17 May 2022

FULL YEAR RESULT

52 weeks ended
27 February 2022

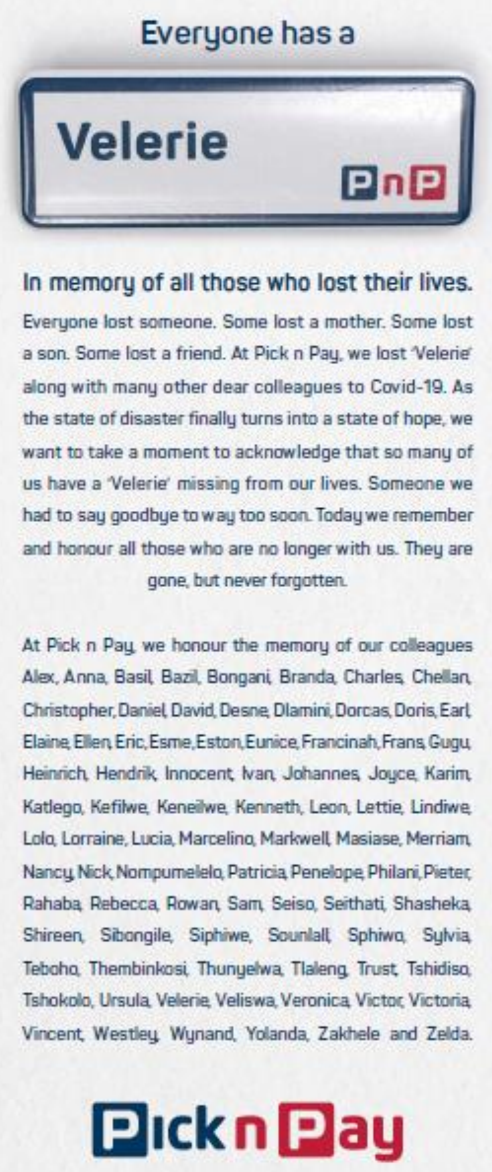
Gareth Ackerman (Chairman)
Lerena Olivier (CFO)
Pieter Boone (CEO)

AGENDA

- **1.1** Chairman's Introduction
- **1.2** FY22 Full Year Result
- **1.3** FY22 Reflections

RESILIENCE IN THE FACE OF ADVERSITY

- We faced another challenging year
- Traded well, and have shown resilience and determination
- Pick n Pay marks its 55th year and Boxer its 45th year
- The Group is ready for the future
- Pieter and his team will introduce the new Strategic Plan later this morning



Everyone has a

Velerie

In memory of all those who lost their lives.

Everyone lost someone. Some lost a mother. Some lost a son. Some lost a friend. At Pick n Pay, we lost 'Velerie' along with many other dear colleagues to Covid-19. As the state of disaster finally turns into a state of hope, we want to take a moment to acknowledge that so many of us have a 'Velerie' missing from our lives. Someone we had to say goodbye to way too soon. Today we remember and honour all those who are no longer with us. They are gone, but never forgotten.

At Pick n Pay, we honour the memory of our colleagues Alex, Anna, Basil, Bazil, Bongani, Branda, Charles, Chellan, Christopher, Daniel, David, Desne, Dlamini, Dorcas, Doris, Earl, Elaine, Ellen, Eric, Esme, Eston, Eunice, Francinah, Frans, Gugu, Heinrich, Hendrik, Innocent, Ivan, Johannes, Joyce, Karim, Katlego, Kefilwe, Keneilwe, Kenneth, Leon, Lettie, Lindiwe, Lolo, Lorraine, Lucia, Marcelino, Markwell, Masiase, Merriam, Nancy, Nick, Nompumelelo, Patricia, Penelope, Philani, Pieter, Rahaba, Rebecca, Rowan, Sam, Seiso, Seithati, Shasheka, Shireen, Sibongile, Siphiwe, Sounlall, Sphiwo, Sylvia, Teboho, Thembinkosi, Thunyelwa, Tlaleng, Trust, Tshidiso, Tshokolo, Ursula, Velerie, Veliswa, Veronica, Victor, Victoria, Vincent, Westley, Wynand, Yolanda, Zakhele and Zelda.

HALF A CENTURY OF COMMUNITY WORK

- Our Feed the Nation campaign has raised R163m since inception and distributed more than 38m meals – an extraordinary contribution
- Pick n Pay Group employs more than 90 000 people
- Important distributor of social grants which have a significant multiplier impact


Doing good is good business

GOOD PROGRESS ON TRANSFORMATION

- 59% of our support office staff are female, and 68% are ACI
- 74% of our store staff are female, and the vast majority are ACI
- Increased our employment of people with disabilities – 2.1% of our staff complement
- Succession planning will accelerate progress in the support offices in the coming years

WE SUPPORT SMALL AND LOCAL BUSINESSES

- R4.3bn spend with SMMEs during the last financial year
- Nearly 30% of our suppliers are small businesses
- Increased our investment in black-owned SMMEs
- We source the majority of our products locally
- Our clothing division now sources 40% of products sold locally

OTHER CHALLENGES

- KZN floods demonstrate the importance of maintaining critical infrastructure
- Effective management and investment are key – and would promote new jobs
- Regulation must be pragmatic and sensible so that business can deliver on vitally needed investment and jobs in a very tough economy


‘Doing good is good business’


A BRIGHT FUTURE

- Thank you to our people for their extraordinary efforts this year
- New Strategic Plan to be presented this morning
- A very promising future lies ahead for the Group

AGENDA

Pick n Pay

- 1.1 Chairman's Introduction
- 1.2 FY22 Full Year Result
- 1.3 FY22 Reflections

RESULT HEADLINES

	FY22	FY21	% change
Turnover	R97.9bn	R93.1bn	5.2
Gross profit margin	18.8%	19.8%	
Other income[1]	R2 650.3m	R1 580.9m	67.6
Trading expenses[1]	R18.0bn	R17.3bn	4.2
Trading profit margin[2]	3.1%	2.9%	
Pro forma PBT[2]	R1 978.0m	R1 583.4m	24.9
Pro forma PBT[2] margin	2.0%	1.7%	
Pro forma PBT[2] - South Africa	R1 859.0m	R1 435.3m	29.5
Pro forma HEPS[2]	**289.64c**	**235.42c**	**23.0**

[1] Metrics include R145.2m of business interruption insurance proceeds received post year-end. Refer to the Summarised Group Annual Financial Statements for the 52 weeks ended 27 February 2022 for further detail. Detail on civil unrest in appendix

[2] Pro forma PBT and pro forma HEPS exclude non-cash hyperinflation accounting and items of a capital nature; and include insurance proceeds

Resilient performance in a disrupted year

Turnover reflects the impact of an estimated R2.7bn of lost sales as a result of:

- trading restrictions on liquor mainly in the first half
- civil unrest – July 2021 in South Africa

Majority of civil unrest losses are covered by insurers:

- stock losses recorded in gross profit
- asset losses in capital items
- insurance recoveries recorded in other income and capital items

Looking through the disruptions:

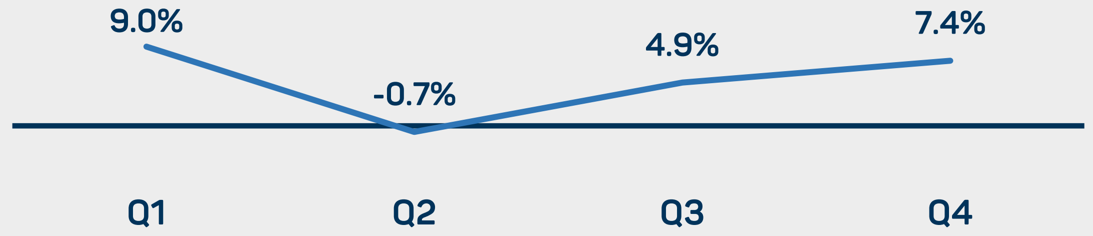
- progress against strategic priorities
- Project Future mitigated ongoing cost escalations exacerbated by civil unrest
- sustained strategic investment in customer offer
- strong trading momentum before and after disruption

Solid earnings growth under difficult circumstances

POSITIVE H2 MOMENTUM AFTER DISRUPTED H1

% change	H1 FY22	H2 FY22	Full year FY22
Group turnover growth	4.1	6.1	5.2
Like-for-like turnover growth	3.6	5.4	4.5
Internal selling price inflation	3.6	2.3	2.9
Customer growth (number of transactions)	17.2	8.0	12.2
Basket size growth (average transaction value)	-10.7	-2.2	-6.2

FY22 Group quarterly turnover growth:



First half disrupted by civil unrest in July and resumption of liquor restrictions in June

Second half recovery and acceleration supported by a successful Black Friday and a strong festive trading period:

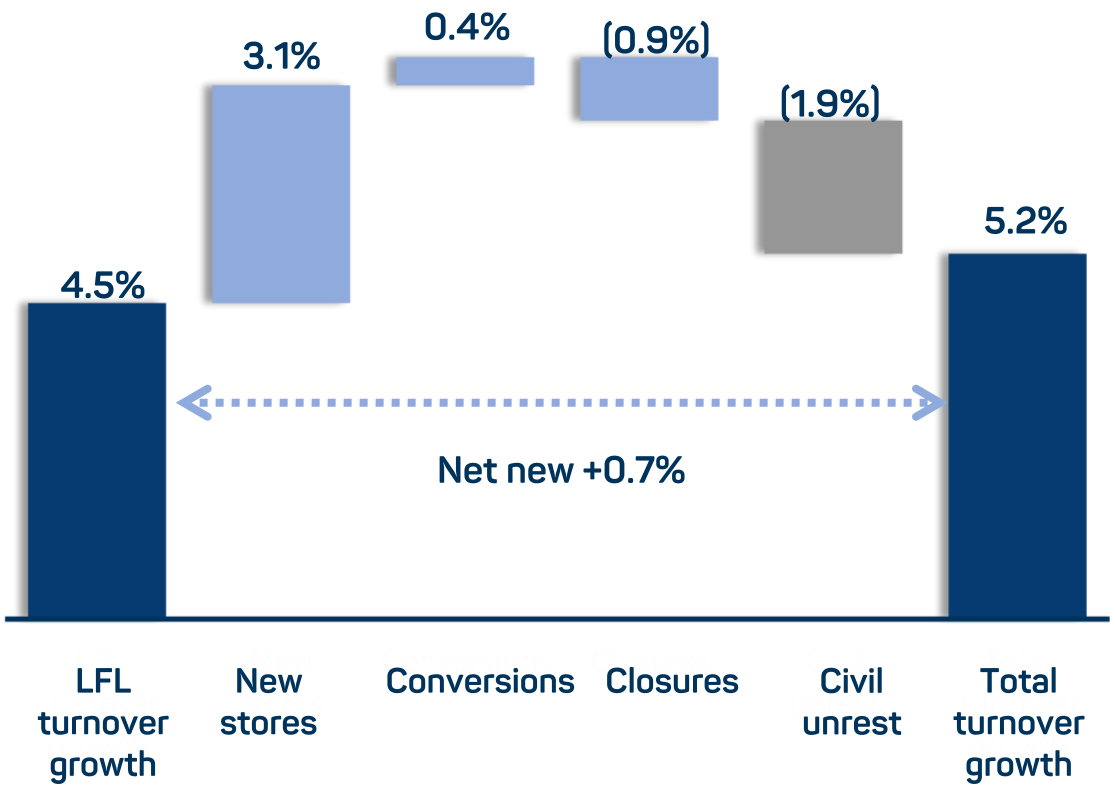
- accelerated fourth quarter trading momentum with turnover growth of 7.4%

Strong performances to highlight:

- Clothing division made excellent progress, with turnover growth of 21.0%
- Pick n Pay asap! delivered growth of over 300% following the relaunch in August 2021
- Liquor turnover increased 57.2%

STRONG STORE OPENING PROGRAMME

Group turnover growth analysis



The LFL estate delivered sales growth of 4.5%, with 1.6% LFL volume growth

Store opening programme remains strong notwithstanding disruptions

Investment in 139 new stores across all formats, including:

- 19 Pick n Pay supermarkets
- 21 Boxer supermarkets
- 56 liquor stores
- 27 clothing stores

Converted 7 underperforming franchise stores to company-owned stores, and 2 company-owned stores to Boxer

To improve estate profitability, 49 underperforming stores were closed

BETTER VALUE FOR CUSTOMERS

Investment in our customer offer remains a key strategic priority across both Pick n Pay and Boxer

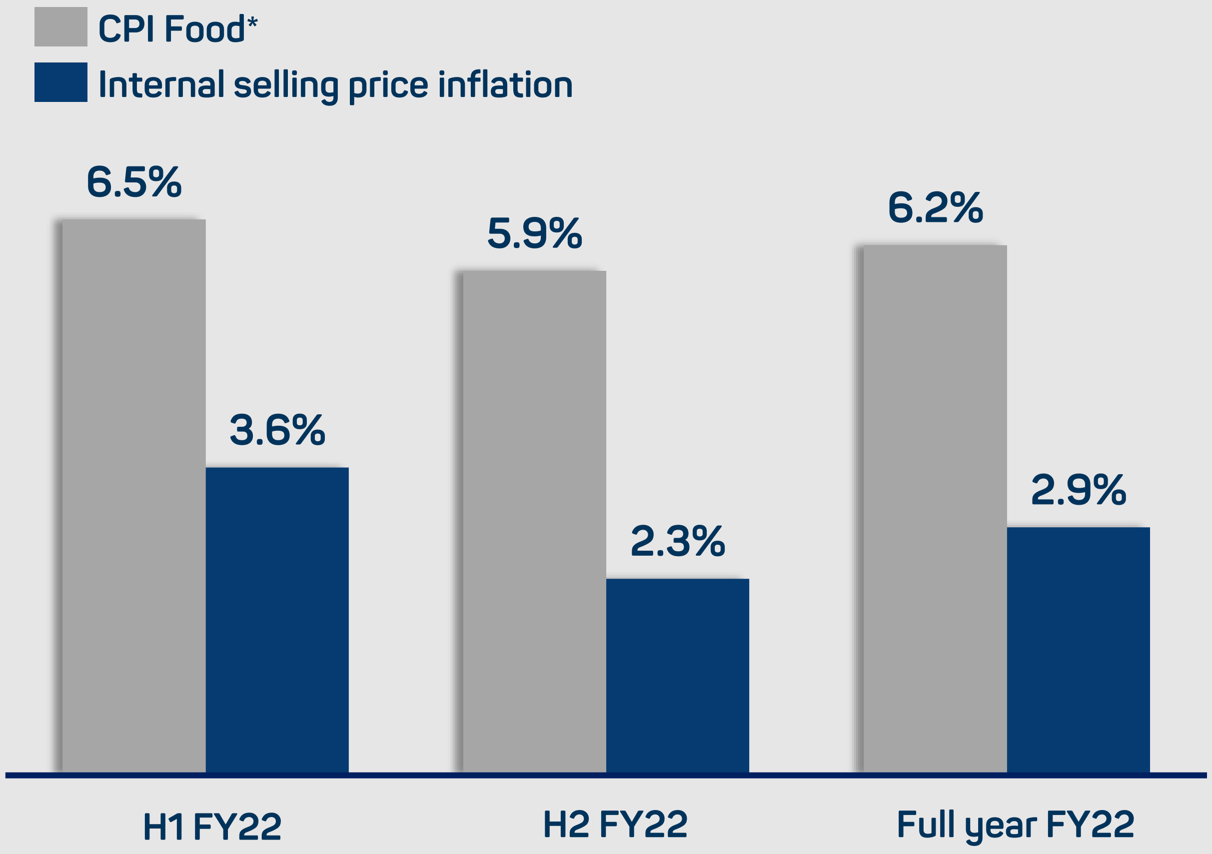
Lower prices and greater value increasingly important for customers

Internal selling price inflation contained at 2.9%, against CPI Food inflation of 6.2%

Sustained price investment supported by Project Future initiatives:

- better buying
- supply chain efficiency
- cost discipline and lower waste

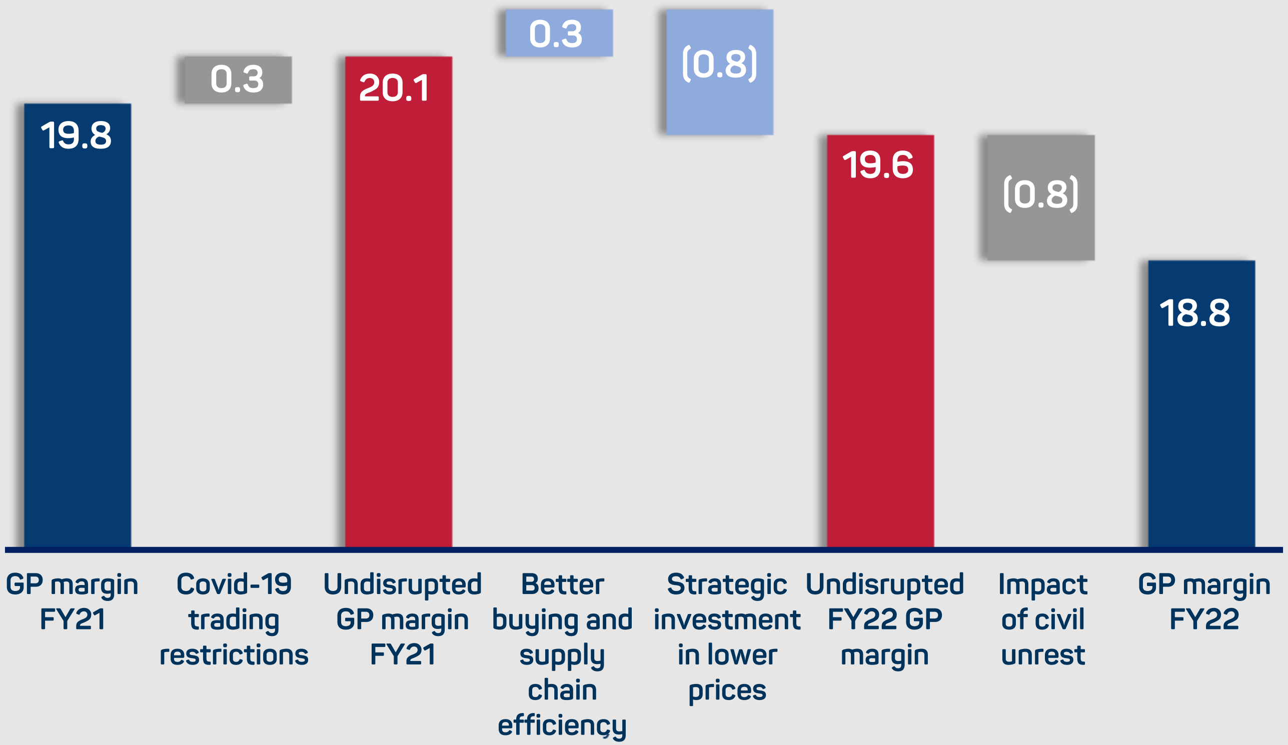
PRICE INFLATION RESTRICTED TO 2.9%



*Data from Stats SA

STRATEGIC INVESTMENT IN GROSS PROFIT

Gross profit margin (%)



Gross profit margin improvement of 30 basis points reflects:

- Project Future better buying and supply chain efficiencies
- greater centralisation in Boxer, with further expansions planned for both FY23 and FY24

Cost savings and efficiencies enabled strategic investment in lower prices of 80 basis points

Severe impact from civil unrest of 80 basis points:

- stock write-offs
- additional distribution and security costs
- fixed costs of supply relative to lost turnover

OTHER TRADING INCOME

Rm	FY22	FY21	% change
Franchise fee income	428.3	412.7	3.8
Operating lease income	115.6	142.5	(18.9)
Commissions and other income, including value-added services	1 213.0	1 025.7	18.3
Other trading income	1 756.9	1 580.9	11.1
Insurance recoveries[1]	893.4	-	
Pro forma other trading income	2 650.3	1 580.9	67.6

[1] Insurance recoveries include R145.2m of business interruption insurance proceeds received post year-end in respect of the civil unrest in July 2021

Other income includes R893.4m of insurance recoveries raised in respect of civil unrest losses:

- stock losses and other additional operating costs – R748.2m
- business interruption – R145.2m

Other income, excluding insurance recoveries, increased 11.1%

Franchise fee income reflects impact of:

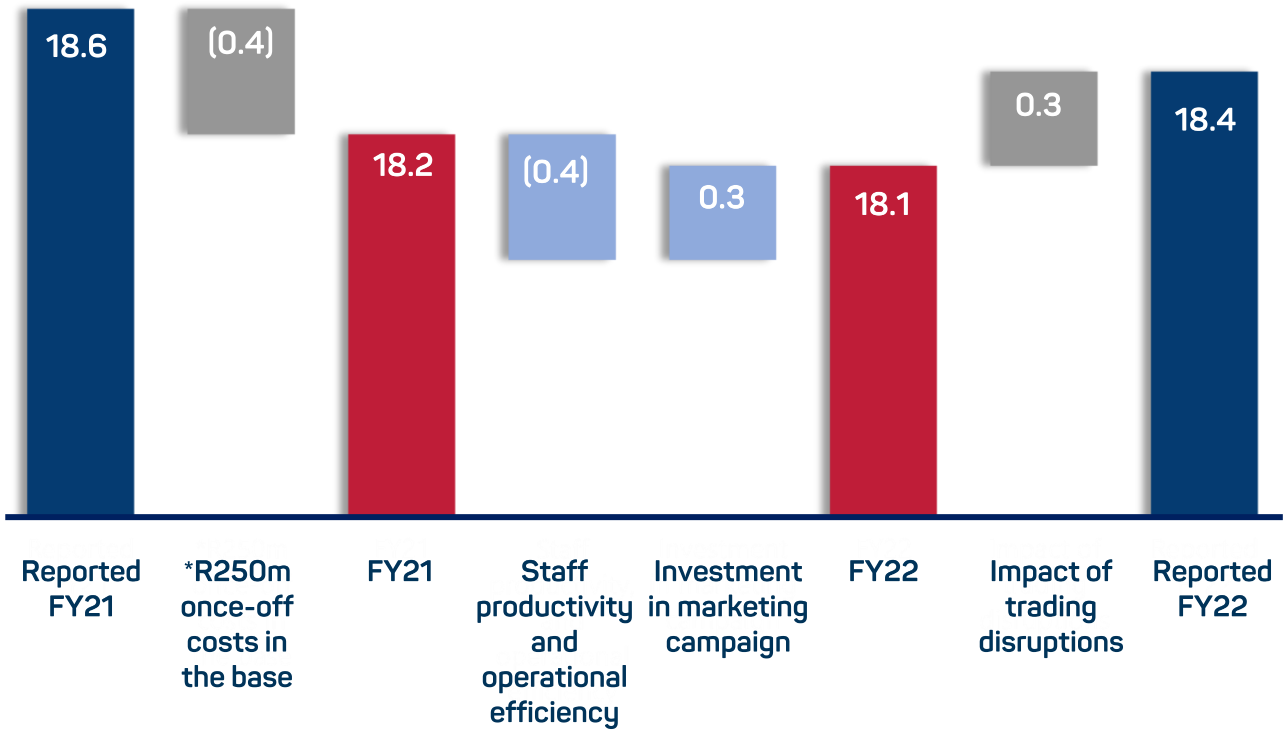
- Covid-19 liquor restrictions during the first half
- trade disruptions due to civil unrest
- conversions to Pick n Pay and Boxer company-owned stores

Commissions and other income (up 18.3%) include value-added services up 25.0%, with recovery in:

- travel and event ticketing
- banking and insurance services

PROJECT FUTURE DRIVES COST CONTROL

Trading expenses expressed as a % of turnover



*R200m Project Future severance costs and R50m Covid-19 appreciation bonuses

Trading expenses excluding R250m once-off costs in base increased by 5.7% (LFL 4.0%) reflecting increasing cost pressure:

- heightened security measures
- reinstatement of insurance covers
- increased cost of electricity and fuel
- repairs and maintenance – up 11.0%

Project Future continues to drive cost control and operational discipline through greater staff productivity and operational efficiency

Delivered underlying improvement in trading expense margin

Deliberate investment in a strengthened marketing campaign contributed to 7.8% increase in merchandising and administration

DISCIPLINE MITIGATES COST PRESSURES

Rm	FY22	FY21	% change	% LFL change
Trading expenses	18 014.7	17 794.8	4.2	2.4
Employee costs	7 836.3	7 959.0	(1.5)	(3.8)
Occupancy	2 662.1	2 427.1	9.7	5.2
Operations	4 535.1	4 144.4	9.4	6.3
Merchandising & administration	2 981.2	2 764.3	7.8	12.2

Strong cost discipline - contained LFL expense growth of 2.4% below LFL sales growth of 4.5%

Employee costs excluding R250m once-off costs in base, increased just 1.7%, reflecting Project Future efficiencies

Occupancy costs up 9.7% reflect above inflationary increases in rates, security and insurance costs

Operations up 9.4% driven by electricity, fuel and repairs and maintenance were mitigated by depreciation and amortisation up just 1.5% (excluding IFRS 16):

- careful management of capital investment
- targeted repairs and maintenance
- change from software ownership to strategic software service providers

REST OF AFRICA

Segmental revenue of R4.5bn, up 8.4% (LFL +10.8%) in constant currency

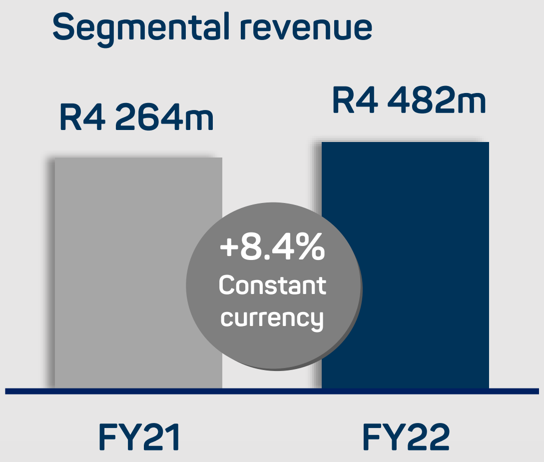
Difficult trading conditions persist across the southern African regions we trade in:

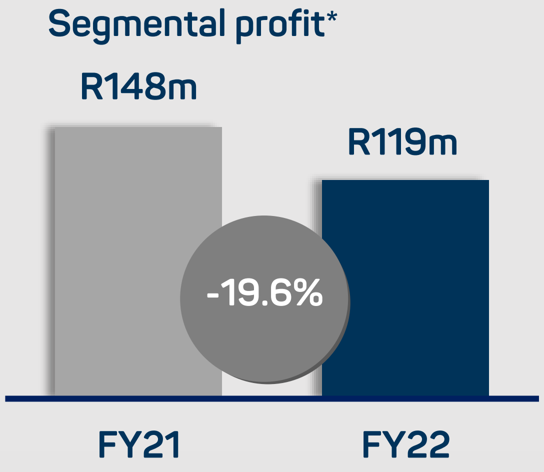
- local currency weakness
- high levels of inflation
- low growth and high unemployment
- economic impact of Covid-19 pandemic

Segmental profit (before hyperinflation) of R119.0m down 19.6%:

- strong trade performance in Zimbabwe - local currency weakened significantly over H2
- difficult trading conditions in Zambia over H1 with progress in H2

no. of stores
171



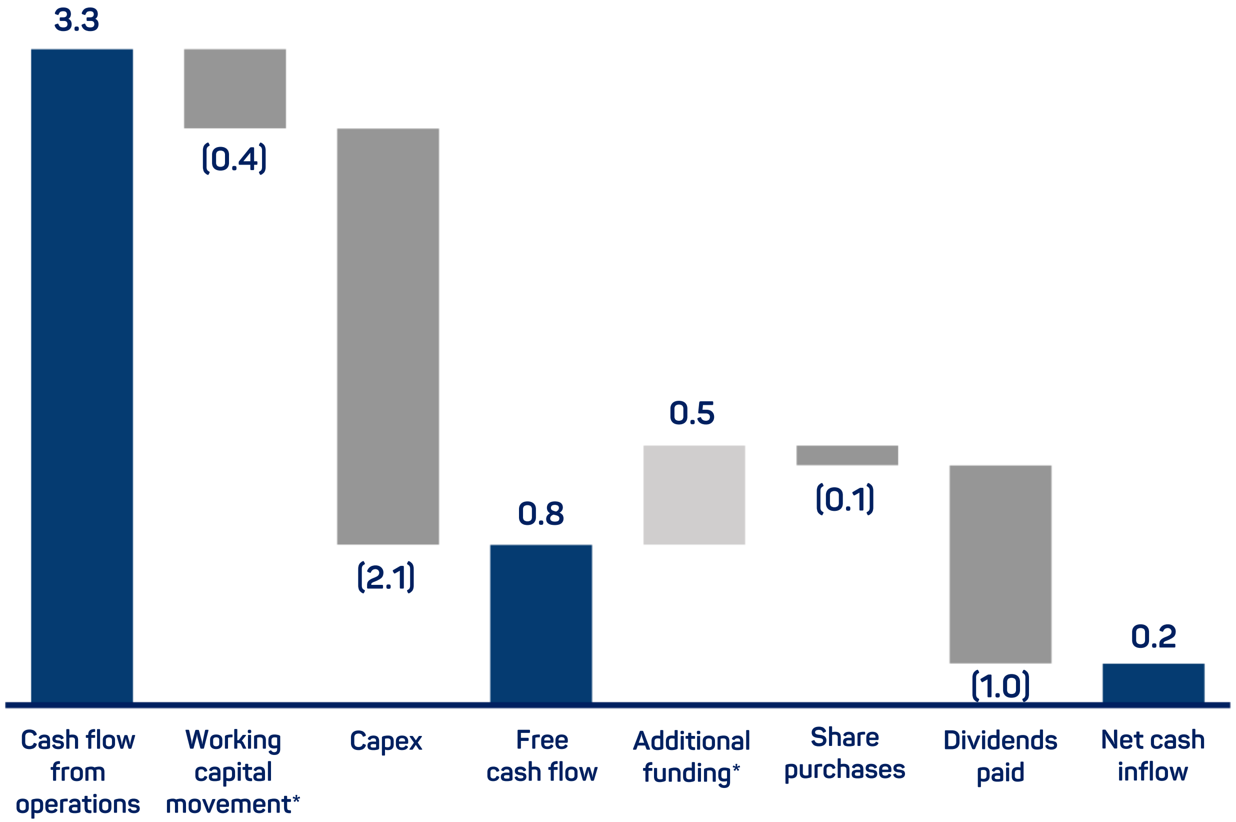


*Excluding non-cash hyperinflation adjustments and capital items

Pick n Pay

STRONG FREE CASH FLOW

Cash generation and utilisation FY22 (Rbn)



*Supplier invoice financing of R0.2bn included in working capital

The Group generated cash from operations of R3.3bn, supported by improved trading profit, notwithstanding the trade disruptions

Cash outflow from working capital of R0.4bn reflects strategic investment in inventory, and additional franchise support post civil unrest

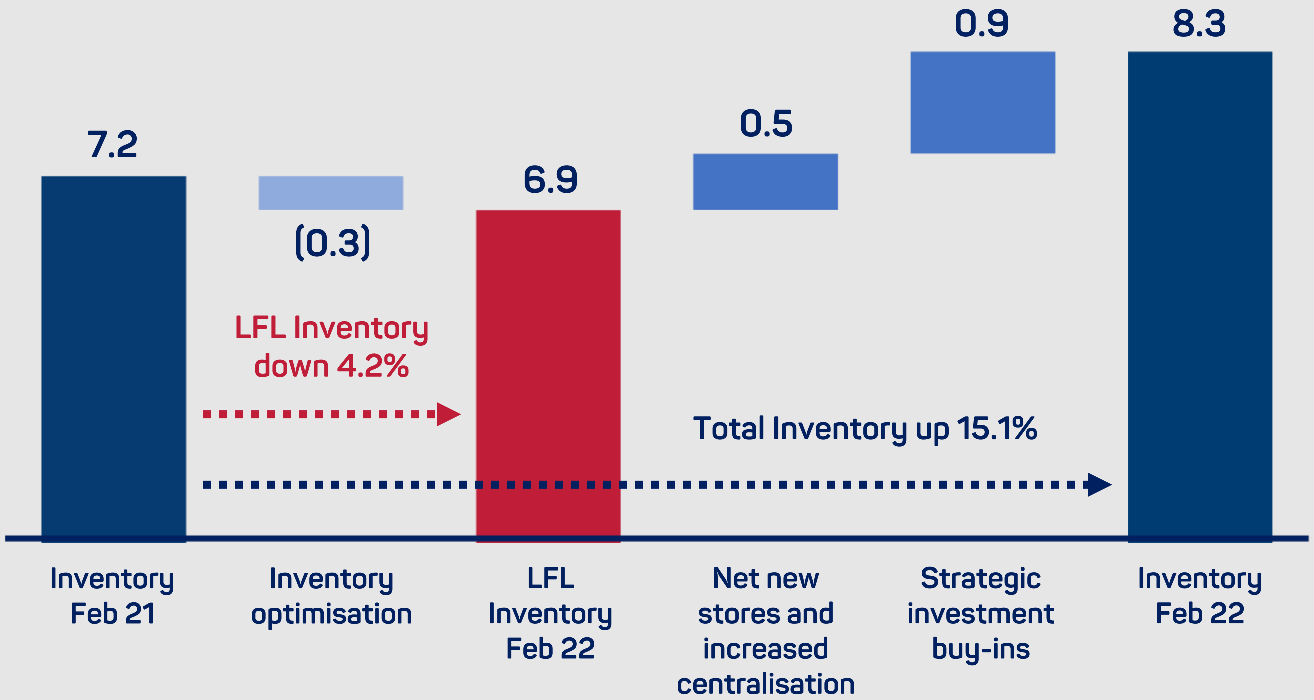
Underlying LFL working capital improvements of R0.6bn from:

- resilient franchise debtors book
- inventory optimisation
- creditor rationalisation of payment terms

R0.5bn additional funding was raised during the period to strengthen liquidity

STRATEGIC INVESTMENT IN INVENTORY

Inventory investment analysis (Rbn)



Pick n Pay

Inventory of R8.3bn increased 15.1% on last year and reflects:

- R0.9bn of strategic investment in core commodity, other essential food and grocery products and key clothing and general merchandise lines

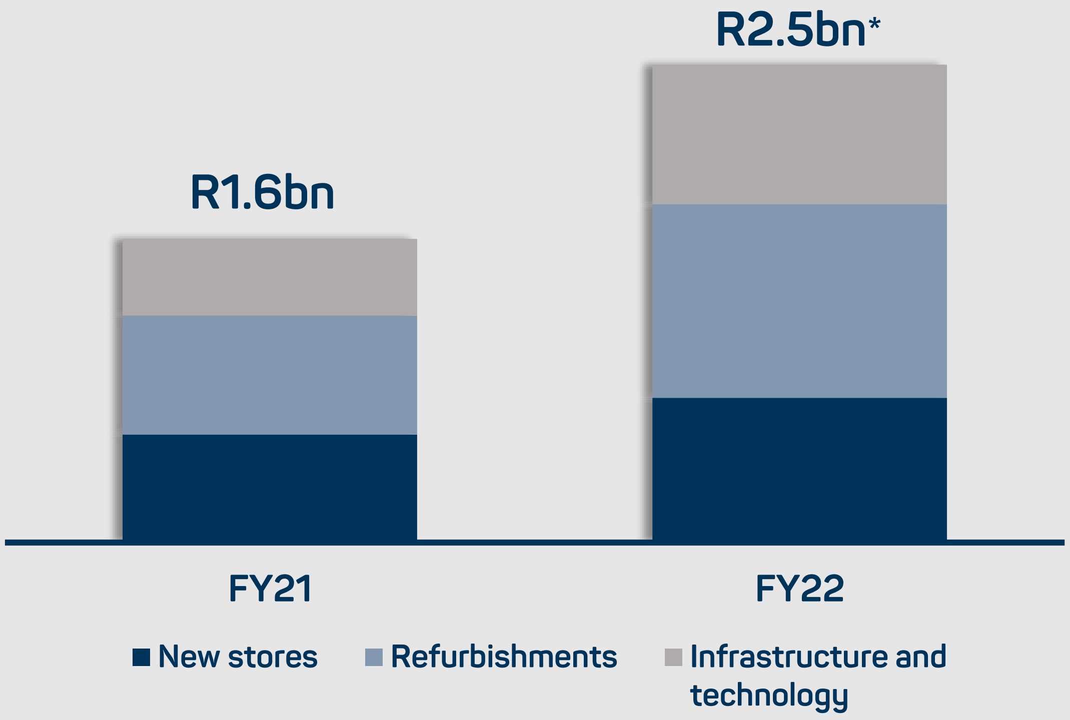
LFL Inventory down 4.2%:

- delivered further progress in tailoring the customer offer
- includes range optimisation worth R1bn over the past two years

72 net new company-owned stores and increased levels of centralisation, added R0.5bn, largely funded through trade creditors

PROGRESS AGAINST INVESTMENT PLAN

Capital investment focused on growth



*R2.1bn cash flow and R0.4bn committed

Strong store pipeline maintained with some civil unrest delays resulting in capital commitments of R0.4bn deferred to next year

Investment in 139 new stores across all formats in line with plan

Increased investment in digital evolution:

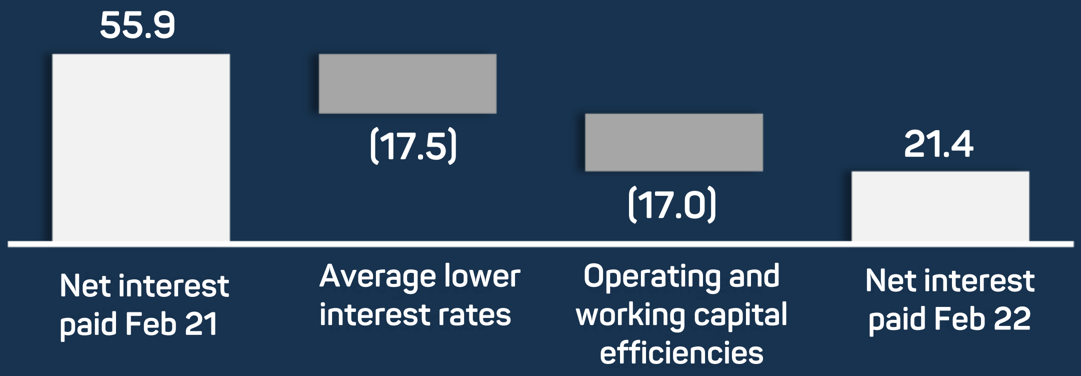
- online
- Smart Shopper
- cloud migration
- Workday – digital HR platform

The Group will accelerate and expand its capital investment programme to deliver its new Strategic Plan

STRONG LIQUIDITY

Net funding position	27 February 2022 Rm	28 February 2021 Rm
Cash and cash equivalents	3 625.3	3 463.7
Borrowings	(3 600.0)	(3 090.0)
Net funding position at period-end	25.3	373.7
Working capital - invoice financing facility	(403.1)	(241.2)
Net funding position	(377.8)	132.5
Total facilities	10 829.2	10 118.2

Net interest paid (Rm):



The Group maintained strong liquidity through disciplined control over capital investment, operating costs and working capital

Net interest paid decreased 61.7% year-on-year supported by operating and LFL working capital efficiencies and lower average interest rates

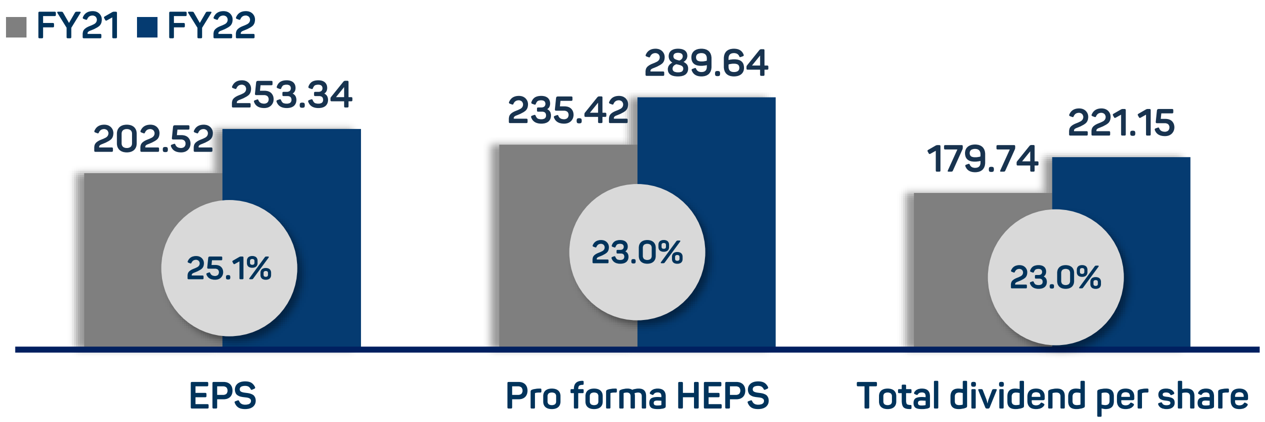
Surplus funds invested in high-yield money market accounts

The Group has total facilities of R11bn

Strong liquidity will support the required funding for the Group's new Strategic Plan

DIVIDENDS UP 23.0%

Earnings and dividends (cents per share, growth %)



FY22 Reconciliation	PBT Rm	HEPS cents per share
Reported	1 807.7	262.59
Non-cash hyperinflation impact	25.1	5.24
Comparable	1 832.8	267.83
Insurance proceeds	145.2	21.81
Pro forma	1 978.0	289.64

Pro forma HEPS of 290 cents per share excludes the full impact of non-cash hyperinflation accounting in Zimbabwe, and includes R145.2m of insurance proceeds (R104.5m net of tax)

Pro forma HEPS is the Group’s measure in determining its dividend pay-out ratio

Maintained a full year dividend cover of 1.3 times pro forma HEPS

The Board has declared a final FY22 dividend

- 185 cents per share

Total FY22 dividend of 221 cents per share

- up 23.0% in line with pro forma HEPS

RESULTS SUMMARY

Extraordinary recovery from the civil unrest in July 2021

Project Future delivered targeted cost savings of R1.0bn over two years

  - LFL cost growth contained below LFL sales growth
  - Savings enabled strategic investment into lower prices

- Strong liquidity provides exciting opportunity for growth
- Continued cost discipline is absolutely key as we expect significant inflationary and other cost pressure going into FY23
- The Group's Strategic Plan seeks to unlock further efficiency, to provide customers with the best value in a constrained economic environment

AGENDA

Pick n Pay

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- **1.3** FY22 Reflections

STEADY PROGRESS - OPPORTUNITY TO ACCELERATE GROUP PERFORMANCE

Pick n Pay

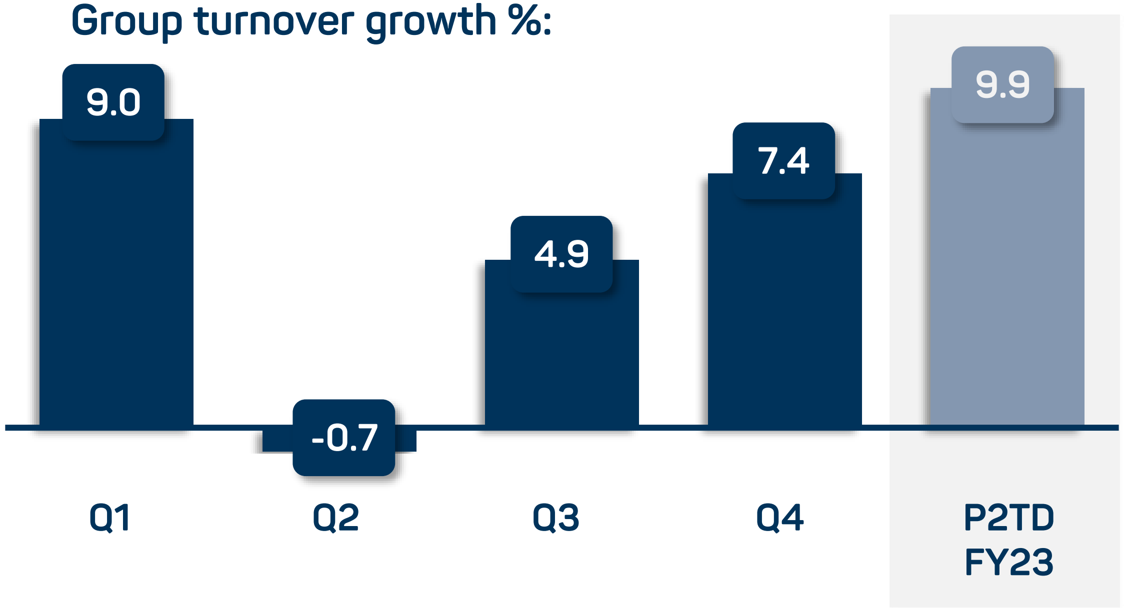
FY22 REFLECTIONS

- A price-sensitive but growing market
- Looking through the impact of civil unrest, Pick n Pay had underlying sales momentum
- Boxer remains a strong growth driver, with significant opportunity to expand
- More potential to accelerate our Omnichannel and Clothing growth engines
- Project Future is making us more efficient and competitive
- We are developing a winning team

SOLID UNDERLYING TURNOVER GROWTH IMPACTED BY THE CIVIL UNREST

QUARTERLY TURNOVER

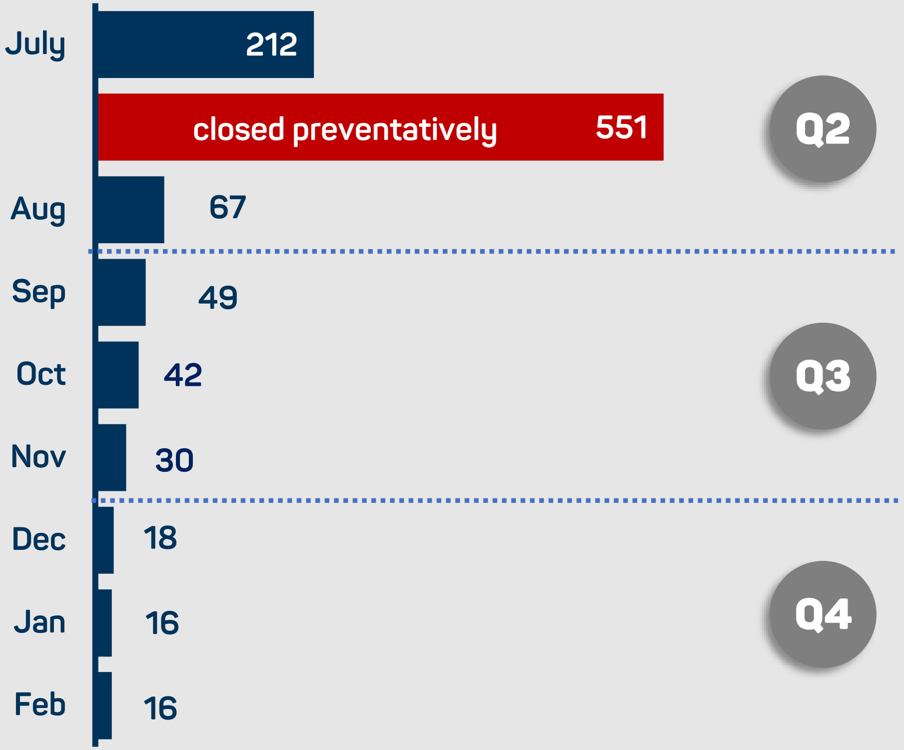
Group turnover growth %:



- Q2 and Q3 heavily impacted by the trade restrictions and the civil unrest
- Q4 strong, particularly Festive trade
- P2TD has been a continuation of our trade strength

STORES IMPACTED

Number of stores impacted by month:



IMPACT OF THE CIVIL UNREST IN JULY

- Massive impact in July with 763 stores (40% of stores) closed:
  - 212 stores looted or burned
  - further 551 stores closed preventatively
- Two distribution centres severely damaged and closed
- Impact still material in Q3, with extensively damaged stores remaining closed
- Longer-term impact through increased security costs across the estate

KEY TRADE INITIATIVES

- Black Friday has become our single largest trading day with > R800m in sales on Friday alone
- Festive Season was also a very strong trading period, for both Pick n Pay and Boxer:
  - Group sales ↑9% in three weeks leading to and including Christmas week
  - ↑8% customer transaction growth and ↑1,3% unit growth for the Group

Pick n Mix ANY 3 ROASTS with our flavourful selection.

FAIRLADY TEST HOUSE BEST BUY 2021

ANY 3 SAVE 10% WHEN YOU SWIPE

FOR 5 DAYS ONLY

44^{99} SAVE R19

149^{99} SAVE R45

BOEREWORS

46^{99} SAVE R12

139^{99} SAVE R30

79^{99} SAVE R20

3 FOR R120

ANY 2 R419

ANY 2 R240

Alcohol Not for Sale to Persons Under the Age of 18. Drink Responsibly. Local Restrictions on the Sale of Liquor May Apply.

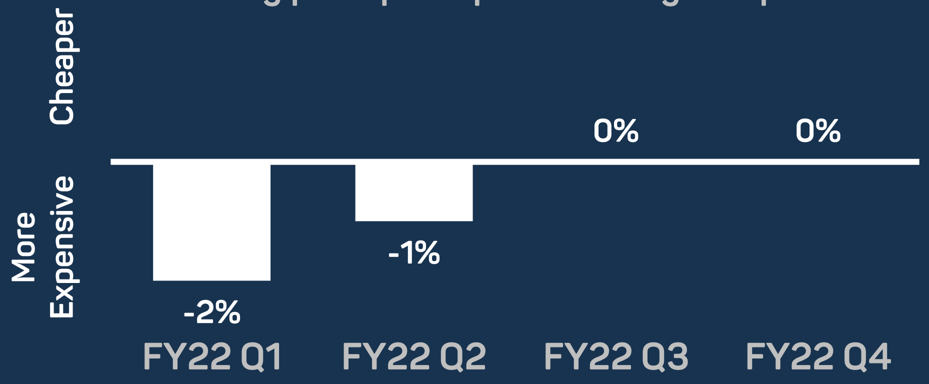
Pick n Pay Liquor

PRICES VALID 23 - 27 DECEMBER 2021

PRICE PERCEPTION

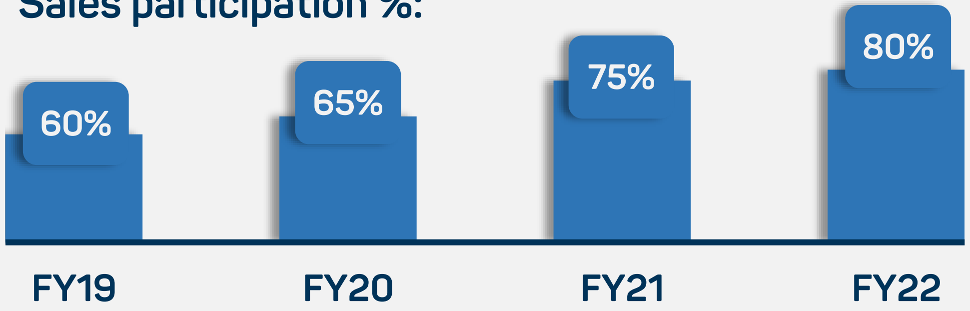
- Invested savings from Project Future to give our customers lower prices and better value
- Internal inflation 2,9% vs. CPI Food of 6,2%
- We have also improved price perception

Pick n Pay price perception vs. key competitor:



SMART SHOPPER

Sales participation %:



- 10-year anniversary last year
- Most used loyalty programme in South Africa[1]
- No other South African retailer has as much customer data
- Deploying insights to:
  - Shape our customer value proposition
  - Help our suppliers identify opportunities
  - Offer targeted and personalised promotions

[1]Truth/BrandMapp Loyalty Landscape survey

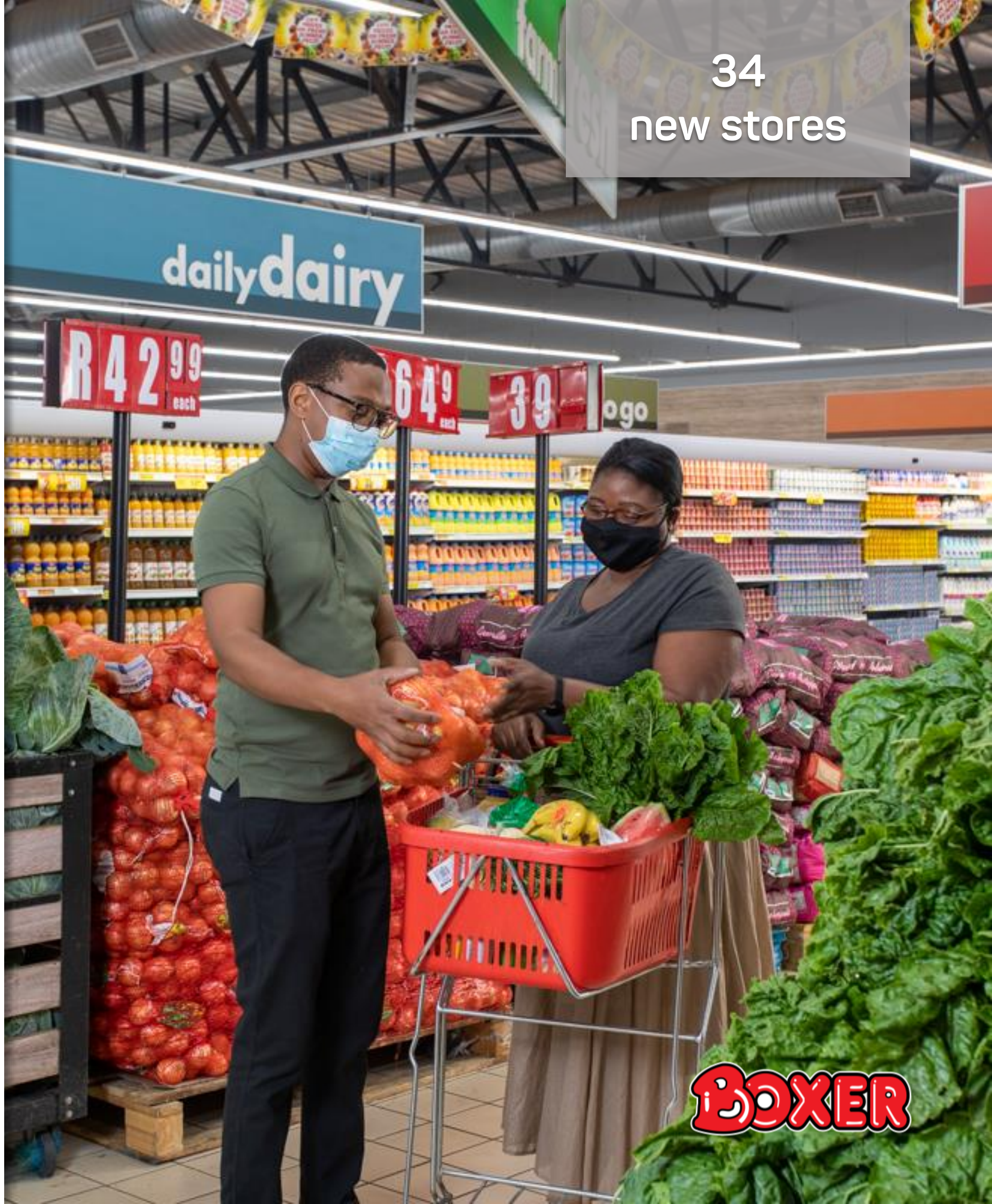
PICK N PAY RETAIL EASTPORT DC

STATE OF THE ART DC ON TRACK FOR FY24

- Will significantly increase our capacity in the inland region, ↑50% more throughput
- Will deliver greater efficiency through optimal layout and advanced picking technology
  - automated robotic pick tunnel replaces manual storage and picking processes
  - increased speed of execution
- ↓12% decrease in cost per case over the next five years

EXCEPTIONAL BOXER PERFORMANCE

- Winning strategy to give customers unbeatable prices, value, and service
- Boxer is still growing ahead of the market and gaining share in FY22
- Strong unit growth
- Growing owned and confined label participation
- Significant potential to serve more customers and communities

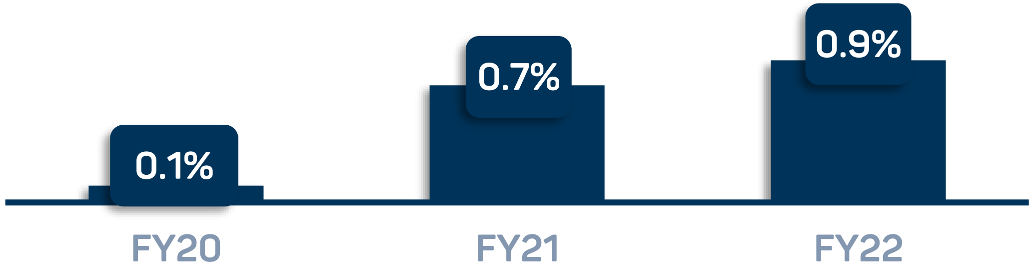


34
new stores

A WINNING CLOTHING PROPOSITION

- Winning proposition providing high-quality wardrobe essentials at great price points
- 21.0% sales growth YoY, 11.7% 2-year CAGR
- Gained significant market share for the third consecutive year – including in key womenswear category

Cumulative share gains since FY18:

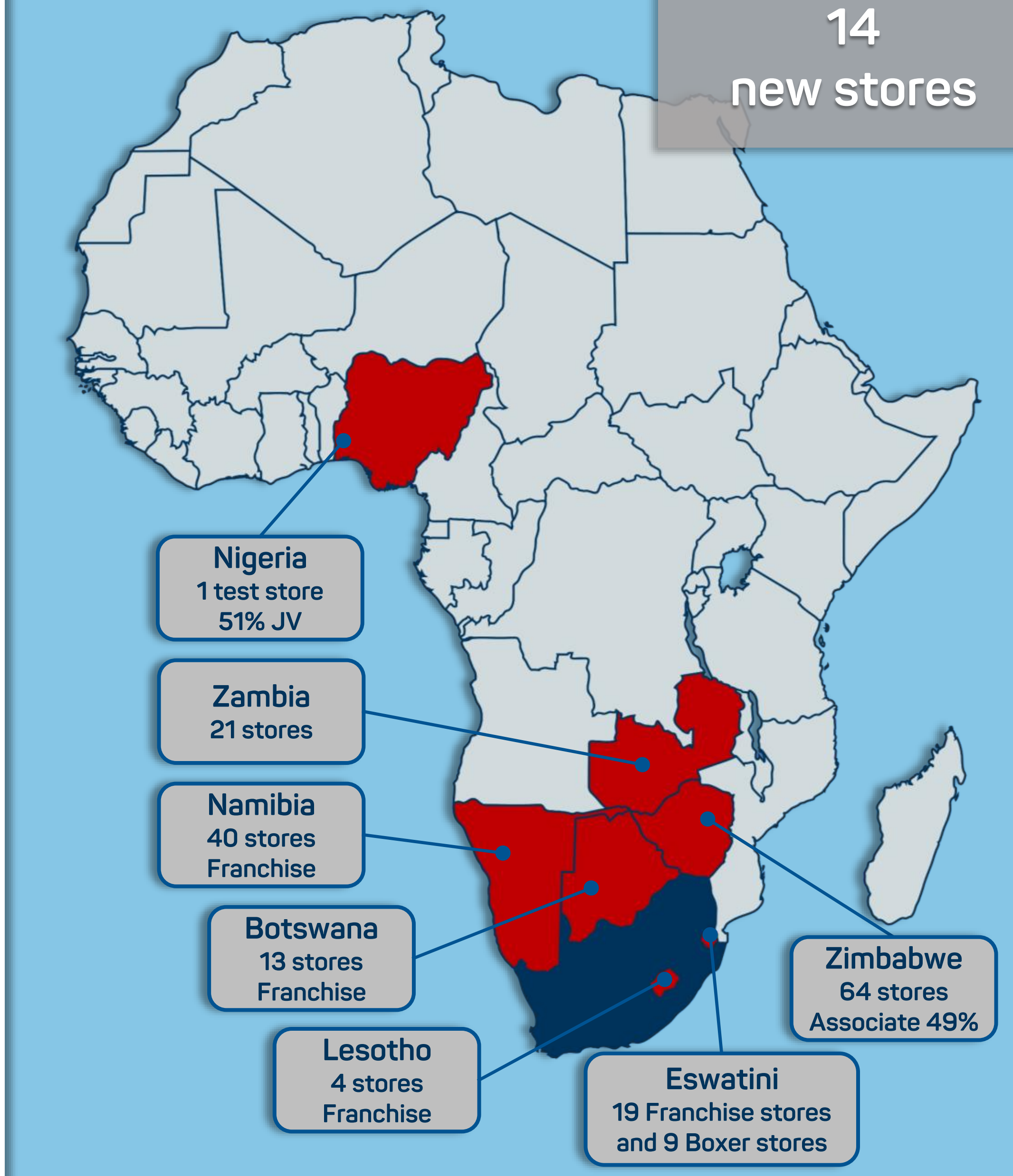


- 40% of FY22 sales were locally sourced
- Accelerating Clothing rollout targeting 66 new stores and the space expansion of 5 regional flagships in FY23

THE REST OF AFRICA

- 7 countries with 171 stores
- Challenges persist, geopolitical uncertainty, and hyperinflation
- Contribution to the overall Group profit of R119m
- Our strategy remains that of securing steady growth by being a relevant and profitable player wherever we trade

14
new stores



Pick n Pay

RAPIDLY GROWING OMNICHANNEL

- asap! continues growth trajectory with over 300% YoY growth since relaunch
- Overall Omnichannel division 2-year CAGR is 73%
- asap! orders are now picked from more than 390 stores
- Huge opportunity to be unlocked in a fast-growing market

THE GROUP IS WELL POSITIONED TO GROW IN THE FUTURE

THANK YOU

- Thank you to our amazing staff for a resilient result
- The Group is well-positioned to grow in the future
- Confident that there is more potential to be unlocked
- Some potential inflationary and cost pressures expected in FY23
- Will present Strategic Plan for FY23 and beyond

APPENDIX

REPORTING IMPACT OF CIVIL UNREST

	FY22
Lost sales	R1 775.0m
Stock losses in gross profit - fully recovered from insurance	R627.8m
Additional expenses in gross profit – fully recovered from insurance	R68.0m
Gross profit margin impact	0.8%
Other income – insurance recoveries[1]	R893.4m
Trading expenses margin impact	0.3%
Capital items	R53.7m
- asset losses at book value	(R156.8m)
- asset recovery at replacement value	R210.5m
Total insurance proceeds	R1 103.9m
- received during the year	R958.7m
- payment received post balance sheet date	R145.2m

[1] Includes R145.2m interim payments received post year-end

The Group lost an estimate R1.8bn of turnover due to severe disruption as a result of the civil unrest:

- 212 stores (16 stores still closed)
- 2 distribution centres
- 551 precautionary store closures

The Group incurred material damage losses which has been recovered in full in FY22, under its SASRIA riot insurance covers

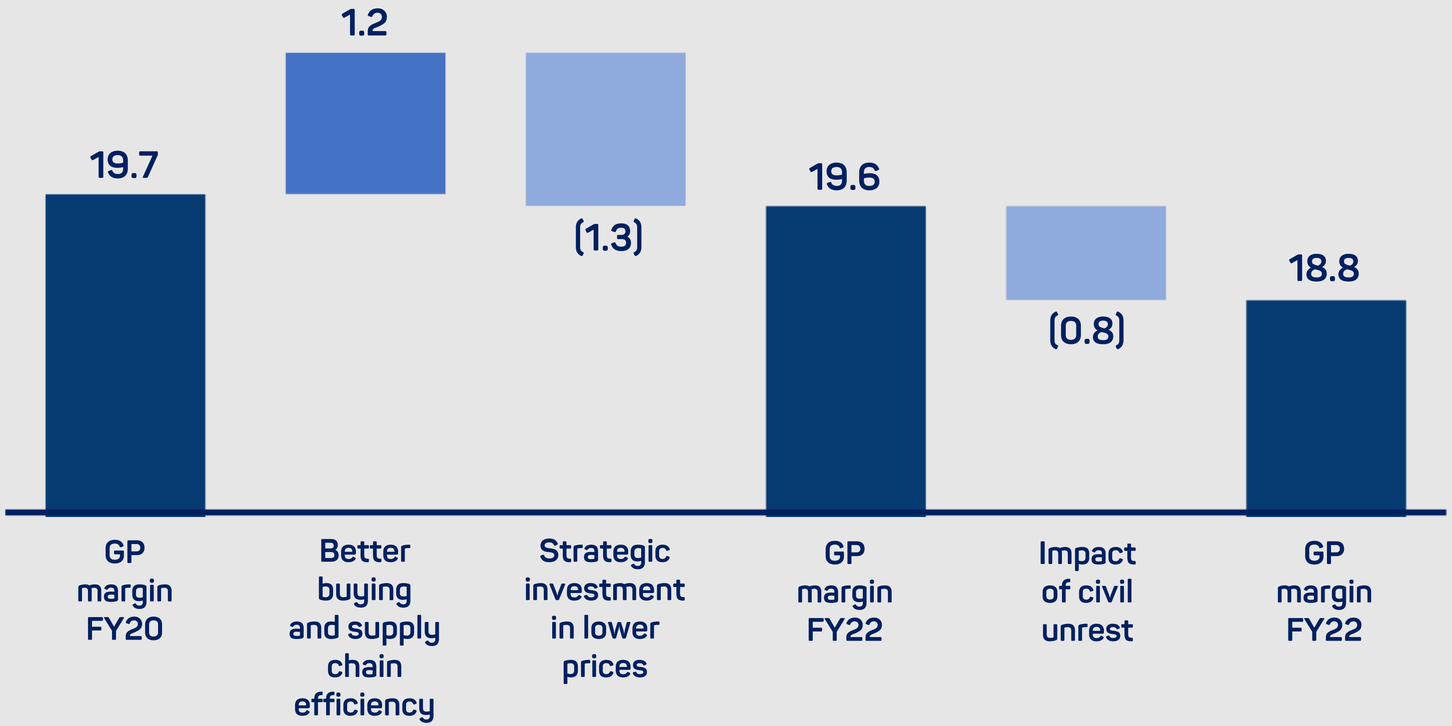
Total insurance proceeds of R1.1bn include R893.4m in other income and R210.5m in capital items

Pro forma PBT and pro forma HEPS metrics include interim payments of R145.2m received post year-end

Balance of lost earnings expected to be recovered in FY23 - recoveries will mitigate increased cost of working as a result of the unrest to some extent

GROSS PROFIT EVOLUTION FY20 TO FY22

Two-year reported gross profit margin evolution (%)



Gross profit margin reflects:

- Project Future better buying and supply chain efficiencies
- greater centralisation in Boxer , with further expansions planned for both FY23 and FY24

Cost savings enabled strategic investment in lower prices of 130 basis points over the last two years

Severe impact from civil unrest of 80 basis points

- stock write-offs
- additional distribution and security costs
- fixed costs

DELIVERED PROJECT FUTURE PHASE 1

Rm	FY21	FY22	Total
Modernising our workforce roles & structures across operations, supply chain & offices	350	200	550
Outstanding control of shrink & waste and gross profit optimisation	150	150	300
Improved cost control and interest savings through working capital management	100	50	150
Project Future savings	600	400	1 000

Delivered Project Future Phase 1

EPS TO PRO FORMA HEPS

Cents per share	FY22	FY21	% change
EPS	253.34	202.52	25.1
Capital items	9.25	26.79	
HEPS	262.59	229.31	14.5
Non-cash hyperinflation impact	5.24	6.11	
Comparable HEPS	267.83	235.42	13.8
Business interruption insurance proceeds*	21.81	-	
Pro-forma HEPS	289.64	235.42	23.0

*Refer to the Summarised Group Annual Financial Statements for the 52 weeks ended 27 February 2022 for detail on pro forma disclosures

Reported EPS includes the impact of non-cash hyperinflation accounting in Zimbabwe and all items of a capital nature

Reported HEPS, excludes all capital items, but specifically includes non-cash hyperinflation net monetary adjustments in Zimbabwe

Comparable HEPS excludes the R25.1m non-cash hyperinflation net monetary loss recognised in Zimbabwe over the period (FY21: R29.2m loss)

Pro forma HEPS includes R145.2m (R104.5m net of tax) of business interruption insurance proceeds received in March 2022 (post year-end)*

ADDITIONAL EARNINGS METRICS

Pro forma EBITDA growth	8.7%
Pro forma EBITDA margin	6.6%
Pro forma EBIT growth	11.1%
Pro forma EBIT margin	3.2%
Pro forma PBT growth	24.9%
Pro forma PBT margin	2.0%

All metrics exclude non-cash hyperinflation accounting and items of a capital nature; and include R145.2m of insurance proceeds

Pro forma EBITDA up 8.7% exclude depreciation and interest, including those related to the Group's lease portfolio under IFRS 16

IFRS 16 Lease interest decreased 4.1%, combined with IFRS 16 depreciation charges (up 10.4%) the increase is 4.7%, reflecting the Group's focus on reducing its cash cost of occupancy

Depreciation and amortisation up just 1.5% (excluding IFRS 16):

- careful management of capital investment
- targeted repairs and maintenance – up 11.0%
- a move away from software ownership to strategic software service providers including cloud migration

Net interest paid decreased 61.7% year-on-year supported by lower average interest rates and operating and working capital efficiencies

RESILIENT TM PERFORMANCE

Rm	FY22	FY21
Opening balance	69.7	50.4
Share of associate's earnings – excluding non-cash hyperinflation impact	96.7	109.2
Non-cash hyperinflation impact	(25.1)	(29.2)
Dividends received	(20.1)	-
Foreign translation recorded in equity	(0.8)	20.9
Impairment loss on investment in associate	(14.4)	(81.6)
Closing balance	106.0	69.7

Resilient sales and earnings performance, notwithstanding inflationary cost pressures

Sustained market share gains drove underlying volume growth up 23.5% year-on-year, supported by store refurbishments

The fair value 49% stake in TM reflects the application of hyperinflation accounting and significant currency devaluation:

- 28 February 2021: 115.0 ZWL$: 1.0 USD
- 27 February 2022: 186.0 ZWL$: 1.0 USD

Fair value of investment reassessed at R106m - recognising:

- strong operating performance
- high levels of liquidity
- the remittance of dividends to South Africa

64 stores in Zimbabwe – 32 trading as Pick n Pay, with 3 new stores during the period

EFFICIENT WORKING CAPITAL MANAGEMENT

Rm	FY22	FY21	% change
Inventory	8 277.3	7 193.3	15.1
Trade and other receivables	4 314.1	3 910.4	10.3
Current	4 207.6	3 743.7	12.4
Non-current	106.5	166.7	(36.1)
Trade and other payables	13 065.2	12 198.8	7.1

Inventory up 15.1%, driven by:

- R900m strategic investment buys
- 72 net new company-owned stores
- increased centralisation across Boxer

Solid improvement in LFL inventory:

- reduction of duplicate, slow moving and uneconomic lines in the business
- higher on-shelf availability, lower shrink and waste

Trade receivables up 10.3% driven by:

- support post civil unrest, recovered after year-end
- underlying strength in quality of franchise debtors book - impairment provision of 4.7% (FY21: 5.0%)

Trade payables up 7.1%:

- effective use of supply chain financing programme included in borrowings to unlock margin benefit
- rationalisation of payment days delivered working capital efficiencies

STABLE LIQUIDITY

Net funding position	27 February 2022 Rm	28 February 2021 Rm
Cash balances	1 425.3	1 915.1
Cash investments	5 000.0	3 500.0
Cost effective overnight borrowings	(2 800.0)	(1 951.4)
Cash and cash equivalents	3 625.3	3 463.7
One to three-month borrowings	(1 650.0)	(1 640.0)
Six to 12-month borrowings	(1 950.0)	(1 450.0)
Net funding position at period-end	25.3	373.7
Working capital - invoice financing facility	(403.1)	(241.2)
Net funding position	(377.8)	132.5
Total facilities	10 829.2	10 118.2

The Group maintained its net positive cash position, supported by resilient operational cash flow and management of capital and operational spend

Careful liquidity management in a highly-disrupted trading environment and extended shorter-dated debt into six and 12-month funding

Surplus funds invested in high-yield money market accounts

Strong liquidity will support the required funding for the Group's new strategic plan