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IMPORTANT: You must read the following disclaimer before continuing. This electronic transmission disclaimer applies to the attached pre-listing statement dated 11 November 2024 ("**Pre-listing Statement**") issued by Boxer Retail Limited (formerly Boxer Retail Proprietary Limited), registration number 2024/392006/06, a public company with limited liability incorporated in accordance with the laws of South Africa (as defined below) (the "**Company**"). You are advised to read this disclaimer carefully before reading, accessing or making any other use of the Pre-listing Statement. In accessing the Pre-listing Statement, you agree to be bound by the following terms and conditions (in addition to, and without derogating from, the terms and conditions set out in the Pre-listing Statement), including any modifications to them from time to time, each time you receive any information as a result of such access. You acknowledge that this electronic transmission and the delivery of the Pre-listing Statement is confidential and is intended for you only **and you agree that you will not forward, reproduce, copy, download, or publish this electronic transmission or the Pre-listing Statement (electronically or otherwise), in whole or in part, to any other person**.

The Pre-listing Statement has been prepared in connection with the offer for subscription by the Company of the Subscription Shares (as defined in the Pre-listing Statement), and issuance by the Company of the Overallotment Shares (as defined in the Pre-listing Statement) (the Subscription Shares, together with the Overallotment Shares, the "**Offer Shares**") (the "**Offer**"), and the admission to listing and trading of all the issued Ordinary Shares (as defined in the Pre-listing Statement) on the Main Board of the Johannesburg Stock Exchange, a licensed securities exchange operated by the JSE Limited, as a primary listing (the "**Admission**").

THE DISTRIBUTION OF THE PRE-LISTING STATEMENT MAY BE RESTRICTED BY APPLICABLE LAW AND REGULATION IN CERTAIN JURISDICTIONS. NEITHER THE PRE-LISTING STATEMENT NOR ANY ADVERTISEMENT OR ANY OTHER RELATED MATERIAL MAY BE DISTRIBUTED OR PUBLISHED IN ANY JURISDICTION EXCEPT UNDER CIRCUMSTANCES THAT WILL RESULT IN COMPLIANCE WITH APPLICABLE LAWS AND REGULATIONS.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN THE UNITED STATES OF AMERICA (THE "**UNITED STATES**") OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO.

THE OFFER SHARES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "**U.S. SECURITIES ACT**") OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES AND, MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES EXCEPT TO PERSONS REASONABLY BELIEVED TO BE "QUALIFIED INSTITUTIONAL BUYERS" IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT ("**RULE 144A**") OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE OFFER SHARES BEING OFFERED AND SOLD OUTSIDE THE UNITED STATES ARE BEING OFFERED PURSUANT TO, AND IN ACCORDANCE WITH, REGULATION S UNDER THE U.S. SECURITIES ACT ("**REGULATION S**") AND APPLICABLE SECURITIES REGULATIONS IN EACH JURISDICTION IN WHICH THE OFFER SHARES ARE OFFERED. PROSPECTIVE INVESTORS IN THE OFFER SHARES ARE HEREBY NOTIFIED THAT SELLERS OF THE OFFER SHARES MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE U.S. SECURITIES ACT PROVIDED BY RULE 144A, OR ANOTHER EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT. FOR A DESCRIPTION OF THESE AND CERTAIN FURTHER RESTRICTIONS ON OFFERS, SALES AND TRANSFERS OF THE OFFER SHARES AND THE DISTRIBUTION OF THIS PRE-LISTING STATEMENT, SEE "*PART XVII – SELLING AND TRANSFER RESTRICTIONS*." THE OFFER SHARES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER UNITED STATES REGULATORY AUTHORITY, NOR HAVE ANY OF THE FOREGOING AUTHORITIES PASSED UPON OR ENDORSED THE MERITS OF THE OFFER OR THE ACCURACY OR ADEQUACY OF THE PRE-LISTING STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

THIS ELECTRONIC TRANSMISSION AND THE PRE-LISTING STATEMENT MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, REDISTRIBUTION OR REPRODUCTION OF THIS ELECTRONIC TRANSMISSION OR THE PRE-LISTING STATEMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF APPLICABLE LAWS AND REGULATIONS.

This Pre-listing Statement has been prepared in accordance with the listings requirements of the JSE Limited ("**JSE Listings Requirements**"). This Pre-listing Statement does not constitute, advertise or relate to an offer to the public (as defined in the South African Companies Act, No. 71 of 2008, as amended (the "**Companies Act**")) for the sale of or subscription for, or the solicitation of an offer to buy or subscribe for, securities. In the Republic of South Africa ("**South Africa**"), this Pre-listing Statement will not be distributed to any person in any manner which could be construed as an offer to the public in terms of the Companies Act and is only directed at (i) financial institutions and other persons who are referred to in section 96(1)(a) of the Companies Act; (ii) selected persons in South Africa in respect of whom the total contemplated acquisition cost for Offer Shares is not less than ZAR1,000,000 per single addressee acting as principal as contemplated in section 96(1)(b) of the Companies Act; and (iii) the Boxer LTIP (as defined below) and participants in the Boxer LTIP, being an employee share scheme that meets the requirements of section 97 of the Companies Act, as contemplated in section 96(1)(f) of the Companies Act (together with persons contemplated in (i) and (ii), and in each case to whom the Offer is specifically addressed, "**South African Qualifying Investors**"). Should any person in South Africa who is not a South African Qualifying Investor receive or access this document, they should not and will not be entitled to acquire any Offer Shares described in the Pre-listing Statement or otherwise act thereon. The Pre-listing Statement has been approved by, and filed with, the Financial Surveillance Department of the South African Reserve Bank and the JSE Limited. The Pre-listing Statement does not, nor is it intended to, constitute a prospectus registered, or an advertisement relating to an offer to the public, under the Companies Act and accordingly, does not comply with the substance and form requirements for prospectuses set out in the Companies Act and the South African Companies Regulations, 2011 ("**Companies Regulations**"), and has not been approved by, and/or registered with, the Companies and Intellectual Property Commission. Nothing in the Pre-listing Statement should be viewed, or construed, as "*advice*" as that term is used in the South African Financial Markets Act, No. 19 of 2012, as amended, and/or the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002, as amended ("**FAIS Act**"), and nothing in the Pre-listing Statement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The information contained in this Pre-listing Statement constitutes factual information as contemplated in section 1(3)(a) of the FAIS Act and should not be construed as an express or implied recommendation, guide or proposal that any particular transaction in respect of the Offer Shares or in relation to the business or future investments of the Company, is appropriate to the particular investment objectives, financial situations or needs of a prospective investor. The Company is not a financial services provider licensed as such under the FAIS Act and the Company's advisers are acting for the Company only in respect of the Offer and the Admission and are not giving or purporting to have given any financial advice as contemplated in the FAIS Act to any prospective investor of the Company.

In the United Kingdom, this electronic transmission and the attached Pre-listing Statement is only being distributed to and is only directed at, and any investment or investment activity to which the document relates is available only to, and will be engaged in only with (A) (i) persons falling within the definition of "investment professionals" in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order, and (iii) other persons to whom such investment or investment activity may lawfully be communicated or caused to be communicated who are also (B) persons who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (as amended) as it forms part of assimilated law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") (all such persons together being referred to as "**Relevant Persons**").

In the European Economic Area ("**EEA**"), this electronic transmission and the attached Pre-listing Statement are directed only at persons in member states of the EEA (each a "**Member State**") who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129, as amended) ("**EU Prospectus Regulation**") ("**Qualified Investors**"). The Offer Shares are only available to, and any invitation, offer or agreement to purchase or otherwise acquire such Shares will be engaged (i) in the United Kingdom, only with Relevant Persons; and (ii) in any member state of the EEA, only with persons who are Qualified Investors. Any person who is not a (i) Relevant Person in the United Kingdom; or (ii) Qualified Investor in any Member State of the EEA, should not act or rely on this electronic transmission and the attached Pre-listing Statement or any of its contents.

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares which are the subject of the Offer have been subject to a product approval process, which has determined that such Offer Shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3

of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that (i) the price of the Offer Shares may decline and investors could lose all or part of their investment; (ii) the Offer Shares offer no guaranteed income and no capital protection; and (iii) an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators and Joint Bookrunners (as defined below) will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the Target Market Assessment does not constitute (i) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A, respectively, of the FCA Handbook Conduct of Business Sourcebook; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended ("**MiFID II**"); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the "**MiFID II Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares which are the subject of the Offer have been subject to a product approval process, which has determined that such Offer Shares are (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all permitted distribution channels as are permitted by MiFID II (the "**MiFID II Target Market Assessment**"). Notwithstanding the MiFID II Target Market Assessment, "distributors" (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The MiFID II Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. Furthermore, it is noted that, notwithstanding the MiFID II Target Market Assessment, the Joint Global Coordinators and Joint Bookrunners will only procure investors who meet the criteria of professional clients and eligible counterparties.

For the avoidance of doubt, the MiFID II Target Market Assessment does not constitute (i) an assessment of suitability or appropriateness for the purposes of MiFID II; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares.

Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining appropriate distribution channels.

CONFIRMATION OF YOUR REPRESENTATION: This electronic transmission and the Pre-listing Statement are delivered to you on the basis that you are deemed to have warranted and represented to the Company, FirstRand Bank Limited acting through its Rand Merchant Bank division ("**RMB**"), Morgan Stanley & Co. International plc ("**Morgan Stanley**"), Absa Bank Limited, acting through its Corporate and Investment Banking division ("**Absa**") and The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division ("**SBSA**," and together with Absa, Morgan Stanley, and RMB, the "**Joint Global Coordinators and Joint Bookrunners**") that: (i) you are acting on behalf of, or you are either (a) outside the United States (as defined in Regulation S under the U.S. Securities Act), or (b) in the United States and a Qualified Institutional Buyer that is acquiring securities for your own account or for the account of another Qualified Institutional Buyer and that you consent to delivery of this document by electronic transmission; (ii) if you are in South Africa, or any person for whom you are acting is in South Africa, you (and any such person) are a South African Qualifying Investor; (iii) if you are in the EEA: (a) you are a Qualified Investor; and (b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation, (A) such Offer Shares acquired by it in the Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators and Joint Bookrunners (as such terms are defined in the Pre-listing Statement) have been given to the offer or resale; or (B) where such Offer Shares have been acquired by it on behalf of persons in any relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons; (iv) if you are in the United Kingdom, you are a Relevant Person; and (v) if you are outside the United States, the United Kingdom, the EEA and South Africa (and the electronic mail addresses that you provided, and to which the Pre-listing Statement has been delivered, are not located in such jurisdictions), you are a person into whose possession the Pre-listing Statement may lawfully be delivered in accordance with the laws of the jurisdiction in which you are located.

You may not, nor are you authorised to, deliver this electronic transmission or the Pre-listing Statement, electronically or otherwise, to any other person.

The Pre-listing Statement has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission, and consequently the Company, and the Joint Global Coordinators and Joint Bookrunners, any person who controls the Company or the Joint Global Coordinators and Joint Bookrunners, any director, officer, employee or agent of any of them or any affiliate of any such person does not accept, and will not assume, any liability or responsibility whatsoever in respect of any difference between the Pre-listing Statement distributed to you in electronic format and the hard copy version of the Pre-listing Statement. If verification is required, please request a hard copy of the Pre-listing Statement.

You are responsible for protecting against viruses and other destructive items. Your receipt of this electronic transmission or the Pre-listing Statement via electronic communication is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

None of the Joint Global Coordinators and Joint Bookrunners or any of their respective affiliates, or any of their respective directors, officers, employees or agents accepts any responsibility whatsoever for the contents of the Pre-listing Statement or for any statement made or purported to be made by it, or on its behalf, in connection with the Company or the Offer and the Admission. The Joint Global Coordinators and Joint Bookrunners and any of their respective affiliates and their respective directors, officers, employees and agents accordingly disclaim all and any liability whether arising in tort, delict, contract, or otherwise which they might otherwise have in respect of such document or any such statement. No representation or warranty, express or implied, is made by any of the Joint Global Coordinators and Joint Bookrunners or any of their respective affiliates or their respective directors, officers, employees and agents as to the accuracy, completeness, reasonableness or sufficiency of the information set out in the Pre-listing Statement.

The Joint Global Coordinators and Joint Bookrunners are acting exclusively for the Company, and no one else in connection with the Offer. They will not regard any other person (whether or not a recipient of the Pre-listing Statement) as its client in relation to the Offer and will not be responsible to anyone other than the Company for providing the protections afforded to its clients nor for giving advice in relation to the Offer or any transaction or arrangement referred to herein.

You shall also be deemed to have represented to each of the Company and the Joint Global Coordinators and Joint Bookrunners that you consent to delivery by electronic transmission.

You are reminded that you have received this electronic transmission and the attached document on the basis that you are a person into whose possession this electronic transmission and the attached document may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this electronic transmission or the attached document, electronically or otherwise, to any other person.

This document is not for viewing, publication, release or distribution in any jurisdiction where such distribution is unlawful.

FAILURE TO COMPLY WITH THIS ELECTRONIC TRANSMISSION MAY RESULT IN THE VIOLATION OF THE APPLICABLE SECURITIES LAWS OR REGULATIONS OF CERTAIN JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS ELECTRONIC TRANSMISSION OR THE PRE-LISTING STATEMENT CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO SUBSCRIBE FOR ANY OF THE SECURITIES DESCRIBED IN THE PRE-LISTING STATEMENT. YOUR ATTENTION IS SPECIFICALLY DRAWN TO "*PART XVII – SELLING AND TRANSFER RESTRICTIONS*" OF THE PRE-LISTING STATEMENT FOR THE DISCLAIMERS AND SELLING RESTRICTIONS THAT APPLY TO THIS ELECTRONIC TRANSMISSION AS IF SPECIFICALLY STATED HEREIN.

Boxer Retail Limited
(formerly Boxer Retail Proprietary Limited)
(incorporated in the Republic of South Africa)
(Registration number: 2024/392006/06)
JSE share code: BOX; ISIN: ZAE000339891
(the "**Company**" or "**Boxer**")

PRE-LISTING STATEMENT

The definitions and interpretations contained in "*Annexe 18 – Definitions, Glossary and Interpretation*" to this Pre-listing Statement apply to this entire document, including the cover page, except where the context indicates a contrary intention.

THIS PRE-LISTING STATEMENT DOES NOT CONSTITUTE AN OFFER TO ANY PERSON IN ANY JURISDICTION TO SELL OR ISSUE OR AN OFFER TO BUY OR SUBSCRIBE FOR, ANY SECURITY, NOR SHALL THERE BE ANY SALE, ISSUANCE, TRANSFER OR DELIVERY OF THE SECURITIES REFERRED TO IN THIS PRE-LISTING STATEMENT IN ANY JURISDICTION IN CONTRAVENTION OF APPLICABLE LAW, OR WHERE FURTHER ACTION IS REQUIRED FOR SUCH PURPOSE.

This Pre-listing Statement has been prepared and issued in compliance with the JSE Listings Requirements for the purposes of providing information to selected prospective investors with regard to the business and affairs of the Company and its subsidiaries (together, the "**Group**") and has been prepared on the basis that the Admission shall become effective and be implemented.

This Pre-listing Statement relates to an offer for subscription by the Company of up to 190,476,191 Subscription Shares, and issue by the Company of up to 11,904,762 Overallotment Shares, (the "**Subscription Shares**," together with the Overallotment Shares, the "**Offer Shares**") and the Admission in terms of which the Ordinary Shares will be admitted to listing and trading on the Main Board of the JSE. The Company has granted the Stabilisation Manager an Overallotment Option to subscribe for or procure subscribers for up to the maximum number of Overallotment Shares (at the Offer Price) in the Offer for purposes of Stabilisation. The Offer Shares, including the Overallotment Shares (if the Overallotment Option is exercised in full) represent 37.1% of the total issued Ordinary Shares immediately following Admission, assuming an Offer Price in the middle of the Offer Price Range. The JSE Limited has approved the Admission of all of the Company's Ordinary Shares in the *Personal Care, Drug and Grocery Stores – Food Retailers and Wholesalers* sub-sector of the JSE index, under the abbreviated name "Boxer" and share code "BOX," subject to the fulfilment of certain conditions (including the spread and minimum free-float requirements as set out in the JSE Listings Requirements). The International Securities Identification Number ("**ISIN**") for the Ordinary Shares (including the Offer Shares) is ZAE000339891. It is expected that the Admission and dealings in the Ordinary Shares on the JSE will commence with effect from the commencement of trading on Thursday, 28 November 2024.

Concurrently with, and to support, the Offer and Admission, The International Finance Corporation ("**IFC**") has agreed ("**Cornerstone Investment**") to subscribe for Offer Shares at the Offer Price for an aggregate consideration of ZAR350 million on the Settlement Date as part of the Offer (the "**Cornerstone Investment Shares**"). In addition, Boxer Superstores, the direct subsidiary of the Company, has agreed (the "**Boxer Superstores LTIP Investment**") to subscribe for Offer Shares at the Offer Price for an aggregate consideration of ZAR205.0 million in connection with the funding of the Boxer LTIP (as defined in the Pre-listing Statement) (the "**Boxer Superstores LTIP Investment Shares**"). The Cornerstone Investment, together with the Boxer Superstores LTIP Investment, have resulted in 6.5% coverage of the Offer (assuming an Offer size of ZAR8.5 billion) at the Offer Price between them. See "*Part II – Overview of the Offer – Cornerstone Investment and Boxer Superstores LTIP Investment*."

Investing in Ordinary Shares involves risks. See "Part IV – Risk Factors" for a description of the risk factors that should be carefully considered before investing in the Ordinary Shares.

The Offer is subject to minimum acceptances. The minimum acceptances of Offer Shares which must be realised is that which enables the Company to ensure that the Company has, once the Offer is completed, such number and composition of Shareholders as will enable it to meet the minimum free-float and shareholder spread requirements, as prescribed by the JSE Listings Requirements and acceptable to the JSE Limited. There is no minimum capital requirement to be realised by the Offer. Admission will not proceed if the minimum level of acceptances is not achieved, and any acceptance of the Offer shall not take effect and no person shall have any claim whatsoever against the Company and the Joint Global Coordinators and Joint Bookrunners or any other person as a result of the failure of any condition.

The Ordinary Shares (including the Offer Shares) will only be issued and sold, and will only be traded on the JSE, in Dematerialised Form and, as such, no documents of title will be issued to any investor. Accordingly, all successful applicants for Offer Shares must appoint a CSDP or Broker to receive and hold their Offer Shares on their behalf.

This Pre-listing Statement does not constitute an offer or invitation to the public or any section of the public in any jurisdiction to subscribe for or purchase any Shares in the Company. Consequently, this Pre-listing Statement does not, nor does it intend to, constitute a prospectus in accordance with the laws of any jurisdiction. The Offer will consist solely of separate private placements, subject to certain conditions, to selected investors to whom the Offer will be specifically addressed in various jurisdictions, including in South Africa, and it is only being addressed to persons to whom it may be lawfully made. There will be no public offering of any Shares in any jurisdiction.

In South Africa, the Offer will be made to South African Qualifying Investors, being: (i) to financial institutions and other persons who are referred to in section 96(1)(a) of the Companies Act; and (ii) to selected persons in South Africa in respect of whom the total contemplated acquisition cost for Offer Shares is not less than ZAR1,000,000 per single addressee acting as principal as contemplated in section 96(1)(b) of the Companies Act (together with persons contemplated in (i), in each case to whom the offer is specifically addressed). Accordingly, (i) the Offer is not an offer to the public as contemplated in the Companies Act; (ii) this Pre-listing Statement does not, nor does it intend to, constitute a "registered prospectus" or an advertisement relating to an offer to the public, as contemplated by the Companies Act; and (iii) no prospectus has been filed with the CIPC in respect of the Offer or any aspect thereof. The JSE Limited has approved this Pre-listing Statement.

The Offer Shares are being offered, issued, and sold, as applicable, within the United States to persons reasonably believed to be qualified institutional buyers ("**QIBs**") as defined in Rule 144A ("**Rule 144A**") under the U.S. Securities Act, pursuant to Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable U.S. state and other securities laws, and outside the United States in accordance with Regulation S under the U.S. Securities Act ("**Regulation S**").

The Offer is only made in those jurisdictions in which, and only to those persons to whom, offers, issuances and sales of the Offer Shares may lawfully be made. The Offer and the distribution of this Pre-listing Statement, any related materials and the offer, acceptance, delivery, transfer, exercise, purchase of, or trade in, Ordinary Shares may be restricted by law in jurisdictions and therefore persons into whose possession this Pre-listing Statement comes should inform themselves and observe any restrictions. The Offer Shares have not been and will not be registered under the U.S. Securities Act or under the applicable securities laws or the regulations of any state of the United States and, may not be offered, issued or sold, as applicable, except: (i) within the United States to persons reasonably believed to be QIBs in reliance on Rule 144A under the U.S. Securities Act or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state and other securities laws; or (ii) to certain persons outside the United States in reliance on Regulation S under the U.S. Securities Act. There will be no public offer of the Offer Shares in the United States. Prospective investors are hereby notified that the Company may, in relation to the Offer Shares, be relying on the exemption from the registration requirements of Section 5 of the U.S. Securities Act provided by Rule 144A. Each purchaser of Offer Shares, in making a purchase, will be deemed to have made the acknowledgements, representations and agreements as set out in "*Part XVII – Selling and Transfer Restrictions*." Prospective investors in the Offer Shares should carefully read the restrictions described under "*Important Information – Notice to Prospective Investors*" and "*Part XVII – Selling and Transfer Restrictions*." Neither the Company, nor any Joint Global Coordinator and Joint Bookrunner is taking, or has taken, any action to permit a public offering of the Offer Shares in any jurisdiction.

As at the Last Practicable Date, the Company's issued share capital comprised of 300,000,000 Ordinary Shares and is expected to comprise of 477,083,334 Ordinary Shares on the date of Admission, assuming an Offer Price in the middle of the Offer Price Range. No Ordinary Shares are, or on the Admission Date, are expected to be, held as treasury shares by the Group. Further, there are no other classes of shares other than the Ordinary Shares.

The Directors, whose names are set out in "*Part X – Directors, Senior Management and Corporate Governance*" of this Pre-listing Statement, collectively and individually, accept full responsibility for the accuracy of the information provided in this Pre-listing Statement and certify that, to the best of their knowledge and belief there are no other facts, the omission of which would make any statement in this Pre-listing Statement false or misleading, and confirm that they have made all reasonable enquiries in this regard and confirm that this Pre-listing Statement contains all information required by the JSE Listings Requirements.

The release, publication or distribution of this Pre-listing Statement in jurisdictions other than South Africa may be restricted by law and therefore persons into whose possession this Pre-listing Statement comes should inform themselves about, and observe, such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdiction. No action has been, or will be taken, by the Company or the Joint Global Coordinators and Joint Bookrunners to permit a public offering of the Offer Shares in any jurisdiction. No action has been, or will be taken, to obtain any approval, authorisation or exemption to permit the possession or distribution of the Pre-listing Statement (or any other offering or publicity materials relating to the Offer Shares) in any jurisdiction outside South Africa where action for that purpose may be required or doing so is restricted by law. Accordingly, neither this Pre-listing Statement (nor any other offering or publicity materials relating to the Offer Shares) may be distributed or published in any jurisdiction except in full compliance with applicable laws and regulations. Persons into whose possession this Pre-listing Statement comes should inform themselves about, and observe, any application restrictions. Any failure to comply with these restrictions may constitute a violation of the laws or regulations of certain jurisdictions.

This Pre-listing Statement is only available in English and copies may be obtained from Company's registered office and the Sponsor's offices set out in "*Part I – Corporate Information*" during Business Hours from the date of issue of this Pre-listing Statement until the Admission Date (both days inclusive). A copy of an abridged version of this Pre-listing Statement (the "**Abridged Pre-listing Statement**") will be published on SENS on Monday, 11 November 2024, and in the press on Tuesday, 12 November 2024. A copy of this Pre-listing Statement and the Abridged Pre-listing Statement will also be available on the Company's website, www.boxerinvestor.co.za. Requests for electronic copies of this Pre-listing Statement and the Abridged Pre-listing Statement may be made by emailing the Company Secretary at CompanySecretary@boxer.co.za.

Date of Issue Monday, 11 November 2024

Joint Global Coordinator, Stabilisation Manager, Sponsor and Joint Bookrunner	*Joint Global Coordinator and Joint Bookrunner*	*Joint Global Coordinator and Joint Bookrunner*
Rand Merchant Bank (a division of FirstRand Bank Limited)	**Morgan Stanley & Co. International plc**	**Absa Bank Limited, acting through its Corporate and Investment Banking division**
Joint Global Coordinator and Joint Bookrunner	*South African legal adviser to the Company*	*International legal adviser to the Company*
The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division	**Bowman Gilfillan Inc. t/a Bowmans**	**Milbank LLP**

Independent Auditor	*South African legal adviser to Joint Global Coordinators and Joint Bookrunners*	*International legal adviser to Joint Global Coordinators and Joint Bookrunners*	*Transfer Secretary*
Ernst & Young Inc.	**Webber Wentzel**	**Linklaters LLP**	**Computershare Investor Services Proprietary Limited**

No representation or warranty, express or implied, is made by the Joint Global Coordinators and Joint Bookrunners as to the accuracy, completeness or verification of all of the information set out in this Pre-listing Statement, and nothing contained in this Pre-listing Statement is, or shall be relied upon, as a promise or representation in this respect, whether as to the past or the future. None of the Joint Global Coordinators and Joint Bookrunners assume responsibility for this Pre-listing Statement's accuracy, completeness or as to the verification of all the information and accordingly disclaim, to the fullest extent permitted by applicable law and regulation, any and all liability whether arising in delict, tort, contract or otherwise which it might otherwise be found to have in respect of this Pre-listing Statement or any such statement.

Prospective investors (i) should not rely on the Company, the Joint Global Coordinators and Joint Bookrunners or any person affiliated with them in connection with any investigation of the accuracy of any information contained in this Pre-listing Statement; (ii) should rely only on the information contained in this Pre-listing Statement; and (iii) are advised that no person has been authorised to give any information or to make any representation concerning the Group (other than as contained in this Pre-listing Statement), and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company or the Joint Global Coordinators and Joint Bookrunners. Other than as specifically stated in this Pre-listing Statement, the contents of the Company's website, any website mentioned in this Pre-listing Statement, or any website (directly or indirectly) linked to these websites have not been verified and are not incorporated into and do not form part of this Pre-listing Statement, and prospective investors should not rely on such information.

The advisers to the Company as set out herein are acting exclusively for the Company and no one else in connection with the Admission and Offer. They will not regard any other person (whether or not a recipient of this Pre-listing Statement) as their respective customers in relation to the Admission and Offer and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers nor for giving advice in relation to the Admission and Offer or any transaction or arrangement referred to in this Pre-listing Statement. The Independent Auditor, whose reports are contained in this Pre-listing Statement, have given and have not, prior to the date of this Pre-listing Statement, withdrawn their written consent to the inclusion of each of their reports in the form and context in which they appear herein. Each of the legal advisers, the Independent Auditor, Joint Global Coordinators and Joint Bookrunners and the Sponsor and other professional advisers named in this Pre-listing Statement have consented in writing to acting in those capacities as stated in this Pre-listing Statement, and to their names being stated in this Pre-listing Statement and have not withdrawn their consent prior to the publication of this Pre-listing Statement.

Prior to taking any action in respect of any transaction contemplated in this Pre-listing Statement, prospective investors should carefully read and consider the contents of this Pre-listing Statement in full and should only take action after having considered the potential effects of the transactions contemplated in terms hereof. The contents of this Pre-listing Statement should not be construed as legal, financial or tax advice. Each prospective investor should consult his, her or its own legal, financial or tax adviser as to the legal, financial, business, tax and related aspects of a purchase of, or a subscription for, Offer Shares.

Investing in the Offer Shares involves risks. A non-exhaustive list of risk factors relating to the Company and the Offer Shares is set out in "*Part IV – Risk Factors*" beginning on page 15 of this Pre-listing Statement.

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IMPORTANT INFORMATION

General

This Pre-listing Statement has been approved for the purposes of the Admission and Offer in terms of the JSE Listings Requirements by the JSE Limited. Such approval should not be considered as an endorsement of the quality of the securities that are the subject of this Pre-listing Statement and the Company. Investors should make their own assessment as to the suitability of investing in the Ordinary Shares.

Prospective investors should only rely on the information contained in this Pre-listing Statement. The Company does not undertake to update this Pre-listing Statement, unless required pursuant to the JSE Listings Requirements, and therefore prospective investors should not assume that the information in this Pre-listing Statement is accurate as at any date other than the date of this Pre-listing Statement. No person is or has been authorised to give any information or to make any representation in connection with the Admission and/or Offer, other than as contained in this Pre-listing Statement. If any information or representation not contained in this Pre-listing Statement is given or made, the information or representation must not be relied upon as having been authorised by the Company, the Joint Global Coordinators and Joint Bookrunners, the Sponsor or any of their respective affiliates or representatives. Neither the delivery of this Pre-listing Statement nor any issuance or sale of Ordinary Shares made under it at any time after the date of this Pre-listing Statement shall, under any circumstances, create any implication that there has been no change in the business or affairs of the Group since the date of this Pre-listing Statement or that the information contained in this Pre-listing Statement is correct as at any time since such date.

Prospective investors are expressly advised that an investment in the Ordinary Shares entails risks and that they should, therefore, carefully read and review the entire Pre-listing Statement. Prospective investors should not just rely on any key information or information summarised within this Pre-listing Statement. Prospective investors should, in particular, read the section entitled "*Part IV – Risk* Factors" when considering an investment in the Ordinary Shares. A prospective investor should not invest in the Ordinary Shares unless it has the expertise (either alone or with a financial adviser) to evaluate how the Ordinary Shares will perform under changing conditions, the resulting effects on the value of the Ordinary Shares and the impact this investment will have on the prospective investor's overall investment portfolio. Prospective investors should also consult their own tax advisers as to the tax consequences of the purchase, ownership and disposal of the Ordinary Shares.

Prospective investors should not treat the contents of this Pre-listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisers concerning the consequences of them receiving, acquiring, holding or disposing of the Ordinary Shares. This Pre-listing Statement should not be considered as a recommendation by any of the Company, the Directors, the Joint Global Coordinators and Joint Bookrunners, the Sponsor or any of their respective affiliates or representatives that any recipient of this Pre-listing Statement should purchase, or subscribe for, any Ordinary Shares. None of the Company, the Joint Global Coordinators and Joint Bookrunners, the Sponsor or any of their respective affiliates or representatives is making any representation to any prospective investor regarding the legality of an investment in the Ordinary Shares by such prospective investor under the laws and regulations applicable to such prospective investor.

Prospective investors should inform themselves as to, among other matters:

- the legal requirements within their own countries for the receipt, acquisition, purchase, holding, transfer or disposal of Ordinary Shares;
- any foreign exchange restrictions applicable to the receipt, acquisition, purchase, holding, transfer or disposal of Ordinary Shares which they might encounter; and
- the income and other tax consequences which may apply to them, in both South Africa and their jurisdiction of domicile or residence, as a result of the receipt, acquisition, purchase, holding, transfer or disposal of Ordinary Shares.

Prospective investors must rely upon their own representatives, including their own legal advisers and accountants, and not those of the Company, as to legal, tax, investment or any other related matters concerning the Company and an investment therein.

The information contained in this Pre-listing Statement constitutes factual information as contemplated in section 1(3)(a) of the FAIS Act and should not be construed as an express or implied recommendation, guidance or proposal that any particular transaction in respect of the Ordinary Shares is appropriate to the particular investment objectives, financial situations or needs of a prospective investor and nothing in this Pre-listing Statement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Company is not a financial services provider licensed as such under the FAIS Act and the Company's advisers are acting for the Company only in respect of the Offer and the Admission and are not giving or purporting to have given any financial advice as contemplated in the FAIS Act to any prospective investor.

Although the Joint Global Coordinators and Joint Bookrunners are parties to various agreements pertaining to the Offer and each of the Joint Global Coordinators and Joint Bookrunners has entered into or might enter into a financing or other arrangement with the Company, this should not be considered as a recommendation by any of them to invest in Ordinary Shares.

Apart from the responsibilities and liabilities, if any, which may be imposed on the Sponsor or Joint Global Coordinators and Joint Bookrunners in terms of applicable laws and regulations, none of the Sponsor, or the Joint Global Coordinators and Joint Bookrunners or any person affiliated with any of them accepts any responsibility whatsoever, nor makes any representation or warranty, express or implied, in respect of the contents of this Pre-listing Statement and, if applicable, any information incorporated by reference into this Pre-listing Statement, including its accuracy, completeness or verification or for any other statement made or purported to be made by any of them, or on behalf of them, in connection with the Company, the Group, and/or the Admission and nothing in this Pre-listing Statement is or shall be relied upon as a promise or representation in this respect, whether as to the past or future. The Sponsor and the Joint Global Coordinators and Joint Bookrunners accordingly disclaim, to the fullest extent permitted by applicable law, all and any responsibility and liability whatsoever, whether arising in delict, tort, contract or otherwise (save as referred to above) which either might otherwise have in respect of this Pre-listing Statement.

The Sponsor and the Joint Global Coordinators and Joint Bookrunners are acting exclusively for the Company and no one else in connection with the Admission. They will not regard any other person (whether or not a recipient of this Pre-listing Statement) as their respective customers in relation to the Admission and will not be responsible to anyone other than the Company for providing the protections afforded to their respective customers nor for giving advice in relation to the Admission or any transaction or arrangement referred to in this Pre-listing Statement.

Prospective investors should consult their own professional advisers before making any investment decision with regard to the Ordinary Shares, among other things, to consider such investment decision in light of their personal circumstances and in order to determine whether or not such prospective investor is eligible to subscribe for or purchase Ordinary Shares. In making an investment decision, prospective investors must rely on their own analysis, enquiry and examination of the Company, the Ordinary Shares and the Offer, including the merits and risks involved.

Nothing in this Pre-listing Statement constitutes an offer to sell or issue, or an offer to buy or subscribe for, any securities, nor shall there be any sale, issuance, transfer or delivery of the securities referred to in this Pre-listing Statement in any jurisdiction in contravention of applicable law, or where further action is required for such purpose.

This Pre-listing Statement may not be used for, or in connection with, and does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside South Africa. Persons in possession of this Pre-listing Statement are required to inform themselves about and to observe any such restrictions. No action has been taken or will be taken in any jurisdiction by the Company or the Joint Global Coordinators and Joint Bookrunners that would permit a public offering of the Offer Shares (or any Ordinary Shares), or the possession, circulation or distribution of this Pre-listing Statement or any other material relating to the Company or the Ordinary Shares (including the Offer Shares), in any jurisdiction where action for that purpose is required. None of the Company, the Board or any of the Joint Global Coordinators and Joint Bookrunners and the Sponsor accepts any responsibility for any violation by any person, whether or not such person is a prospective investor in the Ordinary Shares, of any of these restrictions. See the "*Part XVII – Selling and Transfer Restrictions*" section of this Pre-listing Statement and "*Notice to Prospective Investors*" section below for further information on these restrictions.

Each of the Company and the Joint Global Coordinators and Joint Bookrunners reserves the right in their own absolute discretion to reject any application to purchase or subscribe for the Offer Shares that the Company, the Joint Global Coordinators and Joint Bookrunners or their respective agents believe may give rise to a breach or violation of any laws, rules or regulations.

FORWARD-LOOKING STATEMENTS

This Pre-listing Statement includes statements that are, or may be deemed to be, "forward-looking statements." These forward-looking statements can be identified by the use of forward-looking terminology, including the terms "anticipates," "believes," "estimates," "expects," "intends," "may," "plans," "projects," "should," or "will," or, in each case, their negative, other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include all matters that are not historical facts and may include, without limitation, statements relating to the Admission and/or Offer and the expected terms, timing and closing of the Admission and Offer, as applicable, including receipt of required approvals and satisfaction of other customary closing conditions; and anticipated benefits of the Admission and Offer in connection with the estimated future performance and/or operations of the Group. They appear in a number of places throughout this Pre-listing Statement and include, but are not limited to, statements regarding the Company and its Group's intentions, beliefs or current expectations concerning, among other things, results of operations, prospects, growth, dividends, strategies and expectations of their respective businesses, the Admission and the Offer and their respective successful implementation.

By their nature, forward-looking statements involve known and unknown risks and uncertainties because they relate to future events and circumstances. Forward-looking statements are not guarantees of future performance and the actual results of the Company and its Group's operations and the development of the markets and the industry in which they operate or are likely to operate and their respective operations may differ materially from those described in, or suggested by, the forward-looking statements contained in this Pre-listing Statement. In addition, even if the results of operations and the development of the markets and the industry in which the Company and its Group operates, are consistent with the forward-looking statements contained in this Pre-listing Statement, those results, or developments may not be indicative of results or developments in subsequent periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements, including, without limitation, general economic and business conditions, industry trends, competition, changes in regulation, currency fluctuations and the other factors discussed in the section titled "*Part IV – Risk Factors*" and elsewhere in this Pre-listing Statement.

Forward-looking statements may, and often do, differ materially from actual results. Any forward-looking statements in this Pre-listing Statement speak only as at the date on which they are made and reflect the Company and the Group's current view with respect to future events and are subject to risks relating to future events and other risks, uncertainties and assumptions relating to the Company and its Group's operations, results of operations and growth strategy.

None of the Company or any member of its Group undertakes or is subject to any obligation to update the forward-looking statements to reflect actual results or any change in events, conditions or assumptions or other factors unless otherwise required by the JSE Listings Requirements. Any forward-looking statements in this Pre-listing Statement have not been reviewed nor reported on by the Independent Auditor.

OVERALLOTMENT AND STABILISATION

The Company has granted the Stabilisation Manager the Overallotment Option in connection with the Offer subject to customary terms and conditions. In terms thereof, the Stabilisation Manager may exercise the Overallotment Option or effect transactions only during the Stabilisation Period which may support the market price of the Ordinary Shares at a level higher than that which might otherwise prevail for a limited period after the Admission Date. The transactions effected by the Stabilisation Manager in connection with Stabilisation may under no circumstances continue beyond the Stabilisation Period. There is, however, no assurance that the Stabilisation Manager will undertake any Stabilisation. Such transactions may be effected on the JSE and will be carried out in accordance with applicable rules and regulations. Stabilisation, if commenced, may be discontinued at any time during the Stabilisation Period on two business days' notice to the JSE Limited and will in any event be discontinued after the Stabilisation Period.

MARKET, ECONOMIC AND INDUSTRY DATA

Without derogating from the Directors' responsibility statement in "*Part XIX – Additional Information*," the Company and/or its advisers have obtained market data and certain industry information used in this Pre-listing Statement from internal surveys, reports and studies, where appropriate, as well as market research, publicly available information and industry publications.

All references to industry forecasts, industry statistics, market data and market share in this Pre-listing Statement comprise estimates compiled by analysts, competitors, industry professionals and organisations, of publicly available information or of the Group's own assessment of its markets and sales. Statements based on the Company's own estimates, insights, opinions or proprietary information contain words such as "believe," "expect" and "see" and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read.

Industry publications generally state that the information they contain has been obtained from sources believed to be reliable, but that the accuracy and completeness of such information is not guaranteed and that the projections that they contain are based on a number of significant assumptions. Where third-party information has been sourced in this Pre-listing Statement, the source of such information has been identified. The Company has not independently verified and cannot give any assurances as to the accuracy of market data contained in this Pre-listing Statement that was extracted from these industry publications or reports and reproduced herein. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions. Such statistics are based on market research, which itself is based on sampling and subjective judgments by both the researchers and the respondents, including judgments about what types of products and transactions should be included in the relevant market. Similarly, internal surveys, estimates and market research, while believed to be reliable, have not been independently verified, and the Company does not make any representation as to the accuracy of such information and/or the veracity or appropriateness of research methodology, findings or information. Similarly, while the Company believes its internal estimates to be reasonable, they have not been verified by any independent sources, and the Company cannot give any assurance as to their accuracy.

The Company cautions prospective investors not to place undue reliance on the above-mentioned data. Unless otherwise indicated in the Pre-listing Statement, any statements regarding the Group's competitive position are based on the Company's own assessment and knowledge of the market in which it operates.

In this Pre-listing Statement, certain statements are made regarding the Group's competitive and market position. These statements are based on industry statistics and market data. The Company believes that such industry statistics and market data are true, but the Company has not independently verified the information. The Company cannot guarantee that a third-party using different methods to assemble, analyse or compute market data or public disclosure from competitors would obtain or generate the same results. In addition, the Group's competitors may define their markets and their own relative positions in these markets differently than the Group does and may also define various components of their business and operating results in a manner that makes such figures incomparable with the Group's figures.

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical Financial Information

The historical financial information set out in the body of this Pre-listing Statement relates to the consolidated historical financial information of Boxer Superstores and its subsidiaries (the "**Boxer Superstores Group**"). The Boxer Superstores Group presents its historical financial information in South African Rand.

The historical financial information presented in the body of this Pre-listing Statement consists of: (i) the audited consolidated historical financial information of the Boxer Superstores Group as at and for each of the 52 weeks ended 25 February 2024 ("**FY2024**"), 26 February 2023 ("**FY2023**"), and 27 February 2022 ("**FY2022**") (including the notes thereto and material accounting policy information), included in "*Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" (the "**Consolidated Annual Historical Financial Information**"); and (ii) the reviewed condensed consolidated interim historical financial information of the Boxer Superstores Group as at and for the 26 weeks ended 25 August 2024 and 27 August 2023 (including the notes thereto and material accounting policy information), included in "*Annexe 3 – Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*" (the "**Condensed Consolidated Interim Historical Financial Information**," together with the Consolidated Annual Historical Financial Information, the "**Consolidated Historical Financial Information**").

The Consolidated Annual Historical Financial Information has been prepared in accordance with the IFRS® Accounting Standards, as issued by the International Accounting Standards Board ("**IFRS**"), the South African Institute of Chartered Accountants ("**SAICA**") Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements, as issued by the Financial Reporting Standards Council ("**FRSC**"), and the JSE Listings Requirements.

The Condensed Consolidated Interim Historical Financial Information has been prepared in accordance with the framework concepts and the measurement and recognition requirements of IFRS, IAS 34 "*Interim Financial Reporting*," SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements, as issued by the FRSC, and the JSE Listings Requirements.

The Consolidated Historical Financial Information should be read in conjunction with the accompanying notes thereto, including material accounting policy information. The Consolidated Historical Financial Information is prepared for the purposes of the Admission and Offer and is the responsibility of the Directors.

The Consolidated Annual Historical Financial Information and the Condensed Consolidated Interim Historical Financial Information have been audited and reviewed, respectively, by Ernst & Young Inc. ("**Ernst & Young**"), whose unqualified audit and review reports in respect thereof are included in "*Annexe 2 – Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" and "*Annexe 4 – Independent Auditor's Review Report on the Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023,*" respectively.

***Pro Forma* Financial Information of the Group**

The *pro forma* financial statements of the Group for the 26 weeks ended 25 August 2024 presented in this Pre-listing Statement have been prepared to show the impact of the Offer and subsequent events within the scope of paragraph 8.26(d) of the JSE Listings Requirements (collectively, the "**Transactions**") as if such *pro forma* Transactions had occurred at incorporation, assumed to be 26 February 2024 for the purposes of the *pro forma* consolidated statement of comprehensive income and for the purposes of the *pro forma* consolidated statement of financial position, had the Transactions occurred on 25 August 2024 (the "***Pro Forma* Financial Information**"). The *Pro Forma* Financial Information has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flows following the Transactions.

The *Pro Forma* Financial Information is the responsibility of the Directors of the Company and has been prepared in a manner which is consistent with the accounting policies adopted by the Group in the preparation of the at incorporation historical financial information of Boxer Retail Limited and the Consolidated Annual Historical Financial Information, as set out in "*Annexe 5 – At Incorporation Historical Financial Information Of Boxer Retail Limited*" and "*Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022.*"

The compilation of the *Pro Forma* Financial Information has been opined on by Ernst & Young, whose report in respect thereof is included in "*Annexe 10 – Independent Auditor's Assurance Report on the Compilation of Pro Forma Financial Information.*"

Non-IFRS Financial Measures

This Pre-listing Statement contains financial measures that are not presented in accordance with IFRS or any other generally accepted accounting principles (the "**Non-IFRS Financial Measures**").

The Boxer Superstores Group provides Non-IFRS Financial Measures and other information because the Boxer Superstores Group believes that they provide investors with additional information to measure the operating performance and liquidity of the Boxer Superstores Group. The Boxer Superstores Group's use of Non-IFRS Financial Measures may vary significantly from the use of other companies in its industry. The measures used should not be considered as an alternative to profit/(loss), revenue or any other performance measure derived in accordance with IFRS or to net cash provided by operating activities as a measure of liquidity. Non-IFRS Financial Measures have limitations as analytical tools over and above the limitations of any IFRS performance measures and should not be considered in isolation or as substitutes for analysis of the Boxer Superstores Group's results as reported under IFRS. Such Non-IFRS Financial Measures may include or exclude amounts that are included or excluded, as applicable, in the calculation of the most directly comparable measures in accordance with IFRS. Their usefulness is, therefore, subject to limitations, which are described below. In particular, other companies in the industry may define Non-IFRS Financial Measures, used herein, differently, which may make it difficult to compare the performance of those entities to the Boxer Superstores Group's performance based on similarly named measures. In addition, the exclusion of certain items from Non-IFRS Financial Measures does not imply that these items are necessarily non-recurring. From time to time, the Boxer Superstores Group may exclude additional items if it believes doing so would result in a more comparable disclosure.

The Non-IFRS Financial Measures should be considered in conjunction with the Consolidated Historical Financial Information prepared in accordance with IFRS. Although certain of these measures have been extracted or derived from the Consolidated Historical Financial Information, this data has not been audited or reviewed by the Independent Auditor.

The Non-IFRS Financial Measures used in this Pre-listing Statement are presented in addition to the figures that are prepared in accordance with IFRS and include (i) Like-for-like turnover growth, (ii) Adjusted EBITDA (pre-IFRS 16), (iii) Adjusted EBITDA (pre-IFRS 16) Margin, (iv) Adjusted EBITDA, (v) Adjusted EBITDA Margin, (vi) Underlying adjusted cash flow, (viii) Underlying adjusted cash flow conversion, (viii) Adjusted free cash flow (pre-IFRS 16), (ix) Adjusted free cash flow conversion (pre-IFRS 16), (x) Adjusted free cash flow, (xi) Adjusted free cash flow conversion, (xii) Average invested capital, (xiii) Average invested capital (pre-IFRS 16), (xiv) Return on invested capital, (xv) Return on invested capital (pre-IFRS 16), (xvi) Leverage and (xvii) Leverage (pre-IFRS 16) (each defined in "*Part XI – Selected Consolidated Financial and Other Information*"). For more information regarding the calculation of these Non-IFRS Financial Measures to their most directly comparable IFRS measures, see "*Part XI – Selected Consolidated Financial and Other Information*."

Certain of these Non-IFRS Financial Measures are considered to be *pro forma* financial information for purposes of the JSE Listings Requirements and the Independent Auditor's Assurance Report in respect of the compilation of the Non-IFRS Financial Information (as separately defined and discussed in "*Part XI – Selected Consolidated Financial and Other Information*") is included in "*Annexe 8 – Independent Auditor's Assurance Report in Respect of the Compilation of Non-IFRS Financial Information*" in accordance with the JSE Listings Requirements.

The Non-IFRS Financial Measures are the responsibility of the Directors of the Company and have been prepared for illustrative purposes only and, because of their nature, may not fairly present the Boxer Superstores Group's financial position, changes in equity, results of operations or cash flows.

Compliance with SEC requirements

The financial information included in this Pre-listing Statement is not intended to comply with the SEC requirements. Compliance with such requirements would require, among other things, compliance with the requirements of Regulation S-X of the U.S. Securities Act and the exclusion of certain non-GAAP and non-IFRS financial measures.

Rounding

Some financial information in this Pre-listing Statement has been rounded and, as a result, the numerical figures shown as totals in this Pre-listing Statement may vary slightly from the exact arithmetic aggregation of the figures that precede them.

Available Information

For so long as any of the Offer Shares are "restricted securities" as defined in Rule 144(a)(3) under the U.S. Securities Act, the Company will, during any period in which the Company is neither subject to Section 13 or 15(d) of the U.S. Exchange Act, nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such restricted securities or to any prospective investor in such restricted securities designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective investor, the information required to be delivered pursuant Rule 144A(d)(4) under the U.S. Securities Act.

ENFORCEMENT OF FOREIGN JUDGMENTS IN SOUTH AFRICA

The Company is a public company incorporated under the laws of South Africa with a significant portion of the assets of the Group located in South Africa. In addition, all of the Directors and most members of Senior Management are residents in South Africa and such persons are located outside the United States. As a result, depending on the law in the jurisdiction of the prospective investor, it may be difficult for prospective investors to effect service of process within the United States upon the Company or such persons. In addition, depending on the contents of any judgments obtained in the courts of foreign jurisdictions against them, such as United States court judgments obtained in United States courts, including judgments predicated upon the civil liability provisions of securities laws of the United States or any State or territory within the United States, it may not be possible for such judgments to be enforced as, apart from judgments from Namibia, foreign judgments are not automatically enforceable in South Africa. However, the general trend of South African courts has been towards enforcement, rather than non-enforcement of foreign judgments.

As a matter of policy, South African courts are inclined to enforce foreign judgments provided certain requirements are satisfied, particularly in view of the principles of comity and reciprocity. Foreign judgments in this context would include judgments procured from other national courts as well as international judicial forums or tribunals. A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action that will be enforced by South African courts provided that:

- the court that pronounced the judgment had jurisdiction and international competence to entertain the case according to the principles recognised by South African law with reference to the jurisdiction of foreign courts. A foreign judgment may not be recognised in South Africa if the foreign court exercised jurisdiction over the defendant in circumstances where a South African court would not exercise jurisdiction over a defendant (even where the foreign court exercised jurisdiction in line with its domestic procedures);
- the judgment is final and conclusive in effect and has not become superannuated;
- the judgment has not lapsed in the country where it was issued;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice, which require that the documents initiating the foreign proceedings were properly served on the defendant and that the defendant was given the right to be heard and represented by counsel in a free and fair trial before an impartial tribunal. Usually, a fundamental breach of justice or procedural unfairness is relevant and not merely minor procedural irregularities;
- the judgment was not obtained by fraudulent means;
- the judgment does not involve the enforcement of a penal or revenue law of the foreign state; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the South African Protection of Businesses Act. The Protection of Businesses Act requires that consent of the Minister of Economic Development is sought for enforcement of certain judgments, but South African courts have, to date, interpreted this requirement as applying only in circumstances where the claim is connected in one or other way to raw materials and products.

Satisfaction of the above-mentioned requirements does not guarantee that a foreign judgment will be enforceable in South Africa. The South African courts retain a discretion regarding the enforcement of foreign judgments. It is the policy of South African courts to award compensation for the loss or damage actually sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system, such awards handed down in foreign jurisdictions are not necessarily contrary to public policy. Whether or not the enforcement or recognition of a foreign judgment is contrary to public policy will depend on the facts of each case. Exorbitant, unconscionable or excessive awards will generally be contrary to public policy. In this respect, in one instance, an award of punitive damages, which was equivalent to 100% of ordinary damages, was held to be excessive and was not enforced, but much will depend on the circumstances of the case. South African courts will not enter into or re-examine the merits of a foreign judgment and will not act as a court of appeal or review over a foreign court. The South African courts' assessment of foreign judgments is usually confined to jurisdictional and procedural matters, although public policy (including considerations pertaining to the Constitution) imports certain substantive dimensions.

South African courts will usually implement their own procedural laws and, where an action based on a contract governed by a foreign law is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law. It is doubtful whether an original action based on the securities laws and regulations of the foreign jurisdictions can be brought before South African courts.

NOTICE TO PROSPECTIVE INVESTORS

EXCEPT AS OTHERWISE SET OUT IN THIS PRE-LISTING STATEMENT, THE OFFERING DESCRIBED IN THIS PRE-LISTING STATEMENT IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN, AND THIS PRE-LISTING STATEMENT SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Ordinary Shares.

This Pre-listing Statement may not be used for, or in connection with, and does not constitute or form part of any offer or invitation to sell, or any solicitation of any offer to acquire Offer Shares in any jurisdiction in which such an offer or solicitation is unlawful or would result in the Company becoming subject to public company reporting obligations outside South Africa.

The Offer and the distribution of this Pre-listing Statement, any related materials and the offer, acceptance, delivery, transfer, exercise, subscription for, purchase of, or trade in, Ordinary Shares may be restricted by law in jurisdictions and therefore persons into whose possession this Pre-listing Statement comes should inform themselves and observe any restrictions. Any failure to comply with any of those restrictions may constitute a violation of the laws of any such jurisdiction. This Pre-listing Statement may only be used where it is legal to offer, or solicit offers to purchase or sell Offer Shares.

No action has been taken or will be taken in any jurisdiction by the Company or the Joint Global Coordinators and Joint Bookrunners that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Pre-listing Statement or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, no Offer Shares may be offered, issued or sold directly or indirectly, and neither this Pre-listing Statement nor any other Offer material or advertisements in connection with the Offer Shares may be distributed or published, in or from any jurisdiction except in compliance with any applicable laws and regulations of any such jurisdiction.

Subject to the exceptions set out in "*Part XVII – Selling and Transfer Restrictions,*" this Pre-listing Statement should not be forwarded or transmitted in or into the United States, the EEA (as defined below), the United Kingdom, Australia, Canada and Japan.

Notice to prospective investors in Canada

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Ordinary Shares. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the Ordinary Shares and any representation to the contrary is an offence. The offer and sale of the Ordinary Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of Ordinary Shares acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which resale restrictions may under certain circumstances apply to resales of the Ordinary Shares outside of Canada.

As applicable, each Canadian investor who purchases the Ordinary Shares will be deemed to have represented to the issuer, the underwriters and to each dealer from whom a purchase confirmation is received, as applicable, that the investor (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") or, in Ontario, as such term is defined in section 73.3(1) of the *Securities Act* (Ontario); and (iii) is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**") (or section 3A.4 in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction), this offering is conducted pursuant to any exemption from the requirement that Canadian investors be provided with certain underwriter conflicts of interest disclosure that would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

Notice to prospective investors in the United Kingdom

In the United Kingdom, this Pre-listing Statement is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the "**Order**"), (ii) falling within Article 49(2)(a) to (d) of the Order and (iii) to whom it may otherwise lawfully be communicated; and (B) who are "qualified investors" within the meaning of Article 2(e) of the Prospectus Regulation (Regulation (EU) 2017/1129) (as amended) as it forms part of assimilated law by virtue of the European Union (Withdrawal) Act 2018 (the "**UK Prospectus Regulation**") (all such persons together being referred to as "**Relevant Persons**"). The Offer Shares are only available to, and any invitation, offer or agreement to subscribe, purchase or otherwise acquire such Offer Shares will be engaged in only with, Relevant Persons. Any person who is not a Relevant Person should not act or rely on this Pre-listing Statement or any of its contents.

No Offer Shares have been offered or will be offered pursuant to the Offer to the public in United Kingdom, except that offers of Offer Shares may be made to the public in the United Kingdom at any time under the following exemptions from the UK Prospectus Regulation:

- to any legal entity which is a "qualified investor" as defined in under Article 2(e) of the UK Prospectus Regulation; or
- to fewer than 150 natural or legal persons (other than "qualified investors" as defined under Article 2(e) of the UK Prospectus Regulation), subject to obtaining prior consent of the Joint Global Coordinators and Joint Bookrunners for any such offer; or
- in any other circumstances falling within Section 86 of the Financial Services and Markets Act 2000 (the "**FSMA**"),

provided that no such offer of Offer Shares shall result in a requirement for the Company or the Joint Global Coordinators and Joint Bookrunners to publish a prospectus pursuant to Section 85 of the FSMA or supplement to a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to subscribe for or purchase any Offer Shares.

Notice to prospective investors in member states of the EEA

In relation to any member state of the European Economic Area (the "**EEA**") (each a "**Member State**"), this Pre-listing Statement is only addressed to and is only directed at "qualified investors" in that Member State within the meaning of Article 2(e) of the EU Prospectus Regulation. This Pre-listing Statement has been prepared on the basis that all offers of Offer Shares will be made pursuant to an exemption under the EU Prospectus Regulation from the requirement to produce a prospectus for offer of shares. Accordingly, any person making or intending to make any offer within the EEA of Offer Shares which is the subject of the Offer contemplated in this Pre-listing Statement within any EEA member state should only do so in circumstances in which no obligation arises for the Company or any of the Joint Global Coordinators and Joint Bookrunners to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or a supplement prospectus pursuant to Article 23 of the EU Prospectus Regulation, in each case, in relation to such offer. Neither the Company nor the Joint Global Coordinators and Joint Bookrunners has authorised, nor do they authorise, the making of any offer of Offer Shares through any financial intermediary, other than offers made by the Joint Global Coordinators and Joint Bookrunners which constitute the final placement of Offer Shares contemplated in this Pre-listing Statement.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any Offer Shares under, the offers contemplated in this Pre-listing Statement will be deemed to have represented, warranted and agreed to with the Joint Global Coordinators and Joint Bookrunners and the Company that:

- it is a "qualified investor" within the meaning of Article 2(e) of the EU Prospectus Regulation; and
- in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the EU Prospectus Regulation, or in circumstances in which the prior consent of the Joint Global Coordinators and Joint Bookrunners have been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offer and the Offer Shares to be offered, so as to enable an investor to decide to acquire any Offer Shares.

See "*Part XVII – Selling and Transfer Restrictions*" for certain other notices to investors.

Notice to prospective investors in Affected Jurisdictions

This document constitutes a Pre-listing Statement and has been prepared in accordance with the JSE Listings Requirements in connection with the Admission and the Offer. There is no offer to the public (or a section thereof) and the Offer referred to in this Pre-listing Statement, which comprises an Offer for Offer Shares by the Company to the offerees to whom the Offer will specifically be addressed, does not constitute, nor is it intended to constitute, a public offering in any jurisdiction and is only addressed to persons to whom the Offer may lawfully be made. In addition, this document is not a prospectus, or an advertisement in relation to any offer to the public and has not and will not be registered as a prospectus or registered at all with the CIPC or with any regulator in any other jurisdiction.

The Offer and the distribution or possession of this Pre-listing Statement in jurisdictions other than South Africa may be restricted by law, and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Pre-listing Statement and the Offer do not constitute an offer to issue or sell, or a solicitation of an offer to subscribe for or purchase, any securities in or from any jurisdiction in which such offer or solicitation would be unlawful, including, without limitation, in or from any Affected Jurisdiction. To the extent that this Pre-listing Statement may be sent to any Affected Jurisdiction, it is provided for information purposes only. Persons in Affected Jurisdictions may not accept the Offer. No person accepting the Offer should use the mail of any such Affected Jurisdiction nor any other means, instrumentality, or facility in such Affected Jurisdiction for any purpose, directly or indirectly, relating to the Offer. The Company reserves the right, but shall not be obliged, to reject and treat as invalid any purported acceptance or transfer of Offer Shares, which appears to the Company or its advisers or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction (including any Affected Jurisdiction); or if the Company believes (in its discretion) or its advisers or agents believe that the same may violate applicable legal or regulatory requirements; or if the Company believes (in its discretion) that it is prohibited or unduly onerous or impractical to transfer any Offer Shares to any persons in any jurisdiction outside South Africa. Persons into whose possession this Pre-listing Statement comes, including persons in Affected Jurisdictions, must inform themselves about and observe any such restrictions. Save as specifically set out herein, no actions have been taken, including, without limitation, obtaining any approvals, authorisations, or exemptions, that would permit a public offering of Offer Shares to occur outside South Africa. Prospective investors, including persons in Affected Jurisdictions, should not treat the contents of this Pre-listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisers concerning the consequences of their acquiring, holding, or disposing of Offer Shares.

MISCELLANEOUS

The statements contained in this Pre-listing Statement are made as at the Last Practicable Date, unless some other time is specified in relation to them, and issuance of this Pre-listing Statement shall not give rise to any implication that there has been no change in the facts set forth herein since such date. Nothing contained in this Pre-listing Statement shall be deemed to be a forecast, projection or estimate of the future financial performance of the Company or the Group except where otherwise stated. The statements contained in this Pre-listing Statement are also made on the basis of the Group as it will exist on implementation of the Admission.

PART I – CORPORATE INFORMATION

Directors

Independent Non-executive Directors
Charlotte Mary Chichi Machichana Maponya
(Lead Independent Non-Executive Director)
Cindy Joy (Hess) Robertson
Dineo Molefe
Jesmane Arnel Boggenpoel
Leon Marius Lourens

Non-executive Directors
James Roger Formby (Chairperson)
Sean Robin Summers

Executive Directors
Marek Adam Masojada
David Peter Wayne

Registered Office
41 The Boulevard
Westend Office Park
Westville, 3630
South Africa

Company Secretary
Vaughan Ian Pierce
PO Box 370
Westville, 3630
South Africa

Transfer Secretaries
Computershare Investor Services Proprietary Limited
(Registration Number 2004/003647/07)
First Floor Rosebank Towers
15 Biermann Avenue
Rosebank, Johannesburg, 2196
South Africa
(Private Bag X9000, Saxonwold, 2132, South Africa)

Joint Global Coordinator, Stabilisation Manager, Sponsor and Joint Bookrunner
Rand Merchant Bank
(a division of FirstRand Bank Limited)
(Registration Number 1929/001225/06)
1 Merchant Place
Corner Rivonia Road and Fredman Drive
Sandton, 2196
South Africa
(PO Box 786273, Sandton, 2146, South Africa)

Joint Global Coordinator and Joint Bookrunner
Absa Bank Limited
(acting through its Corporate and Investment Banking division)
(Registration Number 1986/003934/06)
15 Alice Lane
Sandton, 2196
South Africa

Joint Global Coordinator and Joint Bookrunner
Morgan Stanley & Co. International plc
(Registration number: 165935)
25 Cabot Square
London E144QA
United Kingdom

Joint Global Coordinator and Joint Bookrunner
The Standard Bank of South Africa Limited
(acting through its Corporate and Investment Banking division)
(Registration Number 1962/000738/06)
3rd Floor
30 Baker Street
Rosebank, 2196
South Africa
(PO Box 7725, Johannesburg, 2000, South Africa)

Independent Auditor
Ernst & Young Inc.
(Registration Number 2005/002308/21)
1 Pencarrow Crescent
PO Box 859
Durban 4000
South Africa

South African Legal Adviser to the Company
Bowman Gilfillan Inc.
(Registration Number: 1998/021409/21)
11 Alice Lane
Sandton, 2196
South Africa
(PO Box 785812, Sandton, 2146, South Africa)

International Legal Adviser to the Company
Milbank LLP
100 Liverpool Street
London EC2M 2AT
United Kingdom

South African Legal Adviser to the Joint Global Coordinators and Joint Bookrunners
Webber Wentzel
90 Rivonia Road
Sandton, Johannesburg, 2196
South Africa
(PO Box 61771, Marshalltown, 2107, South Africa)

International Legal Adviser to Joint Global Coordinators and Joint Bookrunners
Linklaters LLP
One Silk Street
London EC2Y 8HQ
United Kingdom

PART II – OVERVIEW OF THE OFFER

BACKGROUND AND REASON FOR THE OFFER AND THE ADMISSION

The main purposes of the Offer and Admission, as applicable, are to:

- provide a platform on which the Company's Ordinary Shares can freely trade and unlock the inherent value of the business through the listing and trading of the Ordinary Shares on the JSE;
- provide the Company with access to capital markets, which it may use to support and develop further growth of the Group and to finance acquisitions of, or investments in, businesses, technologies, services, products, software, intellectual property rights and other assets in the future;
- raise the Company's profile and visibility with its key partners and elevate the Boxer brand through the listing and trading of the Company's Ordinary Shares on an established exchange and increase stakeholder awareness regarding the Company's vision, strategy and operations;
- provide a platform for management incentives, which are directly aligned to key performance measures of the Company;
- meet the PIK Group's debt repayment obligations in terms of the restructuring support agreement entered into with its lenders on or about 7 May 2024 (the terms of which were described in the circular issued by PIK to its shareholders on 29 August 2024) (the "**Restructuring Support Agreement**") and materially reduce the PIK Group's debt levels which will significantly reduce Pick n Pay's interest costs;
- allow progress on the turnaround strategy of the PIK Group's Pick n Pay supermarkets business; and
- facilitate the incremental operational funding needed for the PIK Group for the remainder of the 2025 and 2026 financial years.

The Company will receive proceeds from the delivery and settlement of Subscription Shares and the Overallotment Shares (to the extent that the Overallotment Option is exercised) issued to prospective investors pursuant to the Offer and the Overallotment Option, as applicable. The Company intends to use the net proceeds as described in "*Part VIII – Restructuring and Formation of the Group*" and as a result, the net proceeds will be ultimately used by the PIK Group to primarily settle the PIK Group's outstanding debt, reinvest in the PIK Group's Pick n Pay supermarkets business, and secure the turnaround of the Pick n Pay supermarkets business.

THE OFFER

The Offer comprises an offer for subscription by the Company of up to 190,476,191 Subscription Shares, in terms of a private placement to selected persons to whom the Offer will be made, and only by whom the Offer may be accepted. In connection with the Offer and subject to customary terms and conditions, the Company has granted the Overallotment Option to the Stabilisation Manager. See "*Part II – Overview of the Offer*," below, in relation to the Overallotment Option and Stabilisation.

The Subscription Shares (together with any Overallotment Shares) will rank *pari passu* with all of the other Ordinary Shares. The Subscription Shares (together with any Overallotment Shares) will be issued, sold and delivered to prospective investors in Dematerialised Form through the Strate System and in accordance with the normal settlement procedures applicable to equity securities admitted and deposited with Strate. Accordingly, prospective investors are advised that no physical documents of title will be issued or delivered to any applicants in terms of the Offer.

The Company and the Joint Global Coordinators and Joint Bookrunners have entered into the Placement Agreement with respect to the Offer and the Admission. The Offer is conditional, among other things, on the Placement Agreement becoming unconditional in accordance with its terms and conditions including the Admission occurring not later than 09:00 (SAST) on the Admission Date. See "*Part II – Placement Agreement*" below for details of the Placement Agreement.

The JSE Limited has approved the Admission of all of the Company's Ordinary Shares (ISIN: ZAE000339891) in the *Personal Care, Drug and Grocery Stores – Food Retailers and Wholesalers* sub-sector of the JSE list, under the abbreviated name "Boxer" and share code "BOX," subject to the fulfilment of certain conditions, including the JSE's spread and minimum free-float requirements as set out in the JSE Listings Requirements.

The minimum spread and free-float requirement prescribes that a minimum of 10% of the Ordinary Shares be held by the public (as defined in the JSE Listings Requirements), representing at least 100 shareholders, as at Admission (after implementation of the Offer). In connection with the minimum spread and free-float requirements, the Offer is accordingly also subject to minimum acceptances of such number of Offer Shares being purchased by prospective investors such that, and to ensure that, the Company will, once the Offer is completed, meet the minimum free-float and shareholder spread requirements, as prescribed by the JSE Listings Requirements and acceptable to the JSE Limited (the "**Minimum Acceptance Condition**"). The Offer will not proceed if the Minimum Acceptance Condition is not met or waived, at the sole discretion of the Company and subject to compliance with the JSE Listings Requirements. Where the Minimum Acceptance Condition is not met or waived, as applicable, delivery and settlement of the Offer Shares applied for pursuant to the Offer shall not take effect and no person shall have any claim whatsoever against the Company, the Joint Global Coordinators and Joint Bookrunners or any other person as a result of the failure of any condition as a result of the Offer not becoming unconditional in accordance with its terms nor do any of the Company, the Joint Global Coordinators and Joint Bookrunners or any other person assume or accept any responsibility or liability to any person as a result of the Offer not becoming unconditional in accordance with its terms and conditions.

If the Offer does not become unconditional in accordance with its terms and conditions, including as a result of the Minimum Acceptance Condition, the Admission will not proceed, and no acceptance of the Offer shall take effect and no person shall have any claim whatsoever against the Company, the Joint Global Coordinators and Joint Bookrunners or any other person as a result of the Offer not becoming unconditional in accordance with its terms.

The Offer is expected to open at 09:00 (SAST) on Monday, 11 November 2024, and close at 12:00 (SAST) on Friday, 22 November 2024.

CORNERSTONE INVESTMENT AND BOXER SUPERSTORES LTIP INVESTMENT

Cornerstone Investment

IFC is a committed supporter of the broader PIK Group across its value chain and views Boxer as a world-class discount retail business. In support of the Offer, IFC has entered into an agreement with the Company on 8 November 2024 (the "**Cornerstone Investment Agreement**") in terms of which IFC has committed to subscribe for Offer Shares (the "**Cornerstone Investment Shares**") at the Offer Price for an aggregate consideration of ZAR350 million on the Settlement Date as part of the Offer (the "**Cornerstone Investment**").

The Cornerstone Investment Agreement is subject to a number of conditions that are customary for agreements in respect of transactions of this nature, including that (i) the JSE has approved the Pre-listing Statement and the Admission, (ii) the Company has entered into the IFC policy agreement and (iii) the Offer Price will not result in the total market capitalisation of the Company at the Offer Price being greater than ZAR30 billion.

No fees or commissions are payable to IFC pursuant to the Cornerstone Investment Agreement.

Boxer Superstores LTIP Investment

In support of the Offer, Boxer Superstores, the direct subsidiary of the Company, has agreed (the "**Boxer Superstores LTIP Investment**") to subscribe for Offer Shares at the Offer Price for an aggregate consideration of ZAR205.0 million in connection with the funding of the Boxer LTIP (the "**Boxer Superstores LTIP Investment Shares**").

OFFER PRICE

It is currently anticipated that the Offer Price in respect of the Offer Shares (including the Overallotment Shares, the Cornerstone Investment Shares and the Boxer Superstores LTIP Investment Shares) will be within the Offer Price Range. However, the Offer Price Range is indicative and there can be no guarantee that the Offer Shares will be offered within the Offer Price Range. Accordingly, the Offer Price may be above or below the Offer Price Range. If the Offer Price is below the Offer Price Range for any reason, or if the directors of the Company in their discretion so determine that it would not be advisable to proceed, the Company shall not be obliged to proceed with the Offer but reserves the right to do so.

The Offer Price will be payable in full in Rand without deduction or set-off.

The book building process in relation to the Offer will be undertaken by the Joint Global Coordinators and Joint Bookrunners in terms of the Placement Agreement. Following the book building process, the Offer Price and the exact number of Offer Shares will be determined by the Joint Global Coordinators and Joint Bookrunners (in consultation with the Company) either prior to, or on the closing date of the Offer, and will be announced on SENS on Monday, 25 November 2024. Any change to these dates and times will be announced on SENS.

Among the factors that may be considered by the Joint Global Coordinators and Joint Bookrunners in suggesting the Offer Price are the prices at which investors bid to acquire the Offer Shares during the book building process and the desire to establish an orderly after-market in the Ordinary Shares.

CONDITIONS TO THE OFFER AND ADMISSION

The Offer is conditional on the Placement Agreement becoming unconditional and Admission of all of the Ordinary Shares on the Main Board of the JSE, failing which the Offer and any acceptance thereof shall not take effect and no person shall have any claim whatsoever against the Company, the Joint Global Coordinators and Joint Bookrunners or any other person as a result of any condition not being fulfilled or waived (as the case may be). Admission is conditional on the attainment of a free-float and spread of shareholders as prescribed by the JSE Listings Requirements. The JSE Listings Requirements prescribe that a minimum of 10% of the Ordinary Shares are held by the public, as defined by the JSE Listings Requirements, representing at least 100 shareholders. In connection with the minimum spread and free-float requirement envisaged in the JSE Listings Requirements, the Offer is accordingly also subject to the Minimum Acceptance Condition. The Offer will not proceed if the Minimum Acceptance Condition is not met or waived, at the sole discretion of the Company and subject to compliance with the JSE Listings Requirements. Where the Minimum Acceptance Condition is not met or waived, as applicable, any acceptance of the Offer shall not take effect and the Admission shall not proceed.

PARTICIPATION IN THE OFFER

The Offer will only be made and implemented, subject to becoming unconditional in accordance with its terms and conditions:

- in South Africa, to South African Qualifying Investors;
- within the United States to persons reasonably believed to be QIBs as defined in, and in reliance on, Rule 144A under the U.S. Securities Act, or pursuant to another exemption from, or in a transaction not subject to, the registrations requirements under the U.S. Securities Act, and applicable state and other securities laws;
- in a Relevant Member State: (a) to Qualified Investor; and (b) in the case of any Offer Shares acquired by it as a financial intermediary, as that term is used in the EU Prospectus Regulation, (i) such Offer Shares acquired by it in the Offer have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than Qualified Investors or in circumstances in which the prior consent of the Joint Global Coordinators and Joint Bookrunners have been given to the offer or resale; or (ii) where such Offer Shares have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those Offer Shares to it is not treated under the EU Prospectus Regulation as having been made to such persons;
- in the United Kingdom, to a Relevant Person; and
- outside the United States, the United Kingdom, the EEA and South Africa, to selected persons in such other jurisdictions in reliance on Regulation S, to whom the Offer will specifically be addressed, and only by whom the Offer will be capable of acceptance in accordance with the laws and regulations of their relevant jurisdiction.

The Offer will not be made to, or capable of acceptance by, persons in the Affected Jurisdictions nor does it constitute, nor is it intended to constitute, a public offering in any jurisdiction.

Eligible investors wishing to participate in the Offer should contact the Joint Global Coordinators and Joint Bookrunners prior to 12:00 (SAST) on Friday, 22 November 2024 at:

- Rand Merchant Bank (a division of FirstRand Bank Limited): +27 11 269 9260; or
- Morgan Stanley & Co. International plc: +44 207 425 8000; or
- Absa Bank Limited, acting through its Corporate and Investment Banking division: +27 11 895 5682; or
- The Standard Bank of South Africa Limited, acting through its Corporate and Investment Banking division: +27 11 344 5891.

REPRESENTATION

Any person applying for or accepting an offer of Offer Shares shall be deemed to (A) have represented to the Company and the Joint Global Coordinators and Joint Bookrunners that: (i) they have not relied on the Company, the Joint Global Coordinators and Joint Bookrunners or any person affiliated with any of them in connection with any investigation of the accuracy of any information contained in this Pre-listing Statement or their investment decision; and (ii) they have relied only on the information contained in this Pre-listing Statement; and (B) no person has been authorised to give any information or to make any representation concerning the Company, the Group or the Offer Shares (other than as contained in this Pre-listing Statement) and, if given or made, any such other information or representation will not be relied upon as having been authorised by the Company or the Joint Global Coordinators and Joint Bookrunners.

Any person applying for or accepting an offer of Offer Shares shall be deemed to have represented to the Company, and the Joint Global Coordinators and Joint Bookrunners that they have done so in accordance with all applicable laws and regulations. The Company reserves the right, but shall not be obliged, to reject or treat as invalid any purported acceptance or transfer of Offer Shares, which appears to the Company or its advisers or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction (including any Affected Jurisdiction); or if the Company believes (in its discretion) or its advisers or agents believe that the same may violate applicable legal or regulatory requirements; or if the Company believes (in its discretion) that it is prohibited or unduly onerous or impractical to transfer any Offer Shares to any persons in any jurisdiction outside South Africa.

Prospective investors applying for or accepting an offer of Offer Shares shall be deemed to have checked and confirmed that they are persons to whom the Offer can be lawfully made and is capable of acceptance having regard to the selling and transfer restrictions described in "*Part XVII – Selling and Transfer Restrictions*." Each prospective investor should consult its own advisers as to the legal, tax, business, financial and related aspects of applying for or accepting an offer of Offer Shares.

ALLOCATION

The allocation of Offer Shares to prospective investors is expected to take place after the closing of the Offer on or around Friday, 22 November 2024, subject to any changes to the Offer timetable as may be announced on SENS. The Company and PIK, in consultation with the Joint Global Coordinators and Joint Bookrunners, retain sole and absolute discretion in allocation of the Offer Shares to eligible interested parties. Allocations will be made to achieve a suitable, sustainable and supportive long-term shareholder base that is in the best interests of the Company and its Shareholders.

Subject to the Offer Shares irrevocably committed to be subscribed for by the Cornerstone Investor pursuant to the Cornerstone Investment Agreement and the Boxer Superstores LTIP Investment, there is no maximum or minimum number of Offer Shares for which prospective investors may apply and multiple applications to subscribe for Offer Shares are permitted; provided that each prospective investor meets the criteria set out in "*Part XVII – Selling and Transfer Restrictions*" and subject to the maximum number of Offer Shares that will be made available in the Offer. In the event of an over-application for Offer Shares, the Company and PIK, in consultation with the Joint Global Coordinators and Joint Bookrunners, shall determine an appropriate and equitable basis for allocating the Offer Shares in accordance with market best practice, to selected bidders whose submitted bids meet or exceed the Offer Price and required levels of demand, at the Offer Price. In considering the same, the Company and PIK will consider the spread requirements of the JSE and promoting liquidity, tradability and an orderly market in the Offer Shares.

Subject to the Offer Shares to be subscribed for pursuant to the Cornerstone Investment Agreement and the Boxer Superstores LTIP Investment, there is no intention to extend a preference on allotment to any particular person in the event of an over-application.

Depending upon the level of demand, applicants may receive no Offer Shares or fewer than the number of Offer Shares applied for under the Offer. Any dealing in Offer Shares prior to delivery of the Offer Shares is at the risk of the applicant. Accordingly, none of the Company or the Joint Global Coordinators and Joint Bookrunners accept or assume any responsibility or liability towards any person as a result of any transactions in any Offer Shares prior to the delivery of the Offer Shares.

There will be no fractions of Offer Shares in terms of the Offer.

PLACEMENT AGREEMENT

The Company and the Joint Global Coordinators and Joint Bookrunners have entered into the Placement Agreement in connection with the Offer and Admission.

The Placement Agreement is subject to a number of conditions that are customary for agreements in respect of transactions of this nature, including, *inter alia*, the approval of this Pre-listing Statement by the JSE Limited by an agreed date; receipt of certain completed documents by certain agreed dates; no material adverse change having occurred; and Admission occurring by a particular date; and includes customary warranties and indemnities given by the Company to the Joint Global Coordinators and Joint Bookrunners.

Pursuant to the Placement Agreement, and on the terms and subject to the conditions set forth therein, the Company has agreed to issue the Subscription Shares at the Offer Price, to subscribers procured by the Joint Global Coordinators and Joint Bookrunners. Correspondingly, each of the Joint Global Coordinators and Joint Bookrunners have, severally but not jointly, agreed to use reasonable endeavours to procure subscribers for the Subscription Shares.

Pursuant to the Placement Agreement, and on the terms and subject to the conditions set forth therein, the Company has agreed to issue the Overallotment Shares at the Offer Price, to subscribers procured by the Joint Global Coordinators and Joint Bookrunners in connection with the exercise of the Overallotment Option. Correspondingly, each of the Joint Global Coordinators and Joint Bookrunners have, severally but not jointly, agreed to use reasonable endeavours to procure subscribers for the Overallotment Shares.

In consideration of the agreement by the Joint Global Coordinators and Joint Bookrunners to use reasonable endeavours to procure subscribers for the Offer Shares and subject to certain terms and conditions as set out in the Placement Agreement, including the Offer Shares being issued as provided for in the Placement Agreement, the total fees and commissions payable to the Joint Global Coordinators and Joint Bookrunners pursuant to the Placement Agreement comprise:

- an aggregate base commission of 2.10% (210 basis points) of an amount equal to the Offer Price multiplied by the aggregate number of Offer Shares less the Boxer Superstores LTIP Investment Shares (the "**Gross Offer Proceeds**") issued pursuant to the Placement Agreement (the "**Base Offer Fee**"); and
- in addition to the Base Offer Fee, the Company may, at its absolute discretion, pay the Joint Global Coordinators and Joint Bookrunners an additional aggregate commission of an amount equal to up to 0.23% (23 basis points) of the Gross Offer Proceeds in such proportions as the Company may determine (the "**Discretionary Fee**," and together with the Base Offer Fee, the "**Offer Fees**").

The Offer Fees will not exceed an amount equal to 2.33% (233 basis points) of the Gross Offer Proceeds.

The Placement Agreement is subject to termination provisions customary for agreements in respect of transactions of this nature, including, *inter alia*, termination by the Joint Global Coordinators and Joint Bookrunners, in their absolute discretion and in good faith upon the occurrence of certain events, having consulted with the Company, on written notice to the Company, subject to certain terms and conditions set out in the Placement Agreement.

OVERALLOTMENT AND STABILISATION

In connection with the Offer, the Stabilisation Manager may, subject to applicable laws, exercise the Overallotment Option or effect transactions only during the Stabilisation Period which may support the market price of the Ordinary Shares at a level higher than that which might otherwise prevail for a limited period after the Admission Date. However, there is no obligation on the Stabilisation Manager to do so. Such stabilising action may under no circumstances continue beyond the Stabilisation Period, which is a period of 30 calendar days terminating on the 30th calendar day after the Admission Date.

There is no assurance that the Stabilisation Manager will undertake stabilisation activities. Such transactions may be effected on the JSE and will be carried out in accordance with applicable rules and regulations of the JSE. Stabilisation, if commenced, may be discontinued at any time on two business days' notice to the JSE Limited and will in any event be discontinued after the Stabilisation Period. No Stabilisation activities may be undertaken after the expiry of the Stabilisation Period.

In terms of the Placement Agreement, the Company has granted the Stabilisation Manager the Overallotment Option, an option to call for the Company to issue additional Offer Shares at the Offer Price for up to an aggregate consideration of ZAR500,000,000 and which shall not exceed 11,904,762 Offer Shares. In terms of the Securities Lending Agreement entered into between the Stabilisation Manager and Pick n Pay Retailers, Pick n Pay Retailers has also granted the Stabilisation Manager a stock loan, on customary terms, for the same number of Ordinary Shares for the purpose of allowing the Stabilisation Manager to cover short positions resulting from any overallotment and/or from sales of Ordinary Shares effected during the Stabilisation Period. The Overallotment Option will enable the Stabilisation Manager to close out its short position resulting from any overallotments by exercising the Overallotment Option or by purchasing Ordinary Shares in the open market to close out the stock loan.

The terms of the Overallotment Option and Stabilisation are regulated in terms of the Placement Agreement as well as the Securities Lending Agreement.

LOCK-UP ARRANGEMENTS

The Company has agreed to Lock-Up Arrangements in the Placement Agreement, which is subject to customary exceptions and in terms of which, among other things, the Company will not be entitled to issue any Ordinary Shares for the duration of the Lock-Up Period.

Pick n Pay Retailers and certain members of Senior Management (insofar as they receive Ordinary Shares in terms of the Boxer LTIP) have agreed to Lock-Up Arrangements in separate deeds of adherence, which are subject to customary exceptions and in terms of which, among other things, Pick n Pay Retailers and the relevant members of Senior Management will not be entitled to sell, transfer or otherwise dispose of, any Ordinary Shares held at the Admission Date for the duration of the Lock-Up Period.

For the avoidance of doubt, the Lock-Up Arrangements shall not apply to transactions relating to Ordinary Shares (or other securities of the Company) acquired in open market transactions after the completion of the Offer.

PAYMENT FOR AND DELIVERY OF OFFER SHARES

Prospective investors are reminded that all Ordinary Shares will be issued, sold and delivered in Dematerialised Form and, as such, no documents of title in respect of any Ordinary Shares (including Offer Shares) will be issued to any successful applicant.

Each successful applicant must, as soon as possible after being notified of an allocation of Offer Shares, forward to:

- its CSDP, all information required by its CSDP and instruct its CSDP to pay, against delivery of the applicant's allocation of Offer Shares, the aggregate price for such Offer Shares to the account designated by the Company. Such information and instructions must be confirmed to the applicant's CSDP no later than Tuesday, 26 November 2024; and
- the Transfer Secretaries, details of its CSDP, the name of the account holder and number of Ordinary Shares to be acquired and such other information as is required by the Transfer Secretaries to effect delivery of the relevant Offer Shares. Such information must be confirmed to the Joint Global Coordinators and Joint Bookrunners no later than Monday, 25 November 2024.

Electronic funds transfer payments between countries in the Common Monetary Area consisting of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini (the "**CMA**") are no longer possible. Prospective investors that are resident in one CMA country (*e.g.*, Lesotho, Namibia or Eswatini) that must transfer funds to a CSDP in another CMA country (*e.g.*, South Africa) are cautioned to make alternative payment arrangements to ensure that its cash reaches the CSDP timeously.

By no later than Tuesday, 26 November 2024, each applicant must place its funds with its CSDP or make other necessary arrangements to enable its CSDP to make payment for the allocated Offer Shares on the Settlement Date, in accordance with each applicant's agreement with its CSDP. The applicant's CSDP must commit in Strate to the receipt of the applicant's allocation of Offer Shares against payment by no later than Wednesday, 27 November 2024.

On the Settlement Date (which is expected to be Thursday, 28 November 2024) the applicant's allocation of Offer Shares will be credited to the applicant's CSDP or Broker account against payment during the Strate settlement runs.

APPLICABLE LAW

The Offer and Admission, including without limitation, applications for, allocations of and acceptances of and payments for Offer Shares, will be exclusively governed by the applicable laws and regulations of South Africa and each applicant will be deemed, by applying for Offer Shares, to have consented and submitted to the exclusive jurisdiction of the courts of South Africa in relation to all matters arising out of, or in connection with, the Offer and Admission.

STRATE

Dematerialised shares are equity shares enabled for trading by electronic settlement in terms of the Strate System. The Ordinary Shares will be traded on the JSE in Dematerialised Form and the delivery and settlement of such Ordinary Shares will take place through the Strate System on, and with effect from, the Admission Date.

The Strate System is a system of "paperless" transfer of securities. If investors have any doubt as to the mechanics of the Strate System they should please consult their Broker, CSDP or other appropriate adviser. Please also refer to the Strate website at http://www.strate.co.za. Some of the principal features of the Strate System are as follows:

- electronic records of ownership replace share certificates and the physical delivery of share certificates;
- trades executed on the JSE must be settled within three business days (*i.e.*, on a T+3 basis);
- all investors owning dematerialised shares or wishing to trade their securities on the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement and other custodial requirements; and
- unless investors owning dematerialised shares specifically request their CSDP to register them as an "own name" shareholder (which entails a fee), their CSDP's or Broker's nominee company, holding shares on their behalf, will be the registered shareholder (member) of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDP's or Broker's nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDP's or Broker's nominee company), as to how it wishes to exercise the rights attaching to the shares and/or to attend and vote at shareholders' meetings.

APPROVALS AND ADMISSION

The JSE Limited has approved this Pre-listing Statement and the Admission of all of the Ordinary Shares (ISIN: ZAE000339891) in the *Personal Care, Drug and Grocery Stores – Food Retailers and Wholesalers* sub-sector of the JSE list, under the abbreviated name "Boxer" and the share code "BOX" with effect from the commencement of trade on Thursday, 28 November 2024, subject to certain terms and conditions, including the JSE's spread and minimum free-float requirements as set out in the JSE Listings Requirements.

The Ordinary Shares will be fully paid up and freely transferable upon Admission and may only be traded on the JSE in Dematerialised Form with electronic settlement occurring via the Strate System.

Investing in the Ordinary Shares involves risks. See "*Part IV – Risk Factors*" for a description of the risk factors that should be carefully considered, together with the contents of this Pre-listing Statement in its entirety, before investing in, or making any decision relating to an investment in, the Ordinary Shares.

PART III – EXPECTED TIMETABLE OF PRINCIPAL EVENT

The definitions and interpretations contained in "*Annexe 18 – Definitions, Glossary and Interpretation*" to this Pre-listing Statement apply to this "*Part III – Expected Timetable of Principal Event*," except where otherwise indicated.

The following indicative timetable sets out expected dates for the implementation of the Offer and Admission[(1)(2)]:

Key action	2024
Opening date of the Offer at 09:00 on	Monday, 11 November
Publication of the Pre-listing Statement on the Company's website on	Monday, 11 November
Release of the abridged Pre-listing Statement on SENS on	Monday, 11 November
Publication of the abridged Pre-listing Statement in the press on	Tuesday, 12 November
Last date and time for indications of interest for purposes of book building to be received up until 12:00 on	Friday, 22 November
Closing date of the Offer at 12:00 on	Friday, 22 November
Successful applicants advised of allocations on	Monday, 25 November
Publication date of the final Offer Price and final number of Offer Shares released on SENS on	Monday, 25 November
Settlement Date	Thursday, 28 November
Admission Date	Thursday, 28 November

Notes:
(1) The expected dates and times listed above may be subject to change. Any material changes will be announced on SENS.
(2) All references to times are to South African standard time, unless otherwise stated.

PART IV – RISK FACTORS

Prospective investors should carefully consider the risks and uncertainties set out below, together with the other information contained in this Pre-listing Statement, before making an investment decision with respect to the Ordinary Shares.

The risks described below are not an exhaustive list and are those risks which the Company is currently aware and which the Company believes, as at the date of this Pre-listing Statement, may materially adversely affect the Company or any member of the Group. Additional risks and uncertainties not known to the Group, or those that it deems to be immaterial as at the date of this Pre-listing Statement, may, individually or cumulatively, also materially adversely affect the Group's business, financial condition and results of operations. The market price of the Ordinary Shares could decline due to the occurrence of any of these risks or other factors, and prospective investors may lose all or part of their investment upon the occurrence of any such events.

All of these risk factors and events are contingencies that may or may not occur. The Group may face a number of these risks described below simultaneously and some risks described below may be interdependent. Although the material risks have been grouped together in a coherent manner and material risks considered to be of the most immediate significance have been prominent at the beginning within the material risks disclosure, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact to the Group's business, financial condition, results of operations and prospects. While the risk factors below have been divided into categories, some risk factors could belong in more than one category and prospective investors should carefully consider all of the risk factors set out in this section.

Prospective investors should carefully read and review the entire Pre-listing Statement and should form their own views before making an investment decision with respect to the Ordinary Shares. Furthermore, before making an investment decision with respect to any Ordinary Shares, prospective investors should consult their own professional advisers and carefully review the risks associated with an investment in the Ordinary Shares and consider such an investment decision in light of their personal circumstances.

RISKS RELATED TO THE GROUP'S BUSINESS AND INDUSTRY

Adverse geopolitical and macroeconomic conditions may have a material adverse effect on the Group's ability to maintain its customer value proposition and overall business, results of operations, financial condition and prospects.

The Group's results of operations may be materially affected by deterioration and volatility in geopolitical and macroeconomic conditions in South Africa and globally. Such macroeconomic conditions include, amongst others, inflation, rising interest rates, rising fuel and energy costs, water curtailment, electricity availability and 'load-shedding' (*i.e.*, electricity rationing and planned blackouts as a means of managing demand for electricity when such demand outweighs the grid's supply capacity), business and government spending and the impact of the ongoing wars in Ukraine and the Middle East on commodity prices. Adverse changes in global economic conditions and uncertainty arising from such changes could reduce access to capital or credit for customers and/or limit the ability of customers to manage interest rate and other related risks. Further, changes in general economic conditions may also result in higher operating costs, increased costs of debt and increased costs associated with retaining and recruiting key management and skilled employees. The occurrence of one or more of these events could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

The economic situation in South Africa remains challenging, marked by low economic growth, high unemployment and increasing living costs, in particular, in the aftermath of the 2021 civil unrest in South Africa. These issues were compounded in 2023 by widespread power and water supply disruptions. Consumers continue to face food inflation and additional financial pressures from higher interest rates, as well as rising fuel, electricity, and utility costs. This mix of factors is expected to continue pressuring consumers financially in the short term. South Africa has a system of social grants for certain categories of persons, including a Social Relief of Distress Grant for persons in financial need, which has remained in place since the COVID-19 pandemic. These are administered in terms of the Social Assistance Act 13 of 2004, and are subject to the appropriation of funds by Parliament. However, there is no guarantee that these grants (in particular the Social Relief of Distress grant) will continue at current levels, in particular given the political uncertainty following the recent elections in May 2024, and the creation of a government of national unity (as discussed further below, see "*Risks Related to South Africa and Other Regions in which the Group Conducts its Business Operations – The political environment of South Africa tends to be characterised by higher levels of uncertainty*"). If the new administration made the decision to decrease amounts paid in social grants, consumers would be faced with increased economic burden, resulting in consumers having to decrease their budgets.

South Africa has historically experienced high rates of inflation, which have been further impacted by recent macroeconomic trends, and may experience high levels of inflation in the future. Inflation, as well as government efforts to combat inflation, have had significant negative effects on the South African economy. Inflation rates were 6.9% in 2022, 6.0% in 2023 and 4.4% in September 2024, as measured by Statistics South Africa ("**Stats SA**"). The South African government's measures to control inflation have often included maintaining tight monetary policy with high interest rates, thereby restricting the availability of credit and reducing economic growth. From November 2021 until May 2023, the SARB pursued significant and continual interest rate increases, with the repo rate rising from 3.50% to 8.25%. On 19 September 2024, the SARB cut the repo rate by 25 basis points to 8.00%. High rates of inflation and actions that may be implemented to combat inflation, as well as public speculation about any possible additional actions, may also contribute materially to economic uncertainty in South Africa and accordingly weaken investor confidence, thus adversely impacting the Group's ability to access international capital markets and increasing the Group's costs, such as labour and energy costs. Conversely, more lenient government policies and interest rate decreases may trigger increases in inflation and, consequently, growth volatility and the need for sudden and significant interest rate increases, which could negatively affect the Group's business by eroding the Group's customers' spending power and decreasing their disposable income.

Suppliers in the Group's value chain could face increased operational costs and disruptions, for example from the shortage of energy and water supply or social factors, such as the 2021 civil unrest in South Africa, affecting input costs and the stability of supply, with small and medium-sized enterprises facing the greatest risks. Against this backdrop, the Group's customer value proposition ("**CVP**") must meet customers' demands for affordability and value. Without strategic adjustments, the Group's profit margins could suffer in the short term.

Economic challenges have further squeezed consumer budgets, increasing the demand for more affordable products. This trend, coupled with inflation and higher fuel, electricity and utility costs, presents risks to the Group's profit growth and margins.

In a challenging economic landscape characterised by worsening macro- and socio-economic conditions, consumers face escalating financial burdens. This adverse environment not only strains customers but also amplifies competition for their limited financial resources. The Group, alongside its various stakeholders within the value chain, faces significant hurdles in fully absorbing escalating cost pressures. The Group's CVP may not always fully align with rapidly evolving consumer needs arising out of these economic constraints.

In response, the Group must refine its CVP to better meet the evolving needs and expectations of its consumers. If the Group cannot adjust its strategy to address these challenges, including the risks associated with its suppliers, this may materially and adversely affect the Group's business, results of operations and financial condition.

The Group's operations in South Africa have been, and may continue to be, adversely affected by load-shedding.

The Group relies upon an uninterrupted flow of electrical power to operate its stores. Since 2022, South Africa has been subject to extensive load-shedding, which stops the power supply in targeted areas forcing commercial users of electricity, like the Group, to rely on diesel generators or shut down their operations. Eskom, the state-owned electricity producer in South Africa, has advised that the South African power grid may remain under strain for a number of years until new power stations come online, and load-shedding remains a possibility during this time, even though as at the date of this Pre-listing Statement, no load-shedding is taking place. When load-shedding has taken place, Eskom has historically carried it out in accordance with predetermined load-shedding stages, determined by the number of megawatts ("**MW**") being shed, which completely stops the power supply for varying periods of time. Eight schedules have been developed based on the level of risk and to ensure that load shedding is applied in a fair and equitable manner: Stage 1 allows for up to 1000 MW of the national load to be shed; Stage 2 allows for up to 2000 MW of the national load to be shed; Stage 3 allows for up to 3000 MW of the national load to be shed; Stage 4 allows for up to 4000 MW of the national load to be shed; Stage 5 allows for up to 5000 MW of the national load to be shed; Stage 6 allows for up to 6000 MW of the national load to be shed; Stage 7 allows for up to 7000 MW of the national load to be shed; and Stage 8 allows for up to 8000 MW of the national load to be shed. Load-shedding in Stages 1 to 4 are implemented in most parts of the country in two-hour blocks, with such blocks being doubled progressively to four hours as Stages 5 to 8 are activated.

Persistent load-shedding has been a significant operational hurdle, with all Group stores relying on diesel generators to stay powered during outages. As a result, the Group has historically incurred substantial additional energy costs, not accounting for the indirect impact on turnover due to decreased footfall, and losses and increased maintenance costs resulting from equipment failures. Any disruption in electricity supply or reductions in the availability of other essential services, such as the availability of internet and mobile networks and the supply of water in areas where pumps are required, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The energy crisis has been particularly challenging for food retailers, due to their reliance on electricity in part to keep food chilled and safe. The Boxer Superstores Group incurred total diesel costs to run its generators of ZAR328 million during the 52 weeks ended 25 February 2024, compared to ZAR295 million for the 52 weeks ended 26 February 2023. This cost consists of the diesel costs required to run the generators to keep stores powered during load-shedding, however, this does not include additional costs associated with (i) product spoilage across the business as a result of cold chain disruption; (ii) lost trade due to reduced product availability; (iii) reduced footfall in dark shopping centres; (iv) spend related to the repair and maintenance of generators, refrigeration and other machinery vulnerable to damage as a result of power outages and power surges; (v) reduced digital connectivity when mobile and other service providers provide unstable services; and (vi) low employee morale and motivation related to the operational disruption of load-shedding, including power and water outages, slower systems connectivity, lower levels of stock availability, and the inconvenience to customers.

The Group relies upon electrical power to operate all of its facilities across its distribution network. To attain maximum performance, these types of facilities must often operate on a continuous basis and at the appropriate pre-set temperatures. As a result, any interruption in power supply, such as those frequently sustained as a result of load-shedding, may result in food spoilage and any extended power supply shortages or interruptions could result in perishable food losses, each of which could have a material adverse effect on the Group's business, financial condition, and results of operations. Cold chain requirements, setting out the temperatures at which ingredients and products must be stored and transported, are established both by law and by the Group to help guarantee the safety of its food products. The Group maintains the cold chain from the moment the ingredients arrive at, or are frozen by, its suppliers, through transportation and ultimately to the time of sale in its stores or delivery to its customers, both to ensure that it complies with all health and safety protocols and to extend certain products' shelf life. A failure in the Group's cold chain could lead to food spoilage, risks to the health of its customers, fines, litigation and other penalties, and damage to its brand and reputation, each of which could materially adversely affect its business, financial condition, and results of operations.

Although load-shedding was significantly reduced in the weeks leading up to the 29 May 2024 elections and there has been no load-shedding since then, there is no guarantee that this will continue to be the case going forward. Despite the Group's energy resilience plan, negotiations with landlords to maximise renewable electricity sources and discussions with the government for diesel tax rebates, there can be no assurance that it will be able to adequately control, mitigate or at all reduce the additional costs incurred as a result of load-shedding and may sustain a material adverse effect on its business, results of operations, financial condition and prospects.

The Group's operations in South Africa may be adversely affected by increases in energy or water costs.

Increases in energy or other utility costs, including electricity, fuel, and water may adversely affect consumer spending and demand for the Group's products and increase the cost of sales, adversely impact its results of operations due to consequential increases in operating costs and divert financial and management resources from more beneficial uses. Energy and water costs in South Africa have fluctuated significantly in the past and may fluctuate in the future.

Fluctuations in petrol or diesel costs have resulted, and may in the future result, in an increase in the Group's transportation costs for distribution, utility costs for stores and costs to purchase merchandise from third-party manufacturers. Similar to its competitors, the Group may not be able to pass all or a portion of these higher costs on to its customers, which could adversely affect the Group's margins, impact customer demand and decrease its turnover, with a consequent material adverse effect on the Group's business, results of operations, financial condition and prospects.

As the retail industry is highly competitive and trend-sensitive, failure to compete successfully and maintain a competitive position may affect the Group's business, results of operations, financial condition and prospects.

The South African retail industry is highly competitive. Such competition places pressure on the Group's turnover, pricing strategy, margins and profitability. The Group faces several competitive pressures, including:

- competitively pricing the Group's products and services and successfully meeting the customer perception of value;
- offering value and consistent quality products and services across the price spectrum;
- sourcing merchandise efficiently and cost effectively;
- adapting the Group's store network to the changing needs of the Group's customers;
- increasing convergence of industries, including by way of vertical and horizontal integration;
- competing against new web-based competitors and other new entrants with low barriers to entry; and
- aggressive new store rollout by competitors, which could reduce turnover of existing Group stores when a competitor store is opened in the proximity of a Group store.

Some of the Group's competitors offer a broad range of product categories while others are specialist retailers that compete only in certain product categories. Although the Group is generally one of the leaders in the markets in which it operates, certain of the Group's competitors may have greater market presence and brand recognition, or may be perceived to offer higher quality products at the same or lower prices or similar quality products at lower prices and therefore offer greater value for money than the Group.

If the Group does not anticipate and respond quickly to changing consumer preferences in the future, its business, results of operations, financial condition and prospects could suffer.

A large part of the Group's business is dependent on its ability to make trend-right decisions in a broad range of categories. If the Group does not predict and quickly respond to changing consumer preferences and spending patterns, it may experience lower turnover, spoilage, and increased inventory markdowns, which could adversely affect its results of operations. The Group's ability to predict and adapt to changing consumer preferences depends on many factors, including obtaining accurate and relevant data on customer preferences; successfully implementing new technologies and capabilities emphasising relevant product categories; effectively managing its inventory levels (see "*The efficiency of the Group's supply chain is critical to its business and operations. Significant disruptions in its production, imports and/or distribution, particularly for perishable goods, or the failure to grow the Group's supply chain in line with the growth of its business could materially adversely affect the Group's business, financial condition, and results of operations*"); and implementing competitive and effective pricing and promotion strategies. If the Group is unable to effectively adapt to future changes in consumer preferences and spending patterns, its business, results of operations, financial condition and prospects could be adversely affected.

Risks associated with non-compliance with laws and regulations and adverse developments with respect to the safety and quality of the Group's products and/or concerns about the safety of the food industry in general.

Food and product safety and food hygiene and traceability are top priorities for the Group. The actual safety of the food and other products and services which the Group offers, as well as the public's perception of that safety, are essential to its business, brand, and reputation. The Group's decisions and protocols are guided by the advice of expert scientific bodies, including the South African Department of Health, the South African Association for Food Science & Technology and the National Institute for Communicable Diseases, ensuring that food safety is maintained by robust health and safety standards across the food chain to mitigate the significant risks associated with unsafe food. Notwithstanding the Group's adherence to these standards, there is always a risk that safety standards may not be followed in stores, distribution centres, factory or support offices, putting customers and others at risk of ill health or injury. Furthermore, business partners may not always adhere to the Group's overall minimum health and safety standards, which increases the risk of inadvertently stocking or preparing unsafe food or other grocery products that may cause harm to customers.

Regulatory risk

The Group is subject to several food safety and hygiene regulations. See "*Part VI – Regulatory Considerations.*" Failures to comply with these regulations could result in a number of adverse consequences, including fines, loss of licences, costs of compliance or certification requirements. The Group may not be able to ensure that its customers always enjoy safe, quality products. It sells food for human consumption, which subjects it to safety risks such as contamination (including the presence of an undeclared allergen, a foreign object or substance, unintentional pathogenic microbe or chemical, other agent or residue or the introduction of an undisclosed genetically modified organism), spoilage, mislabelling and product tampering, all of which could lead, and has in the past led, to product withdrawals or recalls or destruction of inventory and could result in negative publicity, temporary store, factory or warehouse closures and substantial costs in connection with compliance or remediation. The Group may also be impacted by any assertion that its products have caused illness or injury, whether true or false, proven or unproven.

Risks to the health of its customers can also arise from the Group's branded and own-brand or confined label suppliers, the majority of whom are third parties operating outside of its direct control, in relation to the ingredients, foods, and products it sells in its stores. Its use of third-party suppliers increases the risk that any of the aforementioned incidents could be caused by factors outside of its control and that multiple store locations could be affected. In addition, food or product safety-related risks may also occur under any one of its own-brand labels, and it may be impacted by negative publicity regarding any assertion that its food or other products have resulted in illness or injury. Its customers expect that it will provide them with a large selection of safe, high-quality products. If the Group is unable to control and guarantee the quality of the products it sells, especially its own-brand labels and in-store services, its brand and reputation may be negatively impacted.

Non-compliance with laws and regulations relevant to the business including the food safety laws mentioned above, health and safety laws and liquor laws may, in addition to compliance notices, directives, fines, reputational harm and other adverse effects, result in licences, certificates or registrations which the Group requires to conduct its operations being revoked, suspended, cancelled or not renewed when due for renewal.

Consumer safety and product liability

Consumers are increasingly focused on the traceability of food products to assist them in deciding what to purchase. While the Group maintains quality practices and procedures, it may be difficult to detect contamination, spoilage, mislabelling, product tampering, or any other incidents that compromise the safety and quality of its products, particularly in the case of fraudulent or malicious activity. Adverse publicity around these types of problems, whether valid or not, may discourage customers from buying its products and may affect its brand and reputation. The Group's actual or perceived sale of unsafe food products could result in product liability claims against the Group, a loss of customer confidence, product recalls by the Group, and legal claims, which could have a material adverse effect on its business, financial condition, and results of operations.

The Group also faces additional risks from product defects in relation to the sale of its non-food products, including, for example, the risks of battery explosions, appliance malfunction, or toys or other items that prove to be dangerous. If the products it purchases from its suppliers are damaged or defective, it may not be able to return the products to these suppliers and obtain refunds on its purchase price or obtain indemnification from them for any damages caused. Its brand and reputation could be damaged by the marketing of such dangerous or defective products, especially in case of serious defects, such as products containing harmful substances, causing death, physical harm, or other health problems. In addition, there is a risk that compliance lapses by the Group or by its suppliers could occur, which could lead to investigation by agencies responsible for customer product safety. In all such cases, especially if there is a prolonged impact on product quality, its brand and reputation, business, financial condition, and results of operations may be materially adversely affected.

Certain risks are inherent in the operation of 'ready to eat' and displayed counters, as well as the operation of dedicated food processing sites, such as the Group's meat processing plant. The Group's brand and reputation could be damaged to the extent that the quality of these facilities falls below its established standards. For example, if the required temperatures and environments are not properly maintained, food safety could be compromised, and harmful bacteria, such as Escherichia coli or Listeria monocytogenes, could develop. Additionally, these facilities are also subject to public tampering and contamination, over which the Group has limited control.

A significant lawsuit, widespread product recall, or other events leading to the loss of customer confidence in the safety and quality of its products could damage the Group's brand and reputation and negatively impact its turnover, profitability, and prospects for growth. Further, if a product recall is required in circumstances where the financial consequences are not covered by the relevant supplier or the Group's insurance policy, it may have a material adverse effect on the Group's financial performance. Although the Group maintains product liability insurance, it cannot be certain that its insurance cover will be adequate for liabilities actually incurred or that insurance will continue to be available to it on economically reasonable terms, or at all.

Even if future product liability claims against the Group are unsuccessful, these claims could be costly and time-consuming to defend, may divert management's time and resources from operating the Group's business and may harm its brand and reputation. Even if its products are not affected by contamination or other incidents that compromise their safety and quality, the Group is subject to risks affecting the food industry generally, including risks posed by widespread contamination, widespread diseases (such as H1N1, SARS, MERS, BSE, and avian influenza), and evolving nutritional and health-related concerns. Regulatory authorities may limit the supply of certain types of food products in response to public health concerns, and customers may perceive certain products to be unsafe or unhealthy, which could require the Group or its suppliers to find alternative ingredients or products that may not be available at commercially reasonable prices or within acceptable time constraints. In addition, such governmental regulations may require the Group to identify replacement products for its customers or, alternatively, to discontinue certain offerings or limit the range of product offerings. The Group may be unable to find substitutes that are as appealing to its customers, or such substitutes may not be widely available or may be available only at increased costs. Such substitutions or limitations could also reduce demand for its products. Each of the factors above may have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

The Group relies extensively on information systems to process transactions, compile and report its results, and manage its business. These systems are interdependent, and disruptions in the information technology ("IT") infrastructure that the Group uses, including those provided by third parties, could materially adversely affect its business, results of operations, and financial condition.

The Group relies on an extensive array of information systems (including servers, networks, cloud infrastructure, applications, websites, and databases) that are essential to the operation and management of its activities. The development, implementation, and continuous and uninterrupted performance of its hardware, network, applications, website, and other systems, including those which may be provided by third parties, are important factors in the delivery of products and services to its customers. The Group is dependent on its technical infrastructure and computer applications for all aspects of the day-to-day management of its business, including sourcing, purchasing, distribution, point-of-sale, online sales, data analytics, invoicing, cash collection, reporting and consolidation, as well as electronic data exchange and access to internal information, all of which provide necessary information upon which management makes its business decisions.

Enterprise-wide IT supports and facilitates critical functions across the Group's operations, including point-of-sale transactions, value-added financial services, product forecast and replenishment, labour scheduling, the Boxer Bulk Online platform, real-time financial reporting, and remote working. Risks to systems stability and security are increasing due to the frequency of global cyber and ransomware attacks, the acceleration in digitisation across its business, and the increase in online transactions. Potential impacts include system disruption that affects the Group's ability to serve customers and run its business effectively, cyber-attacks and the impact on the security of personal and confidential information, reliance on IT systems that are unable to support growth and innovation, and a lack of accuracy or timeliness of information having a negative impact on decision-making ability.

The effects of load-shedding are compounded by the Group's reliance on information systems. In particular, prolonged power outages may not only create interruptions to the Group's own systems, but may also affect third-party systems and infrastructure, such as internet and telecommunication networks, on which the Group relies for processing payments, leading to material loss of turnover and customer dissatisfaction. In addition, any such interruptions may affect the Group's ability to accurately record turnover, track inventory, and coordinate operations and store management. In these instances, the Group may be unable to resume store operations, in part or entirely, even if back-up power generators are available for individual stores, until such third-party systems and infrastructures are back online. Any such event could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

The Group's performance depends on accurate, timely information and numerical data from key software applications to aid day-to-day business and decision-making processes. It is exposed to operational risks, such as the breakdown or failure of equipment, interruption of power supplies or processes, fires, floods or other natural disasters, intentional destruction and vandalism of property, and industrial accidents. The Group relies on its information technology systems for communication among its suppliers, stores, distribution centres, and support offices and for its online sales. It may be adversely affected if its controls fail to detect or contain operational risks. If the Group does not allocate and effectively manage the resources necessary to build and sustain the proper technology infrastructure and to maintain the related automated and manual control processes, it could be subject to adverse effects, including billing and collection errors, business disruptions, and damages related to security breaches. Any disruption caused by failings in its information technology infrastructure or underlying equipment or communication networks could delay or otherwise impact its day-to-day business and decision-making processes and negatively impact its performance.

The Group also relies on third-party software and cloud infrastructure providers for certain IT systems. If such providers were to terminate their agreements with the Group, stop providing services for any reason, or to considerably raise the price of their services, the Group's business would be materially and adversely affected. The Group cannot guarantee that it will be able to find and retain alternative providers or obtain licences to proprietary software or other intellectual property important to its operations if its current or future providers become financially unstable. To the extent that any of these systems, technologies, or programmes do not function properly and the Group cannot find and retain a suitable IT provider to help remedy the fault, it may experience material adverse effects on its business that require substantial additional investments to remedy, or which it may not be able to remedy at all. In addition, regular maintenance and updates to the Group's IT systems are carried out in the ordinary course of business. If not managed effectively, these upgrades could exceed budget, take longer than anticipated, or fail to deliver the expected benefits. Additionally, the process of upgrading or maintaining such systems can lead to system downtime, during which the Group's operational capabilities could be impaired, potentially resulting in productivity loss, disruption of the Group's supply chain, and customer service issues. There is also the risk that the upgrades to IT systems may not integrate well with the Group's existing IT infrastructure, leading to further operational disruptions and additional costs. Ineffective implementation could result in data loss or data integrity issues, which could impact decision-making processes and lead to operational errors. The performance of the IT systems that the Group uses depends on, among other things, its ability to effectively safeguard such IT systems and related equipment against damage or compromise from interruptions to telecommunication services, data breaches, hacking and phishing attempts, and the introduction of malware and computer viruses.

Any failure of such IT systems due to a technical issue or a cyber-attack, any failure of the Group's IT systems' support teams to mitigate such IT system failures, and any inadequacy in the Group's insurance policies with respect to any resulting losses could have a material adverse effect on the Group's business operations and assets. For example, any such failure could impact the availability of electronic point-of-sale systems and therefore limit the Group's ability to complete sales or pay suppliers that in turn may rely on such systems for their own sales. Furthermore, if the Group's security measures were compromised and the Group's efforts to combat such a breach were unsuccessful, the Group's operations would be interrupted, and its reputation could be harmed, leading to a material adverse effect on its business, financial condition, and results of operations.

The Group depends on the services of key personnel and the Group's business and growth strategy could be materially harmed if it was to lose these individuals and was unable to replace them with individuals of equal experience and capabilities.

The Group depends on the services of key personnel, in particular senior executives, highly qualified managers and technically proficient specialists ("**Key Personnel**"), and its business and long-term strategy could be materially harmed by the loss of such individuals to competitors, other employers offering better remuneration, or as a result of emigration, if the Group is unable to replace them with executives and managers of equal experience and capabilities. The Group's success depends, in part, upon the continued services of its Key Personnel to operate the business and execute the Group's strategic initiatives. The Key Personnel's knowledge of the market and the Group's businesses represents a key strength of the Group's business model, and the Group's experience and human capital serve as a barrier to entry to potential competitors. The success of the Group's long-term strategy and future growth also depends on its ability to attract, train, retain and motivate its Key Personnel. There can be no assurance that any of the Group's Key Personnel will continue to be employed by the Group or that the Group will be able to attract and retain appropriately qualified personnel in the future. The loss of one or more of the Group's Key Personnel, or the failure to attract and retain additional Key Personnel, could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects. This could also result in additional duties for the remaining members of management, which could, in turn, have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

The Group faces significant risks due to climate change which impacts scarce resources and can lead to environmental degradation and other environmental sustainability considerations.

Climate change represents a substantial threat to the continuity and efficiency of the Group's food and grocery retail operations. The escalating effects of climate change, including, but not limited to, erratic weather patterns, scarcity of water resources, over-exploitation of seafood resources, and environmental degradation, directly imperil the availability and stability of raw materials essential for the Group's product range. These adverse conditions could lead to disruptions in the Group's supply chain and fluctuations in energy supply, critically affecting operational capability.

As climate change threatens ecosystems and biodiversity, it undermines the sustainability and prosperity of the agricultural sector and, in turn, any adverse effect to farmers may materially impact producers and retailers that rely on the quality, quantity and cost of farmers' output. The result is not only a risk to food availability and quality but also an exacerbation of poverty and hunger in South Africa and Eswatini, further limiting customers' spending power and thwarting the growth of the economies within which the Group operates. Water scarcity, a direct consequence of climate change, further jeopardises food production and supply, placing additional pressure on the Group's ability to maintain a stable and high-quality product offering. Further, inadequate local firefighting water supply may impact the ability to manage a fire, which in turn could increase the likelihood of site loss, impacting the Group's turnover and possible insurance cover. There can be no assurance that a water supply crisis or other water-related disruption will not occur in the future.

The Group's reliance on agricultural products, such as meat and dairy, is particularly vulnerable to the impacts of climate change. With agriculture being highly susceptible to variations in weather and climate conditions, any significant disruption could lead to decreased availability or increased costs for these essential commodities. Climate change-induced phenomena, such as extreme weather events, could exacerbate the price volatility for these commodities, impacting the Group's operating margins and financial condition. Increased costs or shortages in poultry and dairy products, driven by factors like adverse weather conditions, disease outbreaks, or shifts in

consumer demand, could significantly inflate operational costs. The Group has not always been, and in the future may not be, able to pass on such price increases to its consumers due to, among other things, competition and the Group's commitment to offer its customers the best price. Absorbing such increased costs could lead to a contraction in the Group's margins, which, in turn, could result in reduced levels of cash generated from operating activities.

The Group is also subject to various environmental duties of care that require it to take reasonable measures to prevent environmental pollution or degradation from occurring, continuing, or recurring. Any failure to act according to the duty of care could result in the relevant authorities directing the Group to take the required reasonable measures, which would include measures to investigate, evaluate and assess the impact of specific activities, to report on such impact, and to complete the required measures within the specified period. If the Group were to fail to meet the terms of any directives from the relevant authorities or to comply with such directives in an inadequate manner, the relevant authorities may undertake the necessary remedial measures and recover the costs of taking such remedial measures from the Group.

Any of the above could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Risks associated with the implementation of the Group's long-term strategy and achieving any or all of the financial objectives included in this Pre-listing Statement.

Boxer aims to unlock its full potential as the pre-eminent discount retailer in South Africa through its strategic virtuous circle characterised by the four key pillars of high volume, value for money, high efficiency, and store expansion. The virtuous circle represents a differentiated customer value proposition which sets the foundation for market leading growth and robust returns (see "*Part VII – Business of the Group – Strategy and prospects*"). The successful execution of the Group's strategy is paramount for its ambition to continue generating self-reinforcing turnover and profit growth momentum. However, this strategy introduces certain challenges and risks to the Group's operations. Most notably, the Boxer Superstores Group's accelerated store rollout programme is a significant driver of its turnover growth, having contributed 4.3% to the Boxer Superstores Group's turnover growth for the 26 weeks ended 25 August 2024, and 9.2%, 12.8% and 3.7% to such growth for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. In the 26 weeks ended 25 August 2024, the Boxer Superstores Group grew its estate by 12 net new stores, preceded by the addition of 49, 60 and 26 stores in the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. However, the Group's ability to sustainably expand at the desired rate depends on the availability of suitable retail locations at acceptable commercial terms. Even if suitable retail locations are available, any failure to successfully complete or integrate acquisitions, any material delays in preparing, staffing and stocking new stores for opening, or inability to roll out additional and appropriate support structures, such as distribution centres, may also affect the Group's expansion.

Further, the execution of the Group's long-term strategy could be affected by civil unrest (such as the 2021 civil unrest in South Africa) and other catastrophic events (see "*The occurrence of catastrophic events, such as war, terrorist attacks, civil unrest, disruptive geopolitical events, epidemics, pandemics, and natural disasters, has in the past and may in the future materially adversely affect the Group's and its stakeholders' (including all suppliers and other third parties on which the Group relies) business, financial condition, and results of operations*") as well by any limitation in the Group's ability to mitigate resulting losses. For example, in the event that the Group's stores are damaged by fire, water scarcity could hinder the authorities' ability to respond, as discussed in "*The Group faces significant risks due to climate change which impacts scarce resources and can lead to environmental degradation and other environmental sustainability considerations*," or if the Group's insurance cover is inadequate, it may not be able to recover any resulting losses ("*It may be difficult or expensive to obtain or renew commercial insurance and there can be no assurance that sufficient cover will be secured or maintained*"). Other high-level risks to the successful execution of the Group's long-term strategy include potential financial and reputational damage resulting from cybersecurity breaches (see "*The Group relies extensively on information systems to process transactions, compile and report its results, and manage its business. These systems are interdependent, and disruptions in the IT infrastructure that the Group uses, including those provided by third parties, could materially adversely affect its business, results of operations, and financial condition*") and interruptions to the Group's operations as a result of constraints in supplier reliability (see "*The Group relies on certain suppliers and partners, the majority of which are third parties, and any failure by these suppliers and partners to comply with their obligations could have a materially adverse impact on the Group's brand, reputation, business, results of operations, and financial condition. Additionally, agreements with these suppliers and partners may be subject to adjustments that could increase the Group's expenses*").

The success of the Group's long-term strategy hinges upon the Group's ability to navigate these risks, successfully carry out its comprehensive plans, and adapt to the changing retail environment. Failure to do so could have a material adverse effect on the Group's business, results of operations and financial condition, potentially compromising the Group's strategic goals.

The Group has also set itself several financial objectives. The Group's ability to achieve these financial objectives depends on its ability to successfully execute its strategy and on the accuracy of certain assumptions upon which they are based. These assumptions involve factors that are substantially or entirely beyond the Group's control and are subject to known and unknown risks, including the risks described in this section, uncertainties and other factors that may result in the Group's inability to achieve its financial objectives. In particular, the Group's ability to successfully implement its strategy and achieve its financial objectives may be impacted by factors such as general economic and business conditions and competition in industries in which the Group operates, all of which are outside of its control. If one or more of the assumptions that the Group has made in determining its strategy or setting its financial objectives is inaccurate, or if one or more of the risks described in this section "*Part IV – Risk Factors*" were to occur, the Group may be unable to implement its strategy or achieve one or more of its financial objectives, which could have a material adverse effect on the Group's business, results of operations and financial condition, potentially compromising the Group's strategic goals.

The occurrence of catastrophic events, such as war, terrorist attacks, civil unrest, disruptive geopolitical events, epidemics, pandemics, and natural disasters, has in the past and may in the future materially adversely affect the Group's and its stakeholders' (including all suppliers and other third parties on which the Group relies) business, financial condition, and results of operations.

The occurrence of one or more natural disasters, such as floods (like those that affected Durban in April 2022), earthquakes, tsunamis, hurricanes, tropical storms and tornadoes; weather and climate conditions, such as winter and summer storms, heatwaves, severe cold weather, and droughts, whether as a result of climate change or otherwise; geopolitical events; public health situations, such as epidemics, pandemics and other contagious outbreaks, such as the global coronavirus pandemic; and catastrophic events, such as war, including the Russia-Ukraine war and conflicts in the Middle East, civil unrest (such as the 2021 civil unrest in South Africa), terrorist attacks or other acts of violence, including active shooter situations, knife attacks, as well as protests, strikes, and boycotts have in the

past and may in the future materially adversely affect the Group's and its suppliers' (including other third parties on which the Group relies) business, financial condition, and results of operations.

Such events could result in the closure of, physical damage to, or the complete loss of, one or more of the Group's and/or its suppliers' (including other third parties on which the Group relies) properties, limitations on operating hours, workforce shortages, the inability of customers and employees to reach or have transportation to the Group's stores and facilities, the evacuation of the population from areas in which the Group's stores and facilities are located, the unavailability of the Group's online platform, changes in customer purchasing patterns (including the frequency of visits to physical retail locations, whether as a result of limitations on large gatherings, travel and movement limitations or otherwise) and in disposable income, disruptions to supply and logistics chain, reduced availability of products in the Group's stores, disruptions to utilities for the Group's stores and facilities, and disruptions to its communications network. Responding to such events and their effects may require a significant amount of management attention and resources, which may disrupt or otherwise have a material adverse effect on the Group's ongoing business operations.

The Group bears the risk of losses incurred as a result of damage to, or destruction of the Group's stores, distribution centres and/or its suppliers' (including other third parties on which the Group relies) facilities, loss or spoilage of inventory, and business and service interruption caused by such events. These events and their impact have and could otherwise disrupt and materially adversely affect the Group's business, financial condition, and results of operations. Furthermore, the Group cannot provide any assurance that it would be able to successfully recover its costs, in full or in part, should it experience an event of the types described above or other business continuity problem ("*It may be difficult or expensive to obtain or renew commercial insurance and there can be no assurance that sufficient cover will be secured or maintained*"). Each of the factors above may have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

It may be difficult or expensive to obtain or renew commercial insurance and there can be no assurance that sufficient cover will be secured or maintained.

The Group maintains insurance in amounts that it believes to be appropriate in relation to the risks commonly insured against by similar businesses and will seek to maintain such insurance. Certain types of risks may be, or may become, however, either uninsurable or not economically viable to insure, as a result of a material change in the way that insurers view the Group's risk profile or the sector in which the Group operates. Significant macroeconomic events may also negatively impact the insurance underwriters' solvency and liquidity, and the availability of insurance coverage or the terms on which the Group can obtain it. For example, as a direct result of the July 2021 civil unrest in South Africa, the South African government's public insurer for civil commotion, public disorder, strikes, riots and terrorism, Sasria, incurred losses amounting approximately to ZAR37 billion. There can be no assurance that if such events reoccur, Sasria or any other insurer will have sufficient liquidity to cover all resulting claims, or that the South African government will provide additional liquidity to cover any such insufficiency, which could result in significant uninsured losses for the Group, materially impacting the Group's business, financial condition, results of operations, and prospects.

Even with such insurance in place, the risk remains that the Group may incur asset losses, income losses or liabilities to clients or customers and other third parties which exceed the limits of such insurance cover or are not covered, in full or part, by it. There can be no guarantee that the Group will be able to obtain appropriate or sufficient levels of cover on acceptable terms in the future. If any of the Group's insurers become insolvent, refuse to renew or revoke coverage or otherwise cannot satisfy the Group's insurance requirements, then the Group's overall risk exposure and operational costs could materially increase, and the Group's business operations could be significantly disrupted. In such circumstances, there would be a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

The efficiency of the Group's supply chain is critical to its business and operations. Significant disruptions in its production, imports and/or distribution, particularly for perishable goods, or the failure to grow the Group's supply chain in line with the growth of its business could materially adversely affect the Group's business, financial condition, and results of operations.

The Group is subject to risks associated with the delivery of products to its stores through its distribution centres. The Group operates with tailored outsourced logistics structures concentrated in six strategically positioned distribution facilities to supply and deliver its products. The Group also relies on the supply chain network and distribution centres of its frozen transportation partner for perishable stock, and those of its outsourced partners for the delivery of fruits and vegetables. There is a risk that any of these facilities may be materially adversely affected by extraordinary events, such as a fire or an explosion, among others. See "*The occurrence of catastrophic events, such as war, terrorist attacks, civil unrest, disruptive geopolitical events, epidemics, pandemics, and natural disasters, has in the past and may in the future materially adversely affect the Group's and its stakeholders' (including all suppliers and other third parties on which the Group relies) business, financial condition, and results of operations.*" An impairment or loss of one or more distribution centres due to accidents, fires, technical disruptions, sabotage, labour action, civil unrest or any other reason, or an impairment or disruption in the Group's suppliers' service, including significant price increases, could result in a temporary disruption in the delivery of products to its stores and additional costs. Although the Group believes that it would be able to find an alternative distribution centre or an alternative operator, if necessary, it may be unable to find alternative providers in a timely fashion, on reasonable terms, or at all.

In some such cases, insurance is subject to limitations and therefore may not cover all of the Group's losses. Any increases in the cost of transportation, including as a result of increased fuel prices or environmental regulations or initiatives that mandate more costly methods of transport, could significantly increase the Group's cost of doing business. Moreover, the Group relies on imports for certain raw materials that are essential for the operation of its meat processing plant. If the cost of obtaining such imported raw materials sustains a significant increase due to supply chain challenges, trade restrictions, currency fluctuations, or if the availability of such materials diminishes, this could have a significant effect on the Group's meat processing plant and, in turn, its business, financial condition, results of operations, and prospects. The efficiency and functioning of the Group's supply chain without disruptions or delays is essential, especially for perishable stock and for fruits and vegetables, which are both delivered by outsourced third party partners. Moreover, any inefficiency or disruption to the Group's supply chain could have an adverse impact on its inventory management, and any such imbalance could lead to suboptimal allocations of products, and generate undue stock surpluses or deficiencies. Changes in the Group's logistics structures, including as a result of impacts to its facilities, labour disruptions, fleet problems, natural events, technical disruptions, malfeasance or accidents, could lead to a temporary or extended disruption of its operations, disrupt product availability and inventory management, and have a negative impact on the Group's brand, reputation, business, financial condition, results of operations, and prospects. Furthermore, the growth of the Group's business is subject to limitations on the capacity of its current supply chain network and its ability to expand that network to meet its changing needs. The Group's failure to grow its supply chain network in line with the growth of its business could materially adversely affect its business, financial condition, results of operations, and prospects.

Certain activities of the Group's business are seasonal or cyclical in nature, and the Group's revenue, working capital requirements and results of operations in different periods of the year have varied in the past and may vary in the future as a result.

The Group's turnover, profits, working capital requirements and cash flows within any given year have historically been affected by seasonal fluctuations. For example, sales volumes have historically been higher in the second half of the financial year and historically lower in the first half of the financial year. These seasonal influences have a direct impact on the Group's earnings, and fluctuations in its inventory, operational disruptions or store closings during peak trading periods could affect its working capital requirements. If seasonal fluctuations are greater than anticipated, there could be a material adverse effect on the Group's business, financial condition, results of operations, and prospects. The Group's half-year results of operations may also fluctuate significantly as a result of other factors, including the timing of new store openings, temporary or definitive closings or disposals, and the revenue contributed by new stores or the loss of revenue from closed, disposed or converted stores. For these reasons, sequential half-yearly comparisons may not be a good indication of the Group's performance or how it may perform in the future.

The Group relies on certain suppliers and partners, the majority of which are third parties, and any failure by these suppliers and partners to comply with their obligations could have a materially adverse impact on the Group's brand, reputation, business, results of operations, and financial condition. Additionally, agreements with these suppliers and partners may be subject to adjustments that could increase the Group's expenses.

The Group's business relations with its active suppliers and service providers, including in relation to its own-brand products, expose the Group to risks that such third parties may fail to meet timelines, provide it with sufficient inventory, or comply with its specifications. If a delay or interruption of delivery were to occur either temporarily or permanently for any reason, the Group might not be able to meet customer demand, which may result in fewer sales and may harm its brand. Further, as the Group requires its suppliers to meet certain specifications and standards to ensure the quality of its products, the use of third-party suppliers increases the demands on its quality control personnel. If the products provided by the Group's suppliers do not meet the relevant quality standards, its reputation may be materially adversely affected. In addition, the Group depends on its suppliers for certain of its successful popular own-brand and confined label products which contribute to store traffic and turnover. Any disruption of delivery of these key high-volume products may have a material adverse effect on the Group's turnover. Further, the associated reputational risks are heightened in the context of suppliers who supply and/or manufacture the Group's own-brand products.

There can be no guarantee that the Group will not be required to make changes to its supplier base, and at any point may be required to contract with other suppliers on less favourable terms and/or at a greater cost. While the Group has long-term relationships with many of its suppliers, and alternate suppliers are generally available, it does not have long-term contracts with its suppliers. As a result, certain of its suppliers could increase their prices, including as a result of reductions in Group order volumes, or fail to deliver sufficient quantities to it in a timely fashion or at all. There is also a risk that suppliers will consolidate, giving it fewer choices and creating pricing pressure. Any deterioration in the Group's relationships with its suppliers, the imposition of stricter conditions by suppliers or the non-renewal of its key supply agreements may have a material adverse effect on its business, financial condition, and results of operations. If the Group experiences a need to replace an existing supplier, there can be no assurance that additional suppliers will be available when required on terms acceptable to it. In addition, even if the Group was able to find new suppliers on acceptable terms, it may encounter delays in production and added costs as a result of the time it would take to train such suppliers in the Group's methods, products, quality control standards, employment, health, and safety standards which could adversely affect its business, financial condition, results of operations, and prospects.

The Group's operations are dependent on its key supplier relationships, of which some are based on short-term contracts. Any interruption to such suppliers' operations could materially adversely affect the Group's business, financial condition, results of operations, and prospects. In addition, the Group is dependent on suppliers of the machinery used within its logistics facilities for their continued supply and maintenance. It is also dependent on other third parties, including landlords and distributors, and other service providers. If any such service provider ceases operations or becomes temporarily unable to supply its respective services, this could materially adversely affect the Group's operations or financial condition until an alternative service provider is found, and there could be no guarantee that any alternative service provider would be as satisfactory as the existing arrangements. Any adverse changes to the Group's relationships with these suppliers, service providers and other third parties or a reduction in availability or level of service offered by these providers could restrict its ability to conduct its business and thereby adversely impact its financial condition and prospects.

There is also a risk that the Group's suppliers and service providers may not comply with relevant anti-corruption laws, health and safety laws, environmental laws, or other laws and regulations, which could result in reputational damage to the Group's brand, loss of consumer trust, or human rights or anti-corruption law investigations of the Group. In addition to non-compliance with international or domestic labour, health and safety laws, or environmental laws, the Group faces a variety of risks generally associated with sourcing products from suppliers in foreign markets, including, among others, political instability; increased security requirements applicable to foreign goods; the imposition of taxes, duties, other charges, and restrictions on imports; currency and exchange rate risks; risks related to environmental matters or other issues in the foreign countries or factories in which its products are manufactured; delays in shipping; and increased costs of transportation. Any of these risks, in isolation or in combination, could materially adversely affect the Group's reputation, business, financial condition, results of operations and prospects. See "*Risks associated with non-compliance with laws and regulations and adverse developments with respect to the safety and quality of the Group's products and/or concerns about the safety of the food industry in general*."

Increased transportation costs or disruption to transportation services could materially adversely impact the Group's business, results of operations and financial condition.

Cost-effective transportation of its products is an important element of the Group's cost structure. The Group depends on the use of refrigerated trailers for the transport of certain of its products from its suppliers' facilities to its stores and *vice versa*.

Transportation costs have historically fluctuated significantly over time, in particular in connection with oil prices, and increases in transportation costs could result in reduced profits. For example, the brent crude oil price as measured by Bloomberg has significantly increased to $77.04 per barrel on 1 January 2024 and has continued to increase into 2024, compared to $51.80 per barrel on 1 January 2021. This, along with the increase in volumes moved through the Boxer Superstores Group's distribution centres, contributed to the Boxer Superstores Group's transportation costs, which increased to ZAR444 million for the 52 weeks ended 25 February 2024, compared to ZAR408 million for the 52 weeks ended 26 February 2023 and ZAR348 million for the 52 weeks ended 27 February 2022.

Additionally, climate change-related taxes and levies are a large portion of the energy-related costs required to maintain the cold chain. These climate change-related taxes have been increasing in recent years and are expected to increase in the future.

Any increases in the cost of transportation, and any disruption to its transportation and logistics systems, could have a material adverse effect on the Group's business, financial condition and results of operations, and prospects.

The Group has suffered and may suffer losses as a result of criminal activity, including theft, robbery, shoplifting, fraud, misappropriation and human error. Such losses may have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

Similar to its competitors, the Group has been the target of robberies, burglaries, theft and other forms of crime in the past. Despite its efforts to reduce its exposure to such crimes, for instance, through security guards or security cameras on its sites, the Group expects to continue to be exposed to such crimes and new forms of crime. There can be no assurance that the Group's current or future efforts to counteract crimes will be effective or that the cost of such efforts will not increase. Further, any crime the Group becomes a victim of may give rise to litigation and related costs, including reputational costs and the costs linked to the diversion of the attention of its management team from day-to-day operations of its business. The Group cannot be sure that incidences of inventory loss and theft will not increase in the future, that insurance will cover such losses adequately, or that the measures it is taking against such theft will effectively decrease inventory shrinkage. In addition to increasing security costs to combat inventory theft, and the increase of the Group's insurance costs by 150.4% in the 52 weeks ended 26 February 2023, following the July 2021 civil unrest in South Africa, the occurrence of such events may have a material adverse impact on the Group's reputation, business, financial condition, results of operations, and prospects.

In the ordinary course of its business, the Group is also exposed to the risk of misappropriation of funds and products and to the risk of fraud and corruption in its stores, support offices, production facilities and warehouses, as well as human error. For example, from time to time, products may be misappropriated during transportation, or the Group may experience a misappropriation of funds in its stores or at other levels of its business. A single significant incident of fraud, or increases in the overall level of fraud, may be sufficient to result in significant reputational damage and financial loss to the Group or could lead to the imposition of regulatory sanctions.

Notwithstanding the established controls the Group has put in place, if the Group is unable to control and reduce robberies, burglaries, fraud, embezzlement, or other forms of crime in a cost-effective manner, this could have a material adverse impact on its business, financial condition, results of operations, and prospects.

The Group rents the majority of its properties pursuant to commercial leases that may be subject to adjustments at the renewal period that could increase expenses, or that may not be renewed or may be terminated, any of which may have an adverse effect on its business, results of operations, financial condition and prospects.

The majority of the Group's stores and warehouses are leased pursuant to commercial leases for fixed terms consistent with market practice. Such leases usually provide for regular rent reviews, at which time the Group's rental costs may increase in line with certain indices. The Group's ability to maintain its existing rental rates during renewals or to renew any expired lease on favourable terms will depend on many factors which are not within its control, such as applicable real estate laws and regulations, payments for utilities, local taxes or assessments, conditions in the local real estate market, competition for desirable properties, and its relationships with current and prospective landlords. If rent reviews were to increase at higher rates than currently anticipated or if the Group were unable to renew any expired leases on commercially favourable terms, its results of operations and financial condition could be adversely impacted.

Furthermore, the Group may be unable to extend expiring lease agreements at all or may have no or limited ability to close certain store locations that do not meet its financial targets or are no longer consistent with its brands' positioning. The inability to extend key lease agreements or to close non-performing store locations may have an impact on the Group's revenues and expenses from one period to the next. The Group's ability to enter into leases to open new retail locations depends on the availability of locations that meet its criteria for traffic, square footage, lease economics, demographics, and other factors. In addition, the market for suitable retail locations is highly competitive. Some of the Group's competitors may have the ability to negotiate more favourable commercial lease terms than the Group can.

If the Group is unable to renew its lease agreements as they expire or if any of its existing lease agreements are terminated for any reason and it is unable to secure other favourable locations on acceptable terms, this could have a material adverse effect on its business, financial condition, and results of operations.

A significant disruption in the Group's workforce or the workforce of its suppliers or a failure to extend, renew, or renegotiate trade union agreements could lead to labour disputes that might interfere with the Group's operations or otherwise materially adversely impact its business, results of operations, and financial condition.

As at 25 August 2024, the Group employed approximately 30,000 employees. From time to time, and in particular in its distribution networks, the Group may experience labour disputes and it can never rule out the possibility of industrial action, including work stoppages. The Group is also exposed to similar risks involving the workforce of its third-party suppliers, including its distribution centre and production facility operators. In particular, industrial action or a work stoppage at one of its suppliers or distribution centres would impact the Group's ability to supply its stores or online orders and as a result could have a pronounced effect on its operations. As the Group does not directly control its suppliers, it has limited information on labour relations between its suppliers and their respective workforces. In addition, 36% of the Group's employees (excluding head office) are members of trade unions and their wages and certain terms and conditions of employment are regulated by collective bargaining agreements. At present, the Group is party to a three-year wage agreement with the South African Commercial, Catering and Allied Workers Union ("**SACCAWU**") in respect of the Group's bargaining unit, expiring in February 2027. The Group may not necessarily be able to renew the existing collective bargaining agreements or negotiate new agreements in a favourable and timely manner without work stoppages, strikes or similar industrial actions, any of which may have a material adverse effect on its business. If the Group seeks to reduce employee terms and conditions, or otherwise is unable to maintain satisfactory employee and labour relations, the results could include work stoppages, strikes or other industrial action or labour challenges (including higher labour costs), any of which could materially adversely affect its operations. As a result, any deterioration in the Group's relationships with its employees, trade unions, and other employee representatives could have a material adverse effect on its business, financial condition, and results of operations.

From time to time, disagreements and other disputes may emerge with the Group's workforce. These could include, *inter alia*, disputes with unions, staff industrial action, and referral to the South African Commission for Conciliation, Mediation and Arbitration ("**CCMA**") In addition, the outcomes of disagreements or disputes, as well as disagreements or disputes between particular parties in the industry and their staff, while not necessarily involving the Group directly, could impact the Group's labour relations.

The Group cannot assure investors that a future labour disturbance, industrial action, or failure to attract and retain key operative personnel at its or its suppliers' facilities in South Africa or elsewhere would not have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group is subject to the risk of litigation and other claims.

From time to time, the Group is involved in various litigation matters, including personal injury, property damages and product liability claims, warranty obligations claims, alleged trademark infringements, alleged violations of environmental laws, regulatory investigations, market inquiries (including by the South African Competition Commission), health and safety laws, criminal proceedings (such as those relating to injuries suffered by the Group's employees, which could result in criminal liabilities of the Group's legal representatives and administrative penalties against the Group), labour law related claims/claims with distributors, agents, product developers, other external workers, advisors and sales employees and others. When the Group determines that a significant risk of a future claim against it exists, the Group records provisions in an amount equal to the estimated liability. There can be no assurance that the Group's provisions will be sufficient to cover its actual litigation costs. In addition, third-party litigation, including litigation related to competition law, antitrust law, tax law and patent law could have an indirect, materially adverse impact on the Group and the market environment in which it operates.

The Group's marketing campaigns and communications strategy may prove ineffective and could adversely affect its business, financial condition, results of operations and prospects.

The Group's turnover depends to a certain extent on the success of its marketing approach and communication strategy. The Group uses various marketing platforms as part of its marketing approach, including brochures, digital marketing events, television and radio campaigns, social media, internet advertising, direct mailing, text messaging and visual merchandising.

From time to time, the Group will need to refresh or reinvent its marketing campaigns, which will require additional expense. If one of the Group's marketing campaigns fails, the investments made will turn out to be ineffective and the Group could face reputational harm, a decrease in customer demand and a resulting decline in turnover which, especially if marketing campaigns repeatedly prove ineffective, may have a material adverse effect on the Group's business, financial condition, results of operations and prospects. See "*Part VII – Business of the Group – Marketing*."

Intellectual property claims by third parties or the Group's failure or inability to protect its intellectual property rights could diminish the value of its brand and weaken its competitive position.

The Group's products, services, websites, or acts conducted in the ordinary course of its business may violate, or be perceived to violate, intellectual property rights of third parties (in particular, copyrights, trademarks, design rights, patents, and software) and it may be, and has in the past been, subject to infringement claims in connection with its marketing and branding materials as well as its own brand and confined label products. It may also be involved in claims raised by third parties against its suppliers. For example, it may be involved in claims regarding products or services supplied by its suppliers that are perceived as infringing intellectual property rights of third parties. Third parties may assert intellectual property claims against the Group as it expands its business to include new services and continue to develop its online channel. It may also face claims from its suppliers or competitors if they consider that their intellectual property rights are being misused, especially where those suppliers or competitors have a strong brand image and reputation. The Group's defence of any claim, regardless of its merit, could be expensive and time-consuming and could divert management resources. Successful infringement claims against the Group could result in significant monetary liability and prevent it from selling some of its products and/or services. In addition, the resolution of claims may require the Group to abandon the sale or provision of any implicated product or service, redesign its own private-label or defined label products, or acquire licence rights from third parties, which could have a material adverse impact on its business, results of operations, financial condition and prospects.

In addition, the Group owns or uses a variety of trade names, logos, domain names, service marks, and trademarks in its business and relies on trademark and copyright laws, confidentiality procedures, and contractual provisions to protect its intellectual proprietary rights. The Group may not have adequate protections for its intellectual property rights, may be accused of infringing intellectual property rights of third parties or may not be able to discover or determine the extent of any unauthorised use of its proprietary right. If the Group is unable to protect and maintain its own intellectual property rights or its use of the intellectual property rights owned by others, or it is unable to renew its intellectual property rights when they expire, the value of its brands could be diminished, and its competitive position could weaken.

The Group is exposed to payments risks, including processing risks, increases in transaction fees, actions taken by third parties that could disrupt its operations, failure by the Group or third parties on whom it relies to fully comply with rules and standards governing payment processing, and system failures and security breaches.

The Group is reliant on electronic payment methods. Although fraud is not currently a significant concern, as the Group offers new payment options to customers, the Group and its customers may be increasingly exposed to fraud. For existing and future payment options it offers its customers, the Group may become subject to additional regulations and compliance requirements (including obligations to implement enhanced authentication processes that could result in significant costs and reduce the ease of use of its payments products). It pays interchange and other fees for these card payments, which may increase over time and raise operating costs and lower margins. The Group relies on third parties to provide payment processing services, and its operations could be disrupted if these companies become unwilling or unable to provide these services.

Any failure of the Group's payment processing systems, whether caused by a systems failure or otherwise, will adversely affect its income in the short term and may result in it losing customers which may have a material adverse effect on its financial condition and prospects. In addition, there can be no assurance that advances in computer capabilities, new discoveries in the field of cryptography, or other events or developments will not result in a compromise or breach of the processes it uses to protect customer transaction data. If any such compromise or breach were to occur, it could have a material adverse effect on its reputation, business, prospects, financial condition, and results of operations.

Failure to maintain compliance with applicable data protection and privacy laws may materially adversely affect the Group's business, financial condition, results of operations and prospects.

The Group operates in an industry in which it processes a considerable amount of personal information. The regulatory environment governing the use of identifiable personal information of customers, employees and others is complex. Data protection and information security laws and requirements change frequently, and compliance with them may require the Group to incur costs to make necessary system changes and implement new administrative processes. If a data security breach occurs, or if there is any theft or misappropriation of employee, supplier or customer information, the Group's reputation could be damaged and it could experience a loss in turnover, enforcement actions, fines or legal proceedings, which could have a material adverse effect on its business, financial condition and results of operations.

In South Africa, the Protection of Personal Information Act, No. 4 of 2013 (the "**POPI Act**") regulates the processing of personal information and provides for general information protection rules applicable to organisations in both the public and private sectors. The provisions of the POPI Act became enforceable on 1 July 2021 and apply to all South African members of the Group.

The POPI Act provides an open-ended definition of "personal information." The definition includes information relating to both individuals and companies, and provides a detailed list of examples. An individual's race, age, sexual orientation, marital status, correspondence and identifying symbols are all included as types of personal information protected under the POPI Act.

The POPI Act subjects the processing of "special personal information" to more stringent conditions than the ordinary requirements that apply to the processing of personal information. Special personal information includes an individual's religious or philosophical beliefs, race or ethnic origin, trade union membership, political persuasion, health, sexual orientation and gender or biometric information, and information regarding alleged criminal behaviour. The following eight conditions of lawful processing, which inform the lawful processing of personal information, lie at the heart of the POPI Act: accountability; specification of the purpose of processing; limitation on processing; limitation on further processing; information quality; openness; security safeguards; and data subject participation. These conditions ensure, among other things, that the person to whom personal information relates (the "**Data Subject**") is aware and in control of the processing of their personal information, that the processing is limited to the extent necessary, without unjustifiably infringing on the privacy of the Data Subject, and that it is subject to adequate security safeguards. In addition to the eight conditions for lawful processing, the POPI Act also restricts the manner in which personal information may be transferred outside of South Africa, the manner in which Data Subjects may be subject to automated decision making, and the manner in which responsible parties may conduct direct marketing. A responsible party will generally be held strictly liable for non-compliance with the provisions of the POPI Act.

If the Group fails to maintain compliance with applicable data protection laws or other applicable data security standards, it could be exposed to enforcement action, fines, restrictions, litigation or other expenses, which could adversely affect the reputation of the Group and its brands. Any inability to adequately address privacy concerns, even if unfounded, or comply with applicable data protection laws, regulations and policies, could result in additional cost and liability to the Group, damage its reputation, and adversely affect its business, financial condition, results of operations, and prospects.

RISKS RELATED TO SOUTH AFRICA AND OTHER REGIONS IN WHICH THE GROUP CONDUCTS ITS BUSINESS OPERATIONS

The political environment of South Africa tends to be characterised by higher levels of uncertainty.

The majority of the Group's operations is in South Africa. Historically, the South African political environment has been characterised by a high level of uncertainty and, although the country has some robust institutions, concerns have been raised about the strength, effectiveness and independence of some of the country's institutions. During and since the administration of former president, Jacob Zuma, the risk of political and social instability increased as a result of accusations that members of a prominent family and their associates used the Government to further their interests and the interests of their associates in a form of political corruption known as state capture. These accusations resulted in the appointment of a commission of enquiry into potential state capture in January 2018 with outcome reports provided to the President of South Africa, Cyril Ramaphosa, in 2022. President Ramaphosa has since announced processes and changes addressing the recommendations arising from the commission of enquiry, including changes to the country's laws and the establishment of new agencies to focus on corruption. If these accusations, as well as the perception of significant private corruption, significantly undermine business confidence, or if they result in formal proceedings, they could have a further adverse impact on the political and social environment in South Africa. The performance of various Anti-Corruption Task Team institutions, in particular the National Prosecuting Authority, will continue to be of importance, particularly in light of the Government's commitment to hold accountable those responsible for corruption and state capture during the tenure of former President Zuma.

Furthermore, although President Ramaphosa has strengthened his support base within the African National Congress ("**ANC**"), South Africa's governing party, there remain substantial divisions within the ANC which threaten to compromise his economic and structural reform plans. The outcome of the findings of an Independent Panel appointed by the South African Parliament under section 89 of the Constitution in 2022 to investigate a robbery incident which took place at President Ramaphosa's game farm, Phala Phala, in connection with which President Ramaphosa was accused of serious misconduct, increased uncertainty in this regard. President Ramaphosa was, however, cleared of any wrongdoing and re-elected as ANC party president in December 2022.

Although the ANC has consistently been the ruling party of South Africa since 1994, in the recent national and provincial government elections, which took place on 29 May 2024, it lost its majority due to public dissatisfaction and political fragmentation. As a result, a number of political parties have worked together to form a Government of National Unity (the "**GNU**") at the national level and coalition governments in certain provinces to foster unity, stability and collaborative governance. Although the GNU includes, among others, South Africa's two largest parties, the ANC and the Democratic Alliance, there are eleven parties included in total, and there are ideological differences between a number of members of the GNU. It remains uncertain as to how effectively the GNU and provincial coalitions will function going forward. The risks associated with these political structures are, among other things, delays in government's decision-making, policy uncertainty, governmental instability and civil unrest, all of which may have a negative impact on investor confidence and the customers and suppliers of the Group, which in turn may have a materially adverse effect on the Group's business, financial condition, results of operations, and prospects.

In the past, there has been civil unrest in South Africa due to political causes, most notably in July 2021 in the KwaZulu-Natal and Gauteng provinces. As a result, the Group experienced additional costs related to increased security measures and insurance covers. Such civil unrest may occur again in the future and any new outbreak could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects. See "*Civil unrest in South Africa may adversely affect the Group's business*."

The Group also anticipates that there will be very strong political debates in respect of various sensitive issues relating to the transformation of the South African economy in order to address the challenges of poverty, inequality, and unemployment. Political instability, including the inability of the Government to implement necessary structural reforms, may have an adverse impact on the South African economy and could consequently have an adverse effect on the Group, its business, financial condition, and results of operations. For example, the state's on-going funding of ailing state enterprises such as Eskom which has in total approximately ZAR254 billion in guarantees from Government constitutes an important matter of contention and has the potential to cause further divisions and political uncertainty in the South African political sphere. Ongoing political developments may impact private sector investment and the Group will continue to monitor the political and policy landscape carefully.

The Group's operations are situated in urban and rural areas where many of the communities that live near the Group's facilities are in the grip of poverty and experience socio-economic stress. As a result, political and economic risks relating to South Africa, which have escalated over the last few years, could have a significant effect on the Group's profitability. Large parts of the South African population are unemployed and do not have access to adequate education, health care, housing and other services, including water and electricity. Government policies aimed at alleviating and redressing the disadvantages suffered by most citizens under previous governments may increase the Group's costs and reduce the Group's profitability. Crime levels in recent years in South Africa have increased, which expose the business to an increase in the frequency and severity of security issues that may disrupt business operations. These problems may impede fixed inward investment into South Africa and increase emigration of skilled workers and as a result, the Group may have difficulties retaining qualified employees.

The sustained high unemployment rate of 45.5% for Q1 2024, as measured by Stats SA, amongst the youth (15-34 years), rising inequality and increased lawlessness has increased the risk of civil unrest, such as protests and conflict, in the surrounding communities. Continuous lack of public service delivery, political instability and slow reformative action being taken by the South African government, specifically, in combating youth unemployment may increase the potential of violent civil unrest that could cause damage to property, harm to people and disrupt operations. This frustration was a contributing factor that led to heightened civil unrest, people committing crimes, vandalising property, and damaging infrastructure during 2021. On 8 March 2023, S&P Global downgraded South Africa's sovereign credit rating outlook to "stable" from "positive," citing infrastructure constraints and a severe power crisis, following Moody's downgrade of South Africa's sovereign credit rating to the non-investment grade credit rating of Ba1, due to the continuing deterioration in fiscal strength and structurally weak growth on 27 March 2020, and Moody's further downgrade of South Africa's sovereign credit rating to Ba2 on 20 November 2020. Subsequent to this, Moody's has affirmed its Ba2 rating and revised its outlook to "stable" on 1 April 2022, with S&P Global having affirmed its "stable" outlook on 17 November 2023 and Fitch re-affirmed South Africa's rating as BB- with stable outlook in January 2024. A prolonged economic downturn could result in an extended period of high unemployment.

Civil unrest in South Africa has had, and may in the future have, an adverse effect on the Group's business.

The Group's operations have been, and in the future could be, adversely affected by civil unrest in South Africa. For example, the civil unrest in July 2021 affected many of the Group's stores, leading to prolonged closures, extensive property damage and theft, and operational interruptions to the Group's supply chain and distribution network. Specifically, 68 stores (64 Boxer Superstores and four Boxer Build stores) across the Group were looted and/or damaged by fire and 32 liquor stores were looted and/or burned. The effect of such civil unrest is particularly pronounced in the locations where the Group's stores and distribution centres operate, given its middle-to-low-income target demographic, as such areas have historically been those most affected by civil unrest. The relatively increased risk stemming from civil unrest for the Group's stores is further compounded by the effects of load-shedding and poor service delivery (see "*Risks related to the Group's business and industry – The Group's operations in South Africa have been and may continue to be adversely affected by load-shedding*"), which tends to impact such middle-to-low-income demographics more, further contributing to general dissatisfaction that may lead to or exacerbate instances of civil unrest. The effect of such continued or new outbreaks of civil unrest could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

A change to the Group's B-BBEE rating in South Africa may adversely affect its reputation, business operations and relationship with the government in South Africa or affect the Group's ability to secure registration certificates or licences to manufacture, distribute or sell liquor or secure major supply contracts in respect of which B-BBEE is a selection consideration and/or risk it not being in compliance with certain existing contracts.

The South African government has put in place a regulatory regime aimed at the protection and/or advancement of historically disadvantaged South Africans ("**HDSA**"). This process is referred to as broad-based black economic empowerment ("**B-BBEE**"). The legislative framework for the promotion of B-BBEE in South Africa was established through the B-BBEE Act and certain codes published under that Act, including generic non-sector specific codes of good practice, the B-BBEE Codes, which are applicable to the Group. See "*Part VI – Regulatory Considerations – Broad-Based Black Economic Empowerment.*"

The Group has invested significant effort to meet the objectives of the B-BBEE Act, which is specific to South Africa, and to implement the principles embodied in the B-BBEE Codes. The Group's B-BBEE strategy is centred around a wholesale approach to B-BBEE and touches on all aspects of its organisation.

As at 25 August 2024, the Boxer Superstores Group has a level 5 B-BBEE rating (or contributor level) for its South African operations; however, there can be no assurances that the Group will again achieve or be able to maintain such a B-BBEE rating and there is a risk that it may achieve an inferior B-BBEE rating in subsequent measurement periods, especially considering that a key component of a company's B-BBEE rating is ownership by HDSAs and that such ownership can change from time to time in the context of a company whose shares (and the shares of its majority shareholder) are publicly traded. Following any legislative changes to the B-BBEE Act and/or the B-BBEE Codes or the introduction of any new sector code applicable to the Group, the Group may be required to incur additional costs in maintaining or improving its B-BBEE rating under the B-BBEE Codes or may change or discontinue existing initiatives.

A company's B-BBEE rating in South Africa is often an important factor in regulatory and licensing contexts. Of particular importance in this regard for the Group is its liquor licences. As described in greater detail in "*Part VI – Regulatory Considerations – Liquor Regulation,*" in terms of applicable provincial liquor legislation, a company's B-BBEE rating is taken into account in the licensing process in certain provinces.

In addition to the importance of B-BBEE with respect to liquor licensing, it is also a relevant criterion in that it is taken into account for certain government tenders which the Group undertakes. In addition, B-BBEE ownership is relevant in the context of the public interest assessment conducted by the competition authorities in notifiable mergers, which could have a bearing on future acquisitions by the

Group. It could also affect the ability of the Group to attract and retain talented employees. Failure to achieve the objectives of B-BBEE laws and regulations could have a material adverse effect on the Group's reputation, business, financial condition, results of operations, and prospects.

Changes to labour laws in South Africa may result in additional operating costs or alter the Group's relationship with its employees.

The Group is required to comply with an extensive list of labour regulations in South Africa, including with respect to wages and other minimum conditions of employment, social security benefits and termination payments. See "*Part VI Regulation – Employment.*" In particular, South African laws relating to labour regulate work time, provide for mandatory compensation in the event of termination of employment for operational reasons, and impose monetary penalties for non-compliance with administrative and reporting requirements in respect of affirmative action policies. These could result in significant costs.

In recent times, amendments to labour legislation in South Africa have introduced more stringent requirements in relation to the relationship with employees. For example, the Labour Relations Act, No. 66 of 1995, as amended (the "**LRA**"), provides protections for employees earning below a certain threshold and who are employed on an 'atypical' basis (*i.e.*, for a fixed-term part-time or via a third-party temporary employment service or 'labour broker'). An employee engaged on a fixed-term contract or via a 'labour broker' will be deemed to be permanently employed by the employer unless the employer can establish justification for employment on that basis. Part-time employees are required to be treated no less favourably than comparable full-time employees which may include the same pay and benefits. The LRA offers remedies to employees where employers fail to comply with these requirements, and in instances where employment is terminated unfairly, or employees are subjected to unfair labour practices (such as unfair treatment relating to promotion, demotion and benefits). These remedies include reinstatement, re-employment and the award of compensation to employees. In certain instances, breaches of the labour legislation amount to a criminal offense.

Furthermore, the Employment Equity Act, No. 55 of 1998, as amended (the "**Employment Equity Act**") creates obligations and administrative requirements in respect of non-discrimination and equity in employment matters. Fines of up to 10% of turnover related to the South African operations may be imposed in the event of repeated non-compliance with certain provisions of the Employment Equity Act.

In addition, there could be significant risks for the Group if it has not taken appropriate steps to eliminate sexual harassment or other forms of discrimination in the workplace. Employees who are victims of sexual harassment or discrimination may resign, claim constructive dismissal and be awarded compensation up to the equivalent of 24 months' remuneration. The Group could also be liable to pay damages or compensation to the victim of sexual harassment or discrimination in terms of the Employment Equity Act, either as a consequence of any discriminatory practices or as a result of a failure take necessary steps to eliminate conduct in contravention of the Employment Equity Act. Apart from the financial risk, there is also a risk of reputational damage if any allegations that the Group did not address issues of sexual harassment are made known to external parties.

Any significant increase in labour costs that cannot be passed to consumers, extensive work slowdowns, work stoppages or strike actions, whether caused by the factors described above or otherwise, could have a material adverse effect on the Group's business, financial condition, results of operations, and prospects.

Exchange control regulations may restrict the Group's ability to make foreign investments and procure foreign denominated finance.

South Africa's Exchange Control Regulations restrict the ability of South African group companies to convert or transfer sums in foreign currencies to or from South Africa. Transactions between South African residents (including companies) and non-residents are subject to exchange controls enforced by the SARB.

As a result, the Group's ability to raise and deploy capital outside the Common Monetary Area is currently subject to consent from either the SARB, or where such authority has been delegated, an 'authorised dealer' with full capacity at an approved bank operating in South Africa. These restrictions could hinder the Group's financial and strategic flexibility.

In February 2020, the Minister of Finance announced a new capital flow management system in the 2020 Budget Speech in terms of which all foreign-currency transactions will be allowed, except for a risk-based list of capital flow measures. In subsequent budget speeches, the National Treasury again confirmed its commitment to modernisation, with further proposals announced in respect of individuals and companies as well as amendments with a view to easing controls and implementing a prudential based system. In February 2024, meaningful relaxations were proposed at the 2024 Budget Speech giving authorised dealers (*i.e.*, local banks that are authorised to trade in foreign exchange) greater discretion over certain transactions and payment arrangements with the focus to boost long-term investment.

The Group can offer no assurance that additional restrictions on currency exchange will not be implemented in the future, which could have a material adverse effect on its business, financial condition, results of operations and prospects.

RISKS RELATED TO THE GROUP'S RELATIONSHIP WITH THE PIK GROUP

The Group relies on the PIK Group for several services.

Prior to the Offer, the Group has relied on the PIK Group for some of its corporate and support services, including IT services, and regulatory and internal governance functions. The PIK Group has, through the Shared Services Agreement, agreed to continue to provide the Group with certain IT services, finance services, and governance and ESG services, in accordance with the terms and conditions of the Shared Services Agreement. See "*Part VIII – Restructuring and Formation of the Group*" for a description of the Shared Services Agreement between the Group and the PIK Group. The Group may in the future develop internal capabilities or make arrangements with third-party service providers to manage the operational services for which it currently relies on the PIK Group. There can be no guarantee that the services to be provided by the PIK Group will be sufficient for the Group's operations. Moreover, the Group may fail to effectively develop the capabilities for which it currently relies on the PIK Group. In addition, the level of expertise the Group may ultimately acquire could be lower than the expertise it had access to as a part of the PIK Group. If the Shared Services Agreement expires or is terminated or if the Group fails to adequately replace the functions for which it currently relies on the PIK Group, including in case of a change of control event, or is unable to enter into alternative arrangements with third parties on comparable or otherwise commercially viable terms, the Group's business, financial condition, results of operations and future prospects could be materially and adversely affected.

The Offer and the arrangements between the Group and the PIK Group were negotiated in the context of an affiliated relationship.

The Offer, as further described in "*Part II – Overview of the Offer*," including the Restructuring Implementation Agreement and the Shared Services Agreement were negotiated for the Group by persons who were, at the time of negotiation, members of and employed by the PIK Group. There is therefore an inherent risk that the terms of the Offer and the agreements described above, including terms relating to fees, performance criteria, contractual or fiduciary duties, conflicts of interest, limitations on liability, indemnification and termination, are less favourable to the Group than what otherwise might have been if the negotiations on behalf of the Group had been carried out by unrelated parties, and that such terms could have a material adverse effect on the Group's business, financial condition, results of operations and future prospects.

The PIK Group has significant voting power at shareholder level and the ability to influence matters requiring shareholder approval.

Upon completion of the Offer, the PIK Group will remain the largest shareholder of the Company owning between 64.3% of the Ordinary Shares, if the Overallotment Option is not exercised, and 62.9% of the Ordinary Shares, if the Overallotment Option is exercised in full (both assuming an Offer Price in the middle of the Offer Price Range). See "*Part II – Overview of the Offer – Overallotment and Stabilisation*" for further information on the Overallotment Option. Hence, the PIK Group has significant influence over matters subject to approval by the shareholders of the Company, and will have the ability to, to a significant extent, control the outcome of matters submitted for consideration at general meetings, particularly those which require an ordinary resolution of shareholders, such as the election of members of the Board of Directors. The commercial interests of the PIK Group may not always be aligned with, and may differ significantly from or may compete with the best interests of, the Company's other shareholders. For example, as the majority shareholder, the PIK Group could delay, defer or prevent a change of control, impede a merger, deny a potential future equity offering, amalgamation, consolidation, takeover or other business combination involving the Group, sell substantial amounts of their Ordinary Shares in the public market or discourage a potential acquirer from attempting to obtain control of the Group.

The Group may from time to time experience conflicts of interest in its relationship with the PIK Group, and the outcome of these conflicts may not be on the most favourable terms for the Group or the Company's other shareholders.

As described above, the PIK Group will continue to hold a majority of the Shares in the Company following the Offer. Conflicts of interests may arise between the Group and the PIK Group, including in relation to: (i) tax, labour, employee benefit, indemnification and other matters arising from the Group's separation from the PIK Group, (ii) intellectual property matters, (iii) joint liability, (iv) recruitment of employees and retention, (v) the nature, quantity, time of delivery and pricing of services supplied by the PIK Group to the Group under the Shared Services Agreement, (vi) business combinations involving the Group, and (vii) business opportunities that may be attractive to both the PIK Group and the Group and direct or indirect competition between the Group and the PIK Group.

Although the Group and the PIK Group have attempted to structure their continued relationship on an arm's-length basis, if a conflict of interest were to arise in the future, the Group and the PIK Group may not be able to successfully resolve that conflict and, even if they manage to do so, there can be no assurance that the resolution would be as favourable to the Group as it could potentially have been if the Group were dealing with an unaffiliated third party.

Two of the shareholder-elected board members of the Board of Directors of the Company will be employees of the PIK Group. These relationships could create, or appear to create, potential conflicts of interest when those director are faced with decisions that potentially have different implications for the PIK Group than they do for the Group. While the members of the Company's Board of Directors are legally required to act in the best interests of the Group, there can be no assurance that no conflicts of interest between their duties and interests and their affiliation with the PIK Group will arise or that they will resolve any such conflicts in the Group's favour. Any such conflicts of interest shall be regulated in terms of the Group's Conflict of Interests Policy, as discussed on page 78 of this Pre-listing Statement and section 75 of the Companies Act.

In the event of a conflict between the Group and the PIK Group, the Group's business, results of operations, financial condition and cash flow may be materially and adversely affected.

The Group may incur significant costs associated with the reduction in control by the PIK Group arising as a result of the Offer.

The Offer will result in a reduction in control by the PIK Group, the Company's parent company and controlling shareholder, over the Group; and the development of operations and support services following the Offer and listing of the Company's Shares on the JSE will entail significant challenges, and separation costs, including the use of key management personnel's time and attention, overhead and logistical costs, the cost of recruiting, training and retaining staff across different businesses.

In addition, the Offer process has inherent costs and uncertainties and the Group will face challenges in developing capabilities and operating on a stand-alone basis. It is possible that the Group may incur substantially higher operational costs in the future, particularly in the short or medium term, compared to the costs it incurred as part of the PIK Group, due to loss of economies of scale, the need for stand-alone corporate and support services and less access to financial and other resources compared to those available to it as a part of the PIK Group, and that the Group could be exposed to tax liabilities in connection with the implementation of the Offer. Each factor of the Offer could increase the Group's operating costs and could have a material adverse effect on its business, financial condition, results of operations and future prospects.

The Group has not operated as a stand-alone publicly listed company and may be unable to operate effectively and fully implement its business strategy.

The Group has not in the past operated as a stand-alone publicly listed entity and it is uncertain how it will perform as such. Following the Offer, subject to its Shared Services Agreement with the PIK Group (see "*The Group relies on the PIK Group for several services*"), the Group will be solely responsible for managing, among other things, all of its administrative and employee arrangements, its legal, governance and treasury affairs and its financial reporting requirements which may result in significant additional expenditures and/or expose the Group to an increased risk of legal, regulatory or civil costs or penalties. Significant changes may occur in the Group's cost structure, management, financing and business operations as a result of operating as a stand-alone publicly listed entity separate from the PIK Group. These factors could have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

Furthermore, the Group's management has limited experience in operating its business as a stand-alone publicly listed entity. The Group anticipates that its success in the endeavours to manage the aforesaid changes and, as a result, a successful implementation of its business strategy, will depend substantially upon the ability of the Group's management and other key employees to implement or adapt the necessary structures, to supervise their functionality and to work in a cohesive manner, the failure of which could have a material adverse effect on the Group's business, financial condition and results of operations or prospects.

The Group may face difficulties in managing liquidity and financing risks, foreign currency exchange rate risks, interest rate risks, credit risks and in satisfying other treasury and finance requirements.

The Group's working capital requirements and capital for general corporate purposes (including analyses of the risks associated with fluctuations in foreign currency denominated receivables, payables, debt, firm commitments and forecast transactions, interest rate change risks, credit risks associated with contractual partners and market price risks) have historically been managed via or by the PIK Group. Other finance and treasury services have historically been satisfied as part of the treasury and financing policies and procedures of the PIK Group. Following the Admission, the Group will be responsible for its own treasury management. There is a risk that the Group may be unable to effectively manage the aforementioned risks in a manner consistent with past practice or in line with the risk management approach taken by the PIK Group.

The occurrence of any of the risks described above or of any other treasury- or finance-related risks resulting from the Group's treasury and finance arrangements and related service arrangements could have a material adverse effect on its business, financial condition, results of operations and future prospects.

RISKS RELATED TO THE GROUP'S LIQUIDITY AND FINANCIAL CONDITION

The PIK Group's debt service obligations could adversely affect the Group's business.

Upon completion of the Offer, the PIK Group will remain the largest shareholder of the Company. Although the PIK Group's debt service obligations will be substantially reduced following the completion of the Admission, which is the last step in its Recapitalisation Plan, if the PIK Group does not have sufficient cash flows in future to pay its debt obligations, or to fund its other liquidity needs, or it is otherwise restricted from doing so due to corporate, tax, or contractual limitations, the PIK Group could face substantial liquidity problems. As a result, the PIK Group, might be required to dispose of material assets, such as its shares in the Company to meet its debt service and other obligations. Any fire-sale of large volumes of Ordinary Shares may have a material adverse effect on the price of Ordinary Shares.

RISKS RELATED TO THE ORDINARY SHARES, INCLUDING THE OFFER SHARES AND THE OFFER

There is no existing market for the Ordinary Shares (including the Offer Shares) and there is a risk that no active or liquid market for Ordinary Shares will develop or be sustained and that the price of the Ordinary Shares may be volatile.

Although the JSE Limited has approved the Admission (subject to certain terms and conditions outlined in this Pre-listing Statement) and albeit that, pursuant to the Cornerstone Investment Agreement, the Cornerstone Investor and the Boxer LTIP receiving the full allocation of the Cornerstone Investment Shares and the Boxer Superstores LTIP Investment Shares, respectively, there is no certainty that the Offer will meet the Minimum Acceptance Condition and that an active trading market for the Ordinary Shares will develop or, if developed, could be sustained or liquid following the Offer. If an active trading market is not developed or maintained, the liquidity and market price of the Ordinary Shares could be adversely affected, and the price volatility of the Ordinary Shares may also increase. Investors may not be in a position to sell their Ordinary Shares quickly or at the market price if there is no active trading market for the Ordinary Shares.

The Joint Global Coordinators and Joint Bookrunners will set the Offer Price for the Offer Shares in collaboration with the Company, and it may or may not be indicative of the Ordinary Shares' market price after the Admission. Notwithstanding any Stabilisation, the market price of the Ordinary Shares may also fluctuate substantially due to various factors, some of which could be specific to the Company and its operations and some of which could be related to the industry in which the Company operates or equity markets generally. As a result of these and other factors mentioned in this section, the Ordinary Shares may trade at prices significantly below the Offer Price. The Company cannot give assurance that the market price of the Ordinary Shares will not decline, or that the Ordinary Shares will not trade at prices significantly below the Offer Price, regardless of the Company's actual performance.

The liquidity of shares traded on the JSE may not be as liquid as shares listed on international markets.

The principal trading market for the Ordinary Shares is the JSE. Historically, trading volumes and liquidity of shares listed on the JSE have been lower in comparison with other major international markets. The relatively lower liquidity of the shares traded on the JSE could affect the shareholders' ability to sell the Ordinary Shares.

Ordinary Shares may be subject to price volatility and the price of the Ordinary Shares may decline disproportionately in response to developments that are unrelated to the Company's operating performance.

The Offer Price will be determined by the Joint Global Coordinators and Joint Bookrunners in consultation with the Company and may not be indicative of the market price at which the Ordinary Shares will trade after the Admission. Notwithstanding any Stabilisation, the market price of the Ordinary Shares could be volatile and subject to significant fluctuations due to a variety of factors, many of which are beyond the Company's control, including but not limited to changes in general market conditions, the general performance of the JSE, changes in sentiment in the market regarding the Ordinary Shares (or securities similar to them), regulatory changes affecting the Group's operations, variations in the Group's operating results, business developments for the Group or its competitors, the operating and share price performance of other companies in the industries and markets in which the Group's businesses operate, speculation about the Group's business in the press, media or the investment community. The market price of Ordinary Shares could also be adversely affected by developments unrelated to the Group's operating performance, such as the operating and share price performance of other companies that investors may consider comparable to the Group, speculation, whether or not well founded, about the Group in the press or the investment community, including those regarding the intentions of the Shareholders or significant sales of Ordinary Shares by any such Shareholders or short selling of the Ordinary Shares, significant issues of Ordinary Shares by the Company, possible changes in the Group's management team and about mergers, acquisitions and/or major divestments involving the Group, unfavourable press, and/or strategic actions by competitors (including acquisitions and restructurings). Any or all of these factors could result in the material fluctuations in the price of Ordinary Shares, which could lead to investors getting back less than they invested or a total loss of their investments.

Any future equity capital raising such as new share issues, rights offers or similar transactions by the Company in South Africa that would result in the movement of capital outside of South Africa would also require approval from FinSurv.

The Company is incorporated under the laws of South Africa. Its corporate affairs will be governed by the Companies Act, the Company's memorandum of incorporation ("**Company MOI**"), the JSE Listings Requirements and the laws and regulations governing public companies on the JSE. Accordingly, the Company's corporate structure as well as the rights and obligations of the shareholders may be different from the rights and obligations of shareholders of companies incorporated or organised under the laws of other jurisdictions, and they may not be as clearly established as the rights of a shareholder established under the laws of some other jurisdictions. For example, resolutions of the general shareholders meeting may be taken with majorities different from the majorities required for adoption of equivalent resolutions in companies organised under the laws of other jurisdictions. For further information, see "*Part VI – Regulatory Considerations*" and "*Annexe 16 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary.*" In addition, any payment of dividends or future equity capital raising, such as the issue of new shares, rights offers or similar transactions by the Company may require exchange control approval from the Financial Surveillance Department of the SARB ("**FinSurv**"). Although the Company is not aware of any reason why FinSurv approval, if required, would not be granted, there remains a risk that FinSurv may not approve the movement of proceeds from any capital raising (including rights offers) out of South Africa which could limit the Company's ability to raise equity capital in the future.

Future offerings of debt or equity securities by the Company and future sales of Ordinary Shares by the Group's Directors or members of Senior Management, or the perception thereof, may materially adversely affect the market price of the Ordinary Shares and any future issuances of Ordinary Shares, including in connection with any share incentive or share option plan or otherwise, may dilute all other shareholdings.

The Company may in future seek to raise capital through public or private debt or equity financing by issuing additional Ordinary Shares, debt or equity securities convertible into Ordinary Shares or rights to acquire these securities and exclude the pre-emptive rights pertaining to the then outstanding Ordinary Shares. In addition, the Company may in the future seek to issue additional Ordinary Shares as a capitalisation issue or script dividend distribution or as consideration for, or otherwise in connection with, new or existing investments. Furthermore, the Company may issue new Ordinary Shares or grant rights to subscribe for Ordinary Shares in connection with the establishment of employee share participation or share option plans. The issuance of any additional Ordinary Shares (including in connection with any change in the B-BBEE regime) may dilute an investor's shareholding interest in the Company. Alternatively, Directors or members of Senior Management who hold Ordinary Shares may dispose of their holdings.

Despite the limitations imposed by the Lock-Up Arrangements (see "*Part II – Overview of the Offer – Lock-up Arrangements*"), any additional offering or issuance of Ordinary Shares by the Company and any sale by Directors or members of Senior Management, or the perception that an offering, issuance or disposal may occur, could also have a negative impact on the market price of the Ordinary Shares and could increase the volatility in the market price of the Ordinary Shares.

The Company's ability to pay dividends in the future depends, among other things, on its financial conditions and results of operations, capital requirements as well as the Company's operating subsidiaries distributions to the Company.

The ability and intention of the Company to declare and pay dividends in the future: (i) will mainly depend on its financial position, results of operations, capital requirement, investment prospects, the existence of distributable reserves and available liquidity and such other factors as the Board may deem relevant; and (ii) is subject to factors that are beyond the Company's control. The Board determines whether the Company is able to make the distributions. Any decision to declare and pay dividends will be made at the discretion of the Board and will depend on, among other things, applicable law, regulation, restrictions on the payment of dividends in Company's financing arrangements, the Company's financial position, the Company's distributable reserves, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time. Moreover, the principal assets of the Company are the equity interests it directly or indirectly holds in its operating subsidiaries. As a result, the Company's ability to pay dividends will depend directly on distributions and other payments from such subsidiaries to the Company. Any such distributions may be materially and adversely impacted if the Company's operating subsidiaries' profitability suffers. There can be no guarantee that the Company's and its operating subsidiaries' historic performance will be repeated in the future, particularly given the competitive nature of the industry in which it operates, and profit and cash flow may significantly underperform market expectations. If the Company underperforms, its capacity to pay dividends may be impacted adversely. Any of these factors, individually or in combination, could restrict the Company's ability to pay dividends and therefore could negatively impact the market price of the Ordinary Shares. Given that the Ordinary Shares are, and any dividends to be paid in respect of them will be, denominated in South African Rand, an investment in the Ordinary Shares by an investor whose principal currency is not the South African Rand also exposes the investor to foreign currency exchange rate risk.

Under South African law, the Company will be entitled to pay a dividend or similar payment to its shareholders only if it meets the solvency and liquidity tests set out in the Companies Act, and is permitted to do so in terms of the Company MOI. If it is unable to satisfy any of these requirements, the Company may not pay dividends in the future.

Shareholders outside South Africa may not be able to participate in future issues of securities (including Ordinary Shares) carried out by or on behalf of the Company.

Securities laws of certain jurisdictions may restrict the Company's ability to allow participation by certain shareholders in future issues of securities (including Ordinary Shares) carried out by or on behalf of the Company. In particular, holders of the Ordinary Shares who are located in the United States may not be able to participate in securities offerings by or on behalf of the Company unless a registration statement under the U.S. Securities Act is effective with respect to such securities or an exemption from the registration requirements of the U.S. Securities Act is available thereunder.

Securities laws of certain other jurisdictions may also restrict the Company's ability to allow the participation of all holders in such jurisdictions in future issues of securities carried out by the Company.

The price of the Ordinary Shares and/or trading volume could decline if securities or industry analysts do not publish research about the Group's business, or if they publish unfavourable research.

Equity research analysts do not currently provide coverage of the Ordinary Shares, and the Group cannot assure that any equity research analysts will adequately provide research coverage of the Ordinary Shares after the admission to trading of the Ordinary Shares on the Main Board of the JSE. A lack of adequate research coverage may harm the liquidity and trading price of the Ordinary Shares. To the extent equity research analysts do provide research coverage of the Ordinary Shares, the Group will not have any control over the content and opinions included in their reports. The trading price of the Ordinary Shares could decline if one or more equity research analysts downgrade the Ordinary Shares or publish other unfavourable commentary or research. If one or more equity research analysts cease coverage of the Company, or fail to regularly publish reports on it, the demand for Ordinary Shares could decrease, which in turn could cause the trading price or trading volume of the Ordinary Shares to decline.

Negative publicity about the Group may have a material adverse effect on the Group's business, reputation and the price of the Ordinary Shares.

Negative publicity about the Group may arise from time to time. Negative comments about the Group's business operations and management may appear in internet postings and other media sources from time to time and the Group cannot assure investors that other types of negative publicity of a more serious nature will not arise in the future. Any such negative publicity, regardless of veracity, may have a material adverse effect on the Group's business and financial results, the Group's reputation and the trading price of the Ordinary Shares.

It may not be possible for foreign investors to effect service of legal process, enforce judgments of courts outside of South Africa or bring actions based on securities laws of jurisdictions other than South Africa against the Company or members of its Board.

The Group and its executive officers are all residents of South Africa. In addition, the Group's assets are located almost wholly within South Africa. As a result, it may not be possible for investors to effect service of legal process outside of South Africa, upon the Group, the members of its Board and its executive officers. Moreover, it may not be possible for investors to enforce against the Group, the members of its Board or its executive officers, judgments obtained in courts outside South Africa, based on the civil liability provisions of the securities laws of those countries.

A foreign judgment is not directly enforceable in South Africa, but constitutes a cause of action which will be enforced by South African courts provided that:

- the court which pronounced the judgment had jurisdiction to entertain the case according to the principles recognised by South African law with reference to the jurisdiction of foreign courts;
- the judgment is final and conclusive (that is, it cannot be altered by the court which pronounced it);
- the judgment has not lapsed;
- the recognition and enforcement of the judgment by South African courts would not be contrary to public policy, including observance of the rules of natural justice which require that no award is enforceable unless the defendant was duly served with documents initiating proceedings, that they were given a fair opportunity to be heard and that they enjoyed the right to be legally represented in a free and fair trial before an impartial tribunal;
- the judgment was not obtained by fraudulent means;
- the judgment does not involve the enforcement of a penal or revenue law; and
- the enforcement of the judgment is not otherwise precluded by the provisions of the South African Protection of Business Act.

It is the policy of South African courts to award compensation for the loss or damage sustained by the person to whom the compensation is awarded. Although the award of punitive damages is generally unknown to the South African legal system, that does not mean that such awards are necessarily contrary to public policy. Whether a judgment was contrary to public policy depends on the facts of each case. Exorbitant, unconscionable, or excessive awards will generally be contrary to public policy. South African courts cannot enter into the merits of a foreign judgment and cannot act as a court of appeal or review over the foreign court. South African courts will usually implement their own procedural laws and, where an action based on an international contract is brought before a South African court, the capacity of the parties to the contract will usually be determined in accordance with South African law.

It is doubtful whether an original action based on United States federal securities laws may be brought before South African courts. A plaintiff who is not resident in South Africa may be required to provide security for costs in the event of proceedings being initiated in South Africa. Furthermore, the Rules of the High Court of South Africa require that documents executed outside South Africa must be authenticated for use in South African courts. It may not be possible therefore for an investor to seek to impose liability on us in a South African court arising from a violation of United States federal securities laws. See "*Important Information – Enforcement of Foreign Judgments in South Africa.*"

PART V – INDUSTRY OVERVIEW

*This section describes the characteristics, market developments, key trends and competitive landscape in the South African Grocery Retail industry and includes information sourced from various third parties. In particular, this section makes reference to and relies on information obtained from market research, publicly available information, reports of governmental agencies, and industry publications and surveys. Where industry data has been obtained from reports or surveys compiled and published by Futureworld ("**Futureworld**"), such data is more closely indicative of the total market size given the informal market broader channel read but is still not fully reflective of the total market.*

*This section includes information sourced from various third parties. In particular, this section makes reference to and relies on information provided by the International Monetary Fund ("**IMF**"), SARB, Stats SA and World Bank. In addition, certain statements in this section are based on the Group's own estimates, insights, opinions or proprietary information. Such statements contain the words "the Group believes" or "the Group expects" and as such do not purport to cite, refer to or summarise any third-party or independent source and should not be so read. For further information on the treatment of third-party information and statements based on the Group's own estimates, insights, opinions or proprietary information, see "Important Information – Market, Economic and Industry Data." While the Group is not aware of any misstatements regarding the industry data presented herein, its estimates involve risks and uncertainties and are subject to change based on various factors, including those discussed under "Part IV – Risk Factors."*

SOUTH AFRICAN MACROECONOMIC OVERVIEW

South Africa has a resilient economy that is ranked 38th in the world by GDP (World Bank, 2022) and the leading economy in Africa, with a GDP of ZAR6.97 trillion in 2023 (Stats SA). Positive macro forecasts for South Africa are underpinned by positive Real GDP growth, stable population growth at compound annual growth rate ("**CAGR**") of 1.5%, sustained employment growth of just under 2%, lower consumer inflation, continued social grant spending and reducing interest rates.

	Real GDP Growth	Population	Unemployment Rate	Consumer Inflation	Social Grant Expenditure	Annual Repo Rate
2023A	0.6%	62.3m	32.4%	6.0%	ZAR233bn	7.9%
2027F	1.9%	65.1m	31.0%	4.5%	ZAR302bn	7.0%

Source: Futureworld Market and Customer Report, July 2024

Annual consumer inflation cooled for a fourth consecutive month, easing to 3.8% in September 2024 from 4.4% in August 2024. This is the lowest inflation print since March 2021, when the rate was 3.2%. On average, prices increased by 0.1% between August 2024 and September 2024 (Stats SA).

Annual food & non-alcoholic beverages ("**NAB**") inflation was 4.7%, unchanged from August 2024. Softer annual rates were recorded for hot beverages; meat; bread & cereals; sugar, sweets and desserts; and oils and fats. Hot beverages continued to register the highest annual rate among all food & NAB categories (at 15.8%), despite a cooler rate in September 2024 when compared with August 2024 17.5%. Vegetables, fruit, cold beverages and fish recorded higher rates in September 2024. Inflation for milk, eggs & cheese was stable (Stats SA).

Fuel prices dropped for a fourth successive month and are on average 9.0% lower than a year ago. A litre of inland 95-octane petrol was ZAR22.19 in September 2024, the lowest price since February 2023 (ZAR21.68). Price increases for vehicles have also slowed; the annual rate was 3.6% in September 2024, down from a high of 8.4% in September 2023 (Stats SA).

September 2024 saw the SARB's Monetary Policy Committee drop the repo rate by 0.25% to 8.00%, with the next review on 21 November 2024. According to SARB, faster growth is expected over the medium-term, underpinned by a more reliable electricity supply and improving logistics.

	2016A	2017A	2018A	2019A	2020A	2021A	24 Nov 2022A	25 May 2023A	18 July 2024A	19 Sept 2024A
SARB repo rate (%)	7.00%	6.75%	6.75%	6.50%	3.50%	3.75%	7.00%	8.25%	8.25%	8.00%

Source: (SARB)

The ZAR remained volatile for most of 2024 reaching ZAR18.49/USD earlier in August 2024, closing stronger at ZAR17.79/USD towards the end of August 2024 (SARB). As the ZAR strengthens, pricing stability on imported goods will become evident, reducing import costs, potentially leading to lower prices and improved profit margins for importers.

	2017A	2018A	2019A	2020A	2021A	2022A	2023A	22 Oct 2024A
Average USD/ZAR exchange rate	13.32	13.25	14.45	16.44	14.78	16.38	18.46	17.60

Source: (SARB)

With a forecasted decrease in unemployment, relief from high interest rates, and reduced consumer inflation, the economic outlook appears to be improving after a difficult period. This is largely due to improved investor sentiment and electricity generation (IMF, 2024). Coupled with continued social grant spending, a recovery in consumer spending is also anticipated (Futureworld Market and Customer Report, July 2024).

OVERVIEW OF THE SOUTH AFRICAN CONSUMER MARKET

South Africa's population exceeded 63 million, according to the latest mid-year population estimates for 2024. The country's population grew 1.33% from July 2023 to July 2024. It is expected that the total population will increase by 7.84% by 2029 to 67.3 million. Provincial population estimates indicate that Gauteng remains the most populous province with nearly 16 million residents. KwaZulu-Natal follows with a population of 12.3 million. Together, these two provinces account for about 45% of South Africa's total population. In contrast, Northern Cape is the least populated province, housing just under 1.4 million people (Stats SA).

The population is relatively young with approximately 23 million people (40%) under the age of 20 and 2.5 million people (4%) over the age of 70. Until the age of 50, the gender distribution is broadly even, thereafter the proportion of the female population increases to two-thirds of the category "75+" (Stats SA). For 2023, the demographic composition of the population was Black African (82%), Coloured (9%), White (7%) and Indian/Asian (2%). According to the IMF, population growth in SA is predicted to increase by 1.5% on average over the next three years, which is similar to the EU due to migratory flow.

In 2023, employment, a key factor of economic output, recovered to its pre-COVID-19 level with 16.5 million South Africans between the ages of 15 – 64 being employed. According to the 2023 Grocery Household Spend, less than 16% of South Africans over the age of 20 have some form of post-secondary school qualification while 35.5% have Grade 12 (or equivalent). Even though employment has recovered, the unemployment rate has remained elevated at 32.4% in 2023. This means that a large proportion of the South African population do not earn an income from employment and possibly rely on state grants. Furthermore, because there is such high unemployment, there exists a large market for retailers aimed at lower-income households or those that can provide a value for money offering.

South Africa's social protection system is one of the most extensive among developing countries and an outlier in fiscal spending on social assistance internationally (World Bank, 2022). Prior to the COVID-19 pandemic, 17.9 million people relied on a social grant as a source of income, whilst in 2023 the number of social grant beneficiaries increased to over 27 million. The latest estimates by National Treasury indicate that approximately 45% of the population receives a social grant. Old age, child support and disability grants made up 82% total grant expenditure in 2023/24 by government. Of the 19 million households in South Africa, approximately 50% received a social grant in 2023. Studies of low-income households receiving a form of social grant indicate a significant proportion of household disposable income going towards the consumption of food, followed by spending on transportation, electricity and education (Futureworld Market and Customer Report, July 2024).

Social grants, spent in both formal and informal sectors, are likely to rise in line with inflation. A significant portion of low-income households' disposable income, mainly derived from social grants, is spent on food, followed by transportation, electricity, and education.

Value for money and price are the primary considerations for customers across all income levels, as indicated by the customer survey conducted. Consequently, even higher-income groups are adjusting their purchasing habits to stay within tight budgets and make ends meet.

THE SOUTH AFRICAN GROCERY RETAIL MARKET

The South African retail market is a diverse sector encompassing a broad spectrum of products and services, ranging from groceries and clothing to electronics and home goods. These products and services are offered through various channels in the formal sector (*i.e.*, supermarkets) and the informal sector (*i.e.*, informal tuck shops locally referred to as "**spaza shops**"). The retail sector (formal and informal, ZAR2,274 billion in 2023) is projected to grow at a CAGR of 6.4% from 2023 to 2027, following an expected improvement in the GDP per capita, as a result of the 1.8% growth outlook in the GDP between 2024 and 2027 and a stable population growth rate of 1.5% between 2024 and 2027 (Futureworld Market and Customer Report, July 2024).

The South African grocery retail market is a significant (c.49%) contributor to the total retail market. Most of the large grocery retailers in South Africa offer a diversified product range that extends beyond groceries to include electronics and household items. The market in recent years has shifted into an increasingly competitive and complex market, ranging from simple corner stores built to service local communities, into a variety of alternative formats, franchises and mega-chains. The shift has not only resulted in sales through multiple formats, but it has enabled diversification through multiple channels (omni-channel sales), with modern stores selling various product ranges consisting of more than 10,000 products to a diverse market (Futureworld Market and Customer Report, July 2024).

The shape of the modern grocery retail market can be attributed to numerous factors including a big and growing middle class and urbanisation. Economic factors such as GDP, inflation, interest rates and COVID-19 played a significant role in the change of the grocery retail market, both from a global and local perspective. The COVID-19 pandemic accelerated the presence and growth of the grocery delivery market. Lockdowns and economic uncertainty led to reduced consumer spending, supply chain disruptions and a shift towards online shopping.

Market sizing

The grocery retail market continues to form an integral part of economic activity with a contribution to GDP of approximately ZAR1,118 billion representing approximately 16% of the total GDP in 2023. The total value of the market is expected to grow in line with the overall retail sector growth rate of 6.4% (Stats SA, April 2024).

The grocery retail market accounted for 49% of the total retail market in 2023 and has on average made up 49% of the total retail market in the last five years. The concentration of the total retail market to the grocery retail market highlights the importance of basic goods such as food relative to non-basic goods. With a Gini coefficient of 0.7 and 56.8% of the population living below the poverty line (Stats SA), the makeup of the total retail market reflects this income distribution and how it continues to make grocery retail stores more relevant relative to non-grocery retail stores.

Size of the grocery retail market relative to the total retail sector

	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Non-grocery retail (ZAR trillions)	0.9	1.0	1.1	1.2	1.2	1.3	1.4	1.5
Non-grocery retail growth (%)	*(4.1%)*	*10.6%*	*12.9%*	*7.3%*	*6.2%*	*6.7%*	*6.4%*	*6.4%*
Total grocery retail (ZAR trillions)	0.8	0.9	1.0	1.1	1.2	1.3	1.3	1.4
Total grocery retail growth (%)	*(4.8%)*	*15.4%*	*9.5%*	*6.3%*	*5.7%*	*6.9%*	*6.6%*	*6.3%*
Total retail sector (ZAR trillions)	1.7	1.9	2.1	2.3	2.4	2.6	2.7	2.9

Source: Futureworld Market and Customer Report, July 2024

Composition of the grocery retail market

The grocery retail market comprises the formal grocery retail market and the informal grocery retail market. The formal grocery retail market consists of general dealers and retailers of food and beverages in specialised stores whilst the informal grocery retail market comprises spaza shops, street vendors, hawkers, and small independent retailers.

The formal grocery retail market, which makes up approximately 66% of the total grocery retail market, has shown strong growth. Between 2019 and 2023, this market had a CAGR of 6.2%. The market is expected to continue to grow in line with GDP, with a CAGR of 6.1% between 2024 and 2027. While the actual size of the informal market is unclear due to the unstructured nature of the market, various sources and Futureworld analysis estimate that the market is between ZAR276 billion and ZAR376 billion in 2023.

South African grocery market composition

	2020	2021	2022	2023	2024E	2025E	2026E	2027E
Formal grocery retail market (ZAR billions)	597.0	635.2	696.8	742.5	785.4	833.6	884.7	940.7
Formal grocery retail market growth (%)	*2.4%*	*6.4%*	*9.7%*	*6.6%*	*5.8%*	*6.1%*	*6.1%*	*6.3%*
Informal grocery retail market (ZAR billions)	238.2	288.3	345.9	376.4	402.5	433.9	463.9	494.2
Informal grocery retail market growth (%)	*(17.3%)*	*21.0%*	*20.0%*	*8.8%*	*6.9%*	*7.8%*	*6.9%*	*6.5%*
Total grocery retail sector (ZAR billions)	835.2	923.5	1 042.7	1 118.9	1 187.9	1 267.5	1 348.6	1 434.9

Source: Futureworld Market and Customer Report, July 2024

Grocery retail market trends

Changes in consumer preferences – The diversity of the consumer has changed across many dimensions. The emergence of digital channels and new competitors has given consumers more choice to shop where they want. In the South African landscape, there is an exponential growth of convenient online shopping that was sparked by the pandemic. In particular, digital channels have shown robust growth since November 2019.

Exponentially more dynamic technology – Technology is one major force and driver that is shaping the retail industry, especially from a global perspective (Futureworld Market and Customer Report, July 2024). Dark stores and warehouses with robotic pick and pack mechanisms, app-guided and virtual augmented reality, lab-grown meat and advanced tracking and traceability are a few of the initiatives that can be seen globally and are leveraged by retailers to give the best shopping experience to their customers (Futureworld Market and Customer Report, July 2024).

Integration of industries – Across different sectors, industries are converging, and consumers have a wider range of companies and offerings competing for their limited wallet (Futureworld Market and Customer Report, July 2024). For example, e-commerce companies like Takealot have integrated grocery sales into their business model. Large consumer packaged goods brands also want to own the consumer and are selling directly, while other grocery retailers are bringing value-added services as part of their offerings to their stores for customers to do all their administrative tasks while shopping.

Extreme climate changes – Global warming and rising sea levels have severe implications across multiple industries, including agriculture, supply chain operations, shipping and transportation (The World Bank, 2022). In the context of the South African grocery retail market, the impact of this could be in food supply shortages as a result of poor crop production and harvest from weather disruptions caused by climate change. It has become increasingly important for retailers to revisit their contributions to deforestation, energy usage, and consumer waste, and ultimately seek more sustainable approaches to do business.

Consumer spending by consumer segment

Consumer spending, the largest driver of the total retail market, is underpinned by low or reducing interest rates and reduced consumer inflation, as well as adequate fiscal support in the form of social grants. Additional factors that impact consumer spending behaviours include improved employment rates and consumer confidence.

Consumer spending in the formal grocery retail market can be split into 6 categories: Students & Scholars, Least Affluent, Mass Market, Middle Class & Affluent, Less Affluent Retirees and Affluent Retirees.

Across all the categories, there is a growing emphasis on affordability and value, with price sensitivity influencing purchasing decisions. Convenience, whether through quick meal solutions or online shopping, is becoming increasingly important for all segments. Health and wellness are also significant, with a rising demand for nutritious and health-specific products (Futureworld Market and Customer Report, July 2024).

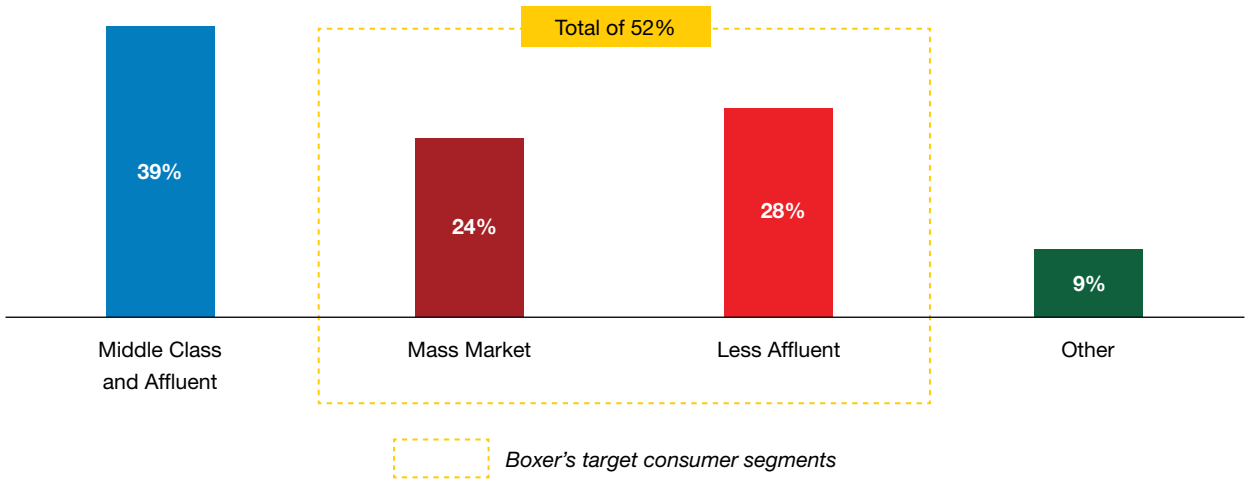
Consumer spending segments

	Students & Scholars Lower	Students & Scholars Upper	Least Affluent	Mass Market	Middle Class and Affluent	Less Affluent Retirees	More Affluent Retirees
Age	<25	<25	26-65	26-65	26-65	65+	65+
Monthly income	<ZAR12k household	>ZAR12k household	<ZAR5k	ZAR5k-12k	ZAR12k+	<ZAR20k	ZAR20k+

Source: Futureworld Market and Customer Report, July 2024

The “mass,” “less affluent” and the “less affluent retirees” markets, which are Boxer’s target segments, combined made up 52% of the formal grocery retail market in 2023. Over the last three years these segments have had a combined CAGR of 6.6%, which is slightly above the total grocery retail market CAGR. Of all the formal grocery retail market segments, the mass market has shown the highest growth over the last three years with a CAGR of 16% (Futureworld Market and Customer Report, July 2024).

Total Formal Grocery Market Spending by Consumer Segment in 2023



Source: Futureworld Market and Customer Report, July 2024

THE GLOBAL AND SOUTH AFRICAN DISCOUNT GROCERY RETAIL MARKET

The formal grocery retail market of South Africa can be further broken down by retailer type, broadly within the following segments: traditional discounters, supermarkets, hypermarkets, convenience stores, online retailers and liquor specialists (Futureworld Market and Customer Report, July 2024). Discounters are defined as retailers who sell goods at lower prices than those charged by traditional retailers. Within the discounter segment, “hard discounters” are deep value-end retailers focused on serving the essential goods portion of consumer baskets with low stock keeping unit (“**SKU**”) counts and a limited emphasis on the overall customer experience to deliver the lowest prices. “Soft discounters” have a wider SKU offering relative to hard discounters and aim to deliver low prices in addition to adding value to customers through diversified in-store propositions, including bakery and butchery counters and in-store services. Both hard and soft discounters appeal to low to mid-income level consumers. Within the supermarket segment, “traditional supermarkets” provide a comprehensive offering at market-related prices with more emphasis placed on the overall shopping experience and diversified in-store propositions, which appeals to mid-income level consumers. In contrast, “premium supermarkets” offer a broad and deep range of premium quality products at above-market prices, in addition to diversified in-store propositions. Premium supermarkets generally appeal to high-income level consumers.

Both hard and soft discount grocery retailers address low to mid-income level consumers’ price and value purchase decision criterion by adhering to five key principles (Futureworld Market and Customer Report, July 2024), namely:

- **Limited assortment:** A limited assortment of products allows discounters to stock large volumes of essential goods while ensuring operational efficiency. Through gaining efficiencies, more value can be pushed back to the consumer.
- **Private label:** Private label products offer discounters dual benefits. First, removing intermediation from consumer packaged goods brand mark ups, driving reduced costs and enabling lower prices. Secondly, providing increased bargaining power with suppliers and manufacturers, allowing the discounters to switch to the lowest cost suppliers or manufacturers without losing the label.
- **Quality at low prices:** A reduced number of SKUs allows discounters to focus on a streamlined inventory management approach, which ensures quality while maintaining a competitive cost / quality balance.
- **Efficient operations, reducing costs:** Discounters employ various techniques to ensure day-to-day operations remain efficient, with a focus on reducing operational costs. Discounters achieve this by including increased role flexibility, which enhances efficiency through enabling staff to adapt to demands in store, switching roles as required.
- **Network growth:** Through rapid store network growth, discounters have been able to reach greater numbers of customers, while improving efficiencies through scale.

The global discount grocery retail market is forecast to grow at a 5.1% CAGR between 2023 and 2028, reaching USD 879 billion. This is considerably faster than the overall global grocery market, which is forecast to grow at a 4.4% CAGR over the same period (Futureworld Market and Customer Report, July 2024).

The growth in the global discount grocery market is expected to be underpinned by the continued strain on consumers' disposable income as a result of persistently high inflation and interest rate environments. The overall effect on consumers' purchasing behaviour is an increased preference for value-oriented shopping options at the lowest overall cost, driving more consumers to seek discounts and bulk deals, contributing to the continued growth of the discount grocery retail sector.

While discount grocery retail market growth is expected to be robust across all regions globally, Africa and the Middle East are expected to demonstrate the second highest growth rate globally at a 5.9% CAGR over 2023 – 2028, outperforming North America and second only to the Latin American region. The higher growth rates expected in developing economies can be attributed to a larger proportion of low- and middle-income consumers that are highly price sensitive and more inclined to shop at discounters (Futureworld Market and Customer Report, July 2024).

The growth expected in African discount grocery retail markets, and specifically the South African market, is underpinned by the overall trends of subdued economic growth, high unemployment and high income inequality observed, which reduces household disposable income and increases the focus placed by consumers on price and value.

On a country level, the variation in grocery discount retail market penetration further highlights the differences observed at the regional level. Comparing the penetration of discounters in the South African market to that of other developing economies highlights the significant opportunity for additional growth in the South African discount grocery retail market.

2023	Poland	Germany	Türkiye	UK	Mexico	South Africa
Discount market penetration range (%)	32%	27%	21%	13%	9%	6.2 – 7.4%

Source: Futureworld Market and Customer Report, July 2024

The market share of discounters has generally been increasing globally; however, significant variations in penetration are evident. European countries' high discount retail market penetration can be attributed to an economic environment that has resulted in price-sensitive and value-conscious consumers that demand affordable and accessible shopping options, driving them toward discounters. Furthermore, discounters in Europe, including Aldi and Lidl, have successfully expanded their presence and modernised operations, enhancing the shopping experience and appealing to a broader customer base.

In contrast, despite the similar economic environment, the comparatively low market penetration of discounters in the African region, and more specifically in South Africa, can be attributed to the prevalence of informal retail channels, relatively low urbanisation, and a highly concentrated grocery retail market with high barriers to entry. Informal retail channels offer accessibility, flexible trading hours, as well as credit to low-income earners (Futureworld Market and Customer Report, July 2024). With the reliance on social grants, the affordability of options in the informal retail channels enhances the appeal to low-income earners. As the market formalises and consumers increasingly opt for more modern options, discounters are expected to gain momentum and attract a wider customer base.

Assessing the implied share of the South African formal grocery retail market held by discounters in South Africa (Boxer, Usave and SaveMor) with their estimated discount market share, provides a basis for estimating the overall size of the South African discount grocery retail market.

Boxer's South Africa FY2023 turnover of ZAR31.3 billion suggests a 4.2% formal grocery retail market penetration rate, and if assuming the same proportional market share across competitors as illustrated in the table below, the market penetration of Usave and SaveMor can be estimated at 1.8% and 0.1% respectively.

2023	Discount Market Share	Discount Market Penetration of Total Formal Market
Boxer	68.2%	4.2%
Usave	29.7%	1.8%
SaveMor	2.0%	0.1%
Overall Discount Market	100.0%	6.2%

Source: Futureworld Market and Customer Report, July 2024

Based on the above, the total South African discount market size is estimated to be ZAR45.9 billion. This implies a 6.2% discount grocery retail market penetration rate of the total ZAR742 billion formal grocery retail market.

COMPETITIVE LANDSCAPE IN THE SOUTH AFRICAN GROCERY RETAIL AND DISCOUNT GROCERY RETAIL MARKETS

The South African grocery retail market is highly competitive and concentrated with the top players in the market having a total share of between 50% and 60% of the formal grocery retail market. The Shoprite Group leads the market with approximate market share of between 21-23%, followed by Pick n Pay with a market share of between 14 – 17% bolstered by Boxer's strong turnover growth, and the SPAR Group with a market share of 12% (Futureworld Market and Customer Report, July 2024).

Formal players in the South African discounter market include Boxer, Usave, and SaveMor, all of which focus on providing the best value against the lowest prices for their target markets. Boxer, currently the leading discounter in terms of turnover, has been accelerating the rollout of new stores over the past three years, while Usave has been expanding in rural areas specifically to capture a wider customer base (Futureworld Market and Customer Report, July 2024). SaveMor operates a smaller number of stores compared to Usave and Boxer, with a focus on rural and peri-urban areas (The SPAR Group, 2023).

High-end retailers such as Woolworths, Checkers, Pick n Pay, SPAR and Food Lovers Market, which cater more towards the high-end affluent customer market, continue to invest in enhancing their store environments, expanding their product ranges and leveraging technology to offer a superior shopping experience to attract and retain upper-market customers (Futureworld Market and Customer Report, July 2024).

BOXER'S MARKET POSITION

Boxer South Africa has demonstrated strong and consistent turnover growth in the formal grocery retail market, with turnover growing by a CAGR of 18.6% over FY2022 – FY2024, outgrowing all the formal grocery retailers. Additionally, Boxer achieved a store footprint growth of 14.2% CAGR (FY2021 – FY 2024), surpassing other retail brands. This is as a result of a strong focus to expand the discount store segment. Through data collection, analysis of monthly catalogues, and careful consideration of bulk deals and regional factors, Boxer was identified as the leading price competitor in South Africa, highlighting its consistent value for customers when compared to other major grocery retailers. Boxer increased its market share in the total formal retail market from 3.3% in FY2020 to approximately 4.2% in FY2023 (Futureworld Market and Customer Report, July 2024).

Low-income consumers (consumers earning less than ZAR5,000 a month) identify Boxer as the grocery retailer of choice for combo deals. Furthermore, 82% of consumers who have shopped at Boxer in the last six months claim to be shopping more or about the same levels at Boxer stores, which indicates that once customers make their first purchase at Boxer, the likelihood that they will return in future is very high. Boxer was ranked fifth amongst its peers when it comes to location and ease of getting to a Boxer store. This presents an opportunity for Boxer to further expand in strategic areas where their customer market segment lives (Futureworld Market and Customer Report, July 2024).

Competitive landscape of the formal discounters

When comparing the discounter format stores as shown in the table below, even though all discount brands target a similar customer segment, Boxer is more diversified in terms of the product range offered, while Usave and SaveMor are focused on essential and limited ranges. Boxer strategically focuses on essential goods, placing a strong emphasis on its fresh produce and own branded products. As a result, Boxer's market share of the discounter market is disproportionately higher than its peers. Despite the higher market share of the discounter market relative to peers, Boxer's share of the total formal retail market is still relatively low at 4.2%.

	Discounter Market share	# of stores	# of SKUs
Boxer	68%	287[1]	3,000
Usave	30%	463	1,900
SaveMor	2%	94	N/A

[1] Supermarket stores, excluding Eswatini stores

Source: Futureworld Market and Customer Report, July 2024

THE SOUTH AFRICAN WHITESPACE OPPORTUNITY FOR BOXER

The South African discounter sector offers a large total addressable market and serviceable available market, presenting significant potential for expansion. Enablers of growth include favourable economic conditions and increasing consumer demand for value-oriented shopping. The availability of retail space across various regions supports Boxer's expansion into underserved areas.

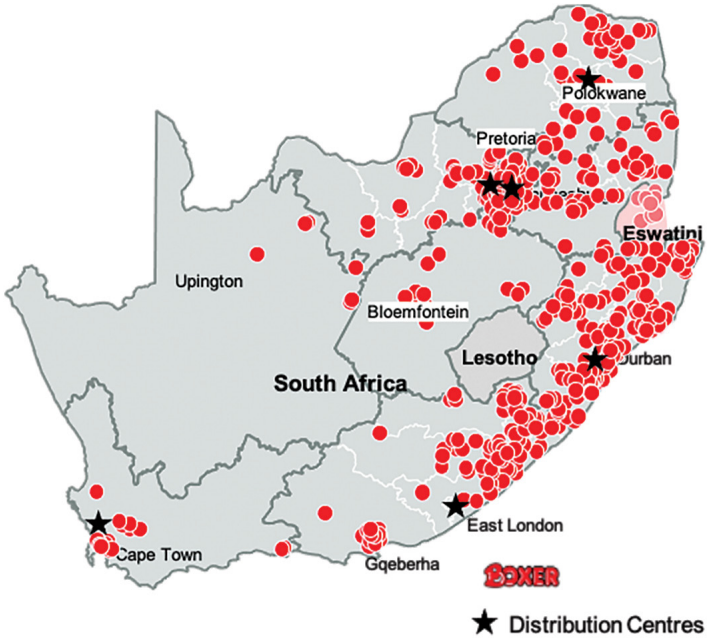
With the South African economic outlook showing promising growth prospects for the grocery retail market, and the current discounter penetration of 6.2% in 2023, together with the expected growth of 6.4% CAGR through to 2027, Boxer has considerable potential for organic growth. This opportunity for growth extends further as a result of inorganic growth opportunities through the rollout of new stores in South Africa (Futureworld Market and Customer Report, July 2024).

South Africa Whitespace Assessment

There exists significant scope for Boxer to capture further value through whitespace growth, beyond that of the expected grocery retail market organic growth. This opportunity for whitespace growth lies in the strategic expansion of Boxer's footprint in South Africa, targeting areas with significant formal grocery retail spend across Boxer's target demographics in areas that are not currently served by a Boxer store.

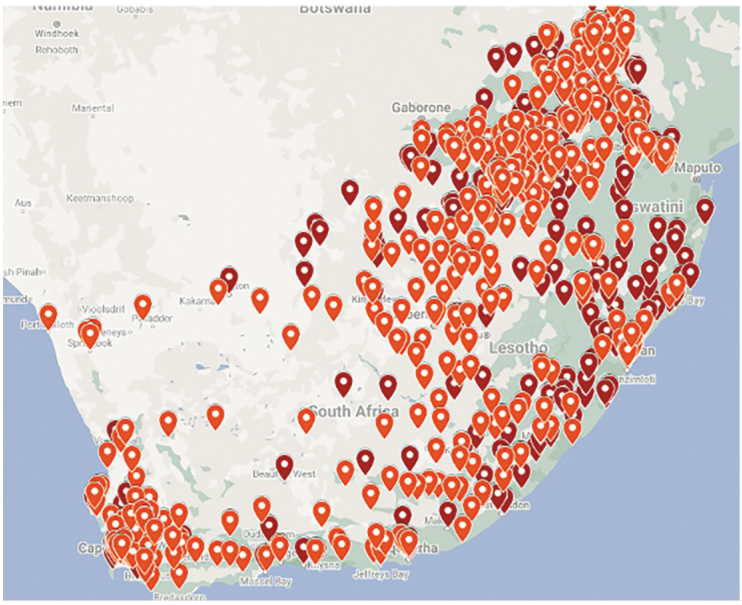
The resulting estimated value available from Boxer's target demographic across the additional geographic areas without a Boxer store is approximately ZAR105.5 billion, highlighted in Figure 3 below.

Figure 1: Existing locations of Boxer stores



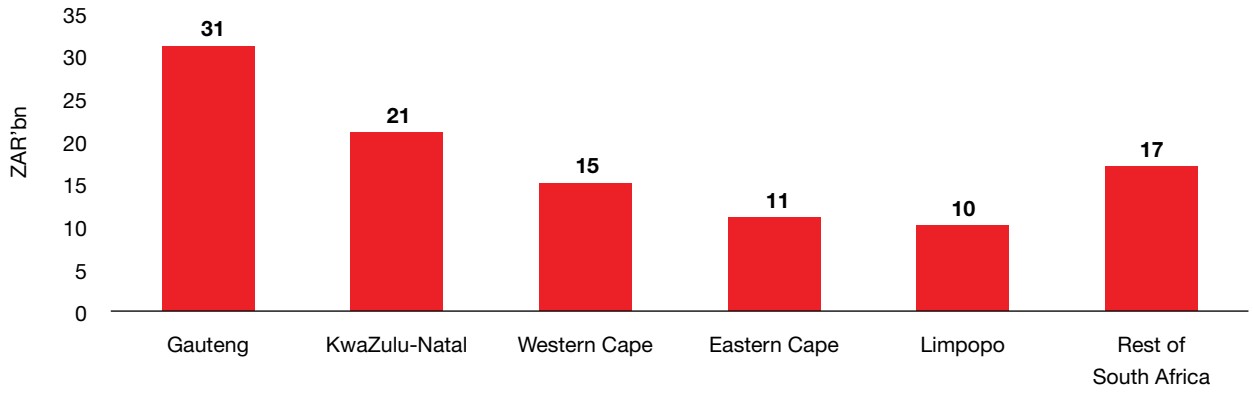
Source: www.boxer.co.za/site/store-locator

Figure 2: Existing locations of Shoprite and Usave stores



Source: www.shoprite.co.za/store-finder, www.usave.co.za/store-locator

Figure 3: Whitespace value without Boxer stores



1. Rest of South Africa includes Free State, Northern Cape, North West, and Mpumalanga
2. Methodology: 1) Identified sub places that meet Boxer's target segment in South Africa; 2) Eliminated sub places with an existing Boxer store; 3) Identified population per sub place; 4) Segmented population per sub place by spend data related to formal retail grocery market; 5) Multiplied spend data per segment by segmented population to derive value available; 6) Multiplied value available by share of segment targeted by Boxer to derive whitespace value
3. Main place: typically encompass larger areas such as towns, cities, or significant sections of municipalities (Futureworld Market and Customer Report, July 2024). Sub place: a smaller geographical unit within a main place, which can include suburbs, sections of townships, smallholdings, villages, sub-villages, wards, or informal settlements
4. Share of Target Segment: 1) Middle Class and Affluent, More Affluent Retirees – 15%, 2) Mass Market, Less Affluent Retirees – 75%, 3) Least Affluent – 100%, 4) Students and Scholars – 70%

Source: Futureworld Market and Customer Report, July 2024

Potential Avenues for Further Growth

Informal Market Growth Potential

The informal grocery market is expected to remain relevant and demonstrate growth that is at least in line with CPI over the next few years due to the following key economic factors:

- Inflation is putting pressure on low-income market segments and driving some consumers towards the informal market; even though lower inflation is expected, the initial forecast period remains high.
- Unemployment levels are not forecasted to improve significantly over the next few years, leading to increased demand in the informal sector.
- Social grants, which are spent in both the formal and informal sectors are expected to increase over the next few years as the government will find it difficult to reduce grant expenditure under current economic and political conditions.
- Urbanisation is also not forecasted to increase to such significant levels soon, that the informal sector will experience a substantial reduction in demand.
- Population growth, especially in low-income segments, will drive demand for groceries in the informal market as it will for other markets.
- Informal retailers do not want to formalise due to the benefits of the unregulated market, lower operational cost (tax, electricity and labour) (Stats SA, BER, 2024, Futureworld Analysis).

Boxer is known for servicing the lower-income customer segments, especially the customer group that resides in the rural and peri-urban communities within South Africa. Having an established footprint in these areas with a strong distribution channel set out to serve the stores and customers, an opportunity exists to further tap into the informal market and service this population group in other ways as well.

The informal grocery retail market is expected to grow to ZAR494 billion in 2027 by turnover. With the implementation of innovative solutions such as Boxer Bulk Online, there is opportunity to further engage this segment directly and indirectly.

This market presents a massive opportunity for industry participants that can successfully enter and leverage the right capabilities to drive substantial growth (Futureworld Market and Customer Report, July 2024).

PART VI – REGULATORY CONSIDERATIONS

This section provides a brief description of the principal laws and regulations to which the Company and the Group is, or will be, subject to if carrying on certain activities in South Africa and which may materially affect the Group and its operations in South Africa. This section should be read in conjunction with the rest of the Pre-listing Statement. Although this section contains information concerning such laws and regulations that are considered to be material to the Group in South Africa, this summary does not purport to be a comprehensive description of all the laws and regulatory requirements applicable to the business and operations of the Company and the Group and/or which may be important to any prospective investor. The principal objective of this summary is to provide potential investors with an overview of the key laws and regulations applicable to the Group. References to laws, regulations and other administrative and regulatory documents are qualified in their entirety by the full text of such documents. See, in addition, "Part IV – Risk Factors – Risks Related to the Group's Business and Industry." Prospective investors should note that the following summary is based on the laws and regulations in force as at the Last Practicable Date, which may be subject to change.

INTRODUCTION

The Group's operations are subject to oversight and monitoring by regulatory authorities that have broad administrative and discretionary powers over the Group. In addition to the general corporate and commercial regimes (including the Companies Act and the Competition Act 89 of 1998 ("**SA Competition Act**")), the Group is subject to comprehensive liquor and food safety laws. The Group is also subject to other laws and regulations relating to credit, data protection and privacy, the environment, employment practices, remuneration, ethical standards and exchange controls.

The principal laws and regulations to which the Group is subject in South Africa are set out below.

CORPORATE LAW

Publicly listed companies incorporated in South Africa are regulated by, amongst other things:

- the Companies Act (including all regulations promulgated thereunder and any guidelines, guidance notes, and practice notes issued in terms thereof by the South African Takeover Regulation Panel and the CIPC), which regulates the incorporation, registration, management and reporting requirements applicable to corporate actions such as acquisitions, disposals, financial assistance, share transactions and insolvencies. Directors' duties and responsibilities are encapsulated in the Companies Act as well as in South African common law and include the fiduciary duty to act in good faith and for a proper purpose in the best interests of the company, as well as acting with due care, skill and diligence. In addition to the duties of the directors, the Companies Act also sets out corporate governance requirements for companies. The Companies Act, in particular, requires that a public company must have an audit committee, social and ethics committee as well as a company secretary in place and also imposes certain requirements regarding remuneration disclosures. Further, the Companies Regulations and the Companies Act also incorporate certain rules relating to, among other things, takeover bids, mergers and acquisitions, schemes of arrangements, the disclosure of significant shareholdings and beneficial ownership in listed companies, and offers of securities to the public. The Companies Amendment Acts 16 and 17 of 2024 were signed into law by the President in July 2024, but the effective date for the changes under these Acts is subject to promulgation by the President in the Government Gazette. Some of the most material changes are those pertaining to remuneration disclosures (as discussed in "*Part X – Directors, Senior Management and Corporate Governance*" below) and the requirement for public company annual general meetings to include the presentation of social and ethics committee reports, remuneration reports and the appointment of social and ethics committees – these changes will also apply to publicly listed companies with effect from the promulgation date to be determined;
- the Financial Markets Act, which primarily regulates the South African financial markets and is aimed at reducing systemic risk in financial markets by regulating market abuse and market manipulation while promoting international competitiveness. The objectives of the Financial Markets Act are, among other things, to ensure that the South African markets are fair, efficient and transparent, to increase confidence in the South African financial markets, to promote the protection of regulated persons, clients and investors, reduce systemic risk, and to promote the international and domestic competitiveness of the South African markets. The Financial Markets Act contains, among other things: (i) the requirements to which the exchange rules and depository rules must comply; (ii) duties, restrictions, authorisations and other requirements applicable to authorised users, stockbrokers, central securities depository participants (including requirements relating to custody and administration of securities); (iii) the licensing requirements, functions and rules applicable in relation to clearing houses as well as the requirements applicable to market infrastructure; and (iv) market regulation requirements, offences and sanctions, including in respect of insider trading, unlawful publication, prohibited trading practices and misinformation;
- the JSE Listings Requirements, which regulate, amongst other things, the relationship between the JSE and the issuers of listed securities and sets out the JSE's rules for such issuers, including the conditions for listing, the methods of listing securities on the exchange, and continuing obligations once listed such as those governing corporate actions. The JSE Listings Requirements contain certain requirements which create a framework which is aimed at ensuring that boards of directors communicate responsibly, transparently and honestly with the issuer's shareholders, its advisers and the JSE Limited, about the business and financial performance of the issuer. This framework is supported by the mandatory corporate governance arrangements included in the JSE Listings Requirements, requiring, among other things, the establishment of mandatory Board Committees being, (i) the audit committee; (ii) the remuneration committee; and (iii) the social and ethics committee. In addition, the JSE Listings Requirements set out certain procedural requirements that apply to transactions involving listed companies or their subsidiaries which may include mergers and takeovers (as well as disposals, related party transactions and securities offerings). Certain restrictions are also placed on directors' dealings in the Company's securities;

- the King IV Report on Corporate Governance for South Africa, 2016 (the "**King Code**"), which provides guidance on how to apply certain recommended practices to achieve good corporate governance practices in an organisation using an outcomes-based approach, including in relation to the composition of the board of directors (and its committees), as well as in respect of specific functions performed by directors. The King Code contains specific principles and practices around ethical conduct, good corporate citizenship, compliance with laws, rules, codes and standards, fraud, corruption, as well as risk and tax governance. It further outlines oversight and monitoring of implementation and execution by management as one of the four primary governance roles and responsibilities of boards within the dynamic business cycle of an organisation. In terms of the JSE Listings Requirements, the Company is required to comply with certain corporate governance practices set out in the King Code and to report to Shareholders (in its annual report) in respect of the relevant corporate governance practices. Refer to the King Code Register in "*Annexe 17 – King-Code Register*";
- in relation to financial reporting, in terms of the Companies Act, the South African Minister of Trade, Industry and Competition, after consultation with the FRSC, has issued regulations prescribing financial reporting standards which, in the case of public companies, must be in accordance with the IFRS, as issued by the International Accounting Standards Board or its successor body. In terms of regulation 27 of the Companies Regulations, read with section 8 of the JSE Listings Requirements, the financial reporting standard that is applied in respect of the public companies with securities listed on a securities exchange is IFRS, and Financial Pronouncements as issued by FRSC; and
- the South African Financial Sector Regulation Act, No. 19 of 2017, which establishes the South African Financial Sector Conduct Authority and has the powers to, among other things, investigate statements and disclosures made by listed companies where they may be false, misleading or deceptive and which intentionally or negligently induce investors to trade or refrain from trading in the listed companies securities at prices that would not be sustainable were the true facts known.

For further information on certain laws and regulations affecting shareholders, see "*Part XIX – Additional Information – Summary of the Company MOI and Certain Explanatory Statements in Respect of Applicable Law and Regulation Affecting Shareholders*."

PERSONAL INFORMATION AND DATA

The POPI Act is South Africa's comprehensive data protection legislation. The provisions of the POPI Act became enforceable on 1 July 2021 and apply to all South African members of the Group in their capacity as a responsible party (*i.e.*, a public or private body or any other person which, alone or in conjunction with others, determines the purpose of and means for processing personal information).

"Personal information" for purposes of the POPI Act is widely defined and means information relating to an identifiable, living, natural person, and where is it applicable, an identifiable, existing juristic person. It accordingly includes information relating to both individuals and companies and provides a detailed list of examples, such as a person's race, age, sexual orientation, marital status, correspondence and identifying symbols.

The POPI Act provides additional protections in respect of the processing of a special category of information, namely "special personal information," which includes information relating to an individual's religious or philosophical beliefs, race or ethnic origin, trade union membership, political persuasion, health, sexual orientation and gender, criminal behaviour or biometric information.

The POPI Act established eight conditions for the lawful processing of personal information, namely: accountability; specification of the purpose of processing; limitation on processing; limitation on further processing; information quality; openness; security safeguards; and data subject participation. These conditions ensure, amongst other things, that the data subject is aware, and in control, of the processing of their personal information, that the processing is limited to the extent necessary without unjustifiably infringing on the privacy of the individual, and that the processing of personal information is subject to appropriate safeguards. A responsible party will be held accountable and liable for non-compliance with the conditions for lawful processing.

Data subjects are afforded various rights under the POPI Act in respect of their personal information, including the right to request, free of charge, confirmation as to whether or not the responsible party holds personal information about them, as well as a description of the personal information held, the right to request access to the personal information, the right to object to the processing of their personal information (in limited circumstances), and the right to request the correction or deletion of their personal information. Additionally, in the event of a security compromise, the responsible party is required to notify both the Information Regulator and the affected data subjects (to the extent that their identity is known).

The Information Regulator may investigate complaints instituted by data subjects, or initiate an investigation or assessment on its own initiative, concerning any non-compliance with the provisions of the POPI Act, including relating to non-compliance with the conditions for lawful processing, the requirement of notification of security compromises, direct marketing, directories and automated decision-making and the provisions governing the transfers of personal information outside of South Africa.

The Information Regulator is empowered to enforce the provisions of the POPI Act in various ways by, for example, after having conducted an assessment or investigation, the Information Regulator may refer the matter to the enforcement committee established in term of the POPI Act ("**Enforcement Committee**"), which will consider the complaint and make recommendations. The Information Regulator can then, after considering the recommendation of the Enforcement Committee, issue an enforcement notice compelling the responsible party to take certain steps or to stop processing the personal information. An appeal against an enforcement notice can be made to the High Court of South Africa. The Information Regulator may also issue an assessment report, which contains the results of any assessment and the recommendations that the Information Regulator considers appropriate. An assessment report is deemed to be the equivalent of an enforcement notice.

The consequences of a failure to comply with the provisions of the POPI Act are significant. The POPI Act imposes criminal liability for certain offences, including the unlawful obstruction, interference with, or influence of, the Information Regulator, the failure to assist a person executing a warrant in accordance with a search and seizure operation without reasonable excuse and the failure to comply with an enforcement notice. In general, a person convicted of an offence may be liable to a fine or imprisonment for a period not exceeding ten years, or both. The Information Regulator may alternatively impose an administrative fine on a responsible party who has committed an offence (but who has not been criminally charged for such an offence), in an amount not exceeding ZAR10 million. The responsible party may elect to pay the administrative fine or to be tried in court on a charge of having committed the alleged offence. A data subject or the Information Regulator, at the request of the data subject, may also institute civil action, which may result in damages being awarded against a responsible party.

As part of the Group's risk mitigation and compliance procedures, the Group evaluated the potential impact of the POPI Act before it came into force, taking into account its then existing and planned privacy and data security practices and procedures. Based on the evaluation, it was established that implementation of the POPI Act would likely have an impact on the Group's data security and business costs, practices and procedures in South Africa. Accordingly, through the implementation of new policies, procedures and processes, as well as providing training and awareness as per the obligations under the POPI Act, the Group has sought to ensure compliance with its obligation under the POPI Act and remains committed to focus on continued compliance with the provisions of the POPI Act.

EMPLOYMENT

Labour Relations

The Constitution gives every person the right to fair labour practices. The LRA is the principal legislation that gives effect to the framework in which employees, employers and industrial relations at both an individual and collective level are regulated. Primarily, the LRA regulates the manner in which employees, employers, trade unions and employer's organisations interact and engage with one another in the workplace. This includes processes related to recognition of trade unions, collective bargaining, dismissals, unfair labour practices, and industrial action such as an employee strike and an employer lock-out.

The LRA framework is geared at the protection of employee and employer rights through various structures. The LRA allows for the creation of trade unions and employer's organisations. The extent of a trade union's entitlement to organisational rights is subject to the size of its membership base at a particular workplace. Depending on the number of employees who are members of the trade union, the trade union may be allowed access to the workplace, elect members to represent trade union members at the workplace, have meetings at the workplace and access information relevant to the trade union and its employees.

The LRA does not provide for a statutory duty to bargain collectively or otherwise, which is a purely voluntary decision (save that a trade union may embark on a strike to obtain the right to collectively bargain with the employer). The LRA also does not prescribe that bargaining can only be achieved if a trade union reaches, for example, a 50% plus 1 majority status in the appropriate bargaining unit or bargaining forum. The LRA permits a co-operative approach whereby two or more trade unions can aggregate their membership for the purposes of achieving majority representation or otherwise increasing their representation in order to obtain and exercise statutory organisational rights.

If a dispute between the employer and employee arises, the LRA clearly delineates the dispute resolution process which applies. The LRA strictly stipulates and regulates the requirements for a lawful strike, lockout or picketing. In this regard the LRA expressly identifies who is allowed to engage in industrial action of this nature, which processes must be followed and for which purposes employees and employers may engage in such industrial action. Should the industrial action require the parties to engage in a process of consultation or negotiation, the LRA also prescribes the procedures to be followed.

The LRA establishes the CCMA as a principal forum for the resolution of the majority of employment-related disputes that typically arise in the workplace. The LRA also establishes industry specific bargaining councils which are responsible for the resolution of disputes falling within the ambit of the bargaining council.

South African employment laws do not recognise employment "at-will" and an employer must act fairly when seeking to dismiss an employee. In this regard, the LRA prohibits unfair dismissals (including automatically unfair dismissals) and recognises that employees may be dismissed as a result of the employee's misconduct, the employee's incapacity (which also encompasses ill health and poor work performance) and the employer's operational requirements. The fairness of a dismissal is assessed based on both the substantive and procedural aspects thereof. The pre-dismissal procedure to be applied depends on the reason for the proposed dismissal.

In the event that an employee is dismissed and wishes to refer a dispute against the employer to challenge the fairness of the dismissal, a process of conciliation is peremptory in this regard. Should the dispute remain unresolved after conciliation, the vast majority of employment matters may be arbitrated, at the request of the former employee, and the resultant arbitration award made by the CCMA or relevant bargaining council is final and binding. An arbitration award or ruling is not appealable and may only be reviewed and set aside by the Labour Court on the basis of certain limited grounds. Certain unfair dismissal disputes (including automatically unfair dismissals and large-scale dismissals due to the employer's operational requirements) may not be arbitrated by the CCMA and must be referred to the Labour Court.

Basic Conditions of Employment

The Basic Conditions of Employment Act, 1997 ("**BCEA**") aims to give effect to the constitutional right to fair labour practices by establishing and making provision for the regulation of basic conditions of employment. The BCEA provides minimum terms and conditions of employment pertaining to, among other things, working hours, leave (including annual, sick, family responsibility, maternity and parental leave), particulars of employment and remuneration, termination of employment, prohibition of forced labour and child labour and the variation of the basic conditions of employment. The BCEA forms part of all contracts of employment unless any other law or the contract itself provides for more favourable terms to the employee. The BCEA also affords certain additional statutory protections to employees who earn below an earnings threshold established by the Minister of Employment and Labour from time to time (which is currently ZAR254,371.67 per annum).

National Minimum Wage

Recognising that there are huge income disparities in the South African labour market, the National Minimum Wage Act, 2018 makes provision for the implementation of a minimum wage, currently ZAR27.58 per hour. The new minimum wage sets a baseline across all sectors, with a few exceptions. This means that every worker will be entitled to at least the minimum wage and no employer may pay less than the minimum wage. The minimum wage cannot be varied by contract, collective agreement or law. Except to the extent that an employee's contract of employment, a collective agreement or law provides for a more favourable wage, the national minimum wage will constitute a term and condition of the employee's employment.

Unemployment Insurance

The Unemployment Insurance Act, 2001 serves to establish the Unemployment Insurance Fund ("**UIF**") which provides for the payment of unemployment benefits to certain employees who become unemployed, and for the payment of illness, maternity, parental, adoption, commissioning parental and dependant's benefits. The UIF applies to all employers and employees, other than employees employed for less than 24 hours per month, learners, public servants and workers who earn commission only.

Unemployment Insurance Contributions

In order to fund the UIF, the Unemployment Insurance Contributions Act, 2002 provides that employers are required to deduct 1% of the employee's gross earnings and pay that to the UIF monthly. Employers are also required to contribute a further 1% of each employee's gross earnings to the UIF. The contributions are capped at ZAR171.12 each per month.

Skills Development

The Skills Development Act, 1998, ("**Skills Development Act**") aims to develop the skills of the South African workforce while improving quality of life and prospects for work and labour mobility. The Skills Development Act also aims to improve productivity in the workplace and the competitiveness of employers while promoting self-employment. It also aims to increase levels of investment in education and training. It governs various bodies, which encourage partnerships between the public and private sectors of the economy and help new entrants to the labour market with finding work. One of these bodies is the National Skills Fund into which those employers who are registered with the South African Revenue Service for Pay As You Earn tax are required to contribute, *provided* that their payroll exceeds ZAR500,000 per annum.

Employment Equity

The Employment Equity Act *inter alia*, promotes equity in the workplace by promoting equal opportunity and fair treatment in the workplace, including during recruitment, through the elimination of unfair discrimination and the implementation of affirmative action measures to redress the disadvantages in employment experienced by designated groups, in order to ensure equitable representation in all occupational categories and levels in the workforce. People from designated groups are those South Africans who are Black (African, Coloured or Indian), women or people with disabilities.

Designated employers (*i.e.*, currently employers who generate an annual turnover above a sector-specific threshold or those who employ more than 50 employees) are required to implement an employment equity plan and submit employment equity reports to the Department of Labour on an annual basis. The employment equity plan sets out the employer's goals in achieving employment equity in the workplace, while the employment equity report sets out the employer's progress in meeting its planned goals. A designated employer's failure to comply with these provisions of the Employment Equity Act may result in fines of ZAR1.5 million or 2% of the employer's annual turnover (whichever is the greater) where there have been no previous contraventions, or up to ZAR2.7 million or 10% of the employer's annual turnover (whichever is the greater) in the case of ongoing contraventions.

It is imperative that regard must be had of the necessity to remunerate employees based on the principle of equal pay for work of equal value. Work will be identified as of equal value when the work done by the employee is the same, substantially the same or of equal value when compared to an appropriate comparator.

To determine whether discrimination between employees occurs, the Employment Equity Act identifies 22 listed grounds upon which an employer could potentially discriminate between employees. Race, gender, language and family responsibility are examples of these listed grounds. Differentiation on the basis of these grounds is presumed to be unfair discrimination between employees. The Employment Equity Act furthermore identifies an "arbitrary ground" of differentiation as a ground upon which unfair discrimination can take place.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT

Historically, South African citizens who were racially classified as African, Indian, or Coloured were excluded from any meaningful participation in the economy. As a result, one of the key challenges the democratic and constitutional South Africa had to resolve was to redress racial inequalities created by colonialism and apartheid which, among others, limited black ownership.

To this end, as provided for by the Constitution, the South African government introduced B-BBEE laws and policies. B-BBEE is a central part of the South African government's economic transformation strategy and comprises various components aimed at increasing the numbers of black people who manage, own and control the country's economy, decreasing racially based income inequalities and achieving a substantial change in the racial composition of ownership and management structures.

The Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended (the "**B-BBEE Act**") is the primary legislation through which this B-BBEE policy is implemented. In terms of the B-BBEE Act, B-BBEE consists of measures and initiatives that are aimed at increasing levels of equity ownership by Black People in businesses operating in South Africa, increasing the number of Black People who participate in management roles and/or are employed in business, improving the skills of black employees, assisting small and medium businesses that are majority-owned by Black People, procuring goods and services from businesses that are good contributors to B-BBEE and corporate social investment. The Minister of Trade, Industry and Competition (the "**Minister**") has published various codes, including certain sector-specific codes, under the B-BBEE Act. These codes set out the details of how B-BBEE scores are measured on each of the different elements identified above, namely ownership, management control, skills development, enterprise and supplier development and socioeconomic development. Companies are scored in terms of a scorecard set out in the codes on the extent to which they meet the specified targets.

Each element has its own scorecard and a measured enterprise's performance in relation to a particular element is scored in terms of the scorecard and formulae specifically created for that element. Measured entities that do not fall within a sector regulated by a charter, such as the manufacturing industry, are measured under the B-BBEE Codes' generic scorecard ("**Generic Scorecard**").

Under the Generic Scorecard, a measured entity may be scored as a level 1 (135% B-BBEE procurement recognition) to level 8 contributor (10% B-BBEE procurement recognition).

An entity which scores below a relevant threshold on the Generic Scorecard is considered to be a noncompliant contributor (0% B-BBEE procurement recognition).

In terms of the B-BBEE Act, every organ of state and public entity in South Africa is legally bound to consider and, as far as is reasonably possible, to apply the B-BBEE Codes in, *inter alia*, determining criteria for the issuing of licences and developing a procurement policy for selecting their service providers. There is no legal obligation on a private enterprise to comply with the B-BBEE Codes but it is important for companies that wish to do business with the public sector or obtain licences (*e.g.*, in liquor licensing, see "*Part VI – Regulatory Considerations – Liquor Regulation*") or concessions from the government to ensure that they score as high as possible in terms of the scorecard. B-BBEE also has a cascading effect, even where a particular company does not interact with the government or the public sector, as in order to score highly on the procurement element of the scorecard, companies need to ensure that as many of their service providers as possible also score highly on the scorecard and will, therefore, give preference to service providers who have good B-BBEE credentials. Compliance with the B-BBEE Codes is therefore often more of a commercial imperative than a legal one. In addition, a public company listed on the JSE must submit a compliance report required to be included annually in terms of section 13G(2) of the B-BBEE Act annually to the B-BBEE Commission in the prescribed form, within 30 days of the approval of the audited financial statements and annual report or 90 days at the end of the financial year.

FOODSTUFF PRODUCTS REGULATION

The sale, import and export, supply, transportation, advertisement, packaging and labelling, and distribution of foodstuff products is highly regulated in South Africa. Without providing an exhaustive list, the main relevant laws include:

- the Foods, Cosmetics and Disinfectant Act 54 of 1972 (the "**Foodstuffs Act**") and the various regulations and guidelines issued pursuant to the Foodstuffs Act;
- the Meat Safety Act 40 of 2000;
- the South African National Standards Act 8 of 2008;
- the National Regulator for Compulsory Specifications Act 6 of 2008;
- the Legal Metrology Act 9 of 2014; and
- the Agricultural Product Standards Act 119 of 1990 and regulations made thereunder.

In the main, the above statutes provide legal requirements that are applicable to (i) the sale of foodstuff, including food safety; (ii) foodstuff ingredients; (iii) labelling and advertising of foodstuff. The food regulatory environment within South Africa can be described as fragmented, as different authorities regulate different aspects of labelling, food safety, facility design and product standards. There are three main regulators of foodstuffs in South Africa, being:

- the Agricultural Production, Health and Food Safety branch of the Department of Agriculture, Land Reform and Rural Development which regulates the safety and quality of agriculture and animal products pursuant to various pieces of legislation, including, amongst others, the Meat Safety Act 40 of 2000, the Agricultural Products Standards Act 119 of 1990 and the Animal Diseases Act 35 of 1984;
- the National Department of Health, Food Directorate which is tasked with the management of food hygiene (certifying manufacturers through the issue of a Certificate of Acceptability), developing food safety and quality standards, and managing the country's food labelling, nutrition and fortification requirements in order to ensure that they are safe for human consumption, which mandate it fulfils primarily in terms of the Foodstuffs Act; and
- the Department of Trade Industry and Competition and its subsidiary agencies regulate (i) legal metrology which protects consumers from false measurements pursuant to the Legal Metrology Act; and consumer protection (including the regulation of mandatory and voluntary recalls) by the National Consumer Commission (the "**NCC**") and the National Consumer Tribunal (the "**Consumer Tribunal**") pursuant to the Consumer Protection Act 68 of 2008 ("**CPA**") discussed below.

The provisions of the regulatory framework applicable to the retail food sector in South Africa are enforced by inspectors who have been granted wide powers. This often leads to compliance complexities and the fragmentation of the applicable legal framework.

LIQUOR REGULATION

Liquor regulation in South Africa is subject to concurrent jurisdiction and requires complex cooperative governance and compliance frameworks. This is because the control and administration of the manufacture, importation, distribution and sale of intoxicating liquor are dealt with in various interrelated statutes.

More specifically, liquor licences and the control of undertakings that manufacture and sell liquor to the public are functional areas of exclusive provincial legislative competence under Parts A and B respectively of Schedule 5 to the Constitution. This means that, while national legislation regulates registration of manufacturers and distributors of liquor through the Liquor Act, each province may establish its own rules for licensing/registering manufacturers, distributors, wholesalers, retail sellers, storage and the conditions for licences/registration. In fact, with the exception of Limpopo and North West, all provinces have promulgated their own provincial legislation to this end. Limpopo and North West continue to implement the Liquor Act 27 of 1989 for provincially regulated matters.

The Liquor Act and the respective provincial statutes regulate the whole liquor value chain including macro manufacturing and distribution and micro manufacturing, storage and retail.

The Liquor Act does not prohibit registered manufacturers/distributors from applying to provincial authorities to be licensed as retail sellers, but it does confer the Minister with the discretion to reconsider and vary the conditions of registration of the manufacturers/distributors if they apply for retail licences. Any registered manufacturer/distributor that applies for a retail licence in any province is required to notify the National Liquor Authority.

Under both the Liquor Act and the respective provincial statutes, no one may, without the required registration or licence: (i) manufacture liquor; (ii) distribute manufactured liquor to anyone else except another licensed manufacturer; distributor; or retail seller; (iii) manufacture, distribute or retail liquor on unregistered premises and at a location not approved by the relevant authority; and (iv) directly sell to the public except in terms of provincial legislation (*i.e.*, if a retail licence is obtained). There are offences and sanctions/penalties for undertaking any of these activities without the requisite licences or approvals.

An applicant for a respective licence or registration is required to make certain B-BBEE undertakings or commitments which commitments are often included as conditions of such licences or registration. Failure to comply with the relevant B-BBEE undertakings without an acceptable explanation may result in cancellation or suspension of the relevant authorisation which will in turn result in the Group not being able to lawfully distribute, wholesale or retail liquor.

CONSUMER PROTECTION AND PRODUCT LIABILITY

The CPA is the primary legislation in South Africa which provides for consumer protection and governs liability in respect of defective or unsafe goods. Amongst other things, the CPA aims to (i) promote a fair, accessible and sustainable marketplace for consumer products and services; (ii) establish national norms and standards to ensure consumer protection; (iii) make provision for improved standards of consumer information; (iv) to prohibit certain unfair marketing and business practices; (v) promote responsible consumer behaviour; and (vi) promote a consistent legislative and enforcement framework, related to consumer transactions and agreements.

The CPA applies to transactions occurring within South Africa unless exempted. The CPA exemptions are wide ranging, and, in this framework, the Group does not deal with the relevant exemptions as they need to be considered in the context of a specific transaction.

In respect of unsafe goods, product failures, defective goods, the CPA establishes strict liability (*i.e.*, a no fault-based liability). More specifically, section 61 of the CPA provides that a producer, importer, distributor, or retailer of any goods can be liable for any harm caused wholly or partly as a consequence of (i) the supply of any unsafe goods; (ii) product failure, defect or hazard in any goods; or (iii) inadequate instructions or warnings provided to the consumer pertaining to any hazard arising from or associated with any goods; irrespective of whether the harm resulted from any negligence on the part of the producer, importer, distributor or retailer, as the case may be.

Although liability under the CPA is a no-fault liability, the producer, importer, distributor or retailer may only be held liable for harm as described in section 61(5) of the CPA. The harm for which a person may be held strictly liable in terms of this section includes (i) the death of, or injury to, any natural person; (ii) an illness of any natural person; (iii) any loss of, or physical damage to, any property, irrespective of whether it is movable or immovable; and (iv) any economic loss as a result of the aforesaid.

Where more than one person is liable (involved in a product failure chain), the liability of such persons is joint and several. Therefore, under South African product liability law, it does not matter whether the harm resulted from any negligence or other blameworthy conduct and any person role player in the value chain (*i.e.*, producer, distributor or retailer) may be liable.

Besides product liability provisions, the other major CPA provision is the requirement that the NCC must promote the development, adoption and application of industry-wide codes of practice providing for effective and efficient systems for, *inter alia*, product monitoring and recall. More specifically, if the NCC has reasonable grounds to believe that any goods may be unsafe, or that there is a potential risk to the public from the continued use of or exposure to the goods, and the producer or importer of those goods has not taken any steps required by an applicable code contemplated in the CPA, the NCC may, by written notice, require the producer to (i) conduct an investigation; or (ii) carry out a recall programme on any terms required by the NCC.

A producer or importer affected by such notice may apply to the Consumer Tribunal to set aside the notice in whole or in part. In addition to the CPA provisions, the NCC has published Consumer Product Safety Recall Guidelines, which provides detail as to what a supplier is required to do when conducting a product safety recall.

It is an offence to engage in conduct which is in contravention of the CPA (which would include a failure to comply with any aspect of an order issued in terms of section 60(2)) of the CPA. The NCC may issue a compliance notice pursuant to section 100 of the CPA. If there is a failure to comply with the compliance notice, the NCC may either:

- apply to the Consumer Tribunal to have an administrative fine imposed of not greater than 10% of the respondent's annual turnover during the preceding financial year or ZAR1,000,000.00; or
- refer the matter to the National Prosecuting Authority.

It must be noted that in the event that such a compliance notice has been issued by the NCC, the aggrieved party is entitled to object to such compliance notice within 15 business days of receiving such notice. The aggrieved party would be permitted to make representations and the Consumer Tribunal may thereafter either cancel or modify the compliance notice initially issued.

EXPORT AND IMPORT CONTROL

A variety of legislation and related regulations apply to the export and import of goods administered, *inter alia*, by the South African Revenue Service and International Trade Administration Commission ("**ITAC**").

ITAC also investigates dumping, subsidised exports and safeguard measures, amendments of customs duties in the common customs area and processes applications for rebates and drawbacks.

ENVIRONMENTAL LAWS

The Company is subject to various environmental laws and legislation with respect to (i) the nature of waste generated from its operations; (ii) packaging material that is involved in distribution or retail in foodstuff; (iii) water uses in its operations and in its wider value chain; and (iv) the need for sustainable seafood/fresh fish choices in its business.

Various laws and regulations relating to the protection of the environment and sustainable use of natural resources are in place. These include section 24 of the Constitution which provides for a justiciable right to an environment that is not harmful to human health or well-being, and to the protection of that environment for the benefit of present and future generations through reasonable legislation and other measures that secure justifiable ecologically sustainable development. In addition, the Constitution and various environmental legislation enacted and implemented since 1996, grant legal standing to a wide range of interest groups to institute legal proceedings to enforce their environmental rights, which are enforceable against private entities as well as the South African government.

South African environmental legislation commonly requires businesses whose operations may have an impact on the environment to exercise duty of care to prevent land, water and atmospheric pollution. In some instances, there may be an obligation to obtain environmental authorisations, permits, licences and other approvals for those operations (*e.g.*, construction of greenfield warehouse facilities near water bodies or other listed activities), and to comply with the conditions of approval prescribed in these authorisations.

National and provincial legislation, and municipal by-laws prescribe the required environmental licences and permits. The most important environmental legislation governing the Company's operations in South Africa are:

- the National Environmental Management Act, 107 of 1998, as amended from time to time ("**NEMA**"), as the overarching or framework environmental legislation in South Africa, which, *inter alia*, deals with duties of care to prevent and/or remediate land pollution the Company causes. Breach of this duty may result in the issuance of compliance notices or directives in terms of NEMA, which may bring operations to a halt, in addition to the possibility of fines and imprisonments or both;
- the National Water Act 36 of 1998 ("**NWA**"), which requires persons undertaking certain water uses, including the storage of water above certain quantities, or disposing wastewater or water containing waste into the environment to obtain authorisation by way of water use licences and/or registrations under the NWA and its associated regulations. The NWA also has a general duty of care to prevent water pollution, and the breach of the duty may result in the issuance of compliance notices or directives;
- the National Environmental Management: Waste Act, 59 of 2008, as amended from time to time ("**NEMWA**"), and associated regulations, including the Extended Producer Responsibility ("**EPR**") Regulations, 2020. NEMWA, *inter alia*, requires a holder of waste take all reasonable measures to (i) avoid the generation of waste and where such generation cannot be avoided to minimise the toxicity and amounts of waste that are generated; and (ii) reduce, re-use, recycle and recover waste. The EPR regulations impose various recycling and takeback obligations on 'producers' (including importers). Therefore, the EPR regulations only apply to 'producers' which is defined as 'any entity, person or category of persons identified as being responsible for extended producer responsibility.' Producers who place in excess of 10 tonnes of identified products onto the market on an annual basis are responsible for extended producer responsibility. The regulations also contain additional criteria to determine whether an entity, person or category of persons is a 'producer.' Pertinent to foodstuffs, a call up notice has been published which concerns '*Paper, Packaging and Single-use Products*' (including products such as glass, metal, plastic, and biodegradable plastic packaging). The EPR regulations in respect of the paper, packaging and some single use products do not impose mandatory takeback obligations but have collection and recycling targets for each identified waste stream which increase over a 5-year period from November 2021.The targets are listed in Annexe 1 in the EPR regulations for '*Paper, Packaging and Single-use Products*';
- the National Environment Management: Air Quality Act, 39 2004, as amended from time to time, and associated regulations, which regulate air pollution in South Africa and provide for the setting of frameworks and standards to monitor air pollution;
- the Hazardous Substances Act, 15 of 1973, which requires persons dealing with hazardous substances to obtain certain licences. The Company's sites with hazardous chemicals are subject to registration of the site's hazardous chemical agents store with local municipalities and these are renewed accordingly, however no additional hazardous chemical licences are required; and
- various municipal by-laws relating to the discharge of industrial effluent.

The costs associated with compliance with these laws and regulations are substantial, and possible future laws and regulation and/or changes to existing laws and regulations could cause additional expense and capital expenditures. It could also cause restrictions on or suspensions of the Company's operations.

HEALTH AND SAFETY

Every employer is required in terms of section 8 of the Occupational Health and Safety Act, 85 of 1993 ("**OHSA**") to provide and maintain, as far as it is reasonably practicable, a working environment that is safe and without risk to the health of its employees. These duties are extended beyond direct employees through section 9 of OHSA, which also requires an employer to conduct its undertaking in such a manner as to ensure, as far as is reasonably practicable, that persons other than those in its employment who may be directly affected by its activities are not exposed to hazards to their health or safety.

The responsibility for ensuring that the duties of the employer as contemplated in the OHSA are properly discharged lies with the person who is the defined "chief executive officer" ("**CEO**") of that employer, with the CEO being "in relation to a body corporate … the person who is responsible for the overall management and control of the business of such body corporate …."

The CEO health and safety duties include the duty to take reasonably practicable measures to ensure the workplace is safe and is without risk to the health of its employees and other stakeholders. Other related duties include duties to report health and safety incidents and to contribute to statutory occupational compensation fund. All these duties can be assigned or delegated. The fund is responsible for compensating employees for occupational injuries and diseases.

COMPETITION

The SA Competition Act prohibits anti-competitive restrictive practices and abuses of a dominant position and requires that transactions resulting in a change of control (a "**merger**") in which the parties exceed certain turnover (generated in the preceding financial year) and asset values must be approved by the relevant competition authority before implementation. The SA Competition Act established the Competition Commission (the "**Commission**") and the Competition Tribunal ("**Tribunal**") to enforce the SA Competition Act. The Tribunal may impose an administrative penalty for SA Competition Act violations of up to 10% of a company's turnover (generated in the preceding financial year) in South Africa and its exports from South Africa in the case of a first-time offender and up to 25% of a company's turnover in South Africa and its exports from South Africa in the case of a repeat offender. The SA Competition Act also established the Competition Appeal Court ("**Appeal Court**"), a specialist division of the High Court of South Africa, to adjudicate Tribunal competition law cases. In certain circumstances, competition law cases can be appealed from the Appeal Court to the Constitutional Court of South Africa.

Compliance with the SA Competition Act is a priority item for the Group. As part of its compliance efforts, a set of competition law guidelines have been developed and is applicable to the entire Group (save where contrary legislation is applicable in the country, in which case the local legislation will prevail) and reviewed periodically, as required. Training and awareness sessions are conducted in various business areas on an ongoing basis.

Fresh Produce Market Inquiry

On 31 March 2023, the Commission formally launched the Fresh Produce Market Inquiry ("**FPMI**") to examine whether any features in the fresh produce value chain impede, restrict, or distort competition in the market. The market inquiry has focused on various levels of the fresh produce value chain and has considered, among other things: (i) efficiency of the value chain, with an emphasis on the dynamics around fresh produce market facilities; (ii) market dynamics of key inputs and its impact on producers; and (iii) barriers to entry, expansion and participation (particularly for black, small-scale and emerging farmers).

On 18 June 2024, the Commission published its provisional report on the FPMI. The Commission has made various preliminary observations, and has proposed a series of measures, including that:

- there is transparency in relation to unit prices (per kilogram or per gram pricing on all fresh produce items). This may entail a cost for retailers with regard to labelling; and
- retailers increase their spend on supplier development, namely a 3% spend of after-tax income (in line with the Agriculture and Agro-processing Master Plan commitments), alternatively, retailers should increase supplier development spend by 10% annually for a period of five years.

It is anticipated that the Commission will finalise its report in the first quarter of the 2025 calendar year. The proposed measures mentioned may or may not be included in the final report. Some of the recommendations therein may entail a cost element for retailers, including the Group.

Revised Public Interest Guidelines for Merger Control

In February 2019, the Competition Amendment Act was signed into law. The most significant amendment relating to merger control was the introduction of the new public interest requirement. This new public interest requirement obliges the Commission to consider the effect of a merger on the promotion of a greater spread of ownership by historically disadvantaged persons ("**HDPs**") and workers in firms in the market. Since the amendment, the Commission has put more and more emphasis on this consideration. However, the approach adopted by the Commission in assessing public interest factors since 2019 has been inconsistent, which has led to uncertainty in merger control.

In an attempt to create more certainty on public interest assessment in South African merger control, the Commission issued its final Revised Public Interest Guidelines for merger control (the "**Guidelines**") on 20 March 2024. The most notable provision in the Guidelines relates to the fact that each merger notified to it will be required to demonstrate a measurable increase in the level of HDP or worker ownership (possibly both). This is regardless of whether the merger has any negative effect on public interest. Possible remedies for insufficient HDP/worker ownership include equity sales to HDPs post-merger and employee share ownership plans ("**ESOPs**").

PART VII – BUSINESS OF THE GROUP

OVERVIEW

The Group has a 47-year history and is South Africa's fastest growing supermarket chain over the past few years, with leading market share of the discount market. In the 26 weeks ended 25 August 2024, the Boxer Superstores Group experienced 12.0% turnover growth, 7.7% of which was on a like-for-like basis. Boxer provides a focused range of quality affordable products and services to customers in the lower- to middle-income urban, peri-urban and rural South African and Eswatini communities.

The Group's geographical core area of presence is in KwaZulu-Natal and the Eastern Cape, but it has expanded its presence to all nine provinces as well as outside of South Africa into Eswatini, seeking out opportunities for growth across South Africa and particularly Gauteng, where it can serve the needs of communities through its focused product range, affordable prices and community-rooted staff.

Boxer stores are located in convenient, high footfall areas, often in regional community centres that are close to public transportation hubs. Boxer Superstores have a welcoming market-style atmosphere, offering essential daily commodities such as maize meal, rice, samp, sugar, oil and beans, as well as perishables and fresh foods through its butchery, bakery, deli and fruit and vegetables offerings, health and beauty products and general merchandise. The Group's three store formats include 300 Boxer Superstores, 159 Boxer Liquors and 30 Boxer Build stores, as at 25 August 2024. These are all Group-owned stores. The Group does not operate any of its stores through franchisees.

As at 25 August 2024, the Group operated through 489 stores, 13 of which opened in the current financial period. Between FY2022 and FY2024, the Group had a two-year store roll-out CAGR of 14%. Turnover for the 26 weeks ended 25 August 2024 increased to ZAR19,774 million (26 weeks ended 27 August 2023: ZAR17,662 million) and profit after tax for the period increased by 11.3% to ZAR491 million (26 weeks ended 27 August 2023: ZAR441 million).

STRENGTHS

The Pre-eminent Discount Retailer in South Africa with a Differentiated Growth and Returns Profile

The Group is the pre-eminent discount grocery retailer in South Africa, with 4.2% market share of the formal grocery market (approximately 68% of the discount grocery retail market).[1] Based on revenue market share, Boxer is estimated to be two times larger than the second largest discount retailer, Usave. It has earned its market-leading position by recognising the potential of, and driving, the "soft discounter" proposition in the South African market. The "soft discounter" proposition is characterised by a wider offering compared to hard discounters, aimed at delivering low prices and additional value to customers. The Group's "soft discounter" model entails low SKU count, diversified product range including fresh, butchery and bakery counters with in-store services and low prices enhanced with combo deals and promotions. Boxer's offering overlaps to an extent with traditional supermarkets due to the provision of additional value to customers through its fresh offerings and service counters. By balancing a focus on delivering low prices with its high-value proposition, the Group is able to address a broader segment of the South African population, ranging from Living Standard Measure ("**LSM**") 1 to LSM 7, with an average household income of ZAR22,000, stretching to ZAR33,000.

The Group is also one of the fastest growing grocery retailers by turnover among global peers (*i.e.*, listed fast-moving consumer goods retailers), having grown its turnover at a two-year CAGR of 18.6% between FY2022 and FY2024 (7.7% average on a like-for-like basis across the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022), and the fastest growing in South Africa. The Group's combination of high sales density,[2] low-cost operating model, and relatively light asset base allows it to generate high returns on investment, with its return on invested capital of 26.5% (return on invested capital (pre-IFRS 16) of 77.8%) for the 52 weeks ended 25 February 2024.

Well Positioned to Tap the Deep Potential in the South African Formal Grocery Retail Market

According to the Institute of Grocery Distribution ("**IGD**"), discount retailer penetration of the ZAR742.4 billion South African formal grocery market is only approximately 6.2%, well below many other countries (including Poland at 32%, Turkey at 21%, and the United Kingdom at 13%) for the year ending 31 December 2023. Overall discount retailers have enjoyed strong traction globally, in both developed and developing markets, as consumers have embraced a shift to modern retail while becoming increasingly price sensitive. The Group believes that it is in a unique position to drive further development of the South African discounter segment due to (i) its discounter specialisation within a concentrated and traditionally structured (*i.e.*, dominated by traditional supermarkets) formal grocery market; (ii) the continued large (34%) share of the informal grocery segment, which offers formalisation opportunity through Boxer store rollout; and (iii) its highly efficient operating model with a low cost to turnover ratio which allows it to operate profitably while staying competitive on prices.

According to Stats SA, the population of South Africa is expected to grow by approximately 6.8 million people, or 10%, by 2032. Due to the variance in birth rates present among South African demographics, approximately 70% of such population growth is expected to come from the lower three income quintiles, which coincides with the Group's target market, representing an increase in addressable market by 4.8 million people (see "*Part XII – Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Factors Affecting the Group's Results of Operations – Long-term demographic trends and social grants in South Africa – Demographic trends*"). Between 2024 and 2027, the South African retail market is expected to grow at a CAGR of 6.3%.

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[1] Market share calculated based on total turnover for Boxer (excluding turnover relating to Boxer Eswatini stores), Shoprite (Usave) and Spar (SaveMor), for 2023, as a percentage of formal grocery discount market.

[2] Illustrative basket created for Gauteng region and total basket price compared among key competitors. Key competitors include: Shoprite, Usave, Savemor (Spar) and Pick n Pay. Monthly catalogues for April, May and June 2024 were used. Illustrative basket includes a selection of 20 items including: chicken pieces, laundry bar soap, washing powder, dishwashing liquid, sliced white bread, pilchards, baked beans, margarine, sliced brown bread, coffee creamer, mayonnaise, tomato sauce, sugar, custard, coffee, sunflower oil, super maize meal, rice, cake wheat flour and energy drink.

The Group believes that it is well positioned to lead increased penetration of the discounter category in South Africa over the coming years. As at the date of this Pre-listing Statement, Futureworld, a global strategy research house, estimates a potential ZAR105.5 billion of formal retail grocery spend in the Group's customer target market in locations without a Group presence. The Group's ability to realise this market potential through turnover growth is a function of its ability to extend its store estate into new regions, offer customers a compelling value proposition and thus gain market share from incumbent retailers within these regions. The anticipated lowering of barriers to entry from a competition perspective (*i.e.*, in 2023, the South African Competition Commission brought an end to long-term exclusive lease agreements) is expected to be one of multiple elements contributing towards the Group's ability to penetrate new regions.

The Group's results of operations are positively impacted by the South African social grant system. The South African government paid out social grants to approximately 27 million individuals during the course of 2023 (19 million individuals excluding the Social Relief of Distress Grant) equivalent to ZAR250 billion. The amount paid in social grants is expected to rise to ZAR302 billion in 2027. The Group tailors its offering to appeal to a middle-to-low-income target demographic, typically within LSM 1 to LSM 7, with an average household income of up to ZAR22,000, which is more likely to be eligible for such financial assistance. With continued cost of living pressures and increased price sensitivity of customers, the proportion of disposable income spent on food (the Group's primary product category) has risen from 13.9% in 2013 to 16.6% in 2024. Further, the Group is able to benefit from the payment of social grants by providing a customer-friendly venue for persons who are entitled to such grants to collect these at the Group's premises. This serves as a convenience to customers who wish to spend a part of their social grant on groceries and increases the likelihood that some of these customers will shop at Boxer. See "*Part XII – Management's Discussion and Analysis of Financial Condition and Results of Operations – Key Factors Affecting the Group's Results of Operations – Long-term demographic trends and social grants in South Africa – Social grants.*"

Leading Brand and Customer Value Proposition

The Group has high brand awareness and preference within its target market, being among the two leading brands mentioned unprompted in a spontaneous awareness survey conducted by BMi Research, a global market intelligence provider, which asked participants which retail supermarkets come to mind when asked where they can buy groceries. The most prominent associations with the Group's brand were "lower prices," "convenience," and "understanding needs." This reflects the flow-through of value to price-conscious customers as a result of the Group's highly efficient and low-cost operating model, which enables it to deliver a low basket price compared to its competitors.

The Group offers consumers compelling value with a focused assortment of approximately 3,000 SKUs, of which approximately 600, or 20%, are confined label branded products that generated approximately 19% of the Boxer Superstores Group's turnover for the 52 weeks ended 25 February 2024. At the heart of the Group's customer value proposition and its positioning within the grocery retail landscape are its compelling discount combinations or "combos," as well as various innovative free deals. Key expressions of value for customers include:

- branded combos, where Boxer offers compelling value on bundles of market-leading national branded products;
- confined label products, which offer value when purchased in single units, or even greater value when purchased as multipacks or other combos;
- free add-ons, where consumers receive a free product on purchase of a combo of other products; and
- e-coupons, where customers receive a discount on their next shop as a result of spending a minimum threshold in the current shopping basket.

These innovative value propositions combined with the Group's vibrant store ambience and excellent in-store service, make Boxer the most frequented shopping destination, compared to its competitors, among customers who earn up to ZAR5,000[3] per month in the Limpopo, KwaZulu-Natal, North West, Eastern Cape and Mpumalanga provinces of South Africa.

Resilient and Highly Efficient Operating Model

The Group's discount operating model is premised on four key pillars through which it unlocks continuous, self-reinforcing revenue and profit growth: (1) high volume, (2) value for money, (3) high efficiency, and (4) store expansion.

Volume is driven through the Group's limited assortment of products, combo-focused value proposition, and store layout designed for high throughput on busy days. Value is provided through innovative promotions and a highly competitive confined label brand offering, making up approximately 20% of the total range – a factor that in itself also drives brand awareness and customer loyalty.

The Group views the high efficiency of its operating model to be a sustainable competitive advantage. The Group has an efficient, no-frills approach to operational back-end, combined with efficient centralised distribution, careful staff planning and low fixed central overheads.

Store expansion represents the Group accessing its 'whitespace' opportunity, and this drives further volume growth, which further drives the virtuous circle. A proven store rollout process (with a firm focus on the quality of new sites), relatively contained per-store capital investment in new sites, and expansion of the distribution network are key elements of the store expansion strategy.

Sourcing and Commercial

The Group's sourcing and procurement strategy is distinguished by a highly focused SKU range, expertly sourced and managed by a dedicated team of category specialists. This strategy ensures a balanced sourcing framework encompassing branded suppliers, confined label manufacturers, and sourcing of fresh produce from fruit and vegetable markets as well as directly from farmers.

[3] Futureworld South African Discount Retail: Customer and Market report, for Boxer's target market (target areas of Gauteng, Limpopo, Eastern Cape and Mpumalanga) for lower income group consumers earning less than ZAR5,000 per month. Respondents were asked to select the best two grocery stores for various categories.

Warehousing, Distribution and Logistics

The Group has established a resilient and purpose-built, centralised supply chain network, enhanced through business-wide innovation, which grants it full stock flow visibility across the entire supply chain. The supply chain network is robust and efficient, featuring six strategically located distribution centres. The Group's distribution philosophy is that centralisation is not pursued at all costs: the objective is a fit-for-purpose logistics network which optimises operational and capital efficiency by dealing with each broad product category in the most efficient manner:

- the network of six DCs only deals with ambient groceries;
- fresh fruit and vegetables are primarily sourced from national fruit and vegetable markets, and transported directly to stores;
- logistics on perishable meat factory product is outsourced to third party logistics providers; and
- the entire trucking fleet of over 100 dedicated vehicles is leased or outsourced.

A fit-for-purpose transport management, planning and co-ordination function drives the Group's logistics platform and enables continuous optimisation of its supply chain through real-time tracking and expediting of vehicles. For the 26 weeks ended 25 August 2024, the Group achieved a 97% on-time delivery rate from distribution centre to store, and sustained 98% in-store availability rate from its distribution centres.

Technology and Planning

Boxer's IT philosophy is the creation of technology platforms which are business-aligned, cost-effective and fit-for-purpose given the relative simplicity of the Boxer business model. The core systems used by Boxer are:

- internally developed and owned merchandise management and point-of-sale systems;
- SAP finance, real estate and payroll modules; and
- Relex demand planning and forecasting.

The Group's use of bespoke, in-house developed, core business systems is appropriate for the relative simplicity of the Boxer model (which is driven by the limited SKU range) and provides a material cost advantage vs. competitors who are paying USD-based licence fees on their highly complex core systems.

In forecasting and replenishment, where sophisticated algorithms, artificial intelligence and machine learning make for a more accurate outcome, the Group has chosen to partner with global expert Relex, whose applications and solutions are used by many retailers worldwide to manage inventory.

Track Record of Strong Financial Performance

The Boxer Superstores Group has a track record of uninterrupted turnover growth for the last 22 years, and grew its turnover at a South African market-leading CAGR of 18.6% between FY2022 and FY2024 (7.7% average on a like-for-like basis across the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022), as a result of its compelling customer value proposition and accelerated store rollout programme.

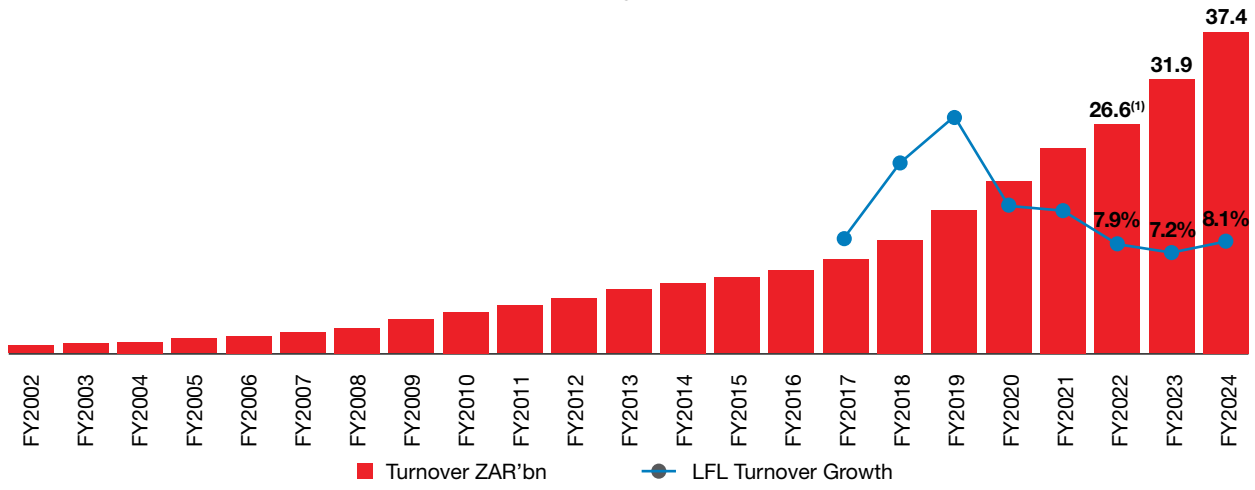
Gross profit margin ("**GPM**") has stayed consistent in the periods under review, at 20.3% and 20.7% for the 26 weeks ended 25 August 2024 and 27 August 2023, respectively, and at 21.2%, 21.1% and 19.4% (reduced margin due to lost stock following unrest in KwaZulu-Natal) for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. Realised scale gains from volume growth and supply chain efficiencies are typically invested back into gross margin to further improve the value proposition and drive further volume growth.

The Boxer Superstores Group maintains strong Adjusted EBITDA profitability, with Adjusted EBITDA at ZAR1.4 billion for the 26 weeks ended 25 August 2024, and ZAR3.3 billion, ZAR2.8 billion and ZAR2.2 billion for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. The Boxer Superstores Group's strong EBITDA profitability is driven by its resilient GPM, healthy store economics underpinned by the stringent rollout criteria, the efficient logistics network, and its lean and scalable central overheads.

The Boxer Superstores Group's strong financial performance is also reflected in its growing profit before tax, which stood at ZAR679 million for the 26 weeks ended 25 August 2024, and ZAR1.8 billion, ZAR1.5 billion and ZAR1.2 billion for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. This reflects the Boxer Superstores Group's high quality store portfolio with attractive rental terms, its limited reliance on the PIK Group services, and its historically self-funded growth, all while returning substantial dividend payouts to its shareholder.

The below chart illustrates the Boxer Superstores Group's turnover and like-for-like turnover growth since 2002:

Boxer Superstores Group's turnover and like-for-like turnover growth since 2002



Source: Company information

Notes:

(1) FY2021 was impacted by the COVID-19 pandemic and FY2022 was impacted by civil unrest in South Africa.

Proven Strategy to Deliver Double Digit Turnover Growth

The Group's strategy for producing double-digit turnover growth is based on both the delivery of strong like-for-like turnover growth together with the expansion of the store footprint. As a pre-eminent brand with strong value associations, the Group recognises substantial geographic space for expansion in the underpenetrated South African discount grocery segment. This is evidenced by the Group's consistent opening of new stores, averaging one new store per week over the last three financial years. Boxer has long-term Superstore whitespace potential of ZAR105.5 billion (approximately three times the FY2024 Boxer turnover), based on areas where there are no Boxer Superstores.

Driving like-for-like turnover growth is a key component of the Group's strategy. The Group leverages leading pricing and combination deals to increase foot traffic relative to its peers. Its confined label offering delivers value to customers at competitive prices. Additionally, the Group employs cross-selling strategies with adjacent Boxer Superstores and Boxer Liquors stores to enhance customer value. The value-added services offering comprises, amongst others, bill payments, prepaid electricity purchases, grant payouts and money transfers and is aimed at enhancing the customer experience and cementing the Group's position as a "one-stop shopping destination" and discount grocery retailer of choice.

The maturation of stores and the expanding pipeline of new openings further amplify the ramp-up effect. As a result, the Group has achieved an average like-for-like turnover growth of 7.7% over the past three financial years.

The store rollout strategy is supported by the establishment of new distribution centres which supply product to the new stores.

Management with Deep Retail Experience, Supported by an Empowered Employee Base

The Group boasts a tenured, committed, and resilient management team with a track record of execution excellence that has successfully navigated the challenges of the COVID-19 pandemic, the civil unrest in in KwaZulu-Natal in 2021, and broader macroeconomic challenges. With a collective 170 years of experience, the Boxer executive team has an average tenure of 19 years. Boxer's management team is committed to the Company, as indicated by staff retention of approximately 93% across senior management. The team's qualifications include three Chartered Accountants (SA) and three MBAs, demonstrating a high level of expertise and professional competence.

This management team is supported by a committed and diverse employee base, further enhancing the Group's ability to achieve its strategic objectives. The Group's skilled and empowered employee base allows for a deep bench of leadership, enabling succession and retention of key talent across the business. The Group is supported by a robust talent pipeline benefiting from focused leadership development planning that aligns with Boxer's focus on succession planning. Of the Group's approximately 30,000 employees, approximately 99% come from previously disadvantaged backgrounds, approximately 57% are female, and 90% of store employees are hired from their local communities.

STRATEGY AND PROSPECTS

The Group's strategy is built on four key pillars aimed at unlocking its full potential as the pre-eminent discount retailer in South Africa.

Firstly, the Group is actively pursuing store expansion by rolling out new Boxer Superstores to maximise exploitation of the whitespace opportunity. This includes exploring focused acquisition opportunities. The Group is also aggressively expanding its liquor store footprint.

Secondly, the Group is driving like-for-like growth through unique customer-centric promotions, range optimisation, re-investment in its value proposition to offer customers increasingly better value, and maintenance reinvestment to maintain the store estate.

Thirdly, to support new store rollout, the Group is expanding its supply chain with additional distribution centres where necessary. The Group's supply chain is further enhanced by its commitment to vertical integration, ensuring efficiency and resilience in operations.

Lastly, the Group is investing in efficiencies to retain and further expand its operating cost advantage relative to competitors, which will allow the Group to further invest in gross product margin. This includes investment in optimised stock management and the digitisation of head office processes. These investments are aimed at further reducing operational costs and improving operational efficiency to enable the Group to further reinvest in price to give even better value to customers.

The Group's Admission is expected to be an enabler of its strategy, as it will elevate the Boxer brand, enhance access to capital to sustain growth, instil public transparency and market discipline, and enhance the Group's profile with key partners.

New Store Expansion

Market research suggests that there is a significant opportunity for the Group to extend its footprint. The Group believes that there is opportunity to increase its footprint in the medium-to-long term, aiming to double its store footprint in the next seven years by targeting the addition of 25-35 new Boxer Superstores and 35-40 new Boxer Liquors stores annually. The Group aims to achieve this by following a multi-faceted approach including the opening of greenfield stores, the conversion of certain PIK Group stores into Boxer stores, and the acquisition of supermarkets from independent operators.

Based on the Boxer Superstores Group's turnover for the 52 weeks ended 25 February 2024, as well as areas of interest without a Boxer store currently, Futureworld's estimates place the Group's long-term market potential at ZAR105.5 billion. The Group's position is further supported by: (i) discounters' relatively low penetration of the ZAR742.4 billion South African formal grocery market; (ii) the existing opportunity for 20% more complementary Boxer Liquors stores to be added to existing Boxer Superstores; (iii) anticipated improved exposure with major national landlords following the Group's Admission; and (iv) the removal of site exclusivity in 2026 by virtue of the South African Competition Commission's 2023 decision, which will enable the Group to access certain shopping centres that competitors have previously been able to keep the Group out of.

As at the Last Practicable Date, the Group has 116 potential sites identified, another 84 under negotiation and another 25 where stores are currently in various stages of construction, planning and initiation. In the 53 weeks ending 2 March 2025 ("**FY2025**"), the Group expects to add 65 new stores to its estate, consisting of 20 Boxer Superstores, 33 Boxer Liquors and 12 PIK store conversions (six supermarkets and six liquor stores). In each of its new stores, the Group is targeting a trading density (calculated as turnover per square metre of gross leasable area) of ZAR64,000, an Adjusted EBITDA (Pre-IFRS 16) Margin of 7.8% and a seven-year refurbishment cycle.

The Group's accelerated store expansion strategy is underpinned by vast experience in store rollout, rigorous criteria for identifying untapped areas and strategically placing stores across various formats. This strategy is executed by an experienced property management team with combined service of over 100 years of expertise. The Group employs a proven, standardised model that is effective across small, medium, and large store sizes, with a consistent track record of store growth over the past 20 years. To execute this strategy, the Group maintains a strong domestic core focus while expanding its property team to support ongoing growth.

To support the planned rollout of its store network, the Group is extending its supply chain by commencing construction of its seventh distribution centre, situated in KwaZulu-Natal.

Boxer Superstores' low initial store investment requirements (average capital expenditure of ZAR17.3 million per store for new Boxer Superstores of over 1,600 square metres), short payback periods (under three years) and high cash-on-cash return (calculated as store-level trading profit divided by initial capital expenditure) of approximately 51%, ensure the store rollout programme is highly value creating for the Group.

Maintaining Strong Like-for-Like Turnover Growth

The Group's strategy to maintain strong like-for-like turnover growth is supported by a variety of enablers. The primary drivers include a focused selection of SKUs, competitive pricing, offering of combination deals and savings, and a confined label strategy that ensures value for money. Like-for-like growth is also aided by the store maturation effect, whereby recently opened stores only reach their full turnover potential approximately four years from opening, delivering a delayed like-for-like turnover boost.

To enhance this growth, the Group is investing in several key initiatives:

- store refurbishments are being undertaken to improve the overall shopping experience;
- the Group's recently launched loyalty programme, Boxer Rewards, aims to further engage customers. Supported by brands loved by South Africans, the programme aims to complement customers' trust and loyalty, offer exclusive benefits to shoppers, enhance community sentiment, and reinforce the Group's market position;
- as at 25 August 2024, more than half of the Group's Boxer Superstores were complemented with adjacent Boxer Liquors stores and the remaining stores represent an opportunity to expand the Boxer Liquors format; and
- partnerships with new value-added services providers are being implemented to attract additional customers. Through its value-added services offering, the Boxer Superstores Group annually processes 16.5 million cash withdrawals (ZAR12 billion in value) and 3.6 million money transfers (ZAR1.6 billion in value) (in each case, calculated as the annualised average for the period June 2024 to August 2024).

The Group has identified several new growth opportunities, including capturing the young, daily, and aspirational shopper segments and expanding its appeal to higher-income consumers within level 7 of the LSM.

In 2021, the Group launched its Boxer Bulk Online offering with a gradual rollout strategy, which it completed in August 2023, providing a new channel for growth. Boxer Bulk Online sells approximately 400 SKUs on a wholesale basis to spaza shops, traders, tuck shops and small business owners. Through its Bulk Online offering, Boxer aims to process a high volume of goods in relatively few orders compared to retail sales, while providing wholesale customers the benefit of increased savings from economies of scale. As at the Last Practicable Date, the Group has approximately 2,700 spaza customers registered across South Africa.

Optimisation of Key Distribution and Vertical Integration Assets

The Group's strategy to grow and optimise its supply chain network is focused on supporting new store rollout while continuing to drive efficiencies through targeted infrastructure expansion.

The Group has continuously expanded its distribution capacity over recent years, with distribution centre floorspace increasing from 58,000 square metres as at February 2022 to 73,000 square metres as at February 2023, and 101,000 square metres at February 2024. The Group expects distribution capacity to reach 130,000 square metres by February 2026 as a result of opening the new distribution centre in Tongaat, KwaZulu-Natal, which is key to supporting the Group's broader geographic reach. The Group's seventh distribution centre will provide capacity for expansion as well as strategic buy-ins or local and imported stockholdings for the store and factory network.

In terms of vertical integration, the Group is progressing plans for an additional meat processing factory. The additional meat processing factory will complement the Group's existing capabilities, further supplementing its existing capacity to produce meat-based products. Additionally, the Group is exploring opportunities for vertical integration in other product categories beyond meat processing to further enhance its control over product supply and margin.

Generating Efficiencies to Reinvest in Margin

The Group's low ratio of trading expenses as a proportion of turnover (16.3% for the 52 weeks ended 25 February 2024) relative to competitors is a key sustainable competitive advantage, enabling the Group to offer great value to customers whilst simultaneously earning a solid trading margin, representing trading profit as a proportion of turnover (5.6% for the 52 weeks ended 25 February 2024). The highly cost-efficient model is based on running an efficient store operating model, optimising the supply chain, and maintaining a lean central overhead cost structure. The Group seeks to further optimise its operating model by further scale gains (via store estate rollout) and projects to tackle particular cost opportunities, including targeting further supply chain optimisation and driving further digitisation efficiencies.

In terms of supply chain optimisation, the Group is focused on further inventory optimisation and opportunities for improved equipment management. For example, inventory optimisation initiatives include automation and stock visibility improvement, enhanced forecasting, improved inventory flow and the reconfiguration of pack and case sizes, to optimise stock flow to stores. Additionally, the Group is implementing an equipment management system, replacing traditional boxes with totes, and increasing the use of rolltainers to streamline operations. Efforts like these are estimated to result in cumulative annual savings of approximately ZAR15 million.

Digitisation is another component of the Group's efficiency strategy. The Group is transitioning to electronic document management, which facilitates the electronic sending and storage of documents for seamless integration into the finance system. This shift is expected to reduce transport and paper storage costs. The implementation of Electronic Proof of Delivery ("**EPOD**") introduces a paperless process

that offers real-time data, improved controls, and early issue identification. Furthermore, the adoption of Electronic Data Interchange ("**EDI**") is set to accelerate the procure-to-pay business cycle, minimise human intervention, and enhance accuracy while reducing claims. These digital initiatives are projected to generate annual savings of around ZAR20 million.

The goal of the above-mentioned initiatives is to optimise operational stockholding, enable strategic inventory buy-ins, and improve processes to ensure the business remains scalable and future-fit.

Since its acquisition by PIK in 2002, the Group has been run as an independent organisation. The business has the necessary operational resources, expertise and systems to continue its growth journey. The transition to being a listed company, however, has certain new requirements, particularly relating to reporting, governance and regulation. In the past, some of these functions were completed at a PIK Group level, but as at the date of this Pre-listing Statement, the Group has assessed its capabilities to determine what new resources are necessitated to fulfil these new requirements. As such, Boxer has formalised a selected set of services with the PIK Group that the parties wish to continue by means of Shared Services Agreement.

The Group's present comprehensive and independent capabilities include the following: Sourcing and Commercial, Marketing, Supply Chain, Property, Store Operations, The Boxer Meat Factory, Food Safety, Human Resources (including payroll), Loss Control and Occupational Health & Safety. The capabilities separated to prepare the Group for listing include the following: financial reporting and preparation of the interim and annual financial statements, internal audit and risk, board of directors, sustainability monitoring and reporting and other functions of listed companies, such as company secretary, integrated annual reporting capabilities and share scheme administration. The selected services that the Group will obtain from the PIK Group by means of the Shared Services Agreement include the following: SAP for finance, payroll and real estate, electronic funds transfer switching, settlement and reconciliation of sales, income tax review and preparation, and insurance for specific covers. See "*Part VIII – Restructuring and Formation of the Group – Shared Services Agreement*" and "*Part IV – Risk Factors – Risks Related to the Group's Relationship with the PIK Group – The Group relies on the PIK Group for several services*" for a description of the Shared Services Agreement between the Group and the PIK Group.

In connection with these shared services (re-costed on an arm's-length basis) the Group estimates that it will incur an incremental ZAR45 million annually.

OUTLOOK

Certain statements in this section, including in particular the unaudited financial targets described below, constitute forward-looking statements. These forward-looking statements are not guarantees of future financial performance and the Group's actual results could differ materially from those expressed or implied by these forward-looking statements as a result of many factors, including, but not limited to, those described under "Forward-Looking Statements" and "Part IV – Risk Factors." Investors are strongly urged not to place undue reliance on any of the statements set forth below. The Group can give no assurance that the targets and outlook described below will materialise or prove to be correct. Because these statements are based on assumptions or estimates and are subject to risks and uncertainties, the actual results or outcome could differ materially from those described below.

The table below sets out the Group's outlook for FY2025 and for the medium-term (*i.e.,* the next three-to-five years).

	FY2025		**Medium-term**
New store rollout	Boxer Superstores: 20 Boxer Liquors: 33 Pick n Pay conversion Superstores: 6 Pick n Pay conversion Liquors: 6	Annual rollout cadence	Boxer Superstores: 25-35 Boxer Liquors: 35-40
Turnover growth	Approximately 10-12%, of which approximately 5-7% like-for-like	Total turnover growth	Mid-teens growth, of which mid-single digit like-for-like, with ambition to double turnover within five years
Trading margin	Approximately 5%[(1)]	Trading margin	Approximately 5%
Capital expenditure	Approximately ZAR1 billion	Capital expenditure	Approximately 2.5% of annual turnover
Dividend payout	No dividend will be declared after Admission	Dividend policy	40% of headline earnings per share payout ratio with flexibility to reinvest in the business, fund growth and pay down debt

(1) Includes the estimated annualised ZAR45 million that the Group will incur in connection with shared services, as well as additional employee costs expected in connection with the Boxer LTIP (as defined in "*Part X – Directors, Senior Management and Corporate Governance*" below).

HISTORY AND DEVELOPMENT

1977 to 2013

The Group's journey began in 1977 with the opening of its first store in KwaZulu-Natal. The founding shareholders established core business principles that focused on embedding deep roots in rural towns, bringing good quality products to under-serviced communities at competitive prices, and providing consumers with relevant and convenient value-added services – a commitment that would define the brand's identity.

In 2002, PIK acquired the Group, marking the beginning of a significant expansion phase. By 2013, the Group had successfully grown to 150 stores. During this period, Boxer diversified its offering with the launch of Boxer Build in 2004 and Boxer Liquors stores in 2009.

2014 to 2020

Between 2014 and 2020, the Group reinvented the Boxer formula via a strategic repositioning as a limited-range soft discount retailer to reinvigorate turnover growth and net margins. Drawing on insights from European discounters, the Group adapted these learnings to the South African context, refining its approach to meet local consumer needs. This repositioning enabled the Group to effectively bridge the gap between traditional grocery supermarket retailers and hard discount formats, establishing a unique market position.

2020 to 2022

During the years 2020 to 2022, the Group strengthened its foundations and demonstrated a resilient performance despite the challenges posed by the COVID-19 pandemic, civil unrest and domestic economic pressures. This period was marked by significant growth in both turnover and EBITDA, underscoring the Group's ability to effectively navigate adversity.

In these challenging times, the Group also reaffirmed its foundations for future growth, focusing on four key pillars: volume, value, efficiency, and expansion. These principles served as the cornerstone for strengthening the Group's market position and ensuring continued success in an increasingly competitive landscape.

2023 and Beyond

In 2023 the Group embarked on a strategy focused on accelerating growth, with a particular emphasis on achieving market-leading like-for-like turnover growth while accelerating store openings to capture untapped growth potential across key regions.

To support this expanded footprint, the Group is growing its centralised distribution centre network, ensuring efficient service delivery to a larger store base. The Group is also committed to reinvesting efficiency gains into its gross margin, a strategy designed to further drive turnover.

The decision to pursue the Admission will provide the Group with access to larger pools of capital to help fuel its growth ambitions. Coupled with a well-invested infrastructure, this strategic approach positions the Group for sustained success and continued market leadership.

OVERVIEW OF BUSINESS DIVISIONS

Boxer Superstores

Boxer Superstores provides customers with a clear customer value proposition across a range of approximately 3,000 essential food and grocery products. The supermarkets provide value through a simple but highly effective low-cost operating model.

Boxer Superstores are full-service stores offering a focused range of food and groceries. This includes high-quality fresh meat and produce, baked goods and deli items, alongside essential commodities, health and beauty products, and general merchandise. The butchery and bakery departments are powerful destination departments offering a differentiated customer experience, with bakeries and delis providing a choice of freshly prepared breads, confectionaries and convenience meals.

Boxer Superstores also provides a compelling range of value-added services, including third-party bill payments, travel and event ticketing, money transfers, insurance products, mobile technology and data and a range of point-of-sale banking and finance solutions which has increased the Group's capability to assist with consumer affordability and financial inclusion.

As at 25 August 2024, 300 Boxer Superstores were operated throughout South Africa and Eswatini, four of which were opened in the 26 weeks ended 25 August 2024, with a typical store size of between 1,800 to 2,000 square metres. For the 52 weeks ended 25 February 2024, the Boxer Superstores Group opened 17 new Boxer Superstores.

Boxer Liquors

Boxer Liquors stores are typically situated close to Boxer Superstores, but with separate entrances. These liquor stores provide customers with the added convenience of purchasing liquor and groceries within one shopping trip.

As at the 25 August 2024, 159 company-owned Boxer Liquors stores were operated throughout South Africa and Eswatini, nine of which were opened in the 26 weeks ended 25 August 2024, with a typical size of between 220 to 400 square metres. For the 52 weeks ended 25 February 2024, the Boxer Superstores Group opened 32 new Boxer Liquors stores.

Boxer Build

Boxer Build stocks a range of building and hardware supplies to accommodate a simple house build, as well as to satisfy DIY and home improvement needs at competitive prices. Boxer Build stores offer savings cards and access to short-term credit facilities.

As at 25 August 2024, 30 company-owned Boxer Build stores were operated throughout South Africa, with a typical store size of 410 square metres (excluding a typical yard size of 1,000 square metres).

CUSTOMERS

A great strength of the Group is its deep understanding of its customers and their requirements. The Group is fully focused on the value seeking, middle-to-low-income consumer, within LSM 1 to LSM 7, with an average household income of ZAR22,000, stretching to ZAR33,000. Boxer's limited range offering partially overlaps with traditional supermarkets to the extent that Boxer provides additional customer value through its fresh offerings and service counters, which are also provided by traditional supermarkets. By balancing its low-price focus with its high-value fresh and service counter proposition, Boxer is able to address a broad segment of the population, as customers benefit from low prices and friendly, familiar service whilst shopping within vibrant Boxer stores.

SUPPLY CHAIN AND LOGISTICS

The Group's supply chain and logistics arrangements are tailored to support its extensive store estate. The Group has six distribution centres, of which it owns one in East London and 40% of another in Benoni, and leases the remaining four in Gauteng, Polokwane, KwaZulu-Natal and Cape Town. The Group's distribution centres form the backbone of its supply chain and logistics operations. Through its distribution centres, the Group delivers to the majority of its stores four or more times a week and supplies over 2,000 SKUs through its distribution centre network. The Group is currently developing an additional distribution centre in Tongaat on the north coast of KwaZulu-Natal, which is due to open in the 2026 financial year. This facility will extend the distribution network, thereby creating network-wide distribution capacity to serve 200 additional stores by February 2026. A further two distribution centres are planned to be added within the medium- to long-term. The Group's outsourced logistics distribution partners operate a fleet totalling approximately 100 vehicles within the distribution network. Through the implementation of backhauling and fronthauling practices, the Group has been able to decrease utilised fleet size, while sustaining increased volumes. Additionally, the Group's supply chain benefits from vertical integration in connection with the products of its meat processing factory in KwaZulu-Natal. Operated by the Group, the meat factory manufactures and supplies meat-based products directly to the Group's stores. The distribution partners and transportation of these products is managed through a specialised cold chain third-party provider, with a fleet of approximately 20 cold chain vehicles.

The Group has developed a decentralised, and increasingly effective, procurement and distribution model. As part of its supply chain and logistics strategies, the common key focus has been on contingency planning, including strategic buy-ins to maintain the on-shelf availability of staple food and grocery items. The Group employs a dynamic approach to inventory management, leveraging analytics to respond promptly to fluctuations in demand. By strategically stockpiling goods ahead of busy periods and anticipated price hikes, the Group optimises margins, while also enabling price competitiveness and ensuring supply continuity. The focus on local procurement enhances stock optimisation, effectively addressing logistical challenges. Additionally, the Group's agility is evident in its capacity to adapt swiftly to major disruptions, ensuring a consistent supply chain through proactive and data-driven decision-making. The Group's decentralised distribution model offers the added benefit of reduced transportation costs.

COMMERCIAL AND PROCUREMENT

The Group's sourcing and procurement capabilities provide it with a strategic advantage due to its bench of category-expert buyers, whose decision-making ability enable the Group to deliver market leading prices to its customers. An important component of this is its tailored range of SKUs. The Group aims to maintain a limited SKU range while driving higher volumes, hence increasing the Group's negotiating power *vis-à-vis* suppliers and allowing it to deliver additional value to customers. The Group employs a balanced and diversified approach between branded suppliers, confined label manufacturers, and large- and small-scale farmers. The Group aims to source high-quality products at the best price and ensure food safety, sustainable and ethical business practices, innovation, and consistent on-shelf availability.

The Group monitors several indicators to assess the quality of these relationships. These include relative product performance within categories, the effectiveness of targeted promotions (such as volume uplift), the number of suppliers mentored through the enterprise development programme, and spending on black-owned and women-owned businesses.

In relation to its suppliers, the Group is committed to fair, efficient and mutually beneficial business relationships, with a strong focus on local procurement. The Group's strategy focuses on building a cost-effective and efficient supply chain. Key aspects of this strategy include, developing small businesses and diverse and ethical suppliers, including through more own brand and confined label products, developing strategic partnerships to enhance the Group's value-added services.

MARKETING

Marketing is an integral part of the promotion of the Group's brand, stores and products, driving sales and customer engagement and awareness. The Group carries out a number of branding and advertising initiatives through established communication channels. While Boxer invests in all established communication channels, including television, its website, social media, billboards and radio, physical print (newspapers and leaflets) remains the cornerstone of the Group's marketing efforts. The key focus of the Group's messaging to its customers is an emphasis on its customer value proposition and delivering the best value for its customers.

The Group's marketing efforts have yielded results in the form of strong customer engagement. In the South African grocery sector, Boxer's advertisements boast among the highest memory recall rates across both television and print, with 65% memory recall for television advertisements and 55% memory recall for printed advertisements (BMi Research, 2024). Additionally, the Group's marketing and promotional activities have led to high overall top-of-mind brand awareness (67%) and customer awareness of confined labels (58%) (BMi Research, 2024).

EMPLOYEES

As at 25 August 2024, the Boxer Superstores Group employed approximately 30,000 employees across its support office, distribution centres, meat processing factory and 489 stores across South Africa and Eswatini. The Group has a large national presence as well as localised integration in the communities in which its employees reside.

The following table summarises the Boxer Superstores Group's approximate personnel levels by country:

Division	As at 25 August 2024	
South Africa	29,679	98.4%
Eswatini	494	1.6%
Total	30,173	**100%**

With a collective 170 years of experience, the Boxer executive team has an average tenure of 19 years.

The Group is committed to building a strong and diverse team that reflects the communities it serves. Of the Group's approximately 30,000 employees, approximately 99% come from previously disadvantaged backgrounds, approximately 57% are female, and 90% of store employees are hired from their local communities. The Group regularly engages with employees to communicate strategy and responsibilities, improve productivity and efficiency, identify needs, recognise and reward good performance, and holds each team member accountable for their individual contribution to the Group's success.

The below charts illustrate the Boxer Superstores Group's diversity profile as at July 2024.

Source: Company information

Notes:

(1) Employee count as of July 2024.
(2) Employee breakdown based on a total employee base of 30,000 people.

The Group aspires to be recognised as an employer of choice, with a customer-centric workforce that is steadfastly committed to executing its strategy. This dedication is reflected in its teams, which are not only focused on delivering exceptional service but are also aligned with the Group's broader strategic objectives.

Central to the Group's ethos is its commitment to community employment, transformation, and equality. This ensures that its workforce is representative of the diverse communities it serves, reinforcing the Group's role as a responsible and inclusive employer.

To drive performance and achieve consistent results, the Group has established a framework centred around key performance indicators ("**KPIs**"). The Group utilises KPI-based incentive schemes as a core method to motivate its management team, ensuring that efforts are aligned with the Group's strategic goals. This KPI-based remuneration structure is designed to reward both company-wide and individual achievements, fostering a results-oriented culture.

The short-term incentive ("**STI**") scheme within the Group incorporates a combination of company-specific and individual KPI targets. This dual focus drives performance and also ensures that individual contributions are recognised and rewarded. Additionally, the Group has developed a new Boxer-specific long-term incentive scheme, further enhancing its ability to attract, retain, and motivate talent in alignment with its long-term strategic goals.

The Group maintains a constructive relationship with SACCAWU, its shop workers' union. SACCAWU bargains collectively on behalf of Boxer Bargaining Unit staff. In 2024, a three-year wage agreement was signed and will remain in effect until 2027. The Group and SACCAWU continue to work collaboratively to expand and build the Group for the benefit of all stakeholders. Employees remunerated under contractual agreements with labour unions are paid in accordance with agreed pay scales and additional benefits, without any differentiation based on race, gender or disability.

ENVIRONMENT, SOCIAL AND GOVERNANCE

Environment

The Group is committed to being a responsible corporate citizen, focusing on uplifting both the environment and the communities in which it operates. This commitment is reflected in the numerous initiatives the Group has implemented to reduce its environmental impact and contribute positively to society.

The Group has made significant strides in energy efficiency, with approximately ten of its own solar installations and around 80 solar installations managed by landlords. Two of the Group's stores are entirely battery-operated, utilising a battery energy storage system, which uses strategic peak demand management to optimise energy use. All of the Group's stores are equipped with LED lighting systems, further reducing energy consumption. In terms of carbon emissions, the Group has initiated the conversion to environmentally friendly CO_2 refrigeration systems, with about 26 stores having completed the transition to date. Additionally, the Group has achieved a 100% recycling rate for plastic waste collected at its distribution centres, repurposing this waste into the manufacturing of its shopping bags.

Looking ahead, the Group has set ambitious targets to further reduce its environmental footprint. By FY2025, the Group plans to complete 39 additional CO_2 refrigeration conversions, with a commitment to installing CO2 refrigeration in all greenfield store additions. These efforts are part of a broader goal to achieve a 40% reduction in carbon emissions by 2040. Moreover, the Group is initiating a water-saving initiative, with plans to install rooftop rainwater harvesting systems at six distribution centres between FY2025 and FY2027.

The Group's dedication to environmental sustainability is further exemplified through its "Going Green" initiatives. At its meat processing factory in KwaZulu-Natal, several green initiatives are in place to reduce waste and support the Group's environmental goals. A substantial portion of the factory's electricity is generated by a state-of-the-art solar installation. Additionally, the meat processing factory collaborates with a local waste centre to recycle all plastic waste generated by the factory, with over 4,000 kilograms of plastic recycled each month.

One of the Group's flagship environmental projects is the "Abahlengi Bemvelo" initiative, a Zulu term meaning "Rescuers of the Environment." This recycling initiative not only reduces environmental impact but also creates income opportunities for local community recyclers. The project involves installing waste balers at Boxer Superstores which are operated by existing small businesses. These businesses collect recyclable materials from the stores and are paid directly by the waste company based on the number of bales produced. During FY2024, 7,500 tonnes were collected and recycled, with a further 8,000 tonnes expected during FY2025, thereby significantly reducing CO2 emissions and landfill waste. The results of this project have protected forests, reduced the carbon footprint from emissions, and conserved thousands of metres of landfill space.

Through these initiatives, the Group is making substantial contributions to environmental sustainability while reinforcing its role as a responsible corporate citizen with a strong social mission.

Social

The Group takes pride in its role as a responsible corporate citizen, deeply committed to making a positive social impact in the communities where it operates. This commitment is evident in its ongoing efforts to create jobs, support local farmers, and invest in youth development.

The Group has achieved significant milestones in its social impact initiatives. Approximately 90% of new store employees are hired from local communities, fostering local employment and economic growth. Additionally, around 90 small-scale rural farmers in the Eastern Cape supply produce to Boxer stores, supporting local agriculture. The Group's Boxer Youth Leadership Programme ("**BYLP**") has benefited approximately 1,100 learners, equipping them with essential skills for the future. Furthermore, the Group's Recycling Project has created approximately 250 permanent jobs, and its street and beach clean-up initiatives have provided temporary employment to around 120 individuals.

Looking ahead, the Group has set ambitious targets to further enhance its social impact. By FY2025, it aims to train up to 60 small-scale farmers in the Eastern Cape on the Local GAP certificate, 84 small-scale farmers in Limpopo in agri-business-related programmes, and approximately 200 small-scale farmers in KwaZulu-Natal in small business management. The Group also plans to enrol approximately 50 high school learners from disadvantaged communities into the 2025 BYLP and involve approximately 150 unemployed youth in clean-up campaigns during FY2025.

The Group's commitment to community development is also reflected in its "Ubuntu Projects" initiatives, which focus on education, community support, small business assistance, sports, and environmental sustainability. A notable example is the Zakhe Youth Development project in the Eastern Cape. This initiative fosters food security and commercialises crop production while creating employment for 15 permanent and 10 seasonal employees. Managed by five women, Zakhe Youth Development cultivates various crops on a well-fenced farm with a reliable water supply from the Orange River. The cooperative supplies several retail supermarkets and generates monthly revenue of ZAR132,000 by providing the Group with approximately 2,000 cabbages per week, and up to 4,000 cabbages during peak periods. This partnership with the Group has enabled Zakhe Youth Development to achieve financial stability, apply for finance, and expand into a medium-sized business.

Another key initiative is the Group's small-scale farmers programme, launched in response to the economic challenges posed by the COVID-19 pandemic. The programme, designed to support the reconstruction and development of small and micro enterprises, includes a three-year strategic plan to train and develop small-scale farmers in the Eastern Cape, Limpopo, and KwaZulu-Natal. In collaboration with the Wholesale and Retail Sector Education and Training Authority ("**W&RSETA**"), the Group secured a strategic partnership to train 300 small-scale farmers through an accredited skills programme. A crucial element of this programme's success is providing trained farmers with access to retail markets, allowing them to supply the Group's stores provided they meet the required quality standards.

Through these comprehensive initiatives, the Group continues to make a substantial and meaningful impact on the communities it serves, reinforcing its dedication to strong corporate citizenship and its important social mission.

Governance

The Group's governance strategy is deeply rooted in the principles of diversity and transformation, ensuring that its corporate governance framework is robust, inclusive, and aligned with South African regulatory requirements. The Board of Directors, as a key component of this framework, is constituted to meet these requirements, reflecting the Group's commitment to sound governance practices.

The Group has implemented a range of initiatives to strengthen its governance structures. Talent mapping, coupled with individual development plans, is a critical focus area to drive succession planning and ensure the sustainability of key skills within the organisation. Furthermore, the short-term incentive has been established for all senior and key staff, aligning their efforts with the Group's strategic objectives. The Group is also actively engaged in monitoring its B-BBEE targets, working closely with a specialist in B-BBEE scorecards to ensure compliance and progress in this area.

The Group has set up a Board of Directors that reflects a strong commitment to race and gender diversity, ensuring that leadership is representative of the broader South African society and, in accordance with the JSE Listings Requirements, that the Board is reflective of the diversity attributes of gender, race, culture, age, field of knowledge, skills and experience. The complement of Directors also comprises a higher proportion of non-executive Directors than executive Directors. In addition, the Group has established statutory sub-committees of the Board and implemented a comprehensive reporting framework to enhance transparency and accountability. Furthermore, the Group has also appointed a Company Secretary to further align governance policies, procedures, and processes with best practices.

The Group remains committed to maintaining its B-BBEE rating at Level 5 through 2024, reflecting its dedication to transformation and empowerment. Leadership development will continue to be a priority, with ongoing continuing professional development for executives to ensure they remain equipped to lead the organisation effectively. Additionally, the Group is focused on developing a sustainability strategy and enhancing its environmental, social, and governance disclosures, reinforcing its commitment to long-term responsible business practices.

As at the Last Practicable Date, the Boxer Superstores Group expects its current level 5 B-BBEE rating to be updated on or before 7 December 2024. See "*Part VI - Regulatory Considerations – Broad-Based Black Economic Empowerment*" and "*Part IV – Risk Factors – Risks Related to South Africa and Other Regions in Which the Group Conducts its Business Operations – A change to the Group's B-BBEE rating in South Africa may adversely affect its reputation, business operations and relationship with the government in South Africa or affect the Group's ability to secure registration certificates or licences to manufacture, distribute or sell liquor or secure major supply contracts in respect of which B-BBEE is a selection consideration and/or risk it not being in compliance with certain existing contracts.*"

Through these governance initiatives, the Group is not only ensuring compliance with regulatory standards but is also advancing its mission to be a leader in diversity and transformation within the South African retail sector.

BROAD-BASED BLACK ECONOMIC EMPOWERMENT (B-BBEE)

The Group has a longstanding commitment to the South African government's legislative framework for the promotion of B-BBEE, a government policy to advance economic transformation and enhance the economic participation of black people in the South African economy, as evidenced by its level 5 B-BBEE rating. Achievement of B-BBEE objectives is measured by a "scorecard" which establishes weightings for the various components of B-BBEE, such as ownership, management control, skills development, enterprise and supplier development (which encompasses preferential procurement) and socio-economic development, which is then translated into an entity's "contributor level." An entity's contributor levels are improved when such entities contract with businesses that have earned high B-BBEE contributor levels themselves, and certain corporate, governmental and state-owned enterprises in South Africa have set minimum standards for B-BBEE contributor levels for potential bidders for contracts. It is important for the Group to achieve applicable B-BBEE objectives from both a compliance and corporate social responsibility standpoint.

Inclusiveness and diversity are part of the Group's ongoing commitment to societal transformation. The Group's efforts are reflected in the high proportion of HDSAs in the Group's workforce. For the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, the Boxer Superstores Group's employees who are deemed HDSA represented 99.68%, 99.65% and 99.58% of the Boxer Superstores Group's total workforce, respectively.

The Group, through its Social, Ethics and Transformation committee, ensures that an appropriate transformation strategy exists that is aligned with the B-BBEE legislation, and which delivers shared value through various empowerment initiatives, while making a meaningful contribution to many of its stakeholders and ensuring the long-term stability and profitability of its business.

For further details on B-BBEE's impact on the Group's operations, see "*Part VI – Regulatory Considerations – Broad-Based Black Economic Empowerment.*"

INTELLECTUAL PROPERTY

The Group uses a variety of trade names, service marks and trademarks in its business and relies on trademark and copyright laws, confidentiality procedures and contractual provisions to protect its intellectual proprietary rights. The Group's key brands are, among others: Boxer, Boxer Liquor and Boxer Build.

The Group believes that its brand names enjoy high brand recognition and are material to the Group's business. The Group's intellectual property policy is centred around the protection of its brands, associated logos and its domain names. This policy involves filings and reservations on either a local country basis or in the full range of countries where the Group operates or wishes to preserve and protect its rights.

INFORMATION TECHNOLOGY

The Group's technology and planning infrastructure is driven by a dedicated in-house team committed to delivering effective, industry-standard, stable, and secure business solutions. As a key enabler of the Group's strategic operations and long-term outlook, this team focuses on providing flexible and scalable systems that minimise fixed long-term costs. Central to this approach is the development of bespoke core business systems, meticulously built in-house and tailored to align with the Group's business processes. This approach ensures cost efficiency, with minimal reliance on external vendors and limited licensing fees. Where industry specialisation and innovation are required, the Group employs specialised software systems, enhancing its capacity to support future expansion plans.

The Group's IT infrastructure is robust and purpose-built to ensure secure communication across its extensive network. This infrastructure supports a range of critical functions, including web services for the Group's website and e-coupon portal, with cloud and web services integrated into the architecture. The Group also prioritises the protection of personal information through comprehensive data protection and information security policies, ensuring that all data is managed securely and in compliance with relevant regulations.

Within the Group, specialised service areas within internal teams drive technology and data-driven supply chain management. The Service Desk provides first-level support across head office, stores, distribution centres, and the meat processing plant, ensuring smooth daily operations. Application Support offers second-level support, focusing on data management and 24-hour distribution centre support, while the Infrastructure and Facilities team oversees the data centre, system administration, infrastructure management, and the launch of new stores and refurbishments.

The Business Solutions team is responsible for solutions architecture and development, as well as business intelligence, playing a pivotal role in the Group's decision-making and process optimisation. The Project Office handles project management, implementation, governance, compliance, risk, and security, ensuring that all technological initiatives are executed with precision and in alignment with the Group's strategic goals. Administration functions encompass budgeting, capital expenditure, operational expenditure, and departmental administration, providing the financial backbone for the Group's technological advancements.

Technology is not just a tool but a key driver in the Group's decision-making and business process optimisation. This is evident in several critical areas, such as stock optimisation, where the Group employs a leading international specialist service provider to enhance inventory management. Finance automation processes, including invoice matching, streamline financial operations, while digital workflow processes, developed in-house, facilitate seamless communication and task management between stores and head office. These internally developed bespoke systems are specifically aligned with the Group's operational requirements, reducing reliance on external vendors and offering the scalability necessary to support ongoing business expansion.

INSURANCE

The Group has a comprehensive insurance programme which covers the principal risks it identifies via internal risk reviews or through operational requirements identified by the Group's in-house insurance team or brokers or insurers as part of its ongoing risk surveys.

The Group's insurance programme is reviewed continually throughout the year and is updated with new policies or enhancements to ensure the Group has the appropriate level of risk transfer available to mitigate losses. The Group also annually reviews its policy loss limits and deductibles by analysing its claims experience, sums insured and total cost of risk, with the amounts amended as necessary to provide the best level of coverage.

The Group considers its policies adequate to cover the major risks of the Group's business, and it believes that the level of insurance which the Group maintains is comparable, in each case, to that maintained by other companies in its primary markets operating in the same business area, but there can be no assurance that this coverage will be sufficient to cover the cost of defence or damages in the event of a significant claim. See "*Part IV – Risk Factors – Risks Related to the Group's Business and Industry – It may be difficult or expensive to obtain or renew commercial insurance and there can be no assurance that sufficient cover will be secured or maintained*."

PROPERTY

As at 25 August 2024, the Boxer Superstores Group's estate included 489 total stores across formats, with 300 Boxer Superstores, 159 Boxer Liquors stores and 30 Boxer Build stores. In addition, the Group has six distribution centres and one meat processing plant.

In the 26 weeks ended 25 August 2024, the Boxer Superstores Group grew its estate by a net 12 stores, preceded by the addition of 49, 60 and 26 stores in the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. The rapid expansion of the Boxer Superstores Group's footprint through the opening of new stores is a significant driver of the Boxer Superstores Group's turnover growth. By adding stores to its estate in carefully selected locations where the Group can expect sufficient demand within its targeted market segment, the Group reliably grows the volume of goods sold, and hence its turnover and profitability. As part of expanding the Group's store footprint in the ordinary course, the Group, from time to time, acquires, and is currently involved in negotiations to acquire, selected Pick n Pay stores from the PIK Group, which are better suited to the Group's targeted market segment, and which are converted to appropriate Boxer store formats post-acquisition. These stores are typically acquired by the Group at their net asset value and at arm's length. The Group's store rollout programme capitalises on expansion opportunities across South Africa and Eswatini, particularly in the Boxer Liquors and Boxer Superstore formats. It is also enabled by the Group's expanded distribution network, with the planned addition of its new distribution centre in KwaZulu-Natal (currently under construction), its low initial store investment with short payback periods, and its proven rollout process. As at the Last Practicable Date, the Group has acquired 12 Pick n Pay stores (six supermarkets and six liquor stores) on this basis in FY2025, each acquired after 25 August 2024. The Group will continue to evaluate and consider further acquisitions of Pick n Pay stores in the ordinary course of business.

The Group's emphasis on overall customer experience has meant that it has refurbished approximately 40% of its stores to varying degrees over the past three years. In addition, 100 stores (approximately one-third of the Group's estate at the time) underwent varying degrees of refurbishment to restore them to trading condition following the July 2021 civil unrest. The store estate is in good condition with ongoing cyclical maintenance to ensure the best shopping experience for the customer.

The Group has commercial lease agreements with respect to a majority of its directly operated stores, distribution centres and certain other property. The Group's leases are entered into under standard commercial terms customary in the retail industry and typically have a term of ten years, with three five-year options. While the Group leases the majority of its properties, the Group owns, in whole or in part, five commercial properties, including stores and distribution centres.

The Group's property management function is a cornerstone of its operations, underscored by a dedicated team that combines expertise with a flexible approach to managing costs and capital expenditure. The property management team operates as a distinct department within the Group, ensuring that well-informed decisions are made to deliver impactful results. The team is currently managed by a group executive, supported by ten property experts and a wider support team. Two further property experts will be employed to bolster the team and assist in the expansion journey.

The key responsibilities of the property management team include direct and continuous engagement with landlords, developers, property funds, and other key stakeholders. The team possesses an excellent understanding of South Africa's diverse landscape, covering key business nodes, peri-urban areas, and rural townships. This deep knowledge and expertise allow the team to assess new store opportunities with precision, conduct thorough gap analyses, and perform feasibility studies that are essential for the Group's strategic expansion. The team's flexibility in evaluating new opportunities enables them to make quick, informed decisions, ensuring that the Group remains agile and responsive to market demands.

The property management team is divided into several key functions to ensure comprehensive coverage of all aspects of property management: Property Management & Legal, Project Management, Costing & Store Design, Finance, Capital Expenditure and Procurement, and Compliance and Sustainability.

See "*Annexe 14 – Principal Immovable Properties Held or Occupied*" and the notes to the Consolidated Annual Historical Financial Information for more details on the material properties of the Company.

LEGAL PROCEEDINGS

The Group has, and may in the future become involved in claims and lawsuits arising in the ordinary course of its business from time to time. The Group is currently involved in a number of open disputes in relation to the application of local labour law, commercial agreements with customers and subcontractors and claims and compliance matters, in some cases in the course of litigation. The Group does not believe that any of these legal proceedings or investigations will have a material adverse effect on its financial position or results of operations. However, the outcome of legal proceedings can be extremely difficult to predict with certainty. See "*Part IV – Risk Factors – The Group is subject to the risk of litigation and other claims*."

PART VIII – RESTRUCTURING AND FORMATION OF THE GROUP

FORMATION OF THE GROUP

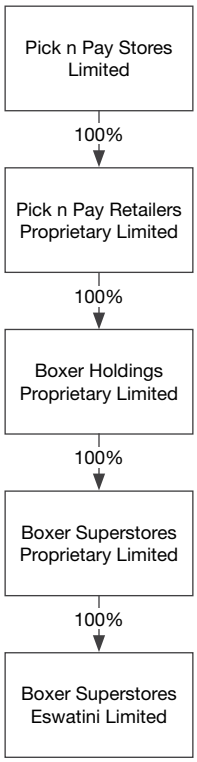
The Company was incorporated as a wholly-owned subsidiary of Boxer Holdings (an indirect wholly-owned subsidiary of PIK) for purposes of implementing the Admission and the Offer and, subsequent to the Restructuring, is the holding company of the Group.

The Company is the direct holding company of Boxer Superstores, which is the entity through which the Group conducts the Business in South Africa. Boxer Superstores, in turn, is the direct holding company of Boxer Superstores Eswatini Limited (formerly named Score Supermarkets (Swaziland) (Pty) Ltd), which is the entity through which the Group conducts business in Eswatini.

RESTRUCTURING

Prior to Restructuring

Prior to implementation of the Restructuring, Boxer Superstores was a wholly-owned subsidiary of Boxer Holdings, which in turn is a wholly-owned subsidiary of Pick n Pay Retailers, which itself is a wholly-owned subsidiary of PIK. The (simplified) holding structure of Boxer Superstores within the PIK Group prior to the implementation of the Restructuring was as follows:



Implementation of Restructuring and Pre-Admission Dividends

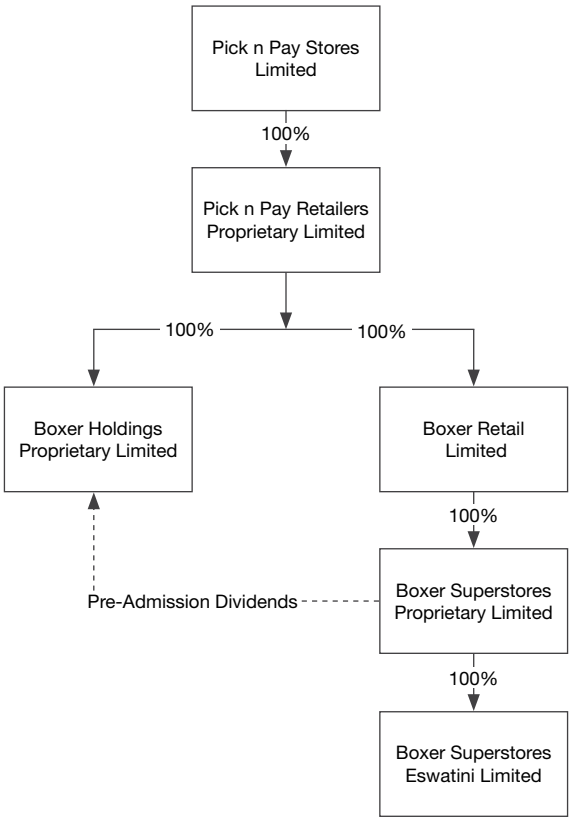
For purposes of the Admission and the Offer, the Company was incorporated as a new wholly-owned subsidiary of Boxer Holdings on 1 July 2024. Prior to the Admission, in accordance with the terms of the Restructuring Implementation Agreement, an intra-group restructuring was undertaken, in terms of which, *inter alia:*

- Boxer Superstores declared two pre-Admission dividends to Boxer Holdings: one equal to the amount of the net proceeds that will be received by the Company from the Offer, and another equal to the net proceeds that will be received by the Company as a result of the Overallotment Option (described further in "*Part II – Overview of the Offer – Overallotment and Stabilisation*") being exercised, which dividends will remain outstanding until after the completion of the Admission and Offer (collectively the "**Pre-Admission Dividends**"). The purpose of the Pre-Admission Dividends is to enable the proceeds of the Offer to be distributed to the relevant entities in the PIK Group in order to achieve the purposes of the Offer described in *Part II – Overview of the Offer*;
- Boxer Holdings disposed of its shares in Boxer Superstores to the Company, in exchange for the issue of additional ordinary shares in the Company to Boxer Holdings; and
- Boxer Holdings distributed its shares in the Company to its sole shareholder, Pick n Pay Retailers, as a dividend *in specie*,

following which, Boxer Superstores is a wholly-owned subsidiary of the Company, which in turn is a wholly-owned subsidiary of Pick n Pay Retailers prior to the Admission and Offer.

As at the Last Practicable Date and following the implementation of the Restructuring, but prior to the Admission and Offer, the Company accordingly houses the entire business of the Group through holding the equity interests in the key entities that house the Group's entire business, as depicted in the simplified organisation structure diagram immediately below.

The (simplified) new holding structure of Boxer Superstores within the PIK Group, following the implementation of the Restructuring and immediately before the implementation of the Admission and the Offer, is as follows:



Post-Admission Steps

In terms of the Restructuring Implementation Agreement, following the completion of the Admission and Offer, the following steps will be implemented to achieve the purposes of the Offer described in paragraph *Part II – Overview of the Offer*:

- using the net proceeds from the Offer, the Company will capitalise Boxer Superstores by subscribing for 500,000 additional ordinary shares in Boxer Superstores;
- using the net proceeds from the exercise of the Overallotment Option, the Company will further capitalise Boxer Superstores by subscribing for another 50,000 ordinary shares in Boxer Superstores;
- using the subscription proceeds from the capitalisation transactions referred to above, Boxer Superstores will pay the outstanding Pre-Admission Dividends to Boxer Holdings; and
- Boxer Holdings will declare dividends (substantially equal to the amount of the Pre-Admission Dividends) to Pick n Pay Retailers, who will use the funds primarily to settle the PIK Group's outstanding debt as well as for considered re-investment to secure the turnaround of the PIK Group's Pick n Pay supermarkets business.

Flow of Funds

Pursuant to the PIK Group's obligations under the Restructuring Support Agreement, the PIK Group is required to apply the net proceeds from the Offer to settle a specified portion of the PIK Group's outstanding debt, which the Restructuring steps outlined immediately above are intended to facilitate.

In line with these obligations, Pick n Pay Retailers, the Company, Boxer Holdings and Boxer Superstores entered into a payment agent account agreement with Absa on 28 October 2024, in terms of which Absa, as payment agent, will establish a series of "payment agent accounts" to:

- allow for the Company to receive the net proceeds of the Offer into a specified payment agent account;
- facilitate the various transaction flows in terms of the Restructuring (as outlined above) between payment agent accounts; and
- facilitate the settlement of the relevant outstanding amounts to the PIK Group's lenders.

SHARED SERVICES AGREEMENT

Prior to the Admission Date, Pick n Pay Retailers provides certain services to the Company, as a member of the PIK Group, and the Company will require the continued provision of certain of these services for a period following the Admission Date, as detailed further below.

In preparation for the Admission and the Offer, the Company and Pick n Pay Retailers entered into the Shared Services Agreement on 25 October 2024, in terms of which, with effect from the Admission Date, Pick n Pay Retailers will provide, and through its affiliates or otherwise through persons acceptable to Pick n Pay Retailers will procure the provision of, certain services to the Company.

These services are broadly categorised as IT, finance, governance and ESG services, and include (amongst others):

- SAP for finance, payroll and real estate;
- settlement and reconciliation services;
- certain tax-related compliance services; and
- internal audit, risk management and compliance and reporting services.

The Shared Services Agreement does not have a defined termination date, and will continue until terminated by either party. The Company has the right to terminate the provision of any or all of the services by giving Pick n Pay Retailers at least 180 days' prior written notice, and either party has standard termination rights in the event of, but not limited to, a breach that has not been remedied and insolvency.

PART IX – ESG, COMMITMENT TO TRANSFORMATION AND EMPOWERMENT

Environmental, Social and Governance ("ESG")

As a responsible retailer, the Group recognises the urgent need to address environmental challenges. The Group's commitment to sustainability is unwavering, and it is constantly striving to minimise the Group's ecological footprint through innovative initiatives and adopting eco-friendly practices across the Group's operations. The Group continues to explore packaging alternatives, support responsible waste management, and invest in initiatives that contribute to a cleaner and greener environment.

The Group's sustainability efforts continue to grow its positive contribution in reducing the impact of large-scale social and environmental challenges in its target markets. A holistic approach is needed, and ESG is increasingly considered in key areas of operations. The Group works in partnership, harnessing its brands, retail store network, supply chains and stakeholder relationships in support of collective action.

The Group's strategic ESG framework focuses decision-making and action across the Group. The framework provides a view on the business in the context of the Group's relationships with society and nature. It aligns with three of the UN Sustainable Development Goals where the Group believes it can have a positive impact.

Partnering to shift the food system

South Africa's food system remains under strain, and progress towards alleviating food scarcity requires a big picture view and the ability to work with multiple market participants across the system. The Group's key focus areas with respect to its store offerings include affordability of basic goods, targeted through trading and cost reduction, promoting healthy eating and lifestyles, and increasing the sustainability attributes of products and product ranges. Through partnerships with other foundations and non-profit organisations, the Group continuously drives socio-economic and development programmes, delivering value to the people and communities that support its trade. The Group also invests in supply chain inclusion, with support for smaller, local suppliers and works with all suppliers to ensure responsible and ethical production practices while reducing food waste.

Reducing the Group's environmental impact

The Group provides a wide range of products to consumers. Each of these products impacts the environment at virtually every stage of the product life cycle. The Group's relevant teams work together systematically to reduce adverse environmental impact. This includes decarbonising the value chain, optimising energy and water efficiency, removing harmful chemicals (particularly in refrigerants), and focusing on waste reduction, recycling and reuse, with a focus on packaging. Since 2022, the Boxer Superstores Group has been running diesel generators to mitigate the impact of the disruptions caused by load-shedding, which has led to an increase in the Group's Scope 1 emissions.

The Group's low carbon transition plan also includes a focus on reducing refrigeration emissions. The Group's conversion to a climate-friendly natural refrigerants programme is gaining momentum. In the 52 weeks ended 25 February 2024, the Boxer Superstores Group equipped 15 stores with climate-friendly natural refrigerants, with a further eleven converted as at the Last Practicable Date.

Energy efficiency in the Group is tracked using an online monitoring system. The roll-out of eco-friendly LED lighting has been completed in all but two stores, and refrigeration lighting conversions are complete in all stores in South Africa. These upgrades can be seen on the trading floor and within service departments.

Supporting communities

South Africa continues to be challenged by stark inequalities and many people struggle to access what they need each day. The Group's corporate social investment approach is based on long-term partnerships and focuses on supporting educational initiatives, promoting awareness of social and environmental issues, responding to household food insecurity, including crisis interventions through store community support. Furthermore, the Group has launched its small-scale farmers initiative which supports local farmers and emerging small businesses.

As part of the Group's commitment to the communities that it serves, the Group is proud of its Boxer School Club, which has supported 47 schools in various ways. The majority of these schools serve disadvantaged communities with limited resources and the Group's support includes, among other things, feeding schemes, mobile libraries, stationery, toiletries, gardening equipment and building materials. The footprint continues to grow as the Group opens new stores and identifies local schools to be incorporated into the programme.

Investing in the Group's people

The Group's operations engage approximately 30,000 employees and 415 suppliers. The Group is committed to creating quality jobs and promoting diversity, equity and inclusion, with a focus on alignment with B-BBEE provisions. See also "*Part VII – Business of the Group – Broad-Based Black Economic Empowerment (B-BBEE)*." Some of the key initiatives around the Group's stakeholder engagement and outreach includes advocacy initiatives together with the Group's retail peers.

Broad-Based Black Economic Empowerment

The Group has a longstanding commitment to the South African government's legislative framework for the promotion of B-BBEE, a government policy to advance economic transformation and enhance the economic participation of Black People in the South African economy. Achievement of B-BBEE objectives is measured by a "scorecard" which establishes weightings for the various components of B-BBEE, such as ownership, management control, skills development, enterprise and supplier development (which encompasses preferential procurement) and socio-economic development, which is then translated into an entity's "contributor level." An entity's contributor levels are improved when such entities contract with businesses that have earned high B-BBEE contributor levels themselves, and certain corporate, governmental and state-owned enterprises in South Africa have set minimum standards for B-BBEE contributor levels for potential bidders for contracts. It is important for the Group to achieve applicable B-BBEE objectives from both a compliance and corporate social responsibility standpoint.

Inclusiveness and diversity are part of the Group's ongoing commitment to societal transformation. The Group's efforts are reflected in the high proportion of HDSAs in the Group's workforce. For the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, the Boxer Superstores Group's employees who are deemed HDSA represented 99.68%, 99.65% and 99.58% of the Boxer Superstores Group's total workforce, respectively.

The Group, through its Social, Ethics and Transformation committee, ensures that an appropriate transformation strategy exists that is aligned with the B-BBEE legislation, and which delivers shared value through various empowerment initiatives, while making a meaningful contribution to many of its stakeholders and ensuring the long-term stability and profitability of its business.

As at the Last Practicable Date, the Boxer Superstores Group expects its current level 5 B-BBEE rating to be updated on or before 7 December 2024. See "*Part VI – Regulatory Considerations – Broad-Based Black Economic Empowerment*" and "*Part IV – Risk Factors – Risks Related to South Africa and Other Regions in Which the Group Conducts its Business Operations – A change to the Group's B-BBEE rating in South Africa may adversely affect its reputation, business operations and relationship with the government in South Africa or affect the Group's ability to secure registration certificates or licences to manufacture, distribute or sell liquor or secure major supply contracts in respect of which B-BBEE is a selection consideration and/or risk it not being in compliance with certain existing contracts.*"

PART X – DIRECTORS, SENIOR MANAGEMENT AND CORPORATE GOVERNANCE

The following section provides a description of the Directors and Senior Management and the corporate governance-related aspects of the Company. The description of the Major Subsidiary's directors is set out in "*Annexe 11 – Particulars of the Directors and Senior Management of the Company*" to this Pre-listing Statement.

DIRECTORS

Details of the Directors as at the Last Practicable Date are set out below:

Name, age and nationality	Business Address	Position	Date of Appointment
Marek Adam Masojada (59), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Chief Executive Officer Executive Director	15 October 2024
David Peter Wayne (46), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Chief Financial Officer Executive Director	15 October 2024
James Roger Formby (55), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Board Chairperson Non-Executive Director	9 October 2024
Sean Robin Summers (71), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Non-Executive Director	20 August 2024
Charlotte Mary Chichi Machichana Maponya (60), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Lead Independent Non-Executive Director	15 October 2024
Cindy (Hess) Robertson (48), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Independent Non-Executive Director	15 October 2024
Dineo Molefe (47), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Independent Non-Executive Director	15 October 2024
Jesmane Arnel Boggenpoel (51), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Independent Non-Executive Director	15 October 2024
Leon Marius Lourens (58), South African	Boxer Superstores, 41 The Boulevard, West End Office Park, Westville, 3630	Independent Non-Executive Director	15 October 2024

Further details of the Directors of the Company, including information as to their other directorships held in the past five years, as well as details of members of the board of directors of the operating Subsidiaries of the Group are set out in "*Annexe 11 – Particulars of the Directors and Senior Management of the Company*."

Short biographies of the Directors are set out below:

EXECUTIVE DIRECTORS

Marek Masojada

Marek Masojada has been with Boxer Superstores for 31 years, having joined the Company in 1993 when it was a modest 5-store operation with an annual turnover of ZAR120 million. Over the past three decades, Marek has been instrumental in building Boxer Superstores into South Africa's fastest growing supermarket chain, with leading market share of the discount market, serving middle- to low-income customers across South Africa and Eswatini. As head of finance for 25 years, and later as Managing Executive from 2019, his experience and expertise spans strategy, finance, property, commercial operations and risk management. Marek's leadership has been pivotal in maintaining Boxer Superstores' low-price promise for customers, delivering exceptional value through operational excellence and a strong commitment to meeting the needs of the Boxer Superstores' customer. His leadership and deep understanding of the dynamics of discount retail continues to shape Boxer Superstores' success in delivering convenience and affordability to its customers. Marek holds a Bachelor of Commerce and a Diploma in Accounting from the University of KwaZulu-Natal and is a Chartered Accountant (SA).

David Wayne

David Wayne, who joined Boxer Superstores from Ernst & Young in 2007, has been a key figure in the Company for 17 years. Since his appointment to the Boxer Group Executive in March 2020, he has expertly led the finance team and ensured rigorous financial governance and reporting. With expertise spanning finance, capital investment, risk management, strategy, taxation, and compliance, David has been instrumental in shaping Boxer Superstores' financial strategy and driving Boxer Superstores' strong returns on invested capital. His leadership and commitment to financial discipline have kept Boxer Superstores financially resilient in an intensely competitive retail landscape, enabling the company to reinvest cost savings and operational efficiencies into delivering a highly competitive customer proposition. David holds an Honours in Accounting from the University of KwaZulu-Natal in 2001 and is a Chartered Accountant (SA).

NON-EXECUTIVE DIRECTORS

James Formby

James is the former chief executive officer of RMB, a position he held for seven years until his retirement in September 2022. James had a successful 25-year career with RMB, holding a number of senior leadership roles over his tenure including in corporate finance and investment banking. James' transactional skills and his ability to structure large corporate deals made him a core member in many B-BBEE transactions, IPOs, de-listings, mergers, debt restructures and disposals over his tenure with RMB. As CEO, James played a significant role in developing RMB's strategy. James was appointed to the PIK Group board in October 2022, taking on the role of Lead Independent Director in July 2023, and is also a director of Vukile Property Fund and Nimble Group. James holds a Bachelors of Commerce from the University of Cape Town and a Master of Philosophy from the University of Cambridge, and is a Chartered Accountant (SA).

Sean Summers

Sean Summers has a long-standing and distinguished history with the PIK Group, having first joined in 1974. Rising through the ranks, he was appointed Managing Director in 1996 and became CEO in 1999, leading the PIK Group through a period of significant growth and transformation. After leaving the PIK Group in 2007, Sean gained valuable international retail experience, advising the underlying retail operations internationally for the Steinhoff Group. Reappointed as CEO of the PIK Group in September 2023, Sean brings a deep understanding of both the PIK and Boxer businesses, as well as the intricacies of South African grocery retailing.

Jesmane Boggenpoel

Jesmane Boggenpoel has extensive experience in private equity, entrepreneurship and global business engagement. Currently the Managing Partner of AIH Capital, she brings a wealth of expertise in driving investment strategies and fostering business growth. Previously, Jesmane served as Head of Business Engagement for Africa at the World Economic Forum ("**WEF**") in Switzerland, where she played a pivotal role in promoting economic development across the continent. Jesmane serves on the boards of Spur Corporation, Murray & Roberts, MTN South Africa, the agri-conglomerate ETG and The South African Venture Capital and Private Equity Association. An advocate for diversity and inclusion, she is the author of My Blood Divides and Unites, and the creator of a popular Udemy course on race and gender inequality in the workplace. Recognised as a Young Global Leader by the WEF in 2013 and a BMW Foundation Responsible Leader in 2022, Jesmane is a thought leader in business, diversity, and leadership development. Jesmane holds a Bachelor of Commerce and a Bachelors of Accountancy from the University of Witwatersrand, a Masters in Public Administration from Harvard University, and is a Chartered Accountant (SA).

Charlotte Mary Chichi Machichana Maponya

Chichi Maponya is a seasoned business leader with vast experience in retail, corporate governance, and international relations. As Chairperson of the Maponya Group, a diversified family-owned business, she oversees operations spanning mining, motor, agriculture, and food and clothing retail, including in the developing township economy in South Africa. She is a board member of the Consumer Goods Council of South Africa and Co-Founder and Chairperson of Africa Travel Retail & Afro Map Duty Free, a Pan-African duty-free and duty-paid retail business. Globally, Chichi served as Vice President of the World Investment and Trade Organisation and holds key memberships in international organisations like Airports Council International Africa and the Middle East Africa Duty Free Association. Her leadership extends to board roles at Maponya Motors Soweto (formerly Barloworld Maponya) and Maponya Medical Solutions, while she also serves as a trustee of several influential trusts, with a focus on skills development and entrepreneurship. A former Chair of Brand South Africa and former member of South African Tourism, Chichi remains committed to enhancing South Africa's global business presence. Chichi holds a Bachelor of Commerce from the University of KwaZulu-Natal.

Cindy (Hess) Robertson

Cindy (Hess) Robertson is a seasoned finance professional and accomplished director with extensive governance experience across several South African listed companies. She began her career as Finance Director at the National Ports Authority in Cape Town and has since held key finance roles in leading South African corporations, including Woolworths and Sea Harvest. Cindy is the former Chief Financial Officer of Pioneer Foods and Media 24, where she made significant contributions to the financial leadership of both organisations. For her outstanding work at Pioneer Foods, Cindy was nominated for the prestigious CFO Awards in 2016 and is a Choiseul Laurette (recognised as one of the top 100 young individuals who played a leading role in transforming Africa). She has also demonstrated her commitment to governance as the Vice Chair of Council and Chair of the Audit and Risk Committee at the University of the Western Cape. She currently serves on several non-profit charitable organisations, is the Vice Chairperson of the Finance Committee and member of the Audit and Risk Committee of the University of Cape Town and serves as Lead Independent Director on the Board of Rainbow Chicken Limited and Chair of their Audit and Risk Committee and member of their Remuneration Committee. Cindy's depth of experience and financial expertise make her a respected leader in South African business and governance circles. Cindy holds a Bachelors degree in Accounting from the University of the Western Cape and a PGDA from the University of Cape Town, and is a Chartered Accountant (SA).

Dineo Molefe

Dineo Molefe is currently the CFO of MTN South Africa, where she has been instrumental in driving financial excellence, leading digitization efforts and strengthening governance through enhanced internal controls, while improving financial performance. Under her leadership, the finance function has evolved into a key strategic partner, aligning closely with broader business objectives. Before joining MTN, Dineo served as Managing Director at T-Systems, where she successfully guided the organisation through its transformative phase. With 28 years of experience, including 14 years in executive and director roles, Dineo brings deep expertise across industries such as telecommunications, FMCG, financial services and diversified investments. Her previous non-executive director roles include chairing audit committees at Thebe Investment Corporation, Spur Corporation Limited, Road Accident Fund, and Accentuate Limited, as well as serving as an audit committee member at CMH Limited and Clientele Limited. Her contributions in these roles have further solidified her leadership in strategy, business and corporate governance. A passionate advocate for education and gender equality in business, Dineo has founded several initiatives focused on empowering women and continues to mentor future female leaders. She also serves as a trustee for the Footprints 4 Sam Foundation, underscoring her commitment to social responsibility and community impact. Dineo graduated with Honours in Accounting from the University of South Africa, is a Chartered Accountant (SA), holds a MCom in International Accounting from the University of Johannesburg and completed an Advanced Management Programme in the Wharton School of the University of Pennsylvania.

Leon Lourens

Leon Lourens is a seasoned retail leader with over three decades of experience, including executive roles across multiple retail sectors. He served as CEO of Pepkor Holdings from December 2017 to March 2023, successfully overseeing its diverse portfolio of brands. Prior to this, Leon was COO of Pepkor and CEO of Pep Stores, where he played a pivotal role in expanding the Pep brand's presence in Africa. Leon's extensive operational and strategic expertise spans clothing, general merchandise, furniture, and fintech. During his tenure, he led several key corporate structuring activities (mergers and acquisitions), including the successful acquisition of Brazilian discounter Avenida. Leon is recognised for his leadership in crisis management, having navigated Pepkor Holdings through the COVID-19 pandemic and significant operational disruption from the July 2021 civil unrest in South Africa. Leon currently consults globally through Beragua, a global retail advisory services business. Leon holds a National Higher Diploma in Human Resources from Cape Technikon and a Bachelors of Commerce in Business and Marketing from the University of South Africa.

Senior Management

Details of the Senior Management of the Company and its Major Subsidiary are set out below:

Name, age and nationality	Business address	Occupation/function	Year of appointment by Group
Marek Masojada (59), South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Managing Group Executive	1993
David Wayne (46), South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Group Executive: Finance	2007
Ian Bamber, (57), South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Group Executive: Human Resources	1995
Bryan Butterworth (61), British	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Group Executive: Property and Development	1998
Chris Theron (57), South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Group Executive: Operations	1998
Gary Ingle (57), South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Group Executive: Information Technology	2005
Justin Galloway (41), South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Group Executive: Supply Chain	2012
Paul Coetzee (52), South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Group Executive: Commercial, Marketing & Factories	2013
Ntombi Dludla (57), South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Group Executive: Stakeholder Engagement and Sustainability	2021

No activities are performed by the Senior Management outside of the Company and its Major Subsidiary that are significant to the Group.

Short biographies of the members of Senior Management of the Company and its Major Subsidiary are set out below:

Marek Masojada

See biography above.

David Wayne

See biography above.

Ian Bamber

Ian Bamber joined Boxer in March 1995 as a human resources manager and was appointed as the Group Executive: Human Resources in 2003. Ian previously worked for Tiger Milling from 1991 until 1995. Ian graduated with a Bachelor of Social Science (Economics) degree from the University of KwaZulu-Natal in 1988 and an MBA from the University of Wales in 2001.

Bryan Butterworth

Bryan Butterworth joined Boxer in 1998 as the manager of Eastern Cape region. He was promoted to Property and Development Executive in 2003, Director of Property and Development in 2013, and appointed as the Group Executive: Property and Development in 2015. Bryan has 43 years of retail experience having previously held senior roles in OK Bazaars and Jazz Stores.

Chris Theron

Chris Theron joined Boxer as a Branch Manager in 1998. Chris was promoted to Regional Manager in 2003 and appointed as the Group Executive: Operations in 2013. He previously worked at OK Bazaars and Shoprite and obtained an MBA from REGENT Business School as of 2017.

Gary Ingle

Gary Ingle joined Boxer in 2005 as Executive: Information Technology, and was promoted to Group Executive: Information Technology in 2020. Gary previously worked for 12 years at The Beare Group and Relyant Retail in Operations, Administration and finally Information Technology Management. He obtained a diploma in Datametrics from the University of South Africa in 2001.

Justin Galloway

Justin Galloway joined Boxer as a Project and Financial Accountant in 2012, and was promoted to Operations General Manager: Punch Division in 2015, Supply Chain Executive in 2017, and appointed as the Group Executive: Supply Chain in 2020. He had previously served articles at KPMG and worked for Hogan Lovells. Justin holds an Honours in Accounting from the University of KwaZulu-Natal in 2005 and is a Chartered Accountant (SA) as of 2008.

Paul Coetzee

Paul Coetzee joined Boxer in 2013 as a Merchandise Executive Edible and Non-Edible Groceries. Paul was promoted to Commercial Senior Executive in 2017 and appointed as the Group Executive: Commercial, Marketing & Factories in 2020. Paul previously worked at Shoprite for 20 years.

Ntombi Dludla

Ntombi Dludla joined Boxer in 2021 as the Group Executive: Stakeholder Engagement and Sustainability. Ntombi previously worked at the Wholesale and Retail Sector Education and Training Authority and the FABCOS Trust. She holds an Honours Degree from UNISA and an MBA from MANCOSA.

Directors' Declarations

None of the Directors, members of Senior Management or the directors of the Major Subsidiary:

- have been declared bankrupt, insolvent or sequestrated or at any time been a party to a scheme of arrangement or made any other form of compromise with their creditors in any jurisdiction;
- have ever been involved in any business rescue plans and/or resolution proposed by any entity to commence business rescue proceedings, application having been made for any entity to begin business rescue proceedings, notices having been delivered in terms of section 129(7) of the Companies Act, receiverships, compulsory liquidations, administrations, creditors' voluntary liquidations, company voluntary arrangements or any compromise or arrangement with creditors generally or any class of creditors of any company where such person is or was a director, with an executive function within such company at the time of, or within the 12 months preceding, such events;
- have entered into or has been involved in any compulsory liquidation, administration or voluntary arrangements of any partnership where such person is or was a partner at the time of, or within the 12 months preceding, such events;
- have had receivership of any of the assets of such person or of a partnership of which he or she is or was a partner at the time of, or within 12 months preceding, such events;
- have been the subject of public criticism by any statutory or regulatory authorities, including recognised professional bodies, or been disqualified by a court from acting as a director of a company or from acting in the management or conduct of the affairs of any company;
- have ever been convicted of or committed any offence involving dishonesty, fraud, theft, forgery, perjury, misrepresentation or embezzlement;
- has ever been found guilty or had judgment made against them in disciplinary proceedings or other proceedings, by an employer, regulatory body, or court of law;
- have ever been removed from an office of trust on the grounds of misconduct and involving dishonesty;
- have ever been barred from entry into any profession or occupation;
- have ever been convicted in any jurisdiction of any criminal offence or an offence under legislation relating to the Companies Act, and no company of which he or she was a director, alternate director or officer at the time of the offence has been convicted in any jurisdiction of any criminal offence, or an offence under legislation relating to the Companies Act; or
- are or have been subject to any court order declaring him or her delinquent or placing him or her under probation under section 162 of the Companies Act and/or section 47 of the South African Close Corporations Act, 69 of 1984 (as amended) or disqualifying him or her to act as a director under section 219 of the South African Companies Act, 61 of 1973 (as amended) (which has, for the most part been repealed).

Appointment, Qualification, Remuneration and Borrowing Powers of Directors

Set out in "*Annexe 16 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary*" to this Pre-listing Statement, are extracts of the relevant provisions of the Company MOI, regarding:

- the qualification, appointment, terms of office and remuneration of Directors;
- the borrowing powers of the Company exercisable by the Directors. The borrowing powers may be varied by an amendment to the Company MOI; and
- retirement of Directors by rotation.

Directors have no power to vote on a proposal, arrangement or contract in which they are materially interested and to vote on the remuneration to themselves.

Set out in "*Annexe 16 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary*" to this Pre-listing Statement are extracts of the relevant provisions of the memorandum of incorporation of the Major Subsidiary regarding:

- the qualification, appointment and remuneration of directors; and
- the borrowing powers exercisable by the directors of the Major Subsidiary. The borrowing powers may be varied by amendment to the memorandum of incorporation of the Major Subsidiary.

Other than the Major Subsidiary (see "*Annexe 16 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary*"), no other subsidiary has any borrowing powers that are material to the Company.

The Directors' borrowing powers have not been exceeded since the Company's incorporation, and there have not been any specific exchange control or other restrictions on the borrowing powers of the Company or any of its subsidiaries, other than restrictions generally applicable under the Exchange Control Regulations or otherwise in terms of the law.

There are no restrictions on the Company's borrowing powers and the business of the Company shall be managed by its Board, which may exercise all the powers of the Company. There are no other material limitations on the borrowing powers of the Group.

The memorandum of incorporation of each of the Group's subsidiaries do not have any provisions which would frustrate the Group's compliance, or relieve the Company of compliance, with the JSE Listings Requirements.

Remuneration Policy of the Group

General approach to remuneration

The Board is responsible for the governance of remuneration by setting the direction for how remuneration will be approached and addressed on a Group basis.

With effect from the Admission Date, the Group will supplement its existing philosophy and adopt an enhanced remuneration policy that articulates the Board's direction and gives effect to fair, responsible and transparent remuneration, in compliance with the recommendations set out in the King Code and the provisions of the Companies Act (the "**Remuneration Policy**").

The Remuneration Policy is based on the Group's performance-based remuneration philosophy, which underpins its strategy and enables the Group to achieve its business objectives. It is designed to achieve the following objectives:

- to attract, motivate, reward and retain human capital;
- to promote the achievement of strategic objectives with the Group's risk appetite;
- to promote positive outcomes for the Group; and
- to promote an ethical culture and responsible corporate citizenship.

Further, the Remuneration Committee has been allocated oversight of remuneration practices to assist the Board with the execution of the Remuneration Policy.

Approval of Remuneration Policy

Currently, in accordance with the JSE Listings Requirements and the King Code, a company listed on the JSE must annually submit its remuneration policy and remuneration implementation report to shareholders for a non-binding advisory vote. The remuneration policy must record the measures that the Board of the Company commits to take where either the remuneration policy or the implementation report, or both, are voted against by 25% or more of the votes exercised. In order to give effect to the minimum measures referred to in the King Code, in the event that either the remuneration policy or the implementation report, or both are voted against by shareholders exercising 25% or more of the voting rights exercised, the Company must in its voting results announcement provide for (i) an invitation to dissenting shareholders to engage with the Company; and for (ii) the manner and timing of such engagement.

However, the Companies Act Amendment Act 16 of 2024 (the "**Amendment Act**") was signed into law by the President on 30 July 2024 with the date of implementation yet to be announced. The Amendment Act introduces changes to, *inter alia,* the remuneration reporting and disclosure requirements of public companies and state-owned companies, in terms of which, *inter alia,* a company's remuneration policy must be approved by a binding shareholder vote every three years or whenever a material amendment to the policy is made, and its implementation report must be approved by a binding shareholders vote at every annual general meeting. The Amendment Act provides that:

- if at an annual general meeting the remuneration report is not approved by ordinary resolution the Remuneration Committee must, at the next annual general meeting, present an explanation on the manner in which the shareholders' concerns have been taken into account and the directors who are not involved in the day-to-day management of the business of the Company and who serve on the Remuneration Committee must stand for re-election as members of the Remuneration Committee at the annual general meeting at which the explanation is presented; and
- if at the annual general meeting in the year immediately following the year contemplated above, the remuneration report in respect of the previous financial year is also not approved by ordinary resolution of shareholders: the directors who are not involved in the day-to-day management of the business of the Company and who serve on the Remuneration Committee (i) may continue to serve as directors provided they successfully stand for re-election to the Board at that annual general meeting and (ii) will not be eligible to serve on the Remuneration Committee for a period of two years thereafter.

In anticipation of the implementation of the Amendment Act, the Company approved the Remuneration Policy by way of a shareholder's ordinary resolution passed on 25 October 2024. Accordingly, once the Amendment Act is implemented, the Remuneration Policy will be valid and binding until 24 October 2027, unless any material amendment is made to the Remuneration Policy prior to this date (in which case Shareholders will be requested to approve such amendments by ordinary resolution). A copy of the current Remuneration Policy will be made available for inspection as set out in "*Part XIX – Additional Information – Documents available for inspection*" and its key terms are set out below.

It is anticipated that the Remuneration Policy will be presented to Shareholders to address the following elements:

- **Fixed remuneration**

  Fixed remuneration will primarily comprise base salary and benefits. The base salary and benefits of the Executive Directors for the 52 weeks ended 25 February 2024 is set out in "*Remuneration of Directors*."

  The core benefits to which Executive Directors are entitled comprise retirement, group life and disability, and medical scheme participation.

  The Group (through its Remuneration Committee) will regularly review, the benefits for affordability, fairness, and perceived value to employees.

  Retirement benefits are provided through defined-contribution funds, with contribution levels aligned to market best practice and subject to the rules of the relevant fund.

- **Short-term incentives ("STI")**

  The short-term incentive for the Executive Directors and other key employees comprises a bottom-up additive, self-funded structure. Annual cash bonuses are equal in value to a specified number of months' salary or total fixed remuneration in respect of Executive Directors, at threshold, target, and stretch performance levels. In exceptional circumstances, a super stretch bonus may be awarded for achievement exceeding stretch performance levels. The performance outcomes are determined based on a weighting of the Group's and individual performance measures. For Executive Directors and members of Senior Management, the weighting will be 80% Group performance and 20% individual KPIs.

  Adjusted trading profit after leases ("**ATPAL**"), and an appropriate ESG target will be used as the key Group performance measures and affordability is ensured through the application of a 10% Group profit before tax safeguard, including the costs of the long-term incentive plan as determined by IFRS 2. The annual bonus of any employee is limited to 100% of annual salary or total fixed remuneration in respect of Executive Directors, in the relevant financial year.

- **Long-term incentives ("LTI")**

  1. **Boxer Long-Term Incentive Plan ("Boxer LTIP")**

     The Boxer LTIP is structured as a zero-strike forfeitable share plan in terms of which participants are beneficial owners of shares from the award date, but the shares are held in escrow and are subject to forfeiture restrictions until the vesting date. Awards comprise (i) once-off Admission Awards (as defined in "*Annexe 12 – Company Share Plan*"), (ii) annual performance share awards and (iii) ad hoc sign-on and retention awards provided for under the Boxer LTIP rules in the form of restricted shares.

     The Admission Awards and annual awards are granted in the form of performance shares which are always subject to performance conditions and continued employment. Sign-on and retention awards may be granted in exceptional circumstances in the form of restricted shares which are subject to continued employment over the employment period. Initially, only the once-off Admission Award and annual awards of performance shares are envisioned under the Boxer LTIP, but this may change over time with the introduction of restricted share awards below the Executive Director and Senior Management level based on the role, performance, potential, key skills and impact of the employee, and/or in the form of sign-on and/or retention awards.

     The Boxer LTIP rules have been drafted to align to best practice provisions with regard to termination of employment, change of control, and malus and clawback.

     Dividends on performance shares are held, net of dividend withholding tax, by the escrow agent, until the vesting date and are paid in proportion to the vesting of the underlying shares. Dividends on restricted shares are paid to participants, net of dividend withholding tax, during the vesting period as and when declared.

     The salient features of the Share Plan are detailed in "*Annexe 12 – Company Share Plan*."

  2. **Annual Awards**

     Annual awards of performance shares are expected to be made in June of each year following Admission. The first award intended to be made in June 2025 (the 2025 financial year as the base year) is expected to have an aggregate value in line with market benchmarks and the prevailing policy and future awards will likewise be determined on this basis.

     Annual awards are subject to the performance conditions and employment conditions over the vesting period detailed below. Annual awards are forfeitable shares and holders also have dividend rights.

     Eligibility

     The rules of the Boxer LTIP have been drafted to include all permanent and fixed-term salaried employees within the Group, initial participation is limited to Executive Directors and Senior Management and certain key individuals.

     Award levels

     Overall, award levels will be decided by the Remuneration Committee each time new awards are made, by taking into account the particular circumstances at that time, for example, Group affordability, retention considerations, and Group performance. Annual allocations will be benchmarked and set to market-related levels of remuneration whilst considering the overall affordability thereof to the Group.

     Performance conditions and vesting

     Annual awards of performance shares will be made subject to the following condition(s):

     - Return on Invested Capital ("**ROIC**") over the period greater than weighted average cost of capital ("**WACC**") of the Group on vesting date; and
     - Compound annual growth in Group Headline Earnings or Group Headline Earnings per Share ("**HEPS**") over a three year vesting period (at threshold, target and stretch).

     Headline Earnings or HEPS is deemed an appropriate measure to ensure Shareholder alignment:

     - zero percent (0%) of the award will vest below the threshold set for each;
     - forty percent (40%) of the award will vest at the threshold set for each;
     - seventy percent (70%) of the award will vest at the target set for each; and
     - one hundred percent (100%) of the award will vest at the stretch performance level set for each.

     Linear interpolation will apply between threshold and target, and between target and stretch performance levels.

Performance shares will be subject to cliff vesting at the end of three years from the award date. Vesting will take place at the later of:

- the satisfaction of the employment condition (three years from the award date);
- the date at which Remuneration Committee has been able to test the extent to which the performance conditions were met over the performance period; and
- any other applicable conditions have been satisfied.

3. Admission Awards

Once-off Admission Awards are made upon Admission as performance shares under the Boxer LTIP to key Executives, key members of Senior Management and key individuals to retain and motivate key talent that is instrumental in delivering the Group's business strategy.

Admission Awards are subject to the performance conditions and employment conditions over the period detailed below. Admission Awards are forfeitable shares and holders also have dividend rights.

The number of Admission Awards will be based on the Offer Price on the Admission Date.

The Admission Awards will be subjected to performance measurement based on growth in ATPAL. As a result of becoming a publicly listed entity, the Group is undergoing certain changes in its capital structure as outlined in "*Part XII – Management's Discussion and Analysis of Financial Condition and Results of Operations—Target capital structure and dividend policy,*" and will be incurring incremental administrative and operational costs. In light of these changes, the Remuneration Committee considers the use of ATPAL as opposed to HEPS (that will be used for performance measurement of future annual awards) to be more representative of the underlying performance over the vesting period of the Admission Award. Admission Awards have a three-year vesting period, 40% of the Admission Award will be measured over a two-year period (2025 and 2026 financial years) as a retention mechanism and to ensure a smooth Admission process and the remaining 60% measured over a three-year period (2025 to 2027 financial years) for longer term retention of key individuals to ensure long-term performance.

ATPAL growth will be measured in relation to the rate of South African Consumer Price Index inflation ("**CPI**") with vesting percentages linked to the achievement of ATPAL growth, equal to or exceeding specified CPI percentages per annum (threshold, target and stretch):

- zero percent (0%) of the award will vest below the threshold;
- forty percent (40%) of the award will vest at the threshold;
- seventy percent (70%) of the award will vest at the target; and
- one hundred percent (100%) of the award will vest at the stretch performance level.

Linear vesting will be applied between these levels for ATPAL growth between specified CPI levels. As a further condition for any vesting to occur the **ROIC** measured over the applicable period must be greater than the **WACC** of the Group on the vesting date.

The employment periods associated with each portion of the Admission Awards are:

- the period from the Admission Date to the second anniversary of the Admission Date, and
- the period from the Admission Date to the third anniversary of the Admission Date.

The estimated award value on the Admission Date of the Admission Awards, for the Executive Directors are as follows:

- CEO: award of 330% of total fixed remuneration; and
- CFO: award of 250% of total fixed remuneration.

Further Admission Awards are made to other key employees whose roles are considered critical to the growth and performance of the Group following Admission. The aggregate value of all Admission Awards, including the awards to the CEO and the CFO disclosed above, is ZAR205 million.

The values of these awards align with market practice and benchmarks, and ensure that the overall quantum of remuneration, when considering Admission Awards and annual remuneration levels, is competitive and compelling.

4. Cash Retention Payment

The Remuneration Committee, in order to ensure the retention of Executive Directors and Senior Management, can at its discretion authorise cash retention payments up to a maximum of 50% of total fixed remuneration per annum, for a specified retention period.

During FY2025 prior to Admission, the CEO received a cash retention payment of 50% of total fixed remuneration.

- **Policy on recruitment**

  The remuneration elements and terms of employment offered in connection with the recruitment of key new employees including Executive Directors will be in line with the Remuneration Policy in place from time to time.

  Sign-on awards may be awarded under the Boxer LTIP to the extent that new employees forfeit remuneration receivable from their previous employer. The nature, vesting period, and risk profile of the sign-on awards will be similar to those forfeited.

- **Executive Director and Senior Management notice periods and rights to remuneration as a result of loss of office**

  The notice periods for the Executive Directors and members of Senior Management are detailed in "*Annexe 11 – Particulars of the Directors and Senior Management of the Company*."

Remuneration which may be payable upon termination of employment and/or loss of office will be considered by the Remuneration Committee in the light of relevant circumstances but would ordinarily be limited to:

- payment of remuneration *in lieu* of notice, calculated with reference to fixed remuneration;
- accrued annual leave pay, calculated with reference to fixed remuneration;
- severance pay (if applicable), calculated with reference to fixed remuneration;
- if the termination amounts to a no-fault termination for purposes of the STI policy and/or Boxer LTIP rules in place from time to time, payment/settlement of unaccrued/unvested STI and/or Boxer LTIP awards in accordance with the rules of the STI policy and/or Boxer LTIP rules in place from time to time; and/or
- any other contractual and/or statutory payments. For the avoidance of doubt, the service agreements to do not make provision for any enhanced payments to the Executive Directors and/or members of Senior Management upon termination of employment and/or a change of control.

- **Minimum shareholding requirement**

  Best practice minimum shareholding requirement ("**MSR**") provisions have been adopted by the Group in a stand-alone policy. The MSR applies to the Executive Directors (CEO and CFO) and members of Senior Management of the Group with the following MSR target percentages:

  - CEO: 200% of total fixed remuneration; and
  - CFO and other members of Senior Management: 100% of total fixed remuneration.

  The target minimum shareholding must be met over a 5-year period following the policy's approval unless exceptional circumstances arise. The Executive Directors and members of Senior Management can commit unvested shares under the Boxer LTIP towards achieving the MSR target. This commitment is made on a pre-tax basis using unvested Boxer LTIP shares through the completion of a "notice of intention to commit." Personal investment shares can also be allocated towards achieving the MSR target. The Executive Directors and members of Senior Management also earn dividends on shares committed in satisfaction of the target MSR percentage prior to the measurement date. The Remuneration Committee has the discretion to amend or change the requirements under the MSR where exceptional commercial or other circumstances arise.

- **Malus and clawback**

  Best practice malus and clawback provisions have been adopted by the Group in a stand-alone policy referenced in the short and long-term incentive plans and service agreements ("**MC Policy**"). The MC Policy permits pre-vesting/accrual reduction or forfeiture of long-term incentive awards (malus) and/or short-term incentive awards and post-vesting recoupment of the cash value of long-term incentive awards and/or short-term incentive awards that have been settled/paid to a participant (clawback) where a trigger event has occurred. A clawback period of three years applies to awards settled/paid to Executives Directors and members of Senior Management and may apply to other employees at the discretion of the Remuneration Committee.

  Market standard trigger events have been inserted and include material restatement of financials, erroneous calculation of award, material downturn in performance, material failure or error in risk or financial management or misrepresenting financial performance, reputational damage, misconduct or poor work performance.

Remuneration of Directors

Set out below is a breakdown of the fees and remuneration paid or accrued as payable by the Boxer Superstores Group to the Directors during the 52 weeks ended 25 February 2024:

(ZAR thousands)	Base salary	Retirement and Medical Contri-butions	Fringe and other benefits	Total fixed Remu-neration	Short-term incentives[1]	Total	Long-term incentives[2]
Executive Directors							
Marek Masojada[3]	4,560	886	313	5,759	6,992	12,751	3,751
David Wayne[3]	2,157	448	240	2,845	3,162	6,007	1,517
Total	6,717	1,334	553	8,604	10,154	18,758	5,268

Notes:

(1) Amounts paid under the Boxer Short-term Incentive Policy which includes the achievement of super stretch targets based on exceptional Group performance in line with PIK Group remuneration policies.
(2) Net IFRS 2 charges for the PIK Group incentive schemes, to be replaced by the Boxer LTIP.
(3) Appointed as an Executive Director on 15 October 2024, the figures in the table comprise full year remuneration as Senior Management.

As part of the Company's transition to a publicly listed company, the roles and responsibilities of the CEO and CFO will evolve to reflect the increased regulatory, governance, and stakeholder engagement obligations inherent in the listed environment. In light of these enhanced responsibilities, a comprehensive review of their total remuneration packages has been undertaken to ensure they are aligned with industry standards and the heightened requirements of their positions. On Admission, the total annual remuneration packages for the CEO and CFO will be set as follows:

- CEO:
  - Annual total fixed remuneration of ZAR8,500,000;
  - STI award as a percentage of total fixed remuneration, being 50% for on-target performance and up to a maximum 100% for outperformance; and
  - Boxer LTIP annual award of 120% of total fixed remuneration subject to vesting criteria.
- CFO:
  - Annual total fixed remuneration of ZAR4,500,000;
  - STI award as a percentage of total fixed remuneration, being 50% for on-target performance and up to a maximum 100% for outperformance; and
  - Boxer LTIP annual award of 80% of total fixed remuneration subject to vesting criteria.

Prior to Admission, remuneration policy parameters were set with reference to base salary. In line with practice for listed companies, total fixed remuneration is now used for this purpose for executive directors.

Set out below is a breakdown of the approved annual fees payable by the Company to the non-executive directors for their services as Directors, including their roles on Board Committees, for the 53 weeks ending 2 March 2025, which amounts will be pro-rated in accordance with the number of months actually served by the Directors:

(ZAR thousands)	**Total**
Board Roles	
Chairperson (all-inclusive annual fee)	1,800.0
Lead Independent Director (all-inclusive annual fee)	900.0
Non-executive Director	460.0
Audit, Risk and Compliance Committee	
Chair	400.0
Member	210.0
Remuneration Committee	
Chair	234.0
Member	110.0
Social, Ethics and Compliance Committee	
Chair	200.0
Member	110.0
Nominations and Corporate Governance Committee	
Chair	210.0
Member	100.0

Accordingly, the below table sets out the fees that will be payable by the Group to each Non-executive Director for their services as Directors, including their roles on Board Committees, for the 53 weeks ending 2 March 2025, as pro-rated for the number of months actually served by each Director:

(ZAR thousands)	**Fees**
Non-executive Director	
James Formby	750.0
Sean Summers[(1)]	237.5
Jesmane Boggenpoel	404.2
Cindy (Hess) Robertson	445.8
Leon Lourens	418.3
Charlotte Mary Chichi Machichana Maponya	375.0
Dineo Molefe	237.5
Total	**2,868.3**

Notes:

(1) Fees paid to be ceded to employer company, Pick n Pay Retailers.

There are no fees paid or accrued as payable to a third party *in lieu* of Directors' fees.

During the 52 weeks ended 25 February 2024, save as disclosed under "Remuneration of Directors" above and "Interests of Directors" and "Share Schemes" below, and save for remuneration received by Directors in their capacities as directors of the PIK Group and disclosed by PIK, none of the Directors has received any remuneration or benefits from (i) any holding company of the Company, (ii) any subsidiary or fellow subsidiary of the Company, (iii) any associate of the Company or of any entity included in (i) or (ii), (iv) a joint venture of the Company or of an entity included in (i) to (iii) above, or (v) entities that provide management or advisory services to the Company or any of the entities included in (i) to (iv) above. No loans have been made or security furnished by the Company or by any of its subsidiaries to or for the benefit of any Director or Senior Manager or any associate of any Director or Senior Manager of the Company.

Within three years of the date of this Pre-listing Statement, no payments were made to, or have been agreed to be paid to, any Director of the Company or any company in which he/she is beneficially interested, directly or indirectly, or of which he/she is a director ("**Associate Company**") or to any partnership, syndicate or other association of which he/she is a member ("**Associate Entity**") either to induce him/her to become, or to qualify him/her as a Director of the Company or otherwise for the services rendered by him/her or by the Associate Company or the Associate Entity in connection with the promotion or formation of the Company.

Directors' Interests

As at the Last Practicable Date, the Directors, including Directors who have resigned in the preceding 18 months (and their associates), hold no direct and indirect beneficial interests in the Ordinary Shares.

Directors' Interests in Transactions

Except for the disclosed service agreements, the disclosed interests set out under the section titled "*Part XIX – Additional Information*" in this Pre-listing Statement, the Directors (including the Directors that have resigned during the last 18 months) have no material beneficial interests in transactions that were effected by the Group during the current or immediately preceding financial year or during an earlier financial year where the benefits in respect of the contract effected in the earlier financial year remain in any respect outstanding or unperformed. Other than as envisaged in the Boxer LTIP, none of the Directors has been granted any share options or awards or any other right which would have had the same or a similar effect in respect of providing a right to such Director to subscribe for Ordinary Shares.

None of the Directors have any potential conflict of interest between their duties to the Group and their private interests.

CORPORATE GOVERNANCE

Regulatory Landscape

The Company and its Directors are subject to the corporate governance requirements and practices prescribed under the Companies Act, the JSE Listings Requirements and, to the extent applicable, the King Code, as described in "*Part VI – Regulatory Considerations*." The Directors confirm that Boxer (i) complies with the provisions of the Companies Act and paragraph 3.84 of the JSE Listings Requirement, and (ii) operates in conformity with the Company MOI and the King Code.

Commitment

The Company is committed to principles of sound governance and application of appropriate business ethics and standards in the conduct of its business and affairs. The Board is committed to the principles of diligence, honesty, integrity, transparency, accountability, responsibility and fairness. The Directors accept full responsibility for the application of these principles to ensure that the principles of good corporate governance are effectively practised throughout the Group. Furthermore, the Board understands and accepts its responsibility to safeguard and represent the interests of the stakeholders of the Company in perpetuating a successful and sustainable business that ensures the achievement of the Group's strategic objectives.

Approach

The Board is responsible for ensuring that the Group complies with all of its statutory obligations as specified in the Company MOI, the Companies Act, the JSE Listings Requirements and all other regulatory requirements. The Directors endorse the King Code and recognise the need to conduct the affairs of the Group with integrity and in accordance with generally accepted corporate practices. In discharging this responsibility, the intention is to apply the principles of the King Code in both letter and spirit. The Directors recognise that they are ultimately responsible for the financial performance of the Company. The Directors have, to the best of their knowledge, following the conversion of the Company from a private company to a public company in connection with the Admission, begun and will continue to pro-actively take steps to ensure compliance with the Company MOI, the Companies Act, the JSE Listings Requirements and the application of the principles of the King Code. A full analysis of the steps taken by the Group to apply the principles in the King Code is set out in "*Annexe 17 – King-Code Register*" ("**King Code Register**") to this Pre-listing Statement.

Board Appointments and Board Diversity Policy

The Board is responsible for its composition (through its Nominations and Corporate Governance Committee, although all nominations to the Board are subject to approval by Shareholders) and sets the direction and approves the processes for it to attain the appropriate balance of knowledge, skills, experience, diversity and independence to objectively and effectively discharge its governance role and responsibilities. In addition, the Board regularly reviews its size, structure, composition and effectiveness and that of its Board Committees, in the context of the Group's strategy. A comprehensive review of the depth of skills and expertise on the Board is undertaken to ensure these attributes remain appropriate to lead the Company operating in a competitive market.

In compliance with the JSE Listings Requirements, the Group has a diversity policy which addresses diversity at board level (the "**Board Diversity Policy**"). The Board is confident that collectively, it has the right balance of skills, experience, and diversity of perspective required to fulfil its fiduciary responsibilities, provide the necessary oversight over implementation of the Group's strategic initiatives, and ensure that good governance practices are maintained. The size of the Board is appropriate and provides for suitable representation on the Board's committees.

As set out in the Board Diversity Policy, the Board aims to achieve diversity in respect of the Group's transformation initiatives and has accordingly set targets to ensure that the Board is suitably transformed from a race and gender perspective. This has been a key consideration in relation to the appointment of Directors and will continue to be a key consideration going forward post-Admission. As at the Last Practicable Date, 44% of the Board is constituted by Black People and 44% of the Board is constituted by females. This demonstrates the Board's ongoing commitment to transformation in line with its Board Diversity Policy.

The Group recognises and embraces the benefits of having a diverse board and sees diversity at Board level as an essential element in maintaining a competitive advantage. A diverse Board will include and make good use of differences in the skills, geographical and industry experience, background, race, gender, and other distinctions between the Directors.

These differences will be considered in determining the optimum composition of the Board and, when possible, will be balanced appropriately. All Board appointments are made on merit, in the context of skills, experience, diversity, independence and knowledge, that the Board as a whole requires to be effective.

Chairperson, Lead Independent Director, CEO, and CFO

The Chairperson is responsible for providing leadership to the Board and overseeing its efficient operation and has been tasked with ensuring effective corporate governance practices.

The Lead Independent Director acts as lead Director in all matters where there may be an actual or perceived conflict and it would be inappropriate for the Chairperson to deal with the matter concerned.

The CEO is responsible for leading the implementation and execution of the approved strategy, policy, and operational planning of Boxer, as well as ensuring that the day-to-day affairs of Boxer are appropriately supervised and controlled.

The CFO is accountable to the Board, with oversight from the Audit, Risk and Compliance Committee, and is primarily responsible for the finance function of the Company and the Board, including in relation to the Company's internal financial control with the purposes of ensuring that the Group's internal financial control processes effectively provide reasonable assurance regarding the reliability of the Group's financial reporting and the preparation of financial statements of the Group for external purposes in accordance with IFRS.

Board

The Group has a unitary Board structure and consists of two Executive Directors and seven Non-Executive Directors, the majority of which are categorised as independent. In accordance with the Board's charter, the Board composition reflects a majority of Non-Executive Directors and no Director has unfettered powers of decision-making.

The independence of each independent Director has been evaluated and the Board determined that, they have demonstrated they were independent in character and judgement and there were no relationships or circumstances that were likely to affect or could appear to affect their independence.

The Executive Directors are responsible for the Group's day-to-day management, which includes formulating its strategies and policies and setting and achieving its objectives. The Non-Executive Directors supervise and advise the Executive Directors. Each Director has a duty to the Company to, among other things, properly perform their assigned responsibilities and to act in the Company's best interest.

The Board is the focal point and custodian of corporate governance in the Group and exercises its leadership role by steering the Company and setting its strategic direction; approving policy and planning that give effect to the direction provided; overseeing and monitoring of implementation and execution by Senior Management; and ensuring accountability for the Group's performance by means of, among others, reporting and disclosure.

The Board's role, responsibilities, membership requirements and procedural conduct are documented in the Board's charter, which is regularly reviewed by the Board and guides its effective functioning.

When determining the requisite number of Directors, the following factors are considered for recommendation to the Board:

- the appropriate mix of knowledge, skills and experience, including the business, commercial and industry experience, needed to govern the Group;
- the appropriate mix of executive, non-executive and independent non-executive Directors;
- the need for a sufficient number of members that qualify to serve on the Board Committees;
- the need to secure a quorum at meetings;
- regulatory requirements; and
- diversity targets relating to the composition of the Board, including in terms of the Board Diversity Policy.

Board Committees

The Board has constituted four Board Committees from among the Directors to assist it to discharge its duties. These Board Committees are: the Audit, Risk and Compliance Committee, the Social, Ethics and Transformation Committee, the Remuneration Committee and the Nominations and Corporate Governance Committee. Each Board Committee acts within agreed, written terms of reference that are adopted by the Board and are regularly reviewed for compliance with the most recent legal and regulatory requirements. The chairperson of each Board Committee reports at each scheduled meeting of the Board in respect of matters within the mandate of each relevant Board Committee. In accordance with the King Code, the chairpersons of the Nominations and Corporate Governance Committee, the Audit, Risk and Compliance Committee, the Remuneration Committee and the Social, Ethics and Transformation Committee are Non-Executive Directors.

Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee supports the Board and CFO in assessing the integrity of the Group's financial reporting and by providing constructive engagement and oversight of the Group's activities and of its combined assurance function, including that of internal and external audit. In particular, the role of the Audit, Risk and Compliance Committee, in addition to discharging its statutory duties pursuant to section 94 of the Companies Act, is to (i) make recommendations to the Board regarding the safeguarding of assets, the operation of adequate systems, internal control and reporting processes, and the preparation of accurate reporting and financial statements, and (ii) provide independent oversight of the effectiveness of the internal financial controls and the system of internal controls to assist the Board in ensuring and monitoring the integrity of the Group's annual financial statements and, to the extent delegated by the Board, the management of financial and other risks that affect the integrity of other external reports issued by the Group. The Audit, Risk and Compliance Committee further oversees the effectiveness of the Group's external and internal assurance functions and services that contribute to ensuring the integrity of the Group's financial and integrated reporting. In addition, the Committee assesses the independence and effectiveness of the external auditor and manages the relationship with the external auditor. According to the terms of reference, the Audit, Risk and Compliance Committee will meet at least four times in a year.

The Audit, Risk and Compliance Committee, in furtherance of its obligations pursuant to paragraph 3.84(g) of the JSE Listings Requirements, shall also (i) consider, on an annual basis, and satisfy itself of the appropriateness of the expertise and experience of the financial director of the Company; (ii) ensure that the Company has established appropriate financial reporting procedures and that those procedures are operating, which should include consideration of all entities included in the consolidated Group IFRS financial statements, to ensure that it has access to all the financial information of the Company to allow the Company to effectively prepare and report on the financial statements of the Company; (iii) consider the following information provided by the audit firm and individual auditor, in the assessment of the suitability of appointment or reappointment of the auditor: (a) the latest inspection results (including related remedial action plan) of an inspection performed by its regulator. The Audit, Risk and Compliance Committee may accept reports with the identity of specific entities redacted provided that such redaction does not limit the understanding of their content; (b) any new inspection result of an inspection performed by its regulator, between the date of appointment of the auditor and the date of signature of the audit report on the annual financial statements; (c) a summary of the ongoing communication related to monitoring and remediation referred to in paragraph 46 of International Standard on Quality Management 1 (ISQM 1); and (d) a summary of any legal or disciplinary proceedings completed or pending, as determined by the audit firm's head of risk (or a similar senior person within the firm tasked with the responsibility of risk management) within the past five years. Legal or disciplinary proceedings include those instituted through any legislation or by any regulatory/professional body; and (iv) ensure that the appointment of the auditor is presented and included as a resolution at the annual general meeting of the Company pursuant to Section 61(8) of the Companies Act.

The Audit, Risk and Compliance Committee also attends to the independent review, on behalf of the Board, of recommendations on risk management, particularly in relation to the structure and implementation of the risk strategy, system of governance, risk management framework, the quality and effectiveness of the related internal controls and reporting processes, risk appetite limits and exposures, and the overall risk profile of the Group's business. The purpose of the Audit, Risk and Compliance Committee in this regard is to assist the Board with fulfilling its oversight responsibilities in relation to identifying, considering and monitoring risks impacting the Group, and the Group's sustainability policies and practices, and the responsibilities in this regard include guiding and advising the Board in setting risk tolerance and risk appetite levels and addressing the Group's exposure to strategic, reputational, financial, operational, regulatory, and legal and information technology risks. The Audit, Risk and Compliance Committee further evaluates the outcomes and consequences of the Group's ability to execute risk management activities and the execution of the other operations, controls and business functions upon which the Group depends on to remain viable and sustainable.

Members:

- Cindy (Hess) Robertson (Committee Chair)
- Jesmane Boggenpoel
- Leon Lourens

Remuneration Committee

The role of the Remuneration Committee is to independently review and monitor the integrity of the Group's remuneration policies and the implementation thereof to ensure the employee value proposition promotes fair, responsible, transparent remuneration and reasonable employment practices within the Group, whilst adopting a stakeholder-inclusive approach. The Remuneration Committee is also responsible for overseeing the review of current industry and general best practice in remuneration to establish and implement an appropriate remuneration framework and ensure the adoption of remuneration policies to attract and retain top talent with the capacity to drive the Group's long-term strategy and sustainable performance; and ensure that the Group's talent management strategies and practices are appropriate to drive the Group's long-term strategy and sustainable performance. According to the terms of reference, the Remuneration Committee will meet at least three times in a year.

In addition, the Remuneration Committee must annually (i) evaluate and monitor the Group's remuneration philosophy and practices to ensure consistency with the governance principles and corporate strategy of the Group, (ii) review, oversee and make recommendations to the Board regarding the preparation of the remuneration report, and more specifically the part of the remuneration report comprising the implementation report, which is to be included in the Group's integrated annual report, (iii) review the potential risk to the Group in respect of its remuneration and benefit programmes and policies, including any incentive plans, and whether such programmes and policies are aligned to the Group's agreed risk appetite, and further report on these matters to the Risk Committee.

See "*Part X – Directors, Senior Management and Corporate Governance – Remuneration Policy of the Company – Approval of Remuneration Policy*" above, in relation to the impact the Amendment Act, the implementation date of which is yet to be promulgated, will have on the duties of the Remuneration Committee as it relates to the presentation and approval of the Company's remuneration report.

Members:

- Leon Lourens (Committee Chair)
- Cindy (Hess) Robertson
- Sean Summers

Social, Ethics and Transformation Committee

The primary objective of the Social, Ethics and Transformation Committee is to assist the Board in ensuring the Company meets its statutory and regulatory obligations in terms of the Companies Act and Companies Regulations in respect of the prescribed mandate of a social and ethics committee. The Social, Ethics and Transformation Committee is responsible for overseeing and reporting on organisational ethics, responsible corporate citizenship, sustainable development and stakeholder relationships for the Group, considering specific disclosures and best practice as recommended by the King Code. According to the terms of reference, the Social, Ethics and Transformation Committee will meet at least three times in a year.

In addition to discharging its statutory role and responsibilities in terms of the Companies Act and Companies Regulations, the Social, Ethics and Transformation Committee (i) monitors the Group's policies and activities with regard to the promotion of equality and prevention of unfair discrimination, (ii) provides oversight and guidance in respect of the development of the Company's responsible business practices and policies by ensuring that appropriate governance systems, performance metrics, internal and external assurance and reporting is in place, to ensure effective delivery and accountability, and (iii) reviews the development of the framework policies and guidelines for the management of sustainable development issues including safety, health and environment.

Subject to the Amendment Act coming into effect, the date of which is yet to be promulgated, the Shareholders of the Company will be required to elect or re-elect the members of the Social, Ethics and Transformation Committee each year at the Company's annual general meeting. The appointment of the current members of the Social, Ethics and Transformation Committee was approved by way of shareholder resolution.

The Social, Ethics and Transformation Committee confirms that it has fulfilled its mandate as prescribed by the Companies Act and that there are no instances of material non-compliance to disclose.

Members:

- Jesmane Boggenpoel (Committee Chair)
- Charlotte Mary Chichi Machichana Maponya
- Dineo Molefe

Nominations and Corporate Governance Committee

The Nominations and Corporate Governance Committee is responsible for identifying individuals qualified to be elected as members of the Board and Board committees, recommending such individuals to the Board for appointment in terms of the Company MOI and the Board Diversity Policy, as well as to establish procedures to ensure that the selection of individuals for such recommendation is transparent. Furthermore, the Nominations and Corporate Governance Committee function will establish formal and transparent procedures for the appointment of Directors of the Company. According to the terms of reference, the Nominations and Corporate Governance Committee will meet at least three times in a year.

Committee members have unrestricted access to information about the Group falling within the committee's mandate and management of the Group and, where appropriate, may seek the advice of independent professionals on matters within the Nominations and Corporate Governance Committee's mandate, at the expense of the Company.

Members:

- Charlotte Mary Chichi Machichana Maponya (Committee Chair)
- Jesmane Boggenpoel
- Cindy (Hess) Robertson
- Leon Lourens

Conflicts of interest

In dealing with conflicts of interest, legislation will apply in the first instance. The Directors comply with the Group's Conflicts of Interest Policy. Directors are obliged to disclose in a timely manner all direct or indirect conflicting and personal financial interests that are held by them and their related and inter-related persons as contemplated in section 2 and section 75 of the Companies Act. Full disclosures should be made in writing and be submitted to the company secretary who will submit it to the Board at the first subsequent Board meeting thereafter. Enduring material conflicts of interest are regarded by the Board as incompatible with the fiduciary duties of Directors.

Any possible conflict of interest shall at all times be declared (in the manner prescribed by law, if applicable, and in the Company MOI as soon as a Director becomes aware of the conflict (and in any event prior to the consideration of the matter to which the conflict relates, at any Board meeting)) and the Director concerned shall not participate in a discussion or vote on the subject matter and will leave the meeting immediately after making the requisite disclosure. In particular, declarations of conflicts involving Board members are submitted to the Social, Ethics and Transformation Committee for consideration.

Company Secretary

Vaughan Pierce is a suitably qualified, competent, and experienced company secretary and is appropriately empowered to fulfil his duties regarding assistance to the Board. The Board is responsible for recommending a suitable candidate for appointment as the Company Secretary and reviews the competence, qualifications and experience of the Company Secretary annually and reports on whether or not it is satisfied therewith. The Board has determined that it is satisfied with the Company Secretary's competence, qualifications, experience, independence and suitability.

The Company Secretary is required to provide the Directors, collectively and individually, with guidance as to their duties, responsibilities and powers. The Company Secretary is also required to ensure that the Directors are aware of all laws and legislation relevant to, or affecting, the Company and to report to the Board any failure on the part of the Company or a Director to comply with the Company MOI, the Group governance framework or other applicable legislation and regulatory requirements. The Company Secretary acts as an adviser to the Board and plays a pivotal role in ensuring compliance with statutory regulations and the Group governance framework, the induction of new Directors, tabling information on relevant regulatory and legislative changes, and giving guidance to the Directors regarding their duties and responsibilities.

The Company Secretary is not a Director of the Company. The Company Secretary, after consideration by the Board, has an arm's length relationship with the Board (and this has been the case prior to the Admission). The Board also has the power remove the Company Secretary from office, in accordance with the recommended practice of the King Code. The Company Secretary assists the Remuneration Committee with the appointment, induction and training of Directors, provides guidance as to the Board's duties and good governance and ensures that Board and Board Committee charters are kept up to date. The Company Secretary prepares and circulates Board papers and assists with obtaining responses, input and feedback for Board and Board Committee meetings. Assistance is also provided with regard to the preparation and finalisation of Board and Board committee agendas based on annual work plan requirements. The Company Secretary assists with the annual evaluations of the Board, Board Committees and individual Directors.

The Company Secretary must certify, in the Group's annual financial statements, whether the Group has filed required returns and notices in terms of the Companies Act, and whether all such returns and notices appear to be true, correct and up to date, and ensure that a copy of the Group's annual financial statements is sent, in accordance with the Companies Act, to every person who is entitled to it.

The Company Secretary is also required to ensure that there are minutes of all Shareholders' meetings, and that Directors' meetings and any committee meetings of the Directors are properly recorded in accordance with the Companies Act.

Shareholder Communication

In all communications with Shareholders, the Board aims to present a balanced and understandable assessment of the Group's position. This is done through adhering to principles of openness and substance over form and striving to address material matters of significant interest and concern to all Shareholders. The Company will prepare, and distribute to Shareholders, an annual integrated report, as a primary form of communication with Shareholders, in accordance with applicable law.

For so long as the Company remains a subsidiary of Pick n Pay Retailers, it may, from time to time, need to disclose certain information to PIK, as its controlling shareholder, which will be done in accordance with applicable law.

The Board will encourage Shareholders' attendance at general meetings and annual general meetings and, where appropriate, will provide full and understandable explanations of the effects of resolutions to be proposed at such meetings.

Subject to the applicable law, communication with institutional Shareholders and investment analysts will be maintained through periodic presentations of financial results, one-on-one visits, trading statements and press announcements of interim and year end results, as well as the proactive dissemination of any information considered relevant to Shareholders.

The Board will use its best endeavours to familiarise itself with issues of concern to its relevant stakeholders and should strive to achieve the appropriate balance between the legitimate interests and expectations of the various relevant stakeholder groupings, in its decision-making in the best interests of the Company.

PART XI – SELECTED CONSOLIDATED FINANCIAL AND OTHER INFORMATION

PRESENTATION OF FINANCIAL AND OTHER INFORMATION

Historical Financial Information

The historical financial information set out in the body of this Pre-listing Statement relates to the Consolidated Historical Financial Information of the Boxer Superstores Group. The Boxer Superstores Group presents its historical financial information in South African Rand.

The Consolidated Annual Historical Financial Information has been prepared in accordance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by FRSC, as applicable, and the JSE Listings Requirements.

The Condensed Consolidated Interim Historical Financial Information has been prepared in accordance with IFRS, IAS 34 "*Interim Financial Reporting*," the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by FRSC, as applicable, and the JSE Listings Requirements.

The Consolidated Historical Financial Information should be read in conjunction with the accompanying notes thereto, including material accounting policy information. The Consolidated Historical Financial Information is prepared for the purposes of the Admission and Offer. The Consolidated Historical Financial Information is the responsibility of the Directors.

The Consolidated Annual Historical Financial Information and Condensed Consolidated Interim Historical Financial Information have been audited and reviewed, respectively, by Ernst & Young, whose unqualified audit and review reports in respect thereof are included in "*Annexe 2 – Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" and "*Annexe 4 – Independent Auditor's Review Report on the Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*" respectively.

***Pro Forma* Financial Information of the Group**

The *pro forma* financial statements of the Group for the 26 weeks ended 25 August 2024 presented in this Pre-listing Statement have been prepared to show the impact of the Transactions as if such *pro forma* Transactions had occurred at incorporation, assumed to be 26 February 2024 for the purposes of the *pro forma* consolidated statement of comprehensive income and for the purposes of the *pro forma* consolidated statement of financial position, had the Transactions occurred on 25 August 2024 (the "***Pro Forma* Financial Information**"). The *Pro Forma* Financial Information is the responsibility of the Directors and has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flows following the Transactions.

The *Pro Forma* Financial Information is the responsibility of the Directors and has been prepared in a manner which is consistent with the accounting policies adopted by the Group in the preparation of the At Incorporation Historical Financial Information and the Consolidated Historical Financial Information as set out in "*Annexe 5 – At Incorporation Historical Financial Information Of Boxer Retail Limited*" and "*Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022.*"

The compilation of the *Pro Forma* Financial Information has been reviewed by Ernst & Young, whose report in respect thereof is included in "*Annexe 10 – Independent Auditor's Assurance Report on the Compilation of Pro Forma Financial Information*."

Non-IFRS Financial Measures

This Pre-listing Statement contains Non-IFRS Financial Measures. The Non-IFRS Financial Measures used in this Pre-listing Statement include (i) Like-for-like turnover growth, (ii) Adjusted EBITDA (pre-IFRS 16), (iii) Adjusted EBITDA (pre-IFRS 16) Margin, (iv) Adjusted EBITDA, (v) Adjusted EBITDA Margin, (vi) Underlying adjusted cash flow, (vii) Underlying adjusted cash flow conversion, (viii) Adjusted free cash flow (pre-IFRS 16), (ix) Adjusted free cash flow conversion (pre-IFRS 16), (x) Adjusted free cash flow, (xi) Adjusted free cash flow conversion, (xii) Average invested capital, (xiii) Average invested capital (pre-IFRS 16), (xiv) Return on invested capital, (xv) Return on invested capital (pre-IFRS 16), (xvi) Leverage and (xvii) Leverage (pre-IFRS 16), and are defined as follows:

"**Adjusted EBITDA (pre-IFRS 16)**"	Trading profit as reported, plus depreciation on property, plant and equipment and right-of-use assets, amortisation on intangible assets, less cash lease principal and cash lease interest payments, plus lease incentives received;
"**Adjusted EBITDA (pre-IFRS 16) Margin**"	Adjusted EBITDA (pre-IFRS 16) divided by turnover;
"**Adjusted EBITDA**"	Trading profit as reported, plus depreciation on property, plant and equipment and right-of-use assets and amortisation on intangible assets;
"**Adjusted EBITDA Margin**"	Adjusted EBITDA divided by turnover;
"**Adjusted free cash flow (pre-IFRS 16)**"	Adjusted EBITDA (pre-IFRS 16) less capital expenditure;
"**Adjusted free cash flow conversion (pre-IFRS 16)**"	Adjusted free cash flow (pre-IFRS 16) divided by Adjusted EBITDA (pre-IFRS 16);
"**Adjusted free cash flow**"	Adjusted EBITDA less capital expenditure;
"**Adjusted free cash flow conversion**"	Adjusted free cash flow divided by Adjusted EBITDA;
"**Average invested capital**"	Invested capital plus Invested capital for the preceding financial year, divided by two;
"**Average invested capital (pre-IFRS 16)**"	Invested capital (pre-IFRS 16) plus Invested capital (pre-IFRS 16) for the preceding financial year, divided by two;
"Invested capital"	Book value of equity plus the book value of total borrowings (being amounts owing to related parties less amounts owing by related parties) less cash and cash equivalents, plus the book value of leases;
"**Invested capital (pre-IFRS 16)**"	Book value of equity plus the book value of total borrowings (being amounts owing to related parties less amounts owing by related parties) less cash and cash equivalents;
"**Leverage**"	Total borrowings (being amounts owing to related parties less amounts owing by related parties) plus lease liabilities less cash and cash equivalents, divided by Adjusted EBITDA;
"**Leverage (pre-IFRS 16)**"	Total borrowings (being amounts owing to related parties less amounts owing by related parties) less cash and cash equivalents, divided by Adjusted EBITDA (pre-IFRS 16);
"**Like-for-like turnover growth**"	Like-for-like ("**LfL**") turnover growth comparisons relate to stores that have been open for at least 12 months, removing the impact of store openings, closures and conversions during the current and previous reporting period. LfL turnover on new or closed adjacent liquor stores inherits the LfL indicator of the Boxer Superstore that it is attached to, as this is the manner in which the Group manages its store base. This is not the case for new or closed stand-alone Boxer Liquors stores;
"**Return on invested capital**"	After-tax trading profit, divided by Average invested capital;
"**Return on invested capital (pre-IFRS 16)**"	Trading profit less cash lease interest payments, after tax, divided by Average invested capital (pre-IFRS 16);
"**Underlying adjusted cash flow**"	Adjusted EBITDA less maintenance capital expenditure less cash lease principal and cash lease interest payments; and
"**Underlying adjusted cash flow conversion**"	Underlying adjusted cash flow divided by Adjusted EBITDA (pre-IFRS 16).

For more information regarding the calculation of these Non-IFRS Financial Measures, see further below in this section.

The Boxer Superstores Group provides Non-IFRS Financial Measures and other information because the Boxer Superstores Group believes that they provide investors with additional information to measure the operating performance and liquidity of the Boxer Superstores Group. The Boxer Superstores Group's use of Non-IFRS Financial Measures may vary significantly from the use by other companies in its industry. The measures used should not be considered as an alternative to profit/(loss), revenue or any other performance measure derived in accordance with IFRS or to net cash provided by operating activities as a measure of liquidity. The Non-IFRS Financial Measures have limitations as analytical tools over and above the limitations of any IFRS performance measures and should not be considered in isolation or as substitutes for analysis of the Boxer Superstores Group's results as reported under IFRS. Such Non-IFRS Financial Measures may include or exclude amounts that are included or excluded, as applicable, in the calculation of the most directly comparable measures in accordance with IFRS. Their usefulness is, therefore, subject to limitations, which are described below. In particular, other companies in the industry may define Non-IFRS Financial Measures, used herein, differently, which may make it difficult to compare the performance of those entities to the Boxer Superstores Group's performance based on similarly named measures. In addition, the exclusion of certain items from Non-IFRS Financial Measures does not imply that these items are necessarily non-recurring. From time to time, the Boxer Superstores Group may exclude additional items if it believes doing so would result in a more comparable disclosure.

The Non-IFRS Financial Measures should be considered in conjunction with the Consolidated Historical Financial Information prepared in accordance with IFRS. Although certain of these measures have been extracted or derived from the Consolidated Historical Financial Information, this data has not been audited or reviewed by the Independent Auditor.

The Non-IFRS Financial Measures are the responsibility of the Directors of the Company and have been prepared for illustrative purposes only and, because of their nature, may not fairly present the Boxer Superstores Group's financial position, changes in equity, results of operations or cash flows.

Compliance with SEC requirements

The financial information included in this Pre-listing Statement is not intended to comply with the SEC requirements. Compliance with such requirements would require, among other things, compliance with the requirements of Regulation S-X of the U.S. Securities Act and the exclusion of certain non-GAAP financial measures.

Rounding

Some financial information in this Pre-listing Statement has been rounded and, as a result, the numerical figures shown as totals in this Pre-listing Statement may vary slightly from the exact arithmetic aggregation of the figures that precede them.

SELECTED FINANCIAL DATA

The following tables present selected historical financial information of the Boxer Superstores Group as at the dates and for the periods indicated. The selected historical financial information below has been extracted without adjustment from the Consolidated Historical Financial Information included in "*Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" and "*Annexe 3 – Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023.*"

Selected Consolidated Statement of Comprehensive Income

	26 weeks to		52 weeks to		
(ZAR millions)	**25 August 2024 (reviewed)**	**27 August 2023 (reviewed)**	**25 February 2024 (audited)**	**26 February 2023 (audited)**	**27 February 2022 (audited)**
Revenue	**20,002**	**17,848**	**37,779**	**32,368**	**27,234**
Turnover	**19,774**	**17,662**	**37,419**	**31,897**	**26,583**
Cost of merchandise sold	(15,766)	(14,005)	(29,498)	(25,164)	(21,421)
Gross profit	**4,008**	**3,657**	**7,921**	**6,733**	**5,162**
Other trading income	**163**	**143**	**269**	**417**	**605**
Commission and other income	163	143	269	247	204
Insurance recoveries	–	–	–	170	401
Trading expenses	**(3,362)**	**(3,077)**	**(6,089)**	**(5,366)**	**(4,384)**
Employee costs	(1,495)	(1,306)	(2,586)	(2,224)	(1,871)
Occupancy	(563)	(520)	(1,074)	(914)	(721)
Operations	(988)	(975)	(1,968)	(1,703)	(1,312)
Merchandising and administration	(316)	(276)	(461)	(525)	(480)
Trading profit	**809**	**723**	**2,101**	**1,784**	**1,383**
Finance income	65	43	91	54	46
Finance costs	(194)	(160)	(342)	(295)	(275)
Profit before tax before capital items	**680**	**606**	**1,850**	**1,543**	**1,154**
Loss on capital items	(1)	(4)	(27)	(12)	2
(Loss)/gain on sale of assets and insurance recoveries on scrapping of assets	(1)	(4)	(16)	(6)	131
Loss from impairments and scrapping of property, plant and equipment and intangible assets	–	–	(11)	(6)	(129)
Profit before tax	**679**	**602**	**1,823**	**1,531**	**1,156**
Tax	(188)	(161)	(438)	(427)	(302)
Profit for the period	**491**	**441**	**1,385**	**1,104**	**854**
Other comprehensive income, net of tax					
Items that will not be reclassified to profit or loss	2	(28)	(48)	(3)	(9)
Fair value gain/(loss) on investment in Pick n Pay Stores Limited	2	(28)	(48)	(3)	(9)
Items that may be reclassified to profit or loss	(1)	(2)	(1)	4	(3)
Movement in cash flow hedge	(1)	(2)	(1)	4	(3)
Total comprehensive income for the period	**492**	**411**	**1,336**	**1,105**	**842**

Selected Consolidated Statement of Financial Position

(ZAR millions)	As at 25 August 2024 (reviewed)	As at 27 August 2023 (reviewed)	As at 25 February 2024 (audited)	As at 26 February 2023 (audited)	As at 27 February 2022 (audited)
ASSETS					
Non-current assets					
Property, plant and equipment	3,479	3,106	3,468	2,969	2,242
Intangible assets	332	344	334	332	212
Right-of-use assets	3,355	3,032	3,312	3,033	2,822
Loans	114	120	120	54	31
Deferred tax assets	213	143	144	147	162
Investment in Pick n Pay Stores Limited	28	60	40	95	78
Total non-current assets	**7,521**	**6,805**	**7,418**	**6,630**	**5,547**
Current assets					
Inventory	3,344	2,915	3,231	2,815	2,226
Trade and other receivables	455	448	382	394	327
Cash and cash equivalents	219	417	349	345	561
Right-of-return asset	2	2	2	2	1
Amounts owing by related parties	225	1,330	1,335	599	697
Derivative financial instruments	–	–	–	2	–
Total current assets	**4,245**	**5,112**	**5,299**	**4,157**	**3,812**
Total assets	**11,766**	**11,917**	**12,717**	**10,787**	**9,359**
EQUITY AND LIABILITIES					
Equity					
Share capital	–	–	–	–	–
Share premium	9	9	9	9	9
Retained earnings	1,868	1,244	1,891	947	2,006
Fair value deficit	(43)	(39)	(59)	(20)	(18)
Other (deficits)/reserves	(1)	(1)	–	1	(3)
Total equity	**1,833**	**1,213**	**1,841**	**937**	**1,994**
Non-current liabilities					
Share based payment liability	–	6	8	16	21
Lease liabilities	3,820	3,438	3,700	3,393	3,158
Total non-current liabilities	**3,820**	**3,444**	**3,708**	**3,409**	**3,179**
Current liabilities					
Trade and other payables	4,935	4,907	4,612	3,828	3,249
Share based payment liability	12	14	11	18	9
Leased liabilities	573	537	608	545	479
Provisions	54	43	49	43	40
Deferred revenue	196	180	94	82	82
Current tax liability	337	239	290	262	162
Amounts owing to related parties	–	1,208	1,497	1,663	163
Provision for financial guarantee contracts	6	132	7	–	–
Derivative financial instruments	–	–	–	–	2
Total current liabilities	**6,113**	**7,260**	**7,168**	**6,441**	**4,186**
Total equity and liabilities	**11,766**	**11,917**	**12,717**	**10,787**	**9,359**

Selected Consolidated Statement of Cash Flows

(ZAR millions)	26 weeks to		52 weeks to		
	25 August 2024 (reviewed)	27 August 2023 (reviewed)	25 February 2024 (audited)	26 February 2023 (audited)	27 February 2022 (audited)
CASH FLOWS FROM OPERATING ACTIVITIES					
Trading profit	809	723	2,101	1,784	1,383
Adjusted for non-cash items	**595**	**549**	**1,004**	**1,016**	**852**
Depreciation of property, plant and equipment	287	250	518	442	340
Amortisation of intangible assets	8	7	16	14	15
Depreciation of right-of-use assets	309	304	620	555	488
Share-based payment expense/(reversal)	6	(5)	(7)	17	13
Profit on termination of leases	(14)	(4)	(8)	(12)	(3)
Rent concessions	–	–	–	–	(1)
Amortisation of financial guarantee contract	(1)	(3)	(18)	–	–
Derecognition of financial guarantee contract	–	–	(117)	–	–
Cash generated before movements in working capital	**1 404**	**1 272**	**3,105**	**2,800**	**2,235**
Movements in working capital	**244**	**1 022**	**396**	**(74)**	**(149)**
Movement in trade and other payables, provisions and deferred revenue	430	1,177	801	583	359
Movement in inventory and right-of-return assets	(113)	(101)	(417)	(590)	(477)
Movement in trade and other receivables	(73)	(54)	12	(67)	(31)
Cash generated from trading activities	**1,648**	**2,294**	**3,501**	**2,726**	**2,086**
Interest received	60	40	84	54	47
Other interest paid	(6)	(3)	(5)	(4)	–
Interest paid on lease liabilities	(188)	(156)	(336)	(314)	(291)
Cash generated from operations	**1,514**	**2,175**	**3,244**	**2,462**	**1,842**
Dividend paid	(500)	–	–	(662)	(568)
Tax paid	(211)	(181)	(407)	(312)	(145)
Cash generated from operating activities	**803**	**1,994**	**2,837**	**1,488**	**1,129**
CASH FLOWS FROM INVESTING ACTIVITIES					
Investment in intangible assets	(2)	(19)	(42)	(42)	(11)
Investment in property, plant and equipment	(300)	(394)	(1,044)	(1,152)	(812)
Investment in Pick n Pay Stores Limited shares	–	–	–	(30)	(28)
Proceeds on disposal of property, plant and equipment and intangible assets	10	3	32	4	6
Insurance proceeds on capital items	–	–	–	–	126
Purchase of operations	(8)	–	(7)	(125)	(21)
Loans advanced by the Boxer Superstores Group	(5)	(90)	(120)	(42)	(32)
Loans repaid to the Boxer Superstores Group	13	28	62	19	1
Lease incentives received	21	13	28	29	21
Cash utilised in investing activities	**(271)**	**(459)**	**(1,091)**	**(1,339)**	**(750)**
CASH FLOWS FROM FINANCING ACTIVITIES					
Settlement of share based payment liability	1	(1)	(1)	(3)	(1)
Repayment of related party loans advanced to the Group	(1,497)	(455)	(455)	–	–
Principal lease liability payments	(276)	(276)	(550)	(460)	(382)
Cash utilised in financing activities	**(1,772)**	**(732)**	**(1,006)**	**(463)**	**(383)**
Net (decrease)/increase in cash and cash equivalents	**(1,240)**	**803**	**740**	**(314)**	**(4)**
Net cash and cash equivalents at beginning of period	1,684	944	944	1,258	1,262
Cash and cash equivalents at end of period	**444**	**1,747**	**1,684**	**944**	**1,258**
Consisting of:					
Cash and cash equivalents	219	417	349	345	561
Amounts owing to related parties	225	1,330	1,335	599	697

Other Selected Financial Data

The table below contains certain Non-IFRS Financial Measures and *pro forma* financial information that are presented to provide investors with additional financial information that is regularly reviewed by management. The Non-IFRS Financial Measures should not be viewed in isolation or as an alternative to the equivalent IFRS measure. The Non-IFRS Financial Measures are not uniformly defined by all companies. Accordingly, such measures may not be comparable with similarly titled measures and disclosures by other companies.

	26 weeks to		52 weeks to		
(ZAR millions, except percentages)	25 August 2024	27 August 2023	25 February 2024	26 February 2023	27 February 2022
Like-for-like turnover growth[1]	7.7%	4.3%	8.1%	7.2%	7.9%
Adjusted EBITDA (pre-IFRS 16)[2]	970	865	2,397	2,050	1,574
Adjusted EBITDA (pre-IFRS 16) Margin[2]	4.9%	4.9%	6.4%	6.4%	5.9%
Adjusted EBITDA[2]	1,413	1,284	3,255	2,795	2,226
Adjusted EBITDA Margin[2]	7.1%	7.3%	8.7%	8.8%	8.4%
Underlying adjusted cash flow[3]	767	575	1,971	1,509	1,079
Underlying adjusted cash flow conversion[3]	79.1%	66.5%	82.2%	73.6%	68.6%
Adjusted free cash flow (pre-IFRS 16)[4]	655	452	1,304	731	730
Adjusted free cash flow conversion (pre-IFRS 16)[4]	67.5%	52.3%	54.4%	35.7%	46.4%
Adjusted free cash flow[5]	1,098	871	2,126	1,476	1,382
Adjusted free cash flow conversion[5]	77.7%	67.8%	66.4%	52.8%	62.1%
Average invested capital[6]	5,872	5,122	5,778	5,065	4,205
Average invested capital (pre-IFRS 16)[7]	1,522	1,165	1,655	1,278	760
Return on invested capital[8]	n/a	n/a	26.5%	25.4%	23.7%
Return on invested capital (pre-IFRS 16)[9]	n/a	n/a	77.8%	82.8%	103.4%
Leverage[10]	2.8x	2.7x	1.3x	1.7x	1.1x
Leverage (pre-IFRS 16)[11]	(0.5)x	(0.6)x	(0.1)x	0.4x	(0.7)x

(1) The following tables present a reconciliation from turnover to like-for-like turnover growth for the Boxer Superstores Group on a historical basis for each of the periods indicated.

	26 weeks to	
(ZAR millions, except percentages)	25 August 2024	27 August 2023
Turnover	19,774	17,662
Not like-for-like	(838)	(87)
Like-for-like	18,936	17,575
Like-for-like percentage growth	7.7%	

	26 weeks to	
(ZAR millions, except percentages)	27 August 2023	28 August 2022
Turnover	17,662	15,234
Not like-for-like	(1,825)	(47)
Like-for-like	15,837	15,187
Like-for-like percentage growth	4.3%	

	52 weeks to	
(ZAR millions, except percentages)	25 February 2024	26 February 2023
Turnover	37,419	31,897
Not like-for-like	(3,083)	(134)
Like-for-like	34,336	31,763
Like-for-like percentage growth	8.1%	

	52 weeks to	
(ZAR millions, except percentages)	26 February 2023	27 February 2022
Turnover	31,897	26,583
Not like-for-like	(3,780)	(344)
Like-for-like	28,117	26,239
Like-for-like percentage growth	7.2%	

(ZAR millions, except percentages)	52 weeks to 27 February 2022	52 weeks to 28 February 2021
Turnover	26,583	23,810
Not like-for-like	(2,530)	(1,517)
Like-for-like	24,053	22,293
Like-for-like percentage growth	7.9%	

(2) The table below provides a reconciliation of Adjusted EBITDA (pre-IFRS 16) and Adjusted EBITDA, and details the calculations of Adjusted EBITDA (pre-IFRS 16) Margin, and Adjusted EBITDA Margin for each of the periods indicated:

	26 weeks to		52 weeks to		
(ZAR millions, except percentages)	25 August 2024	27 August 2023	25 February 2024	26 February 2023	27 February 2022
Profit for the period	**491**	**441**	**1,385**	**1,104**	**854**
Tax	188	161	438	427	302
Profit before tax	**679**	**602**	**1,823**	**1,531**	**1,156**
Loss/(gain) on capital items	1	4	27	12	(2)
Profit before tax before capital items	**680**	**606**	**1,850**	**1,543**	**1,154**
Finance income	(65)	(43)	(91)	(54)	(46)
Finance costs	194	160	342	295	275
Trading profit	**809**	**723**	**2,101**	**1,784**	**1,383**
Depreciation on property, plant and equipment	287	250	518	442	340
Amortisation on intangible assets	8	7	16	14	15
Depreciation on right-of-use assets	309	304	620	555	488
Adjusted EBITDA	**1,413**	**1,284**	**3,255**	**2,795**	**2,226**
Lease incentives received	21	13	28	29	21
Principal lease liability payments	(276)	(276)	(550)	(460)	(382)
Interest paid on lease liabilities	(188)	(156)	(336)	(314)	(291)
Adjusted EBITDA (pre-IFRS 16)	**970**	**865**	**2,397**	**2,050**	**1,574**
Turnover	19,774	17,662	37,419	31,897	26,583
Adjusted EBITDA (pre-IFRS 16) margin[a]	**4.9%**	**4.9%**	**6.4%**	**6.4%**	**5.9%**
Adjusted EBITDA margin[b]	**7.1%**	**7.3%**	**8.7%**	**8.8%**	**8.4%**

[a] Calculated as Adjusted EBITDA (pre-IFRS 16) divided by turnover.
[b] Calculated as Adjusted EBITDA divided by turnover.

(3) The table below provides a reconciliation of underlying adjusted cash flow, and details the calculation of underlying adjusted cash flow conversion, for each of the periods indicated.

	26 weeks to		52 weeks to		
(ZAR millions, except percentages)	25 August 2024	27 August 2023	25 February 2024	26 February 2023	27 February 2022
Adjusted EBITDA[a]	**1,413**	**1,284**	**3,255**	**2,795**	**2,226**
Property, plant and equipment additions for maintenance of operations	(175)	(258)	(356)	(471)	(464)
Intangible assets additions for maintenance of operations	(7)	(19)	(42)	(41)	(10)
Principal lease liability payments	(276)	(276)	(550)	(460)	(382)
Interest paid on lease liabilities	(188)	(156)	(336)	(314)	(291)
Underlying adjusted cash flow	**767**	**575**	**1,971**	**1,509**	**1,079**
Adjusted EBITDA (pre-IFRS 16)	970	865	2,397	2,050	1,574
Underlying adjusted cash flow conversion[b]	**79.1%**	**66.5%**	**82.2%**	**73.6%**	**68.6%**

[a] Information has been extracted, without adjustment, from paragraph (2) above.
[b] Calculated as Underlying adjusted cash flow divided by Adjusted EBITDA (pre-IFRS 16).

(4) The table below provides a reconciliation of adjusted free cash flow (pre-IFRS 16), and details the calculations of adjusted free cash flow conversion (pre-IFRS 16), for each of the periods indicated.

	26 weeks to		52 weeks to		
(ZAR millions, except percentages)	**25 August 2024**	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**
Adjusted EBITDA (pre-IFRS 16)[a]	**970**	**865**	**2,397**	**2,050**	**1,574**
Additions to property, plant and equipment	(307)	(394)	(1,044)	(1,185)	(819)
Additions to intangible assets	(8)	(19)	(49)	(134)	(25)
Adjusted free cash flow (pre-IFRS 16)	**655**	**452**	**1,304**	**731**	**730**
Adjusted EBITDA (pre-IFRS 16)	970	865	2,397	2,050	1,574
Adjusted free cash flow conversion (pre-IFRS 16)[b]	**67.5%**	**52.3%**	**54.4%**	**35.7%**	**46.4%**

[a] Information has been extracted, without adjustment, from paragraph (2) above.

[b] Calculated as Adjusted free cash flow (pre-IFRS 16) divided by Adjusted EBITDA (pre-IFRS 16).

(5) The table below provides a reconciliation of adjusted free cash flow, and details the calculation of adjusted free cash flow conversion, for each of the periods indicated.

	26 weeks to		52 weeks to		
(ZAR millions, except percentages)	**25 August 2024**	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**
Adjusted EBITDA[a]	**1,413**	**1,284**	**3,255**	**2,795**	**2,226**
Additions to property, plant and equipment	(307)	(394)	(1,044)	(1,185)	(819)
Additions to intangible assets	(8)	(19)	(49)	(134)	(25)
Adjusted free cash flow	**1,098**	**871**	**2,162**	**1,467**	**1,382**
Adjusted EBITDA	1,413	1,284	3,255	2,795	2,226
Adjusted free cash flow conversion[b]	**77.7%**	**67.8%**	**66.4%**	**52.8%**	**62.1%**

[a] Information has been extracted, without adjustment, from paragraph (2) above.

[b] Calculated as Adjusted free cash flow divided by Adjusted EBITDA.

(6) The table below provides a reconciliation of average invested capital, for each of the periods indicated.

	26 weeks to		52 weeks to			
(ZAR millions, except percentages)	**25 August 2024**	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**	**28 February 2021**
Equity	1,833	1,213	1,841	937	1,994	1,720
Amounts owing to related parties	–	1,208	1,497	1,663	163	163
Amounts owing by related parties	(225)	(1,330)	(1,335)	(599)	(697)	(974)
Cash and cash equivalents	(219)	(417)	(349)	(345)	(561)	(288)
Non-current lease liabilities	3,280	3,438	3,700	3,393	3,158	2,854
Current lease liabilities	573	537	608	545	479	398
Invested capital (A)	**5,782**	**4,649**	**5,962**	**5,594**	**4,536**	**3,873**
Invested capital of previous financial year end (B)	5,962	5,594	5,594	4,536	3,873	–
Average invested capital ((A+B)/2)	**5,872**	**5,122**	**5,778**	**5,065**	**4,205**	–

(7) The table below provides a reconciliation of average invested capital (pre-IFRS 16) for each of the periods indicated.

	26 weeks to		52 weeks to			
(ZAR millions, except percentages)	**25 August 2024**	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**	**28 February 2021**
Equity	1,833	1,213	1,841	937	1,994	1,720
Amounts owing to related parties	–	1,208	1,497	1,663	163	163
Amounts owing by related parties	(225)	(1,330)	(1,335)	(599)	(697)	(974)
Cash and cash equivalents	(219)	(417)	(349)	(345)	(561)	(288)
Invested capital (pre-IFRS 16) (A)	**1,389**	**674**	**1,654**	**1,656**	**899**	**621**
Invested capital (pre-IFRS 16) of previous financial year end (B)	1,654	1,656	1,656	899	621	–
Average invested capital (pre-IFRS 16) ((A+B)/2)	**1,522**	**1,165**	**1,655**	**1,278**	**760**	–

(8) The table below details the calculation of return on invested capital for each of the periods indicated.

	52 weeks to		
(ZAR millions, except percentages)	**25 February 2024**	**26 February 2023**	**27 February 2022**
Trading profit	2,101	1,784	1,383
Tax expense on trading profit[(a)]	(567)	(500)	(387)
After tax trading profit (A)	**1,534**	**1,284**	**996**
Average invested capital (B)	5,778	5,065	4,205
Return on invested capital (A/B)	26.5%	25.4%	23.7%

(a) The below table details the calculation of tax expense on trading profit for each of the periods indicated.

	52 weeks to		
(ZAR millions, except percentages)	**25 February 2024**	**26 February 2023**	**27 February 2022**
Trading profit	2,101	1,784	1,383
South African statutory tax rate	27%	28%	28%
Tax expense on trading profit	567	500	387

(9) The table below details the calculation of return on invested capital (pre-IFRS 16) for each of the periods indicated.

	52 weeks to		
(ZAR millions, except percentages)	**25 February 2024**	**26 February 2023**	**27 February 2022**
Trading profit	2,101	1,784	1,383
Interest paid on lease liabilities	(336)	(314)	(291)
Trading profit (pre-IFRS 16)	**1,765**	**1,470**	**1,092**
Tax expense on trading profit (pre-IFRS 16)[(a)]	(477)	(412)	(306)
After tax trading profit (pre-IFRS 16) (A)	**1,288**	**1,058**	**786**
Average invested capital (pre-IFRS 16) (B)	1,655	1,278	760
Return on invested capital (pre-IFRS 16) (A/B)	77.8%	82.8%	103.4%

(a) The table below details the calculation of tax expense on trading profit for each of the periods indicated.

	52 weeks to		
(ZAR millions, except percentages)	**25 February 2024**	**26 February 2023**	**27 February 2022**
Trading profit	2,101	1,784	1,383
Interest paid on lease liabilities	(336)	(314)	(291)
Trading profit (pre-IFRS 16)	**1,765**	**1,470**	**1,092**
South African statutory tax rate	27%	28%	28%
Tax expense on trading profit	477	412	306

(10) The table below details the calculation of leverage for each of the periods indicated.

	26 weeks to		52 weeks to		
(ZAR millions, except percentages)	**25 August 2024**	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**
Amounts owing to related parties	–	1,208	1,497	1,663	163
Amounts owing by related parties	(225)	(1,330)	(1,335)	(599)	(697)
Non-current lease liabilities	3,820	3, 438	3,700	3,393	3,158
Current lease liabilities	573	537	608	545	479
Cash and cash equivalents	(219)	(417)	(349)	(345)	(561)
Net borrowings (A)	**3,949**	**3,436**	**4,121**	**4,657**	**2,542**
Adjusted EBITDA (B)	1,413	1,284	3,255	2,795	2,226
Leverage (A/B)	**2.8**	**2.7**	**1.3**	**1.7**	**1.1**

(11) The table below details the calculation of leverage (pre-IFRS 16) for each of the periods indicated.

	26 weeks to		52 weeks to		
(ZAR millions, except percentages)	**25 August 2024**	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**
Amounts owing to related parties	–	1,208	1,497	1,663	163
Amounts owing by related parties	(225)	(1,330)	(1,335)	(599)	(697)
Cash and cash equivalents	(219)	(417)	(349)	(345)	(561)
Net borrowings (pre-IFRS 16) (A)	**(444)**	**(539)**	**(187)**	**719**	**(1,095)**
Adjusted EBITDA (pre-IFRS 16) (B)	970	865	2,397	2,050	1,574
Leverage (pre-IFRS 16) (A/B)	**(0.5)**	**(0.6)**	**(0.1)**	**0.4**	**(0.7)**

PART XII – MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion should be read in conjunction with "Annexe 3 – Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023" as well as with "Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022."

The following discussion includes forward-looking statements which, although based on assumptions and/or estimates that the Group considers reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. For a discussion of some of those risks and uncertainties, please refer to the sections entitled "Important Information – Forward-Looking Statements" in the preamble to this Pre-listing Statement and "Part IV – Risk Factors."

OVERVIEW

The Group has a 47-year history and is South Africa's fastest growing supermarket chain over the past few years, with leading market share of the discount market. In the 26 weeks ended 25 August 2024, the Boxer Superstores Group experienced 12.0% turnover growth, 7.7% of which was on a like-for-like basis. Boxer provides a focused range of quality affordable products and services to customers in the lower- to-middle-income urban, peri-urban and rural South African and Eswatini communities.

The Group's geographical core area of presence is in KwaZulu-Natal and the Eastern Cape, but it has expanded its presence to all nine provinces as well as outside of South Africa into Eswatini, seeking out opportunities for growth across South Africa and particularly Gauteng, where it can serve the needs of communities through its focused product range, affordable prices and community-rooted staff.

Boxer stores are located in convenient, high footfall areas, often in regional community centres that are close to public transportation hubs. Boxer Superstores have a welcoming market-style atmosphere, offering essential daily commodities such as maize meal, rice, samp, sugar, oil and beans, as well as perishables and fresh foods through its butchery, bakery, deli and fruit and vegetables offerings, health and beauty products and general merchandise. The Group's three store formats include 300 Boxer Superstores, 159 Boxer Liquors and 30 Boxer Build stores, as at 25 August 2024. These are all Group-owned stores. The Group does not operate any of its stores through franchisees.

As at 25 August 2024, the Boxer Superstores Group operated through 489 stores, 13 of which opened in the current financial period. Between FY2022 and FY2024, the Boxer Superstores Group grew its number of stores at a CAGR of 14%. Turnover for the 26 weeks ended 25 August 2024 increased to ZAR19,774 million (26 weeks ended 27 August 2023: ZAR17,662 million) and profit after tax for the period increased by 11.3% to ZAR491 million (26 weeks ended 27 August 2023: ZAR441 million).

CURRENT TRADING AND PROSPECTS

Current trading

Turnover growth for the Boxer Superstores Group slowed in the last few weeks of the 26 weeks ended 25 August 2024 ("**H1 FY25**"). However, the turnover growth trajectory for the first eight weeks subsequent to H1 FY25 has recovered, with turnover growth of 9.6% (5.2% like-for-like). Boxer Superstores Group's growth in the second half of the 2025 financial year should be judged against its exceptionally strong base, being the second half of the 2024 financial year, which it is currently cycling (18.6% turnover growth and 11.6% like-for-like turnover growth). As at the Last Practicable Date, the Boxer Superstores Group had achieved a significant milestone with the opening of its 500th store.

Target capital structure and dividend policy

Capital structure

The Group's objective is to maintain a strong capital base to support growth, optimise leverage, and drive equity returns. As at 25 August 2024, the Boxer Superstores Group had no leverage. Given the Group's expected growth in the medium-term, operational cash and the imperative to retain balance sheet flexibility in support of the Company's growth strategy, the Company is targeting an indicative Leverage (pre-IFRS 16) ratio of approximately 0.2x or an indicative Leverage ratio of approximately 1.5x (each as defined in "*Part XI – Selected Consolidated Financial and Other Information – Presentation of Financial and Other Information – Non-IFRS Financial Measures*") by the end of FY2025, based on expected gross drawn debt of up to ZAR850 million as at the Admission. As at the Last Practicable Date, the Group had cash on hand in the amount of ZAR1,107 million and debt of ZAR850 million in terms of a new inter-company bridging finance from Pick n Pay Retailers.

Following the Admission, the Group expects to draw down up to ZAR850 million under the Facilities (as defined in "*– Liquidity, Cash Flow and Capital Resources – Liquidity*") in order to fully repay the outstanding balance of the inter-company bridging finance owed to Pick n Pay Retailers pursuant to an agreement entered into on or about 15 October 2024 between the Boxer Superstores and Pick n Pay Retailers. See "*Liquidity, Cash Flow and Capital Resources*" and "*Annexe 15 – Material Borrowings and Material Inter-Company Balances*."

Dividend policy

The Group is a growth business focused on delivering value to shareholders with emphasis on earnings growth. To further increase attractiveness of its total return to shareholders, the Group is targeting a dividend pay-out ratio of 40% of headline earnings per share, subject to the Group's cash requirements and growth prospects, to be declared and paid semi-annually.

KEY FACTORS AFFECTING THE BOXER SUPERSTORES GROUP'S RESULTS OF OPERATIONS

The Boxer Superstores Group's accelerated store rollout programme

In the 26 weeks ended 25 August 2024, the Boxer Superstores Group grew its estate by a net 12 stores, preceded by the addition of 49, 60 and 26 stores in the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. The rapid expansion of the Boxer Superstores Group's footprint through the opening of new stores is a key element of its strategy as well as a significant driver of the Boxer Superstores Group's turnover growth. By adding stores to its estate in carefully selected locations where the Boxer Superstores Group can expect sufficient demand within its market segment, the Boxer Superstores Group reliably grows the volume of goods sold, and hence its turnover and profitability.

The Boxer Superstores Group's store rollout programme capitalises on expansion opportunities in the Eastern Cape, KwaZulu-Natal, Gauteng, Limpopo, Mpumalanga and Western Cape provinces, particularly in the Boxer Liquors and Boxer Superstore formats. Although these formats have similar profitability profiles, the Boxer Superstores Group's Boxer Liquors estate has grown at a faster rate due to the available headroom for expansion in that format adjacent to existing Boxer Superstores. In addition, subject to financial feasibility and overall alignment with the Boxer Superstores Group's long-term strategy, a small number of stores added to the Boxer Superstores Group's estate will consist of converted Pick n Pay stores. Through such expansion, the Boxer Superstores Group aims to establish its presence with entry into greenfield markets as well as capture market share from competitors in existing shopping nodes. Once a new site is acquired, the Boxer Superstores Group is typically able to prepare the premises for opening within 60 days, subject to a two-to-three-week stocking period, after which the store is an active cash-generating unit. This process requires a longer period for new build sites. The Boxer Superstores Group aims to continue such growth, targeting the opening of 60-70 stores per year.

Being a significant driver of the Boxer Superstores Group's turnover growth, the store rollout programme has contributed 4.3% to the Boxer Superstores Group's turnover growth for the 26 weeks ended 25 August 2024, and 9.2%, 12.8% and 3.7% to such growth for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively.

Long-term demographic trends and social grants in South Africa

Demographic trends

The Boxer Superstores Group's results of operations are volume-driven, because it is able to maintain stable margins and benefits from enhanced economies of scale that the Boxer Superstores Group can realise by increasing the size of its orders. As such, the larger the Boxer Superstores Group's addressable market, and the greater its capacity to capture demand through its store network, the greater the potential sales volumes and corresponding effect on the Boxer Superstores Group's results of operations.

According to Stats SA, the population of South Africa is expected to grow by approximately 6.8 million people, or 10%, by 2032. Due to the variance in birth rates present among South African demographics, approximately 70% of such population growth is expected to come from the lower three income quintiles, which coincides with the Boxer Superstores Group's target market, representing an increase in addressable market by approximately 4.8 million people.

Social grants

South Africa has a system of social grants for certain categories of persons. These are administered in terms of the South African Social Assistance Act, No. 13 of 2004, as amended from time to time, and are subject to the appropriation of funds by Parliament. In January 2024, the South African government paid out social grants to approximately 19 million individuals.

The Boxer Superstores Group's results of operations are positively correlated to the availability of such social grants. One reason for this is that the Boxer Superstores Group tailors its offering to appeal to a middle-to-low-income target demographic, which is more likely to be eligible for such financial assistance. With continued cost of living pressures and increased price sensitivity of customers, the proportion of disposable income spent on food, being the Boxer Superstores Group's primary product category, has risen from 13.9% in 2013 to 16.6% in 2024. Furthermore, the Boxer Superstores Group is able to benefit from the payment of social grants by providing a customer-friendly venue for persons who are entitled to such grants to collect these at the Boxer Superstores Group's premises. This serves to provide convenience to customers who wish to spend a part of their social grant on groceries and increases the likelihood that some of these customers will shop at a Boxer store.

Gross profit margin and profit before tax margin

The Boxer Superstores Group closely monitors its gross profit margin ("**GPM**"), representing gross profit as a proportion of turnover, and its profit before tax margin ("**PBTM**"), calculated as profit before tax as a proportion of turnover. Both GPM and PBTM have remained stable in the periods under review, with GPM at 20.3% and 20.7% for the 26 weeks ended 25 August 2024 and 27 August 2023, respectively, and at 21.2%, 21.1% and 19.4% for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. PBTM was 3.4%, 3.4%, 4.9%, 4.8% and 4.3% during the same periods. The Boxer Superstores Group operates on a significantly lower GPM than its direct competitors, due to their lower trading expenses, which allows the Boxer Superstores Group to maintain comparable, or even higher, PBTM than its competitors.

GPM grew in the periods under review as a result of the Boxer Superstores Group's ability to realise supply chain efficiencies, such that its turnover growth rate (largely due to its store rollout programme) outpaced its cost of merchandise sold. Such efficiencies arose by virtue of the increased digitalisation of the Boxer Superstores Group's operations, and the use of predictive and analytics software to better route its trucks and improve fleet utilisation. The main driver influencing PBTM are trading expenses. The Boxer Superstores Group's trading expenses represented 17.0% and 17.4% of turnover in the 26 weeks ended 25 August 2024 and 27 August 2023, respectively, and 16.3%, 16.8% and 16.5% of turnover in the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, respectively. These have grown in line with the expansion of the Boxer Superstores Group's store estate and remained stable relative to turnover in the periods under review, with the exception of:

- operations costs, which were disproportionately affected by the energy costs associated with load-shedding for the 52 weeks ended 27 February 2022, before becoming part of the Boxer Superstores Group's cost base (see "*Factors affecting comparability of results of operations—Load-shedding*"); and
- merchandising and administration expenses, which were positively impacted by gains relating to the guarantee provided by the Boxer Superstores Group for the debt of Pick n Pay Retailers for the 52 weeks ended 25 February 2024 (see "*Factors affecting comparability of results of operations—Financial Guarantee*").

Competitive environment

The Boxer Superstores Group operates in a fiercely contested retail market, characterised by well-capitalised and competitive traditional grocers.

The market structure is highly oriented towards traditional supermarkets, with discounter market share remaining low. However, the Boxer Superstores Group expects discounters to increase their penetration of the market over time, led by the Boxer Superstores Group's business.

Slow economic growth has had the effect of heightening competitive intensity as retailers have competed harder for existing customer spend, and consumers have increasingly focused on price. This resulted in increased price competition and an increase of promotional sales as a percentage of overall turnover (promotional participation), both of which pressurise the GPM. Such competitive forces have prompted the Boxer Superstores Group to use savings that arose from the decline in load-shedding-related costs and reinvest in price and drive volumes, hence applying downwards pressure on the GPM.

The Boxer Superstores Group competes with retailers and other operators for customers, employees, locations, products and other important aspects of the Boxer Superstores Group's business. The Boxer Superstores Group's success depends on its ability to differentiate itself from its competitors and to compete effectively against them on product selection, quality, price, convenience of location, consistency of in-store execution, customer service, and overall shopping experience.

The Group's capital structure following the Admission

In preparation for Admission, the Group has undertaken a reorganisation of its capital structure. This included (i) the payment by Boxer Superstores of a ZAR500 million dividend in the 26 weeks ended 25 August 2024, (ii) the full repayment by Boxer Superstores of certain historical inter-company balances amounting to ZAR1,497 million prior to the 26 weeks ended 25 August 2024, and (iii) the payment by Boxer Superstores of a ZAR600 million dividend after the 26 weeks ended 25 August 2024 relating to profits prior to the Admission.

The Group has also (i) secured a ZAR1.1 billion senior unsecured term loan of which the Group expects to draw down up to ZAR850 million after the Admission in order to repay the ZAR850 million inter-company bridging finance received from Pick n Pay Retailers prior to Admission to fund the Group's intra-month cash requirements, and (ii) secured a ZAR2.0 billion senior unsecured working capital facility to fund future intra-month cash requirements (together with (ii), described in "*Liquidity, Cash Flow and Capital Resources – Liquidity*"), which it will only draw on post-Admission. For further information on the Facilities (as defined in "*Liquidity, Cash Flow and Capital Resources – Liquidity*") please see "*Annexe 15 – Material Borrowings and Material Inter-Company Balances*."

The Group expects that in the near- and medium-term, its finance costs will increase materially compared to its historical finance costs, in light of the abovementioned reorganisation of its capital structure and resultant interest payments due on these instruments, which are expected to be approximately ZAR110 million in the first year following the entering into of the Facilities. In addition, the Group expects that during these same periods, its finance income will decrease compared to its historical levels, as its available cash and cash equivalent balances have been significantly reduced by the payments made as a result of the reorganisation of its capital structure set out above. As such, the Group can place less available cash in interest-yielding accounts.

KEY FACTORS AFFECTING COMPARABILITY OF RESULTS OF OPERATIONS

Insurance recoveries relating to the losses incurred as a result of the July 2021 civil unrest

As a result of the insurance recoveries received in connection with the July 2021 civil unrest, the financial statements of the Boxer Superstores Group may not be fully comparable from one period to another.

The Boxer Superstores Group received substantial insurance recoveries in connection with the losses it suffered as a result of the July 2021 civil unrest in the KwaZulu-Natal province, which amounted to ZAR697 million.

Such recoveries contributed ZAR401 million and ZAR126 million to the Boxer Superstores Group's other trading income and gain on capital items, respectively, for the 52 weeks ended 27 February 2022, and a further ZAR170 million to the Boxer Superstores Group's other income for the 52 weeks ended 26 February 2023.

Insurance recoveries for the losses incurred as a result of the July 2021 civil unrest affected the comparability of the Boxer Superstores Group's operations because (i) although the losses were incurred in the 52 weeks ended 27 February 2022, a part of the relevant insurance recoveries were not received until the next financial period, and (ii) the recording of losses incurred and insurance recoveries is spread across different line items; for example, the impact on turnover was recorded as an effect on gross profit and insurance recoveries for such losses were recorded as other income, while damages to assets were recorded as capital losses on assets scrapped and monies received to replace these assets for such losses were recorded as capital proceeds.

Load-shedding

Notwithstanding recent months of substantially reduced load-shedding levels, load-shedding is a major impediment to South Africa's overall macro-economic growth. The energy crisis is particularly challenging for food retailers, due to their reliance on electricity in part to keep the stores operational and food chilled and safe. Load-shedding disproportionately affected the Boxer Superstores Group's operations costs in the 52 weeks ended 26 February 2023, significantly contributing to the 29.8% year-on-year increase, compared to a more moderate 15.6% increase in the 52 weeks ended 25 February 2024.

All of the stores in the Boxer Superstores Group are equipped with backup power in the form of diesel generators to minimise operational disruptions during regular rolling black-out periods. The Boxer Superstores Group incurred net energy costs of ZAR271 million in the 52 weeks ended 25 February 2024 and ZAR243 million spent in the 52 weeks ended 26 February 2023. The Boxer Superstores Group incurred net energy costs of ZAR58 million in the 26 weeks ended 25 August 2024, down from the ZAR142 million incurred in the 26 weeks ended 27 August 2023. Such decrease was due to the amelioration of load-shedding in FY2025. This net energy cost consists of the diesel costs required to run the generators during load-shedding, net of the electricity savings as a result of not taking power from the grid (on average, a diesel generator is five-to-six times more costly than electricity, per kilowatt hour of energy utilised).

Data provided by Eskom, the state-owned electricity producer in South Africa, indicates that load-shedding levels reduced substantially, with load-shedding having been suspended for 205 consecutive days to 18 October 2024. It is unclear to the Boxer Superstores Group whether this substantially lower level of load-shedding will continue for the foreseeable future, but if these lower levels of load-shedding are sustained, this would likely result in a substantial cost saving for the Boxer Superstores Group, given the ZAR328 million and ZAR295 million the Boxer Superstores Group spent on diesel costs in the 52 weeks ended 25 February 2024 and 26 February 2023, respectively. In line with the Group's strategy, such cost-savings can be used to invest in price and drive volumes. Although load-shedding was significantly reduced in the weeks leading up to the 29 May 2024 elections and there has been no load-shedding since then, there is no guarantee that this will continue to be the case going forward (see "*Part IV – Risk Factors – Risks related to the Group's business and industry – The Group's operations in South Africa have been and may continue to be adversely affected by load-shedding*").

Seasonality and store roll-out

The Boxer Superstores Group's turnover, profits, working capital requirements and cash flows within any given year have historically been affected by seasonal fluctuations. For example, trading profit has historically been higher in the second half of the financial year and historically lower in the first half of the financial year. For this reason, sequential half-yearly comparisons may not be a good indication of the Boxer Superstores Group's performance or how it may perform in the future.

The Boxer Superstores Group's half-year results and full-year results may also fluctuate significantly as a result of other factors, including the timing of new store openings, change in number of store openings between periods, temporary or definitive closings or disposals, and the revenue contributed by new stores or the loss of revenue from closed, disposed or converted stores.

Financial guarantee

The results for the 52 weeks ended 25 February 2024 include a gain of ZAR135 million (52 weeks ended 26 February 2023: nil, 52 weeks ended 27 February 2022: nil) within merchandising and administration expenses as a result of the guarantee provided by the Boxer Superstores Group for the debt of Pick n Pay Retailers. Of the ZAR135 million gain recognised for the 52 weeks ended 25 February 2024, ZAR3 million was recognised during the 26 weeks ended 27 August 2023. The gain recognised for the 26 weeks ended 25 August 2024 was ZAR1 million.

The financial guarantee was released on 28 October 2024, with a resultant expected gain for the 27 weeks ending 2 March 2025 of ZAR6 million, as the final impact of the guarantee.

CRITICAL ACCOUNTING POLICIES AND ESTIMATES

The preparation of historical financial information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies, reported amounts and related disclosures.

Estimates and underlying assumptions related to critical judgements are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

Significant areas of estimation, uncertainty and critical judgements made in applying the Boxer Superstores Group's accounting policies that potentially have a significant effect on the amounts recognised in the historical financial information are set out in the notes to the Consolidated Annual Historical Financial Information in relation to FY2024.

EXPLANATION OF KEY INCOME STATEMENT ITEMS

Revenue

Revenue is recognised when the Boxer Superstores Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Boxer Superstores Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation. Revenue comprises of turnover, commission and other income, non-capital insurance recoveries and finance income.

Turnover

Revenue from the sale of goods, or turnover, comprises sales to customers through its owned stores. All turnover is stated exclusive of value added tax.

Turnover is recognised at a point in time when the Boxer Superstores Group transfers control of goods to its customer at the point of sale and is measured at the consideration received, net of returns, trade discounts, loyalty discounts, and volume rebates. Discounts, rebates or loyalty payments to customers are deducted from turnover, unless it is directly funded by suppliers. Payment of the transaction price in respect of sale of goods is due immediately when the customer purchases goods and takes delivery.

Turnover recognised through deferred revenue transactions (prepaid gift cards) is not recognised at the time of the initial transaction, but is deferred and recognised as a contract liability (deferred revenue) when the consideration is received, and recognised as turnover over time when the Boxer Superstores Group's obligations are fulfilled.

Gross profit

Gross profit is the difference between the Boxer Superstores Group's turnover and the cost of merchandise sold. The cost of merchandise sold includes, *inter alia*, the net purchase price of products (net of rebates and other supplier incentive income), the cost of warehousing and distribution and product-specific marketing costs.

Other trading income

Other trading income is the sum of commission and other income and insurance recoveries.

Commission and other income

The Boxer Superstores Group acts as a payment office for the services provided by a variety of third parties to the Boxer Superstores Group's customers. The related agent's commission received is recognised as commission and other income.

Insurance recoveries

Insurance recoveries are proceeds received from insurance claims relating to damages and losses incurred relating to the July 2021 civil unrest.

Trading expenses

Trading expenses are the sum of employee costs, occupancy costs, operations costs and merchandising and administration costs.

Employee costs

Employee costs are the sum of salaries, wages and staff benefits, contributions to defined contribution plans and share-based payment reversals or expenses.

Occupancy costs

Occupancy costs comprises the costs relating to property leases, security and cost of occupation.

Operations costs

Operations costs comprises utilities costs, maintenance costs, and depreciation and amortisation of non-property assets.

Merchandising and administration costs

Merchandising and administrative costs include advertising and the costs associated with administrative functions.

Trading profit

Trading profit is the difference between (i) the sum of gross profit and other trading income, and (ii) trading expenses.

Finance income

Finance income is the sum of income earned from bank balances and investments and related party interest earned.

Finance costs

Finance costs are the sum of the finance cost element of lease contracts in accordance with IFRS, interest accrued on amounts owing to related parties, and interest accrued on other liability balances.

Profit before tax before capital items

Profit before tax before capital items represents trading profit after finance income and finance costs.

Loss on capital items

Loss on capital items represents the sum of (i) loss or gain on sale of assets and insurance recoveries on scrapping of assets and (ii) loss from impairments and scrapping of property, plant and equipment and intangible assets.

(Loss)/gain on sale of assets and insurance recoveries on scrapping of assets

(Loss)/gain on sale of assets and insurance recoveries on scrapping of assets comprises the loss or gain realised where capital assets are disposed of through sale or insurance recoveries for the scrapping of assets.

Loss from impairments and scrapping of property, plant and equipment and intangible assets

An impairment loss or scrapping is calculated as the amount by which the carrying amount of a capital asset or its cash-generating is exceeded by its recoverable amount.

Profit before tax

Profit before tax reflects the Boxer Superstores Group's profitability before the impact of current and deferred tax charges.

Tax expense

Tax on the profit or loss for the period comprises current and deferred tax. Current tax comprises tax payable calculated on the basis of the expected taxable income for the period using tax rates enacted or substantively enacted at the reporting date and any adjustment of tax payable for previous periods. Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the assets and liabilities at the reporting date.

Profit for the period

The Boxer Superstores Group's profit for the period after the deduction of attributable income tax and deferred tax charges.

RESULTS OF OPERATIONS

The following table sets out statement of comprehensive income line items for the 26 weeks ended 25 August 2024 and 27 August 2023, and for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as extracted from the Boxer Superstores Group's Consolidated Historical Financial Information as set out in "*Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" and "*Annexe 3 – Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*" to this Pre-listing Statement.

	26 weeks to		52 weeks to		
(ZAR millions)	**25 August 2024 (reviewed)**	**27 August 2023 (reviewed)**	**25 February 2024 (audited)**	**26 February 2023 (audited)**	**27 February 2022 (audited)**
Revenue	**20,002**	**17,848**	**37,779**	**32,368**	**27,234**
Turnover	**19,774**	**17,662**	**37,419**	**31,897**	**26,583**
Cost of merchandise sold	(15,766)	(14,005)	(29,498)	(25,164)	(21,421)
Gross profit	**4,008**	**3,657**	**7,921**	**6,733**	**5,162**
Other trading income	**163**	**143**	**269**	**417**	**605**
Commission and other income	163	143	269	247	204
Insurance recoveries	–	–	–	170	401
Trading expenses	**(3,362)**	**(3,077)**	**(6,089)**	**(5,366)**	**(4,384)**
Employee costs	(1,495)	(1,306)	(2,586)	(2,224)	(1,871)
Occupancy	(563)	(520)	(1,074)	(914)	(721)
Operations	(988)	(975)	(1,968)	(1,703)	(1,312)
Merchandising and administration	(316)	(276)	(461)	(525)	(480)
Trading profit	**809**	**723**	**2,101**	**1,784**	**1,383**
Finance income	65	43	91	54	46
Finance costs	(194)	(160)	(342)	(295)	(275)
Profit before tax before capital items	**680**	**606**	**1,850**	**1,543**	**1,154**
Loss on capital items	(1)	(4)	(27)	(12)	2
(Loss)/gain on sale of assets and insurance recoveries on scrapping of assets	(1)	(4)	(16)	(6)	131
Loss from impairments and scrapping of property, plant and equipment and intangible assets	–	–	(11)	(6)	(129)
Profit before tax	**679**	**602**	**1,823**	**1,531**	**1,156**
Tax	(188)	(161)	(438)	(427)	(302)
Profit for the period	**491**	**441**	**1,385**	**1,104**	**854**
Other comprehensive income, net of tax					
Items that will not be reclassified to profit or loss	2	(28)	(48)	(3)	(9)
Fair value gain/(loss) on investment in Pick n Pay Stores Limited	2	(28)	(48)	(3)	(9)
Items that may be reclassified to profit or loss	(1)	(2)	(1)	4	(3)
Movement in cash flow hedge	(1)	(2)	(1)	4	(3)
Total comprehensive income for the period	**492**	**411**	**1,336**	**1,105**	**842**

Comparison of the 26 weeks ended 25 August 2024 with the 26 weeks ended 27 August 2023

Revenue

The Boxer Superstores Group increased its revenue by ZAR2,154 million, or 12.1%, from ZAR17,848 million for the 26 weeks ended 27 August 2023 to ZAR20,002 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the 12.0% increase in the Boxer Superstores Group's turnover.

Turnover

The Boxer Superstores Group increased its turnover by ZAR2,112 million, or 12.0%, from ZAR17,662 million for the 26 weeks ended 27 August 2023 to ZAR19,774 million for the 26 weeks ended 25 August 2024. This increase was attributable to the Boxer Superstores Group's strong like-for-like growth and new store rollout programme, with 13 new stores (including one Pick n Pay conversion) being added to the Boxer Superstores Group's estate (27 in the 26 weeks ended 27 August 2023), as well as the annualisation of new stores opened in the prior year. Selling price inflation for the period was at 5.3% (7.6% for the 26 weeks ended 27 August 2023).

Cost of merchandise sold

The Boxer Superstores Group increased its cost of merchandise sold by ZAR1,761 million, or 12.6%, from ZAR14,005 million for the 26 weeks ended 27 August 2023 to ZAR15,766 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the increase in turnover.

Gross profit

The Boxer Superstores Group increased its gross profit by ZAR351 million, or 9.6%, from ZAR3,657 million for the 26 weeks ended 27 August 2023 to ZAR4,008 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the broadly proportionate growth in the Boxer Superstores Group's turnover and cost of merchandise sold.

Other trading income

The Boxer Superstores Group increased its other trading income by ZAR20 million, or 14.0%, from ZAR143 million for the 26 weeks ended 27 August 2023 to ZAR163 million for the 26 weeks ended 25 August 2024. This increase was attributable to the increase in commission and other income.

Commission and other income

The Boxer Superstores Group increased its commission and other income by ZAR20 million, or 14.0%, from ZAR143 million for the 26 weeks ended 27 August 2023 to ZAR163 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to an increase in income from the Boxer Superstores Group's value-added services, given the higher footfall that resulted from the Boxer Superstores Group's new store rollout programme, as well as insurance income relating to a fire and stock damages.

Trading expenses

The Boxer Superstores Group increased its trading expenses by ZAR285 million, or 9.3%, from ZAR3,077 million for the 26 weeks ended 27 August 2023 to ZAR3,362 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the increase in the Boxer Superstores Group's costs as a result of the Boxer Superstores Group's new store rollout programme, which remained stable as a proportion of turnover.

Employee costs

The Boxer Superstores Group increased its employee costs by ZAR189 million, or 14.5%, from ZAR1,306 million for the 26 weeks ended 27 August 2023 to ZAR1,495 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the increase in salaries, wages and staff benefits due to the Boxer Superstores Group's new store rollout programme, as well as a decrease in the recoveries in employee tax incentives.

Occupancy costs

The Boxer Superstores Group increased its occupancy costs by ZAR43 million, or 8.3%, from ZAR520 million for the 26 weeks ended 27 August 2023 to ZAR563 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the Boxer Superstores Group's new store rollout programme as well as annual rental escalation.

Operations costs

The Boxer Superstores Group increased its operations costs by ZAR13 million, or 1.3%, from ZAR975 million for the 26 weeks ended 27 August 2023 to ZAR988 million for the 26 weeks ended 25 August 2024. Increases attributable to the Boxer Superstores Group's new store rollout programme were largely offset by the lower incremental energy costs incurred as a result of lower levels and reduced frequency of load-shedding compared to the prior period.

Merchandising and administration expenses

The Boxer Superstores Group increased its merchandising and administration expenses by ZAR40 million, or 14.5%, from ZAR276 million for the 26 weeks ended 27 August 2023 to ZAR316 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to marketing expenses associated with the launch of Boxer Superstores Group's loyalty programme, Boxer Rewards.

Trading profit

The Boxer Superstores Group increased its trading profit by ZAR86 million, or 11.9%, from ZAR723 million for the 26 weeks ended 27 August 2023 to ZAR809 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to growth in gross profit, partly offset by the increase in trading expenses.

Finance income

The Boxer Superstores Group increased its finance income by ZAR22 million, or 51.2%, from ZAR43 million for the 26 weeks ended 27 August 2023 to ZAR65 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the increase in interest earned on the Boxer Superstores Group's cash and cash equivalents balances.

Finance costs

The Boxer Superstores Group increased its finance costs by ZAR34 million, or 21.3%, from ZAR160 million for the 26 weeks ended 27 August 2023 to ZAR194 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to a 10.5% increase in lease liabilities due to the new leases entered into as part of the Boxer Superstores Group's new store rollout programme.

Profit before tax before capital items

The Boxer Superstores Group increased its profit before tax before capital items by ZAR74 million, or 12.2%, from ZAR606 million for the 26 weeks ended 27 August 2023 to ZAR680 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the 11.9% increase in the Boxer Superstores Group's trading profit.

Loss on capital items

The Boxer Superstores Group decreased its loss on capital items entirely as a result of the decrease in loss on sale of assets and insurance recoveries on scrapping of assets as described below.

Loss on sale of assets and insurance recoveries on scrapping of assets

The Boxer Superstores Group decreased its loss on sale of assets and insurance recoveries on scrapping of assets by ZAR3 million, or 75%, from ZAR4 million for the 26 weeks ended 27 August 2023 to ZAR1 million for the 26 weeks ended 25 August 2024.

Profit before tax

The Boxer Superstores Group increased its profit before tax by ZAR77 million, or 12.8%, from ZAR602 million for the 26 weeks ended 27 August 2023 to ZAR679 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the 11.9% increase in the Boxer Superstores Group's trading profit.

Tax expense

The Boxer Superstores Group increased its tax expense by ZAR27 million, or 16.8%, from ZAR161 million for the 26 weeks ended 27 August 2023 to ZAR188 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the 12.8% increase in the Boxer Superstores Group's profit before tax.

Profit for the period

The Boxer Superstores Group increased its profit for the period by ZAR50 million, or 11.3%, from ZAR441 million for the 26 weeks ended 27 August 2023 to ZAR491 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the increase in the Boxer Superstores Group's trading profit.

Items that will not be reclassified to profit or loss

The Boxer Superstores Group increased its items that will not be reclassified to profit or loss entirely as a result of the fair value gain on investment in Pick n Pay Stores Limited as described below.

Fair value gain on investment in Pick n Pay Stores Limited

The Boxer Superstores Group increased its fair value gain on investment in Pick n Pay Stores Limited by ZAR30 million, or 107.1%, from a loss of ZAR28 million for the 26 weeks ended 27 August 2023 to a gain of ZAR2 million for the 26 weeks ended 25 August 2024. This increase was primarily attributable to the movement in the share price of Pick n Pay Stores Limited, which increased by ZAR0.78 per share for the 26 weeks ended 25 August 2024 compared to a decrease of ZAR10.23 per share for the 26 weeks ended 27 August 2023.

Items that may be reclassified to profit or loss

The Boxer Superstores Group reduced its items that may be reclassified to profit or loss by ZAR1 million, or 50%, from a loss of ZAR2 million for the 26 weeks ended 27 August 2023 to a loss of ZAR1 million for the 26 weeks ended 25 August 2024. This reduction in loss was attributable to the movement in cash flow hedge.

Movement in cash flow hedge

The Boxer Superstores Group decreased its movement in cash flow hedge by ZAR1 million, or 50%, from a loss of ZAR2 million for the 26 weeks ended 27 August 2023 to a loss of ZAR1 million for the 26 weeks ended 25 August 2024.

Total comprehensive income for the period

The Boxer Superstores Group increased its total comprehensive income for the period by ZAR81 million, or 19.7%, from ZAR411 million for the 26 weeks ended 27 August 2023 to ZAR492 million for the 26 weeks ended 25 August 2024. This increase was attributable to the factors discussed above.

Comparison of the 52 weeks ended 25 February 2024 with the 52 weeks ended 26 February 2023

Revenue

The Boxer Superstores Group increased its revenue to ZAR37,779 million for the 52 weeks ended 25 February 2024 from ZAR32,368 million for the 52 weeks ended 26 February 2023, an increase of ZAR5,411 million or 16.7%. Revenue growth was primarily driven by the 17.3% increase in the Boxer Superstores Group's turnover.

Turnover

The Boxer Superstores Group increased its turnover to ZAR37,419 million for the 52 weeks ended 25 February 2024 from ZAR31,897 million for the 52 weeks ended 26 February 2023, an increase of ZAR5,522 million or 17.3%. Turnover growth was primarily driven by the Boxer Superstores Group's accelerated store rollout programme, with 50 new stores being added to the Boxer Superstores Group's estate and an 8.1% increase in turnover on a like-for-like basis. Selling price inflation was 6.3% for the period (10.0% for the 52 weeks ended 26 February 2024).

Cost of merchandise sold

The Boxer Superstores Group increased its cost of merchandise sold to ZAR29,498 million for the 52 weeks ended 25 February 2024 from ZAR25,164 million for the 52 weeks ended 26 February 2023, an increase of ZAR4,334 million or 17.2%. This increase in cost of merchandise sold was primarily attributable to the increase in turnover.

Gross profit

The Boxer Superstores Group increased its gross profit to ZAR7,921 million for the 52 weeks ended 25 February 2024 from ZAR6,733 million for the 52 weeks ended 26 February 2023, an increase of ZAR1,188 million or 17.6%, outpacing turnover growth by 0.3%. Gross profit grew broadly in proportion to the Boxer Superstores Group's turnover and cost of merchandise sold, given its stable margins, and was boosted by certain efficiencies realised in its supply chain.

Other trading income

The Boxer Superstores Group decreased its other trading income to ZAR269 million for the 52 weeks ended 25 February 2024 from ZAR417 million for the 52 weeks ended 26 February 2023, a decrease of ZAR148 million or 35.5%. The decline in other trading income was primarily attributable to the non-recurring nature of the insurance recoveries for damages sustained as a result of the July 2021 civil unrest, partly set off by the 8.9% increase in commission and other income.

Commission and other income

The Boxer Superstores Group increased its commission and other income to ZAR269 million for the 52 weeks ended 25 February 2024 from ZAR247 million for the 52 weeks ended 26 February 2023, an increase of ZAR22 million or 8.9%. Commission and other income growth was primarily driven by the Boxer Superstores Group's accelerated store rollout programme leading to an increase in the sale of third-party services on an agent's commission basis.

Insurance recoveries

The Boxer Superstores Group's insurance recoveries of ZAR170 million for the 52 weeks ended 26 February 2023 related to once-off civil unrest insurance proceeds received in the 52 weeks ended 26 February 2023 for losses that occurred in the 52 weeks ended 27 February 2022. These insurance proceeds did not recur in the 52 weeks ended 25 February 2024.

Trading expenses

The Boxer Superstores Group increased its trading expenses to ZAR6,089 million for the 52 weeks ended 25 February 2024 from ZAR5,366 million for the 52 weeks ended 26 February 2023, an increase of ZAR723 million or 13.5%. Trading expenses growth was primarily driven by the increase in the Boxer Superstores Group's employee costs, occupancy costs and operations costs that came as a result of the Boxer Superstores Group's accelerated store rollout programme.

Employee costs

The Boxer Superstores Group increased its employee costs to ZAR2,586 million for the 52 weeks ended 25 February 2024 from ZAR2,224 million for the 52 weeks ended 26 February 2023, an increase of ZAR362 million or 16.3%. Employee costs growth was primarily driven by the increase in salaries, wages and staff benefits due to the Boxer Superstores Group's accelerated store rollout programme.

Occupancy costs

The Boxer Superstores Group increased its occupancy costs to ZAR1,074 million for the 52 weeks ended 25 February 2024 from ZAR914 million for the 52 weeks ended 26 February 2023, an increase of ZAR160 million or 17.5%. Occupancy costs growth was primarily driven by the Boxer Superstores Group's accelerated store rollout programme.

Operations costs

The Boxer Superstores Group increased its operations costs to ZAR1,968 million for the 52 weeks ended 25 February 2024 from ZAR1,703 million for the 52 weeks ended 26 February 2023, an increase of ZAR265 million or 15.6%. Operations costs growth was primarily driven by the Boxer Superstores Group's accelerated store rollout programme, and the annualisation of incremental energy costs incurred as a result of load-shedding.

Merchandising and administration expenses

The Boxer Superstores Group decreased its merchandising and administration expenses to ZAR461 million for the 52 weeks ended 25 February 2024 from ZAR525 million for the 52 weeks ended 26 February 2023, a decrease of ZAR64 million or 12.2%. Merchandising and administration expenses decline was primarily driven by the ZAR117 million reduction in the fair value measurement, and ZAR18 million amortisation, of the financial guarantee provided over Pick n Pay Retailers debt, partly offset by the increase in ordinary course expenses incurred due to the increase in sales volumes.

Trading profit

The Boxer Superstores Group increased its trading profit to ZAR2,101 million for the 52 weeks ended 25 February 2024 from ZAR1,784 million for the 52 weeks ended 26 February 2023, an increase of ZAR317 million or 17.8%. Trading profit growth was primarily driven by growth in gross profit, partly offset by the increase in trading expenses.

Finance income

The Boxer Superstores Group increased its finance income to ZAR91 million for the 52 weeks ended 25 February 2024 from ZAR54 million for the 52 weeks ended 26 February 2023, an increase of ZAR37 million or 68.5%. Finance income growth was primarily driven by the increase in the Boxer Superstores Group's interest-earning cash and cash equivalents balances.

Finance costs

The Boxer Superstores Group increased its finance costs to ZAR342 million for the 52 weeks ended 25 February 2024 from ZAR295 million for the 52 weeks ended 26 February 2023, an increase of ZAR47 million or 15.9%. Finance costs growth was primarily driven by a 9.4% increase in lease liabilities due to the new leases entered into as part of the Boxer Superstores Group's accelerated store rollout programme.

Profit before tax before capital items

The Boxer Superstores Group increased its profit before tax before capital items to ZAR1,850 million for the 52 weeks ended 25 February 2024 from ZAR1,543 million for the 52 weeks ended 26 February 2023, an increase of ZAR307 million or 19.9%. Profit before tax before capital items growth was primarily driven by the 17.8% increase in the Boxer Superstores Group's trading profit.

Loss on capital items

The Boxer Superstores Group increased its loss on capital items to ZAR27 million for the 52 weeks ended 25 February 2024 from a loss of ZAR12 million for the 52 weeks ended 26 February 2023, an increase of ZAR15 million or 125%. Loss on capital items growth was primarily driven by losses on disposal of various assets in the ordinary course of business totalling ZAR16 million, and an impairment loss of ZAR11 million that arose in one store due to a significant reduction in the future expected revenue of the store as a result of a weakening in the general economic conditions in which the store operates. This store is not material to the Boxer Superstores Group's overall portfolio of stores.

Profit before tax

The Boxer Superstores Group increased its profit before tax to ZAR1,823 million for the 52 weeks ended 25 February 2024 from ZAR1,531 million for the 52 weeks ended 26 February 2023, an increase of ZAR292 million or 19.1%. Profit before tax growth was primarily driven by the 17.8% increase in the Boxer Superstores Group's trading profit.

Tax expense

The Boxer Superstores Group increased its tax expense to ZAR438 million for the 52 weeks ended 25 February 2024 from ZAR427 million for the 52 weeks ended 26 February 2023, an increase of ZAR11 million or 2.6%. Tax expense growth was primarily driven by the 19.1% increase in the Boxer Superstores Group's profit before tax, partly set off by the non-taxable impact of the gain recognised on the reduction of the financial guarantee.

Profit for the period

The Boxer Superstores Group increased its profit for the period to ZAR1,385 million for the 52 weeks ended 25 February 2024 from ZAR1,104 million for the 52 weeks ended 26 February 2023, an increase of ZAR281 million or 25.5%. Profit for the period growth was primarily driven by the increase in the Boxer Superstores Group's trading profit.

Items that will not be reclassified to profit or loss

The Boxer Superstores Group increased its items that will not be reclassified to profit or loss entirely as a result of the fair value loss on investment in Pick n Pay Stores Limited as described below.

Fair value loss on investment in Pick n Pay Stores Limited

The Boxer Superstores Group increased its fair value loss on investment in Pick n Pay Stores Limited for the period to a loss of ZAR48 million for the 52 weeks ended 25 February 2024 from a loss of ZAR3 million for the 52 weeks ended 26 February 2023, an increase of ZAR45 million. The fair value loss on investment in Pick n Pay Stores Limited was mainly driven by the difference in the share price of Pick n Pay Stores Limited, which diminished from ZAR45.63 per share at the start of the period to ZAR23.25 per share at the end of the period.

Items that may be reclassified to profit or loss

The Boxer Superstores Group's items that may be reclassified to profit or loss for the period amounted to a loss of ZAR1 million for the 52 weeks ended 25 February 2024, compared to a gain of ZAR4 million for the 52 weeks ended 26 February 2023, a decrease of ZAR5 million. This difference was entirely due to the movement in cash flow hedge.

Movement in cash flow hedge

The Boxer Superstores Group recorded a negative ZAR1 million movement in cash flow hedge for the 52 weeks ended 25 February 2024, compared to a positive ZAR4 million movement for the 52 weeks ended 26 February 2023, a year-on-year decline of ZAR5 million. This movement in cash flow hedge was primarily driven by a loss on the Boxer Superstores Group's forward exchange contracts ("**FECs**") as a result of foreign exchange rate fluctuations.

Total comprehensive income for the period

The Boxer Superstores Group increased its total comprehensive income for the period to ZAR1,336 million for the 52 weeks ended 25 February 2024 from ZAR1,105 million for the 52 weeks ended 26 February 2023, an increase of ZAR231 million or 20.9%. Total comprehensive income for the period growth was driven by the factors discussed above.

Comparison of the 52 weeks ended 26 February 2023 with the 52 weeks ended 27 February 2022

Revenue

The Boxer Superstores Group increased its revenue to ZAR32,368 million for the 52 weeks ended 26 February 2023 from ZAR27,234 million for the 52 weeks ended 27 February 2022, an increase of ZAR5,134 million or 18.9%. Revenue growth was primarily driven by the 20.0% increase in the Boxer Superstores Group's turnover.

Turnover

The Boxer Superstores Group increased its turnover to ZAR31,897 million for the 52 weeks ended 26 February 2023 from ZAR26,583 million for the 52 weeks ended 27 February 2022, an increase of ZAR5,314 million or 20.0%. Turnover growth was primarily driven by the Boxer Superstores Group's accelerated store rollout programme, with 60 new stores being added to the Boxer Superstores Group's estate and a 7.2% increase in turnover on a like-for-like basis. Selling price inflation for the period was 10.0% (4.3% for the 52 weeks ended 27 February 2022).

Cost of merchandise sold

The Boxer Superstores Group increased its cost of merchandise sold to ZAR25,164 million for the 52 weeks ended 26 February 2023 from ZAR21,421 million for the 52 weeks ended 27 February 2022, an increase of ZAR3,743 million or 17.5%. This increase was primarily attributable to the increase in turnover.

Gross profit

The Boxer Superstores Group increased its gross profit to ZAR6,733 million for the 52 weeks ended 26 February 2023 from ZAR5,162 million for the 52 weeks ended 27 February 2022, an increase of ZAR1,571 million or 30.4%. Gross profit growth outpaced that of the Boxer Superstores Group's turnover due to the cost of merchandise sold in the 52 weeks ended 27 February 2022 having been adversely affected by the once-off effect of the July 2021 civil unrest, for which the related proceeds were recognised as income within other income trading income.

Other trading income

The Boxer Superstores Group decreased its other trading income to ZAR417 million for the 52 weeks ended 26 February 2023 from ZAR605 million for the 52 weeks ended 27 February 2022, a decrease of ZAR188 million or 31.1%. The decline in other trading income was primarily attributable to the decline in insurance proceeds received, as the majority of insurance recoveries relating to the July 2021 civil unrest were received in the prior period. This decline was partly offset by a 21.1% increase in commission and other income.

Commission and other income

The Boxer Superstores Group increased its commission and other income to ZAR247 million for the 52 weeks ended 26 February 2023 from ZAR204 million for the 52 weeks ended 27 February 2022, an increase of ZAR43 million or 21.1%. Commission and other income growth was primarily driven by the Boxer Superstores Group's accelerated store rollout programme leading to an increase in the sale of third-party services on an agent's commission basis.

Insurance recoveries

The Boxer Superstores Group's insurance recoveries declined to ZAR170 million for the 52 weeks ended 26 February 2023 from ZAR401 million for the 52 weeks ended 27 February 2022, a decrease of ZAR231 million or 57.6%. This insurance recoveries decline was primarily driven by the majority of insurance recoveries relating to the July 2021 civil unrest having been received in the prior period.

Trading expenses

The Boxer Superstores Group increased its trading expenses to ZAR5,366 million for the 52 weeks ended 26 February 2023 from ZAR4,384 million for the 52 weeks ended 27 February 2022, an increase of ZAR982 million or 22.4%. Trading expenses growth was primarily driven by the increase in the Boxer Superstores Group's employee costs, occupancy costs and operations costs that came as a result of the Boxer Superstores Group's accelerated store rollout programme, and incremental energy costs incurred as a result of increased levels of load-shedding.

Employee costs

The Boxer Superstores Group increased its employee costs to ZAR2,224 million for the 52 weeks ended 26 February 2023 from ZAR1,871 million for the 52 weeks ended 27 February 2022, an increase of ZAR353 million or 18.9%. Employee costs growth was primarily driven by the increase in salaries, wages and staff benefits due to the Boxer Superstores Group's accelerated store rollout programme.

Occupancy costs

The Boxer Superstores Group increased its occupancy costs to ZAR914 million for the 52 weeks ended 26 February 2023 from ZAR721 million for the 52 weeks ended 27 February 2022, an increase of ZAR193 million or 26.8%. Occupancy costs growth was primarily driven by the Boxer Superstores Group's accelerated store rollout programme.

Operations costs

The Boxer Superstores Group increased its operations costs to ZAR1,703 million for the 52 weeks ended 26 February 2023 from ZAR1,312 million for the 52 weeks ended 27 February 2022, an increase of ZAR391 million or 29.8%. Operations costs growth was primarily driven by the Boxer Superstores Group's accelerated store rollout programme, and the incremental energy costs incurred as a result of increased levels of load-shedding.

Merchandising and administration expenses

The Boxer Superstores Group increased its merchandising and administration expenses to ZAR525 million for the 52 weeks ended 26 February 2023 from ZAR480 million for the 52 weeks ended 27 February 2022, an increase of ZAR45 million or 9.4%. Merchandising and administration expenses growth was primarily driven by ordinary course expenses incurred due to the increase in sales volumes.

Trading profit

The Boxer Superstores Group increased its trading profit to ZAR1,784 million for the 52 weeks ended 26 February 2023 from ZAR1,383 million for the 52 weeks ended 27 February 2022, an increase of ZAR401 million or 29.0%. Trading profit growth was primarily driven by growth in gross profit, partly offset by the increase in trading expenses.

Finance income

The Boxer Superstores Group increased its finance income to ZAR54 million for the 52 weeks ended 26 February 2023 from ZAR46 million for the 52 weeks ended 27 February 2022, an increase of ZAR8 million or 17.4%. Finance income growth was primarily driven by the increase in the Boxer Superstores Group's interest-earning cash and cash equivalents balances.

Finance costs

The Boxer Superstores Group increased its finance costs to ZAR295 million for the 52 weeks ended 26 February 2023 from ZAR275 million for the 52 weeks ended 27 February 2022, an increase of ZAR20 million or 7.3%. Finance costs growth was primarily driven by a 8.3% increase in lease liabilities due to the new leases entered into as part of the Boxer Superstores Group's accelerated store rollout programme.

Profit before tax before capital items

The Boxer Superstores Group increased its profit before tax before capital items to ZAR1,543 million for the 52 weeks ended 26 February 2023 from ZAR1,154 million for the 52 weeks ended 27 February 2022, an increase of ZAR389 million of 33.7%. Profit before tax before capital items growth was primarily driven by the 29.0% increase in the Boxer Superstores Group's trading profit.

Loss on capital items

The Boxer Superstores Group increased its loss on capital items to ZAR12 million for the 52 weeks ended 26 February 2023 from a gain of ZAR2 million for the 52 weeks ended 27 February 2022, an increase of ZAR14 million. Loss on capital items growth was primarily driven by the once-off effect of damage to assets and property, plant and equipment sustained as a result of the July 2021 civil unrest in the prior period.

Profit before tax

The Boxer Superstores Group increased its profit before tax to ZAR1,531 million for the 52 weeks ended 26 February 2023 from ZAR1,156 million for the 52 weeks ended 27 February 2022, an increase of ZAR375 million or 32.4%. Profit before tax growth was primarily driven by the 29.0% increase in the Boxer Superstores Group's trading profit.

Tax expense

The Boxer Superstores Group increased its tax expense to ZAR427 million for the 52 weeks ended 26 February 2023 from ZAR302 million for the 52 weeks ended 27 February 2022, an increase of ZAR125 million or 41.4%. Tax expense growth was primarily driven by the 32.4% increase in the Boxer Superstores Group's profit before tax.

Profit for the period

The Boxer Superstores Group increased its profit for the period to ZAR1,104 million for the 52 weeks ended 26 February 2023 from ZAR854 million for the 52 weeks ended 27 February 2022, an increase of ZAR250 million or 29.3%. Profit for the period growth was primarily driven by the increase in the Boxer Superstores Group's trading profit.

Items that will not be reclassified to profit or loss

The Boxer Superstores Group decreased its items that will not be reclassified to profit or loss entirely as a result of the fair value loss on investment in Pick n Pay Stores Limited as described below.

Fair value loss on investment in Pick n Pay Stores Limited

The Boxer Superstores Group decreased its fair value loss on investment in Pick n Pay Stores Limited for the period to a loss of ZAR3 million for the 52 weeks ended 26 February 2023 from a loss of ZAR9 million for the 52 weeks ended 27 February 2022, a decrease of ZAR6 million or 66.7%. The fair value loss on investment in Pick n Pay Stores Limited was mainly driven by the difference in the share price of Pick n Pay Stores Limited, which diminished from ZAR46.44 per share at the start of the period to ZAR45.63 per share at the end of the period.

Items that may be reclassified to profit or loss

The Boxer Superstores Group increased its items that may be reclassified to profit or loss for the period to a gain of ZAR4 million for the 52 weeks ended 26 February 2023 from a loss of ZAR3 million for the 52 weeks ended 27 February 2022, an increase of ZAR7 million. This difference was entirely due to the movement in cash flow hedge.

Movement in cash flow hedge

The Boxer Superstores Group recorded a positive ZAR4 million movement in cash flow hedge for the 52 weeks ended 26 February 2023, compared to a negative movement of ZAR3 million for the 52 weeks ended 27 February 2022, a year-on-year increase of ZAR7 million. This movement in cash flow hedge was primarily driven by a loss on the Boxer Superstores Group's FECs as a result of foreign exchange rate fluctuations.

Total comprehensive income for the period

The Boxer Superstores Group increased its total comprehensive income for the period to ZAR1,105 million for the 52 weeks ended 26 February 2023 from ZAR842 million for the 52 weeks ended 27 February 2022, an increase of ZAR263 million or 31.2%. Total comprehensive income for the period growth was driven by the factors discussed above.

LIQUIDITY, CASH FLOW AND CAPITAL RESOURCES

Liquidity

The Boxer Superstores Group's principal sources of liquidity have been cash flows from operating activities. As part of the reorganisation of the Group's capital structure in preparation for the Admission, Boxer Superstores has entered into two facilities agreements for the provision of (i) a ZAR2.0 billion senior unsecured working capital facility provided by Absa and RMB which is renewable annually, and (ii) a ZAR1.1 billion senior unsecured term loan provided by Absa and RMB with the final maturity date being five years from the effective date (the "**Facilities**"). The Facilities include customary terms and conditions. See "*Annexe 15 – Material Borrowings and Material Inter-Company Balances*."

Working capital

As at 25 August 2024, the Boxer Superstores Group's working capital balance stood at negative ZAR1,384 million compared to negative ZAR1,765 million as at 27 August 2023, negative ZAR1,140 million as at 25 February 2024, negative ZAR742 million as at 26 February 2023 and negative ZAR817 million as at 27 February 2022. The consistent negative working capital balance is caused by the combination of high inventory turnover and no *bona fide* trade receivables. Net working capital for FY2024 was impacted by trade and other payables as result of financial year cut-off date timing (*i.e.,* being paid one day later compared to the prior financial period).

Cash flows

The table below sets forth the principal components of the Boxer Superstores Group's cash flows for the 26 weeks ended 25 August 2024 and 27 August 2023, and for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022.

	26 weeks to		52 weeks to		
(ZAR millions)	**25 August 2024 (reviewed)**	**27 August 2023 (reviewed)**	**25 February 2024 (audited)**	**26 February 2023 (audited)**	**27 February 2022 (audited)**
Cash generated from operating activities	803	1,994	2,837	1,488	1,129
Cash utilised in investing activities	(271)	(459)	(1,091)	(1,339)	(750)
Cash utilised in financing activities	(1,772)	(732)	(1,006)	(463)	(383)
Net increase/(decrease) in cash and cash equivalents	**(1,240)**	**803**	**740**	**(314)**	**(4)**
Cash and cash equivalents at beginning of period	1,684	944	944	1,258	1,262
Cash and cash equivalents at end of period	**444**	**1,747**	**1,684**	**944**	**1,258**

Cash generated from operating activities

The Boxer Superstores Group recorded cash generated from operating activities of ZAR803 million for the 26 weeks ended 25 August 2024 compared to ZAR1,994 million for the 26 weeks ended 27 August 2023, a decrease of ZAR1,191 million, or 59.7%. The change was primarily due to the payment of the ZAR500 million dividend declared and a working capital movement in trade and other payables, provisions and deferred revenue.

The Boxer Superstores Group recorded cash generated from operating activities of ZAR2,837 million for the 52 weeks ended 25 February 2024 compared to ZAR1,488 million for the 52 weeks ended 26 February 2023, an increase of ZAR1,349 million, or 90.7%. The change was primarily due to the growth in the Boxer Superstores Group's trading profit and the non-payment of dividends in this period.

The Boxer Superstores Group recorded cash generated from operating activities of ZAR1,488 million for the 52 weeks ended 26 February 2023 compared to ZAR1,129 million for the 52 weeks ended 27 February 2022, an increase of ZAR359 million, or 31.8%. The change was primarily due to the growth in the Boxer Superstores Group's trading profit.

Cash utilised in investing activities

The Boxer Superstores Group recorded cash utilised in investing activities of ZAR271 million for the 26 weeks ended 25 August 2024 compared to ZAR459 million for the 26 weeks ended 27 August 2023, a decrease of ZAR188 million, or 41.0%. The change was primarily due to a lower investment in property, plant and equipment (13 new store openings in the 26 weeks ended 25 August 2024 compared to 27 for the 26 weeks ended 27 August 2023).

The Boxer Superstores Group recorded cash utilised in investing activities of ZAR1,091 million for the 52 weeks ended 25 February 2024 compared to ZAR1,339 million for the 52 weeks ended 26 February 2023, a decrease of ZAR248 million, or 18.5%. The change was primarily due to lower investment in property, plant and equipment including purchases of operations (50 new store openings in the 52 weeks ended 25 February 2024 compared to 60 for the 52 weeks ended 26 February 2023).

The Boxer Superstores Group recorded cash utilised in investing activities of ZAR1,339 million for the 52 weeks ended 26 February 2023 compared to ZAR750 million for the 52 weeks ended 27 February 2022, an increase of ZAR589 million, or 78.5%. The change was primarily due to higher investment in property, plant and equipment including purchases of operations (60 new store openings in the 52 weeks ended 26 February 2023 compared to 36 for the 52 weeks ended 27 February 2022).

Cash utilised in financing activities

The Boxer Superstores Group recorded cash utilised in financing activities of ZAR1,772 million for the 26 weeks ended 25 August 2024 compared to ZAR732 million for the 26 weeks ended 27 August 2023, an increase of ZAR1,040 million, or 142.1%. The change was primarily due to the ZAR1,497 million in repayments of related party loans advanced to the Boxer Superstores Group, compared to ZAR455 million in the prior period.

The Boxer Superstores Group recorded cash utilised in financing activities of ZAR1,006 million for the 52 weeks ended 25 February 2024 compared to ZAR463 million for the 52 weeks ended 26 February 2023, an increase of ZAR543 million, or 117.3%. The change was primarily due to ZAR455 million in repayments of related party loans advanced to the Boxer Superstores Group and a 19.6% increase in principal lease liability payments due to the new leases entered into as part of the Boxer Superstores Group's accelerated store rollout programme.

The Boxer Superstores Group recorded cash utilised in financing activities of ZAR463 million for the 52 weeks ended 26 February 2023 compared to ZAR383 million for the 52 weeks ended 27 February 2022, an increase of ZAR80 million, or 20.9%. The change was primarily due to a 20.4% increase in principal lease liability payments due to the new leases entered into as part of the Boxer Superstores Group's accelerated store rollout programme.

CONTRACTUAL OBLIGATIONS

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

	As at 25 August 2024					
(ZAR millions)	**Carrying amount**	**Contractual cash flows**	**Within 1 year**	**Within 2-5 years**	**Within 6-10 years**	**More than 10 years**
Lease liabilities	4,393	6,019	941	3,224	1,706	148
Trade and other payables	4,504	4,504	4,504	–	–	–
Total	**8,897**	**10,523**	**5,445**	**3,224**	**1,706**	**148**

CAPITAL EXPENDITURES

The Boxer Superstores Group authorised capital expenditure reflects anticipated cash outflows to the coming financial year-end on the Boxer Superstores Group's investment in intangible assets, property, plant and equipment and purchase of operations. Authorised capital expenditure not yet incurred was ZAR1,337 million as at 25 February 2024, 22.3% increase on the ZAR1,093 million incurred for the 52 weeks ended 25 February 2024, the majority of this increase being reflective of the increased store roll-out planned for FY2025. The Boxer Superstores Group expects to invest ZAR700 million in capital projects during the 27 weeks ending 2 March 2025 (excluding the expected Pick n Pay conversions).

The table below sets out the distribution of the Boxer Superstores Group's capital expenditure between maintenance and expansion for the 26 weeks ended 25 August 2024, and 27 August 2023 and the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022:

	26 weeks to		52 weeks to		
	25 August 2024	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**
(ZAR millions)	**(unaudited)**	**(unaudited)**	**(audited)**	**(audited)**	**(audited)**
Maintenance	182	277	398	512	474
Expansion	133	136	695	807	370
Total	**315**	**413**	**1,093**	**1,319**	**844**

QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT FINANCIAL RISK MANAGEMENT

Credit risk

Credit risk is the risk of financial loss to the Boxer Superstores Group if a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets, which potentially subject the Boxer Superstores Group to credit risk, consist principally of cash and cash equivalents, trade and other receivables, loans and amounts owing by related parties.

Cash and cash equivalents

The Boxer Superstores Group's cash is placed with major South African, Eswatini and international financial institutions of high credit rating. The Boxer Superstores Group's primary bankers had a long-term credit rating of zaAA as at 25 February 2024 (refer to Note 15 to the Consolidated Annual Historical Financial Information in relation to FY2024).

Trade and other receivables

Trade and other receivables mainly relate to trade debtors and are presented net of allowance for credit losses (refer to Note 14 to the Consolidated Annual Historical Financial Information in relation to FY2024). The majority of trade and other receivables are within payment terms and are considered to have low credit risk.

Loans

Loans mainly comprise employee loans and landlord loans in line with the Boxer Superstores Group's credit policy. Loans are granted after reviewing the credit worthiness of each employee or landlord. Refer to Note 10 to the Consolidated Annual Historical Financial Information in relation to FY2024. The majority of loans are secured and are considered to have low credit risk.

Amounts owing by related parties

The amounts owing by related parties are unsecured and are repayable on demand. Due to the repayment terms, fair value is considered to approximate the carrying value.

Amounts owing by related parties mainly comprise of loans granted by the Boxer Superstores Group to related parties and is presented net of impairment losses (refer to Note 16 to the Consolidated Annual Historical Financial Information in relation to FY2024).

Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk (such as equity price risk). Financial instruments affected by market risk include loans, lease liabilities, amounts owing by/to related parties, cash and cash equivalents, fair value through OCI financial instruments and derivative financial instruments. The objective of market risk management is to manage and control exposure to market risk, while optimising the return on the risk.

Currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Boxer Superstores Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Boxer Superstores Group's operating activities. The Boxer Superstores Group is not exposed to currency risk relating to its net investment in its foreign subsidiary due to the 1:1 exchange rate of its Eswatini subsidiary.

Transactional currency risk – FECs

The Boxer Superstores Group has transactional currency exposures arising from the acquisition of goods and services in currencies other than its functional currency. The Boxer Superstores Group is exposed to currency risk through the importation of merchandise however it does not have material foreign creditors as inventory imports are mostly prepaid.

The Boxer Superstores Group imports inventory from foreign countries and is exposed to fluctuations in foreign exchange rates. The Boxer Superstores Group uses FECs to mitigate its foreign exchange risks from the import of inventory. It is the Boxer Superstores Group's policy to cover all foreign inventory purchases by utilising a derivative contract (FEC). The Boxer Superstores Group does not use derivatives for speculative purposes.

The Boxer Superstores Group's FECs have been designated as cash flow hedges of firm commitments. All firm commitments are expected to be realised within 12 months.

An economic relationship exists between the hedged items and the hedging instruments. The Boxer Superstores Group has established a hedge ratio of 1:1, as the terms of the FECs match the terms of the firm commitments. To test hedge effectiveness, the Boxer Superstores Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve. During the 52 weeks ended 25 February 2024, ZAR71,237 (FY2023: ZAR36,855, FY2022: ZAR57,263) was reclassified to cost of merchandise sold in the statement of comprehensive income.

Forward exchange contract assets/(liabilities)	Contract foreign currency (millions)	ZAR equivalent (ZAR millions)	Average forward rate (ZAR)	Fair value (ZAR millions)
25 February 2024				
Euro	1	18	20.4	–
		18		**–**
26 February 2023				
U.S. Dollars	2	30	18.2	**–**
Euro	2	31	18.7	**2**
		61		**2**
27 February 2022				
U.S. Dollars	9	141	15.5	(2)
Euro	1	10	17.3	–
		151		**(2)**

Transactional currency risk – foreign cash balances, trade and other receivables, trade and other payables.

The Boxer Superstores Group has exposure to foreign currency translation risk through its foreign cash balances, trade and other receivables and trade and other payables denominated in currencies other than the South African rand. These balances are immaterial in relation to the total of the line items they are included in. These risks are not hedged.

Sensitivity of the Boxer Superstores Group's exposure to material foreign currencies is estimated by assessing the impact of a reasonable expected movement of the currencies on the statement of comprehensive income, statement of financial position and statement of changes in equity of the Boxer Superstores Group. A sensitivity analysis is not presented as the estimated impact of the expected movement in currencies is nil, as the exchange rate is 1:1 for its Eswatini subsidiary.

Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Boxer Superstores Group's interest rate risk arises from loans, cash and cash equivalents, lease liabilities and amounts owing by/to related parties. The exposure to interest rate risk is managed through the Boxer Superstores Group's cash management system taking into account expected movements in interest rates when funding or investing decisions are made.

Interest rates on financial instruments at period end	**52 weeks to**		
(%)	**25 February 2024**	**26 February 2023**	**27 February 2022**
Financial assets			
Employee loans	4.0 – 6.9	4.0	4.0
Other loans	12.0	10.6	7.3
Cash and cash equivalents	4.0 – 7.2	3.4 – 6.1	1.9 – 3.0
Amounts owing by related parties	0.0 – 9.1	5.0 – 8.3	4.5 – 5.0
Financial liabilities			
Lease liabilities	8.6	7.7	7.7
Amounts owing to related parties	0.0 – 9.1	5.0 – 8.3	4.5 – 5.0

Sensitivity of the Boxer Superstores Group's exposure to interest rate risk is estimated by assessing the impact of a reasonable expected movement in the relevant interest rates on the statement of comprehensive income and statement of changes in equity of the Boxer Superstores Group based on the period end closing balances. As at 25 February 2024, interest rates could reasonably be expected to change by 1% up or down (FY2023 and FY2022: changed by 1% up or down). This range has been used in the sensitivity analysis, as set out below.

	52 weeks to					
	25 February 2024		**26 February 2023**		**27 February 2022**	
(ZAR millions)	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**	**1% decrease**	**1% increase**
Total impact on finance income	**(14)**	**14**	**(7)**	**7**	**(11)**	**11**

Liquidity risk

Liquidity risk is the risk that the Boxer Superstores Group will not be able to meet its financial obligations as they fall due. The Boxer Superstores Group manages this risk by maintaining adequate reserves and unutilised borrowing facilities (listed below) and by continuously monitoring forecasted and actual cash flows, ensuring that the maturity profiles of financial assets and liabilities do not expose the Boxer Superstores Group to liquidity risk.

For the 52 weeks ended 25 February 2024, on average, trade and other receivables and inventory are realised within 39 days (2023:40 days, 2022:35 days); and trade payables are settled within 37 days (2023: 37 days, 2022:37 days). To the extent that the Boxer Superstores Group requires short-term funds, it utilises the banking facilities available and lease liabilities are used to fund right-of-use-assets.

The table below presents the Boxer Superstores Group's utilisation of its FEC facilities.

Unutilised borrowing facilities	**52 weeks to**		
(ZAR millions)	**25 February 2024**	**26 February 2023**	**27 February 2022**
Total available facilities	71	71	–
Utilisation of FEC	(18)	(61)	–
Total unutilised facilities	**53**	**10**	**–**

As at 25 February 2024, the Boxer Superstores Group had issued a financial guarantee in favour of Pick n Pay Retailers' lenders for the repayment of ZAR4.5 billion long-term debt (a shared guarantee with the Boxer Superstores Group's ultimate holding company, PIK). The guaranteed long-term debt had a maturity of more than one year and less than five years. As at 25 February 2024, the financial obligation for the Boxer Superstores Group, measured at stage 1 of the expected credit loss model, was ZAR7 million (nil as at 26 February 2023; nil as at 27 February 2022).

For further information, refer to Note 27 of the Consolidated Annual Historical Financial Information" and "*Key factors affecting comparability of results of operations – Financial guarantee*."

As at the Last Practicable Date, the Boxer Superstores Group has entered into the Facilities as described in "*Liquidity, Cash Flow and Capital Resources –Liquidity*," which are expected to be partially drawn post-Admission. For further information on the Facilities (as defined in "*Liquidity, Cash Flow and Capital Resources – Liquidity") please see "Annexe 15 – Material Borrowings and Material Inter-Company Balances*."

The undiscounted contractual maturities of other financial liabilities, including estimated interest payments are set out in "*Contractual Obligations.*"

Market value risk

The Boxer Superstores Group has an investment in PIK shares classified as financial asset at fair value through other comprehensive income. The fair value of these financial instruments are derived from quoted market prices in active securities market.

At 25 February 2024, the Boxer Superstores Group's exposure to these listed equity securities at fair value was ZAR40 million (2023: ZAR95 million, 2022: ZAR78 million). An increase/decrease of 10% (2023 and 2022: 10%) on the JSE market index could have an impact of approximately ZAR4 million (2023: ZAR10 million 2022: ZAR8 million) on total comprehensive income.

PART XIII – DIVIDENDS AND DIVIDEND POLICY

The Board recognises the importance of maintaining a consistent dividend policy and will endeavour to avoid volatile swings in the dividend profile by ensuring high-quality medium-term strategic and financial planning.

Boxer is a growth business focused on delivering value to shareholders. Boxer is targeting a dividend pay-out ratio of 40% of headline earnings per share, subject to the Group's cash requirements and growth prospects, and seeks to declare and pay dividends semi-annually for the foreseeable future.

Boxer does not intend to declare any dividends for the 53 weeks ending 2 March 2025, aside from the Pre-Admission Dividends and any dividends declared to the PIK Group prior to Admission and to be paid following Admission. As such, prospective investors who intend to participate in the Offer should anticipate receiving dividends from Boxer for the first time in the 52 weeks ended 1 March 2026.

Notwithstanding the above, the Group's Board reserves its right to adjust its dividend policy, should the business and the cash resources support this. In terms of South African law, the Company will be entitled to pay a dividend or make a similar payment to the Shareholders subject to the "solvency and liquidity" test set out in the Companies Act being met and the Company being permitted to do so in terms of the Company MOI.

The quantum, timing and frequency of future dividends will be at the sole discretion of the Board and will be a function of the profitability, cash resources and cash requirements, targeted growth opportunities and overall strategy of Boxer. There is no arrangement under which future dividends are waived or agreed to be waived.

None of the matters outlined in this "*Part XIII – Dividends and Dividend Policy*" have been reported on by the Independent Auditor.

PART XIV – INCORPORATION AND SHARE CAPITAL

INCORPORATION

The Company was registered and incorporated in South Africa on 1 July 2024 under the Companies Act as a private company. It was converted to a public company with effect from 9 October 2024 with registration number: 2024/392006/06.

The business of the Group includes the management of a number of discount retail stores across South Africa and Eswatini with food, liquor and building segments. The business was established in 1988 and has conducted its operations since then.

The registered address and head office of the Company is 41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3630. There has been no material change in the business or trading objects of the Company since incorporation.

The business of the Group is not subject to any degree of government protection and of any investment encouragement law affecting the business of the Group.

SHARE CAPITAL AND STATED CAPITAL

Share capital on the Last Practicable Date

The authorised and issued share capital of the Company on the Last Practicable Date is as follows:

	Number of Ordinary Shares
Authorised share capital	**1,000,000,000**
Issued share capital[1]	**300,000,000**

Notes:

(1) The stated capital on the Last Practicable Date is ZAR100.

Share capital on the Admission Date

The authorised and issued share capital of the Company on the Admission Date are expected to be as follows:

	Number of Ordinary Shares
Authorised share capital	**1,000,000,000**
Issued share capital[1][2]	**477,083,334**

Notes:

(1) The stated capital on the Admission Date is expected to be ZAR8.5 billion.
(2) The expected issued share capital on the Admission Date assumes an Offer Price in the middle of the Offer Price Range.

Save as contemplated in this Pre-listing Statement on the Admission Date, there are no treasury shares held in the Company and none of the securities of the Company are listed on any securities exchange. There have been no consolidations or subdivisions of the securities of the Company during the past three years. Under the terms of the Company MOI, the rights of the holders of Ordinary Shares may be varied only by way of a special resolution of such Shareholders.

Each Ordinary Share in the capital of the Company is of no par value and shall rank *pari passu* in respect of all rights with every other Ordinary Share.

DESCRIPTION OF SECURITIES

Set out in "*Annexe 16 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary*" to this Pre-listing Statement are extracts of the relevant provisions of the Company MOI, regarding, among other things, preferential conversion and/or exchange rights of the Ordinary Shares; consent necessary for the variation of rights attaching to the Ordinary Shares; voting rights of the Ordinary Shares; rights to dividends, profits or capital or any other rights of the Ordinary Shares; and control over the issue or disposal of the authorised but unissued Ordinary Shares.

OPTIONS OR PREFERENTIAL RIGHTS IN RESPECT OF SHARES

Save in connection with the Overallotment Option as described in "*Part II – Overview of the Offer – Overallotment and Stabilisation*" and the Company's share plan as set out in "*Annexe 12 – Company Share Plan*" there is no contract or arrangement, nor has any been proposed, whereby any option or preferential right of any kind has been or will be given to any person to subscribe for any shares in the Company or its Major Subsidiary.

There are no conversion or exchange rights to Ordinary Shares, nor do any Shareholders have any redemption rights or preferential rights to profits or capital.

COMMISSIONS, DISCOUNTS, BROKERAGES OR SPECIAL TERMS

No commissions, discounts, brokerages or other special terms have been granted by the Company in the three years preceding the date of this Pre-listing Statement in connection with the issue or sale of any shares save for the commissions payable in connection with the Offer in terms of the Placement Agreement, a summary of which is as set out in "*Part II – Overview of the Offer – Placement Agreement*."

AUTHORISATIONS

On 8 October 2024, the following special resolutions were duly passed by Boxer Holdings as the then sole shareholder of the Company, among other resolutions:

- adopting the Company MOI; and
- authorising the conversion of the Company from a private company to public company and consequently changing in its name from "Boxer Retail Proprietary Limited" to "Boxer Retail Limited."

On 14 October 2024, the following special resolutions were adopted by Boxer Holdings as the then sole shareholder of the Company, among other resolutions:

- authorising the provision of financial assistance in terms of sections 44 and 45 of the Companies Act, which approves such financial assistance either for a specific recipient, or generally for a category of potential recipients and the specific recipient falls within that category;
- granting a general authority to the Company to issue Ordinary Shares for cash as contemplated in paragraph 5.52(e) of the JSE Listings Requirements; and
- granting a general authority to the Company to repurchase Ordinary Shares as contemplated in paragraph 5.72(c) of the JSE Listings Requirements, read together with sections 46 and 48 of the Companies Act.

On 15 October 2024, the following ordinary resolutions, among others, were adopted by Boxer Holdings, as the then sole shareholder of the Company:

- establishing the Audit, Risk and Compliance Committee of the Board and appointing its members; and
- establishing the Social, Ethics and Transformation Committee of the Board and appointing its members.

On 25 October 2024, the following special and ordinary resolutions, among others, were adopted by Boxer Holdings, as the then sole shareholder of the Company:

- authorising the remuneration of non-executive Directors as compensation for their services, and for their services as members of various committees of the Board, in terms of section 66(9) of the Companies Act;
- authorising the issue of such number of Ordinary Shares as will be required for the Offer in terms of section 41(1) of the Companies Act and section 41(3) of the Companies Act (if issuance is in excess of 30% of the existing voting rights in the Company);
- establishing the Boxer LTIP as a share incentive scheme in terms of schedule 14 of the JSE Listings Requirements and approving the rules of the scheme (see "*Annexe 12 – Company Share Plan*");
- authorising the issue of Shares to qualifying employees pursuant to the rules of the Boxer LTIP; and
- approving the Remuneration Policy.

On 4 November 2024, a special resolution was adopted by Pick n Pay Retailers, among other resolutions, authorising the issue of such number of Ordinary Shares as will be required for the Offer in terms of section 41(1) of the Companies Act, including in relation to the Boxer LTIP.

SECURITIES ISSUED OR TO BE ISSUED OTHER THAN FOR CASH

At the incorporation of the Company on 1 July 2024, the Company issued 1,000 Ordinary Shares to Boxer Holdings.

As more fully described in "*Part VIII – Restructuring and Formation of the Group*," an intra-group Restructuring was undertaken prior to the Admission in terms of the Restructuring Implementation Agreement in order to facilitate the Admission. As part of the Restructuring, Boxer Holdings disposed of the shares it held in Boxer Superstores (constituting 100% of the shares in Boxer Superstores) to the Company. In exchange for receiving the shares in Boxer Superstores, the Company issued 299,999,000 additional ordinary shares in the Company to Boxer Holdings, thus increasing the total number of issued ordinary shares of the Company to 300,000,000. Boxer Holdings subsequently distributed its shares in the Company to its sole shareholder, Pick n Pay Retailers, as a dividend *in specie.*

Other than as described immediately above, no shares have been, within the three years preceding the date of this Pre-listing Statement, issued, or agreed to be issued, by the Company or any of its subsidiaries to any person, other than for cash.

ALTERATION OF SHARE CAPITAL

Save as outlined above, no alterations to the share capital of the Company have occurred in the three years prior to the Last Practicable Date.

PREVIOUS OFFERS AND ISSUES

Other than the Offer and the Restructuring, no material issues of or offers of the securities of the Company including those of any subsidiary were made during the three years prior to the Last Practicable Date which were material to the Company.

SHAREHOLDING

Controlling Shareholders

Pick n Pay Retailers (direct shareholding) – 100%

Pick n Pay Stores (indirect shareholding) – 100%

Major Shareholders

As far as the Directors are aware, as at the Last Practicable Date, the following persons are the direct or indirect beneficial owners of 5% or more of the total Ordinary Shares in issue:

Pick n Pay Retailers (direct shareholding) – 100%

Pick n Pay Stores (indirect shareholding) – 100%

Following the Admission, Pick n Pay Retailers (directly) and Pick n Pay Stores (indirectly) will retain at least 50% plus one Ordinary Share, in accordance with the approval granted by the Pick n Pay Stores extraordinary general meeting held on 1 October 2024.

PART XV – TAXATION

The following summary describes certain tax consequences in connection with the acquisition, ownership and disposal of the Offer Shares. This summary is based on the laws as in force and as applied in practice on the Last Practicable Date and is subject to changes to those laws and practices subsequent to such date. In the case of persons who are non-residents of South Africa for income tax purposes, this summary should be read in conjunction with the provisions of any applicable double tax agreement between South Africa and their country of residence. The summary is intended as a general guide only and is not comprehensive or determinative and should not be regarded as tax advice. Accordingly, if you are in any doubt about your tax position you should consult an appropriate independent professional adviser.

SOUTH AFRICAN TAXATION

Taxation issues

The following is a high-level summary of the material South African tax consequences in connection with the acquisition, ownership and disposal of the Offer Shares. The following summary is not a comprehensive description of all of the tax considerations that may be relevant to a decision to acquire, purchase, own or dispose of the Offer Shares and does not cover tax consequences that depend upon your particular tax circumstances or jurisdictions outside of South Africa. This summary is only a general discussion, and it is not a substitute for tax advice.

The discussion in this section is based on South African law as at the Last Practicable Date. Changes in the law may alter the tax treatment of the Offer Shares, as applicable, possibly on a retrospective basis. It is recommended that you consult your own tax adviser about the consequences of subscribing for and purchasing, holding, disposing of the Offer Shares, as applicable, in your particular situation.

Tax implications on disposal of shares

The tax position of a Shareholder in respect of the future disposal of Ordinary Shares is dependent on such Shareholder's individual circumstances, including whether it holds the respective Ordinary Shares as capital assets or as trading stock, whether the respective Shares are held by an individual, company, trust, collective investment scheme or pension fund. The outcome would further be dependent on the jurisdiction of tax residence of the Shareholder and whether that Shareholder may place reliance on a double tax agreement concluded between South Africa and the Shareholder's jurisdiction of tax residence.

Securities transfer tax

The transfer by a Shareholder of Ordinary Shares will be subject to securities transfer tax. Securities transfer tax is imposed in respect of the transfer of listed shares (including the cancellation or redemption of a share) at the rate of 0.25% of the taxable amount being the amount of the consideration for the share or if no amount of consideration is declared, or if the amount so declared is less than the lowest price of that security, the closing price of the security, determined in terms of the Securities Transfer Tax Act. The definition of "transfer" in the Securities Transfer Tax Act excludes the issue of a share and hence no securities transfer tax is payable on the issue of a share.

Tax implications of future dividends

Dividends may have South African tax implications for both South African tax resident and non-tax resident Shareholders. To the extent that the dividend constitutes a "dividend" as defined in section 1 of the Income Tax Act, the dividend may be subject to dividends tax. However, this depends on the Shareholder's individual circumstances. South African tax resident and non-resident Shareholders that are liable for dividends tax will be subject to dividends tax at a rate of 20%. South African non-tax resident Shareholders may be subject to dividends tax at a reduced rate, depending on their country of residence and the applicability of any double tax agreement concluded between South Africa and their country of residence and certain administrative procedures which need to be complied with.

UNITED STATES TAXATION

Certain United States Federal Income Tax Considerations

The following discussion is a summary of certain United States federal income tax consequences of acquiring, owning and disposing of the Offer Shares. This discussion applies only to beneficial owners of Offer Shares that are "U.S. Holders," as defined below, that acquire Offer Shares in this offering and hold Offer Shares as "capital assets" (generally, property held for investment) within the meaning of Section 1221 of the U.S. Internal Revenue Code of 1986, as amended (the "**Code**"). This discussion is based upon the Code, its legislative history, existing final, temporary and proposed U.S. Treasury regulations, administrative pronouncements by the U.S. Internal Revenue Service, or the IRS, and judicial decisions, all as of the date of this Pre-listing Statement and all of which are subject to change, possibly on a retroactive basis, and to different interpretations.

This discussion does not purport to address all U.S. federal income tax consequences that may be relevant to a particular U.S. Holder and you are urged to consult your own tax advisor regarding your specific tax situation. This discussion does not address the tax consequences that may be relevant to U.S. Holders subject to special tax rules, including, for example:

- insurance companies;
- tax-exempt organisations;
- dealers in securities or currencies;
- traders in securities that elect to mark-to-market their securities holdings;
- banks or other financial institutions;
- partnerships or other pass-through entities;
- persons whose functional currency for U.S. federal income tax purposes is not the U.S. dollar;
- U.S. expatriates;
- regulated investment companies;
- real estate investment trusts;

- certain taxpayers that file applicable financial statements and are required to recognise income when the associated revenue is reflected on such financial statements;
- "controlled foreign corporations";
- persons that hold our Offer Shares as part of a hedge, straddle, conversion or other integrated transaction; or
- persons that own or have owned directly, indirectly or constructively 10% or more of our Ordinary Shares by vote or value.

Further, this discussion does not address any alternative minimum tax consequences, any tax consequences to partnerships, or any other entities treated as partnerships for U.S. federal income tax purposes, that own Offer Shares or any partners thereof or the tax on "net investment income." In addition, this discussion does not address any federal tax other than federal income tax (such as gift and estate tax), state, local and non-U.S. tax consequences of acquiring, owning and disposing of Offer Shares.

You are a "U.S. Holder" if you are a beneficial owner of Offer Shares and you are for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation created or organised in or under the laws of the United States, any state thereof, or the District of Columbia;
- an estate the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust if (i) a court within the United States is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust or (ii) the trust has an election in effect under current U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or any other entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Offer Shares, the U.S. federal income tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. A partner of a partnership considering the purchase, ownership or disposition of Offer Shares should consult its own independent tax advisor.

Except where otherwise noted, this discussion assumes that, and the Group believes that, it is not, and will not become, a passive foreign investment company, or a PFIC, as described below.

Distribution on Offer Shares

Distributions made by the Company of cash or property with respect to the Offer Shares, including amounts withheld to pay South African tax, generally will be treated as dividends for U.S. federal income tax purposes to the extent paid out of the Company's current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Such dividends generally will be taxed to a U.S. Holder as ordinary dividend income. A dividend will be included in a U.S. Holder's income on the date of the U.S. Holder's actual or constructive receipt of the dividend. Distributions in excess of the Company's current or accumulated earnings and profits will be treated first as a non-taxable return of capital, thereby reducing a U.S. Holder's adjusted tax basis (but not below zero) in the Offer Shares, *i.e.*, the initial cost of Offer Shares to the U.S. Holder as reduced by any such previous distribution in excess of our current or accumulated earnings and profits with respect to such Offer Shares, and thereafter will be either long-term or short-term capital gain depending upon whether the U.S. Holder held the Offer Shares for more than one year as of the time such distribution is actually or constructively received. Because the Company does not expect to maintain calculations of its earnings and profits in accordance with U.S. federal income tax principles, U.S. Holders should assume that the entire amount of a distribution generally will be treated as a dividend for U.S. federal income tax purposes. As used below, the term "dividend" means a distribution that constitutes a dividend for U.S. federal income tax purposes.

Dividends paid by the Company will not be eligible for the dividends received deduction provided under the Code for certain U.S. corporate shareholders.

Subject to certain holding period requirements and other conditions, dividends paid to non-corporate U.S. Holders may be eligible for preferential rates of taxation if the dividends give rise to "qualified dividend income" for U.S. federal income tax purposes. Dividends received with respect to the Offer Shares will be qualified dividends if the Company (i) is eligible for the benefits of a comprehensive income tax treaty with the United States that the IRS has approved for the purposes of the qualified dividend rules and (ii) was not, in the taxable year prior to the taxable year in which the dividend was paid, and is not, in the taxable year in which the dividend is paid, a PFIC for U.S. federal income tax purposes with respect to the U.S. Holder.

There is currently a tax treaty in effect between the United States and South Africa (the "**Treaty**") which the Secretary of Treasury has determined is satisfactory for these purposes. The Company believes that it qualifies as a resident of South Africa for purposes of, and is eligible for the benefits of, the Treaty, although there can be no assurance in this regard. As discussed below, the Company does not anticipate being a PFIC for its current taxable year or any foreseeable future taxable year. See "*Passive Foreign Investment Company Rules*."

Dividends received with respect to its Offer Shares will be treated as foreign source income for purposes of determining a U.S. Holder's U.S. foreign tax credit limitation. A U.S. Holder may be entitled, subject to a number of complex limitations and conditions, including a minimum holding period requirement, to claim a U.S. foreign tax credit in respect of any South African income taxes withheld on dividends received on the Offer Shares (at a rate not exceeding any applicable Treaty rate). For purposes of the U.S. foreign tax credit limitation, foreign source income is separated into different "baskets," and the credit for foreign taxes on income in any basket is limited to the U.S. federal income tax allocable to such income. The dividends the Company pays for most U.S. Holders should generally constitute "passive category income." The rules relating to computing foreign tax credits are complex, and Treasury Regulations impose requirements that must be met for a foreign tax to be creditable, including requirements that the withholding tax constitutes a "covered withholding tax" imposed on nonresidents *in lieu* of a generally applicable tax that satisfies the regulatory definition of an "income tax," which may be unclear or difficult to determine, or alternatively, that the U.S. Holder is entitled to a credit under the Treaty and elects to apply the Treaty. IRS notices provide temporary relief from certain of these requirements if the notice is applied consistently to all foreign taxes paid during the relevant taxable year until the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). U.S. Holders who do not elect to claim a credit for any foreign income taxes paid during the taxable year may instead claim a deduction in respect of such South African income taxes, provided that if such taxes are otherwise creditable, the U.S. Holder elects to deduct (rather than credit) all otherwise creditable foreign taxes paid or accrued for the taxable year. U.S. Holders are urged to consult their own tax advisors regarding the availability of foreign tax credits or deductions with respect to any South African income taxes withheld from distributions on the Offer Shares.

The amount of any dividend paid in ZAR will equal the U.S. dollar value of the dividend, calculated by reference to the exchange rate in effect at the time the dividend is actually or constructively received by the U.S. Holder, regardless of whether the payment is in fact converted into U.S. dollars at that time. A U.S. Holder should not recognise any foreign currency gain or loss in respect of such dividend if such ZAR are converted into U.S. dollars on the date received by the U.S. Holder. If the ZAR are not converted into U.S. dollars on the date of receipt, however, a gain or loss may be recognised upon the subsequent sale or other disposition of the ZAR. Such foreign currency gain or loss, if any, will be U.S. source ordinary income or loss. U.S. Holders should consult with their own tax advisors regarding the treatment of any foreign currency gain or loss if any ZAR received as a dividend on our Offer Shares are not converted into U.S. dollars on the date of receipt.

Sale, Exchange or Other Taxable Disposition of Offer Shares

A U.S. Holder generally will recognise capital gain or loss upon the sale, exchange or other taxable disposition of Offer Shares measured by the difference between the amount realised on the sale, exchange or other taxable disposition of Offer Shares and the U.S. Holder's adjusted tax basis in the shares. Any such gain or loss will be a long-term capital gain or loss if the Offer Shares have been held for more than one year. Non-corporate U.S. Holders, including individuals, may be eligible for preferential rates of U.S. federal income tax in respect of long-term capital gains. The deductibility of capital losses is subject to limitations under the Code.

A capital gain or loss, if any, realised by a U.S. Holder on the sale, exchange or other taxable disposition of Offer Shares generally will be treated as U.S. source gain or loss for U.S. foreign tax credit purposes. Consequently, in the case of a gain from the disposition of a share that is subject to South African income tax (see "*South African Taxation – Tax implications on disposal of shares*"), even if such tax were considered creditable in principle for this purpose, the U.S. Holder may not be able to benefit from the foreign tax credit for that South African income tax (*i.e.*, because the gain from the disposition would be U.S. source), unless the U.S. Holder has sufficient other income from foreign sources in the relevant foreign tax credit basket. The rules relating to foreign tax credits are complex, and under the Treasury Regulations described above taxes on disposition gains are likely not creditable. IRS notices provide temporary relief from certain of the provisions of those Treasury Regulations if the notice is applied consistently to all foreign taxes paid during the relevant taxable year until the date that a notice or other guidance withdrawing or modifying the temporary relief is issued (or any later date specified in such notice or other guidance). Even if these Treasury Regulations do not preclude a U.S. Holder from a claiming a foreign tax credit, the U.S. Holder may be precluded from claiming foreign tax credits because a relief from any South African taxes may be available under the Treaty or due to other limitations under the foreign tax credit rules. Alternatively, it is possible that South African taxes on disposition gains may either reduce the amount realised, or be deductible, subject to applicable limitations. A U.S. holder generally will not be entitled to a credit with respect to any securities transfer tax paid with respect to the disposition of Offer Shares (as discussed in "*South African Taxation – Securities Transfer Tax*"). The rules governing foreign tax credits are complex, and prospective purchasers should consult their tax advisers regarding the U.S. federal income tax consequences of any South African taxes imposed on disposition gains, including creditability, deductibility and determination of the amount realised and any applicable limitations in their particular circumstances.

If you are a U.S. Holder, the initial tax basis of your Offer Shares will be the U.S. dollar value of the *Rand* denominated purchase price determined on the date of purchase. If the shares are treated as traded on an "established securities market," a cash method U.S. Holder, or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of the cost of such Offer Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. With respect to the sale or exchange of our Offer Shares for *Rand* or any other foreign currency, the amount realised generally will be the U.S. dollar value of the payment received determined on (i) the date of receipt of payment in the case of a cash basis U.S. Holder and (ii) the date of disposition in the case of an accrual basis U.S. Holder. If the Offer Shares are treated as traded on an "established securities market," a cash method U.S. Holder, or, if it elects, an accrual method U.S. Holder, will determine the U.S. dollar value of the amount realised by translating the amount received at the spot rate of exchange on the settlement date of the disposition. If a U.S. Holder sells or otherwise disposes of Offer Shares in exchange for *Rand* or any other foreign currency, any gain or loss that results from currency exchange fluctuations during the period from the receipt of the currency until the date that the currency is converted into U.S. dollars (or otherwise disposed of) generally will be treated as U.S. source ordinary income or loss. U.S. Holders should consult their tax advisers as to the U.S. federal income tax consequences of the receipt of *Rand* or any other foreign currency on the sale or other disposition of Offer Shares.

Passive Foreign Investment Company Rules

A non-U.S. corporation will be considered a PFIC for any taxable year in which (i) 75% or more of its gross income is "passive income" under the PFIC rules or (ii) 50% or more of the average value of its assets (generally determined on a quarterly basis) is attributable to assets that produce, or are held for the production of, "passive income." For this purpose, "passive income" generally includes interest, dividends, rents, royalties and certain gains, subject to certain exceptions. Relevant factors include the extent to which we hold cash or cash equivalents, or properties that do not generate income, and the relative values of our "active" and "passive" assets. All such items may vary from time to time. If a non-U.S. corporation owns, directly or indirectly, at least 25%, by value, of the shares of another corporation, it will be treated for purposes of these tests as if it holds directly its proportionate share of the gross assets and receives directly its proportionate share of the gross income of such other corporation.

The determination as to whether a non-U.S. corporation is a PFIC is based on the application of complex U.S. federal income tax rules, which are subject to differing interpretations, the composition of the income, expenses and assets of the non-U.S. corporation from time to time and the nature of the activities performed by its officers and employees. For this reason, while the Group does not presently expect to be a PFIC for the current taxable year or the foreseeable future, there can be no assurance that the composition of its income and assets will not change, or that the IRS will not reach a contrary conclusion. You are urged to consult your tax advisers regarding the risks associated in investing in a company that may be a PFIC. Further, the PFIC tests must be applied each taxable year, and it is possible that the Group may become a PFIC in a future taxable year if the nature and extent of its activities were to change, or if the composition of its income and assets change in any material respect. In addition, the Group's actual PFIC status for any taxable year is not determinable until after the end of such taxable year the Group does not intend to monitor its PFIC status for any future taxable year. Because of these uncertainties, it is possible that it may be a PFIC for the current or any other taxable year.

If the Group is a PFIC for any taxable year during which a U.S. Holder holds Offer Shares and any of its non-U.S. subsidiaries is also a PFIC, the U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower-tier PFIC for purposes of the application of the PFIC rules.

In general, if the Group is a PFIC for any taxable year during which a U.S. Holder holds (or, as discussed in the previous paragraph, is deemed to hold) Offer Shares, gain recognised by the U.S. Holder on a sale or other disposition (including, under certain circumstances, a pledge) of Offer Shares would be allocated ratably over the U.S. Holder's holding period of Offer Shares. The amounts allocated to the taxable year of the sale or other disposition and to any taxable year before the Group became a PFIC would be taxed as ordinary income. The amount allocated to each other taxable year would be subject to tax at the highest tax rate in effect for individuals or corporations, as appropriate, for such other taxable year and an interest charge would be imposed on the tax attributable to the allocated amounts. Further, any distributions in respect of Offer Shares to the extent they exceed 125% of the average of the annual distributions on Offer Shares received by the U.S. Holder during the preceding three taxable years or the U.S. Holder's holding period, whichever is shorter ("excess distributions"), would be subject to taxation as described above. Dividends by and dispositions of lower-tier PFICs would also potentially be taxable to a U.S. Holder that was deemed to hold shares in the lower-tier PFIC (as discussed in the previous paragraph) under these rules. These rules would apply to a U.S. Holder that held Offer Shares during any taxable year in which we were a PFIC, even if the Group was not a PFIC in the taxable year in which the U.S. Holder sold, or received an excess distribution in respect of, its Offer Shares.

If the Group is a PFIC for any taxable year during which a U.S. Holder owns Offer Shares, it will generally continue to be a PFIC with respect to such shares even if the Group ceased to be a PFIC for subsequent taxable years.

Certain elections may mitigate the adverse U.S. federal income tax consequences of owning Offer Shares of a PFIC. In particular, a U.S. Holder generally may make a mark-to-market election with respect to shares of "marketable stock" of a PFIC. If a U.S. Holder made a mark-to-market election with respect to Offer Shares, for each year that the Group is a PFIC, such U.S. Holder would generally include as ordinary income or loss the difference between the fair market value of its Offer Shares at the end of the taxable year and its adjusted tax basis of the Offer Shares (but loss could only be included to the extent of the net amount of previously included income as a result of the mark-to-market election). The U.S. Holder's tax basis in Offer Shares would be adjusted to reflect any such income or loss amounts. Any gain recognised on the sale or other disposition of Offer Shares in a taxable year that the Group is a PFIC would be treated as ordinary income, and any loss would be treated as ordinary loss to the extent of the net amount of previously included income as a result of the mark-to-market election. Under the Code and applicable U.S. Treasury regulations, the term "marketable stock" includes stock of a PFIC that is "regularly traded" on a "qualified exchange or other market."

The Offer Shares will be treated as listed on a "qualified exchange or other market" if the exchange on which they are listed has sufficient trading volume, listing and financial disclosure, is regulated or supervised by a governmental authority of the country in which the market is located and meets certain other requirements. The JSE Limited has approved the listing of all of Ordinary Shares on the Main Board of the JSE, subject to the fulfilment of certain conditions. It is unclear whether the JSE would meet the requirements for a "qualified exchange or other market" and whether there would be sufficient trading of Offer Shares for them to be characterised as "regularly traded." Therefore, no assurance can be provided that a U.S. Holder would be able to elect mark-to-market treatment for the Offer Shares. U.S. Holders are urged to consult their tax advisors about the availability of the mark-to-market election, and whether making the election would be advisable in light of their particular circumstances.

Because the mark-to-market election applies only to marketable stock, whether or not Offer Shares are treated as listed on a "qualified exchange or other market," a mark-to-market election under current law is likely to be unavailable with respect to any lower-tier PFIC. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of our subsidiaries.

A "qualified electing fund" election, which may mitigate the adverse U.S. federal income tax consequences of owning shares of a PFIC in certain circumstances, would not be available to U.S. Holders of Offer Shares because the Group does not intend to provide the necessary information to allow U.S. Holders to make such an election.

If the Group was a PFIC, a U.S. Holder would generally be required to attach a completed IRS Form 8621 to its tax return every taxable year in which it held Offer Shares.

U.S. Holders should consult their own independent tax advisors with respect to the possibility that the Group may be treated as a PFIC and the tax consequences thereof, including the advisability and availability of any elections discussed above and the annual filing requirements.

Backup Withholding and Information Reporting

In general, dividends on Offer Shares, and payments of the proceeds of a sale, exchange or other taxable disposition of Offer Shares, paid within the United States or through certain U.S. connected financial intermediaries to a U.S. Holder are subject to information reporting and may be subject to backup withholding (currently at a 24% rate) unless the U.S. Holder (i) establishes that it is a corporation or other exempt recipient or (ii) with respect to backup withholding, provides an accurate taxpayer identification number and certifies that it is not subject to backup withholding.

Backup withholding is not an additional tax. The amount of any backup withholding tax from a payment to a U.S. Holder will be allowed as a credit against the U.S. Holder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. A U.S. Holder generally may obtain a refund of any amounts withheld under the backup withholding rules that exceed its U.S. federal income tax liability by timely filing a refund claim with the IRS.

"Specified Foreign Financial Asset" Reporting

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of U.S.$50,000 on the last day of the taxable year or U.S. $75,000 at any time during the taxable year are generally required to report information to the IRS with respect to their investment in such assets (which generally include financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as stock and other securities issued by a non-U.S. person unless held in an account maintained by a financial institution). Investors who fail to report the required information could become subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this requirement on their investment in Offer Shares.

FATCA

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (such Sections commonly referred to as the Foreign Account Tax Compliance Act, or "**FATCA**") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on dividends on, or (subject to the proposed regulations below) gross proceeds from the sale or other disposition of, our Offer Shares paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States-owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Under the applicable Treasury Regulations and administrative guidance, withholding under FATCA generally applies to payments of dividends on our Offer Shares. While withholding under FATCA would have applied also to payments of gross proceeds from the sale or other disposition of stock on or after January 1, 2019, proposed Treasury Regulations eliminate FATCA withholding on payments of gross proceeds entirely. Taxpayers generally may rely on these proposed Treasury Regulations until final Treasury Regulations are issued.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to their investment in Offer Shares.

THE ABOVE DISCUSSION IS NOT INTENDED TO CONSTITUTE A COMPLETE ANALYSIS OF ALL TAX CONSEQUENCES RELATING TO THE ACQUISITION, OWNERSHIP OR DISPOSITION OF OFFER SHARES. U.S. HOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE TAX CONSEQUENCES APPLICABLE IN THEIR PARTICULAR SITUATION.

PART XVI – EXCHANGE CONTROL

The following is a summary of the Exchange Control Regulations. It is intended as a guide only and is not a comprehensive statement of the Exchange Control Regulations which may apply to Shareholders in relation to the Offer Shares. Shareholders who have any queries regarding the Exchange Control Regulations should contact their own professional advisors or authorised dealer (*i.e.*, their bank operating in South Africa with authorised dealer status) without delay.

The Exchange Control Regulations provide for restrictions on the exportation of capital from the CMA. The CMA consists of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini (formerly known as Swaziland). Transactions between residents of South Africa and residents outside of the CMA are subject to Exchange Control Regulations, which are administered by the Financial Surveillance Department of the SARB.

Certain powers have been delegated to authorised dealers in foreign exchange appointed by the SARB ("**Authorised Dealers**"). The delegated powers of Authorised Dealers are contained in the Currency and Exchanges Manual for Authorised Dealers ("**AD Manual**") and transactions that may be facilitated by Authorised Dealers without referring them to the SARB for prior approval are contained in the AD Manual, which is updated from time to time through the release of circulars by the SARB.

The concept of "emigration" as recognised by the SARB is being phased out and commenced with effect from 1 March 2021 and is replaced by a verification process. Exchange Control Circular 6/2021 dated 26 February 2021 and Circular 8/2021 dated 21 May 2021 set out the changes in relation to former residents of the CMA and changes to the AD Manual with effect from 1 March 2021.

For the purposes of the Exchange Control Regulations:

- a resident means any person, being a natural person or a legal entity, who has taken up permanent residence, is domiciled or registered in South Africa;
- a non-resident is a person, being a natural person or a legal entity, whose normal place of residence, domicile or registration is outside the CMA; and
- an emigrant, although the term is no longer defined in the AD Manual, is considered to be a South African resident that placed his/her emigration on record with the SARB under the exchange control policy which applied up to 28 February 2021.

Shareholders who are uncertain as to whether they are residents or non-residents or South African non-tax residents (emigrants) for purposes of the Exchange Control Regulations, read with the AD Manual, are advised to approach their relevant Authorised Dealer to request confirmation.

SHAREHOLDERS WILL RECEIVE ORDINARY SHARES IN DEMATERIALISED FORM

A former resident of the CMA may use funds in their emigrant capital account to subscribe for Offer Shares in terms of this Pre-listing Statement. All applications by former residents of the CMA to use funds in their emigrant capital account must be made through the Authorised Dealer controlling their assets. In such case, Ordinary Shares will be credited directly to their share accounts at the CSDP or Broker controlling their remaining portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement. Ordinary Shares subsequently re-materialised and issued in Certificated Form will be endorsed "non-resident" and will be sent to the Authorised Dealer through whom the payment was made. If applicable, refund monies payable in respect of unsuccessful applications or partly successful applications, as the case may be, for Offer Shares in terms of this Pre-listing Statement, emanating from emigrant capital accounts will be returned to the Authorised Dealer through whom the payments were made, for credit to such emigrants' capital accounts.

Similarly, any sale proceeds upon the disposal of the Offer Shares, and cash dividends based on that person's Offer Shares and/or securities controlled in terms of the Exchange Control Regulations will be forwarded to the Authorised Dealer in foreign exchange controlling their assets for credit to such person's capital account.

Any share certificates that may be issued by the Company to non-residents of the CMA, including former residents of the CMA utilising funds introduced from abroad, will be endorsed "non-resident" in accordance with the Exchange Control Regulations.

Ordinary Shares will be credited directly to their non-resident share accounts at the CSDP or Broker controlling their portfolios and an appropriate electronic entry will be made in the relevant register reflecting a "non-resident" endorsement. Any sale proceeds upon the disposal of the Ordinary Shares and cash dividends on the Ordinary Shares are freely transferable from South Africa, subject to being converted into a currency other than Rand or paid for the credit of a non-resident Rand account. Accordingly, any Ordinary Shares issued to a former resident of the CMA utilising funds introduced from abroad will not be credited to a capital account and sale proceeds upon disposal thereof can be freely remitted offshore.

PART XVII – SELLING AND TRANSFER RESTRICTIONS

Because of the following restrictions, prospective investors are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the Offer Shares. This section should be read together with the "Important Information" section of this Pre-listing Statement.

THIS PRE-LISTING STATEMENT IS NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, IN OR INTO ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION OR REQUIRE BOXER TO TAKE ANY FURTHER ACTION.

No action has been taken or will be taken in any jurisdiction by the Company or the Joint Global Coordinators and Joint Bookrunners that would permit a public offering of the Offer Shares, or the possession, circulation or distribution of this Pre-listing Statement or any other material relating to the Company or the Offer Shares, in any jurisdiction where action for that purpose is required. Accordingly, no Offer Shares may be offered, issued, or sold directly or indirectly, and neither this Pre-listing Statement nor any other Offer material or advertisements in connection with the Offer Shares may be distributed or published, in or from any jurisdiction except in compliance with any applicable laws and regulations of any such jurisdiction. Persons into whose possession this Pre-listing Statement comes should inform themselves about and observe any such restrictions, including those in the paragraphs that follow. Any failure to comply with these restrictions may constitute a violation of the securities laws or regulations of any such jurisdictions.

If an investor receives a copy of this Pre-listing Statement, the investor may not treat this Pre-listing Statement as constituting an invitation or offer to the investor of the Offer Shares, unless, in the relevant jurisdiction, such an offer could lawfully be made to the investor, or the Offer Shares could lawfully be dealt in without contravention of any unfulfilled registration or other legal requirements. Accordingly, if the investor receives a copy of this Pre-listing Statement or any other Offer materials or advertisements, the investor should not distribute the same in or into, or send the same to any person in, any jurisdiction where to do so would or might contravene local securities laws or regulations.

If an investor forwards this Pre-listing Statement or any other Offer materials or advertisements into any such jurisdictions (whether under a contractual or legal obligation or otherwise) the investor should draw the recipient's attention to the contents of this section.

Subject to the specific restrictions described below, investors (including, without limitation, any investors' nominees and trustees) wishing to accept, subscribe for, sell or purchase, Offer Shares must satisfy themselves as to full observance of the applicable laws and regulations of any relevant jurisdiction, including obtaining any requisite governmental or other consents, observing any other requisite formalities and paying any issue, transfer or other taxes due in such jurisdictions.

Investors who are in any doubt as to whether they are eligible to subscribe for or purchase Offer Shares should consult their professional adviser without delay.

None of the Company or the Joint Global Coordinators and Joint Bookrunners accepts any legal responsibility for any violation by any person, whether or not a prospective investor in any of the Offer Shares, of any such restrictions.

EXCEPT AS OTHERWISE SET OUT IN THIS PRE-LISTING STATEMENT, THE OFFERING DESCRIBED IN THIS PRE-LISTING STATEMENT IS NOT BEING MADE TO INVESTORS IN THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN, AND THIS PRE-LISTING STATEMENT SHOULD NOT BE FORWARDED OR TRANSMITTED IN OR INTO THE UNITED STATES, CANADA, AUSTRALIA OR JAPAN.

NOTICE TO PROSPECTIVE INVESTORS IN SOUTH AFRICA

In South Africa, this Pre-listing Statement will not be distributed to any person in any manner which could be construed as an offer to the public in terms of the Companies Act. The Offer will only be made by way of private placement to, and be capable of acceptance by, South African Qualifying Investors and this Pre-listing Statement is only being made available to such South African Qualifying Investors.

The Offer and the Pre-listing Statement do not constitute an offer for the sale of or subscription for, or the solicitation of an offer to buy and to subscribe for, shares to the public (or a section thereof) as defined in the Companies Act and will not be made or distributed, as applicable, to any person in South Africa in any manner which could be construed as an offer to the public in terms of the Companies Act. Should any person in South Africa who is not a South African Qualifying Investor receive this Pre-listing Statement they should not and will not be entitled to acquire any Offer Shares or otherwise act thereon.

This Pre-listing Statement does not, nor is it intended to, constitute a prospectus prepared and registered under the Companies Act or an advertisement relating to an offer to the public as contemplated under the Companies Act, and accordingly, does not comply with the substance and form requirements for prospectuses set out in the Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC.

The information contained in this Pre-listing Statement constitutes factual information as contemplated in section 1(3)(a) of the FAIS Act, as amended and should not be construed as an express or implied recommendation, guidance or proposal that any particular transaction in respect of any Ordinary Shares (including the Offer Shares) is appropriate to the particular investment objectives, financial situations or needs of a prospective investor, and nothing in this Pre-listing Statement should be construed as constituting the canvassing for, or marketing or advertising of, financial services in South Africa. The Company is not a financial services provider licensed as such under the FAIS Act and the Company's advisers are acting for the Company only in respect of the Offer and the Admission and are not giving or purporting to have given any financial advice, as contemplated in the FAIS Act, to any prospective investor of the Company.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES

The Ordinary Shares (including the Offer Shares) have not been, and will not be, registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction of the United States for offer or sale as part of their distribution and, subject to certain exceptions, may not be offered, issued, or sold in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and in compliance with applicable state securities laws. The Placement Agreement provides that the Joint Global Coordinators and Joint Bookrunners may directly or through their respective U.S. broker-dealer affiliates arrange for the Offer Shares to be offered, issued, and sold inside the United States only to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, from the registration requirements of the U.S. Securities Act and outside the United States in offshore transactions, as defined in and in reliance on, Regulation S. Prospective investors are hereby notified that any seller of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A. The Offer Shares are not transferable except in accordance with the restrictions described in this section.

The Offer Shares have not been approved or disapproved by the SEC, any state securities commission in the United States or any other United States regulatory authority, nor have any of the foregoing authorities passed upon or endorsed the merits of the Offer or the accuracy or adequacy of this Pre-listing Statement. Any representation to the contrary is a criminal offense in the United States.

In addition, until the end of the 40th calendar day after commencement of the Offer, an offering or sale of Ordinary Shares within the United States by any dealer (whether or not participating in the Offer) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or transaction not subject to, the registration requirements under the U.S. Securities Act.

NOTICE TO PROSPECTIVE INVESTORS IN CANADA

No prospectus has been filed with any securities commission or similar regulatory authority in Canada in connection with the offer and sale of the Ordinary Shares. No securities commission or similar regulatory authority in Canada has reviewed or in any way passed upon this document or on the merits of the Ordinary Shares and any representation to the contrary is an offence. The offer and sale of the Ordinary Shares in Canada is being made on a private placement basis only and is exempt from the requirement that the issuer prepares and files a prospectus under applicable Canadian securities laws. Any resale of Ordinary Shares acquired by a Canadian investor in this offering must be made in accordance with applicable Canadian securities laws, which resale restrictions may under certain circumstances apply to resales of the Ordinary Shares outside of Canada.

As applicable, each Canadian investor who purchases the Ordinary Shares will be deemed to have represented to the issuer, the underwriters and to each dealer from whom a purchase confirmation is received, as applicable, that the investor (i) is purchasing as principal, or is deemed to be purchasing as principal in accordance with applicable Canadian securities laws, for investment only and not with a view to resale or redistribution; (ii) is an "accredited investor" as such term is defined in section 1.1 of National Instrument 45-106 *Prospectus Exemptions* ("**NI 45-106**") or, in Ontario, as such term is defined in section 73.3(1) of the *Securities Act* (Ontario); and (iii) is a "permitted client" as such term is defined in section 1.1 of National Instrument 31-103 *Registration Requirements, Exemptions and Ongoing Registrant Obligations*.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 *Underwriting Conflicts* ("**NI 33-105**") (or section 3A.4 in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction), this offering is conducted pursuant to any exemption from the requirement that Canadian investors be provided with certain underwriter conflicts of interest disclosure that would otherwise be required pursuant to subsection 2.1(1) of NI 33-105.

NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED KINGDOM

No Offer Shares have been offered or will be offered pursuant to the Offer to the public in United Kingdom, except that offers of Offer Shares may be made to the public in the United Kingdom at any time under the following exemptions from the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined in under Article 2(e) of the UK Prospectus Regulation; or
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2(e) of the UK Prospectus Regulation), subject to obtaining prior consent of the Joint Global Coordinators and Joint Bookrunners for any such offer; or
- in any other circumstances falling within Section 86 of the FSMA,

provided that no such offer of Offer Shares shall result in a requirement for the Company or any Joint Global Coordinator and Joint Bookrunner to publish a prospectus pursuant to Section 85 of the FSMA or supplement to a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the Offer and any Offer Shares to be offered so as to enable an investor to decide to purchase or otherwise acquire any Offer Shares and the expression "UK Prospectus Regulation" means Regulation (EU) 2017/1129 as it forms part of assimilated law by virtue of the European Union (Withdrawal) Act 2018. This Pre-listing Statement is only being distributed to and is only directed at, and any investment or investment activity to which this document relates is available only to, and will be engaged only with persons in the United Kingdom who are Relevant Persons. The Offer Shares are only available to, and any invitation, offer or agreement to purchase or otherwise acquire such shares will be engaged in only with, Relevant Persons. This Pre-listing Statement is only directed at Relevant Persons and must not be acted on or relied on by persons who are not Relevant Persons. Any investment or investment activity to which this Pre-listing Statement relates is available only to Relevant Persons and will be engaged in only with Relevant Persons.

Each Joint Global Coordinator and Joint Bookrunner has represented and agreed that (i) it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the sale of the Offer Shares in circumstances in which Section 21(1) of the FSMA does not apply to the Company; and (ii) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the shares in the Offer in, from or otherwise involving the United Kingdom.

NOTICE TO PROSPECTIVE INVESTORS IN MEMBER STATES OF THE EEA

In relation to each Member State, no Offer Shares have been offered or will be offered to the public in that relevant Member State, pursuant to the Offer, except that Offer Shares may be made offered to the public in that relevant Member State at any time in reliance on the following exemptions under the EU Prospectus Regulation:

- to persons who are "Qualified Investors" within the meaning of Article 2(e) of the EU Prospectus Regulation; or
- to fewer than 150 natural or legal persons (other than qualified investors as defined in the EU Prospectus Regulation) per relevant Member State, with the prior written consent of the Joint Global Coordinators and Joint Bookrunners for any such offer; or
- in any other circumstances falling under the scope of Article 3(2) of the EU Prospectus Regulation,

provided that no such offer of Offer Shares shall require the Company or any Joint Global Coordinator and Joint Bookrunner to publish a prospectus pursuant to Article 3 of the EU Prospectus Regulation or supplementary prospectus pursuant to Article 23 of the EU Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to any Offer Shares in any Relevant Member State means a communication to persons in any form and by any means presenting sufficient information on the terms of the Offer and the Offer Shares to be offered so as to enable an investor to decide to acquire any Offer Shares.

Each person in a relevant Member State who receives any communication in respect of, or who acquires any Offer Shares under, the Offer contemplated hereby will be deemed to have represented, warranted and agreed to with each of the Company and the Joint Global Coordinators and Joint Bookrunners that it is a qualified investor within the meaning of Article 2(e) of the EU Prospectus Regulation.

The Company, the Joint Global Coordinators and Joint Bookrunners and their respective affiliates and their respective directors, employees, agents, advisers, subsidiaries and others will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators and Joint Bookrunners of such fact in writing may, with the prior consent of the Joint Global Coordinators and Joint Bookrunners, be permitted to acquire the Offer Shares in the Offer.

NOTICE TO PROSPECTIVE INVESTORS IN AFFECTED JURISDICTIONS

This document constitutes a Pre-listing Statement and has been prepared in accordance with the JSE Listings Requirements in connection with the Admission and the Offer.

THERE IS NO OFFER TO THE PUBLIC (OR A SECTION THEREOF) AND THE OFFER REFERRED TO IN THIS PRE-LISTING STATEMENT, WHICH COMPRISES AN OFFER FOR OFFER SHARES BY THE COMPANY TO THE OFFEREES TO WHOM THE OFFER WILL SPECIFICALLY BE ADDRESSED, DOES NOT CONSTITUTE, NOR IS IT INTENDED TO CONSTITUTE, A PUBLIC OFFERING IN ANY JURISDICTION AND IS ONLY ADDRESSED TO PERSONS TO WHOM THE OFFER MAY LAWFULLY BE MADE. IN ADDITION, THIS DOCUMENT IS NOT A PROSPECTUS, OR AN ADVERTISEMENT IN RELATION TO ANY OFFER TO THE PUBLIC AND HAS NOT AND WILL NOT BE REGISTERED AS A PROSPECTUS OR REGISTERED AT ALL WITH THE CIPC OR WITH ANY REGULATOR IN ANY OTHER JURISDICTION.

The Offer and the distribution or possession of this Pre-listing Statement in jurisdictions other than South Africa may be restricted by law, and a failure to comply with any of those restrictions may constitute a violation of the securities laws of any such jurisdiction. In particular, this Pre-listing Statement and the Offer do not constitute an offer to issue or sell, or a solicitation of an offer to subscribe for or purchase, any securities in or from any jurisdiction in which such offer or solicitation would be unlawful, including, without limitation, in or from any Affected Jurisdiction. To the extent that this Pre-listing Statement may be sent to any Affected Jurisdiction, it is provided for information purposes only. Persons in Affected Jurisdictions may not accept the Offer. No person accepting the Offer should use the mail of any such Affected Jurisdiction nor any other means, instrumentality or facility in such Affected Jurisdiction for any purpose, directly or indirectly, relating to the Offer. The Company reserves the right, but shall not be obliged, to treat as invalid any transfer of Offer Shares, which appears to the Company or its advisers or agents to have been executed, effected or dispatched in a manner which may involve a breach of the securities laws or regulations of any jurisdiction (including any Affected Jurisdiction); or if the Company believes (in its discretion) or its advisers or agents believe that the same may violate applicable legal or regulatory requirements; or if the Company believes (in its discretion) that it is prohibited or unduly onerous or impractical to transfer any Offer Shares to any persons in any jurisdiction outside South Africa. Persons into whose possession this Pre-listing Statement comes, including persons in Affected Jurisdictions, must inform themselves about and observe any such restrictions. Save as specifically set out herein, no actions have been taken, including, without limitation, obtaining any approvals, authorisations or exemptions, that would permit a public offering of Offer Shares to occur outside South Africa. Prospective investors, including persons in Affected Jurisdictions, should not treat the contents of this Pre-listing Statement as advice relating to legal, taxation, investment or any other matters and should consult their own professional advisers concerning the consequences of their acquiring, holding, or disposing of Offer Shares.

TRANSFER RESTRICTIONS

United States

The Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States and may not be offered, issued, or sold except: (i) within the United States only to QIBs in reliance on Rule 144A or pursuant to another exemption from the registration requirements of the U.S. Securities Act; and (ii) outside the United States in compliance with Regulation S, and in each case in accordance with any applicable securities laws of any state or territory of the United States or any other jurisdiction. Terms defined in Rule 144A or Regulation S shall have the same meaning when used in this section.

Each subscriber or purchaser of the Offer Shares outside the United States pursuant to Regulation S will be deemed to have acknowledged, represented and agreed that it has received a copy of this Pre-listing Statement and such other information as it deems necessary to make an informed decision and that:

- the subscriber or purchaser is authorised to consummate the subscription or purchase of the Offer Shares in compliance with all applicable laws and regulations;
- the subscriber or purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act, or with any securities regulatory authority or any state of the United States, and are subject to significant restrictions on transfer;
- the subscriber or purchaser is, and the person, if any, for whose account or benefit the subscriber or purchaser is acquiring the Offer Shares was, located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not subscribed for or purchased the Offer Shares for the benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares to any person in the United States;
- the subscriber or purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares;
- the subscriber or purchaser is aware of the restrictions on the offer and sale of the Offer Shares pursuant to Regulation S described in this Pre-listing Statement;
- the Offer Shares have not been offered to it by means of any "directed selling efforts" as defined in Regulation S;
- the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above restrictions; and
- the subscriber or purchaser acknowledges that these representations are required in connection with the securities laws of the United States and that the Company, the Joint Global Coordinators and Joint Bookrunners and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each subscriber or purchaser of the Offer Shares within the United States pursuant to Rule 144A or another available exemption under the Securities Act will be deemed to have acknowledged, represented and agreed that it has received a copy of this Pre-listing Statement and such other information as it deems necessary to make an informed investment decision and that:

- the subscriber or purchaser is authorised to consummate the subscription or purchase of the Offer Shares in compliance with all applicable laws and regulations;
- the subscriber or purchaser acknowledges that the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to significant restrictions to transfer;
- the subscriber or purchaser (i) is a QIB (as defined in Rule 144A), (ii) is aware and each beneficial owner of such Offer Shares has been advised, that the sale to it may be made in reliance on Rule 144A, and (iii) is acquiring such Offer Shares for its own account or for the account of a QIB, in each case, for investment purposes and not with a view to any resale or distribution to the Offer Shares, as the case may be;
- the subscriber or purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;
- if, in the future, the subscriber or purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, as the case may be, such Offer Shares may be offered, issued, sold, pledged or otherwise transferred only, (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (ii) outside the United States in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, (iii) pursuant to an exemption from registration under the U.S. Securities Act provided by Rule 144 thereunder (if available), (iv) pursuant to any other exemption from the registration requirements of the U.S. Securities Act, subject to the receipt by the Company of an opinion of counsel or such other evidence that the Company may reasonably require that such sale or transfer is in compliance with the U.S. Securities Act, or (v) pursuant to an effective registration statement under the U.S. Securities Act, in each case, in accordance with any applicable securities laws of any State or territory of the United States or any other jurisdiction;
- the subscriber or purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate, and is not in the business of buying and selling securities or, if it is in such business, it did not acquire the Offer Shares from the Company or an affiliate thereof in the initial distribution of such Shares;
- the Offer Shares are "restricted securities" within the meaning of Rule 144(a)(3) and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares, as the case may be;
- the subscriber or purchaser understands that such Offer Shares (to the extent they are in certificated form), unless otherwise determined by the Company in accordance with applicable law, will bear a legend substantially to the following effect:

  THIS SECURITY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE U.S. SECURITIES ACT) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, ISSUED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) IN ACCORDANCE WITH RULE 144A UNDER THE U.S. SECURITIES ACT (RULE 144A) TO A PERSON THAT THE HOLDER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVE IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER, (2) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (3) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED BY RULE 144 UNDER THE U.S. SECURITIES ACT FOR RESALES OF THIS SECURITY. NOTWITHSTANDING ANYTHING TO THE CONTRARY IN THE FOREGOING, THE SECURITY MAY NOT BE DEPOSITED INTO ANY UNRESTRICTED DEPOSITARY RECEIPT FACILITY IN RESPECT OF SECURITIES ESTALISHED OR MAINTAINED BY A DEPOSITARY BANK;

- the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;
- the subscriber or purchaser acknowledges that these representations and undertakings are required in connection with the securities laws of the United States and that the Company, the Joint Global Coordinators and Joint Bookrunners and their respective advisers will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements. If it is acquiring any Offer Shares for the account of one or more QIBs, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- the subscriber or purchaser either (i) is not, and is not acting on behalf of, an employee benefit plan, as defined in Section 3(3) of the United States Employee Retirement Income Security Act of 1974, as amended ("**ERISA**"), that is subject to the provisions of Part 4 of Subtitle B of Title I of ERISA, a plan to which Section 4975 of the Code, applies, or an entity whose underlying assets include plan assets by reason of such an employee benefit plan's or plan's investment in such entity (a "**Benefit Plan Investor**") or a governmental, church, non-U.S. or other plan which is subject to any federal, state, local or non-U.S. law or regulation that is substantially similar to the prohibited transaction provisions of section 406 of ERISA and/or section 4975 of the Code ("**Other Plan Law**"), and no part of the assets to be used by it to acquire or hold the Offer Shares or any interest therein constitutes the assets of any Benefit Plan Investor or such governmental, church, non-U.S. or other plan, or (ii) its acquisition of Offer Shares (or interest therein) will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code, or, in the case of a governmental, church, non-U.S. or other plan, a violation of any Other Plan Law.

Prospective subscriber or purchasers are hereby notified that sellers of the Offer Shares may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

It is expected that delivery of the Offer Shares will be made against payment therefore on or about the Closing Date, which will be the third business day following the date of pricing of the Offer Shares. Pursuant to Rule 15c6-1 under the U.S. Exchange Act, trades in the secondary market generally are required to settle in one business day, unless the parties to any such trade expressly agree otherwise. Accordingly, subscribers or purchasers who wish to trade Offer Shares on the date of pricing or the next succeeding business day will be required, by virtue of the fact that the Offer Shares initially will settle three business days following the pricing date (T+3), to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Subscriber or purchasers of the Offer Shares who wish to trade Offer Shares on the date of pricing or the next succeeding business day should consult their own advisor.

PART XVIII – SETTLEMENT / DEALINGS

STRATE AND TRADING SHARES ON THE JSE

Ordinary Shares may only be traded on the JSE in Dematerialised Form and will be trading for electronic settlement via Strate immediately following the Admission.

Strate is a system of "paperless" transfer of securities. If investors have any doubt as to the mechanics of Strate they should consult their Broker, CSDP or other appropriate adviser, and they are referred to the Strate website at http://www.strate.co.za.

The contents of this website are not incorporated by reference and do not form part of this Pre-listing Statement and should not be relied upon for the purposes of forming an investment decision. Some of the principal features of Strate are as follows:

- electronic records of ownership replace share certificates and physical delivery of certificates;
- trades executed on the JSE must be settled within three business days;
- all investors owning Ordinary Shares in Dematerialised Form or wishing to trade their securities on the JSE are required to appoint either a Broker or a CSDP to act on their behalf and to handle their settlement requirements; and
- unless investors owning Ordinary Shares in Dematerialised Form specifically request their CSDP to register them as an "own name" Shareholder (which entails a fee), their CSDP's or Broker's nominee company, holding shares on their behalf, will be the shareholder of the relevant company and not the investor. Subject to the agreement between the investor and the CSDP or Broker (or the CSDP's or Broker's nominee company), generally in terms of the rules of Strate, the investor is entitled to instruct the CSDP or Broker (or the CSDP's or Broker's nominee company) as to how it wishes to exercise the rights attaching to the Ordinary Shares and/or to attend and vote at shareholders' meetings.

The Company intends to apply for a secondary listing of the Ordinary Shares on A2X on or about the Admission Date.

PART XIX – ADDITIONAL INFORMATION

RESPONSIBILITY

The Directors, whose names are set out in "*Part X – Directors, Senior Management and Corporate Governance*" of this Pre-listing Statement, collectively and individually accept full responsibility for the accuracy of the information provided in this Pre-listing Statement and certify that, to the best of their knowledge and belief there are no other facts, the omission of which would make any statement in this Pre-listing Statement false or misleading and confirm that they have made all reasonable enquiries in this regard and confirm that this Pre-listing Statement contains all information required by law and the JSE Listings Requirements.

SUMMARY OF THE COMPANY MOI AND CERTAIN EXPLANATORY STATEMENTS IN RESPECT OF APPLICABLE LAW AND REGULATION AFFECTING SHAREHOLDERS

The Company MOI, which complies with schedule 10.22 of the JSE Listings Requirements was adopted by a special resolution of the Company passed on 8 October 2024 and was filed with the CIPC on 9 October 2024. A summary of the key terms of the Company's MOI and that of its Major Subsidiary are set out in "*Annexe 16 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary."*

In addition, we set out below a high-level overview of the applicable laws and regulations relevant to Shareholders.

The information below, as well as the extracts of the Company MOI set out in "*Annexe 16 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary*" to this Pre-listing Statement, do not constitute legal advice, and do not purport to be exhaustive of Shareholders' rights in terms of applicable law and have been inserted for Shareholders' information purposes only.

Disclosure of interests in shares

- Section 122(1) of the Companies Act requires a person to notify the Company within 3 business days if that person acquires a beneficial interest in any class of securities issued by the Company, as a result of which that person holds a beneficial interest amounting to 5% or any whole multiple of 5% of that class of issued securities. A beneficial interest, when used in relation to a company's securities, means the right or entitlement of a person (through ownership, agreement, relationship or otherwise, alone or together with another person) to (i) receive or participate in any distribution in respect of the company's securities, (ii) exercise or cause to be exercised, in the ordinary course, any or all of the rights attaching to the company's securities, or (iii) dispose or direct the disposition of the company's securities, or any part of a distribution in respect of the securities, but excludes any interest held by a person in a unit trust or collective investment scheme in terms of the Collective Investment Schemes Control Act, No. 45 of 2002.
- In addition, a person must notify the Company if that person disposes of a beneficial interest in a class of securities of the Company, as a result of which that person no longer holds a beneficial interest in securities amounting to a particular multiple of 5% of the issued securities of that class.
- The above requirements apply to a person irrespective of whether (i) the person acquires or disposes of any securities directly or indirectly or individually or in concert with any other person or persons, or (ii) that person holds the stipulated percentage of securities alone, or in aggregate together with any related or inter-related person, and any person who has acted in concert with any person.
- The Company must file a notice, it receives in terms of section 122, with the Takeover Regulation Panel and report the information to the holders of the relevant class of securities, unless the notice concerned a disposition of less than 1% of the class of securities. In addition, the JSE Listings Requirements provides that a listed company that has received a notice in terms of section 122 of the Companies Act must, within 48 hours of receipt of such notice, publish the information in the notice on SENS, save in respect of notices received related to a disposal of less than 1% of the relevant class of securities.
- Certain additional disclosure requirements were introduced in 2023 in relation to disclosures of "beneficial ownership" which is a broader concept than "beneficial interest," and effectively requires disclosure of ultimate individual shareholders who hold 5% or more. However, this does not apply to listed companies like the Company.

General Meetings

The Company shall convene annual general meetings of its Shareholders from time to time in accordance with the provisions of the Companies Act and the JSE Listings Requirements. Only the Board of the Company may call a shareholders' meeting at any time. The Board may determine the location of any Shareholders' meeting, and the Company may hold any meeting in South Africa.

A notice of a Shareholders' meeting must be delivered at least 15 business days before the date on which the meeting is to begin to the Shareholders and, if expressly required in terms of an instrument appointing a proxy, to the proxy or proxies of a Shareholder. A meeting may be called on a shorter period of notice if every person who is entitled to exercise voting rights in respect of any item on the meeting agenda is present at the meeting and votes to waive the required minimum notice of the meeting.

The accidental omission to give notice of any meeting to any particular Shareholder or Shareholders shall not invalidate any resolution passed at any such meeting.

A Shareholders' meeting may not begin until:

- at least three Shareholders are present at the meeting; and
- sufficient Shareholders are present at the meeting (or represented by proxy) to exercise, in aggregate, at least 25% of all the voting rights that are entitled to be exercised in respect of at least one matter to be decided at the meeting.

A matter to be decided at the Shareholders' meeting may not begin to be considered unless sufficient Shareholders are present (or represented by proxy) at the meeting to exercise, in aggregate at least 25% of all the voting rights that are entitled to be exercised on that matter at the time the matter is called on the agenda.

Directors' Interests in Contracts

If a Director has a personal financial interest (as contemplated in section 75 read with section 1 of the Companies Act, being a material direct economic interest) in respect of a matter to be considered at a meeting of the Board, or knows that a related person has a personal financial interest in the matter, that Director must disclose the interest and its general nature before the matter is considered at the meeting. The Director must further disclose to the meeting any material information relating to the matter, and known to the Director and may disclose any observations or pertinent insights relating to the matter if requested to do so.

A Director must, if present at a meeting, leave the meeting immediately after making any disclosure of a personal financial interest that the Director or a related person of the Director has and must not take part in the consideration of the matter. While absent from the meeting, the Director will be regarded as being present at the meeting for the purpose of determining whether sufficient Directors are present to constitute the meeting, but will not be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted.

Such a Director must not execute any document on behalf of the Company in relation to the matter, unless specifically requested or directed to do so by the Board.

Mandatory Takeover Bids, Squeeze-out and Sell-out Rules

The Company will be subject to the provisions of Chapter 5 of the Companies Act (which regulate fundamental transactions, takeovers and offers) and the Takeover Regulations, including the provisions regarding mandatory offers, compulsory acquisitions and squeeze outs.

Under section 123 of the Companies Act, if (i) the Company re-acquires any of its voting securities (in terms of a repurchase or a scheme of arrangement) or a person acting alone has (or two or more related or inter-related persons, or two or more persons acting in concert, have) acquired a beneficial interest in voting rights attached to any securities issued by the Company, such that (ii) before that acquisition a person was (or persons, as contemplated, were) able to exercise less than 35% of the voting rights attached to securities of the Company; and (iii) as a result of that acquisition, together with any other securities of the Company already held by the person (or persons), they are able to exercise at least 35% of all the voting rights attached to securities of the Company, then, within one business day after the date of the acquisition, the person(s) in whom the voting rights vest must give notice to the holders of the remaining securities, offering to acquire any such remaining securities. A written offer to acquire the remaining securities on terms determined in accordance with the Companies Act and the Takeover Regulations must be delivered to the holders of the remaining securities within one month after the notice.

Under section 124(1) of the Companies Act, if, within four months after the date of an offer for the acquisition of any class of securities of the Company, that offer has been accepted by the holders of at least 90% of that class of securities, other than any such securities held before the offer by the offeror, a related or inter-related person, or such persons acting in concert, or a nominee or subsidiary of any such person or persons, then within two months, the offeror may notify the holders of the remaining securities of the class and after giving notice, the offeror is entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer. Within 30 days after receiving such a notice, a person may apply to court for an order that the offeror is not entitled to acquire the Company's securities of that class or imposing conditions of acquisition different from those of the original offer.

If an offer for the acquisition of any class of securities of the Company results in the acquisition by the offeror or a nominee or subsidiary of the offeror, or a related or inter-related person of any of them, individually or in aggregate, of sufficient securities of that class such that, together with any other securities of that class already held by that person, or those persons in aggregate, they then hold at least 90% of the securities of that class, then the offeror must notify the holders of the remaining securities of the class that the offer has been accepted to that extent and within three months after receiving such a notice, a person may demand that the offeror acquire all of the person's securities of the class concerned. The offeror will be entitled, and bound, to acquire the securities concerned on the same terms that applied to securities whose holders accepted the original offer.

The Company's securities will also be subject to the comparable and partial offer procedures in the Companies Act. Under section 125(2) of the Companies Act, if (i) the Company re-acquires any of its voting securities of a particular class or one or more particular classes (in terms of a repurchase or a scheme of arrangement) and, as a result, a person or a number of related persons hold securities of the Company entitling the person or persons to exercise more than 35% of the general voting rights associated with all the issued securities of the Company, or (ii) a person acting alone, or two or more persons acting in concert, make an offer for any securities of the Company, which, if accepted, could result in a person, or a number of related or inter-related persons holding securities of the Company entitling the person or persons to exercise more than 35% of the general voting rights associated with all issued securities of the Company, that person or those persons acting in concert must make a comparable offer to acquire securities of each class of issued securities of the Company.

Fundamental Transactions

The Company will further be subject to the provisions of Chapter 5 of the Companies Act, which regulate fundamental transactions. The fundamental transactions provided for in Part A of Chapter 5 comprise (i) a disposal of all or the greater part of the assets or undertaking of a company, (ii) an amalgamation or merger, and (iii) a scheme of arrangement.

The Company may only dispose of or give effect to an agreement or series of agreements to dispose of all or the greater part of its assets or undertaking, or implement an amalgamation or a merger, or scheme of arrangement, if the transaction has been approved by a special resolution of the Shareholders in compliance with section 115 of the Companies Act.

Despite a special resolution having been adopted, a fundamental transaction will require court approval if the resolution approving it was opposed by at least 15% of voting rights exercised on the resolution and any person who voted against the resolution demands (within five business days after the vote) that the Company seeks court approval, or, alternatively, where the court grants leave to a person who voted against the resolution to apply for a review of the transaction. If a resolution requires approval by a court, the Company must either apply to the court for approval, bearing the costs of the application, or treat the resolution as a nullity. The court may set aside such a resolution only if it is manifestly unfair to any class of holders of the Company's securities or if the vote was materially tainted by conflict of interest, inadequate disclosure, failure to comply with the Companies Act, the Company MOI or any applicable rules of the Company or any other significant and material procedural irregularity.

In addition, an amalgamation or merger must comply with the requirements under section 113 of the Companies Act, in terms of which (i) the amalgamating or merging parties must enter into a written agreement which sets out the terms and means of effecting the amalgamation or merger and other prescribed matters, (ii) the Board and the board of every other amalgamating or merging company must reasonably believe that each proposed amalgamated or merged company will satisfy the solvency and liquidity test upon implementation of the amalgamation or merger agreement, and (iii) a notice of the amalgamation or merger must be given to every known creditor of the Company.

A scheme of arrangement must comply with the further requirements under section 114 of the Companies Act, in terms of which the Company will be required to appoint an independent expert, who satisfies the requirements in the Companies Act, to prepare a report on the scheme of arrangement to the Board and cause the report to be distributed to all the Shareholders. A scheme of arrangement includes any arrangement between the Company and the holders of any class of its securities, by way of, *inter alia*, (i) a consolidation of securities of different classes, (ii) a division of securities into different classes, (iii) an expropriation of securities from the holders, (iv) exchanging of any of its securities for other securities, (v) a re-acquisition by the Company of its securities, or (vi) a combination of these methods.

In the event of a disposal of all or the greater part of the assets or undertaking of the Company, the assets must be fairly valued, as calculated in the prescribed manner, as set out in section 112 of the Companies Act.

As long as the Company is a public company it will be a regulated company for purposes of Chapter 5 of the Companies Act and the Takeover Regulations. As a regulated company, the Company may not implement any fundamental transaction, as contemplated above, unless the Takeover Regulation Panel has issued a compliance certificate in respect of the transaction in terms of section 119(4)(b) of the Companies Act or exempted the transaction in terms of section 119(6) of the Companies Act.

Shareholder Appraisal Rights

If a special resolution to enter into a fundamental transaction, as contemplated above, or to amend the Company MOI in a manner which materially and adversely affects a shareholder's preferences, rights, limitations or other terms of a class of shares is adopted, the holder of any voting rights in the Company is entitled to seek relief in terms of section 164 of the Companies Act if that person (i) notified the Company in advance of the Shareholder's intention to oppose the resolution, (ii) was present at the meeting and voted against that resolution, and (iii) in the case of a resolution amending the Company MOI, holds shares of a class that is materially and adversely affected by the amendment. If a Shareholder complies with the aforementioned requirements and all the procedural requirements, the Shareholder may demand that the Company pay the Shareholder the fair value for all the shares of the Company held by that Shareholder in accordance with section 164 of the Companies Act.

Special resolutions

In terms of section 65(11) of the Companies Act, the Company requires the prior approval of the Shareholders by way of special resolution to:

- amend the Company MOI to the extent required by the Companies Act;
- ratify a consolidated revision of the Company MOI;
- ratify actions by the Company or Directors in excess of their authority;
- approve an issue of shares or grant of rights in certain circumstances;
- approve an issue of shares or securities;
- authorise the board to grant financial assistance in certain circumstances;
- approve a decision of the board for re-acquisition of shares in certain circumstances;
- authorise the basis for compensation to directors of a profit company;
- approve the voluntary winding up of the Company;
- approve an application to transfer the registration of the Company to a foreign jurisdiction;
- approve any proposed fundamental transaction, to the extent required by Part A of Chapter 5 of the Companies Act; or
- revoke a resolution that gave rise to Shareholders' appraisal rights under section 164.

There shall be no different percentage of voting rights required to approve a special resolution than the percentage voting rights specified in the Companies Act, which as at the date of adoption of the Company MOI is 75% of the voting rights exercised on the resolution.

INFORMATION ON THE MAJOR SUBSIDIARY

Details of the Company's Major Subsidiary are set out in "*Annexe 13 – The Major Subsidiary and Its Directors*" to this Pre-listing Statement.

PRINCIPAL IMMOVABLE PROPERTIES HELD OR OCCUPIED

Details of the principal immovable properties held, occupied or leased by the Company and its Major Subsidiary are set out in "*Annexe 14 – Principal Immovable Properties Held or Occupied*" to this Pre-listing Statement.

PROPERTY ACQUIRED OR TO BE ACQUIRED

There:

- have been no material acquisition(s), within the last three years as at the Last Practicable Date of any securities in, or the business undertaking(s) of, any other company/ies, or business enterprise(s) or any immovable property/ies or other property/ies in the nature of a fixed asset (collectively the "**property**") or any option to acquire such property/ies; and
- are no proposed acquisition by the Company or its Major Subsidiary or any subsidiary, where the acquisition or proposed acquisition is material to the Company, of any property.

No Director or promoter of the Company has any material beneficial interest, either direct or indirect, in (i) any property proposed to be acquired by the Company out of the proceeds of the Offer; or (ii) any property acquired or proposed to be acquired by the Company or its Major Subsidiary in the three years immediately preceding the date of this Pre-listing Statement.

For further information on acquisitions by the Group, please see the Consolidated Annual Historical Information of the Group set out in "*Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*."

DISPOSAL OF PROPERTY

The Company has not disposed of any material property during the last three years and is not currently contemplating any material disposals.

THIRD-PARTY MANAGEMENT

Other than services provided by Pick n Pay Retailers under the Shared Services Agreement, no third party is involved in the management of the Company.

MATERIAL COMMITMENTS, LEASE PAYMENTS AND CONTINGENT LIABILITIES

Other than as disclosed in the Consolidated Annual Historical Financial Information and the Condensed Consolidated Interim Historical Financial Information or discussed in "*Part XII – Management's Discussion and Analysis of Financial Condition and Results of Operations*," the Group:

- has no material commitments as at the Last Practicable Date;
- has no material lease payments payable by the Group, as at the Last Practicable Date; and
- has no material contingent liabilities of the Company and the Group, as at the Last Practicable Date.

FINANCIAL INFORMATION

Consolidated Annual Historical Financial Information

The Consolidated Annual Historical Financial Information of the Boxer Superstores Group for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022 are set out in "*Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" to this Pre-listing Statement.

Condensed Consolidated Interim Historical Financial Information

The Condensed Consolidated Interim Historical Financial Information of the Boxer Superstores Group for 26 weeks ended 25 August 2024 and 27 August 2023 are set out in "*Annexe 3 – Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*" to this Pre-listing Statement.

Consolidated Historical Financial Information

The Consolidated Annual Historical Financial Information and the Condensed Consolidated Interim Historical Financial Information should be read together with the Independent Auditor's reports thereon as set out in "*Annexe 2 – Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" and "*Annexe 4 – Independent Auditor's Review Report on the Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*" to this Pre-listing Statement.

***Pro Forma* Financial Information of the Group**

The *Pro Forma* Financial Information, the preparation of which is the responsibility of the Directors, is set out in "*Annexe 9 – Pro Forma Financial Information*" to this Pre-listing Statement.

The *Pro Forma* Financial Information should be read in conjunction with the Independent Auditor's report thereon set out in "*Annexe 10 – Independent Auditor's Assurance Report on the Compilation Pro Forma Financial Information*" to this Pre-listing Statement.

The *Pro Forma* Financial Information is prepared in accordance with the JSE Listings Requirements, the Guide on *Pro Forma* Financial Information issued by the SAICA using policies that comply with IFRS and that are consistent with those that apply to the results of the Boxer Superstores Group for the 52 weeks ended 25 February 2024 and interim results for the 26 weeks ended 25 August 2024.

The *Pro Forma* Financial Information has been prepared for illustrative purposes only and because of its nature it may not fairly present the Group's financial position, changes in equity and results of operations or cash flows, or the effect and the impact of the Admission on the Group going forward.

CEO and CFO Responsibility Statement

The CEO and the CFO confirm that:

- the Consolidated Annual Historical Financial Information and the Condensed Consolidated Interim Historical Financial Information of the Boxer Superstores Group that are included in the body of this Pre-listing Statement, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- to the best of their knowledge and belief, no facts have been omitted or untrue statements made that would make the Consolidated Historical Financial Information false or misleading;
- internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries have been provided to effectively prepare Consolidated Annual Historical Financial Information and the Condensed Consolidated Interim Historical Financial Information;

- the internal financial controls are adequate and effective and can be relied upon in compiling the Consolidated Annual Historical Financial Information and the Condensed Consolidated Interim Historical Financial Information, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
- they were not aware of any deficiencies in design and operational effectiveness of the internal financial controls; and
- they are not aware of any fraud involving directors.

LOAN CAPITAL AND MATERIAL LOANS

As at the Last Practicable Date, other than the borrowings set out in "*Annexe 15 – Material Borrowings and Material Inter-Company Balances*" to this Prelisting Statement:

- the Company has no issued debentures, debentures created in terms of any trust deed, or debentures or debenture stock, issued by way of conversion or replacement of any debentures previously issued;
- no restrictive funding arrangements have been entered into by the Company, its Major Subsidiary, or by any subsidiaries where such restrictive funding arrangements are material to the Company;
- the Company and its subsidiaries do not have any material loans receivable outstanding other than the inter-company loans and balances below; and
- no loans have been made or security furnished by the Company to or for the benefit of any Director or manager as at the date of this Pre-listing Statement.

Details of material inter-company balances before elimination on consolidation as at the Last Practicable Date are set out in "*Annexe 15 – Material Borrowings and Material Inter-Company Balances*" to this Pre-listing Statement.

Other than the inter-company balances set out in "*Annexe 15 – Material Borrowings and Material Inter-Company Balances*" or otherwise envisaged in the Consolidated Historical Financial Information, there are no material inter-company balances or other transactions as at the Last Practicable Date.

INTERESTS OF ADVISERS AND PROMOTERS AND AMOUNTS PAID OR PAYABLE TO PROMOTERS

As at the Last Practicable Date, none of the advisers, as set out in "*Part I – Corporate Information*" on page 8 of this Pre-listing Statement, holds any Ordinary Shares or has agreed to acquire any Ordinary Shares, except the Joint Global Coordinators and Joint Bookrunners as contemplated in the Placement Agreement.

No amount has been paid or proposed to be paid in the three years preceding the Last Practicable Date to any promoter, or to any partnership, syndicate or other association of which that promoter is or was a member, nor has any cash or security been paid nor proposed, nor any other benefit given nor proposed to any such promoter, partnership, syndicate or other association in the aforementioned three-year period.

No promoters have any material beneficial interest in the promotion of the Company.

From time to time, in the ordinary course of their respective businesses, the Joint Global Coordinators and Joint Bookrunners and their affiliates have engaged, and may in the future engage, in commercial or investment banking transactions with the Company.

No promoter, Director or officer of the Company has any material beneficial interest, direct or indirect, in any of the Joint Global Coordinators and Joint Bookrunners.

LITIGATION

There are no legal or arbitration proceedings that are pending or threatened of which the Company is aware, that may have, or have had in the recent past, being at least the previous 12 months preceding the Last Practicable Date, a material effect on the Group's financial position. For further information on legal and regulatory matters and related developments and considerations, see "*Part IV – Risk Factors*" of this Pre-listing Statement.

MATERIAL CONTRACTS

As at the Last Practicable Date, there are no material contracts as contemplated in the JSE Listings Requirements entered into by the Company, its Major Subsidiary, or by any subsidiaries, being restrictive funding arrangements and/or contracts entered into (whether verbally or in writing) otherwise than in the ordinary course of business carried on, or proposed to be carried on, by the Company or its Major Subsidiary or by any subsidiary where it is material to the Company during the two years preceding the Last Practicable Date, or at any time, containing an obligation or settlement that is material to the Group at the finalisation date that have been entered into by the Company.

Other than as envisaged in the Consolidated Annual Historical Financial Information and Condensed Consolidated Interim Historical Financial Information and in ordinary course of business, there are no existing or proposed contracts relating to royalties payable or items of a similar nature in respect of the Company or its Major Subsidiaries.

As at the Last Practicable Date, neither the Company nor its Major Subsidiary have entered into any agreements relating to the payment of technical, administrative or secretarial fees.

VENDORS OF MATERIAL ASSETS

Neither the Company nor any of its subsidiaries has acquired any material assets from vendors, as contemplated in paragraph 7.H of the JSE Listings Requirements, during the three years preceding the Last Practicable Date.

WORKING CAPITAL STATEMENT

The Directors are of the opinion that:

- the Company and the Group will be able to pay its debts in the ordinary course of business for a period of 12 months after the date of this Pre-listing Statement;
- the assets of the Company and the Group will exceed the liabilities of the Company and the Group for a period of at least 12 months after the date of this Pre-listing Statement. For this purpose, the assets and liabilities should be recognised and measured in accordance with the accounting policies used in the Company's latest audited annual financial statements;
- the share capital and reserves of the Company and the Group will be adequate for ordinary business purposes for a period of at least 12 months after the date this Pre-listing Statement; and
- the working capital of the Company and the Group will be adequate for ordinary business purposes for a period of at least 12 months after the date of this Pre-listing Statement.

MATERIAL CHANGE

There has been no material change in the financial or trading position of the Group since 25 August 2024, the date of the Condensed Consolidated Interim Historical Financial Information included in this Pre-listing Statement and the Last Practicable Date.

STATEMENTS AS TO NO OTHER LISTING

The Company has not applied for a listing on any securities exchange other than the JSE and has accordingly never been refused a listing on any exchange nor had any such application for a listing been deferred. The Company intends to apply for a secondary listing of the Ordinary Shares on A2X on or about the Admission Date.

EXPENSES

The following table sets out the total estimated expenses paid or payable by the Company in respect of the Offer and Admission.

Nature of expense	Payable to	Estimated amount, inclusive of Value Added Tax (ZAR'000)
Joint Global Coordinators and Joint Bookrunners	RMB, Morgan Stanley, Absa and Standard Bank	262,967
South African Legal Advisors to the Company	Bowman Gilfillan Inc.	18,400
US and International Legal Advisors to the Company	Milbank LLP	23,345
Independent Auditor to the Company	Ernst & Young Inc.	9,890
South African Legal Advisors to the Joint Global Coordinators and Joint Bookrunners	Webber Wentzel	3,450
US and International Legal Advisors to the Joint Global Coordinators and Joint Bookrunners	Linklaters LLP	6,601
Transfer secretaries	Computer Share Investor Services Proprietary Limited	48
Listing fees and documentation inspection fees	JSE	3,043
Printing, publication and distribution costs	Greymatter & Finch Ltd	376
Other expenses	Various	7,208
Contingency		4,672
Total estimated expenses and fees		**340,000**

The Company has not incurred any preliminary expenses (within the meaning of the JSE Listings Requirements) over the three financial years preceding the Last Practicable Date.

CONSENTS

Each of the advisers, whose name appears in "*Part I – Corporate Information*" of this Pre-listing Statement, has consented in writing to act in the capacities stated and to the inclusion of its names and, where applicable, to the inclusion of its reports in this Pre-listing Statement in the form and context in which they appear and has not withdrawn its consent prior to the publication of this Pre-listing Statement.

DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be available for inspection at the Company's registered office and the Sponsor's offices set out in "*Part I – Corporate Information*" during Business Hours from the date of issue of this Pre-listing Statement until the Admission Date and can be made available through a secure electronic manner at the election of the person requesting inspection by emailing the Company Secretary at CompanySecretary@boxer.co.za:

- the Company MOI and the memorandum of incorporation of its Major Subsidiary;
- the Consolidated Annual Historical Financial Information and the Condensed Consolidated Interim Historical Financial Information;
- the reports of the Independent Auditor dated 1 November 2024, which are included as "*Annexe 2 – Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*," "*Annexe 4 – Independent Auditor's Review Report on the Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*," "*Annexe 6 – Independent Auditor's Assurance Report on the At Incorporation Historical Financial Information of Boxer Retail Limited as at 1 July 2024," "Annexe 8 –Independent Auditor's Assurance Report in Respect of the Compilation of Non-IFRS Financial Information*" and "*Annexe 10 – Independent Auditor's Assurance Report on the Compilation Pro Forma Financial Information*" to this Pre-listing Statement;
- the *Pro Forma* Financial Information of the Group;
- the Non-IFRS Financial Measures of the Boxer Superstores Group;
- a signed copy of this Pre-listing Statement;
- the written consents of each of the legal advisers, the Independent Auditor, the Joint Global Coordinators and Joint Bookrunners, the Transfer Secretary and Sponsor named in this Pre-listing Statement to act in those capacities;
- the written consent of the Independent Auditor to the publication of their reports included as "*Annexe 2 – Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*," "*Annexe 4 – Independent Auditor's Review Report on the Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*," "*Annexe 6 – Independent Auditor's Assurance Report on the At Incorporation Historical Financial Information of Boxer Retail Limited as at 1 July 2024*," "*Annexe 8 – Independent Auditor's Assurance Report in Respect of the Compilation of Non-IFRS Financial Information*," and "*Annexe 10 – Independent Auditor's Assurance Report on the Compilation Pro Forma Financial Information*" to this Pre-listing Statement and references thereto in the form and context in which they are included in this Pre-listing Statement;
- copies of the Remuneration Policy;
- copies of the Boxer LTIP; and
- a summary of the service agreements referred to in "*Annexe 11 – Particulars of the Directors and Senior Management of the Company*" to this Pre-listing Statement.

Signed at Cape Town on behalf of the Company in terms of a resolution by the Directors.

By order of the Board

Monday, 11 November 2024

Marek Adam Masojada
(Chief Executive Officer)

James Roger Formby
(Chairperson)

ANNEXE 1 – CONSOLIDATED ANNUAL HISTORICAL FINANCIAL INFORMATION OF BOXER SUPERSTORES PROPRIETARY LIMITED FOR THE 52 WEEKS ENDED 25 FEBRUARY 2024, 26 FEBRUARY 2023 AND 27 FEBRUARY 2022

The definitions and interpretations commencing on page 238 of this Pre-listing Statement apply through this Annexe 1, except where the context indicates a contrary intention and except where terms are explicitly defined herein.

BASIS OF PREPARATION

The Consolidated Annual Historical Financial Information set out below has been extracted from the audited group annual financial statements of Boxer Superstores Proprietary Limited ("**Boxer Superstores**") for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022 ("**Audited Financial Statements**"). The Audited Financial Statements were prepared in accordance with the IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by Financial Reporting Standards Council.

The Audited Financial Statements have been audited by Ernst & Young Inc. who expressed an unmodified audit opinion thereon. Ernst and Young Inc. is the Independent Auditor of the Boxer Superstores Group and has issued the Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information, which is included as "*Annexe 2 – Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" to this Pre-listing Statement.

The Consolidated Annual Historical Financial Information has been prepared in accordance with IFRS and the JSE Listings Requirements, and prepared in accordance with, and by applying, the accounting policies of the Boxer Superstores Group, for the purpose of providing financial information to satisfy the requirements of section 8 of the JSE Listings Requirements.

The additional disclosure required in terms of paragraph 8.12 of the JSE Listings Requirements has been included in the Consolidated Annual Historical Financial Information.

The Directors are responsible for the preparation, contents and presentation of the Consolidated Annual Historical Financial Information as included in this Pre-listing Statement and are responsible for ensuring that the Boxer Superstores Group complies with the JSE Listings Requirements.

DIRECTORS' COMMENTARY

52 weeks ended 25 February 2024 ("FY24")

Turnover for the period grew 17.3% to R37.4 billion, driven by like-for-like turnover growth and the store opening programme. Boxer Superstores Group opened 50 new stores in FY24, including 18 supermarkets and 32 liquor stores, which brought the estate to a total of 477 stores.

Gross profit for the period grew 17.6%, with the gross profit margin expanding by 0.1%. Other trading income declined by 35.5%, driven by the non-repeat of R170.0m of insurance recoveries recorded in FY23. Trading expenses grew 13.5%, driven by the net impact of new store rollout and the R135.0 million gain from derecognition of the financial guarantee contract.

Reported trading profit increased 17.8% to R2.1 billion, with the reported trading margin maintained at 5.6%. Profit before tax before capital items grew 19.9% to R1.85 billion, on a 4.9% PBT margin.

At 25 February 2024, Boxer Superstores Group had cash and cash equivalents of R349.0 million, with no bank debt.

52 weeks ended 26 February 2023 ("FY23")

FY23 turnover grew 20.0% to R31.9 billion, supported by both a recovery from the impact of the July 2021 civil unrest, and the acceleration of the store opening programme. Boxer Superstores Group opened 60 new stores in FY23, well ahead of the 36 new stores opened in FY22, bringing the estate to a total of 428 stores.

Gross profit for the period grew 30.4%, with the gross profit margin expanding by 1.7%. Other trading income declined by 31.1%, as insurance recoveries reduced from R401.0 million to R170.0 million. Trading expenses grew 22.4%, driven by sharply higher occupancy and operations costs, both of which were a consequence of the accelerated store rollout.

Reported trading profit increased 29.0% to R1.8 billion, with the reported trading margin increasing from 5.2% to 5.6%. Profit before tax before capital items grew 33.7% to R1.5 billion, on a 4.8% PBT margin.

At 26 February 2023, Boxer Superstores Group had cash and cash equivalents of R345.0 million, with no bank debt.

52 weeks ended 27 February 2022 ("FY22")

Boxer Superstores Group reported FY22 turnover of R26.6 billion. Despite the negative turnover impact of both the July 2021 civil unrest and Covid-19 trading restrictions on liquor sales (mainly in the first half of the year) Boxer Superstores Group managed to grow turnover for the year. Boxer Superstores Group opened 36 new stores in FY22, including two conversions from Pick n Pay, to bring the estate to 368 stores.

Gross profit for the period was R5.2 billion with a gross profit margin of 19.4%. Gross margin was negatively impacted by inventory losses related to the civil unrest. Other trading income was supported by insurance recoveries of R401.0 million, mainly relating to the civil unrest.

Reported trading profit was R1.4 billion, with a reported trading margin of 5.2%. Profit before tax before capital items was R1.2 billion, on a 4.3% PBT margin.

At 27 February 2022, Boxer Superstores Group had cash and cash equivalents of R561.0 million, with no bank debt.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Revenue	2	**37 779**	**32 368**	**27 234**
Turnover	2	**37 419**	**31 897**	**26 583**
Cost of merchandise sold		(29 498)	(25 164)	(21 421)
Gross profit		**7 921**	**6 733**	**5 162**
Other trading income		269	417	605
Commission and other income	2	269	247	204
Insurance recoveries	2	–	170	401
Trading expenses		(6 089)	(5 366)	(4 384)
Employee costs	3.1	(2 586)	(2 224)	(1 871)
Occupancy		(1 074)	(914)	(721)
Operations		(1 968)	(1 703)	(1 312)
Merchandising and administration		(461)	(525)	(480)
Trading profit		**2 101**	**1 784**	**1 383**
Finance income	2	91	54	46
Finance costs	3.2	(342)	(295)	(275)
Profit before tax before capital items		**1 850**	**1 543**	**1 154**
(Loss)/gain on capital items		(27)	(12)	2
(Loss)/gain on sale of assets and insurance recoveries on scrapping of assets		(16)	(6)	131
Loss from impairments and scrapping of property, plant and equipment and intangible assets	6,7	(11)	(6)	(129)
Profit before tax	3	**1 823**	**1 531**	**1 156**
Tax	21	(438)	(427)	(302)
Profit for the period		**1 385**	**1 104**	**854**
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss		(48)	(3)	(9)
Fair value loss on investment in Pick n Pay Stores Limited	12	(48)	(3)	(9)
Items that may be reclassified to profit or loss		(1)	4	(3)
Movement in cash flow hedge		(1)	4	(3)
Total comprehensive income for the period		**1 336**	**1 105**	**842**
Earnings per share		**Cents**	**Cents**	**Cents**
Basic earnings per share	29	4 058.61	3 235.16	2 502.56
Diluted earnings per share	29	4 058.61	3 235.16	2 502.56

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	As at 25 February 2024 Rm	As at 26 February 2023 Rm	As at 27 February 2022 Rm
ASSETS				
Non-current assets				
Property, plant and equipment	6	3 468	2 969	2 242
Intangible assets	7	334	332	212
Right-of-use assets	8	3 312	3 033	2 822
Loans	10	120	54	31
Deferred tax asset	11	144	147	162
Investment in Pick n Pay Stores Limited	12	40	95	78
		7 418	6 630	5 547
Current assets				
Inventory	13	3 231	2 815	2 226
Trade and other receivables	14	382	394	327
Cash and cash equivalents	15	349	345	561
Right-of-return asset	20	2	2	1
Amounts owing by related parties	16.1	1 335	599	697
Derivative financial instruments	23	–	2	–
		5 299	4 157	3 812
Total assets		**12 717**	**10 787**	**9 359**
EQUITY AND LIABILITIES				
Equity				
Share capital	17	–	–	–
Share premium		9	9	9
Retained earnings		1 891	947	2 006
Fair value deficit		(59)	(20)	(18)
Other reserves/(deficits)		–	1	(3)
Total equity		**1 841**	**937**	**1 994**
Non-current liabilities				
Share based payment liability	5	8	16	21
Lease liabilities	9	3 700	3 393	3 158
		3 708	3 409	3 179
Current liabilities				
Trade and other payables	18	4 612	3 828	3 249
Share based payment liability	5	11	18	9
Lease liabilities	9	608	545	479
Provisions	19	49	43	40
Deferred revenue	20	94	82	82
Current tax liability	21	290	262	162
Amounts owing to related parties	16.2	1 497	1 663	163
Provision for financial guarantee contracts	27	7	–	–
Derivative financial instruments	23	–	–	2
		7 168	6 441	4 186
Total equity and liabilities		**12 717**	**10 787**	**9 359**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Note	Share capital Rm	Share premium Rm	Retained earnings Rm	Fair value reserve/ (deficits) Rm	Other reserves/ (deficits) Rm	Total equity Rm
At 28 February 2021		**–**	**9**	**1 723**	**(12)**	**–**	**1 720**
Total comprehensive income for the period		–	–	851	(6)	(3)	842
Profit for the period		–	–	854	–	–	854
Movement in cash flow hedge		–	–	–	–	(3)	(3)
Fair value loss on investment in Pick n Pay Stores Limited	12	–	–	–	(9)	–	(9)
Reclassification to retained earnings	12	–	–	(3)	3	–	–
Other reserve movements		–	–	–	–	–	–
Transactions with owners		–	–	(568)	–	–	(568)
Dividends declared		–	–	(568)	–	–	(568)
At 27 February 2022		**–**	**9**	**2 006**	**(18)**	**(3)**	**1 994**
Total comprehensive income for the period		–	–	1 103	(2)	4	1 105
Profit for the period		–	–	1 104	–	–	1 104
Movement in cash flow hedge		–	–	–	–	4	4
Fair value loss on investment in Pick n Pay Stores Limited	12	–	–	–	(3)	–	(3)
Reclassification to retained earnings	12	–	–	(1)	1	–	–
Other reserve movements		–	–	–	–	–	–
Transactions with owners		–	–	(2 162)	–	–	(2 162)
Dividends declared		–	–	(2 162)	–	–	(2 162)
At 26 February 2023		**–**	**9**	**947**	**(20)**	**1**	**937**
Total comprehensive income for the period		–	–	1 376	(39)	(1)	1 336
Profit for the period		–	–	1 385	–	–	1 385
Movement in cash flow hedge		–	–	–	–	(1)	(1)
Fair value loss on investment in Pick n Pay Stores Limited	12	–	–	–	(48)	–	(48)
Reclassification to retained earnings	12	–	–	(9)	9	–	–
Other reserve movements		–	–	–	–	–	–
Transactions with owners		–	–	(432)	–	–	(432)
Dividends declared		–	–	(290)	–	–	(290)
Financial guarantee	27	–	–	(142)	–	–	(142)
At 25 February 2024		**–**	**9**	**1 891**	**(59)**	**–**	**1 841**

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Cash flows from operating activities				
Trading profit		2 101	1 784	1 383
Adjusted for non-cash items		1 004	1 016	852
Depreciation on property, plant and equipment	6	518	442	340
Amortisation on intangible assets	7	16	14	15
Depreciation on right-of-use assets	8	620	555	488
Share-based payment (reversal)/expense	3	(7)	17	13
Profit on termination of leases		(8)	(12)	(3)
Rent concessions	9	–	–	(1)
Amortisation of financial guarantee contract	27	(18)	–	–
Derecognition of financial guarantee contract	27	(117)	–	–
Cash generated before movements in working capital		**3 105**	**2 800**	**2 235**
Movements in working capital		396	(74)	(149)
Movement in trade and other payables, provisions and deferred revenue		801	583	359
Movement in inventory and right-of-return asset		(417)	(590)	(477)
Movement in trade and other receivables		12	(67)	(31)
Cash generated from trading activities		**3 501**	**2 726**	**2 086**
Interest received	2	84	54	47
Other interest paid	3.2	(5)	(4)	–
Interest paid on lease liabilities	9	(336)	(314)	(291)
Cash generated from operations		**3 244**	**2 462**	**1 842**
Dividend paid		–	(662)	(568)
Tax paid	21	(407)	(312)	(145)
Cash generated from operating activities		**2 837**	**1 488**	**1 129**
Cash flows from investing activities				
Investment in intangible assets	7	(42)	(42)	(11)
Investment in property, plant and equipment	6	(1 044)	(1 152)	(812)
Investment in Pick n Pay Stores Limited shares	12	–	(30)	(28)
Proceeds on disposal of property, plant and equipment and intangible assets		32	4	6
Insurance proceeds on capital items		–	–	126
Purchase of operations	26	(7)	(125)	(21)
Loans advanced by the Boxer Superstores Group		(120)	(42)	(32)
Loans repaid to the Boxer Superstores Group		62	19	1
Lease incentives received		28	29	21
Cash utilised in investing activities		**(1 091)**	**(1 339)**	**(750)**
Cash flows from financing activities				
Settlement of share-based payment liability		(1)	(3)	(1)
Movements in related party loans advanced to the Boxer Superstores Group		(455)	–	–
Principal lease liability payments	9	(550)	(460)	(382)
Cash utilised in financing activities		**(1 006)**	**(463)**	**(383)**
Net increase/(decrease) in cash and cash equivalents		**740**	**(314)**	**(4)**
Cash and cash equivalents at beginning of period		944	1 258	1 262
Cash and cash equivalents at end of period	15	**1 684**	**944**	**1 258**
Comprising of:				
Cash and cash equivalents	15	349	345	561
Related party loan receivable	16.1	1 335	599	697

NOTES TO THE CONSOLIDATED ANNUAL HISTORICAL FINANCIAL INFORMATION

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 Statement of compliance

The Consolidated Annual Historical Financial Information has been prepared in accordance with International Financial Reporting Standards ("**IFRS**"), the interpretations adopted by the International Accounting Standards Board, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

1.2 Basis of preparation

The Consolidated Annual Historical Financial Information is prepared on the historical cost basis except where stated otherwise in the accounting policies below.

All financial information has been rounded to the nearest million, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in the Consolidated Annual Historical Financial Information, except where the Boxer Superstores Group has adopted IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments that became effective during the period. Several new standards, amendments to standards and interpretations became applicable to the Boxer Superstores Group during the current period and have been applied in the preparation of the Consolidated Annual Historical Financial Information. New standards, amendments to standards and interpretations did not have a significant impact on the Boxer Superstores Group.

The Boxer Superstores Group has not early adopted any other IFRS and IFRIC interpretations and amendments that are not yet effective for the Boxer Superstores Group. Refer to note 30.

1.3 Basis of consolidation

Investment in subsidiaries

The Boxer Superstores Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the Boxer Superstores Group obtains control over the subsidiary and ceases when the Boxer Superstores Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Consolidated Annual Historical Financial Information from the date the Boxer Superstores Group gains control until the date the Boxer Superstores Group ceases to control the subsidiary.

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

The following entities have been consolidated:

- Boxer Superstores Proprietary Limited, incorporated in South Africa, and
- Score Supermarkets (Swaziland) Limited (which changed its name to Boxer Superstores Eswatini Limited subsequent to financial period end and will be referred to as such in the remainder of this Consolidated Annual Historical Financial Information), incorporated in Eswatini.

1.4 Foreign currency transactions and translations

Functional currency and presentation currency

The Consolidated Annual Historical Financial Information is presented in South African rand. Boxer Superstores Eswatini Limited (foreign operation) has a functional currency that differs from the presentation currency of the Boxer Superstores Group and is translated on consolidation.

Transactions and balances

Transactions denominated in foreign currencies are translated to the respective functional currencies of Boxer Superstores Group entities at the rates of exchange ruling on the dates of the transaction. Differences arising on settlement or translation of monetary items are recognised in the statement of comprehensive income.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to South African rand at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement comprehensive income. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

Foreign operations

The assets and liabilities of foreign operations are translated at the relevant foreign exchange rates ruling at the reporting date to the presentation currency of the Boxer Superstores Group. The income and expenses of foreign operations are translated to the presentation currency of the Boxer Superstores Group at the weighted-average rate of exchange for the period. Profits or losses arising on the translation of assets and liabilities of foreign operations are recognised in other comprehensive income ("**OCI**") and presented within equity in a foreign currency translation reserve.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign exchange gains or losses arising from such monetary item are considered to form part of a net investment in foreign operation and recognised in OCI and presented in a foreign currency translation reserve.

The Boxer Superstores Group has no risk on foreign currency translations in relation to its foreign operation in Eswatini as the exchange rate of the Eswatini lilangeni to South African rand is 1:1.

1.5 Use of estimates, judgements and assumptions

The preparation of the Consolidated Annual Historical Financial Information in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Estimates, judgements and assumptions used in the Boxer Superstores Group's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period include, but are not limited to, the following:

Purchase rebates and other income earned from suppliers

The Boxer Superstores Group enters into various agreements with suppliers and these agreements provide for various purchase rebates and other income.

Purchase rebates are accrued for as part of cost of inventory sold when they are closely related to the purchase of inventory. Management uses judgement when assessing the nature of the rebates earned for recognition as a reduction in the purchase price of inventories and when recognising the relevant portion as a reduction in the cost of inventory.

Taking into account cumulative purchases of inventory to date, as well as historical and forecasted performance, management uses judgement to estimate the probability of meeting contractual obligations and in determining the amount of volume-related rebates recognised. Rebates actually received may therefore differ from that which has been accrued.

Estimating variable consideration for returns

The Boxer Superstores Group estimates variable consideration to be included in the transaction price for the sale of goods where customers are entitled to a right of return within a specified time frame. The Boxer Superstores Group uses statistical projection methods for forecasting sales returns which are based on historical return data. Any significant changes in experience as compared to historical return patterns will impact the expected return percentages estimated by the Boxer Superstores Group. Estimated return percentages are updated regularly and the refund liability is adjusted accordingly. Refer to note 20.

Measurements of share-based payments

The Boxer Superstores Group issues cash-settled share awards to qualifying employees. Judgement, informed by terms and conditions of the grant, is used to determine the number of options expected to vest. Until the award is settled, the Boxer Superstores Group presents the cash-settled award as a liability. Refer to note 5.

Provision for expected credit losses on loans and trade and other receivables

The Boxer Superstores Group considers both quantitative and qualitative information and analysis, based on historical experience and informed credit assessment including forward-looking information specific to trade and other receivables, loans and economic environment in determining the expected credit losses. At each reporting period, the methodologies and assumptions used for estimating expected credit losses are reviewed and adjusted as necessary to reflect changes in circumstances. The assessment of these factors involves judgements and estimates. The Boxer Superstores Group's historical credit loss experience and forecast economic conditions may therefore not be representative of the actual default in future. Refer to notes 10 and 14.

Inventory net realisable value allowances

The Boxer Superstores Group evaluates its inventory to ensure that it is carried at the lower of cost and net realisable value. Allowances are made against slow moving, obsolete and damaged items. Damaged inventories are identified and written down through inventory verification processes. Allowances for slow moving and obsolete inventories are assessed continuously. Obsolescence is assessed based on comparison of the level of inventory holding and the projected likely future sales, taking into account factors existing at the reporting date. Refer to note 13.

Measurement of deferred revenue in respect of prepaid gift cards

Prepaid gift cards provide rights to customers which is accounted for as separate performance obligations. The consideration allocated to unredeemed gift cards is measured by reference to its stand-alone selling prices adjusted for an expected forfeiture rate. The Boxer Superstores Group applies statistical projection methods in its estimation of forfeiture rates by using customers' historical redemption patterns as the main input, and is therefore subject to uncertainty. The expected forfeiture rate is updated regularly and the liabilities for unredeemed gift cards are adjusted accordingly. Refer to note 20.

Estimates of useful lives and residual values of intangible assets

Intangible assets are amortised over their useful lives, taking into account applicable residual values. Useful lives and residual values are reviewed at each reporting date, taking into account factors such as the manner of recovery, innovation in technology and relevant market information.

Estimates of useful lives and residual values of property, plant and equipment

Property, plant and equipment are depreciated over their useful lives, taking into account applicable residual values. Useful lives and residual values are reviewed at each reporting date, considering factors such as the manner of recovery and relevant market information.

Estimates of useful lives of right-of-use assets

Right-of-use assets are depreciated over their useful lives, and are directly linked to the lease term of the underlying lease agreement that has been accounted for in the measurement of the corresponding lease liabilities. Useful lives are reviewed at each reporting date, considering factors such as lease term extension and termination options.

Measurements of the recoverable amounts of cash-generating units

The recoverable amount of cash-generating units (CGU) is determined by calculating its value-in-use. The Boxer Superstores Group treats a store as a separate CGU for impairment testing of intangible assets, property, plant and equipment and right-of-use assets. The recoverable amount is sensitive to the discount rate used for the discontinued cash flow model, future cash flows and the growth rate used for extrapolation purposes. The Boxer Superstores Group considers each trading store to be a CGU.

Estimates of lease terms of lease agreements

Lease terms applicable to lease agreements, relating to the Boxer Superstores Group's lease liabilities, are negotiated on an individual basis and contain a wide range of various terms and conditions. The Boxer Superstores Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Management exercises judgement in determining the reasonable certainty of exercising termination or extension options in determining the lease term, including considerations of the age of the lease, the nature of the leased asset and the expected return on the underlying cash generating unit to which the leased asset belongs.

Subsequent to the commencement date of lease agreements, lease terms are reassessed when there is a significant event or change in circumstances that is within the Boxer Superstores Group's control and affects its ability to exercise or not to exercise the option to renew or to terminate. Significant events could include a change in the Boxer Superstores Group's assessment of whether it is reasonably certain to exercise a renewal or termination option, the incurrences of unanticipated significant leasehold improvements or the negotiation of unanticipated lease incentives.

Estimates of incremental borrowing rates applied in the measurement of lease liabilities

Incremental borrowing rates applied in the measurement of lease liabilities are specific to the term, currency and start date of the applicable lease agreement. Incremental borrowing rates are based on a series of inputs including the prime lending rate, the repo rate and a credit risk adjustment.

Income and deferred taxes

The Boxer Superstores Group is subject to income tax. Significant judgement is required in determining the provision for tax as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Boxer Superstores Group recognises liabilities for anticipated tax issues based on estimates of the taxes that are likely to become due.

The Boxer Superstores Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Boxer Superstores Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Boxer Superstores Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted. Refer to note 11 and 21.

Allowance for impairment loss on amounts owing by related parties

At each reporting period, the historical observed default rates are updated and changes in forward looking estimates are analysed for amounts owing by related parties. The assessment of historical observed default rates and forward looking factors require significant judgement and estimates. The Boxer Superstores Group's historical credit loss experience and forecast economic conditions may therefore not be representative of the actual default in the future. Refer to notes 16 and 23.

Fair value of financial guarantee contracts for related parties

At initial and subsequent recognition, the Boxer Superstores Group applied signification judgement in determining the fair value of its financial guarantee contract. The Boxer Superstores Group considers both quantitative and qualitative information and analysis, based on historical experience and informed credit assessment including forward-looking information specific to the counterparty in determining the expected credit losses. At each reporting period, the methodologies and assumptions used are reviewed and adjusted as necessary to reflect changes in circumstances. The assessment of these factors involves judgements and estimates. The counterparty's historical financial performance and forecast economic conditions may therefore not be representative of the actual default, and as a result the Boxer Superstores Group's exposure to the financial guarantee, in the future. Refer to note 27.

1.6 Intangible assets

Intangible assets are held by the Boxer Superstores Group for use in the supply of goods or administrative purposes and are expected to be used for more than one financial period. Intangible assets acquired are initially recognised at cost if it is probable that associated future economic benefits will flow to the Boxer Superstores Group and the cost can be measured reliably.

If the intangible assets are acquired via a business combination, initial recognition is at fair value.

Intangible asset development consists of two phases; research phase and development phase. Expenditure incurred during the research phase is expensed as incurred.

Intangible assets that are developed are initially recognised at cost if the cost can be measured reliably, the intangible assets are technically and commercially feasible, future economic benefits are probable and the Boxer Superstores Group intends to, and has sufficient resources to, complete the development. If not, the development expenses are recognised in the statement of comprehensive income when they are incurred.

Intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, with the exception of goodwill. Goodwill is measured at cost less impairment losses as it has an indefinite useful life and is not amortised.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but expensed in the statement of comprehensive income when they are incurred.

Cost

The cost of intangible assets includes expenditure that is directly attributable to the acquisition of the intangible asset. The cost of developed intangible assets includes the cost of materials, direct labour and any overhead costs directly attributable to preparing the intangible asset for its intended use.

The Boxer Superstores Group recognises in the carrying amount of intangible assets, subsequent expenditure when that cost is incurred, if it is probable that the related future economic benefits embodied with the cost will flow to the Boxer Superstores Group and the cost can be measured reliably. All other costs, such as costs associated with the implementation or maintenance of intangible assets, are recognised in the statement of comprehensive income as an expense as incurred.

Goodwill is acquired through business combinations and initially measured at the fair value of the consideration transferred, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Boxer Superstores Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Amortisation

Amortisation is calculated on the cost of an intangible asset, less its residual value over its useful life. The residual value is the estimated amount that the Boxer Superstores Group would receive from the disposal of the intangible asset, after deducting the estimated costs of disposal, if the intangible asset was already of the age and the condition expected at the end of its useful life.

Management determines the amortisation methods, useful lives and residual values at acquisition. These are reviewed at each reporting date and adjusted if appropriate. Any adjustments are accounted for prospectively as a change in estimate.

Amortisation is recognised as an expense in the statement of comprehensive income, within operational expenses, on a straight-line basis over the estimated useful life of each intangible asset from the date that it is available for its intended use.

Useful lives

The estimated useful lives, per category of intangible assets, are as follows:

Goodwill	Indefinite
Systems development	4 to 8 years
Licences	9 to 10 years

Impairment

Intangible assets are assessed for impairment as non-financial assets in accordance with note 1.11.

Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected to flow to the Boxer Superstores Group from either their use or disposal. Gains or losses on derecognition of an intangible asset are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the intangible asset and are recognised directly in the statement of comprehensive income.

1.7 Property, plant and equipment

Property, plant and equipment are tangible assets held by the Boxer Superstores Group for use in the supply of goods or administrative purposes and are expected to be used for more than one financial period. Property, plant and equipment are initially recognised at cost if it is probable that associated future economic benefits will flow to the Boxer Superstores Group and the cost can be measured reliably.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses, with the exception of land. Land is measured at cost less impairment losses as it has an indefinite life and is not depreciated.

Cost

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

The Boxer Superstores Group recognises in the carrying amount of property, plant and equipment subsequent expenditure, including the cost of replacing part of such an item, when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Boxer Superstores Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as day-to-day servicing costs, are recognised in the statement of comprehensive income as expenses when incurred.

Depreciation

Depreciation is based on the cost of an asset, less its residual value, over its useful life. The residual value is the estimated amount that the Boxer Superstores Group would receive from the disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and the condition expected at the end of its useful life.

Management determines the depreciation methods, useful lives and residual values at acquisition. These are reviewed at each reporting date and adjusted, if appropriate. Any adjustments are accounted for prospectively as changes in estimate.

Depreciation is recognised as an expense in the statement of comprehensive income, within operational expenses, on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment from the date that they are available for its intended use. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Boxer Superstores Group will obtain ownership by the end of the lease term.

Where significant components of an item of property, plant and equipment have different useful lives, they are depreciated separately.

Useful lives

The estimated useful lives, per category of property, plant and equipment, are as follows:

Property	
• Land	Indefinite
• Buildings and other major components	40 years
Furniture, fittings, equipment and vehicles	
• Computer equipment	2 to 4 years
• Furniture and fittings	5 to 14 years
• Equipment	2 to 14 years
• Vehicles	3 to 5 years
Leasehold improvements	Over the lease period

Impairment

Property, plant and equipment are assessed for impairment as non-financial assets as per note 1.11.

Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Boxer Superstores Group from either their use or disposal. Gains or losses on derecognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the item and are recognised directly in the statement of comprehensive income.

1.8 Right-of-use assets

The Boxer Superstores Group enters into various lease agreements as the lessee of property, equipment and vehicles. Where leases convey the right to control the use of the underlying leased assets, the Boxer Superstores Group classifies these leases as right-of-use assets in a consistent manner to its property, plant and equipment.

Right-of-use assets are initially recognised at cost at the date at which the Boxer Superstores Group gains control of the right to use the leased asset, referred to as the commencement date of lease agreements, and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Cost

The cost of right-of-use assets include the initial measurement of the corresponding lease liabilities, any initial direct costs less any lease incentives received and less any dismantling or restoration costs expected to be incurred in order to restore the asset or the site on which it is located.

Depreciation

Depreciation is based on the cost of the right-of-use asset over its useful life. At the commencement date of lease agreements, management determines useful lives as the lease term of corresponding lease liabilities. These lease terms are reviewed at each reporting date and adjusted, if appropriate. Any adjustments are accounted for prospectively as a change in estimate.

Depreciation is recognised as an expense in the statement of comprehensive income, within occupancy costs, on a straight-lined basis over the estimated useful lives of the right-of-use assets.

Useful lives

The estimated useful lives, per category of right-of-use assets, are as follows:

Property	2 to 22 years
Equipment and vehicles	2 to 7 years

Impairment

Right-of-use assets are assessed for impairment as non-financial assets in accordance with note 1.11.

Derecognition

Right-of-use assets are derecognised upon the loss of control by the Boxer Superstores Group of the right to use the leased assets. Gains or losses on derecognition are determined by comparing the value of corresponding lease liabilities, with the carrying amount of right-of-use assets and are recognised directly in the statement of comprehensive income.

1.9 Inventory

Inventory comprises merchandise for resale and consumables. Inventory is measured at the lower of cost and net realisable value, and is classified as a current asset as it is expected to be sold within the Boxer Superstores Group's normal operating cycle.

Cost is calculated on the weighted-average basis and includes expenditure incurred in acquiring the inventory and bringing it to its existing location and condition, including distribution costs, and is stated net of relevant purchase rebates.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Obsolete, redundant and slow-moving items are identified on a regular basis and are written down to their estimated net realisable values.

The carrying amount of inventories sold is recognised as an expense in the statement of comprehensive income.

1.10 Right-of-return assets and refund liabilities

For the sale of goods where customers are entitled to a right of return within a specified period of time, the Boxer Superstores Group recognises a right-of-return asset (and corresponding adjustment to cost of sales) which is representative of the Boxer Superstores Group's right to recover the goods expected to be returned by customers.

The asset is measured at the carrying amount of inventory estimated to be returned using the expected value method, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Boxer Superstores Group updates the measurement of the asset recorded for any revisions to its estimated level of returns, as well as any additional decreases in the value of the returned products.

For goods that are expected to be returned, the Boxer Superstores Group recognises a refund liability for the customer's right to a refund (and corresponding adjustment to turnover) which is measured at the amount the Boxer Superstores Group expects it will have to return to the customer. Refer to note 20.

1.11 Impairment of assets

The determination of whether an asset is impaired requires management judgement. Among others, the following factors will be considered: estimated profit and cash forecasts, discount rates, duration and extent of the impairment, regional economic factors and geographical and sector performance.

Financial assets

The Boxer Superstores Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Boxer Superstores Group expects to receive, discounted at an approximation of the original effective interest. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Boxer Superstores Group applies a simplified approach for measuring impairment on trade receivables, net investment in lease receivables and operating lease assets at an amount equal to lifetime ECLs. To measure lifetime ECLs, trade receivables, net investment in lease receivables and operating lease assets are assessed on an individual basis. The ECL rates are based on historical credit loss experienced during the period, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle their receivables.

The Boxer Superstores Group applies a general approach for measuring impairment on other receivables and loans, at an amount equal to expected credit losses, taking into account past experience and future macro-economic factors. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at reporting date, the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. The Boxer Superstores Group considers credit risk to have increased significantly since initial recognition, if there has been a significant change in the counterparties ability to meet its obligations. In addition, changes in the general economic or market conditions, changes in internal and external credit ratings and changes in the amount of financial support available to the counterparty are considered.

The Boxer Superstores Group considers a financial asset in default when contractual payments are one to two weeks past due. However, in certain cases, the Boxer Superstores Group may also consider a financial asset to be in default when internal or external information indicates that the Boxer Superstores Group is unlikely to receive outstanding contractual amounts in full before taking into account any credit enhancements held by the Boxer Superstores Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

The carrying amounts of non-financial assets (other than inventory and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. For non-financial assets, such as goodwill, which have indefinite useful lives and are not subject to depreciation or amortisation, or that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating units (CGUs) to which the asset belongs. A CGU is the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or groups of assets.

Goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination and, for the purposes of impairment testing, are evaluated at the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The carrying amount is impaired and the non-financial asset is written down to its recoverable amount with the related impairment loss recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs (or groups of units) and then to reduce the carrying value of the other assets in the unit (or groups of units) on a pro rata basis.

An impairment loss for a non-financial asset is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses in respect of goodwill are not reversed.

Impairment losses for non-financial assets recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

1.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

1.13 Lease liabilities

The Boxer Superstores Group enters into various lease agreements as the lessee of property, equipment and vehicles. Where lease agreements convey the right to control the use of underlying leased assets, the Boxer Superstores Group recognises the present value of future lease payments under the lease as lease liabilities.

Initial recognition

At the date when the Boxer Superstores Group gains the right to control the use of underlying leased assets, referred to as the commencement date, the Boxer Superstores Group measures the lease liability at the present value of the lease payments to be made over the lease term, discounted at an applicable discount rate.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The Boxer Superstores Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. Judgement is applied in determining the likelihood of exercising extension or termination options in determining the lease period.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised or termination options reasonably certain not to be exercised. Variable lease payments are initially measured using the index or rate at the commencement date.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Boxer Superstores Group's incremental borrowing rate is used. The incremental borrowing rate is the rate that the Boxer Superstores Group would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The discount rate used for the Boxer Superstores Group's commercial vehicle fleet is the interest rate implicit in the lease agreement. All other lease payments are discounted using the Boxer Superstores Group's incremental borrowing rate specific to the lease term, currency and commencement date of the lease. Incremental borrowing rates are based on a series of inputs including the prime rate, the repo rate and credit risk adjustments.

The Boxer Superstores Group accounts for non-lease components together with the lease component to which it relates as a single lease component.

Subsequent measurement

Lease liabilities are subsequently measured at amortised cost using the effective interest method, reduced by future lease payments net of interest charged. Interest costs are recorded in the statement of comprehensive income.

The Boxer Superstores Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments of lease payments based on an index or rate take effect, the lease liability is remeasured with a corresponding adjustment to the right-of-use asset. Further remeasurements occur when there is a change in future lease payments resulting from a rent review.

Lease terms are reassessed when there is a significant event or change in circumstance that is within the Boxer Superstores Group's control and affects the Boxer Superstores Group's ability to exercise or not to exercise the option to renew or to terminate. Significant events could include a change in the Boxer Superstores Group's assessment of whether it is reasonably certain to exercise a renewal or termination options, the incurrences of unanticipated significant leasehold improvements or the negotiation of unanticipated lease incentives. Upon the occurrence of the significant event, lease liabilities are remeasured with a corresponding adjustment to corresponding right-of-use assets.

Derecognition

Lease liabilities are derecognised upon the Boxer Superstores Group's loss of control of the right to use leased assets. Gains or losses on derecognition are determined by comparing the carrying value of corresponding right-of-use assets with the carrying value of lease liabilities and are recognised directly in the statement of comprehensive income.

Variable lease payments

Certain property leases contain variable payment terms linked to sales generated from retail owned and franchise stores, referred to as turnover rent expense. Turnover rent expense is recognised in the statement of comprehensive income within occupancy costs, in the period in which the event or condition that triggers the payment occurs.

Leasing of low-value assets and short-term leases

The Boxer Superstores Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying assets is of low value (low-value assets).

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

1.14 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

The classification of the Boxer Superstores Group's financial instruments at initial recognition depends on the financial instrument's contractual cash flow characteristics and the Boxer Superstores Group's model for managing them. The Boxer Superstores Group manages its financial assets in order to generate cash flows, by determining whether cash flows will result from collecting cash flows, selling the financial asset, or both, and whether the contractual cash flows are solely payments of principal amounts and interest.

The Boxer Superstores Group classifies its financial instruments into the following categories: financial assets at amortised cost, financial instruments at fair value through other comprehensive income or loss, financial liabilities at amortised cost and derivatives designated as hedging instruments.

Financial instruments are recognised on trade date when the Boxer Superstores Group becomes a party to the contractual provisions of the instrument and are initially recognised at fair value, plus transaction costs for financial instruments not measured at fair value through profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Where there is no active market, the Boxer Superstores Group uses valuation techniques that are appropriate under the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated Annual Historical Financial Information are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

For the purpose of fair value disclosures, the Boxer Superstores Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Derecognition

Financial assets (or where applicable, a part of a financial asset or part of a group of similar financial assets) are derecognised if the Boxer Superstores Group's contractual rights to the cash flows from the financial assets expire or if the Boxer Superstores Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Boxer Superstores Group's obligations specified in the contract expire, are discharged or are cancelled. The resulting differences between the carrying values on derecognition of the financial instrument and the amount received or paid is recognised in the statement of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position, when the Boxer Superstores Group has a legally enforceable right to offset the recognised amounts, and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Subsequent measurement

Financial assets at amortised cost

The Boxer Superstores Group measures financial assets at amortised cost if both the following conditions are met:

- The financial asset is held with the objective to hold the financial asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Boxer Superstores Group's financial assets at amortised cost include trade and other receivables, cash and cash equivalents, amounts owing by related parties and loans. Trade and other receivables mainly comprise trade debtors. Certain trade and other receivables are considered to be long term in nature and are recorded as non-current in the statement of financial position. Loans mainly comprise employee loans with maturity dates of more than 12 months after the reporting date.

Trade and other receivables and loans

Trade and other receivables and loans are measured at amortised cost, using the effective interest method, less impairment losses. The effective interest method amortisation is included in finance income in the statement of comprehensive income. Loans mainly comprise employee loans with maturity dates of more than 12 months after the reporting date.

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost, using the effective interest method, less accumulated impairments. The effective interest amortisation is included in finance income or costs in the statement of comprehensive income. Cash and cash equivalents comprise cash on hand and amounts held on short-term deposit at financial institutions. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of outstanding overnight borrowings.

Amounts owing by related parties

Amounts owing by related parties are measured at amortised cost, using the effective interest method, less impairment losses. For the purpose of the statement of cash flows, amounts owing by related parties are considered cash and cash equivalents as the loan balances are held to meet the short term cash commitments of the Boxer Superstores Group and are highly liquid investments that are readily convertible to known amounts of cash with an insignificant risk of changes in value.

Financial assets at fair value through other comprehensive income

Financial instruments that are classified at fair value through other comprehensive income (OCI) are investments in equity instruments. The Boxer Superstores Group made an irrevocable election to present subsequent changes in the fair value of investments in equity instruments as they are neither held for trading nor contingent consideration recognised by the Boxer Superstores Group in a business combination to which IFRS 3 applies.

Investments in equity instruments are subsequently measured at fair value with unrealised gains or losses recognised in the statement of comprehensive income and recorded in the fair value reserve in the statement of changes in equity. When the investment is derecognised, the cumulative gain or loss is reclassified within equity, between the fair value reserve and retained earnings.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise of lease liabilities, trade and other payables, amounts owing to related parties and provisions for financial guarantee contracts.

Lease liabilities

Refer to note 1.13 for further information.

Trade and other payables

Trade and other payables are measured at amortised cost using the effective interest method. The effective interest amortisation is included in finance costs in the statement of comprehensive income. Trade and other payables mainly comprise trade payables for merchandise for resale and are all short term in nature.

Amounts owing to related parties

Amounts owing to related parties are measured at amortised cost using the effective interest method. The effective interest method amortisation is included in finance income or costs in the statement of comprehensive income.

Provision for financial guarantee contracts

Refer to note 1.24 for further information.

Derivatives designated as hedging instruments

The Boxer Superstores Group holds derivative financial instruments, being forward exchange contracts (FECs) that are designated as hedging instruments, in order to mitigate the risks associated with the firm commitment of purchasing imported inventory, defined as the hedged item.

The relationship between the FECs and the underlying inventory is classified as a cash flow hedge, as the FECs are used to hedge the variability in cash flows attributable to the foreign currency risks of importing inventory.

The hedge is deemed to be highly effective as the terms of the FEC match the terms of the purchase of imported inventory. The effective portion of the change in fair value of the FECs are recognised in other comprehensive income and accumulated in the cash flow hedging reserve within equity. The accumulated amount in the reserve is released to the statement of comprehensive income when the underlying inventory is sold. Where a forecast transaction is no longer expected to occur, the cumulative unrealised gain or loss is recognised immediately in the statement of comprehensive income.

FECs are measured at fair value and are carried as derivative financial assets when the fair value is positive and as derivative financial liabilities when the fair value is negative.

1.15 Provisions

Provisions are recognized when the Boxer Superstores Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made.

The Boxer Superstores Group recognises a provision for the estimated direct cost of settling all outstanding claims and legal disputes at period-end. The provision is determined by using established claims patterns. Full provision is made for the cost of claims reported but not yet settled at period-end by using the best information available.

1.16 Revenue

Revenue is recognised when the Boxer Superstores Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Boxer Superstores Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation.

Turnover

Revenue from the sale of goods, or turnover, comprises sales to customers through its owned stores and the Boxer Superstores Group's supply arrangements. All turnover is stated exclusive of value added tax.

Turnover is recognised at a point in time when the Boxer Superstores Group transfers control of goods to its customer at the point of sale and is measured at the consideration received or receivable, net of returns, trade discounts, loyalty discounts, and volume rebates. Discounts, rebates or loyalty payments to customers are deducted from turnover, unless it is directly funded by suppliers. Payment of the transaction price in respect of sale of goods is due immediately when the customer purchases goods and takes delivery.

Turnover recognised through deferred revenue transactions (prepaid gift cards) is not recognised at the time of the initial transaction, but is deferred and recognised as a contract liability (deferred revenue) when the consideration is received, and recognised as turnover over time when the Boxer Superstores Group's obligations are fulfilled.

Prepaid gift cards

Gift cards represent a prepaid value card which effectively can be redeemed as cash consideration against future purchases. The consideration allocated to prepaid gift cards is measured at the fair value of the consideration received in advance, adjusted for an expected forfeiture rate. Such consideration is not recognised as turnover at the time of the initial transaction, but is recognised as a deferred revenue liability until the prepaid gift card has been redeemed or when the Boxer Superstores Group's obligations have been fulfilled. The Boxer Superstores Group updates its estimates of forfeiture on a regular basis and any adjustments to the deferred revenue liability are recognised in turnover. Refer to note 20.

Commissions and other income

The Boxer Superstores Group acts as a payment office for the services provided by a variety of third parties to the Boxer Superstores Group's customers. The related agent's commission received is recognised as income at a point in time, when the transaction that gives rise to the income takes place.

Commissions relating to the sale of third-party services are recognised over time, based on the stage of completion by reference to services performed to date as a percentage of total services to be performed. Commissions related to the sale of third-party products are recognised at a point in time, when the underlying third-party product is sold to the customer.

Other income, including insurance recoveries is recognised as and when the Boxer Superstores Group satisfies its obligations in terms of the contract.

Finance income

Finance income is recognised as it accrues in the statement of comprehensive income, using the effective interest method, by reference to the principal amounts outstanding and at the interest rate applicable.

1.17 Finance costs

Finance costs incurred are recognised as an expense in the statement of comprehensive income and are accrued on an effective interest basis by reference to the principal amounts outstanding and at the interest rate applicable.

1.18 Taxes

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises tax payable calculated on the basis of the expected taxable income for the period using tax rates enacted or substantively enacted at the reporting date and any adjustment of tax payable for previous periods.

Deferred tax

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the assets and liabilities at the reporting date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and investments in subsidiaries to the extent that the holding company has the ability to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to a transaction that is recognised directly in equity or other comprehensive income, or a business combination. The effect on deferred tax of any changes in tax rates is recognised in the statement of comprehensive income, except to the extent that it relates to items previously recognised in other comprehensive income or directly to equity, in which case it is recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.19 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service.

Accruals for employee entitlements to wages, salaries, bonuses and annual leave represent the amount which the Boxer Superstores Group has a present obligation to pay as a result of employees' services provided up to the reporting date. These accruals have been calculated at undiscounted amounts based on current wage and salary rates.

Share-based payment transactions

The share ownership programme enables Boxer Superstores Group employees to acquire shares in Pick n Pay Stores Limited (PIK), its ultimate holding company.

The Boxer Superstores Group recognises a liability for cash-settled share based payments calculated at current fair value determined at each statement of financial position date. The related expense is recognised in employee costs through the statement of comprehensive income over relevant vesting periods of the share award.

No cumulative expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested, irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Retirement benefits

The Boxer Superstores Group operates several retirement schemes comprising defined-contribution funds, the assets of which are held in trustee-administered funds.

Defined-contribution plans

A defined-contribution plan is a post-employment benefit plan under which the Boxer Superstores Group pays fixed contributions into a separate legal entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined-contribution retirement plans are recognised as an expense in the statement of comprehensive income when they are due.

Where the Boxer Superstores Group is responsible for providing retirement benefits to employees with a retirement scheme outside the Boxer Superstores Group, contributions are made on behalf of the employee and the cost is accounted for in the period when the services have been rendered.

Contributions to a defined-contribution plan that are made more than 12 months after the end of the period in which the employees render the services are discounted to their present value.

1.20 Expenses

Expenses, other than those dealt with under a specific accounting policy note, are recognised in the statement of comprehensive income when it is probable that an outflow of economic benefits associated with the transaction will occur and that it can be measured reliably.

Expenditure relating to advertising and promotional activities are recognised as an expense when the Boxer Superstores Group has received such services.

1.21 Dividends distributed to shareholder

Dividends are accounted for in the period that they have been declared by the Boxer Superstores Group and are directly charged to equity.

1.22 Interest in joint operation

The Boxer Superstores Group recognises its interest in a joint operation, where it has joint control, in accordance with the rights and obligations arising from its involvement in the joint operation. This is in line with the requirements of IFRS 11: Joint Arrangements.

The Boxer Superstores Group recognise in relation to its interest its:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

The Boxer Superstores Group's interest in the joint operation is not considered material to the Boxer Superstores Group's Consolidated Annual Historical Financial Information. Therefore, the Boxer Superstores Group has not disclosed separate financial information for this joint operation in its Consolidated Annual Historical Financial Information.

The Boxer Superstores Group has assessed the risks associated with its interest in the joint operation and has determined that there are no significant risks that could materially affect the Boxer Superstores Group's financial position, financial performance, or cash flows.

1.23 Investment in subsidiaries

The Boxer Superstores Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the Boxer Superstores Group obtains control over the subsidiary and ceases when the Boxer Superstores Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Consolidated Annual Historical Financial Information from the date the Boxer Superstores Group gains control until the date the Boxer Superstores Group ceases to control the subsidiary.

1.24 Provision for financial guarantee contracts

Financial guarantee contracts for related parties are recognised as a financial liability at the time the entity becomes a party to an irrevocable commitment, with a corresponding decrease directly in equity. Financial guarantee contracts are initially measured at fair value and amortised over the life of the guarantee. The fair value is determined based on the probability of default of the Borrower, thereby estimating the value that the company may be liable for. Subsequent to initial recognition the financial guarantee is remeasured at period end and subsequently stated at the higher of the amount determined by the lifetime expected credit loss (ECL) model under the principles of IFRS 9: Financial Instruments, and the amortised carrying amount of the guarantee. Any difference between the redemption value guarantee obligation and the amount paid is recognised in the statement of comprehensive income, within merchandising and administration expenses.

1.25 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Boxer Superstores Group for the period by the weighted average number of shares in issue (excluding treasury shares).

Dilutive earnings per share is calculated by adjusting the profit attributable to ordinary equity holders of the Boxer Superstores Group, and the weighted average number of shares in issue, for the effects of all dilutive potential ordinary shares.

2. REVENUE

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Revenue from contracts with customers	37 688	32 144	26 787
Turnover	37 419	31 897	26 583
Commissions and other income	269	247	204
Insurance recoveries	–	170	401
Finance income	91	54	46
Bank balances and investments	22	14	3
Related party interest received	69	40	43
	37 779	**32 368**	**27 234**

Revenue recognised during the period, recorded within turnover, from amounts included in deferred revenue at the beginning of the period amounted to R83 million (2023: R82 million, 2022: R67 million). Refer to note 20.

3. PROFIT BEFORE TAX

		52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Profit before tax is stated after taking into account the following expenses:				
3.1	**Employee costs**	**2 586**	**2 224**	**1 871**
	Salaries, wages and staff benefits	2 492	2 119	1 781
	Contributions to defined contribution plans (note 24)	101	88	77
	Share-based payment (reversal)/expense	(7)	17	13
3.2	**Finance costs**	**342**	**295**	**275**
	Lease liabilities (note 9)	337	291	275
	Other interest paid	5	4	–

4. DIRECTORS REMUNERATION

Directors' remuneration, as paid by other companies within the Pick n Pay Stores Limited Group, is detailed below:

	Fees for board meetings Rm	Fees for committee and other work Rm	Base salary Rm	Retirement and medical contributions Rm	Fringe and other benefits Rm	Total fixed remuneration Rm	Termination settlement[4] Rm	Total remuneration Rm	Long-term share awards charges – current period[1] Rm
52 weeks to 25 February 2024									
Gareth Ackerman	4.9	–	–	–	–	4.9	–	4.9	–
Sean Summers[3]	–	–	10.0	–	–	10.0	–	10.0	–
Lerena Olivier	–	–	5.7	0.3	–	6.0	–	6.0	(1.4)
Aboubakar Jakoet	0.5	0.5	–	–	–	1.0	–	1.0	–
Audrey Mothupi	0.5	0.5	–	–	–	1.0	–	1.0	–
Jeff van Rooyen[2]	0.6	–	–	–	–	0.6	–	0.6	–
Pieter Boone[4]	–	–	7.9	0.5	1.1	9.5	15.8	25.3	(11.6)
	6.5	**1.0**	**23.6**	**0.8**	**1.1**	**33.0**	**15.8**	**48.8**	**(13.0)**

[1] The long-term share awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments, and is measured on an equity-settled basis at the Pick n Pay Stores Limited Group's level at grant date. Key performance indicators for employees of the Boxer Superstores Group are aligned to the Pick n Pay Stores Limited Group.

[2] Jeff van Rooyen retired as a director effective from 19 July 2023.

[3] Sean Summers replaced Pieter Boone as CEO, effective 30 September 2023.

[4] Termination settlement in terms of contract of employment.

	Fees for board meetings Rm	Fees for committee and other work Rm	Base salary Rm	Retirement and medical contributions Rm	Fringe and other benefits Rm	Total fixed remuneration Rm	Short-term performance bonus Rm	Total remuneration Rm	Long-term share awards charges – current period[1] Rm
52 weeks to 26 February 2023									
Gareth Ackerman	4.9	–	–	–	–	4.9	–	4.9	–
Pieter Boone	–	–	10.7	1.0	3.2	14.9	9.8	24.7	5.8
Lerena Olivier	–	–	5.2	0.5	0.3	6.0	3.9	9.9	3.8
Jeff van Rooyen	0.5	0.7	–	–	–	1.2	–	1.2	–
Audrey Mothupi	0.5	0.5	–	–	–	1.0	–	1.0	–
Aboubakar Jakoet	0.5	0.4	–	–	–	0.9	–	0.9	–
	6.4	**1.6**	**15.9**	**1.5**	**3.5**	**28.9**	**13.7**	**42.6**	**9.6**

[1] The long-term share awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments, and is measured on an equity-settled basis at the Pick n Pay Stores Limited Group's level at grant date. Key performance indicators for employees of Boxer Superstores Group are aligned to the Pick n Pay Stores Limited Group.

	Fees for board meetings Rm	Fees for committee and other work Rm	Base salary Rm	Retirement and medical contributions Rm	Fringe and other benefits Rm	Total fixed remuneration Rm	Short-term performance bonus Rm	Total remuneration Rm	Long-term share awards charges – current period[1] Rm
52 weeks to 27 February 2022									
Gareth Ackerman	4.9	–	–	–	–	4.9	–	4.9	–
Pieter Boone[2]	–	–	8.9	0.8	2.8	12.5	10.5	23.0	5.8
Lerena Olivier	–	–	5.1	0.5	0.3	5.9	3.6	9.5	5.6
Richard Brasher[2]	–	–	1.8	0.2	1.5	3.5	–	3.5	–
Jeff van Rooyen	0.5	0.8	–	–	–	1.3	–	1.3	–
Audrey Mothupi	0.5	0.5	–	–	–	1.0	–	1.0	–
Aboubakar Jakoet	0.5	0.2	–	–	–	0.7	–	0.7	–
	6.4	**1.5**	**15.8**	**1.5**	**4.6**	**29.8**	**14.1**	**43.9**	**11.4**
Prescribed Officer									
Pieter Boone	–	–	1.8	0.2	0.5	2.4	–	2.4	–

[1] The long term share awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments, and is measured on an equity basis at the Pick n Pay Stores Limited Group's level at grant date. Key performance indicators for employees of Boxer Superstores Group are aligned to the Pick n Pay Stores Limited Group.

[2] Richard Brasher retired at the end of April 2021 and was succeeded by Pieter Boone. Pieter Boone was a prescribed officer up until his date of appointment as CEO of the Pick n Pay Stores Limited Group.

5. SHARE-BASED PAYMENTS

Share options

The Pick n Pay Stores Limited's legacy share option scheme (the 1997 Employee Share Option Scheme) of which Boxer Superstores Proprietary Limited employees participate, was replaced by a cash retention scheme during the 2021 financial period. The share option scheme remains in operation and all outstanding share options previously awarded under the scheme will be delivered to participants within the next four years, under the original terms and conditions of the awards. Share option awards ceased in August 2020 and no further share options will be awarded under this scheme.

The Scheme is administered by the Pick n Pay Employee Share Purchase Trust (the share trust) and its Board of Trustees. All options were granted in accordance with the rules of the Scheme, which were approved by shareholders of Pick n Pay Stores Limited and the Johannesburg Stock Exchange (JSE).

Share options were granted at the volume-weighted average market price (VWAP) of the Pick n Pay Stores Limited share for the 20 trading days preceding the option grant date. No discount was applied. There are no performance conditions attached to outstanding share options. Vesting is only dependent on the employee meeting the service requirement of remaining in the employ of the Boxer Superstores Group over the specified vesting period. If the employee leaves before the vesting period is complete, all the unvested share options will lapse.

Restricted Share Plan (RSP)

The RSP recognises executive and senior management employees of Boxer Superstores Proprietary Limited who have a significant role to play in delivering Pick n Pay Stores Limited Group's ("**Pick n Pay Group**") strategy and ensuring the growth and sustainability of the Pick n Pay Group. Through the attachment of performance conditions, the RSP incentivises participating employees to deliver long-term earnings growth in line with the objectives set out in the Pick n Pay Group's long-term strategic plan. An award of shares may also be used to attract talented prospective employees.

Pick n Pay Stores Limited shares awarded under the RSP have performance conditions attached. Performance conditions include a three-year compound annual growth rate of the Pick n Pay Group's comparable headline earnings per share (HEPS), and a gatekeeper clause which specifies that the Pick n Pay Group's return on capital employed (ROCE) must be greater than its weighted average cost of capital (WACC) over the vesting period. Vesting is dependent on service and performance conditions being met, subject to the discretion of the Pick n Pay Group's remuneration committee within the RSP scheme rules.

The RSP is a modernisation of the Pick n Pay Group's (previously named) Forfeitable Share Plan, following Pick n Pay Stores Limited shareholder approval received at the Pick n Pay Stores Limited Annual General Meeting in August 2020 for the remuneration committee of the Pick n Pay Group to utilise greater discretion in respect of dividend rights granted to participants. In issuing the 2020 RSP and subsequent RSP awards, the Pick n Pay Group remuneration committee exercised its discretion and dividends will only be paid to participants on the successful vesting of the scheme, in direct proportion to the number of shares which vest. Going forward, the Pick n Pay Group remuneration committee will annually consider if dividends will be withheld on shares which ultimately do not vest.

5.1 Outstanding share options

	52 weeks to 25 February 2024 Number of options 000's	52 weeks to 26 February 2023 Number of options 000's	52 weeks to 27 February 2022 Number of options 000's
Reconciliation of the total number of share options outstanding:			
At beginning of period	2 464	2 748	3 020
Options taken up	–	(193)	(125)
Options forfeited	(124)	(91)	(147)
At end of period	**2 340**	**2 464**	**2 748**
The weighted average grant price of share options are as follows:			
At beginning of period	R62.03	R60.16	R59.47
Options taken up	n/a	R37.97	R45.72
Options forfeited	R64.49	R56.79	R57.83
At end of period	R61.90	R62.03	R60.16

Outstanding options may be taken up during the following financial periods:

Year	Average grant price	000's	000's	000's
2024	R61.83	–	1 623	1 639
2025	R61.79	1 911	375	250
2026	R64.24	193	213	380
2027	R64.34	189	201	219
2028	R46.87	47	52	260
		2 340	**2 464**	**2 748**

5.2 Outstanding restricted shares

	52 weeks to 25 February 2024 Number of options 000's	52 weeks to 26 February 2023 Number of options 000's	52 weeks to 27 February 2022 Number of options 000's
Reconciliation of the total number of share options outstanding:			
At beginning of period	1 699	1 517	1 262
Share awards granted	–	769	556
Shares delivered to participants	(386)	(173)	(128)
Share awards forfeited	(24)	(414)	(173)
At end of period	**1 289**	**1 699**	**1 517**

Rights to RSP shares are issued with a grant price of zero.

The fair value of rights to RSP shares is the market price of the share at grant date adjusted for the expected dividend yield, which is the best estimate of the forward-looking dividend yield over the life of the RSP. Estimates are based on the historical average dividend yield during the two year period preceding the grant.

Vesting criteria in respect of the RSP 2020 awards, which vested in June 2023 subsequent to period end, have not been fully met. As a result, and as approved by the remuneration committee, 50% of the RSP 2020 share awards have been forfeited in the prior period under review.

Outstanding restricted shares vest during the following financial periods:

	52 weeks to 25 February 2024 Number of options 000's	52 weeks to 26 February 2023 Number of options 000's	52 weeks to 27 February 2022 Number of options 000's
2023	–	–	173
2024	–	387	788
2025	539	544	556
2026	750	768	–
	1 289	**1 699**	**1 517**

Share based payment liability as reflected in the statement of financial position:

	Rm	Rm	Rm
Non-current liability	8	16	21
Current liability	11	18	9
	19	**34**	**30**

6. PROPERTY, PLANT AND EQUIPMENT

	Property Rm	Furniture, fittings, equipment and vehicles Rm	Leasehold improvements Rm	Total Rm
52 weeks to 25 February 2024				
Carrying value	**277**	**2 660**	**531**	**3 468**
Cost	284	3 906	839	5 029
Accumulated depreciation and impairment losses	(7)	(1 246)	(308)	(1 561)
Reconciliation of carrying value				
Carrying value at beginning of period:	85	2 368	516	2 969
Additions:	193	731	120	1 044
Expansion of operations	193	378	117	688
Maintaining operations	–	353	3	356
Depreciation	(1)	(419)	(98)	(518)
Impairment	–	(1)	–	(1)
Disposals	–	(19)	(7)	(26)
Purchase of operations (note 26)	–	–	–	–
Carrying value at end of period	**277**	**2 660**	**531**	**3 468**
52 weeks to 26 February 2023				
Carrying value	**85**	**2 368**	**516**	**2 969**
Cost	90	3 463	776	4 329
Accumulated depreciation and impairment losses	(5)	(1 095)	(260)	(1 360)
Reconciliation of carrying value				
Carrying value at beginning of period:	29	1 818	395	2 242
Additions:	57	894	201	1 152
Expansion of operations	57	520	104	681
Maintaining operations	–	374	97	471
Depreciation	(1)	(362)	(79)	(442)
Impairment	–	(6)	–	(6)
Disposals	–	(9)	(1)	(10)
Purchase of operations (note 26)	–	33	–	33
Carrying value at end of period	**85**	**2 368**	**516**	**2 969**
52 weeks to 27 February 2022				
Carrying value	**29**	**1 818**	**395**	**2 242**
Cost	34	3 227	582	3 843
Accumulated depreciation and impairment losses	(5)	(1 409)	(187)	(1 601)
Reconciliation of carrying value				
Carrying value at beginning of period:	29	1 583	295	1 907
Additions:	–	642	170	812
Expansion of operations	–	282	66	348
Maintaining operations	–	360	104	464
Depreciation	–	(281)	(59)	(340)
Scrapping of assets – civil unrest	–	(120)	(9)	(129)
Disposals	–	(13)	(2)	(15)
Purchase of operations (note 26)	–	7	–	7
Carrying value at end of period	**29**	**1 818**	**395**	**2 242**

Property includes land with an indefinite useful life, with a carrying value of R88 million (2023: R34 million, 2022: R9 million).

The Boxer Superstores Group treats each trading store as a separate cash-generating unit (CGU) for impairment testing of property, plant and equipment. The recoverable amount of each CGU is the higher of its value-in-use and its fair value less costs of disposal. Each CGU is tested for impairment at the reporting date to determine if any indicators of impairment have been identified. Impairment loss indicators include loss-making stores.

The recoverable amount for each CGU was determined based on value-in-use calculations. The value-in-use calculations discount cash flow forecasts at an appropriate pre-tax rate that reflects the specific risks of the relevant CGU. Cash flow forecasts are based on financial budgets (informed by past experience and the expected performance on the retail market in the relevant areas) approved by management.

The value-in-use was determined based on cash flow projections approved by management covering the relevant CGU's refurbishment cycles, which averages five years. The pre-tax discount rate applied to these cash flow projections was 14.5% (2023: 19.2%, 2022: 9.9%). Cash flows for CGUs beyond these planning periods were extrapolated using an estimated growth rate of 6.8% (2023: 7.2%, 2022: 4.8%). Management believes that any reasonable possible change in key assumptions on which these CGU's recoverable amounts are based would not result in any additional significant impairment losses.

An impairment charge of R1 million (2023: R6 million) was recorded in relation to one CGU (2023: one CGU). These CGUs are individually owned stores, which are not material to the Boxer Superstores Group's overall portfolio of stores. These impairments were as a result of a significant reduction in the future expected revenue of the CGU due to a weakening in the general economic conditions in which the CGU operates.

7. INTANGIBLE ASSETS

	Goodwill Rm	Systems development Rm	Licences Rm	Total Rm
52 weeks to 25 February 2024				
Carrying value	**252**	**81**	**1**	**334**
Cost	262	114	5	381
Accumulated amortisation and impairment losses	(10)	(33)	(4)	(47)
Reconciliation of carrying value				
Carrying value at beginning of period:	270	58	4	332
Additions:	–	42	–	42
Maintaining operations	–	42	–	42
Amortisation	–	(15)	(1)	(16)
Impairment	(10)	–	–	(10)
Disposals	(15)	(6)	–	(21)
Purchase of operations (note 26)	7	–	–	7
Reclassifications	–	2	(2)	–
Carrying value at end of period	**252**	**81**	**1**	**334**
52 weeks to 26 February 2023				
Carrying value	**270**	**58**	**4**	**332**
Cost	270	78	7	355
Accumulated amortisation and impairment losses	–	(20)	(3)	(23)
Reconciliation of carrying value				
Carrying value at beginning of period:	178	32	2	212
Additions:	–	39	3	42
Expansion of operations	–	1	–	1
Maintaining operations	–	38	3	41
Amortisation	–	(13)	(1)	(14)
Purchase of operations (note 26)	92	–	–	92
Carrying value at end of period	**270**	**58**	**4**	**332**
52 weeks to 27 February 2022				
Carrying value	**178**	**33**	**1**	**212**
Cost	178	72	4	254
Accumulated amortisation and impairment losses	–	(39)	(3)	(42)
Reconciliation of carrying value				
Carrying value at beginning of period:	164	36	2	202
Additions:	–	11	–	11
Expansion of operations	–	1	–	1
Maintaining operations	–	10	–	10
Amortisation	–	(15)	–	(15)
Disposals	–	–	–	–
Scrapping of assets – civil unrest	–	–	–	–
Purchase of operations (note 26)	14	–	–	14
Carrying value at end of period	**178**	**32**	**2**	**212**

CGUs to which goodwill has been allocated have been identified as an individual trading store or cluster of trading stores. The recoverable amount for each CGU was determined based on value-in-use calculations. The value-in-use calculations discount cash flow forecasts at an appropriate pre-tax rate that reflects the specific risk of the relevant CGU. Cash flow forecasts are based on financial budgets (informed by past experience and the expected performance on the retail market in the relevant areas) approved by management.

The value-in-use for each CGU was determined based on cash flow projections approved by management covering the relevant CGU's refurbishment cycles, which averages five years. The pre-tax discount rate applied to these cash flow projections was 14.5% (2023: 19.2%, 2022: 9.9%). Cash flows for CGUs beyond these planning periods were extrapolated using an estimated growth rate of 6.8% (2023: 7.2%, 2022: 4.8%). Management believes that any reasonable possible change in key assumptions on which these CGU's recoverable amounts are based would not result in any additional significant impairment losses.

An impairment charge of R10 million was recorded in the current financial period which arose in one CGU. This CGU is an individual trading store, which is not material to the Boxer Superstores Group's overall portfolio of stores. This impairment was as a result of a significant reduction in the future expected revenue of the CGU due to a weakening in the general economic conditions in which the CGU operates.

8. RIGHT-OF-USE ASSETS

The Boxer Superstores Group enters into various lease agreements as the lessee of property and equipment. Where leases convey the right to control the use of the underlying leased assets, the Boxer Superstores Group classifies these leases as right-of-use assets in a consistent manner to its property, plant and equipment.

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Reconciliation of carrying value of right-of-use assets			
Carrying value at beginning of period	3 033	2 822	2 544
Additions	992	801	754
Depreciation	(620)	(555)	(488)
Property	(548)	(486)	(431)
Equipment and vehicles	(72)	(69)	(57)
Other movements*	(92)	(35)	12
Impairments	(1)	–	–
Carrying value at end of period	**3 312**	**3 033**	**2 822**
Comprising of:			
Property	3 188	2 933	2 674
Equipment and vehicles	124	100	148

* Other movements include lease incentives received, remeasurements and terminations of leases.

The Boxer Superstores Group treats each store as a separate CGU for impairment testing of right-of-use assets. The recoverable amount of each CGU is the higher of its value-in-use and its fair value less costs of disposal. Each CGU is tested for impairment at the reporting date to determine if any indicators of impairment have been identified. Impairment loss indicators include loss-making stores.

The recoverable amount for each CGU was determined based on value-in-use calculations. The value-in-use calculations discount cash flow forecasts at an appropriate pre-tax rate that reflects the specific risks of the relevant CGU. Cash flow forecasts are based on financial budgets (informed by past experience and the expected performance on the retail market in the relevant areas) approved by management.

The value-in-use was determined based on cash flow projections approved by management covering the relevant CGU's refurbishment cycles, which averages five years. The pre-tax discount rate applied to these cash flow projections was 14.5% (2023: 19.2%, 2022: 9.9%). Cash flows for each CGUs beyond these planning periods were extrapolated using an estimated growth rate of 6.8% (2023: 7.2%, 2022: 4.8%). Management believes that any reasonable possible change in key assumptions on which these CGU's recoverable amounts are based would not result in any additional significant impairment losses.

An impairment charge of R1 million was recorded in the current financial period, which arose in one CGU. This CGU is an individual trading store, which is not material to the Boxer Superstores Group's overall portfolio of stores. This impairment was as a result of a significant reduction in the future expected revenue of the CGU due to a weakening in the general economic conditions in which the CGU operates.

9 LEASE LIABILITIES

The Boxer Superstores Group enters into various lease agreements as the lessee of property, equipment and vehicles. Where leases convey the right to control the use of underlying leased assets, the entity recognises the present value of future lease payments under the lease as lease liabilities. Future lease payments are discounted at an average borrowing rate of 8.6% (2023: 7.7%, 2022: 7.7%).

		52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
9.1	**Reconciliation of lease liabilities**			
	At beginning of period	3 937	3 637	3 252
	Additions	992	801	754
	Lease payments	(886)	(774)	(673)
	Principal lease liability payments	(550)	(460)	(382)
	Interest paid	(336)	(314)	(291)
	Rent concessions	–	–	(1)
	Finance costs (note 3.2)	337	291	275
	Other movements*	(72)	(17)	30
	At end of period	**4 308**	**3 938**	**3 637**
	Lease liabilities are presented in the statement of financial position as follows:			
	Current	608	545	479
	Non-current	3 700	3 393	3 158

* Other movements include remeasurements and terminations of leases.

9.2	**Lease payments**			
	Lease payments included in the measurement of lease liabilities (note 9.1)	886	774	673
	Variable lease payments not included in the measurement of lease liabilities	11	4	8
	Short-term and low value lease payments	53	26	13
		950	804	694

Certain property head leases contain variable payment terms linked to sales generated from retail owned stores, referred to as turnover rent. Turnover rent expense averages 1.7% (2023: 1.7%, 2022: 1.7%) of turnover.

		52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
9.3	**Maturity analysis**			
	The undiscounted contractual maturities of lease liabilities are as follows:			
	Less than one year	948	834	760
	One year to five years	2 994	2 668	2 843
	Five to ten years	1 794	1 583	1 738
	More than ten years	152	109	144
	Total undiscounted lease liabilities	**5 888**	**5 194**	**5 485**
	Finance costs to be incurred in future	(1 580)	(1 256)	(1 848)
	Lease liabilities	**4 308**	**3 938**	**3 637**

Lease terms include any non-cancellable periods and reasonably certain extension or termination options. Approximately 95% – 100% (2023 and 2022: 95% – 100%) of the Boxer Superstores Group's portfolio of property leases contain extension options and approximately 9% (2023 and 2022: 5%) contain termination options. The majority of extension and termination options held are exercisable by the Boxer Superstores Group and not by the respective lessor.

The average lease term of the Boxer Superstores Group's portfolio of qualifying leases for property are 9 years (2023: 11 years, 2022: 10 years), and for equipment are 6 years (2023: 5 years, 2022: 6 years).

10. LOANS

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Employee loans	3	2	1
Other loans	117	52	30
Total loans	**120**	**54**	**31**

Loans to employees bear interest at varying rates averaging 6.9% (2023: 4.0%, 2022: 4.0%) per annum and have varying repayment terms.

Other loans relate to bridging finance for landlords with repayment terms between two and ten years and average interest rates linked to the South African prime rate, averaging at a rate of 12.0% (2023: 10.6%, 2022: 7.3%).

11. DEFERRED TAX

The movement in deferred tax assets are as follows:

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
At beginning of period	147	162	197
Recognised in the statement of comprehensive income (note 21.1)	(3)	(15)	(35)
Property, plant and equipment and intangible assets	(55)	(52)	(29)
Income and expense accruals	27	29	(37)
Prepayments	–	(9)	–
Leases	25	17	31
At end of period	**144**	**147**	**162**
Comprising:			
Property, plant and equipment and intangible assets	(279)	(224)	(172)
Income and expense accruals	166	139	110
Prepayments	(12)	(12)	(3)
Leases	269	244	227
	144	**147**	**162**

12. INVESTMENT IN PICK N PAY STORES LIMITED

	Number of shares	Cost Rm	Fair value adjustment Rm	Carrying value Rm
52 weeks to 25 February 2024				
Balance at beginning of period	2 086 000	115	(20)	95
Movements for the period	(386 500)	(16)	9	(7)
Shares delivered to RSP participants (note 5)	(386 500)	(16)	9	(7)
Fair value remeasurement	–	–	(48)	(48)
Balance at end of period	**1 699 500**	**99**	**(59)**	**40**
52 weeks to 26 February 2023				
Balance at beginning of period	1 689 500	96	(18)	78
Movements for the period	396 500	19	1	20
Additions	58 891	3	–	3
Shares delivered to RSP participants (note 5)	(172 750)	(11)	1	(10)
Purchase from related party	510 359	27	–	27
Fair value remeasurement	–	–	(3)	(3)
Balance at end of period	**2 086 000**	**115**	**(20)**	**95**
52 weeks to 27 February 2022				
Balance at beginning of period	1 265 900	77	(12)	65
Movements for the period	423 600	19	3	22
Additions	551 600	28	–	28
Shares delivered to RSP participants (note 5)	(128 000)	(9)	3	(6)
Fair value remeasurement	–	–	(9)	(9)
Balance at end of period	**1 689 500**	**96**	**(18)**	**78**

The investment in Pick n Pay Stores Limited shares is carried at fair value through other comprehensive income, which is measured at the market value of Pick n Pay Stores Limited shares, listed on the Johannesburg Stock Exchange. The share price at period end was R23.25 (2023: R45.63, 2022: R46.44).

No shares were purchased by the Boxer Superstores Group during the period. In the prior periods, the Boxer Superstores Group purchased 569 250 (2022: 551 600) shares in Pick n Pay Stores Limited, at an average share price of R52.42 (2022: R51.46).

The shares remaining are held in order to meet share obligations under the Boxer Superstores Group's Share Schemes.

13. INVENTORY

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Merchandise for resale	3 297	2 859	2 265
Provision for shrinkage, obsolescence and mark down of inventory	(84)	(58)	(53)
Consumables	18	14	14
	3 231	**2 815**	**2 226**

14. TRADE AND OTHER RECEIVABLES

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Gross trade and other receivables	392	406	333
Trade receivables from contracts with customers	231	266	194
Prepayments	72	73	17
Other receivables	89	67	122
Allowance for impairment losses	(10)	(12)	(6)
Trade receivables from contracts with customers	(7)	(12)	(3)
Other receivables	(3)	–	(3)
Net trade and other receivables	**382**	**394**	**327**

Trade and other receivables are interest-free, and have payment terms ranging between 7 and 35 days (2023 and 2022: 7 and 35 days). The carrying value of trade and other receivables approximate their fair value due to the short term nature of the receivables.

Other receivables mainly comprise of sundry debtors and property debtors.

14.1 Allowance for impairment losses

Impairment losses are recorded in the allowance account until the Boxer Superstores Group is satisfied that no recovery of the amount owing is possible, at which point the amount is considered irrecoverable and is written off against the financial asset directly. Impairment losses have been included in the statement of comprehensive income.

Set out below is the movement in the allowance for impairment on trade and other receivables:

	Trade and other receivables Rm	Trade receivables from contracts with customers Rm	Other receivables Rm
52 weeks to 25 February 2024			
Balance at the beginning of the period	12	12	–
Additional impairment losses recognised	6	2	4
Prior allowances for impairment reversed	(8)	(7)	(1)
At the end of the period	**10**	**7**	**3**
52 weeks to 26 February 2023			
Balance at the beginning of the period	6	3	3
Additional impairment losses recognised	10	10	–
Prior allowances for impairment reversed	(4)	(1)	(3)
At the end of the period	**12**	**12**	**–**
52 weeks to 27 February 2022			
Balance at the beginning of the period	10	5	5
Irrecoverable debts written off	(2)	(2)	–
Additional impairment losses recognised	4	3	1
Prior allowances for impairment reversed	(6)	(3)	(3)
At the end of the period	**6**	**3**	**3**

14.2 Credit risk exposure

Set out below is the credit risk exposure on the Boxer Superstores Group's trade and other receivables. The expected credit loss (ECL) relating to trade and other receivables within payment terms is insignificant as a result of the credit quality of these debtors, the stringent credit granting policies and the various forms of security and collateral held by the Boxer Superstores Group. Refer to note 23 for the Boxer Superstores Group's credit risk management disclosure.

	Gross receivables Rm	Within payment terms Rm	Exceeding payment terms by more than 14 days Rm
52 weeks to 25 February 2024			
	320	302	19
Trade receivables from contracts with customers	231	222	9
Other receivables	89	80	10
52 weeks to 26 February 2023			
	333	298	35
Trade receivables from contracts with customers	266	248	18
Other receivables	67	50	17
52 weeks to 27 February 2022			
	316	273	43
Trade receivables from contracts with customers	194	184	10
Other receivables	122	89	33

15. CASH AND CASH EQUIVALENTS

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Cash and cash equivalents in the statement of financial position	349	345	561
Related party loan receivable (note 16.1)	1 335	599	697
Cash and cash equivalents in the statement of cash flows	**1 684**	**944**	**1 258**

Cash and cash equivalents include cash floats at stores as well as the Boxer Superstores Group's current account balance. The Boxer Superstores Group's primary bankers, which at period-end had long-term credit ratings of zaAA, facilitates the collection of cash at stores, provides general banking facilities and facilitates the payment of suppliers via an electronic banking platform. The interest rate on the current and call account balances in South Africa is 7.2% (2023: 6.1%, 2022: 3.0%) and in Eswatini is 4.0% (2023: 3.4%, 2022: 1.9%). Refer to note 23.4.

16. AMOUNTS OWING BY/(TO) RELATED PARTIES

The amounts owing by/to related parties are unsecured and are repayable on demand. Due to the repayment terms, fair value is considered to approximate the carrying value. Refer to note 23.4 for further details, including applicable interest rates charged/earned on related party balances. For the purpose of the statement of cash flows, amounts owing by related parties are considered cash and cash equivalents as the loan balances are held to meet the short term cash commitments of the Boxer Superstores Group and are highly liquid investments that are readily convertible to known amounts of cash with an insignificant risk of changes in value.

16.1 Amounts owing by related parties

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Pick n Pay Retailers Proprietary Limited	1 335	599	697
	1 335	599	697

16.2 Amounts owing to related parties

Boxer Holdings Proprietary Limited	(163)	(163)	(163)
Pick n Pay Retailers Proprietary Limited	(1 334)	(1 500)	–
	(1 497)	(1 663)	(163)

16.3 Net amount owing by/(to) related parties	**(162)**	**(1 064)**	**534**

17. SHARE CAPITAL

	52 weeks to 25 February 2024 R'000	52 weeks to 26 February 2023 R'000	52 weeks to 27 February 2022 R'000
Authorised			
40 000 000 (2023 and 2022: 40 000 000) ordinary shares of R0.005 each	200	200	200
Issued			
34 125 000 (2023 and 2022: 34 125 000) ordinary shares of R0.005 each	171	171	171

The unissued shares remain under the control of the directors until the next annual general meeting.

18. TRADE AND OTHER PAYABLES

	Rm	Rm	Rm
Trade and other payables	4 612	3 828	3 249

Trade and other payables are settled within 37 days (2023: 37 days, 2022: 37 days). Included in trade and other payables are leave pay obligations and value-added tax (VAT) which are not considered to be financial instruments. Refer to note 23 for more information.

19. PROVISIONS

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
At the beginning of the period	43	40	33
Additional provisions raised during the period	8	3	7
Utilised amounts (incurred or changes against the provision)	(2)	–	–
At the end of the period	**49**	**43**	**40**

Provisions are short term in nature and relates to outstanding claims and legal disputes arising in the ordinary course of business. In management's opinion, any adverse outcome of pending claims will not have a material adverse effect on the financial condition or future operations of the Boxer Superstores Group.

20. DEFERRED REVENUE

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Prepaid gift card liability	91	80	80
Refund liability	3	2	2
	94	**82**	**82**

Prepaid gift card liability

Gift cards can be redeemed as cash against future purchases, are redeemable on demand and expire 3 years after last date used. The balance outstanding at period end represents the fair value of the revenue received in advance.

Refund liability

Customers are entitled to return goods purchased within a specified period of time, for a full or partial refund of the amount paid. The refund liability represents the amount of consideration that the Boxer Superstores Group does not expect to be entitled to because it will be refunded to customers within the next financial period. In addition, the Boxer Superstores Group recognised a right of return asset of R2 million (2023: R2 million, 2022: R1 million) for its right to recover goods returned by the customer.

21. INCOME TAX

21.1 Tax recognised in profit or loss

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Normal tax	435	412	267
Current period	440	404	299
Prior period (over)/under provision	(5)	8	(32)
Deferred tax (note 11)	3	15	35
	438	**427**	**302**

21.2 Tax paid comprises:

Payable – beginning of period	262	162	40
Recognised in profit or loss	435	412	267
Payable – end of period	(290)	(262)	(162)
Total tax paid	**407**	**312**	**145**

21.3 Reconciliation of effective tax rate

	52 weeks to 25 February 2024 %	52 weeks to 26 February 2023 %	52 weeks to 27 February 2022 %
South African statutory tax rate	27.0	28.0	28.0
Impact of financial guarantee	(2.0)	–	–
ETI allowances exempt income	(1.2)	(1.4)	(1.8)
Learnership and other allowances	(0.6)	(0.7)	(1.3)
Impact of foreign tax rates	–	(0.1)	(0.1)
Non-deductible impairment loss on intangible assets	0.2	–	(0.1)
Impact of share-based payments	(0.6)	0.1	0.1
Non-deductible leasehold improvement depreciation	1.4	1.6	1.4
Net prior period under/(over) provisions	(0.2)	0.1	(0.1)
Effect of reduction in tax rate	–	0.3	–
Effective tax rate	**24.0**	**27.9**	**26.1**

During the prior period under review, the South African Revenue Services announced an amendment to the Income Tax rate applicable to companies from 28% to 27%. This amendment was effective for the Boxer Superstores Group during the 2024 financial period.

22. COMMITMENTS

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Authorised capital expenditure			
Contracted for	715	654	817
Not contracted for	622	785	838
Total commitments	**1 337**	**1 439**	**1 655**

All capital expenditure is anticipated to be funded from internally generated cash.

23. FINANCIAL INSTRUMENTS

The Boxer Superstores Group's principal financial assets include loans, investments in equity instruments, trade and other receivables, cash and cash equivalents, amounts owing by related parties and derivatives designated as hedging instruments. The Boxer Superstores Group's principal financial liabilities comprise lease liabilities, refund liabilities, trade and other payables, amounts owing to related parties and provision for financial guarantee contracts. The Boxer Superstores Group holds fair value through other comprehensive income financial instruments and enters into derivative transactions which comprises of forward foreign exchange rate contracts (FEC) to hedge future foreign currency exposures. Where all relevant criteria are met, hedge accounting is applied, to remove the accounting mismatch between the hedging instrument and the hedged item.

The Boxer Superstores Group is exposed to credit, market and liquidity risk due to the effects of changes in debt, exchange rates and interest rates experienced in the normal course of business. The Boxer Superstores Group's objective is to effectively manage each of the risks associated with its financial instruments in order to minimise the potential adverse effect on the financial performance and position of the Boxer Superstores Group.

The Boxer directors are ultimately responsible for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor financial risks.

23.1 Financial assets and financial liabilities by category

The table below sets out the Boxer Superstores Group's financial assets and financial liabilities by category:

	Financial assets at fair value through OCI Rm	Financial Assets at amortised cost Rm	Derivatives designated as hedging instruments Rm	Financial liabilities at amortised cost Rm	Total Rm
52 weeks to 25 February 2024					
Financial assets					
Loans (note 10)	–	120	–	–	120
Investment in Pick n Pay Stores Limited shares (note 12)	40	–	–	–	40
Trade and other receivables (note 14)	–	310	–	–	310
Cash and cash equivalents (note 15)	–	349	–	–	349
Amounts owing by related parties (note 16)	–	1 335	–	–	1 335
	40	**2 114**	**–**	**–**	**2 154**
Financial liabilities					
Amounts owing to related parties (note 16)	–	–	–	1 497	1 497
Trade and other payables (note 18)	–	–	–	4 297	4 297
Lease liabilities (note 9)	–	–	–	4 308	4 308
Refund liability (note 20)	–	–	–	3	3
Provision for financial guarantee contracts (note 27)	–	–	–	7	7
	–	**–**	**–**	**10 112**	**10 112**
52 weeks to 26 February 2023					
Financial assets					
Loans (note 10)	–	54	–	–	54
Investment in Pick n Pay Stores Limited shares (note 12)	95	–	–	–	95
Trade and other receivables (note 14)	–	321	–	–	321
Cash and cash equivalents (note 15)	–	345	–	–	345
Amounts owing by related parties (note 16)	–	599	–	–	599
Derivative financial instruments – Forward exchange contracts (FEC) (note 23.7)	–	–	2	–	2
	95	**1 319**	**2**	**–**	**1 416**
Financial liabilities					
Amounts owing to related parties (note 16)	–	–	–	1 663	1 663
Trade and other payables (note 18)	–	–	–	3 555	3 555
Lease liabilities (note 9)	–	–	–	3 938	3 938
Refund liability (note 20)	–	–	–	2	2
	–	**–**	**–**	**9 158**	**9 158**

	Financial assets at fair value through OCI Rm	Financial Assets at amortised cost Rm	Derivatives designated as hedging instruments Rm	Financial liabilities at amortised cost Rm	Total Rm
52 weeks to 27 February 2022					
Financial assets					
Loans (note 10)	–	31	–	–	31
Investment in Pick n Pay Stores Limited shares (note 12)	78	–	–	–	78
Trade and other receivables (note 14)	–	310	–	–	310
Cash and cash equivalents (note 15)	–	561	–	–	561
Amounts owing by related parties (note 16)	–	697	–	–	697
	78	**1 599**	**–**	**–**	**1 677**
Financial liabilities					
Amounts owing to related parties (note 16)	–	–	–	163	163
Trade and other payables (note 18)	–	–	–	2 985	2 985
Lease liabilities (note 9)	–	–	–	3 637	3 637
Refund liability (note 20)	–	–	–	2	2
Derivative financial instruments – Forward exchange contracts (FEC) (note 23.7)	–	–	2	–	2
	–	**–**	**2**	**6 787**	**6 789**

23.2 Credit risk

Credit risk is the risk of financial loss to the Boxer Superstores Group if a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets, which potentially subject the Boxer Superstores Group to credit risk, consist principally of cash and cash equivalents, trade and other receivables, loans and amounts owing by related parties.

Cash and cash equivalents

The Boxer Superstores Group's cash is placed with major South Africa, Eswatini and international financial institutions of high credit, which at period-end had a high credit standing and had a long-term credit rating of zaAA (refer to note 15).

Trade and other receivables

Trade and other receivables mainly relate to trade debtors and are presented net of allowance for credit losses (refer to note 14). Majority of trade and other receivables are within payment terms and are therefore considered to have low credit risk.

Loans

Loans mainly comprise employee loans and landlord loans in line with the Boxer Superstores Group's credit policy. Loans are granted after reviewing the credit worthiness of each employee and landlord. Refer to note 10. The majority of loans are secured and are considered to have low credit risk.

Amounts owing by related parties

The amounts owing by related parties are unsecured and are repayable on demand. Due to the repayment terms, fair value is considered to approximate the carrying value.

Amounts owing by related parties mainly comprises of loans granted by the Boxer Superstores Group to related parties and is presented net of impairment losses (Refer to note 16).

23.3 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk (such as equity price risk). Financial instruments affected by market risk include loans, lease liabilities, amounts owing by/to related parties, cash and cash equivalents, fair value through OCI financial instruments and derivative financial instruments. The objective of market risk management is to manage and control exposure to market risk, while optimising the return on the risk.

23.3.1 Currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Boxer Superstores Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Boxer Superstores Group's operating activities and the Boxer Superstores Group's net investment in foreign subsidiaries. However, the exposure to this currency risk is very low due to the 1:1 exchange rate of its Eswatini subsidiary.

Transactional currency risk – FECs

The Boxer Superstores Group has transactional currency exposures arising from the acquisition of goods and services in currencies other than its functional currency. The Boxer Superstores Group operates internationally and is exposed to currency risk through the importation of merchandise, however it does not have material foreign creditors as inventory imports are mostly prepaid.

The Boxer Superstores Group imports inventory from foreign countries and is exposed to fluctuations in foreign exchange rates. The Boxer Superstores Group uses FECs to mitigate its foreign exchange risks from the import of inventory. It is the Boxer Superstores Group's policy to cover all foreign inventory purchases by utilising a derivative contract (FEC). The Boxer Superstores Group does not use derivatives for speculative purposes.

The Boxer Superstores Group's FECs have been designated as cash flow hedges of firm commitments. All firm commitments are expected to be realised within 12 months.

An economic relationship exists between the hedged items and the hedging instruments. The Boxer Superstores Group has established a hedge ratio of 1:1, as the terms of the FECs match the terms of the firm commitments. To test hedge effectiveness, the Boxer Superstores Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve. During the period under review, R71 237 (2023: R36 855, 2022: R57 263) was reclassified to cost of sales in the statement of comprehensive income.

Forward exchange contract assets/(liabilities)	Contract foreign currency m	Rand equivalent Rm	Average forward rate R	Fair value Rm
2024				
Euro	1	18	20.4	–
		18		–
2023				
US dollars	2	30	18.2	–
Euro	2	31	18.7	2
		61		2
2022				
US dollars	9	141	15.5	(2)
Euro	1	10	17.3	–
		151		(2)

Transactional currency risk – foreign cash balances, trade and other receivables, trade and other payables.

The Boxer Superstores Group has exposure to foreign currency translation risk through its foreign cash balances, trade and other receivables and trade and other payables denominated in currencies other than the South African rand. These balances are immaterial in relation to the total of the line items they are included in. These risks are not hedged.

Sensitivity of the Boxer Superstores Group's exposure to material foreign currencies is estimated by assessing the impact of a reasonable expected movement of the currencies on the statement of comprehensive income, statement of financial position and statement of changes in equity of the Boxer Superstores Group. A sensitivity analysis is not presented as the estimated impact of the expected movement in currencies is nil, as the exchange rate is 1:1 for its Eswatini subsidiary.

23.4 Interest rate risk management

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Boxer Superstores Group's interest rate risk arises from loans, cash and cash equivalents, lease liabilities and amounts owing by/to related parties. The exposure to interest rate risk is managed through the Boxer Superstores Group's cash management system taking into account expected movements in interest rates when funding or investing decisions are made.

	52 weeks to 25 February 2024 %	52 weeks to 26 February 2023 %	52 weeks to 27 February 2022 %
The interest rates on financial instruments at the end of the period are:			
Financial assets			
Employee loans (note 10)	4.0 – 6.9	4.0	4.0
Other loans (note 10)	12.0	10.6	7.3
Cash and cash equivalents (note 15)	4.0 – 7.2	3.4 – 6.1	1.9 – 3.0
Amounts owing by related parties	0.0 – 9.1	5.0 – 8.3	4.5 – 5.0
Financial liabilities			
Lease liabilities (note 9)	8.6	7.7	7.7
Amounts owing to related parties	0.0 – 9.1	5.0 – 8.3	4.5 – 5.0

Sensitivity of the Boxer Superstores Group's exposure to interest rate risk is estimated by assessing the impact of a reasonable expected movement in the relevant interest rates on the statement of comprehensive income and statement of changes in equity of the Boxer Superstores Group based on the period end closing balances. Interest rates could reasonably be expected to change by 1% up or down (2023 and 2022: changed by 1% up or down). This range has been used in our sensitivity analysis, as set out below.

	2024		2023		2022	
	1% decrease Rm	1% increase Rm	1% decrease Rm	1% increase Rm	1% decrease Rm	1% increase Rm
Total effect on finance income	(14)	14	(7)	7	(11)	11

23.5 Market value risk

The Boxer Superstores Group has an investment in Pick n Pay Stores Limited shares classified as financial asset at fair value through other comprehensive income. The fair value of these financial instruments are derived from quoted market prices in an active securities market.

At the reporting date, the Boxer Superstores Group's exposure to these listed equity securities at fair value was R40 million (2023: R95 million, 2022: R78 million). An increase/decrease of 10% (2023 and 2022: 10%) on the JSE market index could have an impact of approximately R4 million (2023: R10 million, 2022: R8 million) on total comprehensive income.

23.6 Liquidity risk

Liquidity risk is the risk that the Boxer Superstores Group will not be able to meet its financial obligations as they fall due. The Boxer Superstores Group manages this risk by maintaining adequate reserves and unutilised borrowing facilities (listed below) and by continuously monitoring forecasted and actual cash flows, ensuring that the maturity profiles of financial assets and liabilities do not expose the Boxer Superstores Group to liquidity risk.

On average, trade and other receivables and inventory are realised within 39 days (2023:40 days, 2022: 35 days); and trade and other payables are settled within 37 days (2023: 37 days, 2022: 37 days). To the extent that the Boxer Superstores Group requires short-term funds, it utilises the banking facilities available and lease liabilities are used to fund right-of-use-assets.

The table below presents the Boxer Superstores Group's utilisation of its FEC facilities.

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Unutilised borrowing facilities			
Total available facilities	71	71	–
Utilisation of FEC	(18)	(61)	–
	53	**10**	**–**

The following are the undiscounted contractual maturities of financial liabilities, including estimated interest payments:

	Carrying amount Rm	Contractual cash flows Rm	Within 1 year Rm	Over 1 year and within 5 years Rm	Over 5 years and within 10 years Rm	More than 10 years Rm
52 weeks to 25 February 2024						
Lease liabilities (note 9)	4 308	5 888	948	2 994	1 794	152
Trade and other payables (note 18)	4 297	4 297	4 297	–	–	–
Amounts owing to related parties (note 16)	1 497	1 497	1 497	–	–	–
Refund liability (note 20)	3	3	3	–	–	–
Total financial obligations	**10 105**	**11 685**	**6 745**	**2 994**	**1 794**	**152**
52 weeks to 26 February 2023						
Lease liabilities (note 9)	3 938	5 194	834	2 668	1 583	109
Trade and other payables (note 18)	3 555	3 555	3 555	–	–	–
Amounts owing to related parties (note 16)	1 663	1 663	1 663	–	–	–
Refund liability (note 20)	2	2	2	–	–	–
Total financial obligations	**9 158**	**10 414**	**6 054**	**2 668**	**1 583**	**109**
52 weeks to 27 February 2022						
Lease liabilities (note 9)	3 637	5 485	760	2 843	1 738	144
Trade and other payables (note 18)	2 985	2 985	2 985	–	–	–
Amounts owing to related parties (note 16)	163	163	163	–	–	–
Refund liability (note 20)	2	2	2	–	–	–
Total financial obligations	**6 787**	**8 635**	**3 910**	**2 843**	**1 738**	**144**

The Boxer Superstores Group issued financial guarantees in favour of Pick n Pay Retailers Proprietary Limited's lenders for the repayment of the R4.5 billion long-term debt (a shared guarantee with the Boxer Superstores Group's ultimate holding company, Pick n Pay Stores Limited). The guaranteed long-term debt has a maturity value of more than 1 year and within 5 years and is also secured through a pledge of the Pick n Pay Stores Group's shareholding in the Boxer Superstores Group. The financial obligation measured at stage 1 of ECL model relating to this guarantee by the Boxer Superstores Group is R7.0 million (2023: nil). Refer to note 27 for further information.

23.7 Fair value of financial instruments

All financial instruments held by the Boxer Superstores Group are measured at amortised cost, with the exception of the investment in Pick n Pay Stores Limited which is measured at fair value through OCI and derivatives designated as hedging instruments.

Financial instruments measured at fair value are classified using a 3 level hierarchy to rank inputs used in measuring fair value. The levels are explained below:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data, where it is available, 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.

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

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
The fair values of financial instruments are as follows:			
Financial assets at fair value through OCI			
Investment in Pick n Pay Stores Limited – Level 1	40	95	78
Derivative financial instruments (designated as hedging instruments)			
Forward exchange contract assets/(liabilities) – Level 2	–	2	(2)

The fair value of the investment in the Pick n Pay Stores Limited shares are derived from quoted market prices in an active securities market.

The Boxer Superstores Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using a forward pricing model utilising present valuation techniques, allowing for counterparty credit risk.

There have been no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the period.

23.8 Capital management

The Boxer Superstores Group's capital management strategy is to maintain investor, creditor and market confidence and to sustain future growth by capital re-investment in the business. Capital is represented by total shareholders' equity as per the statement of financial position. The Boxer Superstores Group's capital management objectives are to safeguard the Boxer Superstores Group's ability to continue as a going concern in order to provide shareholder-returns, as well as benefits to all stakeholders. The Boxer Superstores Group aims to maintain an optimal capital structure to reduce the cost of capital and maximise shareholder value. The Boxer Board of directors is ultimately responsible for capital management.

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

There were no changes in the Boxer Superstores Group's approach to capital management during the period.

24. RETIREMENT BENEFIT INFORMATION

The Boxer Superstores Group provides retirement benefits for all its permanent full time employees through three defined contribution provident fund schemes which covers 9 323 (2023: 9 031, 2022: 8 204) employees. The defined contribution provident fund schemes are subject to the Pension Funds Act, 1956 as amended. The Boxer Superstores Group provides for contribution of 7% – 14% (2023 and 2022: 7% – 14%) of employees salary where they qualify and these contributions are charged to income in the period to which they relate. The total value of contributions to the scheme were R101 million (2023: R88 million, 2022: R77 million).

In addition Eswatini employees are members of the Swazi National Provident Fund which covers 504 (2023: 463, 2022: 232) employees.

25. RELATED PARTY DISCLOSURE

25.1 Identity of related parties

Boxer Superstores Proprietary Limited is a wholly-owned subsidiary of Boxer Holdings Proprietary Limited. The ultimate holding company is Pick n Pay Stores Limited. Both holding companies are registered in South Africa.

The following acted as directors during the period:

Gareth Ackerman

Sean Summers (Appointed: 30 September 2023)

Lerena Olivier

Aboubakar Jakoet

Audrey Mothupi

Pieter Boone (Resigned: 30 September 2023)

Jeff van Rooyen (Resigned: 19 July 2023)

25.2 Key management personnel

Key management personnel are those directors and key employees who have authority and responsibility for planning, directing and controlling the activities of the Boxer Superstores Group. No key management personnel had a material interest in any contract of any significance for the Boxer Superstores Group during the period under review. Remuneration, as paid by other companies within the Pick n Pay Stores Limited Group, is detailed below:

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Key management personnel remuneration comprises:			
Fees for board meetings, committee and other work	7.5	7.9	7.8
Base salary	28.2	20.4	22.1
Retirement and medical aid contributions	1.7	2.3	2.4
Fringe and other benefits	1.4	3.9	5.4
Total fixed remuneration	**38.8**	**34.5**	**37.7**
Bonus and gratuity	7.0	18.2	18.8
Total remuneration	**45.8**	**52.7**	**56.5**
(Gain)/expense relating to share options granted	**(9.6)**	**12.4**	**13.0**

25.3 Material related party transactions

The Boxer Superstores Group entered into a variety of transactions with related parties. The transactions are entered into in the normal course of business on an arm's-length basis. The following material transactions occurred during the period:

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Dividends declared			
Boxer Holdings Proprietary Limited	290	2 162	568
Dividends paid			
Boxer Holdings Proprietary Limited	–	662	568
Interest received			
Pick n Pay Retailers Proprietary Limited	69	40	43

25.4 Related party balances

Refer to note 16 for details of amounts owing by/(to) related parties and to note 27 for detail on the related party financial guarantee contracts.

26. PURCHASE OF OPERATIONS

During the period under review, the Boxer Superstores Group acquired one (2023: six, 2022: one) retail operation in South Africa from Pick n Pay Retailers Proprietary Limited. These acquisitions had no significant impact on the Boxer Superstores Group's results. The goodwill arising from these acquisitions represent the acquired customer base and the value creation the Boxer Superstores Group expects to realise as a result of integration with the Boxer Superstores Group.

The net assets arising from these acquisitions were as follows:

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Identifiable net assets			
Property, plant and equipment (note 6)	–	33	7
Total identifiable net assets at fair value	**–**	**33**	**7**
Goodwill			
Cash paid in respect of acquisitions	7	125	21
Less: Total identifiable net assets at fair value	–	(33)	(7)
Goodwill acquired (note 7)	**7**	**92**	**14**

27. PROVISION FOR FINANCIAL GUARANTEE CONTRACTS IN FAVOUR OF PICK N PAY RETAILERS (PROPRIETARY) LIMITED

During the period under review, the Boxer Superstores Group provided security for the long-term borrowings of Pick n Pay Retailers Proprietary Limited ("**Retailers**") in the form of a shared financial guarantee, with a contract value of R4.5 billion, by both the Boxer Superstores Group and its ultimate holding company, Pick n Pay Stores Limited. These long-term borrowings were subject to loan covenants required to be met by Retailers. At initial recognition, significant judgement was applied in determining the fair value of this provision for financial guarantee at R135 million.

Due to the weak financial performance of Retailers during the period under review, a risk of Retailers breaching covenants became evident. Prior to period end, Retailers amended its long-term borrowing terms to waive the February 2024 financial covenants and to provide additional security in the form of a pledge of 100% shareholding of the Boxer Superstores Group. As a result of this significant modification, the provision for financial guarantee was derecognised at its carrying value and a new provision for financial guarantee was raised. Significant judgement was applied in determining a lifetime expected loss allowance ("**ECL**") relating to the new financial guarantee of long-term borrowings of R7 million. Estimates were based on the probability of default of Retailers and likelihood of these guarantees being called upon, and were informed by the financial performance, financial position, and the strategic turnaround plan of Retailers.

Due to the shared nature of guarantees in place over Retailers' long-term debt, the Boxer Superstores Group assessed that lenders would call upon the pledge of the 100% shareholding of the Boxer Superstores Group first, and thereafter, any remaining debt not settled by this pledge of shareholding will be settled by the Boxer Superstores Group, after which any remaining debt will then be settled by Pick n Pay Stores Limited.

Subsequent to period end, on 7 May 2024, Retailers entered into a Restructuring Support Agreement with all its lenders, both short-term and long-term lenders as well as those that offer bank overdraft and overnight facilities. Through this Restructuring Support Agreement, all Retailers' borrowings, amounting to R11 billion, are now secured by a pledge of security of 100% shareholding of the Boxer Superstores Group, and a shared financial guarantee by both the Boxer Superstores Group and its ultimate holding company, Pick n Pay Stores Limited. The increase in the financial guarantee contract value subsequent to period end did not have a significant impact on the fair value.

The table below presents the values that the Boxer Superstores Group has guaranteed in favour of borrowing facilities of Retailers. At period end, the carrying value of the guarantees was R7 million. The maximum potential exposure to credit risk under financial guarantee contracts at period end is R4.5 billion. All guarantees are classified as stage 1 of the ECL model.

52 weeks to 25 February 2024	Contract value Rm	Fair value Rm
Balance at beginning of period	–	–
Initial recognition at fair value	4 500	135
Amortisation	–	(18)
Derecognition of financial guarantee due to significant modification at carrying value	(4 500)	(117)
Initial recognition of modified financial guarantee at fair value	4 500	7
Balance at end of period	**4 500**	**7**

28. OPERATING SEGMENTS

Operating segments are identified based on financial information regularly reviewed by the Chief Operating Decision Maker ("**CODM**") of the Boxer Superstores Group, for performance assessments and resource allocations. The Boxer Superstores Group annually performs a detailed review of the executive, or group of executives, that could be considered the appropriate and relevant CODM of the Boxer Superstores Group. During the current and prior periods under review, the CODM of the Boxer Superstores Group consisted of the Boxer Superstores Group executive directors, which comprised of the Chief Executive Officer and Chief Finance Officer. The Boxer Superstores Group manages financial performance and resource allocations by reviewing one reportable segment, namely the Boxer Superstores Group. An analysis of the geographical regions in which the Boxer Superstores Group operates has been presented below.

Geographical information	South Africa Rm	Eswatini Rm	Boxer Superstores Group Rm
52 weeks to 25 February 2024			
Revenue	37 180	599	37 779
Turnover	36 820	599	37 419
Commissions and other income	258	–	258
Operating lease income	11	–	11
Finance income	91	–	91
Total non-current assets	7 328	90	7 418
52 weeks to 26 February 2023			
Revenue	31 805	564	32 368
Turnover	31 349	548	31 897
Commissions and other income	178	16	194
Insurance recoveries	170	–	170
Operating lease income	53	–	53
Finance income	54	–	54
Total non-current assets	6 544	86	6 630
52 weeks to 27 February 2022			
Revenue	26 734	500	27 234
Turnover	26 085	498	26 583
Commissions and other income	157	2	159
Insurance recoveries	401	–	401
Operating lease income	45	–	45
Finance income	46	–	46
Total non-current assets	5 467	80	5 547

29. BASIC, HEADLINE AND DILUTED EARNINGS PER SHARE

	52 weeks to 25 February 2024 Cents per share	52 weeks to 26 February 2023 Cents per share	52 weeks to 27 February 2022 Cents per share
Basic earnings per share	4 058.61	3 235.16	2 502.56
Diluted earnings per share	4 058.61	3 235.16	2 502.56
Headline earnings per share	4 126.01	3 258.61	2 505.49
Diluted headline earnings per share	4 126.01	3 258.61	2 505.49
Dividend per share	849.52	6 334.95	1 665.35

29.1 Reconciliation between basic and headline earnings

	52 weeks to 25 February 2024 Rm	52 weeks to 26 February 2023 Rm	52 weeks to 27 February 2022 Rm
Profit for the period – basic earnings for the period	1 385	1 104	854
Adjustments:	23	8	1
Loss/(profit) on disposal of and insurance recoveries on scrapping of assets	16	6	(131)
Tax effect of (loss)/profit on disposal of and insurance recoveries of scrapping of assets	(4)	(2)	37
Loss from impairments and scrapping of assets	11	6	129
Tax effect of loss from impairments and scrapping of assets	–	(2)	(34)
Headline earnings for the period	**1 408**	**1 112**	**855**

29.2 Number of ordinary shares

	000's	000's	000's
Number of ordinary shares in issue (note 17)	34 125	34 125	34 125
Weighted average number of ordinary shares in issue	34 125	34 125	34 125
Diluted weighted average number of ordinary shares in issue	34 125	34 125	34 125

30. STANDARDS AND INTERPRETATIONS

Standards and interpretations that are effective for the current period

The following new or amended standards are not expected to have a significant impact on the Consolidated Annual Historical Financial Information:

Amendments to IAS 12	*Income Taxes – International Tax Reform – Pillar Two Model Rules*
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*
Amendments to IAS 7 and IFRS 7	*Disclosures: Supplier Finance Arrangements*

31. SUBSEQUENT EVENTS

Initial Public Offering (IPO)

On 22 February 2024, the Boxer Superstores Group's ultimate holding company, Pick n Pay Stores Limited, announced on the Johannesburg Stock Exchange ("**JSE**") News Service that the Pick n Pay Stores Limited board of directors had approved a plan to offer and list the Boxer business, including the Boxer Superstores Group, (the "**Boxer IPO**") on the Main Board of the JSE, which is expected to occur towards the end of 2024. Refer to the 2024 Pick n Pay Group annual financial statements for further information. At the date of authorisation of this Consolidated Annual Historical Financial Information, the plan has progressed substantially, with the final quantum and terms of the Boxer IPO expected to be finalised during the latter part of 2024.

Restructuring Support Agreement

On 7 May 2024, subsequent to period end, Pick n Pay Retailers Proprietary Limited entered into a Restructuring Support Agreement with all its lenders. The Restructuring Support Agreement provides for:

- security provided to all lenders that comprise of a cession and pledge of the 100% shareholding in Boxer Superstores, and
- a guarantee from Pick n Pay Stores Limited and Boxer Superstores Proprietary Limited in favour of all lenders, with a contract value of R11 billion.

Refer to note 27 for additional information.

Tongaat KZN Distribution Centre ("Tongaat DC")

Subsequent to period end, the Boxer Superstores Group is in the process of transferring 50% ownership of the Tongaat DC project to a partner. The total cost of construction expected to be incurred by the Boxer Superstores Group is estimated to be R174 million. Completion is expected to take place in the 2026 financial year.

Corporate actions

On 24 August 2024, Boxer Superstores Proprietary Limited declared a cash dividend of R500 million to its holding company, Boxer Holdings Proprietary Limited.

On 15 October 2024, Boxer Superstores Proprietary Limited declared a cash dividend of R600 million to its holding company, Boxer Holdings Proprietary Limited.

On 28 October 2024, Boxer Superstores Proprietary Limited declared a dividend to its holding company, Boxer Holdings Proprietary Limited, the value of which is linked to the proceeds from, and associated costs of, the issue of shares in the Boxer IPO. The dividend remains outstanding until the completion of the Boxer IPO, when the value of the dividend is finalised.

On 29 October, Boxer Retail Limited, a fellow subsidiary of Boxer Superstores Proprietary Limited, acquired all the issued shares of Boxer Superstores Proprietary Limited. As a result Boxer Retail Limited became the holding company of Boxer Superstores Proprietary Limited.

Funding agreements

On 15 October 2024, Boxer Superstores Proprietary Limited reached agreement with Pick n Pay Retailers Proprietary Limited for an interest-bearing, unsecured loan from Pick n Pay Retailers Proprietary Limited. The loan was advanced to Boxer Superstores Proprietary limited on 28 October 2024. The loan is repayable on demand.

On 24 October 2024, Boxer Superstores Proprietary Limited was granted a term loan facility of R440 million from FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("**RMB**"). The loan is interest-bearing, senior unsecured and repayable after 5 years. Conditions to utilisation include (i) the successful completion of the Boxer IPO, (ii) Pick n Pay Retailers Proprietary Limited having repaid its lenders under the Restructuring Support Agreement, and (iii) customary conditions for facilities of this nature.

On 25 October 2024, Boxer Superstores Proprietary Limited was granted a term loan facility of R660 million from Absa Bank Limited (acting through its Corporate and Investment Banking division) ("**Absa**"). The loan is interest-bearing, senior unsecured and repayable after 5 years. Conditions to utilisation include (i) the successful completion of the Boxer IPO, (ii) Pick n Pay Retailers Proprietary Limited having repaid its lenders under the Restructuring Support Agreement, and (iii) customary conditions for facilities of this nature.

On 25 October 2024, Boxer Superstores Proprietary Limited was granted revolving working capital funding facilities of R1.2 billion and R0.8 billion from Absa and RMB, respectively. The facilities are interest-bearing and senior unsecured. Conditions to utilisation include (i) the successful completion of the Boxer IPO, (ii) Pick n Pay Retailers Proprietary Limited having repaid its lenders under the Restructuring Support Agreement, and (iii) customary conditions for facilities of this nature.

ANNEXE 2 – INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE CONSOLIDATED ANNUAL HISTORICAL FINANCIAL INFORMATION OF BOXER SUPERSTORES PROPRIETARY LIMITED FOR THE 52 WEEKS ENDED 25 FEBRUARY 2024, 26 FEBRUARY 2023 AND 27 FEBRUARY 2022

The definitions and interpretations commencing on page 238 of this Pre-listing Statement do not apply through this Annexe 2.

Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022

To the Directors of Boxer Retail Limited

At your request, we present our Independent Auditor's Assurance Report on the historical financial information of Boxer Superstores Proprietary Limited (the "**Company**"), and its subsidiaries (collectively, the "**Boxer Superstores Group**"), for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022 (the "**Consolidated Annual Historical Financial Information**") for inclusion in Annexe 1 on pages 129 to 170 of the Pre-listing Statement to be dated on or about Monday, 11 November 2024 ("**Pre-listing Statement**") by the directors.

This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the "**JSE**") (the "**JSE Listings Requirements**") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Auditor of Boxer Retail Limited and the Company.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Pre-listing Statement.

Independent Auditor's Assurance Report on the Consolidated Annual Historical Financial Information

Opinion

We have audited the Consolidated Annual Historical Financial Information of the Company, which comprises of the consolidated statements of financial position as at 25 February 2024, 26 February 2023 and 27 February 2022, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the 52 weeks then ended, and notes thereto, including material accounting policy information, as presented in Annexe 1 on pages 129 to 170 of the Pre-listing Statement.

In our opinion, the Consolidated Annual Historical Financial Information, as presented in Annexe 1 on pages 129 to 170 of the Pre-listing Statement, presents fairly, in all material respects, for the purpose of the Pre-listing Statement the consolidated financial position of the Company as at 25 February 2024, 26 February 2023 and 27 February 2022 and its consolidated financial performance and consolidated cash flows for the 52 weeks then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the JSE Listings Requirements.

Basis for Opinion

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

Key Audit Matters

IFRS 16 Leases

Boxer Superstores Group applies IFRS 16 – Leases which resulted in the recognition of right-of-use ("**ROU**") assets of R3 312 million (2023: R 3 033 million; 2022: R2 822 million) and lease liabilities amounting to R4 308 million (2023: R 3 938 million; 2022: R3 637 million). The right-of-use assets represent approximately 26% (2023: 28%; 2022: 30%) of the total assets of the group and the lease liabilities represent approximately 40% (2023: 40%; 2022: 49%) of the total liabilities of the group.

The Boxer Superstores Group has numerous property and non-property lease contracts where management are required to make significant judgments in the initial recognition of new leases and for the subsequent measurement of existing ROU assets and lease liabilities in accordance with IFRS 16. These significant judgements include:

- The appropriate beneficial occupation date of new lease agreements;
- The use of an appropriate incremental borrowing rate to be applied to leases;
- The appropriate lease term including any renewal options that are certain to be elected; and
- Lease contract modifications that require subsequent remeasurement.

The treatment of leases was considered to be a matter of most significance to the current year's audit and we identified it as a key audit matter due to significant audit effort in the evaluation of managements significant judgements and application of the IFRS 16 accounting principles to a significant volume of contracts, the outcome of which has a material effect on the financial position and performance of the Boxer Superstores Group.

The disclosures required per IFRS 16 are set out in the Consolidated Annual Historical Financial Information in note 3.2 – Finance Costs, note 8 – Right-of-use assets and note 9 – Lease liabilities.

Our audit procedures, amongst others, included the following:

- We evaluated management's policies, processes and controls to identify, capture and account for active leases across the Boxer Superstores Group by obtaining an understanding of the system through discussions with management and assessing it against the requirements of IFRS 16.
- We evaluated the completeness of the leases identified by management by selecting a sample of approved store openings after the reporting date and compared our assessment to the IFRS 16 lease database at the reporting date.
- For a sample of lease contracts, we:
  - inspected the terms and conditions of the underlying contracts and evaluated management's identification of relevant lease terms to determine whether the leases were correctly accounted for in terms of the standard and for the correct lease term;
  - inspected the details of the contract to assess the accuracy of management's determination of the beneficial occupation date and the lease end date (including considering option periods contained in the contract);
  - assessed the accuracy of the discount rates determined by management with reference to entity-specific borrowing rates and external market data with the assistance of our internal quantitative analyst specialists;
  - recalculated the lease liabilities, ROU assets, finance costs and depreciation based on the underlying contractual terms;
  - reperformed the calculation of the modification and reassessment impacts on the ROU assets and lease liabilities with reference to terms in renewed or amended contracts; and
  - involved valuation specialists to evaluate the key assumptions and methodologies including the incremental borrowing rate

Other Information

The directors are responsible for the other information contained in this Pre-listing Statement. The other information comprises the information included in the document titled Boxer Retail Limited Pre-listing Statement. The other information does not include the Consolidated Annual Historical Financial Information and our Independent Auditor's Assurance Report thereon.

Our opinion on the Consolidated Annual Historical Financial Information does not cover the other information contained in this Pre-listing Statement and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Consolidated Annual Historical Financial Information, our responsibility is to read the other information contained in this Pre-listing Statement and, in doing so, consider whether the other information is materially inconsistent with the Consolidated Annual Historical Financial Information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the Consolidated Annual Historical Financial Information

The directors are responsible for the compilation, contents and preparation of the Pre-listing Statement in accordance with the JSE Listings Requirements. The directors are also responsible for the preparation and fair presentation of the Consolidated Annual Historical Financial Information in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of Consolidated Annual Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Annual Historical Financial Information, the directors are responsible for assessing the Boxer Superstores Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Boxer Superstores Group and Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Responsibilities for the Audit of the Consolidated Annual Historical Financial Information

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

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

- Identify and assess the risks of material misstatement of the Consolidated Annual Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Boxer Superstores Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Boxer Superstores Group and Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Independent Auditor's Assurance Report to the related disclosures in the Consolidated Annual Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Independent Auditor's Assurance Report. However, future events or conditions may cause the Boxer Superstores Group and Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Annual Historical Financial Information, including the disclosures, and whether the Consolidated Annual Historical Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette number 39475 date 4 December 2015, we report that we have been the Independent Auditor of Boxer Superstores Proprietary Limited for 9 years.

Ernst & Young Inc.
Director: Matthew Raymond Brown
Registered Auditor
Chartered Accountant (SA)
Durban

1 November 2024

ANNEXE 3 – CONDENSED CONSOLIDATED INTERIM HISTORICAL FINANCIAL INFORMATION OF BOXER SUPERSTORES PROPRIETARY LIMITED FOR THE 26 WEEKS ENDED 25 AUGUST 2024 AND 27 AUGUST 2023

The definitions and interpretations commencing on page 238 of this Pre-listing Statement apply through this Annexe 3, except where the context indicates a contrary intention and except where terms are explicitly defined herein.

BASIS OF PREPARATION

The Condensed Consolidated Interim Historical Financial Information set out below has been extracted from the reviewed group condensed interim financial statements of Boxer Superstores Proprietary Limited ("**Boxer Superstores**") for the 26 weeks ended 25 August 2024 and 27 August 2023 ("**Reviewed Financial Statements**"). The Reviewed Financial Statements were prepared in accordance with Section 8.7 of the Listings Requirements. The Listings Requirements require the interim financial statements to be prepared using the International Financial Reporting Standard IAS 34: Interim Financial Reporting and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Pronouncements as issued by the Financial Reporting Standards Council.

The Reviewed Financial Statements have been reviewed by Ernst & Young Inc. who expressed an unmodified review opinion thereon. Ernst and Young Inc. is the Independent Auditor of the Boxer Superstores Group and has issued the Independent Auditor's Review Report on the Condensed Consolidated Interim Historical Financial Information, which is included as "*Annexe 4 – Independent Auditor's Review Report on the Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*" to this Pre-listing Statement.

The Condensed Consolidated Interim Historical Financial Information has been prepared in accordance with IFRS and the JSE Listings Requirements, and prepared in accordance with, and by applying, the accounting policies of the Boxer Superstores Group, for the purpose of providing financial information to satisfy the requirements of section 8 of the JSE Listings Requirements.

The additional disclosure required in terms of paragraph 8.12 of the JSE Listings Requirements has been included in the Condensed Consolidated Interim Historical Financial Information.

The Directors are responsible for the preparation, contents and presentation of the Condensed Consolidated Interim Historical Financial Information as included in this Pre-listing Statement and are responsible for ensuring that the Boxer Superstores Group complies with the JSE Listings Requirements.

DIRECTORS' COMMENTARY

26 weeks ended 25 August 2024 ("H1 FY25")

Turnover for the period grew 12.0% to R19.8 billion, driven by like-for-like turnover growth and the store opening programme. Boxer Superstores Group opened 13 new stores in H1 FY24, including 4 supermarkets and 9 liquor stores, which brought the estate to a total of 489 stores.

Gross profit for the period grew 9.6%, with the gross profit margin contracting by 0.4% to 20.3%. Trading expenses grew 9.3%, in line with the growth in gross profit.

Reported trading profit increased 11.9% to R809 million, with the reported trading margin maintained at 4.1%. Profit before tax grew 12.8% to R679 million, on a 3.4% PBT margin.

At 25 August 2024, Boxer Superstores Group had cash and equivalents of R219.0 million, with no bank debt.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	Reviewed 26 weeks to 25 August 2024 Rm	Reviewed 26 weeks to 27 August 2023 Rm	Audited 52 weeks to 25 February 2024 Rm
Revenue	2	**20 002**	**17 848**	**37 779**
Turnover	2	**19 774**	**17 662**	**37 419**
Cost of merchandise sold		(15 766)	(14 005)	(29 498)
Gross profit		4 008	3 657	7 921
Other trading income		163	143	269
Commission and other income	2	163	143	269
Trading expenses		(3 362)	(3 077)	(6 089)
Employee costs		(1 495)	(1 306)	(2 586)
Occupancy		(563)	(520)	(1 074)
Operations		(988)	(975)	(1 968)
Merchandising and administration		(316)	(276)	(461)
Trading profit		**809**	**723**	**2 101**
Finance income	2	65	43	91
Finance costs	3	(194)	(160)	(342)
Profit before tax before capital items		**680**	**606**	**1 850**
Loss on capital items		(1)	(4)	(27)
Loss on sale of assets		(1)	(4)	(16)
Loss from impairments of property, plant and equipment and intangible assets		–	–	(11)
Profit before tax		**679**	**602**	**1 823**
Tax		(188)	(161)	(438)
Profit for the period		**491**	**441**	**1 385**
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss		2	(28)	(48)
Fair value gain/(loss) on investment in Pick n Pay Stores Limited		2	(28)	(48)
Items that may be reclassified to profit or loss		(1)	(2)	(1)
Movement in cash flow hedge		(1)	(2)	(1)
Total comprehensive income for the period		**492**	**411**	**1 336**
Earnings per share		**Cents**	**Cents**	**Cents**
Basic earnings per share	4	1 438.8	1 292.3	4 058.6
Diluted earnings per share	4	1 438.8	1 292.3	4 058.6
Dividend per share		1 465.2	–	849.5

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	Reviewed 26 weeks to 25 August 2024 Rm	Reviewed 26 weeks to 27 August 2023 Rm	Audited 52 weeks to 25 February 2024 Rm
ASSETS				
Non-current assets				
Property, plant and equipment	6	3 479	3 106	3 468
Intangible assets		332	344	334
Right-of-use assets		3 355	3 032	3 312
Loans		114	120	120
Deferred tax asset		213	143	144
Investment in Pick n Pay Stores Limited		28	60	40
		7 521	6 805	7 418
Current assets				
Inventory		3 344	2 915	3 231
Trade and other receivables	7	455	448	382
Cash and cash equivalents		219	417	349
Right-of-return asset		2	2	2
Amounts owing by related parties		225	1 330	1 335
		4 245	5 112	5 299
Total assets		**11 766**	**11 917**	**12 717**
EQUITY AND LIABILITIES				
Equity				
Share capital	5	–	–	–
Share premium		9	9	9
Retained earnings		1 868	1 244	1 891
Fair value reserve		(43)	(39)	(59)
Other reserves		(1)	(1)	–
Total equity		**1 833**	**1 213**	**1 841**
Non-current liabilities				
Share based payment liability		–	6	8
Lease liabilities		3 820	3 438	3 700
		3 820	3 444	3 708
Current liabilities				
Trade and other payables		4 935	4 907	4 612
Share based payment liability		12	14	11
Lease liabilities		573	537	608
Provisions		54	43	49
Deferred revenue		196	180	94
Current tax liability		337	239	290
Amounts owing to related parties		–	1 208	1 497
Provision for financial guarantee contracts	10	6	132	7
		6 113	7 260	7 168
Total equity and liabilities		**11 766**	**11 917**	**12 717**
Number of ordinary shares in issue – thousands	4.2	34 125	34 125	34 125
Weighted average number of ordinary shares in issue – thousands	4.2	34 125	34 125	34 125
Diluted weighted average number of ordinary shares in issue – thousands	4.2	34 125	34 125	34 125

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Reviewed	Share capital Rm	Share premium Rm	Retained earnings Rm	Fair value reserve Rm	Other reserves Rm	Total equity Rm
At 25 February 2023	**–**	**9**	**947**	**(20)**	**1**	**937**
Total comprehensive income for the period	–	–	432	(19)	(2)	411
Profit for the period	–	–	441	–	–	441
Movement in cash flow hedge	–	–	–	–	(2)	(2)
Fair value loss on investment in Pick n Pay Stores Limited	–	–	–	(28)	–	(28)
Reclassification to retained earnings	–	–	(9)	9	–	–
Other reserve movements	–	–	–	–	–	–
Transactions with owners	–	–	(135)	–	–	(135)
Financial guarantee	–	–	(135)	–	–	(135)
At 27 August 2023	**–**	**9**	**1 244**	**(39)**	**(1)**	**1 213**
Total comprehensive income for the period	–	–	944	(20)	1	925
Profit for the period	–	–	944	–	–	944
Movement in cash flow hedge	–	–	–	–	1	1
Fair value loss on investment in Pick n Pay Stores Limited	–	–	–	(20)	–	(20)
Other reserve movements	**–**	**–**	**–**	**–**	**–**	**–**
Transactions with owners	–	–	(297)	–	–	(297)
Dividends declared	–	–	(290)	–	–	(290)
Financial guarantee	–	–	(7)	–	–	(7)
At 25 February 2024	**–**	**9**	**1 891**	**(59)**	**–**	**1 841**
Total comprehensive income for the period	–	–	477	16	(1)	492
Profit for the period	–	–	491	–	–	491
Movement in cash flow hedge	–	–	–	–	(1)	(1)
Fair value gain on investment in Pick n Pay Stores Limited	–	–	–	2	–	2
Reclassification to retained earnings	–	–	(14)	14	–	–
Other reserve movements	–	–	–	–	–	–
Transactions with owners	–	–	(500)	–	–	(500)
Dividends paid	–	–	(500)	–	–	(500)
At 25 August 2024	**–**	**9**	**1 868**	**(43)**	**(1)**	**1 833**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	26 weeks to 25 August 2024 Rm	26 weeks to 27 August 2023 Rm	52 weeks to 25 February 2024 Rm
Cash flows from operating activities				
Trading profit		809	723	2 101
Adjusted for non-cash items		595	549	1 004
Depreciation on property, plant and equipment		287	250	518
Amortisation on intangible assets		8	7	16
Depreciation on right-of-use assets		309	304	620
Share-based payment expense/(reversal)		6	(5)	(7)
Profit on termination of leases		(14)	(4)	(8)
Amortisation of financial guarantee contract		(1)	(3)	(18)
Derecognition of financial guarantee contract		–	–	(117)
Cash generated before movements in working capital		**1 404**	**1 272**	**3 105**
Movements in working capital		244	1 022	396
Movement in trade and other payables, provisions and deferred revenue		430	1 177	801
Movement in inventory and right-of-return asset		(113)	(101)	(417)
Movement in trade and other receivables		(73)	(54)	12
Cash generated from trading activities		**1 648**	**2 294**	**3 501**
Interest received		60	40	84
Other interest paid		(6)	(3)	(5)
Interest paid on lease liabilities		(188)	(156)	(336)
Cash generated from operations		**1 514**	**2 175**	**3 244**
Dividend paid		(500)	–	–
Tax paid		(211)	(181)	(407)
Cash generated from operating activities		**803**	**1 994**	**2 837**
Cash flows from investing activities				
Investment in intangible assets		(2)	(19)	(42)
Investment in property, plant and equipment		(300)	(394)	(1 044)
Proceeds on disposal of property, plant and equipment and intangible assets		10	3	32
Purchase of operations		(8)	–	(7)
Loans advanced by the Boxer Superstores Group		(5)	(90)	(120)
Loans repaid to the Boxer Superstores Group		13	28	62
Lease incentives received		21	13	28
Cash utilised in investing activities		**(271)**	**(459)**	**(1 091)**
Cash flows from financing activities				
Settlement of share based payment liability		1	(1)	(1)
Repayment of related party loans advanced to the Boxer Superstores Group	9	(1 497)	(455)	(455)
Principal lease liability payments		(276)	(276)	(550)
Cash utilised in financing activities		**(1 772)**	**(732)**	**(1 006)**
Net (decrease)/increase in cash and cash equivalents		**(1 240)**	**803**	**740**
Cash and cash equivalents at beginning of period		1 684	944	944
Cash and cash equivalents at end of period		**444**	**1 747**	**1 684**
Comprising of:				
Cash and cash equivalents		219	417	349
Amounts owing by related parties		225	1 330	1 335

1. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied in the preparation of these Condensed Consolidated Interim Historical Financial Information are in terms of IFRS Accounting Standards and are consistent with those applied in the Consolidated Annual Historical Financial Information for the 52 weeks ended 25 February 2024. The Boxer Superstores Group has not early adopted any standard, pronouncement, interpretation or amendment that has been issued but is not yet effective.

2. REVENUE

		Reviewed 26 weeks to 25 August 2024 Rm	Reviewed 26 weeks to 27 August 2023 Rm	Audited 52 weeks to 25 February 2024 Rm
2.1	**Revenue from contracts with customers**	**19 937**	**17 805**	**37 688**
	Turnover	19 774	17 662	37 419
	Commissions and other income	163	143	269
	Finance income	**65**	**43**	**91**
	Bank balances and investments	8	10	22
	Related party interest received	57	33	69
		20 002	**17 848**	**37 779**
2.2	**Disaggregation of turnover per geographical segment**			
	South Africa	19 479	17 381	36 820
	Eswatini	295	281	599
		19 774	**17 662**	**37 419**

3. FINANCE COSTS

Lease liabilities	188	157	337
Other interest	6	3	5
	194	**160**	**342**

4. BASIC, HEADLINE AND DILUTED EARNINGS PER SHARE

	Reviewed 26 weeks to 25 August 2024 Cents per share	Reviewed 26 weeks to 27 August 2023 Cents per share	Audited 52 weeks to 25 February 2024 Cents per share
Basic earnings per share	1 438.8	1 292.3	4 058.6
Diluted earnings per share	1 438.8	1 292.3	4 058.6
Headline earnings per share	1 441.8	1 301.1	4 126.0
Diluted headline earnings per share	1 441.8	1 301.1	4 126.0

		Rm	Rm	Rm
4.1	**Reconciliation between basic and headline earnings**			
	Profit for the period – basic earnings for the period	491	441	1 385
	Adjustments:	1	3	23
	Loss on sale of assets	1	4	16
	Tax effect of loss on sale of assets	–	(1)	(4)
	Loss from impairments	–	–	11
	Tax effect of loss from impairments	–	–	–
	Headline earnings for the period	**492**	**444**	**1 408**
		000's	**000's**	**000's**
4.2	**Number of ordinary shares**			
	Number of ordinary shares in issue	34 125	34 125	34 125
	Weighted average number of ordinary shares in issue	34 125	34 125	34 125
	Diluted weighted average number of ordinary shares in issue	34 125	34 125	34 125

5. SHARE CAPITAL

	Reviewed 26 weeks to 25 August 2024 R'000	Reviewed 26 weeks to 27 August 2023 R'000	Audited 52 weeks to 25 February 2024 R'000
Authorised			
40 000 000 (2023: 40 000 000) ordinary shares of R0.005 each	200	200	200
Issued			
34 125 000 (2023: 34 125 000) ordinary shares of R0.005 each	171	171	171

Unissued shares remain under the control of the Boxer Superstores directors until the next annual general meeting.

6. PROPERTY, PLANT AND EQUIPMENT

	Reviewed 26 weeks to 25 August 2024 Rm	Reviewed 26 weeks to 27 August 2023 Rm	Audited 52 weeks to 25 February 2024 Rm
At beginning of the period	3 468	2 969	2 969
Additions	307	394	1 044
Depreciation	(287)	(250)	(518)
Impairment	–	–	(1)
Disposals	(9)	(7)	(26)
At the end of the period	**3 479**	**3 106**	**3 468**

7. TRADE AND OTHER RECEIVABLES

	Reviewed 26 weeks to 25 August 2024 Rm	Reviewed 26 weeks to 27 August 2023 Rm	Audited 52 weeks to 25 February 2024 Rm
Gross trade and other receivables	466	455	392
Allowance for impairment losses	(11)	(7)	(10)
Net trade and other receivables	**455**	**448**	**382**
Allowance for impairment losses			
At beginning of the period	10	12	12
Additional impairment losses recognised	6	–	6
Prior allowances for impairment reversed	(5)	(5)	(8)
At the end of the period	**11**	**7**	**10**

8. GEOGRAPHICAL OPERATING SEGMENTS

Reviewed	South Africa Rm	Eswatini Rm	Group Rm
26 weeks to 25 August 2024			
Revenue	19 707	295	20 002
Turnover	19 479	295	19 774
Commission and other income	163	–	163
Finance income	65	–	65
Total non-current assets	7 443	78	7 521
26 weeks to 27 August 2023			
Revenue	17 567	281	17 848
Turnover	17 381	281	17 662
Commission and other income	143	–	143
Finance income	43	–	43
Total non-current assets	6 737	68	6 805

9. MATERIAL RELATED PARTY TRANSACTIONS

During the period under review, in the ordinary course of business, certain companies within the Boxer Superstores Group entered into transactions with each other. These intergroup transactions and related balances are eliminated on consolidation. Intergroup transactions are similar to those in the prior year and related parties remain unchanged from those reported at 25 February 2024.

During the current period under review, the Boxer Superstores Group settled the amount owing to its holding company, Boxer Holdings Proprietary Limited, of R163 million. It also settled the amount owing to Pick n Pay Retailers Proprietary Limited, the holding company of Boxer Holdings Proprietary Limited, of R1.3 billion. The Boxer Superstores Group paid a dividend of R500 million to its holding company, Boxer Holdings Proprietary Limited.

For further information, refer to the Consolidated Annual Historical Financial Information for disclosures relating to the Boxer Superstores Group.

10. FINANCIAL INSTRUMENTS

All financial instruments held by the Boxer Superstores Group are measured at amortised cost, with the exception of financial instruments at fair value through profit or loss.

	Reviewed 26 weeks to 25 August 2024 Rm	Reviewed 26 weeks to 27 August 2023 Rm	Audited 52 weeks to 25 February 2024 Rm
Financial assets at fair value through profit or loss			
Investment in Pick n Pay Stores Limited – Level 1	28	60	40

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques, consistent with those disclosed in the Consolidated Annual Historical Financial Information. These valuation techniques maximise the use of observable market data, where it is available, 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.

The carrying value of all financial instruments held at amortised cost approximate their fair value.

There have been no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the period.

Provision for financial guarantee contracts

During the 26 weeks ended 27 August 2023, the Boxer Superstores Group provided security for the long-term borrowings of Pick n Pay Retailers Proprietary Limited ("**Retailers**") in the form of a shared financial guarantee with a contract value of R4.5 billion, by both the Boxer Superstores Group and its ultimate holding company, Pick n Pay Stores Limited. These long-term borrowings were subject to loan covenants required to be met by Retailers. At initial recognition, significant judgement was applied in determining the fair value of this provision for financial guarantee at R135 million.

Prior to 25 February 2024, Retailers amended its long term borrowing terms to waive the February 2024 financial covenants and to provide additional security in the form of a pledge of 100% shareholding of the Boxer Superstores Group. As a result of this significant modification, the provision for financial guarantee of the Boxer Superstores Group was derecognised at its carrying value and a new provision for financial guarantee was raised. Significant judgement was applied in determining a lifetime expected loss allowance ("**ECL**") relating to the new financial guarantee of long-term borrowings of R7 million. Estimates were based on the probability of default of Retailers and the likelihood of these guarantees being called upon, and were informed by the financial performance, financial position, and the strategic turnaround plan of Retailers.

During the 26 weeks ended 25 August 2024, Retailers entered into a Restructuring Support Agreement with all its lenders. Through this Restructuring Support Agreement, all Retailers' borrowings, amounting to R11 billion, were secured by a pledge of security of 100% shareholding of the Boxer Superstores Group, and a shared financial guarantee by both the Boxer Superstores Group and its ultimate holding company, Pick n Pay Stores Limited. The increase in the financial guarantee contract value did not have a significant impact on the fair value of the financial guarantee recognised by Boxer Superstores Group.

As at 25 August 2024, the carrying value of the financial guarantee contract was R6 million and the maximum potential exposure to credit risk under financial guarantee contract was R11 billion. All guarantees are classified as stage 1 of the ECL model.

11. SUBSEQUENT EVENTS

Initial Public Offering (IPO) of the Boxer Superstores Group

On 1 October 2024, the Boxer Superstores Group's ultimate holding company, Pick n Pay Stores Limited ("**PIK**"), announced on the Johannesburg Stock Exchange ("**JSE**") News Service that all the ordinary and special resolutions necessary to approve and implement the proposed offering and listing of the PIK Group's Boxer business on the main board of the JSE towards the end of 2024 were passed by the requisite majority of votes. The PIK Group's Boxer business includes the Boxer Superstores Group. In terms of the shareholder resolutions passed, subsequent to the offering and listing, a minimum of 50% plus one share of the Boxer Superstores Group will continue to be held by the PIK Group.

Corporate actions

On 15 October 2024, Boxer Superstores Proprietary Limited declared a cash dividend of R600 million to its holding company, Boxer Holdings Proprietary Limited.

On 28 October 2024, Boxer Superstores Proprietary Limited declared a dividend to its holding company, Boxer Holdings Proprietary Limited, the value of which is linked to the proceeds from, and associated costs of, the issue of shares in the Boxer IPO. The dividend remains outstanding until the completion of the Boxer IPO, when the value of the dividend is finalised.

On 29 October, Boxer Retail Limited, a fellow subsidiary of Boxer Superstores Proprietary Limited, acquired all the issued shares of Boxer Superstores Proprietary Limited. As a result Boxer Retail Limited became the holding company of Boxer Superstores Proprietary Limited.

Funding agreements

On 15 October 2024, Boxer Superstores Proprietary Limited reached agreement with Pick n Pay Retailers Proprietary Limited for an interest-bearing, unsecured loan from Pick n Pay Retailers Proprietary Limited. The loan was advanced to Boxer Superstores Proprietary Limited on 28 October 2024. The loan is repayable on demand.

On 24 October 2024, Boxer Superstores Proprietary Limited was granted a term loan facility of R440 million from FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("**RMB**"). The loan is interest-bearing, senior unsecured and repayable after 5 years. Conditions to utilisation include (i) the successful completion of the Boxer IPO, (ii) Pick n Pay Retailers Proprietary Limited having repaid its lenders under the Restructuring Support Agreement, and (iii) customary conditions for facilities of this nature.

On 25 October 2024, Boxer Superstores Proprietary Limited was granted a term loan facility of R660 million from Absa Bank Limited (acting through its Corporate and Investment Banking division) ("**Absa**"). The loan is interest-bearing, senior unsecured and repayable after 5 years. Conditions to utilisation include (i) the successful completion of the Boxer IPO, (ii) Pick n Pay Retailers Proprietary Limited having repaid its lenders under the Restructuring Support Agreement, and (iii) customary conditions for facilities of this nature.

On 25 October 2024, Boxer Superstores Proprietary Limited was granted revolving working capital funding facilities of R1.2 billion and R0.8 billion from Absa and RMB. The facilities are interest-bearing and senior unsecured. Conditions to utilisation include (i) the successful completion of the Boxer IPO, (ii) Pick n Pay Retailers Proprietary Limited having repaid its lenders under the Restructuring Support Agreement, and (iii) customary conditions for facilities of this nature.

Tongaat KZN Distribution Centre ("Tongaat DC")

Subsequent to period end, the Boxer Superstores Group is in the process of transferring 50% ownership of the Tongaat DC project to a partner. The total cost of construction expected to be incurred by the Boxer Superstores Group is estimated to be R174 million. Completion is expected to take place in the 2026 financial year.

ANNEXE 4 – INDEPENDENT AUDITOR'S REVIEW REPORT ON THE CONDENSED CONSOLIDATED INTERIM HISTORICAL FINANCIAL INFORMATION OF BOXER SUPERSTORES PROPRIETARY LIMITED FOR THE 26 WEEKS ENDED 25 AUGUST 2024 AND 27 AUGUST 2023

The definitions and interpretations commencing on page 238 of this Pre-listing Statement do not apply through this Annexe 4.

To the Directors of Boxer Retail Limited

At your request, we present our Independent Auditor's Review Report on the condensed consolidated historical financial information of Boxer Superstores Proprietary Limited (the "**Company**"), and its subsidiaries (collectively, the "**Boxer Superstores Group**"), for the 26 weeks ended 25 August 2024 and 27 August 2023 (the "**Condensed Consolidated Interim Historical Financial Information**") for inclusion in Annexe 3 on pages 174 to 182 of the Pre-listing Statement to be dated on or about 11 November 2024 ("**Pre-listing Statement**") by the directors.

This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the "**JSE**") (the "**JSE Listings Requirements**") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Auditor of Boxer Retail Limited and the Company.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Pre-listing Statement.

Independent Auditor's Review Report on the Condensed Consolidated Interim Historical Financial Information

We have reviewed the Condensed Consolidated Interim Historical Financial Information of the Boxer Superstores Group, which comprises of the consolidated statements of financial position as at 25 August 2024 and 27 August 2023, the consolidated statements of comprehensive income, the consolidated statements of changes in equity and the consolidated statements of cash flows for the 26 weeks then ended, and notes thereto, including a summary of material accounting policy information, as presented in Annexe 3 on pages 174 to 182 of the Pre-listing Statement.

Responsibilities of the directors for the Condensed Consolidated Interim Historical Financial Information

The directors are responsible for the compilation, contents and preparation of the Pre-listing Statement in accordance with the JSE Listings Requirements. The directors are also responsible for the preparation and fair presentation of the Condensed Consolidated Interim Historical Financial Information, in accordance with the IAS 34: *Interim Financial Reporting*, and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of Condensed Consolidated Interim Historical Financial Information that is free from material misstatement, whether due to fraud or error.

Those charged with governance at Boxer Retail Limited are responsible for overseeing the process to compile the Condensed Consolidated Interim Historical Financial Information.

Responsibilities of the Independent Auditor for the Condensed Consolidated Interim Historical Financial Information

Our responsibility is to express review conclusions on the Condensed Consolidated Interim Historical Financial Information based on our review in accordance with International Standard on Review Engagements ("**ISRE**") 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the Condensed Consolidated Interim Historical Financial Information, taken as a whole, is not prepared in all material respects in accordance with the applicable basis of preparation. This Standard also requires us to comply with relevant ethical requirements.

A review of the Condensed Consolidated Interim Historical Financial Information in accordance with ISRE 2410 is a limited assurance engagement in terms of which we perform procedures, primarily consisting of making enquiries of management and other within the entity, as appropriate, and applying analytical procedures and evaluating the evidence obtained.

The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on the Condensed Consolidated Interim Historical Financial Information.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Condensed Consolidated Interim Historical Financial Information, as set out in Annexe 3 on pages 174 to 182 of the Pre-listing Statement is not prepared, in all material respects, in accordance with the requirements of IAS 34: *Interim Financial Reporting* and the JSE Listings Requirements.

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette number 39475 date 4 December 2015, we report that we have been the Independent Auditor of Boxer Superstores Proprietary Limited for 9 years.

Ernst & Young Inc.
Director: Matthew Raymond Brown
Registered Auditor
Chartered Accountant (SA)
Durban

1 November 2024

ANNEXE 5 – AT INCORPORATION HISTORICAL FINANCIAL INFORMATION OF BOXER RETAIL LIMITED

The definitions and interpretations commencing on page 238 of this Pre-listing Statement apply through this Annexe 5, except where the context indicates a contrary intention and except where terms are explicitly defined herein.

1. BASIS OF PREPARATION

The statement of financial position of Boxer Retail Limited ("**Boxer**") as at incorporation, being 1 July 2024, the statement of comprehensive income, the statement of changes in equity, and the statement of cash flows for the period then ended, and notes thereto, including material accounting policy information ("**At Incorporation Historical Financial Information of Boxer Retail Limited**") have been extracted, without adjustment, from the audited financial statements of Boxer Retail Limited at incorporation, being 1 July 2024 ("**Audited Financial Statements**"). The Audited Financial Statements are in compliance with IFRS, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council.

The At Incorporation Historical Financial Information of Boxer Retail Limited was prepared in accordance with IFRS and the JSE Listings Requirements for the purpose of providing financial information to satisfy the requirements of Section 8 of the JSE Listings Requirements. The additional disclosure required in terms of paragraphs 8.11 and 8.12 of the JSE Listings Requirements has been included in the At Incorporation Historical Financial Information of Boxer Retail Limited where relevant. The Audited Financial Statements have been audited by Ernst & Young Inc. and an unqualified audit opinion has been issued thereon. Ernst & Young Inc. is the Independent Auditor to Boxer Retail Limited and has issued the Independent Auditor's Assurance Report on this At Incorporation Historical Financial Information of Boxer Retail Limited which is included as Annexe 6 to this Pre-listing Statement.

The Directors are responsible for the At Incorporation Historical Financial Information of Boxer Retail Limited included in this Pre-listing Statement.

2. DIRECTORS' COMMENTARY

Boxer has been incorporated primarily for the purposes of the Offer. Boxer was incorporated on 1 July 2024 as a private company and subsequently converted into a public company. Boxer Holdings Proprietary Limited acquired a 100% shareholding in Boxer on 5 August 2024, through the subscription for 1,000 shares in Boxer. On 29 October 2024, Boxer acquired 100% of Boxer Superstores Proprietary Limited and its subsidiaries from Boxer Holdings Proprietary Limited in exchange for the issue of a further 299,999,000 shares to Boxer Holdings Proprietary Limited. Prior to the acquisition of Boxer Superstores Proprietary Limited, Boxer has not traded.

	Note	1 July 2024 Audited R's
Statement of Financial Position		
Total assets		–
Equity		–
Ordinary share capital	2	–
Total equity		–
Total liabilities		–
Statistics:		
Ordinary shares in issue		–
Net asset value per share		–
Tangible net asset value per share		–
Statement of Comprehensive Income		
Revenue		–
Profit for the period		–
Profit attributable to equity holders of the parent		–
Profit attributable to non-controlling interests		–
Other comprehensive income		–
Total comprehensive income		–
Total comprehensive income attributable to equity holders of the parent		–
Total comprehensive income attributable to non-controlling interests		–
Earnings per share		
Basic earnings per share (cents)	3	–
Diluted earnings per share (cents)	3	–

	Ordinary share capital R's	Retained income R's	Total Equity Audited R's
Statement of Changes in Equity			
Balance at 1 July 2024	–	–	–

	1 July 2024 Audited R's
Statement of Cash Flows	
Net cash inflow from operating activities	–
Net cash inflow from investing activities	–
Net cash inflow from financing activities	–
Net movement in cash and cash equivalents	–
Opening balance of cash and cash equivalents	–
Closing balance of cash and cash equivalents	–

Notes to the At Incorporation Historical Financial Information of Boxer Retail Limited

1. Accounting policies

The At Incorporation Historical Financial Information has been prepared in accordance with IFRS, SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, the Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, and the requirements of the JSE Listings Requirements.

2. Ordinary Share Capital

	1 Jul 2024 R's
Authorised	
1 000 000 000 ordinary no par value shares	–

3. Basic, headline, diluted and dividend per share

	1 Jul 2024 cents
Basic earnings per share	–
Diluted earnings per share	–
Headline earnings per share	–
Diluted earnings per share	–
Dividend per share	–

		R's
3.1	***Reconciliation between basic and headline earnings***	
	Profit for the period (Basic earnings)	–
	Adjustments	–
	Headline earnings	–

		R's
3.2	***Number of ordinary shares in issue***	
	Number of ordinary shares in issue	–
	Weighted average number of ordinary shares in issue	–
	Diluted weighted average number of ordinary shares in issue	–

4. Subsequent Events

4.1 On 5 August 2024, 1,000 shares were issued to Boxer Holdings Proprietary Limited for a total consideration of R100.

4.2 On 20 August 2024, the following non-executive directors were appointed:

Lerena Olivier
Sean Summers

4.3 On 9 October 2024, Boxer was converted from a private company to a public company.

4.4 On 9 October 2024, James Formby was appointed as a non-executive director.

4.5 On 15 October 2024, the following directors were appointed:

Marek Masojada	Chief Executive Officer
David Wayne	Chief Finance Officer
Chichi Maponya	Independent Non-Executive
Cindy (Hess) Robertson	Independent Non-Executive
Dineo Molefe	Independent Non-Executive
Jesmane Boggenpoel	Independent Non-Executive
Leon Lourens	Independent Non-Executive

4.6 On 15 October 2024, Lerena Olivier resigned as director.

4.7 On 28 October 2024, Boxer announced its intention to list all of its issued ordinary shares on the Main Board of the Johannesburg Stock Exchange, with a secondary listing on A2X, as well as a proposed offer for subscription of newly issued ordinary shares to selected prospective investors.

4.8 On 29 October 2024, Boxer issued 299,999,000 shares to Boxer Holdings Proprietary Limited in exchange for Boxer Holdings Proprietary Limited's 100% shareholding in Boxer Superstores Proprietary Limited.

4.9 On 30 October 2024, Boxer Holdings Proprietary Limited declared its 100% shareholding in Boxer as a dividend *in specie* to Pick n Pay Retailers Proprietary Limited, resulting in Pick n Pay Retailers Proprietary Limited becoming the sole shareholder of Boxer.

4.10 On 30 October 2024, Boxer Retail Limited opened a bank account.

ANNEXE 6 – INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE AT INCORPORATION HISTORICAL FINANCIAL INFORMATION OF BOXER RETAIL LIMITED AS AT 1 JULY 2024

The definitions and interpretations commencing on page 238 of this Pre-listing Statement do not apply through this Annexe 6.

Independent Auditor's Assurance Report on the At Incorporation Historical Financial Information of Boxer Retail Limited at as 1 July 2024

To the Directors of Boxer Retail Limited

At your request, we present our Independent Auditor's Assurance Report on the at incorporation historical financial information of Boxer Retail Limited (the "**Company**"), at incorporation date, being 1 July 2024 (the "**At Incorporation Historical Financial Information**") for inclusion in Annexe 5 on pages 184 to 186 of the Pre-listing Statement to be dated on or about Monday, 11 November 2024 (the "**Pre-listing Statement**") by the directors.

This report is required for the purposes of complying with Section 8.48 of the Listings Requirements of the JSE Limited (the "**JSE**") (the "**JSE Listings Requirements**") and is given for the purpose of complying with those requirements and for no other purpose. We are the Independent Auditor of Boxer Retail Limited.

To the fullest extent permitted by law we do not assume any responsibility and will not accept any liability to any other person for any loss suffered by any such other person as a result of, arising out of, or in connection with this report or our statement, required by and given solely for the purposes of complying with the JSE Listings Requirements and consenting to its inclusion in the Pre-listing Statement.

Independent Auditor's Assurance Report on the At Incorporation Historical Financial Information

Opinion

We have audited the At Incorporation Historical Financial Information of the Company which comprises of the statement of financial position as at incorporation date, being 1 July 2024, the statement comprehensive income, the statement of changes in equity, the statement of cash flows for the period then ended and notes to the At Incorporation Historical Financial Information, including material accounting policy information, as presented in Annexe 5 on pages 184 to 186 of the Pre-listing Statement.

In our opinion, the At Incorporation Historical Financial Information, as presented in Annexe 5 on pages 184 to 186 of the Pre-listing Statement presents fairly, in all material respects, for the purpose of the Pre-listing Statement, the financial position of the Company as at incorporation date, being 1 July 2024 and its financial performance and cash flows for the period then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the JSE Listings Requirements.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the At Incorporation Historical Financial Information of the current period. We do not believe that any of the matters communicated to those charged with governance were key audit matters in the context of the ISAs and consequently we did not identify and key audit matters in the current year.

Other Information

The directors are responsible for the other information contained in this Pre-listing Statement. The other information comprises the information included in the document titled Boxer Retail Limited Pre-listing Statement. The other information does not include the At Incorporation Historical Financial Information and our Independent Auditor's Assurance Report thereon.

Our opinion on the At Incorporation Historical Financial Information does not cover the other information contained in this Pre-listing Statement and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the At Incorporation Historical Financial Information, our responsibility is to read the other information contained in this Pre-listing Statement and, in doing so, consider whether the other information is materially inconsistent with the At Incorporation Historical Financial Information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the At Incorporation Historical Financial Information

The directors are responsible for the compilation, contents and preparation of the Pre-listing Statement in accordance with the JSE Listings Requirements. The directors are also responsible for the preparation and fair presentation of the At Incorporation Historical Financial Information in accordance with the IFRS® Accounting Standards as issued by the International Accounting Standards Board

and the JSE Listings Requirements, and for such internal control as the directors determine is necessary to enable the preparation of At Incorporation Historical Financial Information that is free from material misstatement, whether due to fraud or error.

In preparing the At Incorporation Historical Financial Information, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent Auditor's Responsibilities for the At Incorporation Historical Financial Information

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

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

- Identify and assess the risks of material misstatement of the At Incorporation Historical Financial Information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Independent Auditor's Assurance Report to the related disclosures in the At Incorporation Historical Financial Information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Independent Auditor's Assurance Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the At Incorporation Historical Financial Information, including the disclosures, and whether the At Incorporation Historical Financial Information represents the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette number 39475 date 4 December 2015, we report that we have been the Independent Auditor of Boxer Retail Limited for less than 1 year.

Ernst & Young Inc.
Director: Matthew Raymond Brown
Registered Auditor
Chartered Accountant (SA)
Durban

1 November 2024

ANNEXE 7 – NON-IFRS FINANCIAL INFORMATION

The definitions and interpretations commencing on page 238 of this Pre-listing Statement apply through this Annexe 7, except where the context indicates a contrary intention and except where terms are explicitly defined herein.

Basis of Preparation

(i) Adjusted EBITDA (pre-IFRS 16), and Adjusted EBITDA (pre-IFRS 16) Margin, (ii) Adjusted EBITDA, and Adjusted EBITDA Margin, (iii) Underlying adjusted cash flow, (iv) Underlying adjusted cash flow conversion, (v) Adjusted free cash flow (pre-IFRS 16), (vi) Adjusted free cash flow conversion (pre-IFRS 16), (vii) Adjusted free cash flow, (viii) Adjusted free cash flow conversion, (ix) Average invested capital, (x) Average invested capital (pre-IFRS 16), (xi) Return on invested capital, (xii) Return on invested capital (pre-IFRS 16), (xiii) Leverage, and (xiv) Leverage (pre-IFRS 16) of Boxer Superstores Group constitutes *pro forma* financial information in terms of the JSE Listings Requirements (collectively, referred to as "**Non-IFRS Financial Information**"). The Non-IFRS Financial Information has been prepared for illustrative purposes only and because of its nature may not fairly present Boxer Superstores Group's financial position, changes in equity, results of operations, or cash flows.

The Non-IFRS Financial Information has been prepared to illustrate the additional financial measures regularly used by the management of the Boxer Superstores Group, and which will be used by the Company, to assess operating performance, and thereby enhance an investor's understanding of the Boxer Superstores Group's results of operations and financial performance.

The Non-IFRS Financial Information is presented in accordance with the JSE Listing Requirements.

The directors of the Company are responsible for the Non-IFRS Financial Information included in this Pre-listing Statement.

Ernst & Young Inc.'s Independent Auditor's Assurance Report on the compilation of the Non-IFRS Financial Information is set out in "*Annexe 8 – Independent Auditor's Assurance Report in respect of the compilation of Non-IFRS Financial Information*" to this Pre-listing Statement.

(i) Adjusted EBITDA (pre-IFRS 16) and Adjusted EBITDA (pre-IFRS 16) Margin

The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to Adjusted EBITDA (pre-IFRS 16) for the Boxer Superstores Group, as well as the calculation of Adjusted EBITDA (pre-IFRS 16) Margin, on a historical basis for each of the periods indicated.

	26 weeks to		52 weeks to		
	25 August 2024[1]	27 August 2023[1]	25 February 2024[2]	26 February 2023[2]	27 February 2022[2]
(ZAR millions, except percentages)					
Profit for the period	**491**	**441**	**1,385**	**1,104**	**854**
Tax	188	161	438	427	302
Profit before tax	**679**	**602**	**1,823**	**1,531**	**1,156**
Loss/(gain) on capital items	1	4	27	12	(2)
Profit before tax before capital items	**680**	**606**	**1,850**	**1,543**	**1,154**
Finance income	(65)	(43)	(91)	(54)	(46)
Finance costs	194	160	342	295	275
Trading profit	**809**	**723**	**2,101**	**1,784**	**1,383**
Depreciation on property, plant and equipment	287	250	518	442	340
Amortisation on intangible assets	8	7	16	14	15
Depreciation on right-of-use assets	309	304	620	555	488
Adjusted EBITDA	**1,413**	**1,284**	**3,255**	**2,795**	**2,226**
Lease incentives received	21	13	28	29	21
Principal lease liability payments	(276)	(276)	(550)	(460)	(382)
Interest paid on lease liabilities	(188)	(156)	(336)	(314)	(291)
Adjusted EBITDA (pre-IFRS 16) (A)	**970**	**865**	**2,397**	**2,050**	**1,574**
Turnover (B)	19,774	17,662	37,419	31,897	26,583
Adjusted EBITDA (pre-IFRS 16) Margin (A/B)	***4.9%***	***4.9%***	***6.4%***	***6.4%***	***5.9%***

[1] Information has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement.

[2] Information has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022 as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

(ii) Adjusted EBITDA and Adjusted EBITDA Margin

The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to Adjusted EBITDA, as well as the calculation of Adjusted EBITDA Margin, for the Boxer Superstores Group on a historical basis for each of the periods indicated.

	26 weeks to		52 weeks to		
	25 August 2024[1]	27 August 2023[1]	25 February 2024[2]	26 February 2023[2]	27 February 2022[2]
(ZAR millions, except percentages)					
Profit for the period	**491**	**441**	**1,385**	**1,104**	**854**
Tax	188	161	438	427	302
Profit before tax	**679**	**602**	**1,823**	**1,531**	**1,156**
Loss on capital items	1	4	27	12	(2)
Profit before tax before capital items	**680**	**606**	**1,850**	**1,543**	**1,154**
Finance income	(65)	(43)	(91)	(54)	(46)
Finance costs	194	160	342	295	275
Trading profit	**809**	**723**	**2,101**	**1,784**	**1,383**
Depreciation on property, plant and equipment	287	250	518	442	340
Amortisation on intangible assets	8	7	16	14	15
Depreciation on right-of-use assets	309	304	620	555	488
Adjusted EBITDA (A)	**1,413**	**1,284**	**3,255**	**2,795**	**2,226**
Turnover (B)	19,774	17,662	37,419	31,897	26,583
Adjusted EBITDA Margin (A/B)	***7.1%***	***7.3%***	***8.7%***	***8.8%***	***8.4%***

1 Information has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement.

2 Information has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

(iii) Underlying adjusted cash flow

The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to Underlying adjusted cash flow for the Boxer Superstores Group on a historical basis for each of the periods indicated.

	26 weeks to		52 weeks to		
	25 August 2024[1]	27 August 2023[1]	25 February 2024[2]	26 February 2023[2]	27 February 2022[2]
(ZAR millions, except percentages)					
Profit for the period	**491**	**441**	**1,385**	**1,104**	**854**
Tax	188	161	438	427	302
Profit before tax	**679**	**602**	**1,823**	**1,531**	**1,156**
Loss/(gain) on capital items	1	4	27	12	(2)
Profit before tax before capital items	**680**	**606**	**1,850**	**1,543**	**1,154**
Finance income	(65)	(43)	(91)	(54)	(46)
Finance costs	194	160	342	295	275
Trading profit	**809**	**723**	**2,101**	**1,784**	**1,383**
Depreciation on property, plant and equipment	287	250	518	442	340
Amortisation on intangible assets	8	7	16	14	15
Depreciation on right-of-use assets	309	304	620	555	488
Adjusted EBITDA	**1,413**	**1,284**	**3,255**	**2,795**	**2,226**
Property, plant and equipment additions for maintenance of operations	(175)	(258)	(356)	(471)	(464)
Intangible assets additions for maintenance of operations	(7)	(19)	(42)	(41)	(10)
Principal lease liability payments	(276)	(276)	(550)	(460)	(382)
Interest paid on lease liabilities	(188)	(156)	(336)	(314)	(291)
Underlying adjusted cash flow	**767**	**575**	**1,971**	**1,509**	**1,079**

1 Information, other than (i) Property, plant and equipment additions for maintenance of operations[3], and (ii) Intangible assets additions for maintenance of operations[3], has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement.

2 Information has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

3 Property, plant and equipment additions for maintenance of operations, and Intangible assets additions for maintenance of operations, has been extracted, without adjustment, from the unpublished, unaudited consolidated management accounts of the Boxer Superstores Group for the 26 weeks ended 25 August 2024 and 27 August 2023.

(iv) Underlying adjusted cash flow conversion

Underlying adjusted cash flow conversion for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as Underlying adjusted cash flow, divided by Adjusted EBITDA (pre-IFRS 16), as presented in the following table:

	26 weeks to		52 weeks to		
	25 August 2024	27 August 2023	25 February 2024	26 February 2023	27 February 2022
(ZAR millions, except percentages)					
Underlying adjusted cash flow[1]	767	575	1,971	1,509	1,079
Adjusted EBITDA (pre-IFRS 16)[2]	970	865	2,397	2,050	1,574
Underlying adjusted cash flow conversion	**79.1%**	**66.5%**	**82.2%**	**73.6%**	**68.6%**

1 Information has been extracted, without adjustment, from paragraph (iii) above.
2 Information has been extracted, without adjustment, from paragraph (i) above.

(v) Adjusted free cash flow (pre-IFRS 16)

The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to Adjusted free cash flow (pre-IFRS 16) for the Boxer Superstores Group on a historical basis for each of the periods indicated.

	26 weeks to		52 weeks to		
	25 August 2024[1]	27 August 2023[1]	25 February 2024[2]	26 February 2023[2]	27 February 2022[2]
(ZAR millions, except percentages)					
Profit for the period	**491**	**441**	**1,385**	**1,104**	**854**
Tax	188	161	438	427	302
Profit before tax	**679**	**602**	**1,823**	**1,531**	**1,156**
Loss/(gain) on capital items	1	4	27	12	(2)
Profit before tax before capital items	**680**	**606**	**1,850**	**1,543**	**1,154**
Finance income	(65)	(43)	(91)	(54)	(46)
Finance costs	194	160	342	295	275
Trading profit	**809**	**723**	**2,101**	**1,784**	**1,383**
Depreciation on property, plant and equipment	287	250	518	442	340
Amortisation on intangible assets	8	7	16	14	15
Depreciation on right-of-use assets	309	304	620	555	488
Adjusted EBITDA	**1,413**	**1,284**	**3,255**	**2,795**	**2,226**
Lease incentives received	21	13	28	29	21
Principal lease liability payments	(276)	(276)	(550)	(460)	(382)
Interest paid on lease liabilities	(188)	(156)	(336)	(314)	(291)
Adjusted EBITDA (pre-IFRS 16)	**970**	**865**	**2,397**	**2,050**	**1,574**
Additions to intangible assets	(8)	(19)	(49)	(134)	(25)
Additions to property, plant and equipment	(307)	(394)	(1,044)	(1,185)	(819)
Adjusted free cash flow (pre-IFRS 16)	**655**	**452**	**1,304**	**731**	**730**

1 Information, other than (i) Additions to intangible assets[3], and (ii) Additions to property, plant and equipment[3], has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement.
2 Information has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.
3 Additions to intangible assets and Additions to property, plant and equipment, has been extracted, without adjustment, from the unpublished, unaudited consolidated management accounts of the Boxer Superstores Group for the 26 weeks ended 25 August 2024 and 27 August 2023.

(vi) Adjusted free cash flow conversion (pre-IFRS 16)

Adjusted free cash flow conversion (pre-IFRS 16) for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as Adjusted free cash flow (pre-IFRS 16), divided by Adjusted EBITDA (pre-IFRS 16), as presented in the following table:

	26 weeks to		52 weeks to		
	25 August 2024	27 August 2023	25 February 2024	26 February 2023	27 February 2022
(ZAR millions, except percentages)					
Adjusted free cash flow (pre-IFRS 16)[1]	655	452	1,304	731	730
Adjusted EBITDA (pre-IFRS 16)[1]	970	865	2,397	2,050	1,574
Adjusted free cash flow conversion (pre-IFRS 16)	**67.5%**	**52.3%**	**54.4%**	**35.7%**	**46.4%**

[1] Information has been extracted, without adjustment, from paragraph (v) above.

(vii) Adjusted free cash flow

The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to Adjusted free cash flow for the Boxer Superstores Group on a historical basis for each of the periods indicated.

	26 weeks to		52 weeks to		
	25 August 2024[1]	27 August 2023[1]	25 February 2024[2]	26 February 2023[2]	27 February 2022[2]
(ZAR millions, except percentages)					
Profit for the period	**491**	**441**	**1,385**	**1,104**	**854**
Tax	188	161	438	427	302
Profit before tax	**679**	**602**	**1,823**	**1,531**	**1,156**
Loss/(gain) on capital items	1	4	27	12	(2)
Profit before tax before capital items	**680**	**606**	**1,850**	**1,543**	**1,154**
Finance income	(65)	(43)	(91)	(54)	(46)
Finance costs	194	160	342	295	275
Trading profit	**809**	**723**	**2,101**	**1,784**	**1,383**
Depreciation on property, plant and equipment	287	250	518	442	340
Amortisation on intangible assets	8	7	16	14	15
Depreciation on right-of-use assets	309	304	620	555	488
Adjusted EBITDA	**1,413**	**1,284**	**3,255**	**2,795**	**2,226**
Additions to intangible assets	(8)	(19)	(49)	(134)	(25)
Additions to property, plant and equipment	(307)	(394)	(1,044)	(1,185)	(819)
Adjusted free cash flow	**1,098**	**871**	**2,162**	**1,476**	**1,382**

[1] Information, other than (i) Additions to intangible assets[3], and (ii) Additions to property, plant and equipment[3], has been extracted, without adjustment, from the reviewed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement.

[2] Information has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

[3] Additions to intangible assets and Additions to property, plant and equipment, has been extracted, without adjustment, from the unpublished, unaudited consolidated management accounts of thee Boxer Superstores Group for the 26 weeks ended 25 August 2024 and 27 August 2023.

(viii) Adjusted free cash flow conversion

Adjusted free cash flow conversion for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as Adjusted free cash flow, divided by Adjusted EBITDA, as presented in the following table:

	26 weeks to		52 weeks to		
	25 August 2024	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**
(ZAR millions, except percentages)					
Adjusted free cash flow[1]	1,098	871	2,162	1,476	1,382
Adjusted EBITDA[1]	1,413	1,284	3,255	2,795	2,226
Adjusted free cash flow conversion	**77.7%**	**67.8%**	**66.4%**	**52.8%**	**62.1%**

[1] Information has been extracted, without adjustment, from paragraph (vii) above.

(ix) Average invested capital

Average invested capital for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as presented in the following table

	26 weeks to		52 weeks to			
	25 August 2024	**27 August 2023**	**25 February 2024**	**26 February 2023**	**27 February 2022**	**28 February 2021**
(ZAR millions, except percentages)						
Equity[1]	1,833	1,213	1,841	937	1,994	1,720
Amounts owing to related parties[2]	–	1,208	1,497	1,663	163	163
Amounts owing by related parties[2]	(225)	(1,330)	(1,335)	(599)	(697)	(974)
Cash and cash equivalents[2]	(219)	(417)	(349)	(345)	(561)	(288)
Non-current lease liabilities[2]	3,820	3, 438	3,700	3,393	3,158	2,854
Current lease liabilities[2]	573	537	608	545	479	398
Invested capital (A)	**5,782**	**4,649**	**5,962**	**5,594**	**4,536**	**3,873**
Invested capital of previous financial year end (B)[3]	5,962	5,594	5,594	4,536	3,873	–
Average invested capital ((A+B)/2)	**5,872**	**5,122**	**5,778**	**5,065**	**4,205**	**–**

[1] Except for information for the 52 weeks to 28 February 2021,[4] information has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement, and without adjustment from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

[2] Except for information for the 52 weeks to 28 February 2021[4], information has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement, and without adjustment from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

[3] Information has been extracted, without adjustment, from the line above.

[4] Information used for the 52 weeks to 28 February 2021 has been extracted, without adjustment, from the unpublished, unaudited consolidated management accounts of the Boxer Superstores Group for the 52 weeks ended 28 February 2021.

(x) Average invested capital (pre-IFRS 16)

Average invested capital (pre-IFRS 16) for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as presented in the following table

	26 weeks to		52 weeks to			
	25 August 2024	27 August 2023	25 February 2024	26 February 2023	27 February 2022	28 February 2021
(ZAR millions, except percentages)						
Equity[1]	1,833	1,213	1,841	937	1,994	1,720
Amounts owing to related parties[2]	–	1,208	1,497	1,663	163	163
Amounts owing by related parties[2]	(225)	(1,330)	(1,335)	(599)	(697)	(974)
Cash and cash equivalents[2]	(219)	(417)	(349)	(345)	(561)	(288)
Invested capital (pre-IFRS 16) (A)	**1,389**	**674**	**1,654**	**1,656**	**899**	**621**
Invested capital (pre-IFRS 16) of previous financial year end (B)[3]	1,654	1,656	1,656	899	621	–
Average invested capital (pre-IFRS 16) ((A+B)/2)	**1,522**	**1,165**	**1,655**	**1,278**	**760**	**–**

1 Except for information for the 52 weeks to 28 February 2021,[4] information has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement, and without adjustment from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

2 Except for information for the 52 weeks to 28 February 2021[4], information has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement, and without adjustment from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

3 Information has been extracted, without adjustment, from the line above.

4 Information used for the 52 weeks to 28 February 2021 has been extracted, without adjustment, from the unpublished, unaudited consolidated management accounts of the Boxer Superstores Group for the 52 weeks ended 28 February 2021.

(xi) Return on invested capital

Return on invested capital for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as presented in the following table:

	52 weeks to		
	25 February 2024	**26 February 2023**	**27 February 2022**
(ZAR millions, except percentages)			
Trading profit[1]	2,101	1,784	1,383
Multiplier[2]	0.73	0.72	0.72
After Tax Trading Profit[3]	**1,534**	**1,284**	**996**
Average Invested Capital[4]	5,778	5,065	4,205
Return on invested capital[5]	**26.5%**	**25.4%**	**23.7%**

[1] The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to trading profit for the Boxer Superstores Group on a historical basis for each of the periods indicated:

	52 weeks to		
	25 February 2024[a]	**26 February 2023[a]**	**27 February 2022[a]**
(ZAR millions, except percentages)			
Profit for the period	**1,385**	**1,104**	**854**
Tax	438	427	302
Profit before tax	**1,823**	**1,531**	**1,156**
Loss/(gain) on capital items	27	12	(2)
Profit before tax before capital items	**1,850**	**1,543**	**1,154**
Finance income	(91)	(54)	(46)
Finance costs	342	295	275
Trading profit	**2,101**	**1,784**	**1,383**

[a] Information has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

[2] The multiplier is one (1) minus the South African statutory company income tax rate for the relevant period, being 28% up to 26 February 2023 and 27% subsequent to 26 February 2023.

[3] After tax trading profit is calculated as Trading profit[1] multiplied by the Multiplier[2].

[4] Information has been extracted, without adjustment, from paragraph (ix) above.

[5] Return on invested capital is calculated as After Tax Trading Profit[3], divided by Average invested capital[4].

(xii) Return on invested capital (pre-IFRS 16)

Return on invested capital (pre-IFRS 16) for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as presented in the following table:

	52 weeks to		
	25 February 2024	**26 February 2023**	**27 February 2022**
(ZAR millions, except percentages)			
Trading profit[1]	2,101	1,784	1,383
Interest paid on lease liabilities[a]	(336)	(314)	(291)
Trading profit (pre-IFRS 16)	**1,765**	**1,470**	**1,092**
Multiplier[2]	0.73	0.72	0.72
After Tax Trading Profit (pre-IFRS 16)[3]	**1,288**	**1,058**	**786**
Average Invested Capital (pre-IFRS 16)[4]	1,655	1,278	760
Return on invested capital (pre-IFRS 16)[5]	**77.8%**	**82.8%**	**103.4%**

[1] The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to trading profit for the Boxer Superstores Group on a historical basis for each of the periods indicated:

	52 weeks to		
	25 February 2024[a]	**26 February 2023[a]**	**27 February 2022[a]**
(ZAR millions, except percentages)			
Profit for the period	**1,385**	**1,104**	**854**
Tax	438	427	302
Profit before tax	**1,823**	**1,531**	**1,156**
Loss/(gain) on capital items	27	12	(2)
Profit before tax before capital items	**1,850**	**1,543**	**1,154**
Finance income	(91)	(54)	(46)
Finance costs	342	295	275
Trading profit	**2,101**	**1,784**	**1,383**

[a] Information has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

[2] The multiplier is one (1) minus the South African statutory company income tax rate for the relevant period, being 28% up to 26 February 2023 and 27% subsequent to 26 February 2023.

[3] After tax trading profit (pre-IFRS 16) is calculated as Trading profit (pre-IFRS 16) multiplied by the Multiplier[3].

[4] Information has been extracted, without adjustment, from paragraph (x) above.

[5] Return on invested capital (pre-IFRS 16) is calculated as After Tax Trading Profit (pre-IFRS 16), divided by Average invested capital (pre-IFRS 16)[4].

(xiii) Leverage

Leverage for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as presented in the following table

	26 weeks to		52 weeks to		
	25 August 2024	27 August 2023	25 February 2024	26 February 2023	27 February 2022
(ZAR millions, except multiples)					
Amounts owing to related parties[1]	–	1,208	1,497	1,663	163
Amounts owing by related parties[1]	(225)	(1,330)	(1,335)	(599)	(697)
Non-current lease liabilities[1]	3,820	3,438	3,700	3,393	3,158
Current lease liabilities	573	537	608	545	479
Cash and cash equivalents[1]	(219)	(417)	(349)	(345)	(561)
Net borrowings (A)	**3,949**	**3,436**	**4,121**	**4,657**	**2,542**
Adjusted EBITDA (B)[2]	1,413	1,284	3,255	2,795	2,226
Leverage (A/B) (multiple)	**2.8x**	**2.7x**	**1.3x**	**1.7x**	**1.1x**

[1] Information has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement, and without adjustment from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

[2] Information has been extracted, without adjustment, from paragraph (ii) above.

(xiv) Leverage (pre-IFRS 16)

Leverage (pre-IFRS 16) for the Boxer Superstores Group on a historical basis for each of the periods indicated is calculated as presented in the following table

	26 weeks to		52 weeks to		
	25 August 2024	27 August 2023	25 February 2024	26 February 2023	27 February 2022
(ZAR millions, except multiples)					
Amounts owing to related parties[1]	–	1,208	1,497	1,663	163
Amounts owing by related parties[1]	(225)	(1,330)	(1,335)	(599)	(697)
Cash and cash equivalents[1]	(219)	(417)	(349)	(345)	(561)
Net borrowings (pre-IFRS 16) (A)	**(444)**	**(539)**	**(187)**	**719**	**(1,095)**
Adjusted EBITDA (pre-IFRS 16) (B)[2]	970	865	2,397	2,050	1,574
Leverage (pre-IFRS 16) (A/B) (multiple)	**(0.5)x**	**(0.6)x**	**(0.1)x**	**0.4x**	**(0.7)x**

[1] Information has been extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 and 27 August 2023, included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement, and without adjustment from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, as set out in Annexe 1 to this Pre-listing Statement, on which the Independent Auditor has issued an assurance report as included in Annexe 2 to this Pre-listing Statement.

[2] Information has been extracted, without adjustment, from paragraph (i) above.

ANNEXE 8 – INDEPENDENT AUDITOR'S ASSURANCE REPORT IN RESPECT OF THE COMPILATION OF NON-IFRS FINANCIAL INFORMATION

The definitions and interpretations commencing on page 238 of this Pre-listing Statement do not apply through this Annexe 8.

Independent Auditor's Assurance Report on the Compilation of the Non-IFRS Financial Information included in this Pre-listing Statement

To the Directors of Boxer Retail Limited

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Boxer Superstores Proprietary Limited (the "**Company**") and its subsidiaries (collectively, the "**Boxer Superstores Group**"), by the directors.

The *pro forma* financial information, as set out in Annexe 7 on page 189 to 197 of the Pre-listing Statement consists of the (i) Adjusted EBITDA (pre-IFRS 16), and Adjusted EBITDA (pre-IFRS 16) Margin, (ii) Adjusted EBITDA, and Adjusted EBITDA Margin, (iii) Underlying adjusted cash flow, (iv) Underlying adjusted cash flow conversion, (v) Adjusted free cash flow (pre-IFRS 16), (vi) Adjusted free cash flow conversion (pre-IFRS 16), (vii) Adjusted free cash flow, (viii) Adjusted free cash flow conversion, (ix) Average invested capital, (x) Average invested capital (pre-IFRS 16), (xi) Return on invested capital, (xii) Return on invested capital (pre-IFRS 16), (xiii) Leverage, and (xiv) Leverage (pre-IFRS 16) of Boxer Superstores Proprietary Limited (as defined in "*Part XI – Selected Consolidated Financial and Other Information*") and related notes (collectively the "**Non-IFRS Financial Information**"). The applicable criteria on the basis of which the directors have compiled the Non-IFRS Financial Information are specified in the JSE Limited ("**JSE**") Listings Requirements and described in Annexe 7 on page 189 of the Pre-listing Statement.

The Non-IFRS Financial Information has been compiled by the directors to illustrate the additional financial measures regularly used by the management of the Boxer Superstores Group, and which will be used by Boxer Retail Limited, to assess operating performance, and thereby enhance an investor's understanding of the Boxer Superstores Group's results of operations and financial performance. As part of this process, information about the Boxer Superstores Group's financial position, and financial performance has been extracted by the directors from the Boxer Superstores Group's historical financial information for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022 as well as the 26 weeks ended 25 August 2024 and 27 August 2023, on which auditor's reports were issued on 1 November 2024.

Directors' Responsibility for the Non-IFRS Financial Information

The directors are responsible for compiling the Non-IFRS Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexe 7 on page 189 of the Pre-listing Statement.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards*).

The firm applies International Standard on Quality Management 1 (ISQM 1) *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditor's Responsibility

Our responsibility is to express an opinion about whether the Non-IFRS Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in Annexe 7 on page 189 of the Pre-listing Statement based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the Non-IFRS Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Non-IFRS Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Non-IFRS Financial Information.

The purpose of Non-IFRS Financial Information included in a Pre-listing Statement is solely to illustrate the impact of a significant adjustment or event on the unadjusted financial information of the entity as if the adjustment or event had occurred for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the adjustments made would have been as presented.

A reasonable assurance engagement to report on whether the Non-IFRS Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Non-IFRS Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the adjustments made, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The Non-IFRS Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the Non-IFRS Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the Non-IFRS Financial Information.

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

Opinion

In our opinion, the Non-IFRS Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexe 7 on page 189 of the Pre-listing Statement.

Ernst & Young Inc.
Director: Matthew Raymond Brown
Registered Auditor
Chartered Accountant (SA)
Durban

1 November 2024

ANNEXE 9 – *PRO FORMA* FINANCIAL INFORMATION

The definitions and interpretations commencing on page 238 of this Pre-listing Statement apply through this Annexe 9, except where the context indicates a contrary intention and except where terms are explicitly defined herein.

Basis of preparation

The *Pro Forma* Financial Information for the Group is set out below. The *Pro Forma* Financial Information has been prepared for illustrative purposes only, to show the financial effects of the Offer and subsequent events within the scope of paragraph 8.26(d) of the JSE Listings Requirements. Due to their nature, the *Pro Forma* Financial Information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows after the Offer and subsequent events within the scope of paragraph 8.26(d) of the JSE Listings Requirements.

The *Pro Forma* Financial Information is based on the audited At Incorporation Historical Financial Information of the Company as at 1 July 2024.

The *Pro Forma* Financial Information has been prepared using the accounting policies of the Group, which are in compliance with IFRS, in accordance with the applicable criteria of the JSE Listings Requirements and in terms of the *Guide on Pro Forma Financial Information* issued by SAICA.

The *Pro Forma* Financial Information, including the assumptions on which it is based and the financial information from which it has been prepared, is the responsibility of the Directors.

It has been assumed for the purposes of the *Pro Forma* Financial Information that the Offer and subsequent events within the scope of paragraph 8.26(d) of the JSE Listings Requirements, took place with effect from 26 February 2024 for purposes of the *Pro Forma* Group Statement of Comprehensive Income and on 25 August 2024 for purposes of the *Pro Forma* Group Statement of Financial Position.

The *Pro Forma* Financial Information, should be read in conjunction with the Independent Auditor's Assurance Report thereon contained in "*Annexe 10 – Independent Auditor's Assurance Report on the Compilation of Pro Forma Financial Information*" to this Pre-listing Statement.

Assumptions

a. Where applicable the tax rate has been assumed at 27.00% for income tax purposes and 21.6% for capital gains tax purposes.

b. The incorporation date of the Company is assumed to be 26 February 2024 for the purposes of the *Pro Forma* Group Statement of Comprehensive Income, and 25 August 2024 for the purposes of the *Pro Forma* Group Statement of Financial Position.

c. All adjustments to the *Pro Forma* Group Statement of Comprehensive Income, with the exception of the release of the financial guarantee, are expected to have a continuing effect on the Group Statement of Comprehensive Income.

d. Transaction costs attributable to the Offer amount to R340 million.

e. The Offer generates R7,900.0 million in proceeds for the Company. This includes R205.0 million of proceeds from the purchase of treasury shares by Boxer Superstores, resulting in proceeds for the Group being R7,695 million. Note that the proceeds assumption is for illustrative purposes only. The proceeds generated by the Offer is determined after the publication of this Pre-listing Statement and is dependent on, *inter alia*, the Offer Price. Refer to "*Part II – Overview of the Offer*" of this Pre-listing Statement for additional information relating to the book building process and Offer Price.

f. The Offer Price of the Offer Shares is R40.00 per share and the share price remains at R40.00 per share for the period. Note that the Offer Price assumption is for illustrative purposes only and the Offer Price is determined after the publication of this Pre-listing Statement. Refer to "*Part II – Overview of the Offer*" of this Pre-listing Statement for additional information relating to the Offer Price.

g. The Overallotment Option is not exercised.

h. There is no impact to Group's employee costs as a result of the Offer, except for the addition of Non-Executive Directors' fees and the implementation of the Group's long-term incentive plan ("**LTIP**").

i. The grant fair value of awards under the LTIP in accordance with IFRS 2 is equal to the Offer Price and all service and non-market vesting conditions of the LTIP are presumed to be achieved.

j. A total of 5,125,000 restricted shares in the Company are awarded to employees under the LTIP. These shares are purchased by Boxer Superstores as a South African Qualifying Investor as part of the Offer.

k. The Group draws down on R850.0 million of the available R1,100.0 million term debt, which becomes accessible on successful completion of the Offer, in order to fund its operational requirements. Interest charged on the term debt is assumed to be 10.0% per annum for the purposes of the *Pro Forma* Financial information. On 28 October 2024 Pick n Pay Retailers extended bridging finance of R850 million to the Group, to be repaid through the Group drawing down on the aforementioned term debt subsequent to completion of the Offer. The bridging finance granted by Pick n Pay Retailers has not been included as a subsequent event or *pro forma* adjustment in the *Pro Forma* Financial Information, as the impacts of it are illustrated through the inclusion of *pro forma* adjustments reflecting the impacts of the draw down of R850 million of term debt.

l. The Group draws down and repays part of the available R2,000.0 million working capital facility, which becomes accessible on successful completion of the Offer, intra-month only. As at each month-end the facility is unutilised. The intra-month draw-downs are assumed to be R1,000.0 million for 14 days of each month. Interest charged on the utilised working capital facility is assumed to be 10.0% per annum for the purposes of the *Pro Forma* Financial information.

PRO FORMA GROUP STATEMENT OF COMPREHENSIVE INCOME FOR THE 26 WEEKS ENDED 25 AUGUST 2024

		Subsequent events	*Pro forma* adjustments								
	At Incorporation[1] Rm	Issue of shares to Boxer Holdings and Restructure[2] Rm	Issue of Subscription shares and release of financial guarantee[3] Rm	Transaction costs[4] Rm	Subscription for additional shares in Boxer Superstores[5] Rm	Settlement of dividends payable[6] Rm	Term debt and working capital facility[7] Rm	Shared service and administrative costs[8] Rm	LTIP[9] Rm	Non Executive Directors' fees[10] Rm	*Pro forma* results for the 26 weeks ending 25 August 2024[11] Rm
Revenue	**–**	**20,002.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**20,002.0**
Turnover	**–**	**19,774.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**19,774.0**
Cost of merchandise sold	–	(15,766.0)	–	–	–	–	–	–	–	–	(15,766.0)
Gross profit	**–**	**4,008.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**4,008.0**
Other trading income	–	163.0	–	–	–	–	–	–	–	–	163.0
Commissions and other income		163.0	–	–	–	–	–	–	–	–	163.0
Trading expenses	**–**	**(3,362.0)**	**7.0**	**–**	**–**	**–**	**–**	**(19.0)**	**(41.0)**	**(3.5)**	**(3,418.5)**
Employee costs		(1,495.0)	–	–	–	–	–	–	(41.0)	(3.5)	(1,539.5)
Occupancy		(563.0)	–	–	–	–	–	–	–	–	(563.0)
Operations		(988.0)	–	–	–	–	–	–	–	–	(988.0)
Merchandising and administration		(316.0)	7.0	–	–	–	–	(19.0)		–	(328.0)
Trading profit	**–**	**809.0**	**7.0**	**–**	**–**	**–**	**–**	**(19.0)**	**(41.0)**	**(3.5)**	**752.5**
Finance income	–	65.0	–	–	–	–	–	–	–	–	65.0
Finance costs	–	(194.0)	–	–	–	–	(65.6)	–	–	–	(259.6)
Profit/(loss) before tax before capital items	**–**	**680.0**	**7.0**	**–**	**–**	**–**	**(65.6)**	**(19.0)**	**(41.0)**	**(3.5)**	**557.9**
Loss on capital items	–	(1.0)	–	–	–	–	–	–	–	–	(1.0)
Loss on sale of assets		(1.0)	–	–	–	–	–	–	–	–	(1.0)
Profit/(loss) before tax	**–**	**679.0**	**7.0**	**–**	**–**	**–**	**(65.6)**	**(19.0)**	**(41.0)**	**(3.5)**	**556.9**
Tax		(188.0)	–	–	–	–	17.7	5.1	11.1	0.9	(153.2)
Profit/(loss) for the period	**–**	**491.0**	**7.0**	**–**	**–**	**–**	**(47.9)**	**(13.9)**	**(29.9)**	**(2.6)**	**403.7**
Other comprehensive income, net of tax		–									–
Items that will not be reclassified to profit or loss	**–**	**2.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**2.0**
Fair value gain on investment in Pick n Pay Stores Limited	–	2.0	–	–	–	–	–	–	–	–	2.0
Items that may be reclassified to profit or loss	**–**	**(1.0)**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**(1.0)**
Movement in cash flow hedge		(1.0)	–	–	–	–	–	–	–	–	(1.0)
Total comprehensive (loss)/ income for the period		**492.0**	**7.0**	**–**	**–**	**–**	**(47.9)**	**(13.9)**	**(29.9)**	**(2.6)**	**404.7**
Basic earnings for the period	**–**	**491.0**	**7.0**	**–**	**–**	**–**	**(47.9)**	**(13.9)**	**(29.9)**	**(2.6)**	**403.7**
Headline earnings adjustments:	**–**	**1.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**1.0**
Loss on disposal of assets		1.0	–	–	–	–	–	–	–	–	1.0
Tax effect of loss on disposal of assets		–	–	–	–	–	–	–	–	–	–
Headline earnings/(loss) for the period		**492.0**	**7.0**	**–**	**–**	**–**	**(47.9)**	**(13.9)**	**(29.9)**	**(2.6)**	**404.7**

		Subsequent events		*Pro forma* adjustments							
	At Incorporation[1] 000's	Issue of shares to Boxer Holdings and Restructure[2] 000's	Issue of Subscription shares and release of financial guarantee[3] 000's	Transaction costs[4] 000's	Subscription for additional shares in Boxer Superstores[5] 000's	Settlement of dividends payable[6] 000's	Term debt and working capital facility[7] 000's	Shared service and administrative costs[8] 000's	LTIP[9] 000's	Non Executive Directors' fees[10] 000's	*Pro forma* results for the 26 weeks ending 25 August 2024[11] 000's
Number of ordinary shares											
Number of ordinary shares in issue		300,000.0	197,500.0		–				–	–	497,500.0
Weighted average number of ordinary shares in issue (excluding treasury shares)	–	300,000.0	192,375.0		–				–	–	492,375.0
Diluted weighted average number of ordinary shares in issue	–	300,000.0	192,375.0	–	–	–	–	–	–	–	492,375.0
	000's	**000's**	**000's**	**000's**	**000's**	**000's**	**000's**	**000's**	**000's**	**000's**	**000's**
Reconciliation of weighted avenge number of ordinary shares to diluted weighted average number of ordinary shares:											
Weighted average number of ordinary shares in issue (excluding treasury shares)	–	300,000.0	192,375.0		–	–	–	–	–	–	492,375.0
Dilutive effect of share awards	–	–	–	–	–	–	–	–		–	–
Diluted weighted average number of ordinary shares in issue	–	300,000.0	192,375.0		–	–	–	–	–	–	492,375.0
	Cents per share	**Cents per share**	**Cents per share**	**Cents per share**	**Cents per share**	**Cents per share**	**Cents per share**	**Cents per share**	**Cents per share**	**Cents per share**	**Cents per share**
BASIC, HEADLINE AND DILUTED EARNINGS PER SHARE											
Basic earnings/(loss) per share	–	163.67	(62.53)	–	–	–	(9.73)	(2.82)	(6.07)	(0.52)	82.00
Diluted earnings/(loss) per share	–	163.67	(62.53)	–	–	–	(9.73)	(2.82)	(6.07)	(0.52)	82.00
Headline earnings/(loss) per share	–	164.00	(62.65)	–	–	–	(9.73)	(2.83)	(6.07)	(0.52)	82.20
Diluted headline earnings/(loss) per share	–	164.00	(62.65)	–	–	–	(9.73)	(2.83)	(6.07)	(0.52)	82.20

NOTES TO THE *PRO FORMA* GROUP STATEMENT OF COMPREHENSIVE INCOME

1) The 'At Incorporation' column has been extracted, without adjustment from the audited At Incorporation Historical Financial Information of Boxer Retail Limited included in *Annexe 5* to this Pre-listing Statement.

2) On 5 August 2024 Boxer Holdings subscribed for 1,000 shares in the Company for a total subscription consideration of R100. This share issue and the Restructure are included as subsequent events in terms of the JSE Listings Requirements paragraph 8.26(d) as they were post statement of financial position corporate actions that had a significant effect on the Group's financial performance, financial position, and number of shares in issue, and therefore the Directors believe that it would be misleading to potential investors to not include the impacts in the *Pro Forma* Financial Information. As part of the Restructure, on 29 October 2024 the Company issued 299,999,000 shares to its sole shareholder, Boxer Holdings, in exchange for Boxer Holdings' 100% shareholding in Boxer Superstores. This transaction is outside of the scope of IFRS 3 Business Combinations and the Group accounts for the acquisition, in terms of IFRS, to reflect the substance that the newly formed group is a continuation of the historical Boxer Superstores Group. As a result, 100% of the Boxer Superstores Group Statement of Comprehensive Income is included in the *Pro Forma* Group Statement of Comprehensive Income from 26 February 2024. The Boxer Superstores Group Statement of Comprehensive Income is extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 included in *Annexe 3* to this Pre-listing Statement.

3) The Company undertakes the Offer and issues 197,500,000 shares at a R40 per share resulting in gross proceeds for the Company of R7,900.0 million. Of the gross proceeds, R205.0 million is from the purchase of 5,125,000 treasury shares by Boxer Superstores for the LTIP awards, resulting in proceeds for the Group of R7,695.0 million. As a result of the Offer, Boxer Superstores financial guarantee over the debt of Pick n Pay Retailers, which had a carrying value of R7.0 million as at 25 February 2024, is extinguished. The gain from derecognition of the guarantee is not taxable.

4) The transaction costs attributable to the Offer of R340.0 million are recognised directly in equity, as this relates to transactions with shareholders, and are not deductible for income tax purposes as they are capital in nature.

5) The Company applies the proceeds from the Offer, net of transaction costs, to acquire additional shares in its wholly-owned subsidiary, Boxer Superstores. This has no impact on the Group as it is an intragroup transaction.

6) Boxer Superstores applies the proceeds from the issue of shares (see note 5) to settle the pre-IPO Dividend payable to Boxer Holdings. "Pre-IPO Dividend" refers to the declaration of a dividend by Boxer Superstores to its sole shareholder, Boxer Holdings, prior to the acquisition of the Boxer Superstores Group by the Company. This dividend was declared on 28 October 2024 and remains unpaid until subsequent to the Offer. The value of the pre-IPO dividend is dependent on the proceeds from, and associated costs of, the Offer. The Pre-IPO Dividend is included as a subsequent event in terms of the JSE Listings Requirements paragraph 8.26(d) as it was a post statement of financial position corporate action that had a significant effect on the Group's financial position, and therefore the Directors believe that it would be misleading to potential investors to not include the impacts in the *Pro Forma* Financial Information The declaration of the pre-IPO Dividend as well as the subsequent settlement has no impact on the Statement of Comprehensive Income of the Group.

7) On completion of the Offer, the Group's available term debt of R1,100.0 million is accessible and the Group draws down on R850.0 million of the debt. In addition, in order to satisfy short-term working capital requirements between financial month end open and close dates, the Group draws down on and repays part of the available working capital facility of R2,000 million, which becomes accessible on completion of the offer. The working capital facility is unutilised at each financial month end close. Based on this and the additional assumptions detailed in the 'Assumptions' section of this *Pro Forma* Financial Information, the utilisation of the term debt and intra month working capital facilities results in an interest charge of R65.6 million for the 26 weeks ended 25 August 2024. This interest charge results in a tax gain of R17.7 million.

8) The Group will incur incremental administrative and operational costs as a result of being publicly traded, some of which will be performed by Pick and Pay Retailers on behalf of the Group as part of shared services. The total incremental cost for the Group is estimated to be R19.0 million for the 26-week period. These costs are all tax deductible, resulting in a R5.1 million tax deduction, and categorised as Merchandising and Administration expenses in the Group.

9) As part of the Offer, certain employees of the Group are granted a total of 5,125,000 Restricted Shares in the Company as part of the LTIP. These awards are issued in 2 tranches with service conditions and non-market vesting conditions attached. Of the Restricted Shares granted, 40% have a vesting period of 24 months and 60% have a vesting period of 36 months. The awards are classified as equity-settled under IFRS 2, resulting in a share based payments expense of R41.0 million for a 26 week period, and the cost of the awards is deductible for income tax resulting in a R11.1 million tax gain for the 26-week period. It is assumed that the Company share price remains at R40 over the period and therefore the awards of the LTIP are non-dilutive.

10) As a result of the Offer, independent and non-executive directors are appointed to the Board, resulting in additional directors' fees of R3.5 million for the 26-week period which are deductible for income tax resulting in a R0.9 million tax deduction.

11) The '*Pro forma* results for the 26 weeks ending 25 August 2024' column represents the *Pro Forma* Group Statement of Comprehensive Income for the 26 weeks ended 25 August 2024 subsequent to the Offer and subsequent events in terms of the JSE Listings Requirements paragraph 8.26(d).

PRO FORMA GROUP STATEMENT OF FINANCIAL POSITION AS AT 25 AUGUST 2024

		Subsequent event	*Pro forma* adjustments								
	At Incorporation[1] Rm	Issue of shares to Boxer Holdings and Restructure[2] Rm	Issue of Subscription shares and release of financial guarantee[3] Rm	Transaction costs[4] Rm	Subscription for additional shares in Boxer Superstores[5] Rm	Settlement of dividends payable[6] Rm	Term debt and working capital facility[7] Rm	Shared service and administrative costs[8] Rm	LTIP[9] Rm	Non Executive Directors' fees[10] Rm	*Pro forma* results for the 26 weeks ending 25 August 2024[11] Rm
ASSETS											
Non-current assets											
Intangible assets	–	332.0	–	–	–	–	–	–	–	–	332.0
Property, plant and equipment	–	3,479.0	–	–	–	–	–	–	–	–	3,479.0
Right-of-use assets	–	3,355.0	–	–	–	–	–	–	–	–	3,355.0
Deferred tax assets	–	213.0	–	–	–	–	–	–	–	–	213.0
Investment in Pick n Pay Stores Limited	–	28.0	–	–	–	–	–	–	–	–	28.0
Loans	–	114.0	–	–	–	–	–	–	–	–	114.0
	–	**7,521.0**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**7,521.0**
Current assets											
Inventory	–	3,344.0	–	–	–	–	–	–	–	–	3,344.0
Trade and other receivables	–	455.0	–	–	–	–	–	–	–	–	455.0
Cash and cash equivalents	–	(381.0)	7,695.0	(340.0)	–	(7,560.0)	850.0	–	–	–	264.0
Right-of-return assets	–	2.0	–	–	–	–	–	–	–	–	2.0
Amounts owing by related parties	–	225.0	–	–	–	–	–	–	–	–	225.0
Derivative financial instruments	–	–	–	–	–	–	–	–	–	–	–
	–	**3,645.0**	**7,695.0**	**(340.0)**	**–**	**(7,560.0)**	**850.0**	**–**	**–**	**–**	**4,290.0**
Total assets	**–**	**11,166.0**	**7,695.0**	**(340.0)**	**–**	**(7,560.0)**	**850.0**	**–**	**–**	**–**	**11,811.0**
EQUITY AND LIABILITIES											
Equity											
Share capital	–	–	7,900.0	(340.0)	–	–	–	–	–	–	7,560.0
Treasury shares	–	–	(205.0)	–	–	–	–	–	–	–	(205.0)
Retained earnings	–	(6,283.0)	6.0	–	–	–	–	–	–	–	(6,277.0)
Fair value reserve	–	(43.0)	–	–	–	–	–	–	–	–	(43.0)
Other reserves	–	(1.0)	–	–	–	–	–	–	–	–	(1.0)
Total equity	–	(6,327.0)	**7,701.0**	**(340.0)**	–	–	–	–	–	–	**1,034.0**
Non-current liabilities					–						
Lease liabilities	–	3,820.0	–	–	–	–	–	–	–	–	3,820.0
Borrowings	–	–	–	–	–	–	850.0	–	–	–	850.0
	–	**3,820.0**	**–**		**–**	**–**	**850.0**	**–**	**–**	**–**	**4,670.0**
Current liabilities											
Trade and other payables	–	4,935.0	–	–	–	–	–	–	–	–	4,935.0
Share based payments	–	12.0	–	–	–	–	–	–	–	–	12.0
Lease liabilities	–	573.0	–	–	–	–	–	–	–	–	573.0
Deferred revenue	–	196.0	–	–	–	–	–	–	–	–	196.0
Dividend payable to Boxer Holdings	–	7,560.0	–	–	–	(7,560.0)	–	–	–	–	–
Provision for financial guarantee contract	–	6.0	(6.0)	–	–	–	–	–	–	–	–
Current tax liabilities	–	337.0	–	–	–	–	–	–	–	–	337.0
Provisions	–	54.0	–	–	–	–	–	–	–	–	54.0
	–	**13,673.0**	**(6.0)**	**–**	**–**	**(7,560.0)**	**–**	**–**	**–**	**–**	**6,107.0**
Total equity and liabilities	**–**	**11,166.0**	**7,695.0**	**(340.0)**	**–**	**(7,560.0)**	**850.0**	**–**	**–**	**–**	**11,811.0**
Net asset value per share (property value based on directors' valuation)	–	(2,094.1)	2,382.2	(69.0)	–	–	–	–	–	–	219.1
Tangible net asset value per share (property value based on director	–	(1,912.4)	2,311.2	(69.0)	–	–	–	–	–	–	329.8

NOTES TO THE *PRO FORMA* GROUP STATEMENT OF FINANCIAL POSITION

1) The 'At Incorporation' column has been extracted, without adjustment from the audited At Incorporation Historical Financial Information of Boxer Retail Limited included in Annexe 5 to this Pre-listing Statement.

2) On 5 August 2024 Boxer Holdings subscribed for 1,000 shares in the Company for a total subscription consideration of R100. This share issue and the Restructure are included as a subsequent event in terms of the JSE Listings Requirements paragraph 8.26(d) as they were post statement of financial position corporate actions that had a significant effect on the Group's financial performance, financial position, and number of shares in issue, and therefore the Directors believe that it would be misleading to potential investors to not include the impacts in the *Pro Forma* Financial Information. As part of the Restructure, on 29 October 2024 the Company issued 299,999,000 shares to its sole shareholder, Boxer Holdings, in exchange for Boxer Holdings' 100% shareholding in Boxer Superstores. This transaction is outside of the scope of IFRS 3 Business Combinations and the Group accounts for the acquisition, in terms of IFRS, to reflect the substance that the newly formed group is a continuation of the historical Boxer Superstores Group, resulting in 100% of the assets and liabilities of Boxer Superstores Group being recognised in the Group Statement of Financial Position as at 25 August 2024, with an equity reorganisation to reflect the Company's capital structure. The value of the net assets of the Group is extracted from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 included in Annexe 3 to this Pre-listing Statement, with the following adjustments:

	Boxer Superstores Group carrying values[a] Rm	Dividend declared (subsequent event)[b] Rm	Pre-IPO Dividend[c] Rm	Capital reorgan-isation[d] R'm	Total (e) = (a)+(b)+ (c) +(d) Rm
Cash and cash equivalents	219.0	(600.0)	–	–	(381.0)
Share premium	9.0	–	–	(9.0)	–
Retained earnings	1,868.0	(600.0)	(7,560.0)	9.0	(6,283.0)
Dividend payable to Boxer Holdings	–	–	7,560.0	–	7,560.0

a) "Boxer Superstores Group carrying values" is extracted, without adjustment, from the reviewed Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 weeks ended 25 August 2024 included in Annexe 3 to this Pre-listing Statement, on which the Independent Auditor has issued a review report as included in Annexe 4 to this Pre-listing Statement.
b) "Dividend declared (Subsequent event)" is included as a subsequent event in terms of the JSE Listings Requirements paragraph 8.26(d) as it was a post statement of financial position corporate action that had a significant effect on the Boxer Superstores Group's financial position, and therefore the Directors believe that it would be misleading to potential investors to not include the impacts in the *Pro Forma* Financial Information. On 15 October 2024 Boxer Superstores declared and subsequently paid a cash dividend of R600.0 million to its sole shareholder, Boxer Holdings.
c) "Pre-IPO Dividend" refers to the declaration of a dividend by Boxer Superstores to its sole shareholder, Boxer Holdings, prior to the acquisition of the Boxer Superstores Group by the Company. This dividend was declared on 28 October 2024 and remains unpaid until subsequent to the Offer. The value of the pre-IPO dividend is dependent on the proceeds from, and associated costs of, the Offer. The Pre-IPO Dividend is included as a subsequent event in terms of the JSE Listings Requirements paragraph 8.26(d) as it was a post statement of financial position corporate action that had a significant effect on the Group's financial position, and therefore the Directors believe that it would be misleading to potential investors to not include the impacts in the *Pro Forma* Financial Information.
d) With the issue of 299,999,000 shares by the Company to Boxer Holdings, in exchange for acquiring all the issued shares of Boxer Superstores Group, the capital structure of the newly formed Boxer Retail Limited Group is adjusted to reflect the capital structure of the Company, being that of no par value shares. As a result, the share premium of Boxer Superstores Group is reclassified to retained earnings.
e) "Total" is the sum of the preceding columns.

3) The Company undertakes the Offer and issues 197,500,000 shares at a R40 per share resulting in gross proceeds of R7,900.0 million for the Company. Of the gross proceeds, R205.0 million is from the purchase of 5,125,000 treasury shares by Boxer Superstores for the LTIP awards, resulting in proceeds for the Group of R7,695.0 million. As a result of the Offer, Boxer Superstores' guarantee over the debt of Pick n Pay Retailers, which had a carrying value of R6.0 million as at 25 August 2024, is extinguished. The gain from derecognition of the guarantee is not taxable.

4) The transaction costs attributable to the Offer of R340.0 million are recognised directly in equity, as this relates to transactions with shareholders, and are not deductible for income tax purposes as they are capital in nature.

5) The Company applies the proceeds from the Offer to acquire additional shares in its wholly-owned subsidiary, Boxer Superstores. This has no impact on the Group as it is an intragroup transaction.

6) Boxer Superstores applies the proceeds from the issue of shares (see note 5) to settle the pre-IPO Dividend payable to Boxer Holdings.

7) On completion of the Offer, the Group's available term debt of R1,100.0 million is accessible and the Group draws down on R850.0 million of the debt. In addition, in order to satisfy short-term working capital requirements, between financial month end open and close dates, the Group draws down on and repays part of the available working capital facility of R2,000 million, which becomes accessible on completion of the offer. The working capital facility is unutilised at each financial month end close and therefore has no impact on the *Pro Forma* Group Statement of Financial Position as it is not utilised over month end.

8) The Group will incur incremental administrative and operational costs as a result of being publicly traded, some of which will be performed by Pick and Pay Retailers services on behalf of the Group as part of shared services. The total incremental cost for the Group is estimated to be R19.0 million for the 26-week period. This has no impact on the Statement of Financial Position as at 25 August 2024 as the effective date of the transactions is assumed to be 25 August 2024 for the purposes of the *Pro Forma* Statement of Financial Position.

9) Certain employees of the Group are granted a total of 5,125,000 Restricted Shares in the Company as part of the LTIP. These awards are issued in 2 tranches with service and non-market vesting conditions attached. Of the Restricted Shares granted, 40% have a vesting period of 24 months and 60% have a vesting period of 36 months. The awards are classified as equity-settled under IFRS 2 and the cost of the awards is deductible for income tax. This has no impact on the Statement of Financial Position as at 25 August 2024 as the effective date of the transactions is assumed to be 25 August 2024 for the purposes of the *Pro Forma* Statement of Financial Position.

10) As a result of the Offer, independent and non-executive directors are appointed to the Board, resulting in additional directors' fees of R3.5 million for the 26-week period. This has no impact on the Statement of Financial Position as at 25 August 2024 as the effective date of the transactions is assumed to be 25 August 2024 for the purposes of the *Pro Forma* Statement of Financial Position.

11) The '*Pro forma* results as at 25 August 2024' column represents the *Pro Forma* Group Statement of Financial Position as at 25 August 2024 subsequent to the Offer and subsequent events in terms of the JSE Listings Requirements paragraph 8.26(d).

ANNEXE 10 – INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE COMPILATION OF *PRO FORMA* FINANCIAL INFORMATION

The definitions and interpretations commencing on page 238 of this Pre-listing Statement do not apply through this Annexe 10.

Independent Auditor's Assurance Report on the Compilation of *Pro Forma* Financial Information included in a Pre-listing Statement

To the Directors of Boxer Retail Limited

We have completed our assurance engagement to report on the compilation of *pro forma* financial information of Boxer Retail Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**"), by the directors.

The *Pro Forma* financial information, as set out in Annexe 9 on pages 200 to 205 of the Pre-listing Statement consists of the *pro forma* statement of financial position as at 25 August 2024, the *pro forma* statement of comprehensive income for the 26-weeks ended 25 August 2024 and related notes (collectively the "***Pro Forma* Financial Information**"). The applicable criteria on the basis of which the directors have compiled the *Pro Forma* Financial Information are specified in the JSE Limited ("**JSE**") Listings Requirements and described in Annexe 9 on page 200 of the Pre-listing Statement.

The *Pro Forma* Financial Information has been compiled by the directors to illustrate the impact of the corporate action or event, described in the paragraph titled 'The Offer' on page 9 of the Pre-listing Statement on the Group's financial position as at 25 August 2024, and the Group's financial performance for the 26 weeks then ended, as if the corporate action or event had taken place at 25 August 2024 and for the 26 weeks then ended. As part of this process, information about the Group's financial position, and financial performance has been extracted by the directors from the Group's at incorporation historical financial information, on which an auditor's report was issued on 1 November 2024.

Directors' Responsibility for the Pro Forma Financial Information

The directors are responsible for compiling the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexe 9 on page 200 of the Pre-listing Statement.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the *Code of Professional Conduct for Registered Auditors* issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards*).

The firm applies International Standard on Quality Management 1 (ISQM 1) *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements* which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Independent Auditor's Responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in Annexe 9 on page 200 of the Pre-listing Statement based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, *Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus*, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform procedures to obtain reasonable assurance about whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

The purpose of *Pro Forma* Financial Information included in a Pre-listing Statement is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the Group as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the corporate action or event at 25 August 2024 would have been as presented.

A reasonable assurance engagement to report on whether the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group, the corporate action or event in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

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

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria specified in the JSE Listings Requirements and described in Annexe 9 on page 200 of the Pre-listing Statement.

Ernst & Young Inc.
Director: Matthew Raymond Brown
Registered Auditor
Chartered Accountant (SA)
Durban

1 November 2024

ANNEXE 11 – PARTICULARS OF THE DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

Other Directorships and Partnerships held by the Directors and Senior Management

The names of all companies (other than the PIK Group, the Company or their subsidiaries) and partnerships of which the Directors, have been a director or partner at any time in the five years preceding the Last Practicable Date are listed below:

Name	Directorships	Status
Marek Masojada	Bajka Investments Proprietary Limited	Director
	Brohome Investments CC	Member
David Wayne	N/A	N/A
James Formby	FirstRand Limited	Principal Officer
	RMB Nigeria	Chairman
	RMB Corvest	Chairman
	Nimble Group Proprietary Limited	Non-Executive Director and Member of Risk Committee
	Vukile Property Fund Limited	Non-Executive Director and Member of Audit Committee and of Social, Ethics and Human Resources Committee
	Infinite Partners	Non-Executive Director and Member of Investment Committee
	Formby Investment Proprietary Limited	Director
	Business Venture Investments No 417 Proprietary Limited	Director
	Infinite Partners Proprietary Limited	Director
Sean Summers	Beekay 219 Proprietary Limited	Director
	Newshelf SF20182 Proprietary Limited	Director
	Erf 925 Parow Diskin Court Proprietary Limited	Director
Dineo Molefe	MTN South Africa	Chief Financial Officer
	MTN Zambia	Non-Executive Director
	CAMAF Medical Scheme	Non-Executive Director
	Spur Corporation Limited	Non-Executive Director (Chairman of the Audit Committee)
	Thebe Investment Corporation Proprietary Limited	Non-Executive Director (Chairman of the Audit Committee)
	Mobile Telephone Networks Proprietary Limited	Director
	i Talk Cellular Proprietary Limited	Director
	MTNSA Towerco Proprietary Limited	Director
	MTNSA Propco Proprietary Limited	Director
	Supersonic FTTX Proprietary Limited	Director
	Ayo Intermediaries Proprietary Limited	Director
	Mobile Fintech Proprietary Limited	Director
	T Systems SA	Director
Jesmane Boggenpoel	AIH Capital Proprietary Limited	Managing Partner and Director
	AIH Fund 1 General Partner Proprietary Limited	Director
	Murray & Roberts Holdings Limited	Non-Executive Director
	Spur Corporation Limited	Non-Executive Director
	MTN (Pty) Limited	Non-Executive Director
	ETG Group	Non-Executive Director
	Divinc Proprietary Limited	Director and sole shareholder
	AWCA Investment Holdings Proprietary Limited	Non-Executive Director
	ETG Input Holdings	Non-Executive Director
	EOH Limited	Non-Executive Director
	BMF Investments Company Limited	Non-Executive Director
	Sybrin Systems Proprietary Limited	Non-Executive Director
	The South African Venture Capital and Private Equity Association	Non-Executive Director

Name	Directorships	Status
Leon Lourens	Leon Lourens Beleggings	Director
	Iliad Africa Limited	Director
	Pep Reef Properties Proprietary Limited	Director
	JD Group Proprietary Limited	Director
	Printkor Proprietary Limited	Director
	Pepkor Capital (RF) Proprietary Limited	Director
	Flash Mobile Vending Proprietary Limited	Director
	Pepkor Holdings Limited	Director
	Pepkor Trading Proprietary Limited	Director
	Tekkie Town Proprietary Limited	Director
	Pepkor Holdco Proprietary Limited	Director
	Pepkor Speciality Proprietary Limited	Director
	Pep Proprietary Limited	Director
	The Building Company Proprietary Limited	Director
Cindy (Hess) Robertson	Rainbow Chicken Limited	Non-Executive Director, Lead Independent Member of Remuneration Committee
	University of Cape Town	Council Appointed Member to Audit and Risk Committee, Council Appointed Member and Deputy Chair of Finance Committee
	Coronation Life Assurance Company	Non-Executive Director
	Coronation Management Company	Non-Executive Director
	University of Western Cape	Deputy Chair of Council, Audit & Risk Committee Chairperson
	Truworths Limited	Non-Executive Director, Audit Committee Member
	RCL Foods Limited	Non-Executive Director, Risk Committee Member
	Life Healthcare Limited	Non-Executive Director, Audit Committee Member, Remuneration Committee Member
	Equites Property Fund Limited	Non-Executive Director, Audit Committee Member
	Du Toit Group Proprietary Limited	Non-Executive Director, Audit Committee Chairperson
	Lion of Africa Life Assurance Company Limited	Executive Director
Charlotte Mary Chichi Machichana Maponya	Maponya BP Soweto Proprietary Limited	Director
	Maponya Motors Property Holdings Proprietary Limited	Director
	Maponya Group Proprietary Limited	Director

The names of all companies (other than the PIK Group, the Company or their subsidiaries) and partnerships of which the Senior Management of the Company, have been a director or partner at any time in the five years preceding the Last Practicable Date are listed below:

Name	Directorships	Status
Marek Masojada	Bajka Investments Proprietary Limited	Director
	Brohome Investments CC	Member
David Wayne	N/A	N/A
Chris Theron	N/A	N/A
Paul Coetzee	N/A	N/A
Ian Bamber	N/A	N/A
Justin Galloway	Little Heroes Pre-School (NPO and PBO)	Director
Bryan Butterworth	N/A	N/A
Gary Ingle	N/A	N/A
Ntombi Dludla	Nhlanto Projects Proprietary Limited	Director

Other than as outlined above, none of the Directors or members of Senior Management were partners in a partnership during the five years immediately prior to the Last Practicable Date.

A list of directorships and partnerships for directors of Major Subsidiary (not listed above) for the five years immediately prior to the Last Practicable Date will be made available at no cost upon written request to the Company.

Contracts Relating to Directors and Senior Management

New service agreements were concluded with the Executive Directors and Senior Management on with effect from 1 November 2024 which recognise their previous years of service. The new service agreements incorporate best practice provisions on, amongst others, confidentiality, conflicts of interest, intellectual property, and processing of personal information.

The material terms of the new service agreements with the Executive Directors and members of the Senior Management team are set out below. A summary of the service agreements is available for inspection as set out in "*Part XIX – Additional Information – Documents available for inspection*."

The non-executive Directors have no fixed term of appointment, save for rotation of Directors as required by the Company MOI. Other than statutory compensation to which a Director may be entitled, the Directors are not entitled to receive any benefits (including but not limited to monetary compensation) from the Company or any other company in the Group for loss of office.

No activities are performed by the Directors, directors of the Major Subsidiary and/or the members of Senior Management outside of the Group that are significant to the Group.

The dates upon which the Executive Directors and members of Senior Management were originally employed are:

Name	Year of employment
Directors	
Marek Masojada	1993
David Wayne	2007
Senior Management	
Chris Theron	1998
Paul Coetzee	2013
Ian Bamber	1995
Justin Galloway	2012
Bryan Butterworth	1998
Gary Ingle	2005
Ntombi Dludla	2021

Each of the Executive Directors' and the Senior Management's service agreements terminate automatically at the end of the month in which they reach the age of 60 years. At the discretion of the Remuneration Committee, Executive Directors and Senior Managers may be retained post normal retirement under a service contract. The service agreements are also terminable on notice and for any reason recognised in law including misconduct, poor work performance, incapacity in the form of ill-health or injury, and operational requirements. Executive Directors and members of Senior Management are subject to restraint of trade and non-solicitation undertakings upon termination of employment.

Name	Notice period	Restraint
Directors		
Marek Masojada	6 months	12 months
David Wayne	6 months	12 months
Senior Management		
Chris Theron	6 months	12 months
Paul Coetzee	6 months	12 months
Ian Bamber	6 months	12 months
Bryan Butterworth	6 months	12 months
Justin Galloway	6 months	12 months
Gary Ingle	6 months	12 months
Ntombi Dludla	6 months	12 months

The service agreements confirm that variable remuneration is subject to malus and claw-back.

All other terms and conditions of employment of Executive Directors and members of Senior Management are governed by the service agreements, read with the applicable human resource policies and local governing employment law, including, but not limited to, in South Africa certain provisions of the BCEA and EEA.

ANNEXE 12 – COMPANY SHARE PLAN

BACKGROUND TO BOXER LTIP SALIENT FEATURES

Boxer Retail Group Limited ("**Boxer**" or the "**Company**") adopted a long-term incentive plan ("**Boxer LTIP**") which uses zero-strike forfeitable shares to attract, retain, incentivise and reward key employees. The Boxer LTIP provides Participants with the opportunity to be awarded Performance Shares and/or Restricted Shares in the Company. Participants will become shareholders in the Company and will have all shareholder rights (including a right to dividends) from the Settlement Date, shortly after the Award Date.

The Boxer LTIP will be used to make awards as follows:

- Performance Shares, which are subject to Performance Conditions and the Employment Condition; and
- Restricted Shares, which are subject to the Employment Condition;
- Admission Shares, subject to Performance Conditions and the Employment Condition;
- Merit/Impact Shares, which may be Awarded to key employees below Executive level, based on specified award criteria determined by the Remuneration Committee for retention and incentivisation purposes; and
- Sign-on Shares, for new Employees, to compensate them for awards from their previous employer which were forfeited on their resignation from that employer;

Capitalised terms bear the meanings given to them in the Boxer LTIP rules. The salient features of the Boxer LTIP are detailed below. Please refer to "*Part X – Directors, Senior Management and Corporate Governance*" of the Pre-Listing Statement for additional details relating to the performance conditions, vesting periods, and award levels.

PURPOSE

The Boxer LTIP will primarily be used as in incentive to Participants to deliver on the Group's business strategy over the long term.

The Boxer LTIP will attract, retain, incentivise, and reward Eligible Employees through:

1. regular annual awards of Performance Shares;
2. a once-off Award of Performance Shares will also be made upon listing ("**Admission Award**");
3. awards of Restricted Shares where the Remuneration Committee recognises key talent below Executive Director level based on specified award criteria determined by the Remuneration Committee for retention and incentivisation purposes; and
4. awards of Restricted Shares (Merit/Impact Shares) may also be made to these individuals.

For purposes of the salient features below, the types of Awards made under the Boxer LTIP are collectively referred to as Awards of "Shares."

Details regarding the types of instruments are set out below:

- Performance Shares: The Admission Award and regular annual awards, the Vesting of which will be subject to the satisfaction of Performance Condition(s) and the Employment Condition in line with the Group's approach to performance related incentives. The Remuneration Committee will define appropriate Performance Condition(s) at the time of implementation;
- Restricted Shares: May be used to make Awards of Merit/Impact Shares where the Remuneration Committee recognises key talent below Executive Director level and for *ad hoc* Awards of Sign-on Shares used to buy-out the unvested or vested and unexercised awards of new joiners to the Company. The Vesting of Restricted Shares is subject to the Employment Condition.

The extent and nature of Performance Condition(s) applicable to the Boxer LTIP will be approved by the Remuneration Committee annually and be specifically included in the Award Letter to Participants. The Employment Condition applicable to all Awards is the requirement for continued employment of the Participant by the Employer Company within the Group.

PARTICIPANTS

The rules of the Boxer LTIP have been flexibly drafted to include as Eligible Employees all permanent and fixed-term salaried employment or office with any Employer Company within the Group.

Participation in the Boxer LTIP is neither a condition of employment for Employees, nor are Employees automatically entitled to participate in the Boxer LTIP. The Remuneration Committee retains absolute discretion regarding the making of an Award to any Employee in terms of the Boxer LTIP.

RIGHTS OF PARTICIPANTS

Participants become the beneficial owners of Shares from the Settlement Date, shortly after the Award Date, and will benefit from dividends and have shareholder voting rights in respect of those Shares before the Vesting Date.

Dividends on Performance Shares will be held in escrow, net of tax, until the Vesting Date and will be settled to Participants subject to and to the extent of the Vesting of underlying Shares. Dividends on Restricted Shares will be paid to Participants net of tax prior to the Vesting Date.

The Shares cannot be disposed of or encumbered by Participants and will be subject to forfeiture and disposal restrictions until the Vesting Date, subject to the application of the Malus and Clawback Policy.

BASIS OF AWARDS AND AWARD LEVELS

Once-off Admission Awards

Admission Award of Performance Shares will be made to key Executives, key members of Senior Management and key individuals upon listing to retain key talent instrumental in delivering the Group's business strategy.

Annual Awards

Awards of Performance Shares will be made to Executive Directors to ensure long-term shareholder value creation.

Overall Award levels will be decided by the Remuneration Committee each time new Awards are made and initial levels are described in "*Part X –Directors, Senior Management and Corporate Governance*" of the Pre-listing Statement.

PERFORMANCE CONDITIONS AND VESTING

The Remuneration Committee will set appropriate Performance Condition(s), Performance Period(s), Employment Conditions and Employment Period(s), as relevant, for each Award. Each of these details of the Award will be agreed with the Participants in terms of individual Award Letters.

Vesting of Performance Shares will take place the later of the:

- satisfaction of the Employment Condition (three years from the Award Date);
- once the Remuneration Committee has been able to test the extent to which the Performance Conditions were met over the Performance Period; and
- any other applicable conditions have been satisfied.

MANNER OF SETTLEMENT

The Boxer LTIP Rules are flexible and allow for Settlement in any of the following manners:

- by way of a market purchase of Shares;
- using existing Shares held in treasury; or
- an issue of Shares by the Company.

The exact method of Settlement will be determined by the Remuneration Committee. The Shares will be held by an Escrow Agent on behalf of the Participant until the Vesting Date.

LIMITS AND ADJUSTMENTS

Company limit

The aggregate number of Shares which may at any one time be Settled under the Boxer LTIP shall not exceed 29,999,999 Shares to all Participants, which equates to approximately 5% of the number of issued Shares as at the end of the day on which the Company lists ("**Company Limit**"). In the event that there is a discrepancy between the percentage and number of shares, the number will prevail. This is in line with market best practice.

In calculating the limit for the Boxer LTIP, new Shares allotted and issued by the Company or shares held by a Subsidiary in treasury account which have been used by the Company for Settlement of the Boxer LTIP, will be included in the Company Limit.

This Company Limit will be calculated to exclude Shares purchased in the market in Settlement of the Boxer LTIP and Shares which do not subsequently Vest in a Participant as a result of forfeiture.

Individual Limit

The maximum number of Shares which may be allocated to an individual Participant in respect of all unvested Awards under the Boxer LTIP may not exceed 2,999,999 Shares, which equates to approximately 0.5% of the number of issued Shares as at the end of the day on which the Company lists ("**Individual Limit**"). In the event that there is a discrepancy between the percentage and number of shares, the number will prevail. The Individual Limit will be calculated to exclude Shares purchased in the market in settlement of Awards and/or those settled in cash. It will also exclude Shares which do not subsequently vest as a result of forfeiture.

Adjustments

The auditors, or other independent adviser acceptable to the JSE Limited, shall confirm to the JSE Limited in writing that any adjustment made in terms of this paragraph has been properly calculated on a reasonable and equitable basis in accordance with the rules of the Boxer LTIP, and must be reported on in the Company's financial statements in the year during which the adjustment is made.

Overall, any adjustments made in accordance with paragraph 14.3 of Schedule 14 to the JSE Listings Requirements must be reported on in the Company's annual financial statements in the year during which the adjustment is made.

The issue of Shares as consideration for an acquisition and the issue of Shares for cash or a vendor consideration placing will not be regarded as a circumstance that requires any adjustment to the Company Limit or Individual Limit.

Awards under the Boxer LTIP which do not subsequently vest in a Participant as a result of the forfeiture thereof, will revert to the Boxer LTIP for re-allocation.

CONSIDERATION

The Participant will give no consideration for the Award, or Settlement of the Shares under the Boxer LTIP.

TERMINATION OF EMPLOYMENT

Fault Termination

Participants terminating their employment with a member of the Group due to resignation, retirement before normal retirement age, or dismissal on grounds of misconduct or poor work performance will be classified as a "fault termination" and forfeit all unvested Shares on the date of termination of employment, unless otherwise determined by the Remuneration Committee.

An executive who retires and/or resigns as a director on the basis that the executive is immediately re-elected in accordance with the constitutional documents of that Employer Company or any other member of the Group, shall be deemed not to have terminated employment with that Employer Company.

A Participant will not be treated as ceasing to be an employee of an Employer Company if, on the same date on which they cease to be an employee of an Employer Company, they are employed by another Employer Company.

No Fault Termination

The termination of employment at an Employer Company by a Participant due to death, ill-health, disability, injury, retrenchment, retirement on or after the normal retirement age, the sale of a subsidiary company or transfer of an Employer Company out of the Group shall be deemed a "no fault termination" and the Awards allocated to that Participant will vest early (unless the Remuneration Committee in its absolute discretion determines otherwise) on a pro-rated basis as follows:

- In the case of Performance Shares, a Participant shall receive such number of Shares as is proportional to the number of months served in the total Employment Period measured from the Award Date up to the date of termination of employment; and to reflect, the extent to which Performance Conditions of the Participant have been satisfied. The remainder of the Award will lapse.
- In the case of Restricted Shares, a Participant shall receive such number of Shares as is proportional to the number of months served in the total Employment Period measured from the Award Date up to the date of termination of employment. The remainder of the Award will lapse.

Notwithstanding the above, the Remuneration Committee has the discretion to decide that a Participant may retain their Award, despite having ceased to be employed. In such event, the Participant's Award, will not be forfeited, will continue in force in terms of the Boxer LTIP and will Vest on the original Vesting Date(s), notwithstanding that the Participant has ceased to be employed.

Remuneration Committee Discretion

The Remuneration Committee may exercise its discretion to determine the fault or no-fault status of Participants, including in the case of mutual separation agreements, and to permit Awards to be settled at the normal Vesting Date, without time pro-rating, but subject to applicable Performance Conditions, as if the Participant's employment was not terminated.

REDUCTION AND FORFEITURE (MALUS) AND CLAWBACK

The Remuneration Committee may exercise its discretion to determine that an Award is subject to reduction or forfeiture (in whole or in part) if certain trigger events occur before the applicable Settlement Date (as the case may be).

If the Remuneration Committee does so determine that all or a portion of the Participant's Award shall be forfeited, that Award shall be forfeited with effect from the date of the determination.

The Remuneration Committee may postpone the Vesting Date in respect of any Participant's Award if, at the Vesting Date, there is an ongoing investigation or other procedure being carried on to determine whether the reduction and forfeiture provisions apply in respect of a Participant or an Award.

The Remuneration Committee may exercise its discretion to determine that the amount which has been Settled to a participant (in whole or in part) must be repaid to the Company if certain trigger events occurred prior to the Vesting Date or Settlement Date, but were only discovered within three years of the Settlement Date.

A policy that specifies the trigger events for reduction and forfeiture and clawback of Awards, as well as the procedure to be followed by the Remuneration Committee to ensure procedural and substantive fairness in the exercise of its discretion, will be adopted by the Board as soon as possible after the Admission.

CORPORATE EVENTS AND VARIATION OF SHARE CAPITAL

If the Company makes a Special Distribution and/or if the Company restructures its capital in that it:

- undertakes a conversion, redemption, subdivision or consolidation of its ordinary share capital;
- undertakes a rights offer; or
- is placed into liquidation for purposes of reorganisation; or
- is a party to a scheme of arrangement; or
- undertakes a bonus or capitalisation issue,

Participants will continue to participate in the Boxer LTIP. The Remuneration Committee ("**Remco**") shall in the case of a conversion, redemption, subdivision or consolidation of share capital make such adjustments to the number of equity securities in the Company Limit as may be determined to be fair and reasonable to the Participants concerned by Remco. In all other instances, Remco may make such adjustments to the number of equity securities in the Individual Limit and the number of unvested Performance Shares and/or Restricted Shares comprised in the relevant Award held by Participants as may be determined to be fair and reasonable to the Participants concerned by Remco; provided that any adjustments shall be confirmed by the Auditors and should give a Participant the entitlement to the same proportion of the equity capital as he was previously entitled prior to the occurrence of the relevant event.

No adjustments shall be required in the event of the issue of equity securities as consideration for an acquisition, the issue of securities for cash and the issue of equity securities for a vendor consideration placing.

The Company is deemed to make a Special Distribution if it distributes Shares or any other asset to its shareholders:

- in the course of, and as part of any unbundling, reorganisation, rationalisation, compromise, arrangement or reconstruction (including the amalgamation of two or more companies or entities);
- in the course of, or as part of, a reduction of capital (including a share repurchase);
- as a special dividend or other payment in terms of the Companies Act; or
- in the course or in anticipation of the deregistration or final liquidation of a company for any of the above purposes;

Normal annual interim and final cash or scrip dividends declared by a Company are not considered "Special Distributions."

CHANGE OF CONTROL

If the Company undergoes a Change of Control after an Award Date, then the rights of Participants under the Boxer LTIP are to be accommodated on a basis which shall be determined by Remuneration Committee to be fair and reasonable (by an independent valuer) to Participants in that the Participants are no worse off than prior to the Change of Control. Remuneration Committee has the discretion to determine that a portion of a Participant's unvested Award shall Vest early on the Change of Control Date. The portion of the Award which Vests will reflect the number of complete months served between the Award Date and the Change of Control Date, divided by the total number of months in the Employment Period, provided that where the Performance Condition has not been met on the Change of Control Date, the Award will lapse and be forfeited.

The portion of the Award that does not Vest on the Change of Control Date will continue to be subject to the terms of the Boxer LTIP, unless Remuneration Committee determines otherwise. If Remuneration Committee makes such a determination, or in the event that the Participant's unvested Shares cannot continue in force in terms of the original terms and conditions, they will be exchanged for replacement benefits in terms of a similar scheme, provided that such replacement benefits must:

- put the Participant in a similar position to the position they were in immediately before the replacement benefits accrued to the Participant; and
- have a similar fair value on the transaction date as the value of the unvested Shares held by the Participant (that were not subject to early Vesting).

If the Company undergoes a Change of Control pursuant to a transaction, the terms of which transaction ensure that Participants' rights and their awards under the Boxer LTIP must be accommodated on a basis which is determined by an independent valuer to be fair and reasonable to Participants, then the pro-rated accelerated vesting shall not apply. Remuneration Committee may also vary the Performance Conditions at their discretion.

AMENDMENTS

The Remuneration Committee may propose alterations or variations of the rules of the Boxer LTIP to the Board as it sees fit, however, in the following instances the Boxer LTIP may not be amended without the prior approval of the JSE Limited and a Shareholders' resolution approved by 75% of the voting rights held by Shareholders entitled to attend and vote at the relevant Shareholders' meeting (excluding all of the votes attached to Shares owned or controlled by existing Participants in the Boxer LTIP):

- the category of employees qualifying as Eligible Employees;
- the number of Shares which may be utilised for the purpose of the Boxer LTIP;
- the individual limitations on benefits or maximum entitlements;
- the basis upon which Awards are made;
- the amount payable upon the Award, settlement or vesting of an Award;
- the voting, dividend, transfer and other rights attached to the Awards, including those arising upon liquidation of the Company;
- the adjustment of Awards in the event of a variation of capital of the Company or a Change of Control of the Company;
- the procedure to be adopted in respect of the vesting of Awards in the event of termination of employment; and
- the specific provisions on amending the Boxer LTIP rules.

GENERAL

The Boxer LTIP is a share incentive scheme as contemplated in schedule 14 to the JSE Listings Requirements, and is, accordingly, subject to the provisions of that schedule. Shareholder approval has been obtained from Boxer Holdings, in its capacity as the initial Shareholder of the Company for the Company to issue Shares, or to utilise Shares held in treasury by subsidiaries of the Company, to settle Awards under the Boxer LTIP. The Boxer LTIP is an "employee share scheme" as contemplated in section 97 of the Companies Act, and the compliance officer appointed by the Company for the Boxer LTIP in terms of that section is David Wayne, the Company's chief financial officer.

ANNEXE 13 – THE MAJOR SUBSIDIARY AND ITS DIRECTORS

Name	Registration number	Percentage ownership	Date and place of incorporation	Issued ordinary share capital	Main Business	Date of becoming subsidiary
Boxer Superstores Proprietary Limited	1988/002548/07	100%	3 May 1988, Republic of South Africa	Boxer Superstores Proprietary Limited is a retail business in the fast-moving consumer goods industry. The Company engages in the retail of food, health and beauty products, general merchandise and liquor, including additional value added-services.	Retail	29 October 2024

None of the securities of the Company's Major Subsidiary are listed on the JSE.

DIRECTORS OF MAJOR SUBSIDIARY

The details of the directors of the Major Subsidiary as at the Last Practicable Date are set out below:

Boxer Superstores Proprietary Limited

Name, age and nationality	Business address	Occupation/ function	Date of appointment as Director
Gareth Mark Ackerman 67 – South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Director	1 March 2010
Aboubakar Jakoet 68 – South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Director	8 February 2021
Sean Robin Summers 71 – South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Director	30 September 2023
Audrey Mamoshoeshoe Mothupi 54 – South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Director	8 February 2021
Lerena Olivier 49 – South African	41 The Boulevard, Westend Office Park, Westville, KwaZulu-Natal, 3610	Director	6 September 2019

It is intended that, following the date of this Pre-Listing Statement but prior to the Admission Date, the board of directors of Boxer Superstores will be reconstituted, so as to mirror the composition of the Board of the Company.

ANNEXE 14 – PRINCIPAL IMMOVABLE PROPERTIES HELD OR OCCUPIED

Details of the principal immovable properties held, occupied or leased by the Company and its Major Subsidiary are set out below.

OWNED PROPERTIES

	Name	Owner	Property description	Use	Title Deed number	Market Value at FY24
1.	East London/ Imonti DC	Boxer Superstores (Pty) Ltd ("**Boxer Superstores**")	Erf 479 East London, Buffalo City Metropolitan Municipality, Division of East London, Province of Eastern Cape, 3,4037 (three comma four zero three seven) hectares	Distribution Centre	T236/2024	ZAR60 million
2.	Benoni Gauteng (GDC2) DC	Boxer Superstores (40% undivided share) and Dariovista Proprietary Limited ("**Dariovista"**) (60% undivided share)	Erf 1113 Apex Extension 10, Registration Division IR, Province of Gauteng, 10,8243 (ten comma eight two four three) hectares Erf 1114 Apex Extension 10, Registration Division IR, Province of Gauteng, 18 (eighteen) square metres	Distribution Centre	T19707/2023	Boxer Superstores 40% undivided share: ZAR105 million
3.	Tongaat KZN DC	Boxer Superstores (100% undivided share)	Portion 6 Erf 148 Mount Moreland, Registration Division FU, Province of KwaZulu-Natal, 9,6873 (nine comma six eight seven three) hectares	Distribution Centre	T26046/2024	Boxer Superstores 100% undivided share: ZAR106 million
4.	Matatiele	Boxer Superstores	Remainder of Erf 205 Matatiele, Registration Division ES, Province of KwaZulu-Natal, 2082 (two thousand and eighty two) square metres Erf 206 Matatiele, Registration Division ES, Province of KwaZulu-Natal, 2082 (two thousand and eighty two) square metres Erf 207 Matatiele, Registration Division ES, Province of KwaZulu-Natal, 4164 (four thousand one hundred and sixty four) square metres	Store and Line Shops (Shopping Centre)	T410/2009PMB T4048/2007PMB	ZAR15 million
5.	Umtata	Boxer Superstores	Erf 54 Umtata, King Sabata Dalindyebo Municipality, District of Umtata, Province of Eastern Cape, 1345 (one thousand three hundred and forty five) square metres	Store	T708/2008	ZAR15 million

LEASED PROPERTIES ("DCs")				
	Name and Location of DC	**Lessor**	**Lessee**	**Termination Date**
1.	Benoni DC (Lease-Back of Jointly Owned Property) Warehouse and Distribution Centre situated on Benoni DC land	Boxer Superstores (40%) and Dariovista (60%)	Boxer Superstores	14 September 2038 Renewal Option: three periods of five years each
2.	Lynnfield Park DC Erf 392 Lynnfield Park	Afroprop Natal Proprietary Limited	Boxer Superstores	31 December 2029 Renewal Option: three periods of five years each
3.	Polokwane DC Portions 54 and 56 of Erf 40211 Polokwane Extension 91	Abosign Proprietary Limited	Boxer Superstores	31 October 2030 Renewal Option: three periods of five years each
4.	Cape Town Airport DC Cape Town Airport, Bahrain Road	Pick n Pay Retailers This is a sub-lease arrangement between Boxer Superstores and Pick n Pay Retailers as Pick n Pay Retailers leases premises from Clover S.A. Proprietary Limited who in turn leases the premises from Airports Company South Africa Limited. The sub-lease arrangement between Boxer Superstores and Pick n Pay Retailers is an oral agreement. The intention is for Boxer Superstores to contract directly with Clover S.A. Proprietary Limited going forward, as Boxer Superstores occupies the entire premises leased by Pick n Pay Retailers from Clover S.A. Proprietary Limited under their head lease arrangement.	Boxer Superstores	30 September 2026 Terminable by Boxer Superstores, at any time during the lease period, on 6 months' written notice to Pick n Pay Retailers. The sub-lease arrangement is subject to automatic termination in the event of any of the aforementioned lease agreements terminating or having terminated.
5	Greengate (GDC1) DC Proposed Erf 146 Greengate Extension 57 on Portion 675 of Farm Rietfontein No 189-IQ	Gateway Property Trust	Boxer Superstores	31 December 2029 Renewal Option: three periods of five years each

LEASED PROPERTIES (Head Offices)				
	Name and Location of Head Office	**Lessor**	**Lessee**	**Termination Date**
1.	41 The Boulevard, Westway Office Park, Westville	JT Ross Properties Proprietary Limited ("**JT Ross"**)	Boxer Superstores	31 March 2029
2.	30B The Boulevard, Westway Office Park, Westville	JT Ross	Boxer Superstores	31 March 2029

LEASED PROPERTIES (Warehouses)				
	Name and Location of Head Office	**Lessor**	**Lessee**	**Termination Date**
1.	Anderson Warehouse 72 Anderson Road, Hammarsdale, 3699	Amandla Power Engineering Proprietary Limited	Boxer Superstores	31 January 2025 Renewal Option: one year

ANNEXE 15 – MATERIAL BORROWINGS AND MATERIAL INTER-COMPANY BALANCES

Facilities

Pursuant to a facility letter dated 25 October 2024 between Absa Bank Limited (acting through its Corporate and Investment Banking division) ("**Absa**") and Boxer Superstores Proprietary Limited ("**Boxer Superstores**"), the parties have agreed to the below funding terms:

Commitment	ZAR1,200,000,000
Interest Rate	9.25% (Bank overnight rate at the time of writing)
Default Rate	Interest Rate plus 2%
Interest Payments	Monthly in arrears
Security	Senior unsecured
Final Maturity Date	Renewable annually; 365 days' notice is required before the facility can be cancelled by any party
Repayment Terms	Revolving facility in line with working capital requirements
Other relevant terms and conditions	The lender's standard terms and conditions will be applicable including but not limited to: • Standard conditions precedent; and • Standard Events of Default. Conditions to utilisation of a Facility shall be including but not limited to: • Boxer Retail Limited ("**Boxer**") meeting the Listing Requirements as defined by the JSE Limited together with the Results Announcement Date of the Pricing and Allocations of the IPO, subsequently followed by listing and commencement of trading of Boxer on the JSE; • Repayment by PIK of all-existing facilities under the Restructuring Support Agreement; • Standard Representations; and • Standard Undertakings.

Pursuant to a term loan agreement dated 25 October 2024 between Absa and Boxer Superstores, the parties have agreed to the below funding terms:

Commitment	ZAR660,000,000
Interest Rate	3-month JIBAR plus 1.80%
Default Rate	Interest Rate plus 2%
Interest Payments	Each period of 3 months ending on the last day of February, May, August and November of each year.
Security	Senior unsecured
Final Maturity Date	Five Years from Financial Close
Repayment Terms	On Final Maturity
Other relevant terms and conditions	Conditions to utilisation of a Facility shall be including but not limited to: • Boxer meeting the Listing Requirements as defined by the JSE Limited together with the Results Announcement Date of the Pricing and Allocations of the IPO, subsequently followed by listing and commencement of trading of Boxer on the JSE; • Repayment by PIK of all-existing facilities under the Restructuring Support Agreement; and • Other conditions as is customary for facilities of this nature. Financial Covenants: Are to apply to the consolidated financial results of the Group on a rolling last twelve month basis. The Financial Covenants are to be measured on a semi-annual basis in February and August of each year and are as follows: • Net Debt to EBITDA Ratio ≤ 2.50x with the right to increase the margin by 15 basis points if leverage exceeds 2.25x; and • EBITDA to Finance Charges Ratio ≥ 3.50x.

Pursuant to a facility letter dated 25 October 2024 between FirstRand Bank Limited (acting through its Rand Merchant Bank division) ("**RMB**") and Boxer Superstores, the parties have agreed to the below funding terms:

Commitment	ZAR800,000,000
Interest Rate	Prime less 1.65% (GBF Overdraft Rate)
Default Rate	Interest Rate plus 2%
Interest Payments	Monthly in arrears
Security	Senior unsecured
Final Maturity Date	Renewable annually; 365 days' notice is required before the facility can be cancelled by any party
Repayment Terms	Revolving facility in line with working capital requirements
Other relevant terms and conditions	Standard terms and conditions for a facility of this nature will be applicable, including but not limited to: • Standard conditions precedent; • Standard Events of Default; • Standard Representations and Warranties; and • Standard Undertakings. Conditions to utilisation of a Facility shall be including but not limited to: • Successful implementation of the Boxer IPO; • Repayment by PIK of all-existing facilities under the Restructuring Support Agreement; • Standard Representations and Warranties; and • Standard Undertakings.

Pursuant to a term loan agreement dated 24 October 2024 between RMB and Boxer Superstores, the parties have agreed to the below funding terms:

Commitment	ZAR440,000,000
Interest Rate	3-month JIBAR plus 2.00%
Default Rate	Interest Rate plus 2%
Interest Payments	Outstanding interest shall be payable quarterly in arrears
Security	Senior unsecured
Final Maturity Date	Five years from the effective date
Repayment Terms	Facility shall be repaid in full on the Final Maturity Date
Other relevant terms and conditions	Standard terms and conditions for a facility of this nature will be applicable, including but not limited to: • Standard conditions precedent; • Standard Events of Default; • Standard Representations and Warranties; and • Standard Undertakings. Conditions to utilisation of the Facility shall be including but not limited to: • Successful implementation of the Boxer IPO; • Repayment by PIK of all-existing facilities under the Restructuring Support Agreement; and • Other conditions as is customary for facilities of this nature. Financial Covenants: Are to apply to the consolidated financial results of the Group on a rolling last twelve month basis. The Financial Covenants are to be measured on a semi-annual basis and to include: • Net Debt to EBITDA Ratio $\leq$ 2.50x with a margin ratchet added to the Gross Margin should Net Debt to EBITDA exceed 2.25x; and • EBITDA to Finance Charges Ratio $\geq$ 3.50x.

Inter-Company Loan

Pursuant to a loan agreement dated 15 October 2024, between Pick n Pay Retailers and Boxer Superstores, the parties have agreed to the below funding terms:

Commitment	ZAR850,000,000
Interest Rate	Three Month JIBAR, nominal annual compounded quarterly in arrears, plus 1.85%
	"**Three Month JIBAR**" means, as at any date, the Johannesburg Interbank Agreed Rate which is the arithmetic mid-market deposit rates for a period of three months in the Johannesburg InterBank Acceptance Market, as quoted by the four largest South African Banks (as determined by the Banking Association of South Africa) at approximately 10:00, Johannesburg time, on that date. In the event of a dispute, Three Month JIBAR shall be the rate certified as such by any manager or director of ABSA Group Limited, whose appointment and authority to do so shall not be necessary to prove, and whose certificate shall, in the absence of manifest error, be final and binding on the Parties.
Default Rate	Interest Rate plus 2%
Interest Payments	Interest is serviced on a quarterly basis
Security	Unsecured
Final Maturity Date	Indefinite
Repayment Terms	On written demand by the Pick n Pay Retailers
Other relevant terms and conditions	Prepayments permitted without notice or any bonus or penalty paid to Pick n Pay Retailers

ANNEXE 16 – EXTRACTS FROM THE COMPANY MOI AND THE MEMORANDUM OF INCORPORATION OF THE MAJOR SUBSIDIARY

Set out below are extracts from the Company MOI. For a full appreciation of the provisions of the Company MOI, Shareholders are referred to the full text of the Company MOI, which is available for inspection, as set out in "*Part XIX – Additional Information – Documents Available for Inspection*."

Extracts from the Company MOI

1. AMENDMENT OF THE MOI

"3.3 **Memorandum of Incorporation and rules**

3.3.1 The requirements set out in section 16(1)(c)(i) of the Act regarding proposals for amendments to this Memorandum apply without amendment. **[Section 16(2)]**

3.3.2 Unless otherwise permitted by the JSE, the board shall not have the power to make, amend or repeal any necessary or incidental rules relating to the governance of the Company in respect of matters that are not addressed in the Act or this Memorandum, in accordance with the provisions of sections 15(3) to 15(5) of the Act. **[Section 15(3)] [Paragraph 10.4 of Schedule 10 to the Listings Requirements]**

3.3.3 If the board, or any individual authorised by the board, alters this Memorandum in any manner necessary to correct a patent error in spelling, punctuation, reference, grammar or similar defect on the face of the document, it must submit the altered Memorandum to the JSE for approval and, once approved by the JSE, publish a notice of such alteration by publishing the alterations on the Company's website, and must file a notice of alteration in the manner prescribed by the Act. **[Section 17(1)]**"

2. POWERS OF THE COMPANY

"3.2 **Powers of the Company**

This Memorandum does not restrict, limit or qualify the legal powers or capacity of the Company in section 19(1)(b) of the Act. **[Section 19(1)(b)]**"

3. AUTHORISED SECURITIES

"4.2 **Authorisation for shares**

The Company is authorised to issue the shares specified in Schedule 1, provided that, if required by the Act or the Listings Requirements, the Company may only issue: **[Section 36(1)(a)]**

4.2.1 unissued shares if they have been offered to existing shareholders of that class of shares, pro rata to their shareholdings, or have been issued for an acquisition of assets (including a vendor consideration placement) or in terms of article 4.5.2; **[Paragraph 10.1 of Schedule 10 to the Listings Requirements]**

4.2.2 unissued shares and/or grant options, to subscribe for cash, other than as envisaged in article 4.2.1 above, as the directors in their discretion think fit, if approved by the shareholders at a shareholders meeting, subject to the Listings Requirements; **[Paragraphs 10.1 and 10.9(a) of Schedule 10 to the Listings Requirements]** and

4.2.3 shares that are fully paid up. **[Paragraph 10.2(a) of Schedule 10 to the Listings Requirements]**"

4. RIGHTS OF THE SHARES

"4.1 ***Pari passu***

All the securities in each class shall rank *pari passu* in all respects. **[Section 37(1)] [Paragraph 10.5(a) of Schedule 10 to the Listings Requirements]**"

"**SCHEDULE 1**"

AUTHORISED SHARES

1. Classified shares

1.1 1,000,000,000 (one billion) ordinary no par value shares, each of which shall entitle the holder, subject to any preferences, rights or other share terms of any class of shares in the Company ranking prior to the ordinary shares:

1.1.1 to the right to be entered into the securities register of the Company as the registered holder of that ordinary share;

1.1.2 to vote on any matter to be decided by the holders of ordinary shares and to one vote for every ordinary share at every general meeting or annual general meeting, in person or by proxy; **[Paragraph 10.5(b) of Schedule 10 to the Listings Requirements]**

1.1.3 to, in person or by proxy, attend, participate in and speak at any meeting of the holders of ordinary shares;

1.1.4 to receive any distribution in accordance with the holder's voting power;

1.1.5 on a liquidation of the Company, to receive the total net assets of the Company in accordance with the holder's voting power;

1.1.6 to all of the preferences, rights or other terms set out in the Act and this Memorandum;

1.1.7 to any other rights at common law insofar as such rights are not inconsistent with this Memorandum or the Act.

2. Unclassified shares

None.

"4.14 **Limitation of voting rights**

The holders of any securities other than ordinary shares and any special shares created for the purposes of black economic empowerment in terms of the Broad-Based Black Economic Empowerment Act, 2003 and related codes of good practice published in terms thereof (Special Shares) shall not be entitled to vote on any resolution taken by the Company save as expressly provided for in this Memorandum. For so long as this is required by the Listings Requirements, in instances where shareholders (other than ordinary shareholders and holders of Special Shares) are allowed to vote at shareholders meetings or annual general meetings, their votes may not carry any special rights or privileges and they shall be entitled to one vote for each share that they hold, provided their total voting rights at a shareholders meeting or annual general meeting may not exceed 24.99% of the total voting rights of all shareholders at such meeting. **[Paragraphs 10.5(c) and 10.5(h) of Schedule 10 to the Listings Requirements]**"

5. VARIATION OF SHARE CAPITAL

4.3 **Alterations**

For so long as is required by the Listings Requirements, any amendment to this Memorandum, including but not limited to any amendment to:

4.3.1 increase or decrease the number of authorised shares of any class of shares;

4.3.2 reclassify any shares that have been authorised but not issued;

4.3.3 classify any unclassified shares that have been authorised but not issued;

4.3.4 determine the preferences, rights, limitations or other terms of any class of authorised shares or amend any preferences, rights, limitations or other terms so determined; **[Sections 36(2)(b) and 36(3)]**

4.3.5 create any class of shares;

4.3.6 convert one class of shares into one or more other classes;

4.3.7 consolidate or sub-divide securities;

4.3.8 change the name of the Company,

must be approved by special resolution of ordinary shareholders, save where such an amendment is ordered by a court in terms of sections 16(1)(a) and 16(4). **[Paragraphs 10.5(d) and 10.9(c) of Schedule 10 to the Listings Requirements] [Sections 36(2)(b) and 36(3)]**

"10.1 **Amendment of classes of shares, preferences, rights, limitations or other terms**

If any amendment to this Memorandum relates to the variation of any preferences, rights, limitations and other terms attaching to any other class of shares already in issue, that amendment must not be implemented without a special resolution taken by the holders of the shares of that class of shares at a separate meeting. In such instances, the holders of the shares of that class of shares may be allowed to vote at the meeting of ordinary shareholders subject to article 4.14 and the Listings Requirements. No resolution of shareholders may be proposed or passed, unless a special resolution of the holders of the shares of that class of shares have approved the amendment. **[Paragraph 10.5(e) of Schedule 10 of the Listings Requirements]**"

6. ISSUE OF SECURITIES

"4.2 **Authorisation for shares**

The Company is authorised to issue the shares specified in Schedule 1, provided that, if required by the Act or the Listings Requirements, the Company may only issue: **[Section 36(1)(a)]**

4.2.1 unissued shares if they have been offered to existing shareholders of that class of shares, pro rata to their shareholdings, or have been issued for an acquisition of assets (including a vendor consideration placement) or in terms of article 4.5.2; **[Paragraph 10.1 of Schedule 10 to the Listings Requirements]**

4.2.2 unissued shares and/or grant options, to subscribe for cash, other than as envisaged in article 4.2.1 above, as the directors in their discretion think fit, if approved by the shareholders at a shareholders meeting, subject to the Listings Requirements; **[Paragraphs 10.1 and 10.9(a) of Schedule 10 to the Listings Requirements]** and

4.2.3 shares that are fully paid up**. [Paragraph 10.2(a) of Schedule 10 to the Listings Requirements]**"

"4.5 **Capitalisation shares**

This Memorandum does not limit, restrict or qualify the authority of the board, in terms of section 47 of the Act, to:

4.5.1 approve the issue of any authorised shares of the Company as capitalisation shares, on a *pro rata* basis to the shareholders of one or more classes of shares;

4.5.2 approve the issue of shares of one class as capitalisation shares in respect of shares of another class; or

4.5.3 permit shareholders to elect to receive a cash payment *in lieu* of a capitalisation share, at a value determined by the board. **[Sections 47(1) and (2)] [Paragraphs 10.6 and 10.7 of Schedule 10 to the Listings Requirements]**"

7. ODD-LOT OFFERS

"10.3 **Odd lot offer**

If, upon the implementation of any odd-lot offer made by the Company, or pursuant to or following any odd-lot offer made by the Company which is unconditional, in accordance with the Listings Requirements, there are shareholders holding less than 100 ordinary shares or shareholders holding less than 100 ordinary shares on behalf of a person who owns the beneficial interest in such shares ("**odd-lot holdings**"), then, unless such shareholders have elected to retain their odd-lot holdings, the directors shall, with the approval of an ordinary resolution, be entitled to cause the odd-lot holdings to be sold on such basis as the directors may determine and the Company shall account to such shareholders for the proceeds attributable to them pursuant to the sale of such odd-lot holdings."

8. AUTHORITY OF THE BOARD OF DIRECTORS

"9.3 **Authority of the board of directors**

The authority of the board to manage and direct the business and affairs of the Company, as contemplated in section 66(1), is not limited, restricted or qualified by this Memorandum. **[Section 66(1)]**"

"9.4 **Authority of the board of directors in relation to foreign jurisdictions**

Subject to applicable law and the provisions of this Memorandum:

9.4.1 if it is necessary, expedient or desirable to take any action because of legal impediments or compliance with the laws or the requirements of any regulatory body of any jurisdiction outside the Republic that may be applicable to any relevant shareholder; or

9.4.2 any other difficulty arises in connection with corporate actions to be undertaken by the Company in such jurisdiction,

the Company shall be entitled to take such action or resolve such matter as the directors in their discretion may deem fit, provided that in taking such action, the directors shall do so in an orderly manner."

"9.9 **Committees and delegation**

9.9.1 Without derogating from any of the provisions of the Act, nothing in this Memorandum (including this article 9.9) limits, restricts or qualifies the authority of the board to appoint any number of committees of directors, or to delegate to any such committee or any executive director of the Company any of the authority of the board. **[Section 72(1)]**

9.9.2 Except to the extent that any board resolution establishing a committee provides otherwise, the members of the committee:

9.9.2.1 may include persons who are not directors of the Company, but any such person must not be ineligible or disqualified to be a director in terms of section 69 of the Act, and any such persons shall not have a vote on any matter to be decided by the committee;

9.9.2.2 may consult with or receive advice from any person;

9.9.2.3 may be remunerated for their services as such; and

9.9.2.4 provided that the committee is duly constituted, have the full authority of the board in respect of any matter referred to it. **[Section 72(2)]**

9.9.3 Without derogating from any of the provisions of the Act, the board may from time to time, where it has established a committee or delegated any authority of the board to an executive director of the Company in terms of articles 9.9.1 and 9.9.2 above include in any such delegation the power to sub-delegate the powers referred to in articles 9.9.1 and 9.9.2 above to such person or persons as the committee or the executive director thinks fit, subject to such terms and conditions as the committee or the executive director thinks fit, and may from time to time revoke, withdraw, alter or vary all or any such powers."

9. COMPOSITION OF BOARD OF DIRECTORS

"9.1 **Composition of the board of directors**

9.1.1 This Memorandum specifies 4 directors as the minimum number of directors of the Company, which number is higher than the minimum number of directors required in terms of section 66(2) of the Act. **[Sections 66(2) and (3)] [Paragraph 10.16(a) of Schedule 10 to the Listings Requirements]**

9.1.2 Subject to article 9.2 and the Listings Requirements, the shareholders shall elect the directors, and shall be entitled to elect one or more alternate directors, in accordance with the provisions of section 68(1) of the Act.

9.1.3 Subject to article 9.2, this Memorandum does not stipulate any additional qualifications or eligibility requirements than those set out in the Act or the Listings Requirements for a person to become or remain a director or a prescribed officer of the Company, provided that, for as long as the Listings Requirements require it, the board, through its committee delegated with the responsibility to consider nominations, should recommend eligibility of directors. **[Section 69(6)] [Paragraph 10.16(g) of Schedule 10 to the Listings Requirements]**

9.1.4 Subject to the Act and this Memorandum, at every annual general meeting of the Company, at least one third of the non-executive directors (as determined in accordance with the Listings Requirements) for the time being or, if their number is not a multiple of 3, then the number nearest to, but not less than one-third or if there are less than 3, then all the non-executive directors shall retire from office. The nomination committee of the board shall determine which directors are to retire at each annual general meeting, taking into account, *inter alia*, the requirements of the Act, the Listings Requirements, any corporate governance charter adopted by the board from time to time, the length of time that each director has served in office since their last election and the need to stagger board retirements, provided that notwithstanding anything to the contrary in this Memorandum: **[Paragraph 10.16(g) of Schedule 10 to the Listings Requirements]**

9.1.4.1 at the Company's first annual general meeting, all the directors shall retire from office;

9.1.4.2 if at the date of any annual general meeting any non-executive director shall have held office for a period of 3 years since his last election or appointment (computed from his last election, appointment or date upon which he was deemed re-elected), he shall retire at such meeting either as one of the non-executive directors to retire in terms of this article 9.1.4, or in addition to the non-executive directors who retire in terms of this article 9.1.4;

9.1.4.3 a non-executive director who intends to retire voluntarily at the annual general meeting may be taken into account in determining the one third of the non-executive directors to retire at such meeting;

9.1.4.4 the identity of the non-executive directors to retire at such annual general meeting shall be determined as at the date of the notice convening such meeting; and

9.1.4.5 a non-executive director retiring at an annual general meeting shall retain office until the close or adjournment of such meeting. **[Section 68(1)] [Paragraph 10.16(g) of Schedule 10 of the Listings Requirements]**

9.1.5 Retiring directors shall be eligible for re-election to the office of director at any shareholders meeting only upon the recommendation of the board. **[Paragraph 10.16(g) of Schedule 10 of the Listings Requirements]**

9.1.6 Without derogating from the provisions of the Act, a director shall cease to be a director:

9.1.6.1 if the director gives notice to the Company of the director's resignation as a director with effect from the date of, or such later date as is provided for in, such notice;

9.1.6.2 if the director becomes insolvent, or assigns the director's estate for the benefit of the director's creditors or suspends payment of the director's liabilities or files a petition for the sequestration of the director's affairs, or compounds with the director's creditors;

9.1.6.3 if the director becomes of unsound mind;

9.1.6.4 if the director is absent from meetings of the board for 3 consecutive meetings without leave of the board and is not represented at any such meetings during such 3 consecutive meetings by an alternate director and the board resolves that the office be vacated, provided that the board shall have power to grant any director leave of absence for any, or an indefinite, period;

9.1.6.5 if the director is, pursuant to the provisions of the Act, disqualified or ceases to hold office or is prohibited from acting as a director; or

9.1.6.6 if the director is requested in writing by all the director's co-directors to resign.

9.2 **Vacancies**

9.2.1 The board may appoint any person who satisfies the requirements for election as a director to fill any vacancy and serve as a director on a temporary basis until the vacancy is filled by election in accordance with section 68(1) of the Act. **[Section 68(3)]**

9.2.2 If the number of directors falls below the minimum provided for in this Memorandum, the remaining directors must as soon as possible and in any event not later than 3 months from the date that the number of directors falls below the minimum, fill the vacancies or call a shareholders meeting for the purpose of filling the vacancies.

9.2.3 If required by the Listings Requirements:

9.2.3.1 the appointment of a director to fill a vacancy or as an addition to the board must be confirmed by shareholders at the next annual general meeting; and **[Paragraph 10.16(c) of Schedule 10 of the Listings Requirements]**

9.2.3.2 after the expiry of the 3-month period, the remaining directors shall be permitted to act only for the purpose of filling vacancies or calling shareholders meetings for the purpose of filling the vacancies. **[Paragraph 10.16(d) of Schedule 10 of the Listings Requirements]**"

9.13 **Life directorships**

For so long as required by the Listings Requirements, life directorships and directorships for an indefinite period are not permissible. **[Paragraph 10.16(k) of Schedule 10 to the Listings Requirements]**

10. ALTERNATE DIRECTORS

"9.1.2 Subject to article 9.2 and the Listings Requirements, the shareholders shall elect the directors, and shall be entitled to elect one or more alternate directors, in accordance with the provisions of section 68(1) of the Act. **[Section 68(1)]**"

11. DIRECTORS' MEETINGS

"9.5 **Directors' meetings**

9.5.1 This Memorandum does not restrict the directors from acting otherwise than at a meeting, as contemplated in section 74(1) of the Act, which at the date of the adoption of this Memorandum provides that a decision that could be voted on at a meeting of the board of a company may instead be adopted by written consent of a majority of the directors, given in person, or by electronic communication, provided that each director has received notice of the matter to be decided. For so long as it is required by the Listings Requirements, any resolution passed in terms of this article 9.5.1 must be inserted in the minute book of the Company (which may be retained electronically) and any such resolution may consist of several documents and shall be deemed to have been passed on the date on which it was signed by the last director who signed it (unless a statement to the contrary is made in that resolution). **[Section 74(1)] [Paragraph 10.16(j) of Schedule 10 of the Listings Requirements]**

9.5.2 The percentage or number of directors upon whose request a meeting of the board must be called in terms of section 73(1) of the Act is not amended by this Memorandum. **[Section 73(1) and 73(2)]**

9.5.3 This Memorandum does not restrict the board from conducting meetings, or directors from participating in meetings, by electronic communication, as contemplated in section 73(3) of the Act. **[Section 73(3)]**

9.5.4 The authority of the board to determine the manner and form of giving notice of its meetings is not limited, restricted or qualified, provided that subject to article 9.5.5 no meeting of the board may be convened without notice being given to all of the directors. **[Section 73(4)]**

9.5.5 The authority of the board to proceed with a board meeting in accordance with the requirements of section 73(5)(a) of the Act, despite a failure or defect in giving notice of the meeting, applies without limitation, restriction or qualification. **[Section 73(5)(a)]**

9.5.6 The quorum requirement for a directors' meeting to begin, the voting rights at such a meeting, and the requirements for approval of a resolution at such a meeting, as set out in section 73(5) of the Act, are not varied by this Memorandum. As at the date of adoption of this Memorandum, in terms of section 73(5) of the Act:

9.5.6.1 if all of the directors of the Company: (i) acknowledge actual receipt of the notice; (ii) are present at a meeting; or (iii) waive notice of the meeting, the meeting may proceed even if the company failed to give the required notice of that meeting, or there was a defect in the giving of the notice;

9.5.6.2 a majority of the directors must be present at a meeting before a vote may be called at a meeting of the directors;

9.5.6.3 each director has one vote on a matter before the board;

9.5.6.4 a majority of the votes cast on a resolution is sufficient to approve that resolution; and

9.5.6.5 in the case of a tied vote: (i) the chairperson or, in the absence of the chairperson, the lead independent director, may cast a deciding vote, if the chairperson or lead independent director (as relevant) did not initially have or cast a vote; or (ii) the matter being voted on fails, in any other case. **[Sections 73(5)(b), 73(5)(c), 73(5)(d) and 73(5)(e)]**

9.5.7 Subject to the Listings Requirements, in the case of an equality of votes at any meeting of the directors, the chairperson or, in the absence of the chairperson, the lead independent director shall have a second or casting vote. **[Paragraph 10.16(i) of Schedule 10 of the Listings Requirements]**"

12. CHAIRPERSON

"9.6 **Chairperson**

9.6.1 The directors may elect from their number a chairperson and a deputy chairperson/s and/or lead independent director as appropriate, and decide the period for which each is to hold office. The directors may also remove any of them from such office at any time. If neither a chairperson, deputy chairperson, nor a lead independent director has been appointed or if at any meeting of the directors, neither the chairperson, deputy chairperson, nor lead independent director is present within 5 minutes after the time appointed for holding the meeting, the directors present may choose one of their number to be chairperson of the meeting.

9.6.2 If at any time there is more than one lead independent director and/or deputy chairperson, the right in the absence of the chairperson to preside at a meeting of the directors or of the Company shall be determined as between the lead independent director(s) and/or deputy chairperson(s) present, if more than one deputy chairperson is present, by seniority in length of appointment or otherwise as resolved by the directors. **[Paragraph 10.16(i) of Schedule 10 to the Listings Requirements]**

9.6.3 The chairperson shall, subject to the Act and this Memorandum and any decision of the board, determine the procedure to be followed at that meeting."

13. PAYMENTS TO DIRECTORS AND FINANCIAL ASSISTANCE

"9.7 **Directors' compensation and financial assistance to directors**

9.7.1 The ability of the Company to pay remuneration to its directors for their service as directors as contemplated in section 66(8) of the Act applies without limitation, restriction or qualification. **[Section 66(8)]**

9.7.2 For so long as it is required by the Act, the remuneration contemplated in article 9.7.1, shall from time to time be approved by a special resolution adopted by the shareholders within the previous 2 years.

9.7.3 As per article 3.5 above, this Memorandum does not limit, restrict or qualify the authority of the board to authorise the Company to provide direct or indirect financial assistance to directors or persons related to directors contemplated in section 45 of the Act. **[Section 45(2)]**"

"9.9 **Committees and delegation**

…

9.9.2 Except to the extent that any board resolution establishing a committee provides otherwise, the members of the committee:

…

9.9.2.3 may be remunerated for their services as such"

"9.12 **Directors' travelling and other expenses**

Directors may be paid all their travelling and other expenses, properly and necessarily incurred by them in and about the business of the Company, and in attending meetings of the directors or of committees of the directors; and, if any director is required to perform extra services, to reside abroad or be specifically occupied about the Company's business, he may be entitled to such remuneration as is determined by a disinterested quorum of directors, which may be either in addition to or in substitution for any other remuneration payable, subject to the provisions of the Act. **[Paragraph 10.16(f) of Schedule 10 to the Listings Requirements]**"

"3.5 **Financial assistance to related persons**

Subject to compliance with the requirements of the Act, the authority of the board to authorise the Company to provide direct or indirect financial assistance to any person contemplated in section 45 of the Act applies without limitation, restriction or qualification. **[Section 45(2)]**"

"4.4 **Financial assistance for the subscription or purchase of securities or options**

The authority of the board to authorise the Company to provide financial assistance to any person for the purpose of, or in connection with, the subscription of any option, or any securities, issued or to be issued by the Company or a related or inter-related company, or for the purchase of any securities of the Company or any related or inter-related company, in accordance with the Act applies without limitation, restriction or qualification. **[Section 44(2)]**"

"10.2 **Distributions**

10.2.1 Distributions may be declared by the board in accordance with the provisions of the Act and the Listings Requirements, which as at the date of adoption of this Memorandum are that the Company must not make any proposed distribution unless:

10.2.1.1 the distribution: (i) is pursuant to an existing legal obligation of the Company, or a court order; or (ii) the board, by resolution, has authorised the distribution;

10.2.1.2 it reasonably appears that the Company will satisfy the solvency and liquidity test immediately after completing the proposed distribution; and

10.2.1.3 the board, by resolution, has acknowledged that it has applied the solvency and liquidity test, as set out in section 4, and reasonably concluded that the Company will satisfy the solvency and liquidity test immediately after completing the proposed distribution.

[Section 46] [Paragraph 8 and 10.17(a) of Schedule 10 to the Listings Requirements]

10.2.2 No distribution shall bear interest against the Company, except as otherwise provided under the conditions of issue of the shares in respect of which such distribution is payable.

10.2.3 Any distribution, interest or other sum payable in cash to the holder of a share may be paid by electronic bank transfer to such account as the payee or payees direct in writing.

10.2.4 Every such payment shall be at the risk of the person or persons entitled to the money represented thereby, and any transfer or payment in terms of the Memorandum shall be a good discharge to the Company.

10.2.5 A holder or any 1 of 2 or more joint holders, or his or their agent duly appointed in writing, may give valid receipts for any distribution or other monies paid in respect of a share held by such holder or joint holders.

10.2.6 A distribution may also be paid in any other way determined by the directors, and if the directives of the directors in that regard are complied with, the Company shall not be liable for any loss or damage which a shareholder may suffer as a result thereof.

10.2.7 Subject to the provisions of the Memorandum and to the rights attaching to any shares, any distribution, interest or other sum payable on or in respect of a share may be paid in such currency as the directors may determine, using such exchange rate for currency conversions as the directors may select.

10.2.8 The company may cease to make any electronic transfer to any bank account for any distribution on any shares which is normally paid in that manner if in respect of at least 2 consecutive dividends payable on those shares the electronic transfer cannot be completed to the bank account provided but, subject to the provisions of the Memorandum, shall make electronic bank transfers in respect of the dividends payable on those shares if the holder or person entitled by transmission claims the arrears of dividend and does not instruct the Company to pay future dividends in some other way.

10.2.9 The directors may from time to time make such regulations as they may think fit regarding the declaration and payment of distributions to shareholders having registered addresses outside the Republic. Such regulations may provide for the payment of such dividends in any foreign currency and the rate of exchange at which such payment shall be made and any other similar matters. **[Paragraph 10.17 (a) of Schedule 10 to the Listings Requirements]**

10.2.10 Distributions must be payable to shareholders registered as at a date subsequent to the date of declaration or the date of confirmation of the distribution, whichever is later. **[Paragraph 10.17 (b) of Schedule 10 to the Listings Requirements]**

10.2.11 For so long as is required by the Listings Requirements, the Company must hold all monies due to shareholders in trust for the benefit of shareholders, provided that the board may cause any such monies unclaimed for a period of 3 years (from the due date for payment) to be forfeited for the benefit of the Company. **[Paragraph 10.17(c) of Schedule 10 to the Listings Requirements]**"

14. EXECUTIVE DIRECTORS

"9.11 **Executive Directors**

9.11.1 Subject to compliance with the Listings Requirements with regard to corporate governance and the composition of the board, the board may appoint, from time to time, any person as a chief executive officer, a financial director, or as any other executive of the Company, who shall be employees of the Company, or as a director or employee of a company controlled by, or itself a major subsidiary of the Company, on such terms and conditions of employment as to remuneration and otherwise as may be determined from time to time by a disinterested quorum of the board. **[Paragraph 10.16(e) of Schedule 10 to the Listings Requirements]**

9.11.2 Subject to the provisions of any contract between such executive officer and the Company, the executive officer shall be a director and shall be subject to the same provisions as to disqualification and removal as the other directors of the Company.

9.11.3 The directors may from time to time entrust to, and confer upon, the chief executive officer and/or chief financial officer or other executive director appointed in terms of article 9.11.1 such powers exercisable in terms of this Memorandum by the directors as they may think fit, and may confer such powers for such time and to be exercised for such objects and purposes, and upon such terms and conditions, and with such restrictions, as they think expedient; and they may confer such powers either collaterally with or to the exclusion of and in substitution for all or any of the powers of the directors in that respect, and may from time to time revoke, withdraw, alter or vary all or any of such powers."

15. INDEMNIFICATION OF DIRECTORS, OFFICERS AND EMPLOYEES

"9.8 **Indemnification of directors, officers and employees**

9.8.1 For the purposes of this article 9.8, 'director' shall have the meaning ascribed to that term in section 78(1) of the Act.

9.8.2 The ability of the Company to advance expenses to a director to defend any legal proceedings arising from his service to the Company, or to directly or indirectly indemnify a director against such expenses if the proceedings are abandoned or exculpate the director or arise in respect of any liability for which the Company may indemnify the director in terms of sections 78(5) and 78(6) of the Act applies without limitation, restriction or qualification. **[Section 78(4)]**

9.8.3 This Memorandum does not limit, restrict or qualify the ability of the Company to indemnify a director in respect of any liability arising out of the director's service to the Company to the fullest extent permitted by the Act. **[Section 78(5)]**

9.8.4 Subject to the provisions of the Act, every director and other officer or employee of the Company (Indemnified Person) shall be indemnified and held harmless by the Company against, and it shall be the duty of the directors out of the funds of the Company to pay, all costs, losses and expenses, including reasonable travelling and subsistence expenses, which any such Indemnified Person may incur or become liable to pay by reason of any contract entered into, or any act or omission done or omitted to be done by him in the discharge of his duties or in his capacity as such Indemnified Person, unless such an act or omission is attributable to his own negligence, default, breach of duty or breach of trust.

9.8.5 Subject to the provisions of the Act, no Indemnified Person shall be liable for:

9.8.5.1 any act or omission of any other Indemnified Person; or

9.8.5.2 joining in any receipt or other act; or

9.8.5.3 any loss or expense suffered by the Company in consequence of any absence of, or any defect in, any title to any property acquired by order of the directors for or on behalf of the Company; or

9.8.5.4 any absence of, or defect in, any security upon which any of the monies of the Company shall be invested; or

9.8.5.5 any loss or damage arising from the insolvency or delictual act of any person with whom any monies, shares or assets shall be deposited; or

9.8.5.6 any loss or damage occasioned by any error of judgement or oversight on the part of such Indemnified Person; or

9.8.5.7 any other loss, damage or misfortune whatever which shall happen in or in relation to the execution of his office or employment,

unless the same be attributable to his own negligence, default, breach of duty or breach of trust.

9.8.6 This Memorandum does not limit, restrict or qualify the ability of the Company to purchase insurance to protect a director against any liability or expenses for which the Company is permitted to indemnify a director in terms of the Act and this Memorandum, or to protect the Company against any contingency including, but not limited to:

9.8.6.1 any expenses that the Company is permitted to advance or for which the Company is permitted to indemnify a director in terms of the Act; or

9.8.6.2 any liability for which the Company is permitted to indemnify a director in terms of the Act. **[Section 78(7)]**

Extracts from the Memorandum of Incorporation of the Major Subsidiary

1. AMENDMENT OF THE MOI

"**5. AMENDMENTS TO THE MOI**

Save for correcting errors substantiated as such from objective evidence or which are self-evident errors (including, but without limitation *ejusdem generis*, spelling, punctuation, reference, grammar or similar defects) in the MOI, which the Board is empowered to do, all other amendments of the MOI shall be effected in accordance with section 16(1) and 16(4) and a Special Resolution passed by the Holders of the ordinary Shares."

2. POWERS OF THE COMPANY

"4. **POWERS AND CAPACITY OF THE COMPANY**

4.1. The Company has the powers and capacity of an Individual.

4.2. Notwithstanding the omission from this MOI of any provision to that effect, the Company may do anything which the Companies Act empowers a company to do if so authorised by its MOI."

3. AUTHORISED SECURITIES

"**6. AUTHORISED SECURITIES AND ALLOTMENT AND ISSUE**

6.1 The Company is authorised to issue (which includes Shares already issued at any time) 40 000 000 (forty million) ordinary Shares, with a par value of R0.005 (half a cent) each, which shall have Voting Rights in respect of every matter that may be decided by voting and which shall rank after all other classes of Shares in the Company which do not rank *pari passu* with the ordinary Shares as regards Distributions and returns of capital, but save as aforesaid shall be entitled to receive the net assets of the Company upon its liquidation;

6.2 The Board shall not have the power to amend the authorisation (including increasing or decreasing the number) and classification of shares (including determining rights and preferences) as contemplated in section 36(2)(b) or 36(3).

6.3 To the extent that the Company immediately before the Effective Date had authorised but unissued par value Shares in its capital of a class of which there are issued Shares, the unissued Shares of that class may be issued at par or at a premium or at a discount, subject to the requirements of section 40."

6.4. All or any of the rights, privileges or conditions for the time being attached to any class of Securities of the Company may (unless otherwise provided by the terms of issue of the Securities of that class) whether or not the Company is being wound up, be varied in any manner with the consent in writing of the Holders of not less than 3/4 (three fourths) of the issued Securities of that class, or with the sanction of an Ordinary Resolution with the support of more than 50% (fifty percent) of the Voting Rights Exercised on the Ordinary Resolution at a separate meeting of the Holders of that class. The provisions of this MOI relating to Shareholders' Meetings shall *mutatis mutandis* apply to any such separate meeting."

6.5 Notwithstanding any implication in this MOI to the contrary, the Board may not authorise any financial assistance by the Company in connection with the subscription for or purchase of its Securities or those of a related or inter-related company without complying with section 44(3).

4. ISSUE OF SECURITIES

"**7. AUTHORITY TO ISSUE SECURITIES**

7.1 Subject to clause 7.2 below, the Board shall not have the power to allot and issue authorised Shares, options relating to such Shares, secured and unsecured debt instruments and other Securities, without the prior approvals, as set out below:

7.1.1 in respect of Shares and options for the allotment and subscription of Shares (other than Shares, options, or a grant of any other rights exercisable for Shares as contemplated in section 41(1) and (3), which are dealt with in clause 7.1.4 below), the directors shall not have the power to allot or issue same without the prior approval of an Ordinary Resolution;

7.1.2 in respect of secured and unsecured debt instruments as contemplated in section 43 of the Act (but not with any special privileges as contemplated in section 43(3), which is dealt with in 7.1.5 below), the directors shall not have the power to allot or issue same without the prior approval of an Ordinary Resolution;

7.1.3 in respect of capitalisation Shares or the offer of a cash payment *in lieu* of awarding a capitalisation Share in accordance with the requirements of section 47 of the Act, the directors shall not have the power to allot or issue same without the prior approval of an Ordinary Resolution;

7.1.4 in respect of Shares as contemplated in sections 41(1) and (3), the directors shall not have the power to allot or issue same without the prior approval of a Special Resolution;

7.1.5 in respect of secured and unsecured debt instruments to which special privileges are granted as contemplated in section 43(3), the directors shall not have the power to allot or issue same without the prior approval of an Ordinary Resolution; and

7.1.6 in respect of other Securities (including Shares, other than Shares contemplated in sections 41(1) and (3) of the Act, which are dealt with in clause 7.1.4 above), the directors shall not have the power to allot or issue same without the prior approval of an Ordinary Resolution.

7.2 Any such approval may be in the form of a general authority to the Directors, whether conditional or unconditional, to allot or issue any such Securities contemplated in clauses 7.1.1 to 7.1.3 in their discretion, or in the form of a specific authority in respect of any particular allotment or issue of such Securities contemplated in clauses 7.1.4 and 7.1.5. Such authority shall endure for the period provided in the Ordinary or Special Resolution in question but may be revoked by Ordinary Resolution or Special Resolution, as the case may be, at any time."

"**8. PRE-EMPTION ON ISSUE OF SHARES**

Save if –

8.1 ordinary Shares are to be issued for the acquisition of any asset or for an Amalgamation or Merger;

8.2 the Shareholders by Ordinary Resolution approve the issue of ordinary Shares for any purpose without this clause applying;

8.3 a capitalisation issue of ordinary Shares is to be undertaken;

8.4 ordinary Shares are to be issued in terms of option or conversion rights;

each Shareholder holding ordinary Shares has a right, before any other Person who is not an ordinary Shareholder, to be offered and within a reasonable time to subscribe for a percentage of the ordinary Shares to be issued equal to the Voting Power of that Shareholder's general Voting Rights immediately before the offer was made, The *pro rata* offer to the ordinary Shareholders shall be Delivered in writing (and clause 32.3 shall not apply) specifying the number of ordinary Shares offered, and specifying a time (which shall not be less than 30 (thirty) days) by which the offer must be accepted and the requisite portion of the subscription price paid, failing which it shall be deemed to be rejected. After the expiration of the time within which an offer may be accepted, or on the receipt of an intimation from the Person to whom the offer is made that he/she/it declines to accept the ordinary Shares offered, the Directors may, subject to the aforegoing provisions, issue such ordinary Shares in such manner as they think most beneficial to the Company. The Directors may in like manner dispose of any such ordinary Shares which by reason of the ratio which such ordinary Shares bear to ordinary Shares held by ordinary Shareholders entitled to such offer as aforesaid or by reason of any other difficulty in apportioning such ordinary Shares cannot, in the opinion of the Directors, be conveniently offered in the manner provided above."

5. AUTHORITY OF THE BOARD OF DIRECTORS

"**24. GENERAL POWERS AND DUTIES OF DIRECTORS**

24.1 The powers of management granted to the Directors in terms of section 66(1) are limited in that the total amount owing by the Company in respect of monies borrowed by the Company shall not exceed the amount authorised by Pick n Pay Retailers Proprietary Limited or if it is no longer the Holding Company, by the Company's Holding Company from time to time.

24.2 The Directors may –

24.2.1 establish and maintain any non-contributory or contributory pension, superannuation, provident and benefit funds for the benefit of; and

24.2.2 give pensions, gratuities and allowances to and make payments for or towards the insurance of,

any persons who are employees or ex-employees (including Directors or ex-Directors) of the Company, or of any company which is or was a subsidiary of the Company or is or was in any way allied to or associated with it or any such subsidiary, and the wives, widows, families and dependants of such persons.

24.3 For so long as the Company has only 2 (two) Directors and that is permitted to be the minimum number of Directors, any 1 (one) Director may exercise any power or perform any function of the Board at any time, without notice or compliance with any other internal formalities of the Company.

24.4 The Board may from time to time appoint one or more of the Directors to the office of managing Director or manager (provided always that the number of Directors so appointed as managing Director or joint managing Directors and/or the holders of any other executive office including a chairperson who holds an executive office but not a chairperson who is a non-executive Director shall at all times be less than ½ (one half) of the number of Directors in office) for such period (not exceeding 5 (five) years) and may offer remuneration (whether by way of salary or commission, or participation in profits or partly in one way and partly in another) and generally on such terms it may think fit, and it may be made a term of her/his appointment that she/he be paid a pension, gratuity or other benefit on her/his retirement from office.

24.5 The Board may from time to time entrust to and confer upon a managing Director or manager for the time being such of the powers vested in the Directors as it may think fit, and may confer such powers for such time and to be exercised for such objects and upon such terms and with such restrictions as it may think expedient; and it may confer such powers either collaterally or to the exclusion of, and in substitution for, all or any of the powers of the Directors, and may from time to time revoke or vary all or any of such powers. A managing Director appointed pursuant to the provisions hereof shall not be regarded as an agent or delegate of the Directors and after powers have been conferred upon her/him by the Board in terms hereof she/he shall be deemed to derive such powers directly from this clause."

"**17. AUDIT COMMITTEE AND AUDITOR**

In the event that the Company appoints an Audit committee and Auditor:

17.1 The Company must pay all expenses reasonably incurred by its Audit committee, including, if the Audit committee considers it appropriate, the fees of any consultant or specialist engaged by the Audit committee to assist it in the performance of its functions.

17.2 No Person shall be elected as a member of the Audit committee, if she/he is Ineligible or Disqualified and any such election shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be elected as a member of the Audit committee nor act as a member of the Audit committee. A Person placed under probation by a court must not serve as a member of the Audit committee unless the order of court so permits.

17.3 A member of the Audit committee shall cease to hold office as such immediately she/he becomes Ineligible or Disqualified in terms of the Companies Act.

17.4 There are no general qualifications prescribed by the Company for a Person to serve as a member of the Audit committee in addition to the requirements of the Companies Act.

17.5 For so long as the Company is required to be audited in terms of the Companies Act, the Company shall appoint an Auditor at its Annual General Meeting provided that if an Annual General Meeting does not appoint or reappoint an Auditor, the Directors must fill the vacancy in the office in terms of the procedure contemplated in section 91 within 40 (forty) Business Days after the date of the Annual General Meeting. A retiring Auditor may be automatically re-appointed at an Annual General Meeting without any resolution being passed, unless-

17.5.1 the retiring Auditor is –

17.5.1.1 no longer qualified for appointment;

17.5.1.2 no longer willing to accept the appointment, and has so notified the company; or

17.5.1.3 required to cease serving as auditor, in terms of section 92;

17.5.2 the Audit committee, if any, objects to the re-appointment; or

17.5.3 the Company has notice of an intended resolution to appoint some other person or persons in place of the retiring Auditor.

7.1 Any firm of auditors appointed by the Company as the Auditor shall ensure that the Individual responsible for performing the Audit must comply with the requirements of section 90(2).

17.6 The Auditor –

17.6.1 has the right of access at all times to the Accounting Records and all books and documents of the Company, and is entitled to require from the Directors or Prescribed Officers any information and explanations necessary for the performance of the Auditor's duties;

17.6.2 has the right of access to all current and former financial statements of any Subsidiary and is entitled to require from the Directors or Prescribed Officers of the Company or Subsidiary any information and explanations in connection with any such statements and in connection with the Accounting Records, books and documents of the Subsidiary as necessary for the performance of the Auditor's duties; and

17.6.3 is entitled to –

17.6.3.1 attend any Shareholders Meeting;

17.6.3.2 receive all notices of and other communications relating to any Shareholders Meeting; and

17.6.3.3 be heard at any Shareholders Meeting on any part of the business of the meeting that concerns the Auditor's duties or functions;

17.6.4 may not perform any services for the Company –

17.6.4.1 that would place the Auditor in a conflict of interest as prescribed or determined by the Independent Regulatory Board for Auditors in terms of section 44(6) of the Auditing Profession Act; or

17.6.4.2 as may be prescribed by the Audit committee, if any.

17.7 If a vacancy arises in the office of Auditor, the Board –

17.7.1 must appoint a new Auditor within 40 (forty) Business Days, if there was only 1 (one) incumbent Auditor; and

17.7.2 may appoint a new Auditor at any time, if there was more than 1 (one) incumbent, but while any such vacancy continues, the surviving or continuing Auditor may act as auditor of the Company.

If, by comparison with the membership of a firm at the time of its latest appointment, less than ½ (one half) of the members remain after a change in the composition of the members, that change constitutes the resignation of the firm as Auditor of the company, giving rise to a vacancy.

17.8 Before making an appointment in terms of clause 17.7 the Board –

17.8.1 must propose to the Audit committee, if any, within 15 (fifteen) Business Days after the vacancy occurs, the name of at least one Registered Auditor to be considered for appointment as the new Auditor; and

17.8.2 may proceed to make an appointment of a Person proposed in terms of clause 17.8.1 if, within 5 (five) Business Days after delivering the proposal, the Audit committee, if any, does not give notice in writing to the Board rejecting the proposed auditor.

17.9 The Auditor may resign from office by giving the Company 1 (one) month's Written notice or less than that with the prior Written approval of the Company.

17.10 If the Auditor is removed from office by the Board, the Auditor may, by giving Written notice to that effect to the Company by not later than the end of the financial year in which the removal took place, require the Company to include a statement in its annual Financial Statements relating to that financial year, not exceeding a reasonable length, setting out the Auditor's contention as to the circumstances that resulted in the removal. The Company must include this statement in the Director's report in its annual Financial Statements."

"25. BOARD COMMITTEES

25.1 The Directors may appoint any number of Board committees (which may include a financial review committee) and delegate to such committees any authority of the Board. The members of any such committees may include Persons, in addition to the members who are Directors, who are not Directors as long as they are not Ineligible or Disqualified to be Directors, but such Persons shall not be able to vote. A Director may be appointed to more than one Board committee.

25.2 An Ineligible or Disqualified Person shall not be appointed as a member of a Board committee, and any such appointment shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be appointed as a member of a Board committee nor act as such a member. A Person placed under probation by a court must not serve as a member of a Board committee unless the order of court so permits.

25.3 There are no general qualifications prescribed by the Company for a Person to serve as a member of a Board committee in addition to the requirements of the Companies Act.

25.4 A member of a Board committee shall cease to hold office as such immediately she/he becomes Ineligible or Disqualified in terms of the Companies Act.

25.5 Committees of the Board may consult with or receive advice from any person, within reason and for a reasonable cost.

25.6 Meetings and other proceedings of a committee of the Board consisting of more than 1 (one) member shall be governed by the provisions of this MOI regulating the meetings and proceedings of Directors."

6. APPOINTMENT OF DIRECTORS

"20. ELECTION OF DIRECTORS AND ALTERNATE DIRECTORS AND VACANCIES

20.1 The minimum number of Directors shall be 2 (two). Any failure by the Company at any time to have the minimum number of Directors, does not limit or negate the authority of the Board, or invalidate anything done by the Board or the Company.

20.2 Each of the Directors and the Alternate Directors, other than a Director contemplated in clause 20.8, shall be elected (which in the case of a vacancy arising shall take place at the next Shareholders' Meeting or by Round Robin Resolution held or taken within 6 (six) months of the vacancy arising), in accordance with clause 20.5, to serve until resignation, retirement or removal, as a Director or Alternate Director. An Alternate Director shall serve in the place of 1 (one) or more Director/s named in the resolution electing her/him during the Director's/s' absence or inability to act as Director, but may also attend any meetings of Directors as a non-voting observer when the Director, in whose place s/he would serve in the absence or inability of that Director to act, is present at the meeting. If a Person is an Alternate Director to more than 1 (one) Director or if an Alternate Director is also a Director, she/he shall have a separate vote, on behalf of each Director she/he is representing in addition to her/his own vote, if any.

20.3 There are no general qualifications prescribed by the Company for a Person to serve as a Director or an Alternate Director in addition to the requirements of the Companies Act.

20.4 No individual Director shall be entitled to appoint any Person as an Alternate Director to himself/herself.

20.5 In any election of Directors and Alternate Directors, the election is to be conducted as follows –

20.5.1 a series of votes of those entitled to exercise votes regarding such election, each of which is on the candidacy of a single individual to fill a single vacancy, with the series of votes continuing until all vacancies on the Board at that time have been filled; and

20.5.2 in each vote to fill a vacancy –

20.5.2.1 each Voting Right entitled to be exercised may be exercised once; and

20.5.2.2 the vacancy is filled only if a majority of the Voting Rights exercised support the candidate.

20.6 No Person shall be elected as a Director or Alternate Director, if she/he is Ineligible or Disqualified and any such election shall be a nullity. A Person who is Ineligible or Disqualified must not consent to be elected as a Director or Alternate Director nor act as a Director or Alternate Director. A Person placed under probation by a court must not serve as a Director or an Alternate Director unless the order of court so permits.

20.7 No election of a Director shall take effect until he/she has delivered to the Company a Written consent to serve.

20.8 Any casual vacancy occurring on the Board may be filled by the Board, but the Individual so appointed shall cease to hold office at the termination of the first Shareholders Meeting to be held after the appointment of such Individual as a Director unless she/he is elected at such Shareholders Meeting or by Round Robin Resolution.

20.9 The continuing Directors (or sole continuing Director) may act notwithstanding any vacancy in their body, but, if and so long as their number is reduced below the number fixed by or pursuant to this MOI as the quorum, the continuing Directors or Director may act only for the purpose of summoning a Shareholders Meeting or filling vacancies not later than 6 (six) months from the date that the number falls below the minimum.

20.10 If there is no Director able and willing to act, then any Holder entitled to exercise Voting Rights in the election of a Director may convene a Shareholders Meeting for the purpose of electing Directors.

20.11 All acts done by the Board or of any Board committee, or by any Person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of the Director/s or Person acting as aforesaid, or that they or any of them were disqualified or had vacated office or were not qualified to vote, be as valid as if every such Director/Person had been duly appointed and was qualified to be and to act and vote as a Director."

7. PAYMENTS TO DIRECTORS

"22. REMUNERATION OF DIRECTORS AND ALTERNATE DIRECTORS AND MEMBERS OF BOARD COMMITTEES

22.1 The Directors or Alternate Directors or members of Board committees of the subsidiary companies in the Pick n Pay Group, other than Pick n Pay Retailers Proprietary Limited (company registration number 1973/004739/07), and the Company, do not, as a matter of course, receive remuneration for their services.

22.2 In the event that remuneration is resolved upon, the Directors or Alternate Directors or members of Board committees shall be entitled to such remuneration for their services as Directors or Alternate Directors or members of Board committees as may have been determined from time to time by Special Resolution within the previous 2 (two) years. In addition, the Directors and Alternate Directors shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the Directors and Holders, and the members of the Board committees shall be entitled to all reasonable expenses in travelling (including hotels) to and from meetings of the members of the Board committees as determined by a disinterested quorum of Directors. The Company may pay or grant any type of remuneration contemplated in sections 30(6)(b) to (g) to any executive Directors.

22.3 A Director may be employed in any other capacity in the Company or as a director or employee of a company controlled by, or itself a subsidiary of, the Company and in that event, his/her appointment and remuneration in respect of such other office must be determined by a disinterested quorum of Directors."

8. FINANCIAL ASSISTANCE

"6.5 Notwithstanding any implication in this MOI to the contrary, the Board may not authorise any financial assistance by the Company in connection with the subscription for or purchase of its Securities or those of a related or inter-related company without complying with section 44(3)."

"23. FINANCIAL ASSISTANCE FOR DIRECTORS AND PRESCRIBED OFFICERS AND THEIR RELATED AND INTER-RELATED PARTIES

23.1 The Board's powers to provide direct or indirect financial assistance as contemplated in section 45(2) are not limited in any manner.

23.2 If the Board adopts a resolution as contemplated in section 45(2) regarding financial assistance to the Directors/Prescribed Officers and others contemplated in that section, the Company shall Deliver to all Shareholders, notice in Writing of that resolution unless every Shareholder is also a Director, and to any trade union representing its employees –

23.2.1 within 10 (ten) Business Days after the Board adopts the resolution, if the total value of all loans, debts, obligations or assistance contemplated in that resolution, together with any previous such resolution during the financial year, exceeds 1/10th (one tenth) of 1% (one percent) of the Company's net worth at the time of the resolution; or

23.2.2 within 30 (thirty) Business Days after the end of the financial year, in any other case."

9. DISTRIBUTIONS

"30. DISTRIBUTIONS

30.1 The Company –

30.1.1 may make Distributions from time to time, provided that –

30.1.1.1 any such Distribution –

30.1.1.1.1 is pursuant to an existing legal obligation of the Company, or a court order; or

30.1.1.1.2 has been authorised by the Board, by resolution;

30.1.1.2 it reasonably appears that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution;

30.1.1.3 the Board, by resolution, has acknowledged that it has applied the Solvency and Liquidity Test and reasonably concluded that the Company will satisfy the Solvency and Liquidity Test immediately after completing the proposed Distribution; and

30.1.2 must before incurring any debt or other obligation for the benefit of any Holders, comply with the requirements in clause 30.1.1,

and must complete any such Distribution fully within 120 (one hundred and twenty) Business Days after the acknowledgement referred to in clause 30.1.1.3, failing which it must again comply with the aforegoing.

30.2 No notice of change of address or instructions as to payment given after the determination of a dividend or other Distribution by the Company in terms of clause 30.1.1.1, shall become effective until after the dividend or other Distribution has been made, unless the Board so determines at the time the dividend or other Distribution is approved.

30.3 All unclaimed dividends or other Distributions as contemplated in this clause may be invested or otherwise be made use of by the Directors for the benefit of the Company until claimed, provided that any dividend or other Distribution remaining unclaimed for a period of not less than 3 (three) years from the date on which it became payable may be forfeited by resolution of the Directors for the benefit of the Company.

30.4 The Company shall be entitled at any time to delegate its obligations in respect of unclaimed dividends or other unclaimed Distributions, to any *one* of the Company's bankers from time to time."

ANNEXE 17 – KING-CODE REGISTER

Application of the King IV Code Principles

The board of directors of Boxer (the "**Board**") is committed to complying with the requirements of the Companies Act, No. 71 of 2008, as amended from time to time (the "**Companies Act**"), the JSE Listings Requirements (the "**JSELR**") and the King Report on Corporate Governance for South Africa 2016 ("**King IV**").

The principles of King IV are adopted and applied by Boxer as disclosed in this document.

Capitalised words used and not defined herein shall bear the meaning ascribed to them in the Boxer Board Charter.

Principle 1: Leadership **The Board should lead ethically and effectively**	The Company's governance framework, including but not limited to, the Board Charter, the Board committees' ("**Committees**") terms of reference ("**TOR**") and the Company's Code of Ethics and related policies highlights the Board's commitment to ethical and effective leadership. In terms of the Board Charter, the Board subscribes to ethical and effective leadership of the Company and its subsidiaries (together, the "**Group**") and accepts responsibility for acting in accordance with King IV and ensuring ethical behaviour. In order to ensure effective leadership, the Nominations and Corporate Governance Committee ("**NomGov**") is responsible for assisting the Board in identifying candidates that will secure the appropriate mix of skills, experience and independence on the Board. Furthermore, the Board, its Committees and individual Directors are evaluated annually to ensure continued improvement in the Board's performance and effectiveness. The Board Charter and Committee TOR will be reviewed on an annual basis to ensure alignment with best practice. Further information in this regard will be published in Boxer's integrated annual report ("**Integrated Annual Report**") and corporate governance report ("**Corporate Governance Report**"), which will be updated annually.
Principle 2: Organisational ethics **The Board should govern the ethics of the Group in a way that supports the establishment of an ethical culture**	The Board has adopted a suite of policies that articulate the Group's ethical principles, including the Group's Code of Ethics, Anti-Bribery and Corruption Policy, Conflicts of Interest Policy, Whistleblowing Policy and Dealing in Securities Policy. These policies are applicable to all employees and Directors. The Social, Ethics and Transformation Committee ("**SETC**") supports the Board in monitoring and reporting on the ethical conduct of the Company, its Board, executives and senior officers in terms of the Group's corporate governance policies. The Company also provides for an independently administered anonymous tip line to enable employees and third parties to report any alleged or perceived breach of the Group's values and ethical principles. In terms of the Board Charter, the chief executive officer of the Company ("**CEO**") and the chief financial officer of the Company ("**CFO**") have been delegated the responsibility of fostering a corporate culture that promotes ethical practices and encourages individual integrity. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 3: Responsible corporate citizenship **The Board should ensure that the Group is and is seen to be a responsible corporate citizen**	The Board is responsible for overseeing the Group's environmental, social and governance ("**ESG**") activities and reviewing progress against long-term ESG targets, including in respect of carbon emissions, energy intensity, water usage, food waste and recycling. The SETC has been mandated with monitoring the Group's overall responsible corporate citizenship performance, which includes monitoring and reporting on the manner and extent to which the Group protects, enhances and invests in and impacts on the economy, society, the workplace and the environment in which it operates. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 4: Strategy and performance **The Board should appreciate that the Group's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are all inseparable elements of the value creation process**	Taking cognisance of the inter-connectedness of the various elements of the value creation process, including risks and opportunities, strategy, the business model, performance and sustainable development, the Board ensures that each element receives the necessary attention. In this regard, the Board is responsible for staying up to date on risks and changes in the environment and reviewing and approving management's strategic and business plans and monitoring corporate performance against such plans. Pursuant to the Audit, Risk and Compliance Committee's ("**ARCC**") TOR, the ARCC has been mandated with the overall governance and monitoring of risks, which includes considering the opportunities and associated risks when developing strategy and the potential positive and negative effects of the same risks on achieving organisational objectives. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 5: Reporting **The Board should ensure that reports issued by the Company enable stakeholders to make informed assessments of the Company's performance and its short-, medium- and long-term prospects**	The Group's annual financial statements ("**Annual Financial Statements**"), Integrated Annual Report and Corporate Governance Report are prepared in accordance with global reporting standards, including the International Integrated Reporting Framework, the International Financial Reporting Standards and the Global Reporting Initiative's Standards, and will be published on the Boxer investor relations website. The ARCC is responsible for oversight of the preparation of the Annual Financial Statements, Integrated Annual Reports and Corporate Governance Reports to ensure the integrity of the process for compiling the reports and the information contained therein. The Board is responsible for reviewing and approving the Annual Financial Statements and the Integrated Annual Report to ensure that they present an accurate and balanced view of the Group's state of affairs and that assurance on the disclosures in the Annual Financial Statements is provided by the internal and external auditors. The annual suite of reports aims to present stakeholders with an increased understanding of the Group's operations and a holistic view of the Group's performance and its short-, medium- and long-term prospects. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 6: Primary role and responsibilities of the Board **The Board should serve as the focal point and custodian of corporate governance in the Company**	The Board is the governing authority of the Company and is responsible for the overall governance of the Group. The Board Charter sets out the Board's role and responsibilities, including the responsibility to govern the Group in a transparent, equitable and responsible manner that balances the needs, interests and expectations of all stakeholders and the best interest of the Group. In addition, pursuant to the Board Charter, the Board endorses and has committed itself to the principles of good corporate governance and corporate citizenship as set out in King IV. In terms of the Board Charter, the Committee TOR and various delegations of authority, the Board guides and directs the roles, responsibilities and conduct of the Directors and certain employees within the Group. The Board is satisfied that it has fulfilled its responsibilities in accordance with the Company's memorandum of incorporation, the Board Charter, King IV, the JSELR and the Companies Act. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 7: Composition of the Board **The Board should comprise the appropriate balance of knowledge, skills, experience, diversity and independence for it to discharge its governance role and responsibilities objectively and effectively**	The Board comprises seven (7) Non-Executive Directors and two (2) Executive Directors. Five (5) of the Non-Executive Directors (71%) are independent. The Company Chair is an Independent Director. Director profiles will be available in the Integrated Annual Report and on the Boxer investor relations website. Directors are appointed through a formal and transparent process in terms of which the NomGov is mandated with identifying suitable candidates for recommendation to the Board for final approval. The NomGov seeks to ensure the appropriate mix of skills, experience and independence on the Board and gives due consideration to the knowledge, skills and resources required as well as the Board size, diversity (in accordance with the Board-approved diversity targets) and demographics to ensure its effectiveness. The independence of each Independent Director is assessed annually to ensure the categorisation as independent continues to be appropriate. The roles of Company Chair and CEO are separate with a clear division of responsibilities. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 8: Committees of the Board **The Board should ensure that its arrangements for delegation within its own structures promote independent judgement, and assist with balance of power and the effective discharge of its duties**	To assist with the effective discharge of its duties, the Board has established the following standing Committees: • Audit Risk and Compliance Committee ("**ARCC**"); • Social, Ethics and Transformation Committee ("**SETC**"); • Remuneration Committee ("**RemCom**"); and • Nominations and Corporate Governance ("**NomGov**"). Delegation to these Committees is recorded in written TOR, which have been approved by the Board and are reviewed annually. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 9: Evaluation of the performance of the Board **The Board should ensure that the evaluation of its own performance and that of its Committees, its chair and its individual members, supports continued improvement in its performance and effectiveness**	The Board is responsible for conducting an annual evaluation of its contribution to the Group as a whole, in addition to evaluating its Committees and each individual Director to ensure continued improvement in the Board's performance and effectiveness. The Lead Independent Director is responsible for carrying out the evaluation of the Company Chair's performance. The Board is satisfied that the evaluation process is improving its performance and effectiveness. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 10: Appointment and delegation to management **The Board should ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities**	The Company's delegation of authority framework, which includes a Delegation of Authority Policy, ensures a clear delineation of roles and areas of accountability. In terms of the Board Charter, the Board has delegated the authority to oversee and control the management of the day-to-day affairs of the Group to the CEO and the CFO, subject to clearly defined limits of authority. The Board is satisfied that the delegation of authority framework contributes to role clarity and the effective exercise of authority and responsibilities. The NomGov is responsible for overseeing the succession planning for the Board. Following an assessment to confirm the necessary qualifications, competence and expertise, the Board has appointed a company secretary for Boxer ("Company Secretary") who is responsible for providing guidance on corporate governance and the Board's legal responsibilities. The Board confirms it has created an environment in which the Company Secretary can have an arm's length relationship with the Directors. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 11: Risk governance **The Board should govern risk in a way that supports the Company in setting and achieving its strategic objectives**	The Board is responsible for the governance and management of risk and has established, and delegated oversight of risk governance to, the ARCC. The ARCC is responsible for ensuring that the direction for the way in which risk is managed, as set by the Board, is implemented. The responsibility of designing, implementing and monitoring the risk management plan is delegated to management. The Board, with the assistance of the ARCC, annually identifies risk and opportunities that have the potential to significantly impact the Group's performance and ability to create sustainable value for our stakeholders. The Board is satisfied that the Group's risk management process is effective in continuously assessing risk and opportunities and ensuring these risks are managed in line with the Group's business strategy. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 12: Technology and information governance **The Board should govern technology and information in a way that supports the Company setting and achieving its strategic objectives**	The Board oversees information technology ("IT") governance, ensuring that appropriate structures, systems, and controls are in place to manage IT risks effectively. The ARCC has been mandated with assisting the Board in setting the direction of how IT should be approached and managed and the responsibility to implement and execute effective IT management is delegated to management. The ARCC is responsible for reviewing and approving IT strategies, initiatives, policies and frameworks to ensure alignment with the overall Group strategy. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 13: Compliance governance **The Board should govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the Company being ethical and a good corporate citizen**	The Board is responsible for annually approving an integrated compliance framework that addresses compliance with statutory, legislative and regulatory requirements and ensures that processes and compliance controls are in place to manage compliance risks. The Company Secretary is responsible for providing guidance on the Company's compliance with all statutory and regulatory requirements and Directors receive regular briefings in respect of updates on regulatory compliance. The ARCC is mandated with overseeing regulatory compliance and the responsibility for the implementation and execution of effective compliance management is delegated to management. Management is required to report bi-annually to the ARCC on all compliance matters. There were no material or repeated regulatory penalties, sanctions or fines for contraventions of, or non-compliance with, statutory obligations, other than traffic violation fines in the normal course of business. No compliance inspections by environmental regulators had taken place during the period under review and no incidences of non-compliance with environmental laws were identified.
Principle 14: Remuneration governance **The Board should ensure that the Company remunerates fairly, responsibly and transparently so as to promote the achievement of strategic objectives and positive outcomes in the short, medium and long-term**	The Group's remuneration policy has been developed to, among other things, attract, motivate, reward and retain human capital in line with the Company's transformation objectives and promote the achievement of the Group's strategic objectives. The RemCom is mandated with ensuring that the Group remunerates fairly, responsibly and transparently and ensuring such remuneration is disclosed annually by means of a remuneration report. The RemCom ensures that the Group remains up to date with evolving legislation and remuneration practices across the retail industry. Independent and objective expert advice is obtained as required, including in respect of industry benchmarking and the fair and transparent structure of variable short-term and long-term benefits in order to drive performance and achieve retention. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

Principle 15: Assurance **The Board should ensure that assurance services and functions enable an effective control environment, and that these support the integrity of information for internal decision-making and of the Company's external reports**	The Board is responsible for ensuring arrangements are made for a combined assurance model that incorporates and optimises all assurance services and functions. The Group's combined assurance model is interrogated by the ARCC to ensure that it is designed and implemented to effectively cover the Group's significant risks and material matters and is tabled bi-annually to ensure that the Board is comfortable with the level and type of assurance obtained by the Group. The Group's internal audit function forms an integral part of the combined assurance model as it is independent of business operations and provides assurance on the adequacy and effectiveness of internal controls. The Board is satisfied that the Group's combined assurance model has been effective in achieving transparent and accurate financial reporting, sound risk management and mitigation, and an effective level of residual risk. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.
Principle 16: Stakeholder relationships **In the execution of its governance role and responsibilities, the Board should adopt a stakeholder–inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the Company over time**	The Board is responsible for ensuring that the Group is managed in a way that balances the needs, interests and expectations of all stakeholders and the best interest of the Group. It is committed to stakeholder engagement that is constructive, fair, transparent and conducted in a manner that is aligned with the Group's values. The SETC is mandated with approving and monitoring the Group's stakeholder engagement strategy and plan and the overall management of stakeholder risk. The Group pursues an integrated programme of stakeholder engagement to ensure that the business: • remains accessible and accountable to key stakeholders; • engages regularly on material matters; and • reports to the Board on all material stakeholder engagements, including any emerging risks or opportunities. Further information in this regard will be published in Boxer's Integrated Annual Report and Corporate Governance Report, which will be updated annually.

ANNEXE 18 – DEFINITIONS, GLOSSARY AND INTERPRETATIONS

In this Pre-listing Statement, unless otherwise stated or the context clearly indicates otherwise, the words in the first column have the meanings stated opposite them in the second column, words in the singular shall include the plural and *vice versa*, words importing one gender include the other genders and references to a person include juristic persons and associations of persons and *vice versa*:

"A2X"	the A2X Market, the market infrastructure licensed as an exchange in terms of section 9 of the Financial Markets Act;
"**Absa**"	Absa Bank Limited, a public company incorporated under the laws of South Africa with registration number: 1986/004794/06;
"**AD Manual**"	has the meaning ascribed to the term in "*Part XVI – Exchange Control*";
"**Admission Date**"	the date of the Admission, which is expected to be 28 November 2024;
"**Admission**"	admission by introduction, as a primary listing, in accordance with the JSE Listings Requirements, of all of the Ordinary Shares on the Main Board of the JSE;
"**Affected Jurisdiction**"	Australia, Japan and any other jurisdiction where the distribution of this Pre-listing Statement or the making of the Offer may be illegal, fails to conform to the laws of such jurisdictions or would require further action in order to conform with those laws;
"**At Incorporation Historical Financial Information of Boxer Retail Limited**"	has the meaning ascribed to the term in "*Annexe 5 – At Incorporation Historical Financial Information Of Boxer Retail Limited*";
"**Audit, Risk and Compliance Committee**"	the audit, risk and compliance committee of the Board from time to time, comprising, as at the Last Practicable Date, Jesmane Boggenpoel, Cindy (Hess) Robertson (Committee Chair) and Leon Lourens;
"**Authorised Dealer**"	has the meaning ascribed to the term in "*Part XVI – Exchange Control*";
"**B-BBEE Act**"	the Broad-Based Black Economic Empowerment Act, No. 53 of 2003, as amended;
"**B-BBEE**"	broad-based black economic empowerment as defined in the B-BBEE Act;
"**BCEA**"	the South African Basic Conditions of Employment Act, No. 75 of 1997;
"**Black People**"	black people as defined in the B-BBEE Act;
"**Board Committees**"	the committees constituted by the Board from time to time;
"**Board**" or "**Directors**"	the board of directors of the Company and "**Director**" means any member of the Board, as the context so requires;
"**Boxer LTIP**"	the Company's share plan, being a long-term incentive plan, as further described in "*Annexe 12 – Company Share Plan*" to this Prelisting Statement;
"**Boxer Superstores LTIP Investment**"	has the meaning ascribed to the term in "*Part II – Overview of the Offer – Cornerstone Investment and Boxer Superstores LTIP Investment*";
"**Boxer Superstores LTIP Investment Shares**"	has the meaning ascribed to the term in "*Part II – Overview of the Offer – Cornerstone Investment and Boxer Superstores LTIP Investment*";
"**Boxer Superstores**"	Boxer Superstores Proprietary Limited, registration number: 1988/002548/07, a private company incorporated in accordance with the laws of South Africa, wholly-owned by the Company;
"**Boxer Superstores Group**"	Boxer Superstores and its subsidiaries;
"**Boxer Eswatini**"	Boxer Superstores Eswatini Limited, registration number: 103/76, a private company incorporated in accordance with the laws of Eswatini, wholly owned by Boxer Superstores;
"**Boxer Holdings**"	Boxer Holdings Proprietary Limited, registration number: 1990/005520/07, a private company incorporated in accordance with the laws of South Africa;
"**Broker**"	any person registered as a "broking member equities" in terms of the rules of the JSE in accordance with the provisions of the Financial Markets Act;
"**business day**"	a day (excluding Saturdays, Sundays and public holidays) on which banks are generally open for business in South Africa;
"**Business Hours**"	the hours between 9:00 and 17:00 (SAST), on a business day;
"**CEO**"	the chief executive officer of the Company from time to time, being Marek Masojada as at the Last Practicable Date;
"**Certificated Form**"	recorded in physical paper form on the Register without reference to the Strate System;
"**CFO**"	the chief financial officer of the Company from time to time, being David Wayne as at the Last Practicable Date;
"**Chairperson**"	the chairperson of the Board from time to time, being James Roger Formby, as at the Last Practicable Date;

"**CIPC**"	the South African Companies and Intellectual Property Commission established in terms of section 185 of the Companies Act;
"**CMA**" or "**Common Monetary Area**"	the Common Monetary Area consisting of South Africa, the Republic of Namibia and the Kingdoms of Lesotho and Eswatini;
"**Code**"	the U.S. Internal Revenue Code of 1986, as amended;
"**Companies Act**"	the South African Companies Act, No. 71 of 2008 (as amended) together with the South African Companies Regulations, 2011;
"**Company MOI**"	the Company's memorandum of incorporation, relevant extracts of which are set out in "*Annexe 16 – Extracts from the Company MOI and the Memorandum of Incorporation of the Major Subsidiary*" to this Pre-listing Statement;
"**Company Secretary**"	the company secretary of the Company from time to time, being Vaughan Pierce, as at the Last Practicable Date;
"**Company**" or "**Boxer**"	Boxer Retail Limited (formerly Boxer Retail Proprietary Limited), a public company incorporated under the laws of South Africa with registration number: 2024/392006/06;
"**Condensed Consolidated Interim Historical Financial Information"**	the reviewed condensed consolidated historical financial information of Boxer Superstores for the 26 weeks ended 25 August 2024 and 27 August 2023, which consists of the following information: (i) the consolidated statement of financial position as at 25 August 2024 and 27 August 2023, (ii) the consolidated statement of comprehensive income, (iii) the consolidated statement of changes in equity and (iv) the consolidated statement of cash flows for the 26 weeks ended 25 August 2024 and 27 August 2023, and the notes thereto, as set out in "*Annexe 3 – Condensed Consolidated Interim Historical Financial Information of Boxer Superstores Proprietary Limited for the 26 Weeks Ended 25 August 2024 and 27 August 2023*" to this Pre-listing Statement;
"**Consolidated Annual Historical Financial Information**"	the audited consolidated historical financial information of Boxer Superstores for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, which consists of the following information: (i) the consolidated statement of financial position as at 25 February 2024, 26 February 2023 and 27 February 2022, (ii) the consolidated statement of comprehensive income, (iii) the consolidated statement of changes in equity and (iv) the consolidated statement of cash flows for the 52 weeks ended 25 February 2024, 26 February 2023 and 27 February 2022, and the notes thereto, as set out in "*Annexe 1 – Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited for the 52 Weeks Ended 25 February 2024, 26 February 2023 and 27 February 2022*" to this Pre-listing Statement;
"**Consolidated Historical Financial Information**"	the Consolidated Annual Historical Financial Information and the Condensed Consolidated Interim Historical Financial Information;
"**Constitution**"	the Constitution of the Republic of South Africa, 1996;
"**Cornerstone Investor**"	IFC;
"**CSDP**"	a Central Securities Depository Participant, as defined in the Financial Markets Act, appointed by a Shareholder for purposes of, and in regard to, dematerialisation of shares evidenced by physical documents of title into the Strate System;
"**Dematerialise**"	the process by which shares in Certificated Form are deposited with a CSDP and documents of title evidencing such shares are replaced by an electronic record of such shares in the Strate System;
"**Dematerialised Form**"	Ordinary Shares that have been Dematerialised and are held and traded in such form;
"**EEA**"	the European Economic Area;
"**Eligible Employee**"	an employee who is identified by the Remuneration Committee as being eligible to participate in the Company Share Plan;
"**entity**"	any association, business, close corporation, company, concern, enterprise, firm, partnership, trust, undertaking, voluntary association or other similar entity (whether incorporated or unincorporated);
"**Ernst & Young**" or "**EY**"	Ernst & Young Inc., a personal liability company incorporated under the laws of South Africa with registration number: 2005/002308/21;
"**Eswatini**"	Kingdom of Eswatini;
"**EU Prospectus Regulation**"	The Prospectus Regulation (Regulation (EU) 2017/1129, as amended);
"**Exchange Control Regulations**"	the South African Exchange Control Regulations, 1961 as promulgated by Government Notice R.1111 of 1 December 1961 and amended up to Government Notice R.445 of 8 June 2012, in terms of section 9 of the South African Currency and Exchanges Act, No. 9 of 1933 (as amended);
"**Executive Directors**"	those executive Directors who are identified in "*Part X – Directors, Senior Management and Corporate Governance*" to this Pre-listing Statement;
"**FAIS Act**"	the South African Financial Advisory and Intermediary Services Act, No. 37 of 2002 (as amended);
"**FEC**"	foreign exchange contract;
"**Financial Markets Act**"	the South African Financial Markets Act, No. 19 of 2012 (as amended);
"**FinSurv**"	the Financial Surveillance Department of the SARB;

"**FirstRand Bank Limited**"	FirstRand Bank Limited, a public company incorporated in accordance with the laws of South Africa with registration number: 1929/001225/06;
"**FRSC**"	the Financial Reporting Standards Council;
"**GAAP**"	generally accepted accounting principles;
"**GDP**"	gross domestic product;
"**Government**"	the government of South Africa;
"**Group**"	the Company and its subsidiaries;
"HEPS"	headline earnings per share, determined in accordance with SAICA Circular 1/2023 Headline Earnings;
"**IFC**"	The International Finance Corporation;
"**IFRS**"	the IFRS® Accounting Standards as issued by the International Accounting Standards Board;
"**Income Tax Act**"	the South African Income Tax Act, No. 58 of 1962 (as amended);
"**Independent Auditor**"	Ernst & Young;
"**ISIN**"	international securities identification number;
"**Joint Global Coordinators and Joint Bookrunners**"	RMB, Morgan Stanley, Absa and Standard Bank;
"**JSE**"	the Johannesburg Stock Exchange, a securities exchange operated by the JSE Limited and licensed under the Financial Markets Act;
"**JSE Limited**"	JSE Limited, a public company incorporated under the laws of South Africa with registration number: 2005/022939/06, licensed to operate as an exchange under the Financial Markets Act;
"**JSE Listings Requirements**"	the listings requirements issued by the JSE Limited under the Financial Markets Act to be observed by issuers of equity securities listed on the JSE (as amended);
"**King Code**"	the Code of Corporate Practices and Conduct as set out in the King IV Report on Corporate Governance for South Africa, 2016;
"**Last Practicable Date**"	30 October 2024;
"**Lead Independent Director**"	the lead independent director of the Board being Charlotte Mary Chichi Machichana Maponya, as at the Last Practicable Date;
"**Living Standard Measure**" or "**LSM**"	a research tool used in South Africa to classify standard of living and disposable income, which segments the population into ten deciles based on their relative means, with LSM 1 having the least means and 10 having the greatest means.
"**Lock-Up Arrangements**"	the lock-up arrangements agreed to by (i) the Company under the Placement Agreement and (ii) Pick n Pay Retailers and certain members of Senior Management (insofar as they receive Ordinary Shares in terms of the Boxer LTIP) under separate deeds of adherence;
"**Lock-Up Period**"	in relation to the Company, a period of 365 days from the Admission Date, in relation to Pick n Pay Retailers, a period of 180 days from the Admission Date and in relation to Senior Management, a period of 180 days from the Admission Date;
"**Major Subsidiary**"	the major subsidiary (as defined in the JSE Listings Requirements) of the Company, which subsidiary is set out in "*Annexe 12 – The Major Subsidiary and Its Directors*" to this Pre-listing Statement;
"**Member State**"	member states of the European Economic Area;
"**Minimum Acceptance Condition**"	the minimum number of acceptances which is required for the Offer to become unconditional, being the number necessary to ensure the Company meets the free-float and shareholder spread requirements, as prescribed by the JSE Listings Requirements and acceptable to the JSE Limited;
"**Morgan Stanley**"	Morgan Stanley & Co International plc, a company incorporated under the laws of England and Wales with registration number: 165935;
"Nominations and Corporate Governance Committee"	the nominations and corporate governance committee of the Board from time to time, comprising, as at the Last Practicable Date, Jesmane Boggenpoel, Cindy (Hess) Robertson, Leon Lourens and Charlotte Mary Chichi Machichana Maponya (Committee Chair);
"**Non-IFRS Financial Information**"	financial information that is not presented in accordance with IFRS or any other generally accepted accounting principles, as set out in "*Annexe 7 – Non-IFRS Financial Information*" to this Pre-listing Statement;
"**Offer**"	the offer by the Company of the Subscription Shares as a primary offering to be implemented in accordance with, and subject to, the terms and conditions contained in the Placement Agreement;
"**Offer Price Range**"	the proposed pricing range of the Offer, being ZAR42 to ZAR54 per Offer Share;
"**Offer Price**"	the price at which the Subscription Shares (and, if exercised, the Overallotment Shares) will be offered to investors, pursuant to this Pre-listing Statement, to be determined in accordance with the provisions of "*Part II – Overview of the Offer – Offer Price*" of this Pre-listing Statement and the Placement Agreement;

"**Offer Shares**"	the Subscription Shares and the Overallotment Shares;
"**Order**"	the United Kingdom's Financial Services and Markets Act 2000 (Financial Promotion) Order 2005;
"**Ordinary Shares**"	the ordinary no par value shares of the Company;
"**Overallotment Option**"	the option granted by the Company to the Stabilisation Manager to subscribe for or procure subscribers for, up to a number of Ordinary Shares equal to the Overallotment Shares;
"**Overallotment Shares**"	at the Offer Price, that number of Ordinary Shares, representing (if the Overallotment Option is exercised in full) an aggregate subscription consideration of up to ZAR500 million in terms of the Placement Agreement;
"**Pick n Pay Retailers**"	Pick n Pay Retailers Proprietary Limited, registration number: 1973/004739/07, a private company incorporated in accordance with the laws of South Africa;
"**PIK**"	Pick n Pay Stores Limited, registration number: 1968/008034/06, a public company incorporated in accordance with the laws of South Africa, the Shares of which are listed on the main board of the JSE and the A2X;
"**PIK Group**"	PIK and its subsidiaries;
"**Placement Agreement**"	the placement agreement entered into between the Company and the Joint Global Coordinators and Joint Bookrunners in connection with the Offer and Admission, dated 8 November 2024;
"**Pre-listing Statement**"	this pre-listing statement consisting of all documents contained in this bound document, including the annexes hereto dated Monday, 11 November 2024 prepared in accordance with the JSE Listings Requirements;
"***Pro Forma* Financial Information of the Group**"	the *pro forma* statement of financial position as at 25 August 2024 and the *pro forma* statement of comprehensive income for the 26 weeks then ended of the Group and related notes thereto;
"**Prospectus Regulation**"	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 (including any relevant delegated regulations);
"**Protection of Businesses Act**"	the South African Protection of Businesses Act, No. 99 of 1978 (as amended);
"**Qualified Institutional Buyers**"	a qualified institutional buyer in term of Rule 144A of the U.S. Securities Act;
"**Rand**," "**R**," "**South African Rand**" or "**ZAR**"	the lawful currency of South Africa;
"**Real GDP**"	gross domestic product, as adjusted for price changes;
"**Register**"	the register of members of the Company;
"**Relevant Member State**"	each member state of the EEA which has implemented the EU Prospectus Regulation;
"**Remuneration Committee**"	the remuneration committee of the Board from time to time, comprising, as at the Last Practicable Date, Cindy (Hess) Robertson, Leon Lourens (Committee Chair) and Sean Summers;
"**Restructuring**"	the restructuring implemented by the Group prior to the Last Practicable Date in order to facilitate the Admission which included, *inter alia*: (i) the transfer of the shares in Boxer Superstores to the Company; and (ii) the unbundling of the Company's Ordinary Shares from Boxer Holdings to Pick n Pay Retailers, such that the Company became a wholly-owned subsidiary of Pick n Pay Retailers and the holding company of Boxer Superstores, as more fully described in "*Part VIII – Restructuring and Formation of the Group*";
"**Restructuring Implementation Agreement**"	the restructuring implementation agreement entered into between the Company, Boxer Holdings, Boxer Superstores and Pick n Pay Retailers on or about 14 October 2024, regulating the implementation of the Restructuring, as well as the "Post-Admission Steps" discussed in "*Part VIII – Restructuring and Formation of the Group*";
"**Restructuring Support Agreement**"	restructuring support agreement entered into between the PIK Group and its lenders on or about 7 May 2024 (the terms of which were described in the circular issued by PIK to its shareholders on 29 August 2024);
"**RMB**"	Rand Merchant Bank (a division of FirstRand Bank Limited), registration number 1929/001225/06, a public company incorporated in accordance with the laws of South Africa;
"SAICA"	South African Institute of Chartered Accountants;
"**SARB**"	the South African Reserve Bank;
"**SAST**"	South African Standard Time;
"**SEC**"	the U.S. Securities and Exchange Commission;
"**Securities Lending Agreement**"	the securities lending agreement entered into between Pick n Pay Retailers and the Stabilisation Manager in connection with the Overallotment Option, dated 8 November 2024;
"**Securities Transfer Tax Act**"	the South African Securities Transfer Tax Act, No. 25 of 2007 (as amended);
"**Senior Management**"	those members of the management bodies of the Group who are identified in "*Part X – Directors, Senior Management and Corporate Governance*" of this Pre-listing Statement;
"**Selling Price Inflation**"	the growth in the average selling price this year versus the average selling price last year, for like-for-like items only;

"**SENS**"	the Stock Exchange News Service of the JSE;
"**Settlement Date**"	the date of implementation of the Offer when the Offer Shares will be delivered to applicants against payment of the aggregate Offer Price, which is expected to be Thursday, 28 November 2024;
"**Shared Services Agreement**"	the shared services agreement entered into between the Company and Pick n Pay Retailers, dated 25 October 2024, as more fully described in "*Part VIII – Restructuring and Formation of the Group*";
"**Shareholders**"	the holders of Ordinary Shares from time to time;
"**Shares**"	shares, of whatever class, in the Company;
"**SKU**"	stock keeping units;
"**Social, Ethics and Transformation Committee**"	the social, ethics and transformation committee of the Board, comprising, as at the Last Practicable Date, Jesmane Boggenpoel (Committee Chair), Charlotte Mary Chichi Machichana Maponya and Dineo Molefe;
"**South Africa**"	the Republic of South Africa;
"**South African Qualifying Investors**"	separately: (i) financial institutions and other persons who are referred to in section 96(1)(a) of the Companies Act; (ii) selected persons in South Africa in respect of whom the total contemplated acquisition cost for Offer Shares is not less than ZAR1,000,000 per single addressee acting as principal, as contemplated in section 96(1)(b) of the Companies Act; and (iii) the Boxer LTIP and participants in the Boxer LTIP, being an employee share scheme that meets the requirements of section 97 of the Companies Act, as contemplated in section 96(1)(f) of the Companies Act, (together with persons contemplated in (i) and (ii), in each case to whom the Offer is specifically addressed and by whom only it is capable of acceptance);
"**Sponsor**"	RMB, in its capacity as the JSE sponsor to the Company for the purposes of the JSE Listings Requirements;
"**Stabilisation**"	transactions that may be effected in the Ordinary Shares by the Stabilisation Manager, subject to the JSE Listings Requirements and applicable law, during the Stabilisation Period with a view to supporting the market price of the Ordinary Shares;
"**Stabilisation Manager**"	RMB, in its capacity as stabilisation manager pursuant to the Placement Agreement;
"**Stabilisation Period**"	a period of up to 30 calendar days after the Admission Date;
"**Standard Bank**"	The Standard Bank of South Africa Limited, a public company incorporated under the laws of South Africa with registration number: 1962/000738/06;
"**Strate System**"	the system operated for dealings in securities listed on the JSE and traded in Dematerialised Form that take place on the JSE and for dealings in Certificated securities listed on the JSE that take place off market;
"**Strate**"	Strate Proprietary Limited, a private company incorporated under the laws of South Africa with registration number: 1998/022242/07;
"**Subscription Shares**"	up to 190,476,191 newly issued Ordinary Shares to be issued and offered for subscription by the Company in terms of the Offer;
"**Takeover Regulations**"	the Takeover Regulations promulgated by the Minister of Trade and Industry in terms of sections 120 and 223 of the Companies Act;
"**Transactions**"	the Offer and subsequent events within the scope of paragraph 8.26(d) of the JSE Listings Requirements;
"**Transfer Secretaries**"	Computershare Investor Services Proprietary Limited, a private company incorporated in accordance with the laws of South Africa with registration number: 2004/003647/07), the transfer secretaries of the Company as at the Last Practicable Date;
"**U.S. Exchange Act**"	the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended;
"**U.S. Securities Act**"	the United States Securities Act of 1933, as amended;
"**United Kingdom**"	the United Kingdom of Great Britain and Northern Ireland;
"**United States**"	the United States of America;
"**USD**" or "**$**"	the United States Dollar, the lawful currency of the United States; and
"**VAT**"	any value added tax imposed by the South African Value-Added Tax Act, No. 89 of 1991, and legislation and regulations supplemental thereto.