financial report. We have issued a separate opinion on the remuneration report.

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 on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*, including giving a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the 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 the financial report.

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

Report on the remuneration report

Our opinion on the remuneration report

We have audited the remuneration report included in the directors' report for the year ended 30 June 2025.

INDEPENDENT AUDITOR'S REPORT (CONT.)

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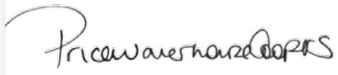
In our opinion, the remuneration report of Universal Store Holdings Limited for the year ended 30 June 2025 complies with section 300A of the *Corporations Act 2001*.

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.



PricewaterhouseCoopers



Kim Challenor
Partner

Brisbane
20 August 2025

ASX ADDITIONAL INFORMATION

In accordance with ASX Listing Rule 4.10, the Group provides the following information not otherwise disclosed in this Annual Report. The information is current as at 18 July 2025.

(A) DISTRIBUTION OF EQUITY SECURITIES

Ordinary share capital

+ 76,720,810 fully paid ordinary shares are held by 2,665 individual shareholders.

All issued ordinary shares carry one vote per share and carry the rights to dividends. There is one class of share, being fully paid ordinary shares. The number of shareholders, by size of holding is:

	%	No of holders
1 – 1000	54.45	1,451
1,001 – 5,000	32.53	867
5,001 – 10,000	7.24	193
10,001 – 100,000	4.62	123
100,001 and over	1.16	31
Total	**100.00**	**2,665**
Unmarketable Parcels	2.59	69

(B) SUBSTANTIAL SHAREHOLDERS

	Fully paid	
	Number	**%**
Bennelong Funds Management Group Pty Ltd	10,856,699	14.15
Spheria Asset Management Pty Ltd	5,166,895	6.73
Perpetual Limited	5,133,281	6.69
Lennox Capital Partners Pty Ltd	4,580,126	5.97
Challenger Limited*	4,163,057	5.43
Unisuper Ltd ATF UniSuper and UniSuper Management Pty Ltd	3,952,328	5.15
	33,852,386	**44.12**

* Challenger Limited is an affiliated company of Lennox Capital Partners.

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ASX ADDITIONAL INFORMATION (CONT.)

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(C) TWENTY LARGEST HOLDERS OF QUOTED EQUITY SECURITIES

Twenty largest quoted equity security holders

	Fully paid	
	Number	**%**
Citicorp Nominees Pty Limited*	22,152,602	28.87
HSBC Custody Nominees (Australia) Limited*	20,453,703	26.66
J P Morgan Nominees Australia Pty Limited	9,865,143	12.86
Hoang George Minh Do	2,155,924	2.81
BNP Paribas Nominees Pty Ltd*	2,029,017	2.64
Dorothy Alice Barbery	1,812,897	2.36
Palm Beach Nominees Pty Limited	1,504,704	1.96
UBS Nominees Pty Ltd	1,451,695	1.89
Catalyst Direct Capital Management Pty Ltd	1,150,000	1.50
James Cameron	982,096	1.28
David Maclean	883,053	1.15
BNP Paribas Noms Pty Ltd*	839,962	1.09
Howard Blend	731,432	0.95
National Nominees Limited	566,956	0.74
Steven Harris & Monique Harris	540,532	0.70
B D Mcgregor & T H R Shafran	515,527	0.67
Ryan Collins	515,527	0.67
BNP Paribas Nominees Pty Ltd Hub24 Custodial Serv Ltd*	310,179	0.40
Peter Birtles	220,000	0.29
Neweconomy Com Au Nominees Pty Limited	203,861	0.27
	68,884,810	89.76

* Grouped Investor Holdings.

(D) SHARES UNDER VOLUNTARY ESCROW ARRANGEMENTS

1,762,486 of the Group's ordinary shares are held under voluntary escrow, which prevents the shareholder from disposing of their respective escrowed shares until the applicable escrow period is complete. For all 1,762,486 shares, the voluntary escrow period will be complete upon the release of the Group's financial results for FY25.

ASX ADDITIONAL INFORMATION (CONT.)

(E) UNQUOTED SECURITIES

There are 1,069,289 unlisted performance rights on issue under the Group's employee incentive plan, held by 12 holders.

Distribution of holders of performance rights

The following table shows the distribution of the Group's holders of performance rights and number of holders of performance rights.

	Performance rights		
	Number of holders	Number	%
1 – 1,000	–	–	–
1,001 – 5,000	–	–	–
5,001 – 10,000	–	–	–
10,001 – 100,000	9	444,796	41.6
100,001 and over	3	624,493	58.4
Total	**12**	**1,069,289**	**100.0**

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CORPORATE INFORMATION

ABN 94 628 836 484

DIRECTORS

Peter Birtles, Independent Non-Executive Director and Chair

Alice Barbery, Managing Director and
Group Chief Executive Officer

Kaylene Gaffney, Independent Non-Executive Director

David MacLean, Independent Non-Executive Director

Trent Peterson, Independent Non-Executive Director

Renee Gamble, Independent Non-Executive Director

COMPANY SECRETARIES

Ethan Orsini (Appointed: 17 September 2024)

Clare Craven (Appointed: 13 May 2022)

Renee Jones (Appointed: 27 October 2020)
(Resigned: 30 August 2024)

REGISTERED OFFICE

42A, William Farrior Place
Eagle Farm QLD 4009
Australia

Phone: 1300 553 520

PRINCIPAL PLACE OF BUSINESS

42A, William Farrior Place
Eagle Farm QLD 4009
Australia

Phone: 1300 553 520

SHARE REGISTRY

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

Phone: 1300 554 474

Universal Store Holdings Limited shares are listed on the Australian Stock Exchange (ASX).

SOLICITORS

Gilbert + Tobin
Level 35, Tower Two International Towers Sydney
200 Barangaroo Avenue
Barangaroo NSW 2000
Australia

BANKERS

Australia and New Zealand Banking Group Ltd
324 Queen Street
Brisbane QLD 4000
Australia

AUDITORS

PricewaterhouseCoopers
480 Queen Street
Brisbane QLD 4000
Australia

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