Audited Annual Financial Statements '25

for the period ended 2 March


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Contents

These Group and Company annual financial statements have been prepared by the Group's Finance Division under the supervision of the Chief Finance Officer (CFO), Lerena Olivier, CA(SA).

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the Group annual financial statements and annual financial statements of Pick n Pay Stores Limited (the Company), comprising the statement of financial position as at 2 March 2025, the statements of comprehensive income, changes in equity and cash flows for the period then ended, and the notes to the financial statements, which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (IFRS Accounting Standards) and the requirements of the Companies Act of South Africa No.71 of 2008 (Companies Act), as amended, and the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of annual financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management, as well as the preparation of the supplementary schedules included in these annual financial statements.

The directors have assessed the ability of the Group and Company to continue as a going concern and have no reason to believe that the businesses will not be going concerns in the period ahead. Please refer to the Directors' Report for further information.

The auditor is responsible for reporting on whether the Group and Company annual financial statements are fairly presented in accordance with the applicable financial reporting framework.

Approval of the Group annual financial statements and annual financial statements of the Company

The Group and Company annual financial statements of Pick n Pay Stores Limited, as identified in the first paragraph, were approved by the board of directors on 25 May 2025 and signed by:

Gareth Ackerman
Chair

25 May 2025

Sean Summers
Chief Executive Officer

25 May 2025

Lerena Olivier
Chief Finance Officer

25 May 2025

Company Secretary's certificate

In my capacity as Company Secretary, I certify that for the 53-week financial period ended 2 March 2025, Pick n Pay Stores Limited has filed all returns and notices as required for a company in terms of section 88(2)(e) of the Companies Act No. 71 of 2008, as amended, and that such returns and notices are, to the best of my belief, true, correct and up to date.

Vaughan Pierce
Company Secretary

25 May 2025

Chief Executive Officer and Chief Finance Officer internal financial control responsibility statement

In terms of JSE Listing Requirements 3.84(k), the directors, whose names are stated below, hereby confirm that –

a) the annual financial statements set out on pages 30 to 119, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;

b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c) internal financial controls have been put in place to ensure that material information relating to the Company and its consolidated subsidiaries and associates have been provided to effectively prepare the financial statements of the issuer;

d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) where we are not satisfied, we have disclosed to the Audit, Risk and Compliance committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls, and have taken steps to remedy the deficiencies; and

f) we are not aware of any fraud involving directors.

Sean Summers
Chief Executive Officer

25 May 2025

Lerena Olivier
Chief Finance Officer

25 May 2025

Directors' report

Nature of the business

Pick n Pay Stores Limited is an investment holding company that is domiciled and incorporated in the Republic of South Africa and listed on the JSE and A2X, the recognised securities exchanges in South Africa. The Group comprises subsidiaries that engage in the retail of food, health and beauty products, general merchandise, clothing, liquor and additional value-added-services, throughout Africa, on an owned and franchised basis. The Group also acquires and develops strategic retail and distribution sites. Noteworthy subsidiaries are presented in note 16 to the Group Annual Financial Statements.

Overview of operations and financial results

The Group provides an overview of its operational and financial performance for the 2025 financial period (FY25) in the "Review of Operations" presented on pages 24 to 28 of the Group Annual Financial Statements.

The Group manages its retail operations on a 52-week trading calendar basis where the financial reporting period always ends on a Sunday. To ensure calendar realignment, the inclusion of a 53rd week of trading is required approximately every six years. The Group reports on a 53-week basis in FY25, for the financial period ended 2 March 2025.

Going concern

The Board of directors (the Board) has performed a formal review of the Company and its subsidiaries' ability to continue trading as going concerns in the foreseeable future. As part of this review, the Board has considered the impact of the current economic environment, reviewed current trading trends, interrogated the Group's forward-looking financial forecasts, considered the adequacy of insurance covers and assessed the Group's solvency and liquidity post the successful execution of the two-step Recapitalisation Plan. The Board is satisfied as to the Group's ability to continue as going concern for the foreseeable future and has concluded that the presentation of the Group and Company Annual Financial Statements on a going concern basis is appropriate.

Solvency and liquidity

In accordance with the requirements of the Companies Act, the Group ensures that it complies with the liquidity and solvency requirements before any dividend payment and provision of financial assistance.

Shareholder distribution

Dividend payments were suspended in FY24 in response to the financial losses incurred. The Board will consider resuming shareholder distributions once it is satisfied that the Group's cash generation is sufficiently strong and sustainable. The previously communicated dividend cover range of 1.5 to 1.8 times headline earnings per share will be reviewed at that time.

Share capital and treasury shares

	FY25	FY24
Listed ordinary shares, no par value		
Authorised	**828 500 000**	800 000 000
Issued	**745 657 130**	493 450 321
Unlisted B shares, no par value		
Authorised	**361 500 000**	1 000 000 000
Issued	**325 426 164**	259 682 869

Rights Offer

The Company concluded a fully underwritten, renounceable rights offer share issue ("rights offer") during August 2024, which raised gross proceeds of R4.0 billion. The rights offer consisted of an offer of 252 206 809 new ordinary shares at a subscription price of R15.86 per share. The rights offer raised R3.9 billion of new equity capital, net of transaction costs of R0.1 billion. The details of the special resolutions required to effect the rights offer and amend the authorised Ordinary and B share capital of the Company are set out below.

Treasury shares

At period end, 9 945 786 shares (2024: 10 796 047 shares) of Pick n Pay Stores Limited were held within the Group to settle future obligations under the Group's employee share scheme.

Shareholders

Details of the Group's shareholder analysis at 2 March 2025 are set out on pages 120 and 121.

Further details of the Group's share capital and treasury shares, including all movements for the period under review are disclosed in notes 21 and 22 of the Group's annual financial statements.

Borrowings

Total borrowings

The Group's overall level of debt (including bank overdrafts and overnight borrowings) decreased from R11.4 billion in FY24 to R1 150 million at the close of FY25.

Net funding

The Group's net funding position (defined as total borrowings net of cash and cash equivalents) moved from a net debt position of R6 062 million in FY24 to a net cash position of R4 178 million at the close of FY25. Refer to the review of operations for further information on the Group's net funding position.

Legal proceedings

The Company and its subsidiaries were not involved in any legal or arbitration proceedings during FY25 that may have, or have had, a material effect on the financial position of the Group. The Company is not aware of any such proceedings that are pending or threatened.

Special resolutions

Extraordinary General Meeting – 26 June 2024

The following special resolutions were approved by Ordinary and B shareholders, as applicable, at the Extraordinary General Meeting held on 26 June 2024, enabling the Company to proceed with its R4.0 billion Rights Offer as the first step in its two-step recapitalisation plan. In line with the Company's dual-class share structure, certain resolutions required approval by Ordinary Shareholders only, B Shareholders only, or by both classes of shareholders voting together, in accordance with the requirements of the Companies Regulations and the Company's Memorandum of Incorporation (MOI).

Conversion of par value Ordinary shares to no par value Ordinary shares

All authorised Ordinary Shares (issued and unissued) were converted from par value shares of 1.25 cents each to no par value shares. This enabled the Company to create new Ordinary Shares as required for the Rights Offer.

Increase in authorised Ordinary share capital

The authorised Ordinary Share capital was increased from 800 million to 10 billion shares through the creation of 9.2 billion new Ordinary Shares, ranking pari passu with existing shares. This ensured the Company had sufficient share capital to execute the Rights Offer and to retain flexibility for future issuances.

Increase in authorised B share capital

In order to preserve the B Share ratio post the Rights Offer, the authorised B Share capital was increased from 1.0 billion to 5.3 billion shares through the creation of 4.3 billion new B Shares.

MOI amendments – Share Capital

Shareholders approved the required amendments to the MOI to reflect the above changes to the authorised Ordinary and B Share capital.

MOI amendments – B Share Terms

Amendments were approved to the terms and of the B Shares, to allow greater flexibility in reducing the B Share ratio in response to "Adjustment Events", including the Rights Offer.

MOI amendments – Director Rotation

Amendments were approved to align the MOI provisions on director retirement by rotation with the Company's corporate governance charter and to avoid excessive rotation of long-serving directors.

Authority to issue shares pursuant to the Rights Offer with voting power equalling or exceeding 30% of the voting power of existing shares

Shareholders authorised the Board, in terms of section 41(3) of the Companies Act, to issue shares under the Rights Offer that may result in new shares carrying voting rights equalling or exceeding 30% of the voting power of existing shares.

Annual General Meeting – 27 August 2024

At the Annual General Meeting (AGM) held on 27 August 2024, shareholders approved the following special resolutions as proposed in the Notice to the AGM. These resolutions are aligned with the requirements of the Companies Act and the Company's Memorandum of Incorporation.

Non-executive Directors' fees for the 2025 and 2026 annual financial periods

Shareholders approved the proposed fees payable to non-executive directors for FY25, mainly reflecting a 5% annual increase fees. The Chair of the Board elected to waive this increase, while the Lead Independent Director received a 25% increase in recognition of his extended responsibilities. Shareholders also approved a CPI-linked increase in directors' fees for FY26.

Additional once-off non-executive director fees to be paid in 2025

Shareholders approved the payment of once-off fees to three non-executive directors – James Formby, David Friedland and Aboubakar Jakoet – in recognition of additional work undertaken in support of the Group's liquidity management, debt restructure, and the formulation of the two-step recapitalisation plan. Each director received a fee equivalent to that of a member of the Audit, Risk and Compliance Committee.

General authority to provide financial assistance to related or inter-related parties

In terms of section 45 of the Companies Act, shareholders authorised the Board to provide financial assistance to related or inter-related companies or entities, subject to the relevant statutory requirements and the Company's MOI.

General authority to repurchase Company shares

Shareholders granted the Company and its subsidiaries a general authority to acquire Company shares, subject to compliance with the Companies Act, the MOI, and the JSE Listings Requirements. The authority is limited to 5% of the Company's issued share capital in any one financial year.

Extraordinary General Meeting – 1 October 2024

The following special resolutions were approved by Ordinary and B shareholders, as applicable, at the Extraordinary General Meeting held on 1 October 2024, reducing the authorised Ordinary and B share capital of the Company post the successful conclusion of the Rights Offer, and affecting the related amendments to the MOI. In line with the Company's dual-class share structure, certain resolutions required approval by Ordinary Shareholders only, B Shareholders only, or by both classes of shareholders voting together, in accordance with the requirements of the Companies Regulations and the Company's Memorandum of Incorporation (MOI).

Decrease in authorised Ordinary share capital

The authorised Ordinary Share capital was decreased from 10 billion shares to 828.5 million shares. This ensured that the unissued Ordinary Shares in the share capital of the Company constituted no more than 10% of the total number of authorised Ordinary Shares post the Rights Offer.

Decrease in authorised B share capital

The authorised B Share capital was decreased from 5.3 billion shares to 361.5 million shares. This ensured that the unissued B Shares in the share capital of the Company constituted no more than 10% of the total number of authorised Ordinary Shares post the Rights Offer.

MOI amendments – Share Capital

Shareholders approved the required amendments to the MOI to reflect the above changes to the authorised Ordinary and B Share capital.

Directors

Details of the directors who served on the Board during the period and any changes at reporting date are provided below. The biographical details of the current directors, including Board committee membership, will be published in the Integrated Annual Report later in the year and are available on the Company's website at: www.picknpayinvestor.co.za.

Name	Designation	Role change
Current directors		
Sean Summers	Executive – CEO	
Lerena Olivier	Executive – CFO	
Gareth Ackerman	Non-executive – Chair	Committee changes – refer below
Jonathan Ackerman	Non-executive	Committee changes – refer below
Suzanne Ackerman	Non-executive	Committee changes – refer below
Haroon Bhorat	Independent non-executive	Committee changes – refer below
James Formby	Independent non-executive	Committee changes – refer below
David Friedland	Independent non-executive	Committee changes – refer below
Aboubakar Jakoet	Independent non-executive	Committee changes – refer below
Audrey Mothupi	Independent non-executive	
Annamarie van der Merwe	Independent non-executive	Committee changes – refer below
Previous directors		
Mariam Cassim	Independent non-executive	Resigned – 5 July 2024
David Robins	Non-executive	Retired – 27 August 2024

Board Committee Changes during FY25

The following Board Committee changes occurred were approved and effected on 24 May 2024:

- Gareth Ackerman stepped down from the Nominations and Corporate Governance Committee and the Treasury Committee
- Annamarie van der Merwe was appointed Chair of the Nominations and Corporate Governance Committee, with James Formby appointed as a new member. Suzanne Ackerman, Haroon Bhorat and David Friedland stepped down
- Haroon Bhorat was appointed to the Social, Ethics and Transformation Committee, replacing David Robins
- The Treasury Committee was reconstituted as the Finance and Investment Committee, with James Formby as Chair and Haroon Bhorat, David Friedland and Aboubakar Jakoet as members
- The Corporate Finance Committee was renamed the Independent Board Committee, comprising only independent non-executive directors and chaired by James Formby

Board Committee Changes after year-end

The following Board and Committee changes occurred after 2 March 2025:

- Pooven Viranna was appointed to the Board as an independent non-executive director effective 1 June 2025, and will serve on the Group Audit, Risk and Compliance Committee from that date, subject to her election by shareholders at the 2025 AGM.
- Suzanne Ackerman stepped down as Chair of the Social, Ethics and Transformation Committee, effective 26 May 2025 and was replaced as Chair by independent non-executive director, Haroon Bhorat. Suzanne will continue to serve as a member of the Committee.
- The Board announced that David Friedland would retire from the Board with effect from the 2025 AGM.
- The Board announced that Gareth Ackerman would retire as Chair of the Board at the 2025 AGM, in line with the commitment made to shareholders in May 2024. Gareth will remain on the Board as a non-independent non-executive director. Gareth will continue to serve on the Remuneration Committee and will join the Finance and Investment Committee. Lead independent director James Formby will succeed Gareth Ackerman as Chair. It is important to note, that in support of this succession, James Formby has indicated his intention to step down as Chair of the Boxer Retail Limited Board – the Group's 65.6% held subsidiary – at the end of the 2026 financial year. The Boxer Board has resolved that Sean Summers will become Chair of Boxer at that time.

Please refer to the 2025 Corporate Governance Report at www.picknpayinvestor.co.za/governance for further information.

Director retirement and rotation

In May 2024 the Board initiated a process for long-serving independent non-executive directors to rotate and retire in the ordinary course of board appointments over a period of 12 to 18 months. The Board, supported by the Nominations and Corporate Governance Committee has followed a formal recruitment process over the past year, culminating in the appointment of independent non-executive director, Pooven Viranna, effective 1 June 2025 (please refer above). As part of this Board refresh, David Friedland will retire from the Board at the 2025 AGM, to be held in August 2025, and Audrey Mothupi is expected to retire from the Board at the 2026 AGM.

In terms of the Company's MOI, at least one-third of Board directors are required to retire by rotation at each Annual General Meeting (AGM) and may offer themselves to shareholders for re-election. In determining which director shall retire, the Board considers the requirements of the Companies Act, the Listings Requirements, the Board's Corporate Governance Charter and the length of time that each director has served since last election by shareholders. It is noted that non-executive directors are required to retire after three years and, in terms of the corporate governance charter, long-serving directors who have served on the Board for more than nine years are required to retire annually.

The directors listed below offer themselves for election or re-election at the 2025 annual general meeting. Details of each director standing for election or re-election will be available in the Notice of AGM, expected to be published at the end of June 2025.

Independent non-executive

Pooven Viranna	Election, following Board appointment on 1 June 2025
David Friedland	Retirement
Suzanne Ackerman	Retirement and re-election after a three-year term
Aboubakar Jakoet	Retirement and re-election after a three-year term
Audrey Mothupi	Retirement and re-election after a one-year term

Directors' remuneration, interest in shares and related party transactions

The remuneration paid to the directors of the Company during the period under review is set out in note 4 of the Group annual financial statements and note 2 of the Company annual financial statements.

Over the reporting period, the directors of the Company beneficially held ordinary shares in the Company. Details of the shareholding can be found in note 4 of the Group annual financial statements and note 8 of the Company annual financial statements. There have been no further changes to the directors' interests between the end of the reporting period and the date of the Directors' Report.

During the period, no directors had any material interests in contracts with the Company or any of its subsidiaries that gave rise to a conflict of interest. Related party transactions, in terms of the IFRS Accounting Standards, between the Company or its subsidiaries, and the directors or their associates, are disclosed in note 31 of the Group annual financial statements.

Company Secretary

Vaughan Pierce BA (LLB) (LLM) was appointed as Company Secretary of the Pick n Pay Group effective 14 March 2024. Vaughan had previously served as Senior Legal Advisor for the Group for 13 years. During his tenure he performed a number of other key roles, including as Vice Chairperson of the Pick n Pay Medical Aid Scheme and as Trustee on the Ackerman Pick n Pay Foundation and Feed the Nation Foundation. Vaughan leads the Group's Environmental. Social and Governance (ESG) division.

Audit, risk and compliance committee

We draw your attention to the Group Audit, Risk and Compliance Committee report on pages 16 to 23, where the Committee Chair sets out the responsibilities of the Committee and how it has discharged these responsibilities during the period.

Events subsequent to the reporting date

The directors are not aware of any other material events that have occurred between the reporting date and the date of approval of these financial statements, other than those that are listed in the Group audited annual financial statements. Please refer to note 37 of the Group audited annual financial statements for further information.

Gareth Ackerman
Chair

25 May 2025

Sean Summers
Chief Executive Officer

25 May 2025

Lerena Olivier
Chief Finance Officer

25 May 2025

Independent auditor's report

To the shareholders of Pick n Pay Stores Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Pick n Pay Stores Limited and its subsidiaries ("the group") and company set out on pages 30 to 110, which comprise of the consolidated and separate statements of financial position as at 2 March 2025, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the group and company as at 2 March 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and the requirements of the Companies Act of South Africa.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated and separate financial statements section of our report. We are independent of the 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 financial statements of the 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 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.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette Number 49309 dated 15 September 2023 (the EAR Rule), we report:

Final materiality

The ISAs recognise that:

- Misstatements, including omissions, are considered to be material if the misstatements, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements;
- Judgements about materiality are made in light of surrounding circumstances, and are affected by the size or nature of a misstatement, or a combination of both; and
- Judgements about matters that are material to users of the financial statements consider users as a group rather than as specific individual users, whose needs may vary greatly.

The amount we set as materiality represents a quantitative threshold used to evaluate the effect of misstatements to the financial statements as a whole based on our professional judgement. Qualitative factors are also considered in making final determinations regarding what is material to the financial statements.

Group final materiality

We determined the final materiality for the Group to be R77.6 million, which is based on gross margin limited to an appropriate amount below, but in line with, previous materiality levels calculated on profit before tax when the group was profitable. We identified gross margin as the most appropriate earnings basis as we typically believe that profit companies are evaluated by users on their ability to generate earnings. Given that the Group's profit before tax and earnings before interest and tax are negative/at break-even, we used an earnings base routinely discussed in shareholder and analyst presentations. In addition, we applied judgement in ensuring that the final amount did not exceed materiality levels used in the past when profit before tax was low and positive. Our review of information provided to users by the entity confirms our view.

Company materiality

We determined final materiality for the company to be R47 million, which is based on 1% of equity. We identified equity as the most appropriate basis due to the fact that Pick n Pay Stores company is the holding company of the group's operational subsidiaries and is not a profit orientated entity. Our review of information provided to users by the entity confirms our view.

Group Audit Scope

Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for each component within the group. Taken together, this enables us to form an opinion on the consolidated financial statements. We take into account the size and risk profile of the components in the group. In addition, we further consider the organisation of the group and effectiveness of group wide controls, changes in the business environment, and other factors such as our experience in prior years and recent internal audit results when assessing the level of work to be performed at each component of the group. Our process focuses on identifying and assessing the risk of material misstatements of the group financial statements as a whole including, with respect to the consolidation process.

In establishing our overall approach to the group audit, we determined the type of work that needed to be undertaken at each of the components by us, as the primary audit engagement team, or by component auditors under our instruction.

In selecting components, we perform risk assessment activities across the group and its components to identify risks of material misstatement. We then identify how the nature and size of the account balances at the components contribute to those risks and thus determine which account balances require an audit response. We then consider for each component the degree of risk identified (whether pervasive or not) and the number of accounts requiring audit responses to assign either a full or specific scope (including specified procedures) to each component.

In our assessment of the residual account balances not covered by the audit procedures, we considered whether these could give rise to a risk of material misstatement of the group financial statements. This assessment included performing overall analytical procedures at Group level.

Of the 6 components selected, we identified:

- 2 components ("full scope components") which were selected based on the pervasiveness of risk in those components and for which we therefore performed procedures on what we considered to be the entire financial information of the component.
- 4 components ("specific scope components") where our procedures were more focussed or limited to specific accounts which we considered had the potential for the greatest impact on the significant accounts in the financial statements given the specific risks identified.

At group level we also tested the consolidation process, IFRS 16 Leases and certain share-based payment schemes.

Key Audit Matters

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

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

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

The key audit matters apply to the audit of the consolidated financial statements.

Key audit matter	How the matter was addressed in the audit
Recognition and recoverability of deferred tax assets	
The group has recognised deferred tax assets of R2 749 million (2024: R2 165 million). The current year increase is due to the estimated tax loss incurred by Pick n Pay Retailers (Proprietary) Limited. Disclosure relating to the deferred tax asset is included in notes 1.6, 1.23, and 14 of the consolidated financial statements. The recognition of a deferred tax asset in respect of tax losses is permitted only to the extent that there is convincing evidence that sufficient future taxable income will be available in future against which the deferred tax asset can be utilised by the entity. Given the Group's Pick n Pay segment's continued poor performance in the current year, the risk exists that future profits will not be sufficient to fully recover the deferred tax assets. Management supports the recoverability of the deferred tax assets primarily with income projections from the Corporate Plan which contain judgement and complex estimates of future taxable income against which tax losses carried forward are expected to be utilised. The key areas where we identified greater levels of management judgement in the Corporate Plan and therefore increased levels of audit focus are: • Forecasted profitability driven by key revenue growth, trading margins and trading expenses growth assumptions, opening of additional stores including the impact of the planned initiatives outlined in the Corporate Plan. • Terminal growth rate applied in the Corporate Plan. • Forecasted period for the utilisation of the deferred tax asset. • Tax planning strategies. Due to the size of the deferred tax asset, the recoverability of deferred tax assets was a matter of most significance to the current year's audit and identified as a key audit matter. The disclosures required per IAS 12 – Income taxes relating to this balance are set out in the audited annual financial statements in note 14 – Deferred tax.	Our procedures, amongst others, included the following to assess the recoverability of the deferred tax asset: • We understood the process followed by management to assess the recoverability of the deferred tax asset. • We obtained the updated Board approved Corporate Plan which indicated the impact of key strategic initiatives as they relate to the operations of the Pick n Pay Retailers (Proprietary) Limited business. • We held various discussions with management to understand the status of each of the above key strategic initiatives. › We inspected evidence supporting the status of the initiatives and their progress to date, vouching inputs to internal or external data or audited amounts. › Where assumptions could not be supported, we considered the impact on the overall profit projections through our sensitivity analysis. • We understood the nature of the once off items included in the FY25 financial year and the likelihood of occurrence in future to establish an appropriate base for our sensitivity analysis. • The terminal growth rate applied by management to the post five-year cash flows, was reviewed by our internal valuation specialists. • With the assistance of our tax specialists, we reviewed the management's tax planning for compliance with the Income Tax Act. • We evaluated the adequacy of the disclosures made by management with reference to the requirements of the applicable accounting standards and engaged with our financial reporting team to assess this disclosure.
Key observations: Based on the procedures performed over the recognition of deferred tax assets, we did not identify any significant matters requiring further consideration in concluding on our procedures.	

Key audit matter	How the matter was addressed in the audit
Goodwill, Stores, Corporate Assets and Right-of-use Asset impairments	
Goodwill for the group has a carrying value of R498 million at 2 March 2025 (2024: R506 million). The current year goodwill arose from the purchase of individual stores in the current year. Property, plant, and equipment has a carrying value of R8 675 million at 2 March 2025 (2024: R9 191 million), and right-of-use assets has a carrying amount of R11 043 million at 2 March 2025 (2024: R11 702 million). Due to the continued poor performance experienced in the Pick n Pay segment in the current year, the group considered goodwill, property, plant and equipment and the right-of-use assets for impairment in terms of IAS 36: Impairment of Assets (IAS 36). The group considers each store to be a separate cash generating unit (CGU) per IAS 36 as these stores can generate their own independent cash flows. Corporate assets are assets other than goodwill that contribute to the future cash flows of both the CGUs under review and other CGUs. Disclosures relating to goodwill are included in notes 1.6, 1.7 and note 9 of the financial statements. The disclosures of the impairment of property, plant and equipment and right-of-use assets are reflected in notes 1.6, 1.8 , 1.9, 1.10, 1.15, 10, 11 and 12 of the financial statements. *Goodwill, store and right-of-use asset impairments* In terms of the Board approved Corporate Plan, management has allocated stores between reset stores and remaining stores. The impairment methodology applied by management in calculating the recoverable amount of these store categories differed. For these categories our audit effort was focused on these specific assumptions: • Where value-in-use was determined as the recoverable amount, assumptions were made around the discount rate, cash flow projections, growth rates and terminal values. • Where fair value less cost of disposal was determined as the recoverable amount, assumptions were made around the earnings multiple and other relevant store factors. *Corporate assets* The key areas where we identified greater levels of management judgement and therefore increased levels of audit focus are: • Management's identification of corporate assets which (a) could be reasonably allocated to individual CGUs and (b) could not be reasonably allocated to individual CGUs. • For corporate assets that could be allocated to individual CGUs, judgement is required in determining the basis of allocating the corporate assets to individual CGUs. • For these assets that could not be allocated to individual CGUs, the assets were aggregated together with the other identified CGUs and assessed for impairment as part of a greater CGU. The valuation of these assets was then assessed with reference to the valuation of Pick n Pay Retailers (Proprietary) Limited, which includes assumptions around the discount rate, cash flow projections, growth rates and terminal values. Due to the current trading and economic climate, with the assistance of the internal valuation specialists in our team, significant audit effort was required to assess the assumptions applied by management.	With support from our internal valuation specialists, our audit procedures over the impairment assessment of goodwill, stores, and right-of-use assets included, among other procedures: *Goodwill, stores and right-of-use asset impairments* • We assessed the methodology applied in determining the recoverable amount of both reset and remaining stores, taking into account the requirements IAS 36 and our understanding of the business. • Where value-in-use was used as a basis for determining the recoverable amount, we evaluated the key assumptions and judgements applied such as discount rates, cash flow forecasts, growth rates, and terminal values by comparing them to historical performance, independent external market data, and initiatives outlined in the Board approved Corporate Plan. • Where fair value less costs to sell was used as the basis for determining the recoverable amount, we assessed the underlying assumptions and calculations with reference to recent market transactions, adjusted industry benchmarks, and corroborating evidence obtained subsequent to the reporting date. *Corporate assets* • We obtained an understanding of management's judgement in identifying corporate assets that (a) could be allocated to individual CGUs and (b) those that could not. We assessed these judgements against consistency with the prior year, our understanding of the business and corroborating audit evidence. • For corporate assets that were allocated to specific CGUs, we evaluated the appropriateness of the allocation basis, its consistency with the prior year, and the mathematical accuracy of the allocation. These assets were then considered as part of the individual store impairment assessments described above. • For corporate assets that could not be allocated to individual CGUs, we assessed them in combination with other CGUs as part of a larger CGU being Pick n Pay Retailers (Proprietary) Limited. • We reviewed management's rationale for the non-allocation of corporate assets against consistency with the prior year assessment, our understanding of the business and supporting audit evidence. • For the Pick n Pay Retailers (Proprietary) Limited valuation, we evaluated the key assumptions and judgements applied such as discount rates, cash flow forecasts, growth rates, and terminal values by comparing them to historical performance, independent external market data, and initiatives outlined in the Board approved Corporate Plan. • We evaluated the adequacy of the disclosures made by management with reference to the requirements of the applicable accounting standards and engaged with our financial reporting team to assess this disclosure.
Key observations:	
Based on the procedures performed over goodwill, property, plant and equipment and right-of-use asset impairments, we did not identify any significant matters requiring further consideration in concluding on our procedures.	

Key audit matter	How the matter was addressed in the audit
Group Recapitalisation (including rights offer share issue and the formation of the Boxer Retail Group, Listing and Initial Public Offering)	
The group successfully concluded the two-step recapitalisation plan which included: • A rights offer share issue to existing shareholders of Pick n Pay Stores Limited; and • The formation of the Boxer Retail Limited Group, listing and initial public offering on the Johannesburg Stock Exchange and the A2X. These capital transactions required significant effort by management, particularly in the areas of classification, measurement, and disclosure in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board. Refer to notes 16 and 34.2. *Rights offer*: • Pick n Pay Stores Limited increased its share capital through the rights offer issue and raised R3.9 billion, net of transaction costs. • Ordinary shares in issue were increased by 252 206 809 while B shares were increased by 65 743 295 shares. • The share issue resulted in costs of R0.1 billion which were recognised directly in equity. • Entities within the group holding Pick n Pay shares sold their rights under the terms of the rights offer. • The shares under the rights offer were issued at a discount to the prevailing share price, resulting in a theoretical bonus element being incorporated into the number of shares in issue prior to the implementation of the rights offer share issue. In accordance with IAS 33 Earnings Per Share, the prior year weighted and diluted weighted average number of shares in issued has been adjusted retrospectively to account for this bonus element. • Prior year basic and headline earnings per share metrics were adjusted to account for the change in the weighted and diluted weighted average number of shares in issue.	Our procedures, amongst others, included the following: *Rights offer*: • We reviewed the documents related to the rights offer share issue process, including the governance approvals. • We evaluated management's accounting treatment of the rights offer share issue to ensure compliance with the applicable IFRS Accounting Standards as issued by the International Accounting Standards Board. • We traced the cash proceeds of the rights offer to bank statements. • We obtained the costs schedules and traced a sample of expenses to invoices and ensured it was correctly recognised directly in equity. • We evaluated the adequacy of the disclosures made by management with reference to the requirements of the applicable accounting standards and engaged with our financial reporting team to assess this disclosure.

Key audit matter	How the matter was addressed in the audit

Group Recapitalisation (including rights offer share issue and the formation of the Boxer Retail Group, Listing and Initial Public Offering) (continued)

Formation of Boxer Retail Limited Group, listing and initial public offering:

- During the year, the group's Boxer business undertook a listing and IPO on the main board of the JSE and A2X resulting in the group reducing its shareholding in Boxer from 100% to 65.6%.
- To facilitate the IPO, a number of transaction steps occurred which included the following:
- Boxer Superstores Proprietary Limited ('Boxer Superstores'), a wholly owned subsidiary, declared a dividend ('Pre-IPO Dividend') of R8 160 million. This dividend remained unpaid until after the Listing and IPO.
- The Boxer Retail Limited Group was formed from the Boxer Superstores Group through a share exchange where the newly incorporated Boxer Retail Limited issued 299.9 million shares in exchange for acquiring all issued shares of Boxer Superstores from a subsidiary of the group, Boxer Holdings.
- This share exchange resulted Boxer Retail Group (Pre-IPO) becoming a wholly owned subsidiary.
- Subsequent to the formation of the Boxer Retail Limited Group, it undertook a Listing and IPO on the JSE and 2AX, through which it issued 157.4 million shares at a price of R54 per share. As part of the IPO, a wholly-owned subsidiary of the group, Boxer Superstores, purchased 3.8 million shares for a total consideration of R205 million as part of the newly-formed Boxer Retail Limited Group LTIP (Long Term Incentive Plan) share scheme.
- Following the IPO, Boxer Superstores settled the Pre-IPO Dividend payable of R8 160 million using net proceeds from the IPO.
- The share issue resulted in costs of R350 million which were recognised directly in equity.
- The IPO resulted in the creation of non-controlling interests ('NCI') within the group, refer to note 16.

These transactions were significant to the audit due to their nature and material impact on the financial statements. The key area included the classification and measurement of the transactions, the determination of the appropriate accounting treatment in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board, and the adequacy of disclosures in the financial statements. As such were identified as a key audit matter.

Formation of Boxer Retail Limited Group, listing and initial public offering:

- We reviewed the documents related to the IPO process and the terms involved. This involved the various stages and various steps of the restructuring process, and governance approvals.
- We inspected the terms and conditions of the share exchange and the formation of the Boxer Retail Limited Group to determine whether the transactions were correctly accounted for in terms of the applicable accounting standards.
- We assessed the accuracy and completeness of the Pre-IPO dividend declared and the elimination in the group consolidation.
- We inspected the share certificates to validate the issuance of 157.4 million shares as part of the IPO and recalculated the Non-Controlling Interest balance (NCI) at IPO date.
- We obtained the costs schedules and traced a sample of expenses to invoices and ensured it was correctly recognised directly in equity.
- We traced the cash proceeds as they relate to the IPO and subsequent payment of the IPO dividend to bank statements.
- We assessed the purchase of 3.8 million shares by Boxer Superstores for the LTIP share scheme to ensure it was correctly accounted for and disclosed in the financial statements.
- We involved our tax and value added tax specialists in the review of management's tax opinions on the tax implications of the group restructuring and IPO.
- We evaluated the adequacy of the disclosures made by management with reference to the requirements of the applicable accounting standards and engaged with our financial reporting team to assess this disclosure.

Key observations:

The procedures performed over the group recapitalisation (including rights offer share issue and the formation of the Boxer Retail Group, Listing and Initial Public Offering), we did not identify any significant matters requiring further consideration in concluding on our procedures.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 124-page document titled “Pick n Pay Audited Annual Financial Statements for the period ended 2 March 2025”, which includes the Directors’ responsibility statement, Company Secretary’s certificate as required by the Companies Act of South Africa, Chief Executive Officer and Chief Finance Officer Internal Financial Control Responsibility Statement, Directors’ report, the Audit, Risk and Compliance Committee report and Review of Operations, Appendices 1 to 3, Analysis of ordinary shareholders, Analysis of B shareholders, Number of stores report and Corporate Information which we obtained prior to the date of this report, as well as the Integrated Annual Report and Corporate Governance Report, which are expected to be made available to us after that date. The other information does not include the consolidated or the separate financial statements and our auditor’s report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the 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 group and company or to cease operations, or have no realistic alternative but to do so.

Auditor’s Responsibilities for the Audit of the Consolidated and Separate Financial Statements

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

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 and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group 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 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 auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and/or the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence, regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on Other Legal and Regulatory Requirements

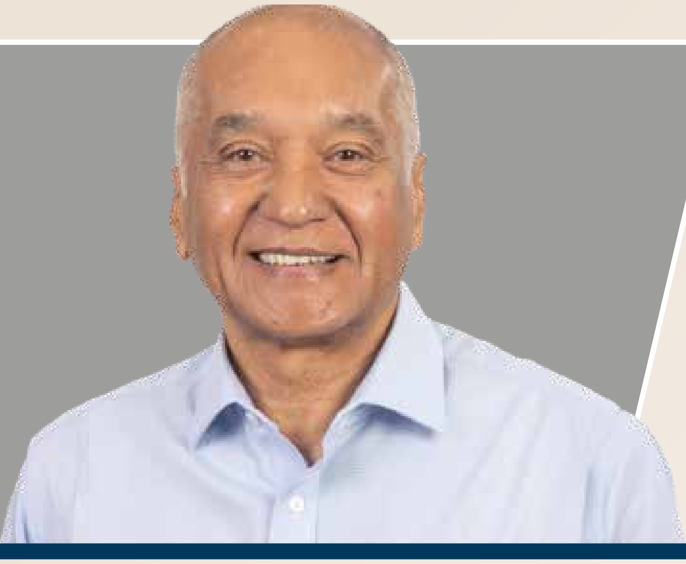
In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Pick n Pay Stores Limited for 10 years.

Ernst & Young Inc.
Director: Tina Lesley Rookledge

Registered Auditor
Chartered Accountant (SA)

3rd Floor, Waterway House
3 Dock Road, V&A Waterfront
Cape Town

25 May 2025



Report of the Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee (the Committee) is pleased to present its report for the financial period ended 2 March 2025 (FY25). This report was prepared in accordance with the requirements of the Companies Act, No 71 of 2008, as amended (the Companies Act), the King IV™ Report on Corporate Governance for South Africa and King Code of Governance Principles (King IV), the JSE Limited Listings Requirements (Listings Requirements), International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board and other applicable regulatory requirements.

Committee Chair statement

FY25 was a pivotal year for the Group, marked by the successful implementation of the two-step Recapitalisation Plan and heightened focus on restoring performance in the core Pick n Pay supermarket business. In this context, the Committee provided independent oversight of financial reporting integrity, liquidity and solvency management, control effectiveness and regulatory compliance.

The Committee supported the execution of the Group's Rights Offer and the JSE listing of Boxer Retail Limited (Boxer IPO). Working closely with legal counsel, professional advisors, external auditors and our JSE sponsor, the Committee ensured that all required shareholder approvals were obtained, all regulatory requirements were met, and that all disclosures in the Rights Offer Circular, Pre-listing Statement and related presentations were fair, accurate and complete. Strong collaboration between the Pick n Pay and Boxer Audit, Risk and Compliance Committees underpinned governance throughout the Boxer IPO process.

In addition, the Group appointed a new JSE Sponsor during the year. The Committee was satisfied that management worked closely with both the outgoing and incoming sponsors to ensure a smooth transition, uninterrupted regulatory compliance and continued alignment with the Group's obligations under the JSE Listings Requirements.

Monitoring debt covenant compliance and liquidity was a priority during the year, with the Committee working closely with the Finance and Investment Committee (FIC) to ensure that the Group's obligations under its debt standstill agreement were met.

Our assurance work focused on strengthening internal control discipline, advancing financial reporting transparency, reinforcing our commitment to ethical conduct and sound governance, and stakeholder confidence.

On behalf of the Committee, I acknowledge the exceptional workload carried by the Group's finance team during the year, and commend the care, diligence and expertise with which they fulfilled their responsibilities under demanding circumstances. I extend my sincere thanks to management, our assurance providers and my fellow Committee members for their dedication and contribution during a year of significant governance focus and delivery.

Mandate and responsibility of the Committee

The Board has delegated to the Committee the statutory responsibilities prescribed under the Companies Act, the JSE Listings Requirements and other applicable legal and regulatory frameworks. These include independent oversight of the Group's financial reporting, internal controls, risk management systems, compliance processes and assurance frameworks.

In fulfilling its mandate, the Committee plays an essential role in promoting sound governance, ethical conduct and well-informed decision-making. Through its work, the Committee supports the Board in safeguarding the Group's assets, protecting stakeholder interests and sustaining long-term value creation.

Key responsibilities of the Committee

The Committee's responsibilities are broad in scope, focused on strengthening the Group's governance, accountability and long-term resilience. These include:

- **Integrity of financial reporting** – ensuring that the Group's internal and external reporting, including its annual financial statements, integrated annual report and corporate governance report, are accurate, reliable and prepared in accordance with all applicable accounting and disclosure standards.
- **Financial resilience** – reviewing the Group's capital position, liquidity and solvency, and confirming that the going concern assumption applied in the Annual Financial Statements is appropriate and robust. The Committee is supported by the Finance and Investment Committee in this regard.
- **Risk oversight** – monitoring the Group's overall risk management strategy and framework, including the objective assessment of the effectiveness of the Group's risk management framework to identify, evaluate and mitigate material and emerging risks in line with the Group's risk appetite.
- **Combined assurance** – overseeing the effectiveness and independence of both internal and external assurance providers and promoting a coordinated and risk-based approach to combined assurance across the Group.
- **Regulatory and ethical compliance** – monitoring compliance with applicable laws and regulations, including the Companies Act and JSE Listings Requirements, and supporting a culture of ethical conduct and responsible corporate citizenship.

The Committee supports the Board in upholding ethical leadership, strong governance and informed oversight. It focuses on maintaining robust internal controls and overseeing accurate financial and integrated reporting.

The Committee's mandate and responsibilities are outlined in its Terms of Reference (TOR), which are aligned to the Companies Act and King IV principles. The Committee's TOR and formal annual workplan were reviewed and updated during the year to ensure alignment with the Group's evolving risk profile, strategic priorities and regulatory obligations.

Committee governance

The Committee plays an active role in evaluating key risks, assurance outcomes and compliance controls to support the Group's long-term sustainability and value creation.

The Committee is composed solely of independent non-executive directors, nominated annually by the Board and elected by shareholders at the AGM. Independence is assessed as part of the Board's formal annual evaluation process. The Board has acknowledged shareholder concerns regarding Committee tenure and how this can impact the perception of Committee independence. To address this, long-serving members will retire over the next 12-24 months in the ordinary course of annual director rotations. In addition, the Board has appointed Ms Pooven Viranna as an independent non-executive director and Committee member, effective 1 June 2025. David Friedland will retire at the 2025 AGM after a decade of dedicated service.

All Committee members meet the requirements of section 94 of the Companies Act and possess the financial acumen and experience necessary to fulfil their duties effectively. The curriculum vitae of each Committee member will be included in the 2025 Notice of AGM. Committee fees are approved by shareholders and disclosed in the Group's Remuneration Report.

The Committee Chair reports to the Board at least four times a year, highlighting the key items deliberated by the Committee and those requiring specific Board attention or approval. The Committee Chair also formally engages with the Chair of the Boxer Retail Limited Audit Committee at least four times a year to align on any material governance matters relating to that majority-held trading subsidiary.

Committee composition and meeting attendance

The Committee met three times in respect of the FY25 year. Meetings were attended by standing invitees, including the Chair of the Board, Chief Executive Officer, Chief Finance Officer, external and internal auditors, the Group Head of Risk and Compliance and senior members of the finance team. In addition, the Committee held closed sessions with the external and internal auditors to support independent engagement. Formal minutes of each Committee meeting are made available to all Committee and Board members through a secure online Board reporting platform.

Going forward, the Committee will meet at least four times per year, with additional meetings convened as necessary.

Member	Qualifications and experience	Meeting Attendance
Aboubakar Jakoet (Chair)	A chartered accountant with extensive experience in the retail industry, having previously served as the Group's CFO.	**3/3**
Haroon Bhorat	Professor of Economics and Director of the Development Policy Research Unit at the University of Cape Town. Haroon holds a PhD in economics and is a member of the Presidential Economic Advisory Council.	**3/3**
James Formby	A chartered accountant with a Master's in Philosophy in Management Studies. James had a distinguished 25-year career with financial services group Rand Merchant Bank, during which he held several leadership roles, including serving as CEO.	**3/3**
David Friedland	A chartered accountant with broad expertise in audit, risk and compliance, following a longstanding career as an audit engagement partner to major retail companies.	**3/3**
Audrey Mothupi	Holds an Honours degree with senior leadership experience in financial services and digital innovation. Audrey is the CEO of the Systemic Logic Group.	**3/3**

The Committee's key focus areas and activities in FY25

The Group's two-step recapitalisation plan

The Committee played a key role in the successful implementation of the two-step Recapitalisation Plan including providing oversight of stakeholder engagement, project risk management, statutory compliance and financial and other disclosures. Key activities included:

- Review and approval of the EGM circulars required for the Rights Offer and Boxer IPO
- Review and approval of the Rights Offer Circular, including close engagement with local and international legal counsel, our external auditor, reporting accountant and JSE Sponsor to ensure legislative compliance
- Oversight of lender engagement and covenant requirements and ongoing assessment of the Group's liquidity position and working capital requirements
- Strong collaboration with the FIC to provide oversight of the reorganisation of the Boxer group of companies and the resultant inter-company transactions and pre-IPO dividend flows
- Comprehensive review of the Pre-Listing Statement and related stakeholder and analyst presentations to ensure all information provided was transparent, accurate, fair and balanced to enable informed investment decisions

The Committee is satisfied that both the Rights Offer and Boxer IPO was managed with transparency, accuracy and regulatory compliance.

Financial oversight and reporting

The Committee provided independent oversight of the Group's finance function and the accuracy, completeness and integrity of the Group's financial and integrated reporting during the year.

The focus in FY25 was on ensuring the transparency and quality of financial disclosures in a year that included the successful execution of the Group's two-step Recapitalisation Plan, a 53-week trading period (note 34), further impairments to the value of certain Pick n Pay supermarket assets related to the Group's store re-set programme (note 12), and the restatement of prior year financial disclosures related to errors identified in the recognition of IFRS 16 lease assets and liabilities, and in the recognition of certain trade receivables and trade payables balances (note 38).

Financial reporting

The Committee's oversight of financial reporting in FY25 focused on ensuring transparency and, accountability, and included the following activities:

- Reviewed budgets, cash flow forecasts, capital allocations and financial results.
- Interrogated financial Group and subsidiary performance, including significant variances from budget, with keen focus on sales and margin pressure, shrink and waste. Particular attention was given to the impact of cost growth exceeding sales growth during the year, placing pressure on profit margins and operating leverage.
- Evaluated performances across the Rest of Africa, and assessed plans to address operational challenges in Botswana, Namibia, Zambia and Zimbabwe.
- Evaluated the effectiveness of financial reporting controls and accounting systems, including an investigation into the circumstances leading to the prior year restatements and the corrective action taken.
- Reviewed the basis for determining materiality for external reporting.
- Assessed the appropriateness of key accounting policies, accounting estimates and the expanded segmental disclosure.
- Reviewed the consolidation of Boxer Retail Limited and the accounting of the non-controllable interest.
- Reviewed the impairment of supermarket assets necessitated by operating losses incurred and the store re-set programme.
- Reviewed the adequacy of provisions, including inventory and debtor provisions.
- Reviewed the Group's application of the 53-week financial calendar in FY25, and assessed the clarity and appropriateness of related pro forma disclosures to ensure comparability of information.
- Monitored compliance with IFRS Accounting Standards, the Companies Act, JSE Listings Requirements and King IV.
- Reviewed feedback received through the JSE's proactive monitoring process and confirmed that recommendations were appropriately considered in the Group's disclosures.
- Reviewed and approved all external reports, including trading updates, interim and annual results and related SENS announcements, ensuring fair, accurate and transparent disclosure to stakeholders.
- Evaluated the Group's tax status and tax compliance across all legal entities and reviewed the appropriate recognition of deferred tax assets.
- Reviewed the approach to integrated reporting, including environmental, social and governance disclosures, and considered the risks and factors that could impact the quality and credibility of the Integrated Annual Report.
- Validated the CEO and CFO attestations related to financial control and reporting integrity.

Based on the activities outlined above, the Committee is satisfied that the Group's financial and integrated reporting for FY25 was conducted with due care and integrity and that appropriate accounting, disclosure and governance standards were upheld.

The Committee is further satisfied that the Group's internal financial controls were effective and form a sound basis for the preparation of reliable financial statements.

Expertise of the CFO and finance function

The Committee assessed the capability and capacity of the Group's finance function. It concluded that Lerena Olivier has the appropriate experience and technical expertise for her continued appointment as Chief Finance Officer.

The Committee is also satisfied that the finance function as a whole has the necessary skills, resources and experience to meet the Group's reporting, compliance and commercial requirements.

Going concern

The Committee reviewed management's going concern assessment, which included scenario modelling and stress testing under various macro-economic and operational risk scenarios. Particular focus was given to the Group's liquidity position and capital structure throughout the execution of the Recapitalisation Plan. The Committee considered feedback from the Finance and Investment Committee (FIC), which conducted a detailed review of the Group's cash flow forecasts, treasury reports and performance against debt covenants. The FIC also reviewed the structure and adequacy of the Group's borrowing facilities, all related inter-Group financial assistance under section 45 of the Companies Act, and the Group's engagements with both short- and long-term funders.

Based on these FIC assessments and feedback, and acknowledging the strengthened and sufficiently capitalised balance sheet post the execution of the Recapitalisation Plan, the Committee recommended to the Board that the going concern basis of accounting remained appropriate for the preparation of the FY25 Annual Financial Statements.

Annual financial statements

The Annual Financial Statements for the 53 weeks ended 2 March 2025 were compiled under the supervision of the CFO, Lerena Olivier CA(SA). The Committee reviewed both the consolidated and separate Company Annual Financial Statements and concluded that, in all material respects, they complied with IFRS Accounting Standards and the Companies Act, and fairly presented the financial position and results of operations and cash flows for the reporting period.

The Committee recommended the Annual Financial Statements for approval by the Board on 25 May 2025.

Internal audit

The Committee provides independent oversight of the Group's internal audit function, which plays a vital role in supporting the integrity of the Group's internal control environment and broader combined assurance model. Internal audit operates independently of management, applying a risk-based methodology to identify and respond to key business risks as part of the Group's annual combined assurance programme. The internal audit function reports directly to the Committee and operates in accordance with the standards of the International Institute of Internal Auditors (IIA).

The Committee's oversight ensures that internal audit remains objective, independent, suitably resourced and appropriately focused on providing meaningful assurance across the Group. The internal audit function underwent an external independent quality review in FY25 and achieved an outstanding result. The Committee commends the team for this outstanding result.

Internal audit planning and resourcing

The Committee reviewed and approved the internal audit coverage plan and budget for the year ahead, ensuring alignment with the Group's key risks and strategic priorities. In so doing the Committee:

- Evaluated the adequacy of the proposed audit coverage and its alignment to the Group's principal risks, combined assurance framework and strategic priorities
- Assessed the sufficiency of internal audit resources, including budget and team capability, to deliver the approved plan
- Confirmed that the Head of Internal Audit possessed the necessary expertise, independence and experience to fulfil the role effectively
- Reviewed the skill, qualifications and independence of the broader internal audit team
- Met separately with the Head of Internal Audit to confirm the team received full cooperation from management, including unrestricted access to information and records
- Confirmed that internal audit staff operate in accordance with the IIA's professional standards and recognised industry ethics

The Committee is satisfied that the internal audit function is appropriately resourced, professionally led and operates independently in delivering its mandate.

Internal control and assurance

The Committee reviewed internal audit reports evaluating the adequacy of the Group's internal control environment. Areas of focus included financial controls, corporate governance processes, information systems and cyber-security and overall business risk management. The Committee:

- Reviewed significant internal audit findings, including internal control breakdowns, and interrogated management's response and the remedial action taken
- Monitored the ongoing integration of internal audit within the Group's broader combined assurance framework
- Received assurance that adequate accounting records were maintained and that internal controls were generally effective in safeguarding assets and preventing and detecting fraud
- Noted areas requiring targeted improvement and monitored corrective action
- Oversaw the ongoing development of internal audit's data analytics capability to enhance audit coverage and efficiency

The Committee is satisfied that the internal audit function provided timely, relevant and independent assurance over the Group's internal control environment, while continuing to evolve its capabilities to meet the needs of the business.

External audit

The Committee provides independent oversight of the Group's external audit process, supporting the integrity, transparency and reliability of the Group's financial reporting. Ernst & Young Inc. (EY) has served as the Group's external auditor since July 2015, following a formal tender process. The Committee annually evaluates whether a new tender process is required, considering audit quality, independence and market developments.

The Committee has not recommended audit rotation in FY26, prioritising stability in this critical role post the Boxer IPO, and will reassess the need for audit rotation in FY27. In terms of section 92 of the Companies Act, the designated audit partner must rotate after five consecutive financial periods. Tina Rookledge, who has served as the Group's designated audit partner since August 2020, will rotate as audit partner during FY26.

External auditor appointment and independence

The Committee undertook a thorough annual evaluation of EY's independence, competence and audit quality. Key activities included:

- Approved the FY25 external audit plan and scope to ensure adequate coverage of material matters and critical risk areas, including approval of the FY25 audit fees
- Reviewed EY's internal governance and independence processes
- Received and reviewed the auditor suitability information as required under the JSE Listings Requirements
- Assessed the independence of EY, Tina Rookledge (external audit partner Pick n Pay Stores Limited) and Matthew Brown (external audit partner Boxer Retail Limited) in accordance with the Companies Act, the Listings Requirements and relevant regulatory standards
- Engaged directly with both the Group and subsidiary audit partners to evaluate audit approach and coordination

The Committee is satisfied that EY remains independent, competent and compliant with applicable regulatory requirements, and has delivered audit services to the Group with the required quality, rigour and transparency.

Audit process and oversight

The Committee engaged actively with EY and management throughout the audit process to ensure that material risks and financial reporting matters were appropriately addressed. The Committee:

- Reviewed audit findings and recommendations and confirmed that no material unresolved issues remained at the time of approving the Annual Financial Statements
- Met separately with the external auditor to confirm full cooperation from management
- Considered any queries received relating to accounting practices, financial controls or financial reporting
- Monitored the effectiveness of the external audit process, including audit quality indicators, expertise, execution against the approved audit plan and stakeholder reporting standards
- Confirmed that no reportable irregularities were identified by EY under the Auditing Profession Act

The Committee is satisfied that the external audit process was effective, well-governed and appropriately responsive to the Group's operating and risk environment during the year.

Following its comprehensive evaluation of the external auditor's performance, independence and effectiveness during FY25, the Committee considered the continued appointment of Ernst & Young Inc. for the upcoming financial year.

Audit-related and non-audit services

The Committee reviewed all audit-related and non-audit services provided by the external auditor during the year to ensure that independence was maintained. All audit-related and non-audit services were pre-approved in accordance with the Group's policy. Audit-related services related to the Group's two-step Recapitalisation Plan and specifically the external assurance required in respect of certain financial information contained within the related shareholder circulars, totalling R17.6 million.

Significant Matters

The Committee considered the key audit matters reported in the external audit report on pages 8 to 15 and is satisfied that these matters have been appropriately addressed in the Annual Financial Statements.

Annual recommendation of re-appointment

Based on its annual assessment, the Committee recommended to the Board that EY be proposed for reappointment as the Group's external auditor for the FY26 financial year at the 2025 Annual General Meeting.

Risk and compliance

The Committee provides independent oversight of the Group's risk management and compliance functions, ensuring that material risks and regulatory obligations are appropriately identified, assessed, managed and monitored to support the Group's strategy and long-term value creation. The Group's risk and compliance frameworks are implemented by senior management, and guided by the Group Head of Risk and Compliance.

The Head of Group Legal serves as the Chief Risk Officer for the Group. PwC continues to support the Group in strengthening the maturity and implementation of its risk management and compliance frameworks. The day-to-day responsibility for risk and compliance remains with management, under the oversight of the Committee, with key risks integrated into the Group's combined assurance programme.

Key areas of focus in FY25

The Committee's key areas of oversight included the ongoing development of the Group's risk and compliance maturity programme and management's response to the Group's most material risks. Key activities included:

- Reviewed the Group's material existing and emerging risks, including management's mitigation plans, and assessed the ongoing development of the Group's risk and compliance maturity programme
- Reviewed and approved annual revisions to the Group's compliance framework, including Group-wide ethics, governance and limits-of-authority policies
- Monitored combined assurance activities to ensure that key risks were appropriately covered across assurance providers
- Evaluated the Group's internal audit findings from a risk perspective and reviewed management's corrective action
- Reviewed litigation reports, including material litigation matters and Competition Commission enquiries, to assess potential financial and reputational risks and the adequacy of management's legal risk mitigation strategies
- Assessed the composition, expertise, independence and adequacy of the Risk and Compliance function, and confirmed the suitability of the Group Head of Risk and Compliance
- Oversaw management's response to key operational and strategic risks, including:
  - Talent attraction, retention and employee welfare
  - Management of the store re-set programme and the impact on store labour
  - Operational readiness for disruption in power or water supply
  - Adequacy of security measures in the event of civil unrest
  - Food safety and occupational health and safety standards
  - The impact of global and local supply chain disruption, particularly on the Group's clothing division
  - Cost control in a constrained economy
  - Group insurance, including the adequacy of asset and business interruption coverage
  - Franchise performance and franchise debt recoverability
  - Systems stability and cyber risk
  - Reputational risk related to ESG matters
  - Social, political and economic developments in South Africa and other key African markets

The Committee is satisfied that the Group's risk management and compliance frameworks are effective and appropriately support the Group's ability to protect and create sustainable stakeholder value.

IT governance

The Committee reviewed and approved all material IT strategies, initiatives, policies and frameworks. It also approved IT investment principles to guide material IT investment decisions, ensuring system optimisation and continuous innovation. In addition, the Committee evaluated reports on the Group's IT risk profile, critical IT and cyber risks, and risk management processes, and is satisfied with the security and resilience of its systems, platforms and data.

Committee evaluation and re-election

The Committee's performance and effectiveness are assessed on an annual basis by the Board, assisted by the Nominations and Corporate Governance Committee. The Board's assessment was positive, with no concerns raised. The Board remains satisfied that the Committee members have the necessary skills and experience to discharge their duties and have done so effectively.

David Friedland will retire from the Board and step down from the Committee at the 2025 AGM. The Committee extends sincere thanks to David for his invaluable contribution over many years. In addition, the Board has announced that James Formby will take over from Gareth Ackerman as Chair of the Board from the 2025 AGM and, as such, James will not be put forward for re-election to the Committee. The remaining Committee members, including newly appointed independent non-executive director, Pooven Viranna, will be put to shareholders for formal election at the 2025 AGM. Further rotation and retirements will follow as suitable candidates are identified and appointed through the Board's formal succession programme.

The Committee is satisfied that it complied with, and discharged, all statutory duties in terms of section 94(7) of the Companies Act and the Listings Requirements, as well as with the functions and responsibilities assigned to it by the Board under its terms of reference and Committee mandate, for FY25.

Key focus areas for FY26

The Committee's focus areas for the next financial year will include:

- Execution of the Pick n Pay strategic plan and the associated execution risks
- Capital allocations to prioritise investment returns
- Emerging and accelerated risks, including increased cyber risk and potential labour disruption
- Ongoing progress in integrated reporting, including in ESG disclosures

Aboubakar Jakoet
Chair: Group Audit, Risk and Compliance Committee

25 May 2025

Review of operations

Audited financial results for the 53 weeks ended 2 March 2025 (FY25)

Key Group financial indicators	53 weeks to 2 March 2025 FY25	52 weeks to 25 February 2024 FY24*	% improvement/ (decline)
Turnover	**R118.6 billion**	R112.3 billion	5.6
Turnover (Pro forma 52w)[1]	**R115.9 billion**	R112.3 billion	3.2
Gross profit margin	**18.4%**	18.1%	
Trading expenses	**R23.0 billion**	R22.5 billion	(1.9)
Trading profit	**R1 759 million**	R405 million	334.3
Trading profit margin	**1.5%**	0.4%	
Loss before tax and capital items	**(R237 million)**	(R1 421 million)	83.3
Attributable loss after tax	**(R736 million)**	(R3 301 million)	77.7
Headline loss per share (HEPS)	**(61.54 cents)**	(172.21 cents)	64.3

* *In line with IAS 33, FY24 EPS and HEPS were restated to reflect the bonus element from the rights issue, reflecting adjustments to the weighted average shares in issue (refer to note 34.1). In addition, FY24 earnings have been restated to correct an error in the application of IFRS 16 leases (refer to note 38).*

FY25 Group highlights

FY25 marked a turning point for the Group as the Pick n Pay segment executed the initial leg of its operational and financial recovery. Achievements of note during the period include:

- **Recapitalisation completed:** the Group raised gross proceeds of R12.5 billion via the R4 billion Rights Offer and R8.5 billion through the Boxer JSE listing, and closed the year with net cash resources[1] of R4.2 billion;
- **Boxer value unlocked:** Boxer's c.R30 billion market capitalisation demonstrates the exceptional quality of one of the Group's key assets;
- **Pick n Pay company-owned supermarkets like-for-like sales revival:** Pick n Pay company-owned supermarkets grew FY25 like-for-like turnover at 3.3% (52/52-week basis), a turnaround from FY24's 1.2% decline;
- **Pick n Pay segment profit recovery:** The Pick n Pay segment reduced its FY25 trading loss to R549 million from R1.5 billion in FY24, and returned to a trading profit in H2 FY25.

Group result summary

The Group delivered a much-improved FY25 result, with a loss before tax and capital items of R237 million vs. a loss of R1.4 billion in FY24. The recovery was driven by a R1.0 billion year-on-year reduction in the Pick n Pay segment trading loss, supported by a 27.3% net funding interest expense reduction as the recapitalisation made its initial impact on debt service costs.

Group turnover increased 5.6%, with 13.2% growth from Boxer and 1.9% growth from the Pick n Pay segment. Gross profit margin expanded 0.3% to 18.4%, with gross profit in Rand terms increasing 7.3% year-on-year. Other income grew 11.6%. Trading expenses increased by just 1.9%, largely due to a flat Occupancy charge (+1.5% year-on-year) and a sharp reduction in the expected credit loss allowance. Group trading profit of R1.8 billion reflected a R2.3 billion Boxer trading profit and a R549 million Pick n Pay trading loss.

Group net finance costs decreased 2.1% as the benefit from reduced bank interest expense was offset by increased IFRS 16 lease interest resulting from the Boxer store rollout and distribution network expansion. This led to a Group loss before tax and capital items of R237 million, a substantial improvement from FY24's R1.4 billion loss. In addition, the Group recorded a R294 million non-cash asset impairment (vs. a R3.0 billion impairment in FY24). As a consequence of the Boxer IPO, the Group reported a non-controlling or minority interest for the first time, at R85 million, which resulted in a FY25 Group attributable loss of R736 million (R3.3 billion in FY24).

The Group reports on the retail calendar of trading weeks, by which each financial year is an exact 52-week period of trading weeks from Monday to Sunday. The result is the loss of a day per financial year. These lost days are taken into account by reporting a 53-week financial year approximately every six years. In line with this methodology, FY25 is a 53-week year. In order to facilitate comparison with FY24 on a 52/52-week basis, the Group has provided pro forma turnover[1], which strips out the impact of the additional week. The Group has elected not to provide pro forma trading profit, as the impact of the 53rd week is immaterial in the context of the Group as a whole.

On a pro-forma 52/52-week basis, Group FY25 turnover grew 3.2%, driven by a 0.3% Pick n Pay decline and 10.4% Boxer growth. On this basis, Pick n Pay's South Africa sales were flat (-0.1% year on year), while Pick n Pay's Rest of Africa sales declined 5.7%.

Turnover (Rm)	FY25 as reported (53 weeks)	Adjustment for week 53	FY25 (52 weeks pro forma)[1]	FY24 (52 weeks)	53/52 weeks % change	52/52 weeks Pro forma % change[1]
Boxer	**42 344**	**(1 040)**	**41 304**	37 419	13.2	10.4
Pick n Pay	**76 266**	**(1 650)**	**74 616**	74 876	1.9	(0.3)
South Africa	**72 789**	**(1 580)**	**71 209**	71 265	2.1	(0.1)
Rest of Africa	**3 477**	**(70)**	**3 407**	3 611	(3.7)	(5.7)
Group	**118 610**	**(2 690)**	**115 920**	112 295	5.6	3.2

[1] *Refer to Appendix 1 Pro forma financial information*

Boxer segment operational performance

Boxer, the Group's 65.6% owned subsidiary (following the 28 November 2024 Boxer IPO) reported a strong FY25 performance. As consolidated by the Group, Boxer turnover grew 13.2% year-on-year to R42.3 billion, and trading profit grew 19.7% year-on-year to R2.3 billion. The full FY25 Boxer results, as published by Boxer Retail Limited Group on 12 May 2025, can be found on the Boxer website at www.boxerinvestor.co.za/results.

Pick n Pay segment operational performance

Pick n Pay segment turnover

Pick n Pay's turnover objective is to drive a like-for-like sales growth recovery in its profitable stores (the majority of the estate) while closing or converting those loss-making stores with limited prospect for a profitable recovery. Solid progress was made on both strategic initiatives during FY25. Pro forma 52/52-week turnover declined 0.3% with Pick n Pay South Africa flat and Rest of Africa declining 5.7%. Rest of Africa turnover weakness was the result of Zambian Kwacha currency devaluation as well as lower Namibian turnover as the Namibian master franchisee moves towards the termination date of the franchise agreement (as previously announced). Internal selling price inflation for the period was 2.1%, sharply down on FY24's 8.2%, and well below Statistics SA Food CPI of 3.9%, as Pick n Pay maintained its commitment to deliver lower prices to customers.

South African company-owned and franchise supermarkets

Like-for-like turnover for company-owned supermarkets increased 3.3% year-on-year, with positive like-for like volume growth. Steady progress has been made over the past 18 months, with like-for-like growth improving from -0.5% in H2 FY24 to 3.1% in H1 FY25, and 3.6% in H2 FY25.

Substantial progress was made on the closure and conversion of loss-making stores. A total of 40 loss-making Pick n Pay supermarkets were closed or converted, including the closure of 25 company-owned supermarkets, the conversion of 7 company-owned supermarkets to franchise, and the conversion of 8 company-owned supermarkets to Boxer. Primarily due to this initiative, the total Pick n Pay supermarket estate (company-owned and franchise stores) declined by a net 45 stores to 570 supermarkets at March 2025.

Franchise like-for-like sales growth has been slower to recover, at -0.1% for FY25. Franchise received significant management attention, with Pick n Pay working to improve the overall franchise offering to drive turnover and profitability for all parties. Franchise turnover has more recently improved with like-for-like sales growth improving from -1.4% in H1 FY25 to 1.1% in H2 FY25.

Like-for-like sales % growth	26 weeks H2 FY24	26 weeks H1 FY25	**26 weeks H2 FY25**	**52 weeks FY25**
PnP South Africa	0.0%	1.1%	**3.1%**	**2.0%**
PnP SA Supermarkets	(0.2%)	1.3%	**2.7%**	**2.0%**
PnP SA Company-owned Supermarkets	(0.5%)	3.1%	**3.6%**	**3.3%**
PnP SA Franchise Supermarkets	(0.3%)	(1.4%)	**1.1%**	**(0.1%)**
PnP Clothing standalone stores	10.7%	0.2%	**3.8%**	**2.0%**

Notes: 1) FY25 like-for-like growth is presented on a 52/52 week basis. 2) PnP SA Supermarkets includes Hypermarkets. 3) Franchise sales refers to wholesale sales from Pick n Pay to franchisees.

Pick n Pay Online

Pick n Pay's online business, primarily asap! and PnP groceries on the Mr D app, continues its strong growth trajectory. FY25 Online retail turnover (reported within PnP SA Supermarkets) grew 48.7% year-on-year (53-week basis). Turnover growth for the first 52 weeks of the period was 44.6%. The scale gains achieved have resulted in the Online business now being profitable on a fully costed basis.

While Online turnover growth was initially mostly driven by company-owned stores, asap! is now being increasingly adopted by franchisees, with triple-digit FY25 growth in franchise. Pick n Pay's online business continues to report ongoing improvements in key operational metrics, including picking and delivery time. The asap! technology has been completely re-platformed over the last 18 months and a new and upgraded asap! app was launched in April 2025. This app now integrates asap! with Smart Shopper and value-added services, providing customers with access to a state-of-the-art technology platform, as well as a host of new features that will further fuel its growth in FY26.

Pick n Pay Clothing

Pick n Pay Clothing continued to deliver pleasing results when considering the strength of the base (FY24 like-for-like sales +7.7%), and particularly so in the second half of the year. FY25 Clothing turnover growth from standalone stores was 11.6%. For the first 52 weeks of the year, turnover growth was 9.9% and 2.0% like-for-like. Port delays and a late start to winter drove a soft start to the year (0.2% H1 like-for-like sales), but performance improved in the latter part of the year, with H2 like-for-like sales growth of 3.8%. Considering the high base (10.7% H2 FY24 like-for-like sales), the Group is pleased with the second half performance.

Pick n Pay Clothing opened net 30 company-owned stores during FY25 to bring the total estate to 415 stores, consisting of 396 company-owned and 19 franchise stores.

Pick n Pay segment gross profit

Pick n Pay's gross profit margin expanded 0.2% during FY25, rising to 16.7%, while gross profit Rand value increased 2.8%. Pick n Pay improved its price-positioning over the period while simultaneously clawing back some of the gross margin lost in FY24, primarily through reduced waste and improved sales mix.

Pick n Pay segment trading expenses

Pick n Pay trading expenses (including the additional week) declined 2.2% year-on-year (+3.0% like-for-like) to R15.9 billion. This was the result of strict expense control, but also due to particular noteworthy factors including (a) reduced depreciation of PPE and Right-of-use assets due to the R2.9 billion FY24 asset impairment and (b) a substantial reduction in the expected credit loss allowance.

Employee costs – increased 1.1% to R6.4 billion, supported by the non-recurrence of the R307 million FY24 employee restructuring cost. The slight increase in employee costs (despite restructure non-repeat) was because of selective hiring of skills in stores and regional offices to improve in-store execution and drive like-for-like sales, together with employee settlements on store closures.

Occupancy costs – declined 2.4% to R2.3 billion. Occupancy was impacted by a R136 million IFRS 16 profit on lease termination in FY25 (R63 million in FY24), which arose from store closures and conversions.

Operations costs – decreased 0.7% to R4.1 billion. Pick n Pay benefitted from reduced loadshedding during FY25, with the cost of diesel to run generators declining by R264 million year-on-year, resulting in a saving (net of electricity costs) of c.R218 million. Depreciation and amortisation was impacted by both the FY24 asset impairments and the FY25 store closures and conversions.

Merchandising and administration costs – increased 3.3% to R2.9 billion as a result of an increase in advertising to drive turnover.

Expected credit loss allowance – declined 67.8% from R634 million to R204 million, as franchise credit losses normalised following the FY24 Botswana write-off and an improved credit book across South African franchisees. The FY25 franchise expected credit loss allowance equated to 4.6% of gross franchise debt, down from 13.9% in FY24, and close to the 3.6% FY21 to FY23 average.

Pick n Pay segment trading loss

Pick n Pay segment's FY25 trading loss reduced to R549 million (-0.7% trading margin) from R1.5 billion (-2.0% trading margin) in FY24. The improvement was driven by the combined impact of improved like-for-like sales, gross margin expansion, and the reduction in trading expenses. The entire FY25 trading loss reduction was driven by a significant H2 FY25 improvement, with the trading result swinging from a R864 million loss in H2 FY24 to a R170 million profit in H2 FY25.

Rm	FY25 (53 weeks)	FY24 (52 weeks)	% change
Turnover	76 266	74 876	1.9
Gross profit	12 711	12 359	2.8
Other income	2 637	2 374	11.1
Trading expenses	(15 897)	(16 256)	(2.2)
Employee costs	(6 444)	(6 376)	1.1
Occupancy	(2 278)	(2 334)	(2.4)
Operations costs	(4 119)	(4 150)	(0.7)
Merchandise and admin	(2 852)	(2 762)	3.3
Expected credit loss allowance	(204)	(634)	(67.8)
Trading loss	(549)	(1 523)	(64.0)
Gross profit margin	16.7%	16.5%	
Trading expenses as % of turnover	20.8%	21.7%	
Trading loss margin	(0.7%)	(2.0%)	

Group trading profit segmentation

	FY25 (53 weeks)			FY24 (52 weeks)		
Rm	Pick n Pay	Boxer	Group	Pick n Pay	Boxer	Group
Turnover	76 266	42 344	118 610	74 876	37 419	112 295
Trading profit/(loss)	(549)	2 308	1 759	(1 523)	1 928	405
Trading margin	(0.7%)	5.5%	1.5%	(2.0%)	5.2%	0.4%
Depreciation and amortisation*	2 558	1 258	3 816	2 869	1 154	4 023
Net lease finance expenses#	1 141	412	1 553	1 092	337	1 429
Asset impairments	274	20	294	2 972	11	2 983

* *Includes depreciation of right-of-use assets*

\# *As per the Statement of Comprehensive Income. Lease finance expense less lease finance income, which is income received from franchise sub-leases where the Group holds head leases.*

* *Refer to Appendix 1 Pro forma financial information.*

Group net finance costs

Group net finance costs, including implied interest charges under IFRS 16, declined 2.1% year-on-year to R2.0 billion. Pick n Pay segment net finance costs declined 8.8% year-on-year to R1.6 billion.

Funding interest – Group net funding interest expense decreased 27.3% year-on-year to R443 million. This was driven by a 29.8% decline in Pick n Pay segment net interest expense to R488 million, which was the result of debt paydown in the second half of the year due to the recapitalisation plan.

Lease interest – implied net interest charges under IFRS 16 increased 8.7% year-on-year to R1.6 billion. The increase was driven by the Boxer store and distribution network rollout, with net lease interest in the Pick n Pay segment relatively flat on FY24.

Rm	FY25 (53 weeks)	FY24 (52 weeks)	% change
Group net finance costs	**(1 996)**	(2 038)	(2.1)
Net funding interest[1]	**(443)**	(609)	(27.3)
Net lease interest[2]	**(1 553)**	(1 429)	8.7
Pick n Pay	**(1 629)**	(1 787)	(8.8)
Net funding interest	**(488)**	(695)	(29.8)
Net lease interest	**(1 141)**	(1 092)	4.5
Boxer	**(367)**	(251)	46.2
Net funding interest	**45**	86	(47.7)
Net lease interest	**(412)**	(337)	22.3

Note:
1) Net funding interest includes trade receivables and other income received of R93 million and R78 million in FY24 and FY25 respectively, which is primarily interest income on overdue franchise receivables.
2) Lease liability finance costs less net investment in lease receivables, which is income received from franchise sub-leases where the Group holds head leases.

Group capital items

The Group recorded an FY25 capital loss of R388 million, significantly down on the R2.9 billion incurred in FY24. As in FY24, the majority of the FY25 capital loss was incurred within the Pick n Pay segment, which took a R355 million FY25 charge, primarily driven by a R274 million asset impairment.

Group tax

The Group's effective tax rate of -4.2% (23.0% in FY24) reflects the losses incurred in the Pick n Pay segment. The Group does not expect to pay tax in the Pick n Pay segment for the foreseeable future, given the anticipation of further losses within this segment and the current deferred tax asset.

Earnings per share

Headline earnings per share (HEPS) – The headline loss per share improved 64.3% to a loss of 61.54 cents per share. All impairment losses and other capital items are excluded from the calculation of headline earnings.

Earnings per share (EPS) – improved 80.9% to a loss of 111.01 cents per share, and includes all items of a capital nature.

Detailed review of Group financial position

Gearing

Group net cash (excluding leases) as consolidated at period-end was R4.2 billion, including R4.4 billion* of net cash within Pick n Pay and R180 million net debt within Boxer. As a result of the successful conclusion of the Group's two-step recapitalisation, the FY25 Group net cash position represented a R10.2 billion swing from FY24's R6.1 billion closing net debt.

The Pick n Pay segment has short-term working capital facilities of R3.0 billion in place to fund intra-month working capital requirements where necessary. This facility is unsecured and is not guaranteed by Boxer Retail Limited.

Gearing (Rm)	FY25	FY24
Group gross debt	**(1 150)**	(11 445)
Group cash and cash equivalents	**5 328**	5 383
Group net cash/(debt)	**4 178**	(6 062)
Pick n Pay net cash/(debt)	**4 358**	
Boxer net cash/(debt)	**(180)**	

Working capital

Working capital absorbed R583 million of Group liquidity in FY25. This included a R505 million liquidity utilisation within Pick n Pay and a R78 million utilisation within Boxer. At a Group level, this represented a R1.4 billion liquidity absorption during H2 FY25, after the R823 million released in H1 FY25. The FY25 working capital liquidity absorption, including the H2 reversal, is attributed to the following:

- Group Inventory was well managed, increasing 4.0% year-on-year, with Pick n Pay +3.8% and Boxer +4.5%.
- Pick n Pay franchise debt was in a substantially better position than at the end of FY24, with the credit loss allowance at 4.6% of gross debt, compared to 13.9% at the end of FY24.
- Normal seasonality, where Pick n Pay and Boxer both ordinarily release liquidity in H1 and absorb liquidity in H2.
- Cut-off impact due to the 53rd week and 2 March financial year-end, which resulted in some creditors being paid within FY25 which would ordinarily have been paid post year-end.

Net working capital movement (Rm)	FY25	FY24
Pick n Pay	**(505)**	692
Boxer	**(78)**	396
Group liquidity (absorption)/release	**(583)**	1 088

Group capital investment

The Group invested R1.7 billion in capital projects in FY25, a 55.0% decrease on the R3.8 billion invested in FY24. Net capital investment (net of proceeds from asset disposals) totalled R1.5 billion, a 43.2% decline from the R2.7 billion invested in FY24. Reduced Group FY25 net capital investment was primarily due to a 63.0% reduction, to R0.6 billion, within the Pick n Pay segment, due to Pick n Pay conserving capital prior to the completion of both legs of the recapitalisation programme.

Group gross capital investment for the FY26 financial year will be approximately R2.3 billion, including approximately R1.1 billion for Pick n Pay.

Net capital investment (Rbn)	FY25	FY24	% change
Pick n Pay	**0.6**	1.6	(63.0)
Boxer	**0.9**	1.1	(12.6)
Group	**1.5**	2.7	(43.2)

Shareholder distribution

Owing to the loss incurred for the year, the Board has not declared an FY25 dividend. While the Group is now well capitalised following the successful completion of the two-step recapitalisation plan, the Group does not expect to declare any dividends until it has returned to sustainable profitability.

Group strategic plan and outlook

FY25 was a critical year in the Group's recovery. The recapitalisation was completed in November 2024, and the Pick n Pay segment delivered a two-thirds year-on-year trading loss reduction. Having strengthened the balance sheet, the Group is now focused on the further operational recovery of Pick n Pay, with Boxer continuing to execute on its growth strategy.

Within the Pick n Pay business, crucial milestones were achieved in FY25, including beginning the like-for-like sales recovery, closing or converting 40 loss-making SA supermarkets, and reversing a portion of FY24's gross margin contraction during the second half of the year.

While much has been achieved, the challenge to return Pick n Pay to a profitable and future-fit business remains very real. Despite the FY25 trading loss reduction, the Pick n Pay segment still produced a material loss, especially when taking lease interest expense into account.

The path back to break-even, profitability, and ultimately long-term sustainable success is clear, and will be executed in a considered and methodical manner. However, it will take longer than initially envisaged, as the chosen strategy is to build retail muscle memory for long-term success. As a consequence, where the Group previously guided that it anticipated the Pick n Pay segment to break-even on a trading profit-after-lease-interest basis in FY27, the Group now expects an FY28 break-even.

In order to ensure stability of management and singularity of purpose at this critical time in the turnaround, CEO Sean Summers has agreed to extend his tenure to May 2028. Sean Summers said, 'the ultimate success of my tenure will be judged in 5- and 10-years' time, as today's efforts to rebuild retail capacity and excellence bear fruit'.

Despite the challenges, the Group has absolute determination to achieve the Pick n Pay turnaround. The Group anticipates further profit recovery within the Pick n Pay segment over the next two financial years, driven by operational progress as well as the substantial FY25 debt service charge becoming net interest income in FY26.

In the 8 weeks post period-end, the Pick n Pay segment's South African turnover grew 0.8%, with like-for-like sales +3.8%. Company owned-supermarket like-for-like sales growth strengthened further to +4.0%, while franchise continued its like-for-like sales recovery to +2.1%. Post-period turnover is stated on a commercial basis, which compares turnover to the same calendar week in the preceding year.*

Following the announcement that Gareth Ackerman will retire from his role as Chair of the Board in August 2025, the Board would like to thank Gareth for his principled leadership over the past 15 years, and looks forward to his continued contribution as a non-independent non-executive director.

We thank all Boxer and Pick n Pay colleagues, and our valued franchise partners, for their commitment and dedication, as we strengthen and re-energise the Group for a prosperous future.

Gareth Ackerman
Chair

Sean Summers
Chief Executive Officer

25 May 2025

* *In the year after a 53-week reporting period, a slight misalignment between commercial and financial reporting turnover arises (whereby financial turnover growth lags commercial turnover), which naturally reduces as the year progresses.*

Group annual financial statements

Group statement of comprehensive income

for the period ended

	Note	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
Revenue	2	**122 124**	115 367
Turnover	2	**118 610**	112 295
Cost of merchandise sold		**(96 846)**	(92 015)
Gross profit		**21 764**	20 280
Other income		**2 949**	2 643
Franchise fee income	2	**1 244**	1 022
Operating lease income	2	**111**	102
Commissions, dividend and other income	2	**1 594**	1 519
Trading expenses		**(22 954)**	(22 518)
Employee costs	3	**(9 516)**	(9 000)
Occupancy costs		**(3 460)**	(3 408)
Operations costs		**(6 217)**	(6 118)
Merchandising and administration costs		**(3 557)**	(3 358)
Expected credit loss allowance	19	**(204)**	(634)
Trading profit		**1 759**	405
Finance income	2	**565**	429
Funding finance income		**349**	227
Leases finance income		**216**	202
Finance costs	3	**(2 561)**	(2 467)
Funding finance expense		**(792)**	(836)
Leases finance expense		**(1 769)**	(1 631)
Share of associate's earnings	15	**–**	212
Loss before tax before capital items		**(237)**	(1 421)
Loss on capital items		**(388)**	(2 868)
Net (loss)/profit on disposal of assets		**(94)**	369
Loss from impairments of assets	12	**(294)**	(2 983)
Impairment loss on investment in associate	15	**–**	(254)
Loss before tax	3	**(625)**	(4 289)
Tax	6	**(26)**	988
Loss for the period		**(651)**	(3 301)
Attributable to:			
Equity holders of the parent		**(736)**	(3 301)
Non-controlling interest		**85**	–
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss		**2**	37
Remeasurement in retirement scheme assets	24	**3**	51
Tax on items that will not be reclassified to profit or loss	14	**(1)**	(14)
Items that may be reclassified to profit or loss		**(9)**	(44)
Foreign currency translations		**(8)**	(24)
Movement in cash flow hedge		**(1)**	(20)
Tax on items that may be reclassified to profit or loss		**–**	–
Total comprehensive loss for the period		**(658)**	(3 308)
Attributable to:			
Equity holders of the parent		**(743)**	(3 308)
Non-controlling interest		**85**	–
Earnings per share#		**Cents**	Cents
Basic loss per share	7	**(111.01)**	(581.85)
Diluted loss per share	7	**(111.01)**	(580.37)

* *Refer to note 38 for details on the restatement.*

\# *In accordance with IAS 33 Earnings Per Share, the prior year weighted and diluted weighted average number of shares in issue have been adjusted retrospectively to account for the bonus element arising from the rights offer share issue. As a result, the prior year earnings per share metrics were adjusted to account for the change in weighted and diluted weighted average number of shares in issue. Refer to note 7.*

Group statement of financial position

	Note	As at 2 March 2025 Rm	Restated* As at 25 February 2024 Rm	Restated* As at 26 February 2023 Rm
ASSETS				
Non-current assets				
Intangible assets	9	**1 067**	1 076	1 424
Property, plant and equipment	10	**8 675**	9 191	8 893
Right-of-use assets	11	**11 043**	11 702	11 340
Net investment in lease receivables	13	**2 017**	1 961	1 967
Deferred tax assets	14	**2 749**	2 165	734
Investment in associate	15	**–**	–	72
Loans	17	**143**	170	118
Retirement scheme assets	24	**60**	51	69
Investment in insurance cell captive	32	**72**	61	71
Operating lease assets		**5**	6	9
Trade and other receivables	19	**8**	2	85
		25 839	26 385	24 782
Current assets				
Inventory	18	**10 598**	10 187	10 647
Trade and other receivables	19	**4 366**	4 425	4 642
Cash and cash equivalents	20	**5 328**	5 383	1 998
Net investment in lease receivables	13	**388**	448	333
Right-of-return assets	28	**24**	24	23
Loans	17	**13**	–	–
Derivative financial instruments	32	**1**	2	22
		20 718	20 469	17 665
Non-current assets held for sale	10	**250**	56	250
Total assets		**46 807**	46 910	42 697
EQUITY AND LIABILITIES				
Equity				
Share capital	21	**3 883**	6	6
Treasury shares	22	**(496)**	(557)	(644)
Retained earnings		**7 301**	646	4 686
Other reserves		**6**	1	20
Foreign currency translation reserve		**(397)**	(389)	(365)
Equity attributable to equity holders of parent		**10 297**	(293)	3 703
Non-controlling interest	16	**668**	–	–
Total equity		**10 965**	(293)	3 703
Non-current liabilities				
Lease liabilities	27	**16 379**	16 868	15 295
Borrowings	23	**850**	4 500	–
		17 229	21 368	15 295
Current liabilities				
Trade and other payables	25	**15 036**	15 354	14 831
Lease liabilities	27	**2 741**	2 838	2 471
Deferred revenue	28	**300**	323	378
Bank overdraft and overnight borrowings	20	**300**	5 179	2 800
Borrowings	23	**–**	1 766	2 869
Current tax liabilities	6	**140**	273	270
Provisions	26	**96**	102	80
		18 613	25 835	23 699
Total equity and liabilities		**46 807**	46 910	42 697

* *Refer to note 38 for details on the restatement.*

Group statement of changes in equity

for the period ended

	Note	Share capital Rm	Treasury shares Rm	Retained earnings Rm	Other reserves Rm	Foreign currency translation reserve Rm	Equity attributable to equity holders of parent Rm	Non-controlling interest** Rm	Total equity Rm
At 26 February 2023		6	(644)	4 685	20	(365)	3 702	–	3 702
Impact of restatement*	38	–	–	1	–	–	1	–	1
At 26 February 2023 restated*		6	(644)	4 686	20	(365)	3 703	–	3 703
Total comprehensive income for the period		–	–	(3 264)	(20)	(24)	(3 308)	–	(3 308)
Loss for the period		–	–	(3 301)	–	–	(3 301)	–	(3 301)
Foreign currency translations		–	–	–	–	(24)	(24)	–	(24)
Movement in cash flow hedge		–	–	–	(20)	–	(20)	–	(20)
Remeasurement in retirement scheme assets		–	–	37	–	–	37	–	37
Other reserve movements		–	–	–	1	–	1	–	1
Transactions with owners		–	87	(776)	–	–	(689)	–	(689)
Dividends paid		–	–	(687)	–	–	(687)	–	(687)
Net effect of settlement of employee share awards	22	–	87	(87)	–	–	–	–	–
Share-based payments	3	–	–	(2)	–	–	(2)	–	(2)
At 25 February 2024		**6**	**(557)**	**646**	**1**	**(389)**	**(293)**	**–**	**(293)**
Total comprehensive income for the period		**–**	**–**	**(734)**	**(1)**	**(8)**	**(743)**	**85**	**(658)**
Loss for the period		**–**	**–**	**(736)**	**–**	**–**	**(736)**	**85**	**(651)**
Foreign currency translations		**–**	**–**	**–**	**–**	**(8)**	**(8)**	**–**	**(8)**
Movement in cash flow hedge		**–**	**–**	**–**	**(1)**	**–**	**(1)**	**–**	**(1)**
Remeasurement in retirement scheme assets		**–**	**–**	**2**	**–**	**–**	**2**	**–**	**2**
Other reserve movements		**–**	**–**	**–**	**6**	**–**	**6**	**–**	**6**
Transactions with owners		**3 877**	**61**	**7 389**	**–**	**–**	**11 327**	**583**	**11 910**
Share issue – rights offer	34.1	**3 877**	**–**	**–**	**–**	**–**	**3 877**	**–**	**3 877**
Proceeds on sale of rights attached to treasury shares, pursuant to rights offer	22	**–**	**17**	**–**	**–**	**–**	**17**	**–**	**17**
Net effect of settlement of employee share awards	22	**–**	**44**	**(44)**	**–**	**–**	**–**	**–**	**–**
Net proceeds from change of ownership interest in subsidiary	34.2	**–**	**–**	**7 369**	**–**	**–**	**7 369**	**576**	**7 945**
Share-based payments	3	**–**	**–**	**64**	**–**	**–**	**64**	**7**	**71**
At 2 March 2025		**3 883**	**(496)**	**7 301**	**6**	**(397)**	**10 297**	**668**	**10 965**

* *Refer to note 38 for details on the restatement.*
** *Refer to note 16.*

Group statement of cash flows

for the period ended

	Note	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
Cash flows from operating activities			
Trading profit		**1 759**	405
Adjusted for dividend income	2	**–**	(25)
Adjusted for non-cash items		**3 731**	4 052
Depreciation of property, plant and equipment	10	**1 436**	1 522
Depreciation of right-of-use assets	11	**2 253**	2 389
Amortisation of intangible assets	9	**127**	112
Share-based payments	3	**71**	(2)
Profit on termination of leases**		**(178)**	(71)
Other lease adjustments**		**34**	15
Movement in operating lease assets		**1**	3
Movement in retirement scheme assets		**(6)**	69
Fair value and foreign exchange adjustments		**(7)**	15
Cash generated before movements in working capital		**5 490**	4 432
Movements in working capital		**(583)**	1 088
Movements in trade and other payables, provisions and deferred revenue		**(229)**	290
Movements in inventory and right-of-return assets		**(386)**	495
Movements in trade and other receivables		**32**	303
Cash generated from trading activities		**4 907**	5 520
Funding interest received		**350**	225
Funding interest paid		**(900)**	(729)
Interest received on net investment in lease receivables	13	**210**	203
Interest paid on lease liabilities	27	**(1 681)**	(1 629)
Cash generated from operations		**2 886**	3 590
Dividends received		**–**	32
Dividends paid		**–**	(687)
Tax paid	6	**(744)**	(454)
Cash generated from operating activities		**2 142**	2 481
Cash flows from investing activities			
Investment in intangible assets	9	**(164)**	(269)
Investment in property, plant and equipment	10	**(1 513)**	(3 175)
Purchase of operations	33	**(48)**	(308)
Proceeds on disposal of intangible assets		**13**	22
Proceeds on disposal of property, plant and equipment		**142**	1 030
Principal net investment in lease receipts	13	**377**	353
Lease incentives received		**116**	50
Loans repaid		**73**	102
Loans advanced		**(59)**	(154)
Cash utilised in investing activities		**(1 063)**	(2 349)
Cash flows from financing activities			
Principal lease liability payments	27	**(2 679)**	(2 520)
Borrowings raised	23	**3 235**	15 607
Repayment of borrowings	23	**(8 651)**	(12 210)
Net proceeds on rights offer	34.1	**3 877**	–
Proceeds on sale of rights attached to treasury shares, pursuant to rights offer	22	**17**	–
Proceeds for change in ownership interest as a result of the IPO	34.2	**7 945**	–
Cash generated from financing activities		**3 744**	877
Net increase in cash and cash equivalents		**4 823**	1 009
Net cash and cash equivalents at beginning of period		**204**	(802)
Foreign currency translations		**1**	(3)
Net cash and cash equivalents at end of period	20	**5 028**	204
Consisting of:			
Cash and cash equivalents		**5 328**	5 383
Overnight borrowings		**(300)**	(5 179)

* *Refer to note 38 for details on the restatement.*

** *Disclosure has been expanded for the current period as a result of the significance of lease terminations. Prior period disclosure has been expanded for comparability.*

Notes to the group annual financial statements

for the period ended 2 March 2025

MATERIAL ACCOUNTING POLICIES

1.1 Reporting entities

The Group annual financial statements for the 53 weeks ended 2 March 2025 (2024: 52 weeks ended 25 February 2024) comprise Pick n Pay Stores Limited and its subsidiaries and associate (the Group). Pick n Pay Stores Limited is referred to as the Company.

1.2 Statement of compliance

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

1.3 Basis of preparation

The Group annual financial statements are 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.

In addition, decimal points have been removed during the current year. The prior year numbers have been aligned to the current year rounding.

The accounting policies set out below have been applied consistently to all periods presented in these Group annual financial statements and to all companies in the Group, except where the Group has adopted IFRS Accounting Standards 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 Group during the current period and have been applied in the preparation of these Group annual financial statements. New standards, amendments to standards and interpretations did not have a significant impact on the Group.

The Group has not early adopted any other IFRS Accounting Standards and IFRIC interpretations and amendments that are not yet effective for the Group. Refer to note 39.

The Group has prepared its financial statements on the going concern assumption. Refer to note 35 for further information.

1.4 Basis of consolidation

Investment in subsidiaries

The 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 Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Group annual financial statements from the date the Group gains control until the date the 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 Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without leading to control being obtained or lost, is accounted for as an equity transaction.

Non-controlling interests are accounted for using the proportionate share method. Profits/Losses of partly owned subsidiaries are proportionately attributable to the non-controlling interest even if that results in a deficit balance of non-controlling interests.

When the proportion of the equity held by non-controlling interest changes, the group adjusts the carrying amounts of the controlling and non-controlling interest to reflect the changes in their relative interests in the subsidiary. The Group recognises directly in equity any difference between the amount by which the non-controlling interest are adjusted and the fair value of the consideration paid or received, and attributes it to the owners of the parent.

Material accounting policies (continued)

1.4 Basis of consolidation (continued)

Interest in equity-accounted investees

Associates are those entities over which the Group exercises significant influence but not control. Significant influence is the power to participate in the financial and operating policy decisions of the investee but does not provide control or joint control over those policies. The Group's interest in equity-accounted investees comprises its interests in associates.

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise the Group's share of associates profit/loss for the year. Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately.

The aggregate of the Group's share of profit or loss of an associate is shown in the statement of comprehensive income and represents profit or loss after tax and after non-controlling interests in the subsidiaries of the associate. Where there are changes recognised directly in the other comprehensive income (OCI) or equity of the associate, the Group recognises its share of any changes, when applicable, in the statement of other comprehensive income and statement of changes in equity, respectively. Any dividends received by the Group is credited against the investment in associate.

Unrealised gains or losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

The financial statements of the associate are prepared for the same reporting period as the Group.

After application of the equity method, and at each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group determines whether it is necessary to recognise an impairment loss, and calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value.

Interest in joint operations

The 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.

The Group recognises 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

These items are included in the relevant notes to the Group annual financial statements.

The 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 Group's financial position, financial performance or cash flows.

1.5 Foreign currency transactions and translations

Functional and presentation currency

The Group annual financial statements are presented in South African rand. Certain individual companies (foreign operations) in the Group have functional currencies that differ to that of the presentation currency of the Group and are translated on consolidation.

Transactions and balances

Transactions denominated in foreign currencies are translated to the respective functional currencies of Group entities at the rates of exchange ruling on the dates of the transactions. Differences arising on settlement or translation of monetary items are recognised in the statement of comprehensive income.

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to South African rand at the rates of exchange ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised costs in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and amortised costs in foreign currency translated at the exchange rate at the end of the period. Foreign exchange differences arising on translation 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 of comprehensive income. Non-monetary items that are measured in terms of historical cost 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 Group. The income and expenses of foreign operations are translated to the presentation currency of the 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.

Material accounting policies (continued)

1.5 Foreign currency transactions and translations (continued)

Foreign operations (continued)

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 a monetary item are considered to form part of a net investment in a foreign operation, and are recognised in OCI and presented in a foreign currency translation reserve.

1.6 Use of estimates, judgements and assumptions

The preparation of these annual financial statements in conformity with IFRS Accounting Standards 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 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:

Estimates of useful lives and residual values of intangible assets

Intangible assets with finite useful lives 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 with finite useful lives 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.

Determination and measurements of the recoverable amounts of cash-generating units

The Group has identified a store (or trading site) as a separate CGU for impairment testing of intangible assets, property, plant and equipment and right-of-use assets, as stores are able to generate cash flows largely and independently from other groups of assets (refer note 1.15).

When an asset is tested for impairment, the recoverable amount of CGUs is determined as the higher of value-in-use or fair value less cost of sales. The determination of the recoverable amount is sensitive to a number of key assumptions, including the discount rate, future cash flows and the growth rate used for extrapolation purposes.

In assessing value-in-use, the estimated future cash flows of a CGU are discounted to their present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. Cash flow forecasts are based on financial budgets approved by management, which is informed by experience, planned initiatives and the expected performance in the retail market in the relevant areas, and do not include restructuring activities that the Group is not yet committed to.

Cash flow forecasts for the Group's Pick n Pay segment are aligned to the Board approved Pick n Pay strategic long-term plan are based on the segment's intention to continue trading the store, or its intention to either close the store or convert the store to a different owner or brand, aligned to the intentions of the Pick n Pay strategic plan.

- Where the Group intends to continue trading the store, the Group determined cash flows forecasts over 5 years. Cash flows beyond this period were extrapolated using an appropriate growth rate. The growth rate was determined taking into account formalised data relating to the South African population growth estimates in support of future volume growths in the formal grocery market, as well as forward looking food inflation estimates.
- Where the Group intends to either close or convert the store, cash flow forecasts were based on the remaining lease period.

Material accounting policies (continued)

1.6 Use of estimates, judgements and assumptions (continued)

Determination and measurements of the recoverable amounts of cash-generating units (continued)

Fair value less costs to sell for CGUs was determined based on management's best estimate of the selling price that could be obtained from the sale of the CGU in an active market, based on experience, adjusted for the current economic environment, specifically taking into account the current macro pressures on the overall retail operating model in South Africa. In assessing the fair value for CGUs in the Group's Pick n Pay segment, the Group considered the current profitability of the store, taking into account the material lease terms and conditions, the age of the assets in the store, the location of the store, market related turnover multiples and sale values for remaining items of plant and equipment, when estimating an appropriate selling price.

The key assumptions used to determine the recoverable amount of CGUs, including the discount rate and growth rate applied for extrapolation purposes are disclosed in note 12.

Determination and measurements of the recoverable amounts of corporate assets

The Group operates on both a company owned and franchised model, with both models trading in South Africa and Rest of Africa, and has an integrated overhead structure of support offices, systems and distribution centres servicing a diverse geographical footprint across both franchisees and owned stores. The strategic direction and decision making around the utilisation of these corporate assets are controlled centrally and are done for the Pick n Pay segment as a whole and the Boxer segment as a whole. Given this integrated nature in servicing the overall segment, the Group determined that the support office assets, central IT infrastructure and distribution centre assets are unable to generate cash flows that are largely independent from other assets and are therefore considered to be corporate assets.

When a corporate asset is tested for impairment, the corporate asset is assessed together with the CGUs it supports (refer note 1.15).

Corporate assets are tested for impairment by either allocating the corporate assets to the underlying CGUs it supports, if this can be done on a consistent and reasonable basis, or alternatively if the allocation cannot be done on a reasonable and consistent basis, it is tested for impairment by aggregating the assets with the CGUs that it supports. Given the integrated nature in servicing the overall segment, the Group determined that the support office assets, central IT infrastructure and distribution centre assets cannot be allocated to the CGUs that it supports on a reasonable and consistent basis. As a result, these corporate assets were considered for impairment when grouped together with all CGUs it supports.

The Group determined that the central omnichannel assets can be allocated on a reasonable and consistent basis to CGUs, based on the online sales participation of each store. Central omnichannel assets were considered for impairment on an individual CGU basis where applicable.

The determination of the recoverable amount for the purposes of impairment testing is sensitive to a number of key assumptions, including the discount rate, future cash flows and the growth rate used for extrapolation purposes.

Impairment indicator of non-financial assets of the Pick n Pay segment

During the prior period under review adverse macroeconomic factors and pressure on operating costs resulted in a sharp decline in operating performance of the Group's Pick n Pay segment. The weak result delivered by the Group for the prior period under review, was driven by a substantial trading loss reported in the Pick n Pay segment of the Group. FY25 marked a turning point for the Group as the Pick n Pay segment staged the initial leg of its operational and financial recovery. Substantial progress was made on the closure or conversion of loss-making stores. The Pick n Pay segment reported a significant improvement from the R1.5 billion trading loss in the prior period (refer Review of Operations for more detail). However, the segment remained loss-making, and this trading loss triggered an indicator of impairment for the total assets of the Pick n Pay segment in both the prior and current financial periods.

As a result, in addition to the annual goodwill impairment assessment performed, the Group assessed all the assets in the Pick n Pay segment for impairment.

Provision for expected credit losses on net investment in lease receivables, loans and trade and other receivables

The Group assesses debtors on an individual basis and places reliance on historical credit loss experience and applicable credit insurance, adjusted for forward looking factors specific to net investment in lease receivables, loans and trade and other receivables and the economic environment. At each reporting period, the historical observed default rates are updated and changes in forward looking estimates are analysed. The Group's historical credit loss experience and forecast economic conditions may therefore not be representative of the actual default in the future. Refer to note 13, 17, 19 and 32.

Income and deferred taxes

The Group is subject to income tax in numerous jurisdictions. 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 Group recognises liabilities for anticipated tax matters based on estimates of the taxes that are likely to become due.

Material accounting policies (continued)

1.6 Use of estimates, judgements and assumptions (continued)

Income and deferred taxes (continued)

Deferred tax assets represent the amount of income tax recoverable in future periods in respect of deductible temporary differences, the carry forward of unused tax losses and the carry forward of unused tax credits. These assets are recognised to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future and to the extent that it is probable that future taxable income will be available in future against which the unused tax losses and tax credits can be utilised.

Assessing the recoverability of deferred tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecasted business plans and the application of existing tax laws in each jurisdiction. Estimates of future taxable income include estimates and assumptions regarding economic growth, interest rates, inflation, and competitive forces. The delivery and success of the Pick n Pay strategic long term plan was specifically considered in the assessment of future taxable income. The starting base of the forecasted taxable income was the strategic long term plan. Judgement was applied in terms of the length of period to support the existence of future taxable income. Where relevant, key assumptions of the strategic long term plan were stress tested to ensure that future taxable income exists.

To the extent that future cash flows and taxable income differs significantly from forecast estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted. Refer to note 6 and note 14.

Purchase rebates and other income earned from suppliers

The 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 received may therefore differ from that which has been accrued.

Other income earned from suppliers is recognised in revenue, within other income, when services are provided to suppliers that are not closely related to the purchase of inventory and when the Group can reasonably estimate the fair value of the service. Management uses judgement in determining whether the services provided to suppliers are sufficiently separable from the purchase of inventory, by determining if the supplier could have entered into an agreement with a party, other than a purchaser of its inventory, in order to receive those services. Refer to note 1.21.

Estimating variable consideration for returns

The 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 Group uses statistical projection methods for forecasting sales returns which is 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 Group. Estimated return percentages are updated regularly and the refund liability is adjusted accordingly. Refer to note 28.

Measurements of share-based payments expense

Various assumptions and estimates are applied in determining the fair value of share awards granted to employees such as expected volatility, expected dividend yield, the expected life of the award and vesting conditions. Judgement, informed by terms and conditions of the grant, is used to determine the inputs into the valuation model used. Furthermore, estimates of future likelihood of vesting as a result of meeting non-market performance conditions impact the quantum of share-based payment expense recognised in a financial year. The key assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 5.

Inventory net realisable value allowances

The 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. Allowance for slow moving and obsolete inventories are assessed continuously. Obsolescence is assessed based on a 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 18.

Material accounting policies (continued)

1.6 Use of estimates, judgements and assumptions (continued)

Measurement of deferred revenue in respect of customer loyalty programme and prepaid gift cards

Reward credits (loyalty points) granted to customers participating in the Group's Smart Shopper loyalty programme and prepaid gift cards provide rights to customers which are accounted for as separate performance obligations. The consideration allocated to unredeemed loyalty points and unredeemed gift cards are measured by reference to its stand-alone selling prices adjusted for an expected forfeiture rate. The 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 loyalty points and unredeemed gift cards are adjusted accordingly. Refer to note 28.

Classification of leases

Judgement is applied when assessing whether an arrangement should be treated as a lease. Where the Group acts as lessor, judgement is applied in determining whether the risks and rewards of the underlying asset have been transferred in order to classify leases as either finance leases or operating leases.

Estimates of lease terms of lease agreements

Lease terms applicable to lease agreements, relating to the Group's net investment in lease receivables and lease liabilities, are negotiated on an individual basis and contain a wide range of terms and conditions. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. 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 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 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 country, 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, a credit risk adjustment and a country specific adjustment.

Measurements of post-retirement defined-benefit obligations

The Group operates post-retirement defined-benefit schemes. Actuarial valuations are performed to assess the financial position of these various schemes and are based on assumptions such as the discount rate, future salary increases, future pension increases and future increases in healthcare costs. Refer to note 24.

Consolidation of the Group's share trust

The Group operates an employee share option scheme through the Pick n Pay Employee Share Purchase Trust. Judgement is applied in determining that the Group controls the trust as it has exposure or rights to variable returns from its involvement with the investee and has the ability to affect returns from the trust through its power over the trust. The Group has therefore consolidated the trust into its results. Refer to notes 21 and 22.

Insurance claims receivable

Judgement is required in assessing the virtual certainty of the recoverability of insurance claims, which is supported by the insurer's validation of the progress in the claims assessment process and payments received to date.

Segmental reporting

Operating Segments requires an entity to identify its operating segments and determine its reportable segments. Reportable segments may comprise single operating segments or an aggregation of operating segments. Aggregation of one or more operating segments into a single reportable segment is permitted where certain conditions are met; the principal conditions being that the operating segments should have similar economic characteristics and the operating segments are similar in respect of the products and services offered, nature of production processes, type or class of customers, distribution methods, and regulatory environment. Judgement is required in determining the aggregation of operating segments.

The Group has assessed the above-mentioned aggregation criteria and believe that it has been satisfied that the nature of products offered in each are similar with categories such as liquor and clothing sold in both standalone and retail stores, across the owned and franchise network which operate on similar retail economic operating models. Refer to note 30.

Material accounting policies (continued)

1.7 Intangible assets

Intangible assets are held by the 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 Group and the cost can be measured reliably.

If 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 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 and other intangible assets with indefinite useful lives. These are measured at cost less accumulated impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but are 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 Group recognises subsequent expenditure in the carrying amount of intangible assets when that cost is incurred if it is probable that the future economic benefits embodied with the cost will flow to the 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 when incurred.

Goodwill is acquired through business combinations and initially measured at the fair value of the consideration transferred, including the recognised amount of any non-controlling interest in the acquiree, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured as at the acquisition date.

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 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 calculated 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, and is recognised as an expense in the statement of comprehensive income, within operations costs, unless it is capitalised to the cost of another asset in terms of IFRS Accounting Standards.

Useful lives

The estimated useful lives, per category of intangible assets, are as follows:

Goodwill	Indefinite
Systems development	4 to 8 years
Licences	9 years

Impairment

Intangible assets are assessed for impairment as non-financial assets in accordance with note 1.15.

Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected to flow to the 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.

1.8 Property, plant and equipment

Property, plant and equipment are tangible assets held by the Group for use in the supply of goods or for 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 Group and the cost can be measured reliably. All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with the exception of land. Land is measured at cost less accumulated impairment losses as it has an indefinite useful life and is not depreciated.

Material accounting policies (continued)

1.8 Property, plant and equipment (continued)

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 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 cost will flow to the 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 an expense 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 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 a change in estimate.

Depreciation is calculated 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, and is recognised as an expense in the statement of comprehensive income, within operations costs, unless it is capitalised to the cost of another asset in terms of IFRS Accounting Standards. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the 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 major components	10 to 40 years
Furniture, fittings, equipment and vehicles	
• Furniture and fittings	5 to 14 years
• Equipment	1 to 15 years
• Vehicles	4 to 8 years
Leasehold improvements	8 years
Aircraft and major components	10 to 20 years

Impairment

Property, plant and equipment are assessed for impairment as non-financial assets in accordance with note 1.15.

Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the 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.

1.9 Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such an asset or disposal group. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Non-current assets held for sale are measured at the lower of the previous carrying amount and fair value less costs to sell, other than financial assets and deferred tax assets which continue to be measured in accordance with their relevant accounting standards. Property, plant and equipment are not depreciated or amortised once classified as held for sale.

1.10 Right-of-use assets

The 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 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 in which the 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.

Material accounting policies (continued)

1.10 Right-of-use assets (continued)

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 the 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 3 to 30 years
- Equipment and vehicles 3 to 10 years

Impairment

Right-of-use assets are assessed for impairment as non-financial assets in accordance with note 1.15.

Derecognition

Right-of-use assets are derecognised upon the loss of control by the 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.

1.11 Net investment in lease receivables

In addition to its primary property lease portfolio, the Group holds head-leases over strategic franchise sites. These sites are sub-let to franchisees, with the franchisees holding the right to control the use of the leased assets. Where the Group does not retain the right to control the use of leased assets, due to the leased asset being subjected to a sub-lease, right-of-use assets are not recognised by the Group. The Group recognises the present value of future lease payments under head leases as lease liabilities (refer to note 1.18) and capitalises the present value of future lease payments receivable under sub-leases as net investment in lease receivables.

Initial measurement

At the date when the franchisee gains the right to control the use of leased assets, referred to as the commencement date of sub-lease agreements, the Group measures the net investment in lease receivable at the present value of the lease payments to be received over the lease term, discounted using the rate implicit in the sub-lease. If the rate implicit in the sub-lease cannot be readily determined, the Group applies the same rate applied in accounting for the corresponding lease liability.

The Group determines the lease term of the net investment in lease receivable as the non-cancellable period of the lease.

Subsequent measurement

Net investment in lease receivables are subsequently measured at amortised cost using the effective interest method, whereby they are increased by the effective interest earned and reduced by future lease receipts.

Impairment

Net investment in lease receivables are assessed for impairment as financial assets in accordance with note 1.15.

Derecognition

Net investment in lease receivables are derecognised when the Group regains the right to control the use of leased assets. Gains or losses on derecognition are determined by comparing the carrying value of corresponding lease liabilities with the carrying value of net investment in lease receivables, and are recognised directly in the statement of comprehensive income.

1.12 Operating lease assets

Leases where the lessor retains the right to control the use of underlying leased assets are classified as operating leases. Operating leases include leases for kiosk space within retail owned sites provided to third parties.

Rentals receivable under operating leases are credited to the statement of comprehensive income on a straight-line basis over the term of the relevant lease. This results in the raising of an asset for future lease income on the statement of financial position. The current portion of operating lease assets is included within trade and other receivables. The asset reverses during the latter part of each lease term when the actual cash flow exceeds the straight-lined lease income included in the statement of comprehensive income.

1.13 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 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.

Material accounting policies (continued)

1.13 Inventory (continued)

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.

1.14 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 Group recognises a right-of-return asset (and corresponding adjustment to cost of sales) which is representative of the 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 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 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 Group expects it will have to return to the customer.

1.15 Impairment of assets

The determination of whether an asset is impaired requires management judgement and estimation.

Financial assets

The 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 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 Group applies a simplified approach for measuring impairment on trade receivables and net investment in lease receivables at an amount equal to lifetime ECLs. To measure lifetime ECLs, trade receivables and net investment in lease receivables 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 macro-economic factors such as CPI inflation, interest rates and cost pressures affecting the ability of the debtors to settle their receivables.

The 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 Group considers credit risk to have increased significantly since initial recognition, if there has been a significant change in the counterparty's 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.

Based on historical trends, the Group considers a financial asset in default when contractual payments are one to two weeks past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. Internal information includes assessing debtors' ability to repay based on their performance over time. 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, defined-benefit assets, 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.

An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Recoverable amount is determined based on the higher of value-in-use or fair value, less costs to sell. 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.

Material accounting policies (continued)

1.15 Impairment of assets (continued)

Non-financial assets (continued)

Impairment testing of these non-financial assets is performed on a cash generating unit (CGU) level. A CGU is the smallest group of assets that generates cash flows that is largely independent from other cash flows. The Group has assessed all assets to identify the lowest aggregation of assets that generate cash flows that are largely independent. The following CGUs have been identified; this is also the level to which goodwill has been allocated where applicable:

- An owned trading store (or site)
- A franchised trading store (or site)
- An owned property
- The Tomis Abattoir business

If a non-financial asset (or group of these assets) does not generate largely independent cash flows, these assets are classified as corporate assets. The following corporate assets have been identified (per segment) as they do not generate independent cash flows, other than those generated in the relevant segment's trading sites:

- Support office assets – supporting segment trading sites (franchised and owned) and segment-owned property
- Central omnichannel support assets – supporting segment trading sites (franchised and owned) that generate online sales
- Central IT infrastructure – supporting segment trading sites (franchised and owned) and segment-owned property
- Distribution centres – supporting segment trading sites (franchised and owned)

A corporate asset is assessed for impairment together with the CGUs it supports. Corporate assets are tested for impairment by either allocating the corporate assets to the underlying CGUs it supports, if this can be done on a consistent and reasonable basis, or alternatively if the allocation cannot be done on a reasonable and consistent basis, it is tested for impairment by aggregating the assets with the CGUs that it supports. Refer to note 1.6 for the significant estimates and judgements included in the application of allocation of corporate assets for the purposes of impairment testing.

In assessing value-in-use for trading sites, the estimated future cash flows of a CGU are discounted to their present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. Cash flow forecasts are based on financial budgets approved by management, which is informed by experience, future plans and the expected performance. Refer to note 1.6 for the significant estimates and judgements included in the determination of the value-in-use for the purposes of impairment testing.

Fair value less costs to sell for CGUs is determined based on management's best estimate of the selling price that could be obtained from the sale of the CGU in an active market, based on experience, adjusted for the current economic environment. In assessing the fair value for CGUs, the Group considers the current profitability of the store, taking into account the material lease terms and conditions, the age of the assets in the store, the location of the store, market related turnover multiples and sale values for remaining items of plant and equipment, when estimating an appropriate selling price. Refer to note 1.6 for the significant estimates and judgements included in the determination of fair value for the purposes of impairment testing.

Company-owned properties are tested for impairment individually. The recoverable amount for each property is determined as the fair value less costs to sell. This is based on a forward net rental yield basis with the yield used driven by recent offers received, recent sales of our properties or market related yields achievable. Property specific factors such as location, size, age of property is taken into account when determining the yield used for the impairment test.

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.

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, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. The units or group of units are not larger than the operating segments identified by the Group.

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. Refer to note 12 for a further information on impairment losses during the current period under review.

Material accounting policies (continued)

1.16 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

1.17 Treasury shares

Company equity instruments held by Group entities are classified as treasury shares in the Group annual financial statements, are treated as a reduction of equity at its cost price and are disclosed as a separate component in the statement of changes in equity. No gain or loss is recognised in the statement of comprehensive income on the purchase, sale, issue or cancellation of the Company's own equity instruments. Amounts received when treasury shares are sold or re-issued is recognised directly in equity, and the resulting surplus or deficit on the transaction is transferred to or from retained earnings.

Dividends received on treasury shares are eliminated on consolidation.

Treasury shares are treated as a deduction from the weighted average number of shares in issue.

1.18 Leases liabilities

The 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 Group recognises the present value of future lease payments under the lease as lease liabilities.

Initial recognition

At the date when the Group gains the right to control the use of underlying leased assets, referred to as the commencement date, the 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 terms and conditions. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. 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 consist 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 Group's incremental borrowing rate is used. The incremental borrowing rate is the rate that the 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 Group's commercial vehicle fleet is the interest rate implicit in the lease agreement. All other lease payments are discounted using the Group's incremental borrowing rate specific to the lease term, country, currency and commencement date of the lease. Incremental borrowing rates are based on a series of inputs including the prime rate, the repo rate, credit risk adjustments and country specific adjustments.

The 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, whereby the carrying value is increased by effective interest incurred and reduced by future lease payments. Interest costs are recorded in the statement of comprehensive income.

The 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 re-measured with a corresponding adjustment to the right-of-use asset. Further re-measurements 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 Group's control and affects the Group's ability to exercise or not to exercise the option to renew or to terminate. Significant events may include a change in the Group's assessment of whether it is reasonably certain to exercise a renewal or termination options, the occurrence of unanticipated significant leasehold improvements or the negotiation of unanticipated lease incentives. Upon the occurrence of the significant event, lease liabilities are re-measured with a corresponding adjustment to the related right-of-use assets, or to the statement of comprehensive income if the right-of-use asset carrying value is nil.

Material accounting policies (continued)

1.18 Leases liabilities (continued)

Derecognition

Lease liabilities are derecognised upon the Group's loss of control of the leased assets, or if the Group's obligations specified in the lease agreement expire, are discharged or cancelled. 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 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.

1.19 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 Group's financial instruments at initial recognition depends on the financial instrument's contractual cash flow characteristics and the Group's model for managing them. The 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 Group classifies its financial instruments into the following categories: financial assets at amortised cost, financial instruments at fair value through profit or loss, financial liabilities at amortised cost, and derivatives designated as hedging instruments.

Financial instruments are recognised on trade date when the 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 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 annual financial statements 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 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 a group of similar financial assets) are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the 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 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 Group has a legally enforceable right to offset the recognised amounts, and intends either to settle on a net basis, or to realise the net assets and settle the liability simultaneously.

Material accounting policies (continued)

1.19 Financial instruments (continued)

Subsequent measurement

Financial assets at amortised cost

The 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 Group's financial assets at amortised cost include net investment in lease receivables, trade and other receivables, cash and cash equivalents and loans. Net investment in lease receivables and trade and other receivables mainly comprise franchisee receivables. Loans comprise housing and other employee loans and bridging finance to landlords.

Net investment in lease receivables, trade and other receivables and loans

Net investment in lease receivables, trade and other receivables and loans are measured at amortised cost using the effective interest method, less accumulated impairment losses. The effective interest amortisation is included in finance income in the statement of comprehensive income.

Cash and cash equivalents and overnight borrowings

Cash and cash equivalents and overnight borrowings are measured at amortised cost, using the effective interest method. The effective interest amortisation is included in finance income or costs, as relevant, in the statement of comprehensive income. Cash and cash equivalents comprise cash on hand and amounts held on short-term deposit at financial institutions. Overnight borrowings include short-term borrowings repayable on demand. Overnight borrowings are repayable on demand, managed on a daily basis and are considered an integral part of the Group's cash management.

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.

Financial instruments at fair value through profit or loss

Financial instruments are classified at fair value through profit or loss if they are held for trading or are designated as such upon initial recognition. Financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in the statement of comprehensive income.

Financial assets are classified and measured at fair value through profit or loss, irrespective of the business model , if it does not give rise to cash flows that are 'solely payments of principal and interest (SPPI)' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's investment in the insurance cell captive is measured at fair value through profit or loss as cash flows are not solely payments of principal and interest. In addition, the Group manages this investment and evaluates performance based on its fair value in accordance with the Group's documented risk management or investment strategy. Any fair value gains or losses as a result of subsequent measurement are recognised in the statement of comprehensive income.

Financial liabilities at amortised cost

Financial liabilities at amortised cost mainly comprise of lease liabilities, borrowings and trade and other payables.

Lease liabilities

Refer to note 1.18 for further information.

Borrowings

Borrowings 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. The maturity date of each financial liability is dependent on the contractual terms of the related borrowing.

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.

Derivatives designated as hedging instruments

The 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.

Material accounting policies (continued)

1.19 Financial instruments (continued)

Derivatives designated as hedging instruments (continued)

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.

1.20 Provisions

Provisions are recognised when the 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 Group has discounted provisions to their present value where the effect of the time value of money is material. The notional interest charge representing the unwinding of the provision discounting is included in the statement of comprehensive income.

The Group recognises a provision for the estimated cost of settling all outstanding public liability claims at year-end, which is based on management's best estimate of the value required to settle the third-party public liability claim.

1.21 Revenue

Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the 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 Group's supply arrangements. All turnover is stated exclusive of value added tax.

Turnover is recognised at a point in time when the 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 the sale of goods is due immediately when the customer purchases goods and takes delivery.

Turnover recognised through deferred revenue transactions (loyalty programmes, prepaid gift cards and refunds arising from virtual transactions) 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, as and when the Group's obligations are fulfilled.

Loyalty programmes

The Group has customer loyalty programmes in South Africa, whereby customers are awarded with reward credits (loyalty points) which are effectively used as cash back against future purchases. Loyalty points granted to customers participating in the loyalty programme provide rights to customers that are accounted for as separate performance obligations.

The consideration received under a loyalty programme is allocated between the sale of goods supplied and the loyalty points granted. The consideration allocated to the loyalty points is measured by reference to their relative stand-alone selling price which is calculated as the amount for which the loyalty points could be separately sold, adjusted for an expected forfeiture rate. Such consideration is not recognised as turnover at the time of the sales transaction, but is recognised as a deferred revenue liability until the loyalty points have been redeemed or forfeited. The likelihood of redemption, based on judgement applied when determining the expected redemption rates, is reviewed on a regular basis and any adjustments to the deferred revenue liability is recognised in turnover.

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 Group's obligations have been fulfilled. The Group updates its estimates of forfeiture on a regular basis and any adjustments to the deferred revenue liability are recognised in turnover.

Franchise fee income

Income from franchisees, calculated as a percentage of the sale of goods by franchisees through their point of sale to their customers, in accordance with the substance of the relevant franchise agreement, is recognised at a point in time, as franchisee fee income, when the sale that gives rise to the income takes place.

Material accounting policies (continued)

1.21 Revenue (continued)

Lease income

Leases where the lessor retains the right to control the use of underlying leased assets are classified as operating leases. Rentals receivable under operating leases are credited to the statement of comprehensive income on a straight-line basis over the term of the relevant lease.

Certain property sub-leases contain variable payment terms linked to sales generated from franchise stores, referred to as turnover rent income. Turnover rent income is recognised in the statement of comprehensive income in the period in which the event or condition that triggers the payment occurs.

Commissions and other income

The Group acts as a payment office for the services provided by a variety of third parties to the Group's customers, such as bill payments, sale of electricity and travel tickets.

Agent's 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 is recognised as and when the Group satisfies its obligations in terms of the contract and includes income earned from the sale of analytical data and the sale of advertising space through the Group's various advertising mediums.

Finance income

Finance income is recognised over time 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.

Dividend income

Dividend income is recognised when the shareholders' right to receive payment is established.

1.22 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.

1.23 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.

Material accounting policies (continued)

1.23 Taxes (continued)

Deferred tax (continued)

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.

1.24 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 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 Group employees to acquire shares in Pick n Pay Stores Limited (PIK) or Boxer Retail Limited (BOX), as relevant, thereby treating them as equity-settled share-based payment transactions in the Group.

The fair value of awards granted is recognised as an employee cost expense in the statement of comprehensive income with a corresponding increase in equity for these equity-settled share-based transactions. The fair value is measured at grant date and the cost of the awards granted is spread over the period during which the employees become unconditionally entitled to the awards (the vesting period).

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award, unless there are also service and/or performance conditions. The fair value of options or awards with market performance conditions or non-vesting conditions is measured using an actuarial binomial option pricing model, taking into account the terms and conditions upon which the awards are granted.

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 Group operates several retirement schemes comprising defined-contribution funds (one of which has a defined-benefit element), 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 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 Group is responsible for providing retirement benefits to employees with a retirement scheme outside the 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.

Defined-benefit plans

A defined-benefit plan is a post-employment benefit plan other than a defined-contribution plan.

The Group's net obligation in respect of the defined-benefit plans is calculated separately by estimating the amount of future benefit that qualifying employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined-benefit obligations is performed by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Material accounting policies (continued)

1.24 Employee benefits (continued)

Retirement benefits (continued)

Defined-benefit plans (continued)

Remeasurements of the net defined-benefit liabilities or assets, which comprise actuarial gains or losses, the return on plan assets (excluding amounts included in net interest on the net defined-benefit liability) and the effect of the asset ceiling (if any, excluding amounts included in net interest on the net defined-benefit liability) are recognised immediately in other comprehensive income. The Group determines the net interest expense or income on the net defined-benefit liability or asset for the period by applying the discount rate used to measure the defined-benefit obligation at the beginning of the period to the then net defined-benefit liability or asset, taking into account any changes in the net defined-benefit liability or asset during the period as a result of contributions and benefit payments. Net interest expense or income and other expenses related to defined-benefit plans are recognised in the statement of comprehensive income.

When the benefits of a plan are changed, or when the plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of comprehensive income.

The Group recognises gains or losses on the settlement of a defined-benefit plan when the settlement occurs.

1.25 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 Group has received such services.

1.26 Dividends distributed to shareholders

Dividends are accounted for in the period that they have been declared by the Company and are directly charged to equity.

1.27 Operating segments

The Group discloses segmental financial information which is used internally by the entity's Chief Operating Decision-Maker (CODM) in order to assess performance and allocate resources. The Group annually performs a detailed review of the executive, or group of executives, that could be considered the appropriate and relevant CODM of the Group.

Operating segments are individual components of an entity that engages in business activities from which it may earn revenues and incur expenses, whose operating results are regularly reviewed by the entity's CODM and for which discrete financial information is available. The CODM evaluates segmental performance based on trading profit as management believes that such information is most relevant in evaluating the operating cash generation for the Group. Trading profit is the key drive of earnings before interest, tax, depreciation and amortisation (EBITDA), with EBITDA being the key driver of the Group's liquidity and cash generation which is a key area of focus for the Board.

Segmental trading profit is the reported measure used for evaluating the Group's operating segments' performance. This metric is equal to the Group's reported "loss/profit before tax", before net finance costs, share of associate's earnings and capital items.

Operating segments that display similar economic characteristics are aggregated for reporting purposes.

The Group has two operating segments, namely Pick n Pay and Boxer, with no individual customer accounting for more than 10% of turnover.

The Pick n Pay operating segment includes all retail operations under the Pick n Pay Supermarkets, Pick n Pay Clothing, Pick n Pay Liquor and Pick n Pay Express brands operating under an owned or franchise model, selling products such as groceries, general merchandise, clothing and liquor.

The Boxer operating segment includes all retail operations under the Boxer Superstores, Boxer Build and Boxer Liquors brands selling products such as groceries, general merchandise and liquor.

These segments were identified and grouped together using a combination of the products and services offered by the segments and the geographical areas in which they operate.

Material accounting policies (continued)

1.28 Events after the reporting date

The financial statements are adjusted to reflect events that occurred between the reporting date and the date when the financial statements are authorised for issue, provided the events give evidence of conditions that existed at the reporting date. Events that are indicative of conditions that arose after the reporting date are disclosed, but do not result in an adjustment of the financial statements themselves.

1.29 Net asset value per share

Net asset value per share is calculated by taking the total equity value of the Group, adjusted with the differential between the carrying value and the directors' valuation of property, divided by the number of shares held outside the Group.

1.30 Earnings per share

Basic earnings per share is calculated by dividing the profit/loss attributable to ordinary equity holders of the 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/loss attributable to ordinary equity holders of the Group, and the weighted average number of shares in issue, for the effects of all dilutive potential ordinary shares. Share options held by participants in the Group's employee share schemes have dilutive potential.

Basic and diluted earnings per share for the comparative period(s) are restated for events, other than the conversion of potential ordinary shares, which change the number of ordinary shares without a corresponding change in resources.

1.31 Pro forma information

Certain financial information presented in these Group annual financial statements constitutes *pro forma* financial information. The *pro forma* financial information is the responsibility of the Board of directors of the Company and is presented for illustrative purposes only. Because of its nature, the *pro forma* financial information may not fairly present the Group's financial position, changes in equity, result of operations or cash flows. The Group's external auditors has issued a reporting accountants report on the *pro forma* financial information, which is available for inspection at the Group's registered office. Refer to the appendix 1 for further information.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm

2 Revenue

Revenue from contracts with customers	**121 448**	114 811
Turnover	**118 610**	112 295
Franchise fee income	**1 244**	1 022
Commissions and other income	**1 594**	1 494
Operating lease income	**111**	102
Dividend income from investment in insurance cell captive	**–**	25
Finance income	**565**	429
Bank balances and investments	**271**	134
Trade receivables and other	**78**	93
Net investment in lease receivables (note 13)	**216**	202
	122 124	115 367

* *Refer to note 38 for details on the restatement*

Revenue recognised during the period, recorded within turnover, from amounts included in deferred revenue at the beginning of the period amounted to R290 million (2024: R252 million). Refer to note 28.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm

3 Loss before tax

Loss before tax is stated after taking into account the following expenses:

3.1 Employee costs

Salaries and wages	**8 695**	8 248
Staff benefits and training	**418**	465
Share-based payments	**71**	(2)
Net (income)/expense recognised on defined-benefit plan (note 24.1)	**(6)**	20
Contributions to defined-contribution plans (note 24.3)	**338**	269
	9 516	9 000

3.2 Auditor's remuneration

Assurance services – current year**	**26**	28
Ernst and Young Inc.	**24**	27
Other	**2**	1
Assurance services – prior period (over)/under provision	**(4)**	2
Ernst and Young Inc.	**(5)**	2
Other	**1**	–
	22	30

3.3 Finance costs

Lease liabilities (note 27)	**1 769**	1 631
Borrowings and other	**792**	836
	2 561	2 467

3.4 Foreign exchange losses

Lease liabilities (losses)	**(2)**	(5)
Other foreign exchange (loss)/gain	**(12)**	4
	(14)	(1)

3.5 Fair value gains/(losses)

Investment in insurance cell captive gain/(loss)	**11**	(10)
Other fair value loss	**(1)**	–
	10	(10)

* *Refer to note 38 for details on the restatement.*

** *In addition, current year assurance-related services of R17 million (2024: nil) that relates to capital transactions (refer to note 34) are recognised directly in equity.*

4 Directors' remuneration and interest in shares

4.1 Directors' remuneration

	Fees for board meetings R'000	Fees for committee and other work R'000	Base salary R'000	Retirement and medical contributions R'000	Total fixed remuneration R'000	Short-term performance bonus R'000	Total remuneration R'000	Long-term awards charges – current year[3] R'000
2025								
Non-executive directors	10 576	3 706	–	–	14 282	–	14 282	–
Gareth Ackerman	4 893	–	–	–	4 893	–	4 893	–
Jonathan Ackerman	510	111	–	–	621	–	621	–
Suzanne Ackerman	510	260	–	–	770	–	770	–
Haroon Bhorat	510	580	–	–	1 090	–	1 090	–
Mariam Cassim[1]	170	70	–	–	240	–	240	–
James Formby*#	1 688	210	–	–	1 898	–	1 898	–
David Friedland#	510	596	–	–	1 106	–	1 106	–
Aboubakar Jakoet#	510	990	–	–	1 500	–	1 500	–
Audrey Mothupi	510	549	–	–	1 059	–	1 059	–
David Robins[2]	255	28	–	–	283	–	283	–
Annamarie van der Merwe	510	312	–	–	822	–	822	–
Executive directors	–	–	30 847	256	31 103	2 989	34 092	42 094
Sean Summers**	–	–	24 900	–	24 900	–	24 900	40 198
Lerena Olivier	–	–	5 947	256	6 203	2 989	9 192	1 896
Total remuneration	10 576	3 706	30 847	256	45 385	2 989	48 374	42 094

[1] *Mariam Cassim resigned as an independent non-executive director on 5 July 2024.*

[2] *David Robins retired as a non-executive director on 27 August 2024.*

[3] *The long-term awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments and IAS 19 Employee Benefits, and reflects the current year's charge or recoupment recorded in the Group's statement of comprehensive income. The fair value of awards are determined at grant date, and are recognised in the statement of comprehensive income over the period during which the employee becomes unconditionally entitled to the award (the vesting period). Dependent on the nature of the vesting criteria, long-term awards expense may be reversed and recouped by the Group if the vesting criteria are not met.*

* *Includes fee as lead independent director.*

** *Serves as a non-executive director of the Boxer Retail Limited Group, any fees earned in relation to this is paid to Pick n Pay Retailers Proprietary Limited.*

\# *Fees for committee and other work includes a once-off fee of R210 000 approved by shareholders at the 2024 AGM to recognise the additional guidance provided by the directors in a number of critical areas, including liquidity management, the Group's debt restructure and the two-step Recapitalisation Plan.*

4 Directors' remuneration and interest in shares (continued)

4.1 Directors' remuneration (continued)

	Fees for board meetings R'000	Fees for committee and other work R'000	Base salary R'000	Retirement and medical contributions R'000	Fringe and other benefits R' 000	Total fixed remuneration R'000	Gratuity[4] R'000	Total remuneration R'000	Long-term awards charges – current year[5] R'000
2024									
Non-executive directors	10 780	2 774	–	–	–	13 554	–	13 554	–
Gareth Ackerman	4 893	–	–	–	–	4 893	–	4 893	–
Jonathan Ackerman[1]	446	105	–	–	–	551	–	551	–
Suzanne Ackerman	486	323	–	–	–	809	–	809	–
Haroon Bhorat	486	405	–	–	–	891	–	891	–
Mariam Cassim	486	200	–	–	–	686	–	686	–
James Formby*	990	83	–	–	–	1 073	–	1 073	–
David Friedland	486	300	–	–	–	786	–	786	–
Aboubakar Jakoet	486	525	–	–	–	1 011	–	1 011	–
Audrey Mothupi	486	523	–	–	–	1 009	–	1 009	–
David Robins	486	105	–	–	–	591	–	591	–
Annamarie van der Merwe	486	205	–	–	–	691	–	691	–
Jeff van Rooyen[2]*	563	–	–	–	–	563	–	563	–
Executive directors	–	–	23 689	815	1 282	25 786	15 776	41 562	(12 888)
Sean Summers[3]	–	–	10 000	–	–	10 000	–	10 000	–
Lerena Olivier	–	–	5 683	267	36	5 986	–	5 986	(1 413)
Jonathan Ackerman[1]	–	–	126	16	119	261	–	261	141
Pieter Boone[3]	–	–	7 880	532	1 127	9 539	15 776	25 315	(11 616)
Total remuneration	10 780	2 774	23 689	815	1 282	39 340	15 776	55 116	(12 888)

[1] *Jonathan Ackerman retired as an executive director on 31 March 2023, and was appointed as a non-executive director on that date.*

[2] *Jeff van Rooyen retired on 19 July 2023.*

[3] *Sean Summers replaced Pieter Boone as CEO, effective 30 September 2023.*

[4] *Termination settlement in terms of contract of employment.*

[5] *The long-term awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments and IAS 19 Employee Benefits, and reflects the prior year's charge or recoupment recorded in the Group's statement of comprehensive income. The fair value of awards are determined at grant date, and are recognised in the statement of comprehensive income over the period during which the employee becomes unconditionally entitled to the award (the vesting period). Dependent on the nature of the vesting criteria, long-term awards expense may be reversed and recouped by the Group if the vesting criteria are not met. Vesting criteria in respect of the RSP awards due to have vested in June 2024 and June 2025, were not fully met. As a result, and as directed by the Remuneration Committee, a portion of RSP long-term share awards were forfeited and the related expenses recouped by the Group in the prior reporting period.*

* *Includes fee as lead independent director.*

4 Directors' remuneration and interest in shares (continued)

4.2 Directors' interest in ordinary shares

2025	How held[1]	Balance held at 25 February 2024	Additions/ grants*	Disposals*	Balance held at 2 March 2025[2]	Beneficial/ non-beneficial interest[3]
Gareth Ackerman	direct	309	–	(309)	–	Beneficial
	indirect	1 748 776	997 716	–	2 746 492	Beneficial
	indirect	19 762	–	(19 762)	–	Non-beneficial
Ackerman Pick n Pay Foundation[4]	indirect	101 900	52 081	–	153 981	Non-beneficial
Ackerman Family Investment Holdings Proprietary Limited[5]	indirect	1	1	–	2	Non-beneficial
Ackerman Investment Holdings Proprietary Limited[6]	indirect	124 677 237	64 657 759	–	189 334 996	Non-beneficial
Mistral Trust[7]	indirect	3 000 000	1 533 300	–	4 533 300	Non-beneficial
Sean Summers	direct	–	644 456	(299 065)	345 391	Beneficial
	direct– RSP/FSP	–	4 000 000	–	4 000 000	Beneficial
Lerena Olivier	direct	96 150	66 928	–	163 078	Beneficial
	direct– RSP/FSP	34 800	–	–	34 800	Beneficial
Suzanne Ackerman	direct	120 528	–	(120 528)	–	Beneficial
	indirect	553 883	519 036	–	1 072 919	Beneficial
Jonathan Ackerman	direct	122 888	–	(122 888)	–	Beneficial
	indirect	865 055	672 201	–	1 537 256	Beneficial
	indirect	2 161	–	(2 161)	–	Non-beneficial
Aboubakar Jakoet	direct	8 764	1 236	–	10 000	Beneficial
	indirect[8]	750 000	–	–	750 000	Beneficial
	indirect	13 059	936	–	13 995	Non-beneficial
David Friedland	indirect	34 188	17 473	–	51 661	Beneficial
James Formby	direct	4 000	2 130	–	6 130	Beneficial
	indirect	26 725	36 581	–	63 306	Beneficial

1 *Direct interests represent a holding in the director's personal capacity. Indirect interests represent a holding by a trust or a company (of which the director is a trustee or director/shareholder, as relevant), a spouse or minor children of directors.*

2 *There have been no changes in the directors' interest in ordinary shares since 2 March 2025 up to the date of approval of the 2025 Group annual financial statements.*

3 *Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and/or obtain any benefit as a result of holding those shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.*

4 *The indirect non-beneficial interest in the Ackerman Pick n Pay Foundation represents the holdings of Gareth Ackerman and Suzanne Ackerman in their capacities as trustees.*

5 *The indirect non-beneficial interest in Ackerman Family Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.*

6 *The indirect non-beneficial interest in Ackerman Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.*

7 *The indirect non-beneficial interest in Mistral Trust represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman in their capacity as trustees and/or potential beneficiaries.*

8 *Defined as an indirect beneficial shareholding in terms of JSE classifications. However, the director only has a 10% shareholding in the company which holds these shares, does not exercise any control over the shares, and receives no direct benefit.*

* *Additions and disposals include transactions as a result of the rights offer. Refer to note 34.*

4 Directors' remuneration and interest in shares (continued)

4.2 Directors' interest in ordinary shares (continued)

2024	How held[1]	Balance held at 26 February 2023	Additions/ grants	Disposals	Forfeits[10]	Balance held at 25 February 2024	Beneficial/ non-beneficial interest[2]
Gareth Ackerman	direct	309	–	–	–	309	Beneficial
	indirect	1 731 026	17 750	–	–	1 748 776	Beneficial
	indirect	19 762	–	–	–	19 762	Non-beneficial
Ackerman Pick n Pay Foundation[3]	indirect	101 900	–	–	–	101 900	Non-beneficial
Ackerman Family Investment Holdings Proprietary Limited[4]	indirect	1	–	–	–	1	Non-beneficial
Ackerman Investment Holdings Proprietary Limited[5]	indirect	124 677 237	–	–	–	124 677 237	Non-beneficial
Mistral Trust[6]	indirect	2 850 000	150 000	–	–	3 000 000	Non-beneficial
Pieter Boone[7]	direct – RSP	678 500	–	–	(678 500)	–	Beneficial
Lerena Olivier	direct	64 050	32 100	–	–	96 150	Beneficial
	direct – RSP/FSP	234 000	–	(60 000)	(139 200)	34 800	Beneficial
Suzanne Ackerman	direct	120 528	–	–	–	120 528	Beneficial
	indirect	553 883	–	–	–	553 883	Beneficial
Jonathan Ackerman[8]	direct	122 888	–	–	–	122 888	Beneficial
	direct – RSP/FSP	42 000	–	(30 865)	(11 135)	–	Beneficial
	indirect	828 790	36 265	–	–	865 055	Beneficial
	indirect	2 161	–	–	–	2 161	Non-beneficial
Aboubakar Jakoet	direct	8 764	–	–	–	8 764	Beneficial
	indirect[9]	750 000	–	–	–	750 000	Beneficial
	indirect	13 059	–	–	–	13 059	Non-beneficial
David Friedland	indirect	34 188	–	–	–	34 188	Beneficial
David Robins	direct	975	–	–	–	975	Beneficial
	indirect	90 436	–	–	–	90 436	Non-beneficial
James Formby	direct	4 000	–	–	–	4 000	Beneficial
	indirect	26 725	–	–	–	26 725	Beneficial

1 *Direct interests represent a holding in the director's personal capacity. Indirect interests represent a holding by a trust or company (of which the director is a trustee or director/shareholder, as relevant), a spouse or minor children of directors.*

2 *Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and/or obtain any benefit as a result of holding those shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.*

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4 *The indirect non-beneficial interest in Ackerman Family Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.*

5 *The indirect non-beneficial interest in Ackerman Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.*

6 *The indirect non-beneficial interest in Mistral Trust represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman in their capacity as trustees and/or potential beneficiaries.*

7 *Sean Summers replaced Pieter Boone as CEO, effective 30 September 2023.*

8 *Jonathan Ackerman retired as an executive director on 31 March 2023, and was appointed as a non-executive director on that date.*

9 *Defined as an indirect beneficial shareholding in terms of JSE classifications. However, the director only has a 10% shareholding in the company which holds these shares, does not exercise any control over the shares, and receives no direct benefit.*

10 *Vesting criteria in respect of the RSP awards, due to have vested in June 2024 and June 2025, were not fully met. As a result, and as directed by the Remuneration Committee, a portion of RSP long-term share awards were forfeited, and the related expenses recouped by the Group in the prior reporting period.*

4 Directors' remuneration and interest in shares (continued)

4.3 Directors' interest in B shares

2025	How held[1]	Balance held at 25 February 2024	Additions	Disposals	Balance held at 2 March 2025[2]	Beneficial/ non-beneficial interest[3]
Gareth Ackerman	direct	522	–	(522)	–	Beneficial
	indirect	3 227 861	988 143	–	4 216 004	Beneficial
	indirect	39 140	–	(39 140)	–	Non-beneficial
Ackerman Investment Holdings Proprietary Limited[4]	indirect	246 936 847	64 052 544	–	310 989 391	Non-beneficial
Mistral trust[5]	indirect	5 349 559	1 354 337	–	6 703 896	Non-beneficial
Suzanne Ackerman	direct	233 767	–	(233 767)	–	Beneficial
	indirect	926 084	563 315	–	1 489 399	Beneficial
Jonathan Ackerman	direct	243 307	–	(243 307)	–	Beneficial
	indirect	1 135 009	647 981	–	1 782 990	Beneficial
	indirect	4 280	–	(4 280)	–	Non-beneficial

1 *Direct interests represent a holding in the director's personal capacity. Indirect interests represent a holding by a trust or company (of which the director is a trustee or director/shareholder, as relevant), a spouse or minor children of directors.*

2 *There have been no changes in the directors' interest in shares since 2 March 2025 up to the date of approval of the 2025 audited Group annual financial statements.*

3 *Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and/or obtain any benefit as a result of holding those shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.*

4 *The indirect non-beneficial interest in Ackerman Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.*

5 *The indirect non-beneficial interest in Mistral Trust represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman in their capacity as trustees and/or potential beneficiaries.*

2024	How held[1]	Balance held at 26 February 2023	Additions	Disposals	Balance held at 25 February 2024	Beneficial/ non-beneficial interest[2]
Gareth Ackerman	direct	522	–	–	522	Beneficial
	indirect	3 227 861	–	–	3 227 861	Beneficial
	indirect	39 140	–	–	39 140	Non-beneficial
Ackerman Investment Holdings Proprietary Limited[3]	indirect	246 936 847	–	–	246 936 847	Non-beneficial
Mistral trust[4]	indirect	5 349 559	–	–	5 349 559	Non-beneficial
Suzanne Ackerman	direct	233 767	–	–	233 767	Beneficial
	indirect	926 084	–	–	926 084	Beneficial
Jonathan Ackerman[5]	direct	243 307	–	–	243 307	Beneficial
	indirect	1 135 009	–	–	1 135 009	Beneficial
	indirect	4 280	–	–	4 280	Non-beneficial
David Robins	direct	1 931	–	–	1 931	Beneficial
	indirect	179 118	–	–	179 118	Non-beneficial

1 *Direct interests represent a holding in the director's personal capacity. Indirect interests represent a holding by a trust or company (of which the director is a trustee or director/shareholder, as relevant), a spouse or minor children of directors.*

2 *Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and/or obtain any benefit as a result of holding those shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.*

3 *The indirect non-beneficial interest in Ackerman Investment Holdings Proprietary Limited represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman.*

4 *The indirect non-beneficial interest in Mistral Trust represents a portion of the holdings of Gareth Ackerman, Suzanne Ackerman and Jonathan Ackerman in their capacity as trustees and/or potential beneficiaries.*

5 *Jonathan Ackerman retired as an executive director on 31 March 2023, and was appointed as a non-executive director on that date.*

4 Directors' remuneration and interest in shares (continued)

4.4 Share awards granted to directors

2025	Calendar year granted	Award grant price R	Balance held at 25 February 2024	Granted/ (exercised)	Balance held at 2 March 2025	Available for take-up
Sean Summers[1]						
Restricted shares	2024	Nil	–	2 000 000	2 000 000	October 2025
	2024	Nil	–	2 000 000	2 000 000	February 2027
			–	4 000 000	4 000 000	
Lerena Olivier						
Share options	2019	58.05	80 000	–	80 000	Now
	2019	58.05	60 000	–	60 000	Now
	2019	58.05	60 000	–	60 000	September 2026
Restricted shares	2022	Nil	34 800	–	34 800	June 2025
			234 800	–	234 800	

[1] *Sean Summers was awarded 4 million restricted shares under the Group's Restricted Share Plan during July 2024. The shares will vest in increments over three years, subject to the attainment of performance conditions.*

2024	Calendar year granted	Award grant price R	Balance held at 26 February 2023	Forfeits[3]	Exercised	Exercise price R	Balance held at 25 February 2024	Available for take-up
Pieter Boone[1]								
Restricted shares	2021	Nil	500 000	(500 000)	–	–	–	n/a
	2022	Nil	178 500	(178 500)	–	–	–	n/a
			678 500	(678 500)	–	–	–	
Lerena Olivier								
Share options	2019	58.05	80 000	–	–	–	80 000	Now
	2019	58.05	60 000	–	–	–	60 000	September 2024
	2019	58.05	60 000	–	–	–	60 000	September 2026
Restricted shares	2020	Nil	60 000	–	(60 000)	37.75	–	n/a
	2021	Nil	87 000	(87 000)	–	–	–	n/a
	2022	Nil	87 000	(52 200)	–	–	34 800	June 2025
			434 000	(139 200)	(60 000)	–	234 800	
Jonathan Ackerman[2]								
Restricted shares	2020	Nil	15 000	–	(15 000)	37.75	–	n/a
	2021	Nil	27 000	(11 135)	(15 865)	37.75	–	n/a
			42 000	(11 135)	(30 865)		–	

[1] *Sean Summers replaced Pieter Boone as CEO, effective 30 September 2023.*
[2] *Jonathan Ackerman retired as an executive director on 31 March 2023, and was appointed as a non-executive director on that date.*
[3] *Vesting criteria in respect of the RSP awards, due to have vested in June 2024 and June 2025, were not fully met. As a result, and as directed by the Remuneration Committee, a portion of RSP long-term share awards were forfeited, and the related expenses recouped by the Group in the prior reporting period.*

5 Share-based payments

Share options

The Group's legacy share option scheme (the 1997 Employee Share Option Scheme) 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 3 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 Employee Share Purchase Trust (the Share Trust) and its board of trustees. All options previously granted were in accordance with the rules of the Scheme, which have been approved by shareholders and the Johannesburg Stock Exchange (JSE).

Share options were granted at the volume-weighted average market price (VWAP) 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 Group over the specified vesting period. If the employee leaves before the vesting period is complete, all the unvested share options will lapse.

PIK Restricted Share Plan (RSP)

The RSP recognises executive and senior management employees who have a significant role to play in delivering Group strategy and ensuring the growth and sustainability of the 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 Group's long-term strategic plan. An award of shares may also be used to attract talented prospective employees.

Shares awarded under the RSP have performance conditions attached. Performance conditions comprise personal key performance indicators and financial conditions linked to the Group's growth in comparable headline earnings per share. Financial performance conditions are subject to a further gatekeeper clause which specifies that the 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 Group's remuneration committee, within the RSP scheme rules.

Boxer segment Long Term Incentive Plan (LTIP)

The LTIP recognises executive and senior management employees of the Boxer segment who have a significant role to play in delivering the segment's strategy and ensuring the growth and sustainability of it. Through the attachment of performance conditions, the LTIP incentivises participating employees to deliver long-term earnings growth in line with the objectives of the Boxer segment. The 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. Dividends on LTIP 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 award.

Boxer Retail Limited shares (Admission Awards) awarded under the LTIP have vesting periods of two or three years and have financial performance conditions attached. Performance conditions include growth in the Boxer Group's adjusted trading profit after leases (ATPAL) in relation to the rate of South African Consumer Price Index inflation (CPI), and a gatekeeper clause which specifies that the Boxer Group's return on invested capital (ROIC) 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 Boxer Group's remuneration committee within the LTIP scheme rules.

The total equity-settled share based payment expense recognised for the LTIP in the current financial period was R22 million (2024: nil). The fair value of an LTIP share award is the market price of a Boxer Retail Limited share at grant date, which was R54, and the awards have a grant price of nil. The expected forfeiture rate is 0%.

	53 weeks to 2 March 2025 Number of options 000's	52 weeks to 25 February 2024 Number of options 000's

5 Share-based payments (continued)

5.1 Outstanding PIK share options

	53 weeks to 2 March 2025 Number of options 000's	52 weeks to 25 February 2024 Number of options 000's
Reconciliation of the total number of PIK share options outstanding:		
At beginning of period	**11 904**	13 162
Options taken up	**(1)**	(6)
Options forfeited	**(1 654)**	(1 252)
Options cancelled	**(2 108)**	–
At end of period	**8 141**	11 904
The weighted average grant price of outstanding PIK share options are as follows:		
At beginning of period	**R64.64**	R64.79
Options taken up	**R35.37**	R35.44
Options forfeited	**R59.11**	R66.44
Options cancelled	**R53.06**	–
At end of period	**R56.07**	R64.64

Outstanding PIK share options may be taken up during the following financial periods:

Year	Average grant price	000's	000's
2026	R56.09	**7 766**	10 104
2027	R56.32	**347**	1 147
2028	R49.13	**28**	575
2029 and thereafter	–	**–**	78
		8 141	11 904

5.2 Outstanding PIK RSP shares

	53 weeks to 2 March 2025 Number of restricted shares 000's	52 weeks to 25 February 2024 Number of restricted shares 000's
Reconciliation of the total number of PIK RSP shares outstanding:		
At beginning of period	**2 161**	7 012
Shares awards granted	**7 464**	–
Shares delivered to participants (note 22)	**(850)**	(1 582)
Share awards forfeited*	**(804)**	(3 269)
At end of period	**7 971**	2 161
Weighted average share price at date of delivery	**R24.92**	R38.68

* *Share awards forfeited during the current period, includes PIK RSP shares cancelled by the Boxer segment, during the Boxer IPO process.*

Rights to PIK RSP shares are awarded at a zero strike price.

The fair value of rights to PIK RSP shares is the market price of the share at grant date adjusted for the expected dividend yield, where relevant.

Vesting criteria in respect of the PIK RSP awards, due to vest in June 2025, have not been fully met. As a result and as approved by the Remuneration Committee, certain long-term share awards have been forfeited during the prior period, ahead of vesting date.

5 Share-based payments (continued)

5.2 Outstanding PIK RSP shares (continued)

	53 weeks to 2 March 2025 000's	52 weeks to 25 February 2024 000's
Outstanding PIK RSP shares vest during the following financial periods:		
2025	–	850
2026	2 536	1 311
2027	2 000	–
2028	3 435	–
	7 971	2 161

5.3 Outstanding Boxer LTIP shares

	000's	000's
Reconciliation of the total number of Boxer LTIP shares outstanding:		
At beginning of period	–	–
Shares awards granted	3 795	–
At end of period	3 795	–
Outstanding Boxer LTIP shares vest during the following financial periods:		
2027	2 277	–
2028	1 518	–
	3 795	–

5.4 Total outstanding PIK and Boxer share awards

	53 weeks to 2 March 2025 Number of share awards 000's	52 weeks to 25 February 2024 Number of share awards 000's
PIK Share options (note 5.1)	8 141	11 904
PIK RSP (note 5.2)	7 971	2 161
Total PIK share awards	16 112	14 065
Boxer LTIP shares	3 795	–

Refer to note 4 for details of share awards held by and granted to directors.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm

6 Income tax

6.1 Tax recognised in profit or loss

Normal tax	**611**	457
– current period	**614**	468
– prior period over provision	**(3)**	(11)
Deferred tax (note 14)	**(585)**	(1 445)
	26	(988)

6.2 Tax paid

Owing – beginning of period	**273**	270
Recognised in profit or loss	**611**	457
Owing – end of period	**(140)**	(273)
Total tax paid	**744**	454

6.3 Reconciliation of effective tax rate

	%	**%**
South African statutory tax rate	**27.0**	27.0
ETI allowances and other exempt income	**3.9**	0.5
Learnership and other allowances	**2.1**	0.5
Impact of fair value adjustments	**(4.7)**	(0.1)
Non-deductible impairment loss on intangible assets	**(0.9)**	(2.8)
Non-deductible leasehold improvement and property depreciation	**(15.4)**	(3.2)
Impact of sale of properties	**(0.7)**	1.3
Impact of share based payments	**1.3**	–
Legal entity loss not subject to deferred tax	**(1.0)**	–
Utilisation of loss not subject to deferred tax	**0.3**	–
Other non-deductible expenditure	**(2.2)**	(0.3)
Foreign withholdings taxes	**(8.0)**	–
Net prior period under/(over) provisions	**(5.9)**	0.1
Effective tax rate	**(4.2)**	23.0

* *Refer to note 38 for details on the restatement*

	53 weeks to 2 March 2025 Cents per share	Restated* 52 weeks to 25 February 2024 Cents per share
7 Basic, headline and diluted earnings per share		
Basic loss per share	**(111.01)**	(581.85)
Diluted loss per share	**(111.01)**	(580.37)
Headline loss per share	**(61.54)**	(172.21)
Diluted headline loss per share	**(61.54)**	(171.77)

	Rm	Rm
7.1 Reconciliation between basic and headline earnings		
Loss for the period attributable to equity holders of parent – basic earnings for the period	**(736)**	(3 301)
Adjustments:	**328**	2 324
Loss/(profit) on disposal of assets	**94**	(369)
Tax effect of (loss)/profit on disposal of assets	**(18)**	53
Loss from impairments of assets	**294**	2 983
Tax effect of loss from impairments of assets	**(38)**	(597)
Impairment loss on investment in associate	**–**	254
Non-controlling interest	**(4)**	–
Headline loss for the period	**(408)**	(977)

	000's	000's
7.2 Number of ordinary shares**		
Number of ordinary shares in issue (note 21.1)	**745 657**	493 450
Weighted average number of ordinary shares in issue (excluding treasury shares)	**663 018**	567 331
Diluted weighted average number of ordinary shares in issue	**663 018**	568 778
Reconciliation of weighted average number of ordinary shares to diluted weighted average number of ordinary shares:		
Weighted average number of ordinary shares in issue (excluding treasury shares)	**663 018**	567 331
Dilutive effect of share awards	**–**	1 447
Diluted weighted average number of ordinary shares in issue	**663 018**	568 778

* *Refer to note 38 for details on the restatement.*
** *In accordance with IAS 33 Earnings Per Share, the prior year weighted average and diluted weighted average number of shares in issue have been adjusted retrospectively to account for the bonus element arising from the rights offer share issue. As a result, the prior year basic and headline earnings per share metrics were adjusted to account for the change in the weighted and diluted weighted average number of shares in issue.*

Any outstanding PIK RSP shares granted in terms of the Group's restricted share plan, that have not yet met required performance hurdles, have no dilutive impact on the weighted average number of shares in issue.

	53 weeks to 2 March 2025 Cents per share	52 weeks to 25 February 2024 Cents per share
8 Dividends		
8.1 Dividends paid during the financial period		
No dividend declared during the financial period (2024: Number 110 – declared 3 May 2023 – paid 5 June 2023)	**–**	140.30
Total dividends paid per share for the period	**–**	140.30

In the prior period the Company suspended dividend payments until such time that the Board believes that there is sufficient cash generation by the Group to review the dividend policy.

	Goodwill Rm	Systems development* Rm	Licences Rm	Total Rm

9 Intangible assets

	Goodwill Rm	Systems development* Rm	Licences Rm	Total Rm
53 Weeks to 2 March 2025				
Carrying value	**498**	**568**	**1**	**1 067**
Cost	**1 020**	**1 034**	**14**	**2 068**
Accumulated amortisation and impairment losses	**(522)**	**(466)**	**(13)**	**(1 001)**
Reconciliation of carrying value				
At beginning of period	**506**	**554**	**16**	**1 076**
Additions	**–**	**164**	**–**	**164**
Expansion of operations	**–**	**63**	**–**	**63**
Maintaining operations	**–**	**101**	**–**	**101**
Amortisation	**–**	**(127)**	**–**	**(127)**
Impairment (note 12)	**(25)**	**(23)**	**(5)**	**(53)**
Disposals	**(3)**	**–**	**(10)**	**(13)**
Purchase of operations (note 33)	**20**	**–**	**–**	**20**
At end of period	**498**	**568**	**1**	**1 067**
52 weeks to 25 February 2024				
Carrying value	506	554	16	1 076
Cost	1 036	1 046	42	2 124
Accumulated amortisation and impairment losses	(530)	(492)	(26)	(1 048)
Reconciliation of carrying value				
At beginning of period	953	459	12	1 424
Additions	–	260	9	269
Expansion of operations	–	202	9	211
Maintaining operations	–	58	–	58
Amortisation	–	(108)	(4)	(112)
Impairment (note 12)	(497)	(35)	(1)	(533)
Disposals	–	(22)	–	(22)
Purchase of operations (note 33)	50	–	–	50
At end of period	506	554	16	1 076

* *Majority of additions to systems development assets during the current and prior periods are internally generated.*

Goodwill with a carrying value of R135 million (2024: R135 million), relates to the original acquisition of the CGU trading as Boxer and is significant to the Group. The recoverable amount of the Boxer CGU is based on the publicly traded share price on the Johannesburg Stock Exchange and A2X. There has been no impairment for this CGU during the current financial period.

The remaining goodwill, with a carrying value of R363 million (2024: R371 million), largely relates to various acquisitions or conversions of franchise stores to owned stores, none of which is significant in comparison to the Group's total carrying amount of goodwill of R258 million (2024: R252 million) that is recorded within the Boxer segment.

During the prior period under review, the Group incurred R0.3 million on research activities, recorded as an expense within merchandising and administration in the statement of comprehensive income.

Refer to note 12 for detailed information on the impairment charge during the current year.

10 Property, plant and equipment

	Property Rm	Furniture, fittings, equipment and vehicles Rm	Leasehold improvements Rm	Aircraft Rm	Total Rm
53 weeks to 2 March 2025					
Carrying value	**1 113**	**6 490**	**1 031**	**41**	**8 675**
Cost	**1 457**	**11 656**	**2 235**	**68**	**15 416**
Accumulated depreciation and impairment losses	**(344)**	**(5 166)**	**(1 204)**	**(27)**	**(6 741)**
Reconciliation of carrying value					
At beginning of period	**1 431**	**6 598**	**1 117**	**45**	**9 191**
Additions	**50**	**1 264**	**199**	**–**	**1 513**
Expansion of operations	**5**	**660**	**111**	**–**	**776**
Maintaining operations	**45**	**604**	**88**	**–**	**737**
Depreciation	**(17)**	**(1 172)**	**(243)**	**(4)**	**(1 436)**
Impairment (note 12)	**(101)**	**(46)**	**(21)**	**–**	**(168)**
Disposals	**–**	**(170)**	**(20)**	**–**	**(190)**
Purchase of operations (note 33)	**–**	**28**	**–**	**–**	**28**
Transfer to non-current assets held for sale	**(250)**	**–**	**–**	**–**	**(250)**
Foreign currency translations	**–**	**(12)**	**(1)**	**–**	**(13)**
At end of period	**1 113**	**6 490**	**1 031**	**41**	**8 675**
52 weeks to 25 February 2024					
Carrying value	1 431	6 598	1 117	45	9 191
Cost	1 714	11 066	2 353	68	15 201
Accumulated depreciation and impairment losses	(283)	(4 468)	(1 236)	(23)	(6 010)
Reconciliation of carrying value					
At beginning of period	1 399	6 226	1 218	50	8 893
Additions	226	2 476	473	-	3 175
Expansion of operations	200	933	157	-	1 290
Maintaining operations	26	1 543	316	-	1 885
Depreciation	(12)	(1 207)	(298)	(5)	(1 522)
Impairment (note 12)	(68)	(922)	(247)	-	(1 237)
Disposals	(288)	(58)	(29)	-	(375)
Purchase of operations	230	84	-	-	314
Transfer to non-current assets held for sale	(56)	-	-	-	(56)
Foreign currency translations	-	(1)	-	-	(1)
At end of period	1 431	6 598	1 117	45	9 191

Property includes land with an indefinite useful life, with a carrying value of R290 million (2024: R312 million).

Non-current asset held for sale

The Group sold its property, which was classified as a non-current assets held for sale at a carrying value of R56 million as at 25 February 2024, during the current period. A profit on disposal of R4 million was recorded in the capital items section of the statement of comprehensive income.

Properties with a carrying value of R250 million, previously disclosed as property, plant and equipment, have been reclassified to non-current assets held for sale within the Pick n Pay operating segment, as they are in the process of being sold. The Group is in its final stages of the sale process which is expected to be complete within the next 12 months. The properties are recognised at carrying value, which is the lower of carrying value and fair value less costs to sell.

Refer to note 12 for detailed information on the impairment charge during the current year.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm

11 Right-of-use assets

Reconciliation of carrying value of right-of-use assets	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
At beginning of period	**11 702**	11 340
New leases	**2 187**	4 078
Depreciation	**(2 253)**	(2 389)
Property	**(1 986)**	(2 067)
Equipment and vehicles	**(267)**	(322)
Lease incentives#	**(116)**	(50)
Lease terminations#	**(406)**	(148)
Remeasurements#	**18**	131
Impairment (note 12)	**(73)**	(1 213)
Other movements#	**–**	(37)
Foreign currency translations	**(16)**	(10)
At end of period	**11 043**	11 702
Comprising of:		
Property	**10 178**	10 691
Equipment and vehicles	**865**	1 011

Disclosure has been expanded during the current period as a result of the significance of lease terminations. Prior period disclosure has been expanded for comparability.

12 Impairments of non-financial assets

During the prior period under review adverse macroeconomic factors and pressure on operating costs resulted in a sharp decline in operating performance of the Group's Pick n Pay segment. The weak result delivered by the Group for the prior period under review, was driven by a substantial trading loss reported in the Pick n Pay segment of the Group, which more than offset a strong performance by the Boxer segment, resulting in significant impairment losses recorded by the Group during the prior period.

FY25 marked a turning point for the Group as the Pick n Pay segment staged the initial leg of its operational and financial recovery. Substantial progress was made on the closure or conversion of loss-making stores. The Pick n Pay segment reported a significant improvement from the R1.5 billion trading loss in the prior period (refer to Review of Operations for more detail). However, the segment remained loss-making, and this trading loss triggered an indicator of impairment for the total assets of the Pick n Pay segment in both the prior and current financial periods. As a result, the Group assessed all the assets in the Pick n Pay segment for impairment in both financial years.

The table below sets out the impairment losses recognised by the Group during the current and prior periods under review.

Impairments on non-financial assets	Note	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
Intangible assets	9	**53**	533
Goodwill		**25**	497
Systems development		**23**	35
Licences		**5**	1
Property, plant and equipment	10	**168**	1 237
Property		**101**	68
Equipment, furniture and fittings		**46**	922
Leasehold improvements		**21**	247
Right-of-use assets	11	**73**	1 213
Total impairments on non-financial assets		**294**	2 983
Pick n Pay segment – trading stores	12.1.1	**173**	2 904
Pick n Pay segment – properties	12.1.2	**101**	68
Boxer segment – trading stores	12.2	**20**	11

* *Refer to note 38 for details on the restatement*

12 Impairments of non-financial assets (continued)

12.1 Pick n Pay segment

12.1.1 Trading store impairments

For the purposes of impairment testing, in line with the Pick n Pay segment's strategic long-term plan, the Pick n Pay segment's trading stores (CGUs) have been classified into two strategic categories:

Category 1: Reset stores – these stores are intended to either be closed, converted to the Boxer segment or franchised

112 loss making stores were earmarked last year to either be closed, converted to the Boxer segment or franchised over a two-year period. During the year 25 stores were closed, 7 converted to franchise, 8 converted to Boxer and net 2 stores were added to the store reset list. An impairment loss of R93 million (2024: R1 754 million) was recorded relating to the reset stores.

Category 2: Remaining stores – these stores are intended to continue trading and to benefit from the Pick n Pay strategic long-term initiatives

All remaining underperforming stores that have not been classified as reset stores, as they are not financially viable to close, convert or franchise, will benefit from the trading initiatives from the Pick n Pay strategic long-term plan. The plan calls for a steady return to profitability, however certain underperforming stores still require an impairment under these trading plans. An impairment loss of R1 150 million was recorded relating to 83 of these stores last year. During the current period under review an additional impairment of R15 million was recorded relating to 18 of the 83 stores impaired last year and 31 additional stores that now require an impairment of R65 million. Although these stores are being impaired, management will remain focused on turning these into performing stores.

The recoverable amount for each CGU was determined based on the higher of value-in-use calculations and fair value less costs of disposals. Where the carrying value of all non-financial assets allocated to each CGU (including goodwill and an allocation of central omni-channel assets based on online sales participation) exceeded the determined recoverable amount, an impairment loss was recognised.

The following assumptions were considered when assessing trading sites and related corporate assets for impairment within the Pick n Pay segment during the current period under review. Please also refer to note 1.6 for more detail on the estimates and judgements used during this process.

Value-in-use calculations

When a value-in-use measurement was determined as the recoverable amount, the value-in-use calculations for these stores were calculated using a pre-tax discount rate of 13.1% (2024: 14.5%). Where the Group intends to either convert or close the store, or the Group intends to continue trading the store but the store is currently loss making, cash flow projections were based on the remaining lease period, with a terminal value of zero. Cashflow projections for stores the Group intends to convert or close were based on actual cash flows for the 2025 financial period. Where the Group intends to continue trading the store and the store is profitable, cash flow projections were based on a period of 5 years, with cash flow projections beyond this period extrapolated using a zero growth rate. Cash flow projections for stores the Group intends to continue trading were based on management approved budgets for the 2026 financial period.

Fair value less costs of disposals

When a fair value less costs of disposal measurement was determined as the recoverable amount, the Group determined fair value based on an industry accepted sales multiple technique, adjusted for factors, where relevant, such as the current profitability of the store taking into account the material lease terms and conditions subjected, the age of the assets in the store, the location of the store, market related turnover multiples and projected sale values for remaining items of plant and equipment. The estimated fair value falls within level 3 of the fair value hierarchy in terms of IFRS 13 Fair Value Measurements, where the lowest level of input that is significant to the fair value measurement is unobservable.

12 Impairments of non-financial assets (continued)

12.1 Pick n Pay segment (continued)

12.1.1 Trading store impairments (continued)

Sensitivity Analysis

The following table represents the sensitivity analysis performed by management on the significant judgement applied in the accounting for the Group's impairments.

Discount rate applied in value-in-use measurement	Increase 1% Rm	As reported Rm	Decrease (1%) Rm
Impact on statement of comprehensive income			
Impairment losses on property, plant and equipment, intangible assets and right-of-use assets			
53 weeks to 2 March 2025	175	173	171
Restated 52 weeks to 25 February 2024*	2 873	2 904	2 936

Terminal growth rate applied in value-in-use measurement	Increase 1% Rm	As reported Rm	Decrease (1%) Rm
Impact on statement of comprehensive income			
Impairment losses on property, plant and equipment, intangible assets and right-of-use assets			
53 weeks to 2 March 2025	165	173	180
Restated 52 weeks to 25 February 2024*	2 904	2 904	2 904

Cash flows applied in the value-in-use measurement	Increase 10% Rm	As reported Rm	Decrease (10%) Rm
Impact on statement of comprehensive income			
Impairment losses on property, plant and equipment, intangible assets and right-of-use assets			
53 weeks to 2 March 2025	156	173	190
Restated 52 weeks to 25 February 2024*	2 823	2 904	2 971

* *Refer to note 38 for details on the restatement.*

\# *A significant judgement applied to the impairment assessment for prior period under review was the market related turnover multiple applied in fair value measurement of the CGUs. The impact of increasing or decreasing that multiple by 10% on the statement of comprehensive income was R53 million. The impact on the current year was assessed to be immaterial.*

12.1.2 Pick n Pay property impairments

Properties are considered on an individual basis, as it generates cash flows that are largely independent of other assets. Properties are therefore tested for impairment individually.

The recoverable amount for each property is determined as the fair value less costs to sell, calculated on a forward net rental yield basis, with the yield used driven by recent offers received, recent sales of our properties or market related yields achievable. Property specific factors such as location, size, age of property are taken into account when determining the yield used for the impairment test.

The impairment charge in the current year of R101 million (2024: R68 million) related to two (2024: three) properties in the Pick n Pay segment reflecting the relatively flat growth in the commercial property sector. Fair value less costs to sell was based on a forward net rental yield, ranging between 6.8% and 9.0% (2024: 7.8% and 9.0%). Sensitivity analysis on the key assumptions applied is not presented as the impact is considered to be immaterial.

12.1.3 Corporate assets impairments

Corporate assets, other than central omnichannel assets, were aggregated together with the assets of CGUs that it supports, and was assessed to support the Pick n Pay segment as a whole. All other corporate assets were therefore tested for impairment by determining a recoverable amount of the Pick n Pay segment, which was assessed to be a fair value measurement using a discounted cash flow technique. The value-in-use was determined based on cash flow projections approved by management aligned to the Pick n Pay strategic long-term plan covering a period of 3 years. Cash flow projections for a further 7 years were based on an estimated sales growth rate of 6% (2024: 6%)and improving operating margins to historic levels. Cash flow projections beyond these planning periods were extrapolated using an estimated growth of 6% (2024: 6%). The growth rate applied to the terminal value represents the South African expected volume growth rate and food inflation rate. The pre-tax discount rate applied to cash flow projections was 13.1% (2024: 14.5%).

The Pick n Pay strategic long-term plan is operationally focused on the turnaround of the Pick n Pay supermarkets, with particular focus on eliminating losses incurred by specific loss-making company owned stores, and improving the performance of the remainder of the estate through initiatives such as driving like-for-like sales growth and optimising the operating model. The plan is underpinned by renewed customer focus, re-energised employees, and improved execution at store level.

The Group assessed that no impairment of corporate assets was required. Sensitivity analysis on the key assumptions applied is not presented as the impact is considered to be immaterial.

12.2 Boxer trading store impairments

During the current period under review, two CGUs (2024: one CGU) were impaired within the Boxer segment for R20 million (2024: R11 million). Impairment considerations and sensitivity analysis is not presented as these were considered to be immaterial.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm

13 Net investment in lease receivables

13.1 Reconciliation of net investment in lease receivables

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
At beginning of period	**2 409**	2 300
New leases	**536**	544
Lease receipts	**(587)**	(556)
Principal lease receipts	**(377)**	(353)
Interest received	**(210)**	(203)
Finance income (note 2)	**216**	202
Remeasurements**	**–**	(24)
Lease terminations**	**(129)**	(45)
Other movements**	**(34)**	(14)
Foreign currency translations	**(6)**	2
At end of period	**2 405**	2 409

Net investment in lease receivables are presented in the statement of financial position as follows:

	2025 Rm	2024 Rm
Current	**388**	448
Non-current	**2 017**	1 961

13.2 Lease receipts

	2025 Rm	2024 Rm
Lease receipts included in the measurement of net investment in lease receivables	**587**	556
Variable lease receipts not included in the measurement of net investment in lease receivables	**45**	11
	632	567

Certain property sub-leases contain variable receipts terms linked to sales generated from franchise stores, referred to as turnover rent. Turnover rent income averages 1.5% of turnover (2024: 1.5% of turnover) of franchise stores.

13.3 Maturity analysis

The undiscounted contractual maturities of lease receivables are as follows:

	2025 Rm	2024 Rm
Less than one year	**617**	634
One to two years	**525**	556
Two to three years	**507**	462
Three to four years	**450**	431
Four to five years	**363**	350
More than five years	**927**	1 065
Total undiscounted lease receivables	**3 389**	3 498
Unearned finance income	**(984)**	(1 089)
Net investment in lease receivables	**2 405**	2 409

* *Refer to note 38 for details on the restatement.*
** *Disclosure has been expanded during the current period as a result of the significance of terminations. Prior period disclosure has been expanded for comparability.*

Future lease payments are discounted at an average borrowing rate of 9.2% (2024: 8.4%).

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm

14 Deferred tax

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
Deferred tax assets	**2 749**	2 165
The movement in net deferred tax assets are as follows:		
At beginning of period	**2 165**	734
Recognised in profit or loss (note 6)	**585**	1 445
Property, plant and equipment and intangible assets	**138**	203
Net operating lease assets	**1**	1
Retirement benefits and actuarial gains	**(1)**	18
Prepayments	**3**	(1)
Allowance for impairment losses	**70**	61
Deferred revenue	**(10)**	(17)
Income received in advance	**11**	1
Leases	**9**	387
Income and expense accruals	**41**	7
Unutilised tax losses	**323**	785
Recognised in other comprehensive income	**(1)**	(14)
Tax effect on items that will not be reclassified to profit or loss	**(1)**	(14)
At end of period	**2 749**	2 165
Comprising of:		
Property, plant and equipment and intangible assets	**(339)**	(477)
Net operating lease assets	**(1)**	(2)
Retirement benefits and actuarial gains	**(16)**	(14)
Prepayments	**(10)**	(13)
Allowance for impairment losses	**177**	107
Deferred revenue	**15**	25
Income received in advance	**31**	20
Leases	**1 505**	1 496
Income and expense accruals	**279**	238
Unutilised tax losses	**1 108**	785
	2 749	2 165

* *Refer to note 38 for details on the restatement.*

At period end, the Group had estimated cumulative unused tax losses of R4.1 billion (2024: R2.9 billion) that arose in the Pick n Pay segment. The losses are available for set-off against future taxable profits indefinitely in the companies where the losses arose. Significant judgement was applied in determining that it is probable that future taxable profits will be available against which these unused losses and the reversing deductible temporary difference can be utilised. A deferred tax asset of R1.1 billion (2024: R0.8 billion) and R1.6 billion (2024: R1.4 billion) on tax losses and deductible temporary differences respectively were recognised.

15 Investment in associate and joint operations

15.1 Accounting for investment in associate

The Group has a 49% investment in TM Supermarkets (Pvt) Limited (TM Supermarkets), a private company incorporated in Zimbabwe, which operates supermarkets throughout Zimbabwe. The Group accounts for its investment in associate under the equity method of accounting in accordance with IAS 28 *Investment in Associates and Joint Ventures (IAS 28)*.

In accordance with the provisions of IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29), entities operating in Zimbabwe have been assessed to be operating in a hyperinflationary economy. The equity accounted results of TM Supermarkets included in this Group result have therefore been prepared in accordance with IAS 29.

The Group's investment in TM Supermarkets was impaired to nil in the prior period.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Share of associate's earnings before net monetary adjustments	**–**	(37)
Share of associate's hyperinflation net monetary adjustments	**–**	249
Impairment loss on investment in associate	**–**	(254)
Unrecognised share of associate losses	**(51)**	–

15.2 Accounting for interest in joint operations

15.2.1 The Apex Distribution Centre (DC) Consortium (Benoni DC)

The Apex DC consortium was established during the 2024 financial year to develop and manage the DC. Located in Benoni, Gauteng, the DC is jointly owned by the Group, through its Boxer segment, and an unrelated third party, holding a 40% and 60% interest, respectively. All matters related to the Apex DC Consortium are decided by unanimous resolution from both parties.

15.2.2 The Whetstone DC Consortium (Tongaat DC)

The Whetstone DC Consortium was established during the current financial period to develop and subsequently manage the DC located in Mount Moreland, KwaZulu-Natal. The DC is jointly owned by the Group, through its Boxer segment, and an unrelated third party, each holding a 50% undivided share. Upon completion of the development, the Group will lease the DC from the consortium.

The following are the share of Group's assets:

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Apex DC Consortium		
Land	**23**	23
Building	**70**	72
Whetstone DC Consortium		
Land	**25**	49
Building	**106**	46

These assets are included in property, plant and equipment (note 10).

16 Partly-owned subsidiary

During the period, the Group's wholly-owned subsidiary, Boxer Retail Limited, undertook an Initial Public Offering (IPO) and issued shares to shareholders outside of the Group, resulting in the Group's percentage ownership interest being reduced from 100% to 65.6%, without the Group losing control. Refer to note 34.2. As a result of retaining control, this has been accounted for as an equity transaction with non-controlling interest (NCI), resulting in the following in the Group:

	Rm
Proceeds for change in ownership interest as a result of the IPO, net of related costs	7 945
Net assets attributable to NCI	(576)
Increase in equity attributable to parent (recognised in retained earnings)	7 369

Financial information of subsidiaries that have material non-controlling interest, being Boxer Retail Limited Group, is provided below:

Proportion of Equity interest held by non-controlling interest:

Name	Principal place of business and country of incorporation	**2025 %**	2024 %
Boxer Retail Limited Group	South Africa	**34.4%**	–

	2025 Rm	2024 Rm
Accumulated balances of material non-controlling interest:		
Boxer Retail Limited Group	**668**	–
Profit allocated to material non-controlling interest:		
Boxer Retail Limited Group	**85**	–

Summarised financial information of Boxer Retail Limited Group is provided below. This information is based on amounts before inter-company eliminations and as a result, does not equate to the Boxer segment represented in note 30.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Summarised statement of profit or loss		
Revenue	**42 747**	37 779
Turnover	**42 344**	37 419
Cost of sales	**(33 291)**	(29 498)
Other trading income	**312**	269
Trading expenses	**(7 057)**	(6 089)
Finance income	**91**	91
Finance costs	**(458)**	(342)
Loss on capital items	**(33)**	(27)
Profit before Tax	**1 908**	1 823
Tax	**(525)**	(438)
Profit for the year	**1 383**	1 385
Attributable to non-controlling interest	**85**	–
Total comprehensive income	**1 387**	1 336
Attributable to non-controlling interest	**85**	–
Dividends paid to non-controlling interest	**–**	–

16 Partly-owned subsidiary (continued)

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Summarised statement of financial position		
Assets		
Non-current	**8 089**	7 418
Current	**4 644**	5 299
	12 733	12 717
Equity and liabilities		
Total equity		
Attributable to:		
Equity holders of parent	**1 274**	1 841
Non-controlling interest	**668**	–
	1 942	1 841
Liabilities		
Non-current	**5 000**	3 708
Current	**5 791**	7 168
	10 791	10 876
Total equity and liabilities	**12 733**	12 717
Summarised statement of cash flow		
Cash flow from operating activities	**(6 861)**	2 837
Cash flow from investing activities	**(834)**	(1 091)
Cash flow from financing activities	**6 808**	(1 006)
Net (decrease)/increase in cash and cash equivalents	**(887)**	740

17 Loans

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Employees	**21**	46
Other	**135**	124
	156	170
Loans are presented in the statement of financial position as follows:		
Current	**13**	–
Non-current	**143**	170

Loans to employees bear interest at varying rates averaging at a rate of 4.0% – 4.7% (2024: 4.8%) per annum and have varying repayment terms. At period end, R16.5 million (2024: R31.6 million) of employee loans were secured.

Other loans relates to bridging finance for landlords with repayment terms between 2 and 10 years and an average interest rate of 13.1% (2024: 12.0%).

18 Inventory

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Merchandise for resale	**10 925**	10 511
Provision for shrinkage, obsolescence and markdown of inventory	**(421)**	(431)
Consumables	**94**	107
	10 598	10 187

During the period under review, biological assets of R90 million were purchased by the Group and a value of R128 million transferred to inventory at the point of harvest.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
19 Trade and other receivables		
Gross trade and other receivables	**5 096**	5 117
Trade receivables from contracts with customers	**4 442**	4 422
Prepayments	**236**	242
Other receivables	**418**	453
Allowance for impairment losses (note 19.1)	**(722)**	(690)
Trade receivables from contracts with customers	**(640)**	(608)
Other receivables	**(82)**	(82)
Net trade and other receivables	**4 374**	4 427
Disclosed as:		
Non-current	**8**	2
Current	**4 366**	4 425

* *Refer to note 38 for details on the restatement.*

Current trade and other receivables are interest-free unless overdue and have payment terms ranging between 7 and 35 days (2024: 7 and 35 days). The carrying value approximates its fair value due to the short-term nature of the receivables.

19.1 Allowance for impairment losses

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
53 weeks to 2 March 2025			
At the beginning of the period	**690**	**608**	**82**
Irrecoverable debts written off	**(172)**	**(172)**	**–**
Additional impairment losses recognised	**240**	**236**	**4**
Prior allowances for impairment reversed	**(36)**	**(32)**	**(4)**
At end of period	**722**	**640**	**82**
52 weeks to 25 February 2024			
At the beginning of the period	296	234	62
Irrecoverable debts written off	(240)	(239)	(1)
Additional impairment losses recognised	647	625	22
Prior allowances for impairment reversed	(13)	(12)	(1)
At end of period	690	608	82

During the current period under review, trade receivables from contracts with customers exceeding payment terms by more than 14 days decreased from R818 million in 2024 to R638 million (refer to note 19.2). This has reduced the Group's total credit risk exposure on trade and other receivables. The ECL allowance relating to contract with customers, recorded in the statement of comprehensive income, as a % of gross trade receivables from contracts with customers has declined from 13.9% last year to 4.6% this year. This is reflective of an increase in the control of bad debt and the R201 million ECL allowance recorded in the prior year. This prior year amount related to the deterioration of the trading results of the master franchisee in Botswana; this deterioration has stabilised in the current year. For further detail on the Botswana franchise, please refer to note 37.

Impairment losses are recorded in the allowance account until the Group is satisfied that no recovery of the amount owing is possible, at which point the amount is written off against the financial asset. Included within the Group's write offs are amounts which are still subject to enforcement activity by legal experts of R15 million (2024: R65 million). Once all internal measures have been exhausted to collect outstanding debt, the Group engages with legal experts to secure payments. However, based on historical experience, the expected recovery of amounts written off has been minimal and these balances have therefore been written off. Impairment losses are included in the statement of comprehensive income.

19 Trade and other receivables (continued)

19.2 Credit risk exposure

Set out below is the credit risk exposure on the Group's trade and other receivables. The expected credit loss (ECL) relating to trade and other receivables within payment terms, and relating to trade and other receivables exceeding payment terms by less than 14 days, is insignificant as a result of the credit quality of these debtors, stringent credit-granting policies and the various forms of security and collateral held by the Group. Refer to note 32.2 for the Group's credit risk management disclosure.

	Gross receivables Rm	Within payment terms Rm	Exceeding payment terms by less than 14 days Rm	Exceeding payment terms by more than 14 days Rm
53 weeks to 2 March 2025				
	4 860	**3 720**	**229**	**911**
Trade receivables from contracts with customers	**4 442**	**3 581**	**223**	**638**
Other receivables	**418**	**139**	**6**	**273**
Restated 52 weeks to 25 February 2024*				
	4 875	3 656	230	989
Trade receivables from contracts with customers	4 422	3 374	230	818
Other receivables	453	282	–	171

* *Refer to note 38 for details on the restatement.*

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
20 Cash and cash equivalents		
Cash and cash equivalents	**5 328**	5 383
Bank overdraft and overnight borrowings	**(300)**	(5 179)
Cash and cash equivalents at end of period	**5 028**	204

Cash and cash equivalents

Cash and cash equivalents includes cash floats at stores as well as the Group's current account balances. The Group's transactional banker, which at period-end, had a long-term credit rating 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 Group invested its surplus cash in money market accounts during the period and utilised bank overdraft and overnight borrowings.

For disclosure of interest rates on current accounts, money market accounts, overdraft and overnight borrowings, Refer to note 32.3.2.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm

21 Share capital

21.1 Ordinary share capital

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Authorised		
828 500 000 (2024: 800 000 000) ordinary shares of no par value (2024: 1.25 cents each)	**10**	10
Issued		
745 657 130 (2024: 493 450 321) ordinary shares of no par value (2024: 1.25 cents each)	**3 883**	6
	000's	000's
The number of shares in issue is made up as follows:		
Treasury shares (note 22)	**9 945**	10 796
Shares held outside the Group	**735 712**	482 654
Total shares in issue at end of period	**745 657**	493 450

The holders of ordinary shares are entitled to receive dividends as and when declared, and are entitled to one vote per share at meetings of the Company.

Certain ordinary shares are stapled to B shares and are subject to restrictions upon disposal. Refer to note 21.2.

The Company can issue new shares to settle the Group's obligations under its employee share scheme, but issues in this regard are limited to 24 672 516 (2024: 24 672 516) shares. To date, 15 743 000 (2024: 15 743 000) shares have been issued, resulting in 8 929 516 (2024: 8 929 516) shares remaining for this purpose.

During the period under review, the Company undertook the following:

- As resolved by shareholders at the general meeting held on 26 June 2024, the Company amended its Memorandum of Incorporation to increase its authorised ordinary share capital to 10 billion shares and converted all ordinary shares to no par value. Subsequent to this, as resolved at the general meeting held on 1 October 2024, the Company reduced its authorised ordinary share capital to 828 500 000 shares, ensuring that the number of unissued ordinary shares constituted no more than 10% of the total number of authorised ordinary shares post the rights offer.
- The Company concluded a fully underwritten renounceable rights offer share issue ("rights offer") during August 2024, which raised gross proceeds of R4.0 billion. The rights offer consisted of an offer of 252 206 809 new ordinary shares. Qualifying Shareholders who held no par value ordinary shares in the issued share capital of PIK ("PIK Shares") on the Record Date received 51.11 Rights for every 100 Existing PIK Shares held. Each Right entitled the holder to subscribe for one new PIK Share at a subscription price of 1 586.0 cents (ZAR15.86) ("Rights Offer Share Price") per Rights Offer Share. The rights offer raised R3.9 billion of new equity capital, net of transaction costs of R0.1 billion. All necessary resolutions to effect the rights offer were passed by the requisite majority of shareholders at the Company's general meeting held on 26 June 2024. Refer to note 34.1.

21 Share capital (continued)

21.2 B share capital

Authorised

361 500 000 (2024: 1 000 000 000) unlisted, non-convertible, non-participating, no par value B shares.

Issued

325 426 164 (2024: 259 682 869) unlisted, non-convertible, non-participating, no par value B shares with a carrying value of nil (2024: nil).

The holders of B shares are entitled to the same voting rights as holders of ordinary shares, but are not entitled to any rights to distributions by the Company or any other economic benefits. Refer to note 21.1.

B shares are stapled to certain ordinary shares, constituting a B-share ratio for every one stapled ordinary share. B shares cannot be traded separately from stapled ordinary shares, and together are subject to restrictions upon disposal.

During the period under review, the Company undertook the following:

- As resolved by shareholders at the general meeting held on 26 June 2024, the Company amended its Memorandum of Incorporation to increase its authorised B share capital to 5.3 billion shares. Subsequent to this, at the general meeting held on 1 October 2024, the Company reduced its authorised B share capital to 361 500 000 shares, ensuring that the number of unissued B shares constituted no more than 10% of the total number of authorised B shares post the rights offer.
- The Company concluded a rights offer during August 2024. According to the terms of the B shares, an "Adjustment Event" such as a rights offer, triggers the issuance of additional B shares to B shareholders, maintaining the B share issue ratio. However, following a resolution passed at the general meeting on 26 June 2024, and in line with the controlling shareholder's commitment to ordinary shareholders, B shareholders agreed to reduce the B share issue ratio from 1.98061 to 1.64254 B shares for every one stapled ordinary share. This adjustment lowered the controlling shareholder's aggregate voting rights from 52% to 49%. As a result, 65 743 295 new B shares were issued to stapled ordinary shareholders. Refer to note 34.1.

22 Treasury shares

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
At beginning of period	**557**	644
Settlement of employee share awards	**(44)**	(87)
Proceeds on sale of rights attached to treasury shares, pursuant to rights offer (note 34.1)	**(17)**	–
At end of period	**496**	557
	000's	000's
The movement in the number of treasury shares held is as follows:		
At beginning of period	**10 796**	12 380
Shares sold during the period pursuant to the take-up of share options by employees	**(1)**	(2)
Shares delivered to participants of restricted share plan (note 5.2)	**(850)**	(1 582)
At end of period (note 21.1)	**9 945**	10 796

Entities within the Group with a holding of Pick n Pay Stores Limited shares sold their rights under the terms of the rights offer (refer to note 34.1). Proceeds raised on the sale of those rights amounted to R17 million and were recorded in treasury shares within equity.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
23 Borrowings		
Unsecured borrowings		
Long-term		
Bilateral loan bearing interest ranging between 9.9% – 10.9% (2024: 9.9% – 10.0%), repaid on 28 November 2024	–	1 000
Syndicated Loan A loan bearing interest ranging between 9.6% – 11.0% (2024: 9.6%), repaid on 28 November 2024	–	1 300
Syndicated Loan B loan bearing interest at 9.8% – 11.0% (2024: 9.8%), repaid on 28 November 2024	–	2 200
Unsecured loans bearing interest at 9.6%, repayable on 25 October 2029	850	–
Short-term		
Short-term loans with varying-maturities bearing interest ranging between 8.6% – 9.4% (2024: 8.4% – 9.4%), repaid between 26 February 2024 and 28 November 2024	–	416
Three-month short-term loans bearing interest ranging between 9.3% – 13.6% (2024: 9.3% – 9.6%), repaid between 5 August 2024 and 28 November 2024	–	1 350
Total borrowings at end of period	**850**	6 266
Less: current portion (repayable within one year)	–	(1 766)
Non-current portion (repayable after one year)	**850**	4 500

23.1 Reconciliation of carrying value of borrowings

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
At beginning of period	**6 266**	2 869
Non-cash movements for the period	**664**	353
Finance costs	**664**	353
Cash movements for the period	**(6 080)**	3 044
Borrowings raised	**3 235**	15 607
Borrowings repaid	**(8 651)**	(12 210)
Interest paid	**(664)**	(353)
At end of period	**850**	6 266

During the period under review, the Group's Pick n Pay segment repaid all borrowings from the proceeds of the Group's rights offer and Boxer IPO (refer to note 34.2). The Group's Boxer segment raised new long-term borrowings of R850 million.

The Boxer segment has met all required covenants specified by the financial institution, relating to its leverage and interest cover ratio for the financial period.

The South African Reserve Bank has announced a transition from JIBAR to ZARONIA by 2026. Bank loans of R850 million are currently the only non-derivative financial liabilities impacted by the interest rate reform. The loan agreements have not yet been amended to contain clauses pertaining to the interest rate reform. The Group will evaluate the impact of the change to ZARONIA during the financial year ending 1 March 2026.

24 Retirement benefits

24.1 Pick n Pay segment

The Group, through its trading and employer subsidiaries, provides post-retirement benefits to its employees in accordance with local benchmarks in the countries in which it operates. These benefits are mainly provided through the Pick n Pay Retirement schemes which incorporates the Pick n Pay Paid-up Pension Fund and the Pick n Pay Contributory Provident Fund defined-contribution plans.

The Group's largest defined-contribution fund is the Pick n Pay Contributory Provident Fund. Certain members of this fund were guaranteed that should their defined-contribution benefit be less than their previous defined-benefit guarantee (under the previous Pick n Pay Retirement Fund) they would retain the latter. Due to this guarantee, and that the pensioners are paid by the Pick n Pay Paid-up Pension Fund, the Retirement scheme's liabilities may be broken down between those which are defined contribution in nature and those which are defined benefit in nature and for which the employer has an obligation to make additional contributions to ensure this element of the scheme is fully funded. During the prior period, it was agreed with members of the defined benefit plan to convert their retirement benefits to the defined contribution plan.

The defined benefit and defined-contribution plans are regulated by the Pension Funds Act, 1956 (of South Africa) and is governed by a board of trustees of the Pick n Pay Contributory Provident Fund and Pick n Pay Paid-up Pension Fund, in line with governance policies set in terms of the PF130 circulars. The board of trustees of the Pick n Pay Contributory Provident Fund comprises 6 employer-appointed and 6 member-elected trustees and for the Pick n Pay Paid-up Pension Fund it comprises of 2 employer-appointed and 2 member-elected trustees.

	Pensioners' defined-benefit guarantee Rm	**Retirement defined-benefit guarantee Rm**	**Total obligation 2025 Rm**	Total obligation 2024 Rm
Defined-benefit obligations				
The amount recognised in the statement of financial position is as follows:				
Present value of funded obligations	**726**	**–**	**726**	702
Fair value of assets	**(726)**	**(60)**	**(786)**	(753)
	–	**(60)**	**(60)**	(51)
Amounts recognised in the statement of comprehensive income are as follows:				
Current service cost – ordinary	**–**	**–**	**–**	3
Current service cost – settlement	**–**	**–**	**–**	16
Net interest on the obligation	**–**	**(6)**	**(6)**	1
Total included in employee costs (note 3.1)	**–**	**(6)**	**(6)**	20
Asset ceiling				
Refund (employer surplus account)	**–**	**60**	**60**	51
	–	**60**	**60**	51
Movement in the asset recognised on the statement of financial position is as follows:				
Net asset – beginning of period	**–**	**(51)**	**(51)**	(68)
Total included in employee costs in profit or loss	**–**	**(6)**	**(6)**	20
Amount recognised in other comprehensive income	**–**	**(3)**	**(3)**	(51)
Contributions	**–**	**–**	**–**	48
Contributions by employees	**–**	**–**	**–**	(1)
Contributions by employer	**–**	**–**	**–**	(1)
Contribution holiday	**–**	**–**	**–**	50
Net asset – end of period	**–**	**(60)**	**(60)**	(51)
Remeasurement recognised in other comprehensive income				
Actuarial loss/(gain) – liabilities	**16**	**–**	**16**	(100)
Actuarial (gain)/loss – assets	**(16)**	**(3)**	**(19)**	49
Remeasurement recognised in other comprehensive income (before tax)	**–**	**(3)**	**(3)**	(51)

24 Retirement benefits (continued)

24.1 Pick n Pay segment (continued)

	Pensioners' defined-benefit guarantee Rm	Retirement defined-benefit guarantee Rm	Total obligation 2025 Rm	Total obligation 2024 Rm
Movement in the fund's obligations and plan assets recognised on the statement of financial position is as follows:				
Liability – beginning of period	702	–	702	986
Service cost – ordinary	–	–	–	3
Service cost – settlement	–	–	–	16
Transfer	–	–	–	4
Interest cost	67	–	67	95
Actuarial loss/(gain) from experience	16	–	16	(100)
Benefits settlement	–	–	–	(234)
Benefits paid	(59)	–	(59)	(68)
Liability – end of period	726	–	726	702
Plan assets – beginning of period	702	51	753	1 055
Transfer	–	–	–	3
Expected return	67	6	73	94
Actuarial (loss)/gain from experience	16	3	19	(49)
Contributions	–	–	–	(48)
Contributions by employees	–	–	–	1
Contributions by employer	–	–	–	1
Contribution holiday	–	–	–	(50)
Benefits settlement	–	–	–	(234)
Benefits paid	(59)	–	(59)	(68)
Plan assets – end of period	726	60	786	753
	%	%	%	%
Estimated return on plan assets	8.6	9.1	8.6	10.0
Composition of plan assets				
Equities	11.0	40.8	13.2	9.2
Fixed interest – bonds	7.1	14.7	7.7	12.2
Fixed interest – cash	7.3	0.2	6.7	0.2
Property	0.3	2.6	0.5	0.7
Global Absolute	–	3.0	0.2	0.2
Global Balanced	18.1	38.7	19.7	14.0
Liability driven investment	56.2	–	52.0	63.5
	100	100	100	100

At the end of the current financial period, the defined benefit liability is nil, resulting in no further expected contribution payments.

The principal actuarial assumptions at the last valuation date are:	2025 % per annum Pensioners	2025 % per annum Executives	2024 % per annum Pensioners	2024 % per annum Executives
Discount rate	9.8	n/a	9.8	n/a
Future salary increases	n/a	n/a	n/a	n/a
Future pension increases	5.0	n/a	5.5	n/a

Sensitivity analysis

At the end of the current financial period, the defined benefit liability is nil, and the remaining pensioner liability is matched with the value of the asset. Therefore a sensitivity analysis has not been presented.

24.2 Boxer segment

The Boxer segment provides retirement benefits for all its permanent employees through four defined contribution provident fund schemes which covers 14 944 (2024: 13 979) full-time and variable hour employees. The defined contribution provident fund schemes are subject to the Pension Funds Act, 1956 as amended. The segment provides for contribution of 7% – 14% (2024: 7% –14%) of employees' salary where they qualify and these contributions are charged to expense in the period to which they relate. The total value of contributions to the scheme were R113 million (2024: R101 million).

In addition Eswatini employees are members of the Swazi National Provident Fund which covers 541 (2024: 504) employees.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
24.3 Group defined current contribution benefits		
Current contributions (refer to note 3.1)	338	269

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm

25 Trade and other payables

Trade and other payables	**15 036**	15 354

Included in trade and other payables are leave pay obligations and value-added tax (VAT) payables which are not financial instruments. Trade and other payables that are financial instruments are settled, on average, within 60 days (2024: 60 days). Refer to note 32.

26 Provisions

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
At beginning of period	**102**	80
Additional provisions raised during the period	**30**	25
Reversals	**(34)**	–
Utilised amounts	**(2)**	(3)
At end of period	**96**	102

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 Group.

An amount of R19.2 million (2024: R9.2 million) is included within trade and other receivables, relating to expected reimbursements for provisions raised.

The Group is not aware of any current or pending litigation which is considered likely to have a material adverse effect on the Group.

27 Lease liabilities

27.1 Reconciliation of lease liabilities

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
At beginning of period	**19 706**	17 766
New leases	**2 723**	4 622
Lease payments	**(4 360)**	(4 149)
Principal lease liability payments	**(2 679)**	(2 520)
Interest paid	**(1 681)**	(1 629)
Finance costs (note 3.3)	**1 769**	1 631
Remeasurements**	**18**	107
Lease terminations**	**(713)**	(264)
Foreign currency translations	**(23)**	(7)
At end of period	**19 120**	19 706
Lease liabilities are presented in the statement of financial position as follows:		
Current	**2 741**	2 838
Non-current	**16 379**	16 868

* *Refer to note 38 for details on restatement.*

** *Disclosure has been expanded during the current period as a result of the significance of terminations. Prior period disclosure has been expanded for comparability.*

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm

27 Lease liabilities (continued)

27.2 Lease payments

Lease payments included in the measurement of lease liabilities	**4 360**	4 149
Variable lease payments not included in the measurement of lease liabilities	**205**	178
Short-term and low value lease payments	**89**	108
	4 654	4 435

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% of turnover (2024: 1.7% of turnover).

27.3 Maturity analysis

The undiscounted contractual maturities of lease liabilities are as follows:

Less than one year	**4 351**	4 524
One year to five years	**13 533**	15 169
Five to ten years	**7 062**	6 559
More than ten years	**1 736**	1 733
Total undiscounted lease liabilities	**26 682**	27 985
Finance costs to be incurred in future	**(7 562)**	(8 279)
Lease liabilities	**19 120**	19 706

* *Refer to note 38 for details on restatement.*

Future lease payments are discounted at an average borrowing rate of 9.4% (2024: 8.8%).

27.4 Lease terms

Lease terms include any non-cancellable periods and reasonably certain extension, and excludes reasonably certain termination options. Approximately 79% (2024: 72%) of the Group's portfolio of property leases contain extension options and approximately 21% (2024: 28%) contain termination options. The majority of extension and termination options held are exercisable by the Group and not by the respective lessor.

The average lease term of the Group's portfolio of qualifying leases are:

	53 weeks to 2 March 2025	52 weeks to 25 February 2024
Property	**11 years**	11 years
Equipment and vehicles	**6 years**	6 years

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
28 Deferred revenue		
Prepaid gift card liability	**203**	184
Loyalty programme liability	**70**	112
Refund liability	**27**	27
	300	323

Prepaid gift card liability

Gift cards can be redeemed as cash against future purchases, are redeemable on demand and expire three years after last date used. The balance outstanding at period end represents the fair value of the revenue received in advance, adjusted for an expected forfeiture rate of 11.5% (2024: 13.3%).

Loyalty programme liability

The Group operates various loyalty programmes, the most significant of which is the Smart Shopper loyalty programme.

Customers are rewarded with Smart Shopper loyalty points (reward credits) and personal Smart Shopper discounts which are effectively redeemed as cash against future purchases. Smart Shopper loyalty points and discounts are redeemable on demand and expire, on average, 12 months after its award date. The balance outstanding at period end represents the stand-alone selling prices of points and discounts granted yet to be redeemed, adjusted for an expected forfeiture rate of 24.0% (2024: 28.0%).

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 that the Group is expected to refund to customers within the next financial period. In addition, the Group recognised a right-of-return asset of R24 million (2024: R24 million) for its right to recover goods returned by the customer.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
29 Commitments		
Authorised capital expenditure		
Contracted for	**535**	1 064
Not contracted for	**1 715**	1 136
Total commitments	**2 250**	2 200

The above commitments relate to planned capital expenditure for the 52 weeks ended 1 March 2026, and will be funded from the Group's cash reserves, loan funding and cash generation from segmental operations.

Additionally, the Group is in process of acquiring the Pick n Pay operations in Botswana from the master franchisee in country. Refer to note 37 for further information.

30 Operating segments

Operating segments are identified based on financial information regularly reviewed by the Chief Operating Decision Maker (CODM) of the Group, for performance assessments and resource allocations. The Group annually performs a detailed review of the executive, or group of executives, that could be considered the appropriate and relevant CODM of the Group. During the current and prior periods under review, the CODM of the Group consisted of the Group executive directors, which comprised of the Chief Executive Officer and Chief Finance Officer.

Reportable segments	Pick n Pay Rm	Boxer Rm	Group Rm
53 weeks to 2 March 2025			
Financial performance			
Revenue (note 2)	79 377	42 747	122 124
Turnover	76 266	42 344	118 610
Franchise fee income	1 244	–	1 244
Commissions and other income	1 292	302	1 594
Operating lease income	101	10	111
Finance income	474	91	565
Cost of sales	(63 555)	(33 291)	(96 846)
Gross profit	12 711	9 053	21 764
Other income	2 637	312	2 949
Trading expenses	(15 897)	(7 057)	(22 954)
Employee costs	(6 444)	(3 072)	(9 516)
Occupancy costs	(2 278)	(1 182)	(3 460)
Operations costs	(4 119)	(2 098)	(6 217)
Merchandise and administration costs	(2 852)	(705)	(3 557)
Expected credit loss allowance	(204)	–	(204)
Trading (loss)/profit*	(549)	2 308	1 759
Depreciation and amortisation	(2 558)	(1 258)	(3 816)
Net funding finance (costs)/income	(488)	45	(443)
Net leases interest costs	(1 141)	(412)	(1 553)
Lease finance income	216	–	216
Lease finance costs	(1 357)	(412)	(1 769)
(Loss)/profit before tax before capital items	(2 178)	1 941	(237)
Impairments on property, plant and equipment, intangible and right-of-use assets	(274)	(20)	(294)
Net loss on disposal of assets	(81)	(13)	(94)
Financial position			
Total assets	34 405	12 402	46 807
Total liabilities	25 178	10 664	35 842
Additions to non-current assets	1 804	2 108	3 912

* *"Segmental trading loss/profit" is the reported measure used for evaluating the performance of the Group's operating segments. This metric is equal to the Group's reported "loss/profit before tax", before net finance costs, share of associate's earnings and capital items.*

Geographical information	South Africa Rm	Rest of Africa Rm	Group Rm
53 weeks to 2 March 2025			
Revenue (note 2)	117 942	4 182	122 124
Turnover	114 487	4 123	118 610
Pick n Pay	72 789	3 477	76 266
Boxer	41 698	646	42 344
Franchise fee income	1 227	17	1 244
Commissions and other income	1 593	1	1 594
Operating lease income	108	3	111
Finance income	527	38	565
Total non-current assets	25 850	239	26 089

30 Operating segments (continued)

Reportable segments	Restated* Pick n Pay Rm	Restated Boxer Rm	Restated* Group Rm
52 weeks to 25 February 2024			
Financial performance			
Revenue (note 2)	77 588	37 779	115 367
Turnover	74 876	37 419	112 295
Franchise fee income	1 022	–	1 022
Commissions and other income	1 261	258	1 519
Operating lease income	91	11	102
Finance income	338	91	429
Cost of sales	(62 517)	(29 498)	(92 015)
Gross profit	12 359	7 921	20 280
Other income	2 374	269	2 643
Trading expenses**	(16 256)	(6 262)	(22 518)
Employee costs	(6 376)	(2 624)	(9 000)
Occupancy costs	(2 334)	(1 074)	(3 408)
Operations costs	(4 150)	(1 968)	(6 118)
Merchandise and administration costs	(2 762)	(596)	(3 358)
Expected credit loss allowance	(634)	–	(634)
Trading (loss)/profit***	(1 523)	1 928	405
Depreciation and amortisation	(2 869)	(1 154)	(4 023)
Net funding finance (costs)/income	(695)	86	(609)
Net leases interest costs	(1 092)	(337)	(1 429)
Lease finance income	202	–	202
Lease finance costs	(1 294)	(337)	(1 631)
(Loss)/profit before tax before capital items	(3 098)	1 677	(1 421)
Impairments on property, plant and equipment, intangible and right-of-use assets	(2 972)	(11)	(2 983)
Impairment loss on investment in associate (note 15)	(254)	–	(254)
Net profit/(loss) on disposal of assets	385	(16)	369
Financial position			
Total assets	35 575	11 335	46 910
Total liabilities	37 854	9 349	47 203
Additions to non-current assets	5 793	2 093	7 886

* *Refer to note 38 for details on the restatement.*
** *Further detail of trading expenses has been included in the prior year to align with current year expanded disclosures.*
*** *"Segmental trading loss/profit" is the reported measure used for evaluating the performance of the Group's operating segments. This metric is equal to the Group's reported "loss/profit before tax", before net finance costs, share of associate's earnings and capital items.*

Geographical information	Restated* South Africa Rm	Restated* Rest of Africa Rm	Restated* Group Rm
52 weeks to 25 February 2024			
Revenue (note 2)	111 100	4 267	115 367
Turnover	108 085	4 210	112 295
Pick n Pay	71 265	3 611	74 876
Boxer	36 820	599	37 419
Franchise fee income	1 005	17	1 022
Commissions and other income	1 519	–	1 519
Operating lease income	102	–	102
Finance income	389	40	429
Total non-current assets	26 204	237	26 441

31 Related party transactions

31.1 Transactions between Group subsidiaries

During the period, in the ordinary course of business, certain companies within the Group entered into transactions with each other. These inter-group transactions and related balances are eliminated on consolidation.

The Pick n Pay Stores Group comprise of the following noteworthy subsidiaries:

Wholly-owned

- Pick n Pay Retailers Proprietary Limited, incorporated in South Africa
- Pick n Pay Supply Chain Proprietary Limited, incorporated in South Africa
- Pick n Pay Zambia Limited, incorporated in Zambia
- Pick n Pay Namibia Proprietary Limited, incorporated in Namibia
- Socius Trading Proprietary Limited, incorporated in South Africa

Partly-owned

- Boxer Superstores Proprietary Limited, incorporated in South Africa
- Boxer Superstores Eswatini Limited, incorporated in Eswatini
- Boxer Retail Limited, incorporated in South Africa

31.2 Issue of shares to non-controlling interest through Boxer IPO

Refer to note 16 and 34.2 for further information

31.3 Transaction with equity accounted associate

During the period, no dividends were declared or received from TM Supermarkets (2024: R7 million).

31.4 Key management personnel

Key management personnel remuneration is set out below. Key management personnel had no interest in any contract with any Group company during the period under review.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Key management personnel remuneration comprises:		
Fees for board meetings, committee and other work	**14**	14
Base salary	**54**	55
Retirement and medical aid contributions	**3**	4
Fringe and other benefits	**1**	3
Fixed remuneration	**72**	76
Short-term performance bonus, severance and retirement gratuities	**17**	47
Total remuneration	**89**	123
Long-term incentive awards	**47**	(17)

32 Financial instruments

Overview

The Group's principal financial liabilities comprise borrowings, trade and other payables, and lease liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include net investment in lease receivables, loans, trade and other receivables, and cash and cash equivalents. Financial assets are derived directly from the Group's operations. The Group holds fair value through profit or loss 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 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 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 Group.

The directors are ultimately responsible for ensuring that adequate procedures and processes are in place to identify, assess, manage and monitor financial risk.

32 Financial instruments (continued)

32.1 Financial assets and financial liabilities by category

The table below sets out the Group's financial assets and financial liabilities by category:

	Financial assets at amortised cost Rm	Financial assets at fair value through profit and loss Rm	Derivatives designated as hedging instruments Rm	Financial liabilities at amortised cost Rm	Total Rm
53 weeks to 2 March 2025					
Financial assets					
Net investment in lease receivables (note 13)	**2 405**	**–**	**–**	**–**	**2 405**
Loans (note 17)	**156**	**–**	**–**	**–**	**156**
Trade receivables from contracts with customers	**3 802**	**–**	**–**	**–**	**3 802**
Other receivables	**336**	**–**	**–**	**–**	**336**
Cash and cash equivalents (note 20)	**5 328**	**–**	**–**	**–**	**5 328**
Investment in insurance cell captive	**–**	**72**	**–**	**–**	**72**
Derivative financial instruments – forward exchange contracts (FEC)	**–**	**–**	**1**	**–**	**1**
	12 027	**72**	**1**	**–**	**12 100**
Financial liabilities					
Overnight borrowings (note 20)	**–**	**–**	**–**	**300**	**300**
Borrowings (note 23)	**–**	**–**	**–**	**850**	**850**
Trade and other payables	**–**	**–**	**–**	**14 635**	**14 635**
Lease liabilities (note 27)	**–**	**–**	**–**	**19 120**	**19 120**
Refund liability (note 28)	**–**	**–**	**–**	**27**	**27**
	–	**–**	**–**	**34 932**	**34 932**
Restated 52 weeks to 25 February 2024*					
Financial assets					
Net investment in lease receivables (note 13)	2 409	–	–	–	2 409
Loans (note 17)	170	–	–	–	170
Trade receivables from contracts with customers	3 814	–	–	–	3 814
Other receivables	371	–	–	–	371
Cash and cash equivalents (note 20)	5 383	–	–	–	5 383
Investment in insurance cell captive	–	61	–	–	61
Derivative financial instruments – Forward exchange contracts (FEC)	–	–	2	–	2
	12 147	61	2	–	12 210
Financial liabilities					
Overnight borrowings (note 20)	–	–	–	5 179	5 179
Borrowings (note 23)	–	–	–	6 266	6 266
Trade and other payables	–	–	–	14 829	14 829
Lease liabilities (note 27)	–	–	–	19 706	19 706
Refund liability (note 28)	–	–	–	27	27
	–	–	–	46 007	46 007

* *Refer to note 38 for details on the restatement.*

32 Financial instruments (continued)

32.2 Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets, which potentially subject the Group to credit risk, consist principally of net investment in lease receivables, loans, trade and other receivables and cash and cash equivalents.

Net investment in lease receivables and trade and other receivables

Net investment in lease receivables and trade and other receivables mainly relate to amounts owing by franchisees and are presented net of impairment losses (refer to note 13 and 19). Rigorous credit granting procedures are applied to assess the credit quality of franchisees, taking into account their financial position and credit rating. The Group obtains various forms of security from its franchisees, including bank guarantees, notarial bonds over inventory and moveable assets and suretyships from shareholders. The total credit risk with respect to receivables from franchise debtors is further limited as a result of the dispersion amongst the individual franchisees and across different geographic areas in South Africa. Consequently, the Group does not consider there to be any significant concentration or exposure to credit risk in South Africa. The Group operates as a franchisor in Botswana, Eswatini, Lesotho and Namibia and has a master franchisee arrangement in each of these countries. These arrangements results in a concentration risk in these jurisdictions, and are managed on an active basis with regular engagement with the master franchisee and active debt management.

During June 2024, Pick n Pay Namibia's master franchisee provided notice of termination for the current franchise agreement. The termination is effective 30 June 2025. This results in potential concentration risk for Pick n Pay Namibia however the master franchisee has been in good standing and management expects full recovery of debt.

Loans

Loans comprise employee loans, granted in line with the Group's remuneration policy, and other landlord loans. Loans are granted after reviewing the affordability of each debtor and, where appropriate, suitable forms of security are obtained. Majority of the loans are secured and are considered to have low credit risk. Refer to note 17.

Cash and cash equivalents

The Group's cash is placed with major South African and international financial institutions, which at period end had a high credit standing and had a long-term credit rating of zaAA (refer to note 20).

32.3 Market risk

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). The objective of market risk management is to manage and control exposure to market risk, while optimising the return on the risk.

32.3.1 Currency risk

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 Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities and the Group's net investment in foreign subsidiaries.

Transactional currency risk – FECs

The Group has transactional currency exposures arising from the acquisition of goods and services in currencies other than its functional currency. The 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. Investments in foreign operations and master franchise agreements with international counter parties do not contribute to transactional currency risk as the related transactions and balances are denominated in South African rands.

The Group imports inventory from foreign countries and is exposed to fluctuations in foreign exchange rates. The Group uses FECs to mitigate its foreign exchange risks from the import of inventory. It is the Group's policy to cover all foreign inventory purchases by utilising a derivative contract (FEC). The Group does not use derivatives for speculative purposes.

The 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 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 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, R6 million (2024: R1 million) was reclassified to cost of sales in the statement of comprehensive income.

32 Financial instruments (continued)

32.3 Market risk (continued)

32.3.1 Currency risk (continued)

Transactional currency risk – FECs (continued)

Forward exchange contract assets	Contract foreign currency m	Rand equivalent Rm	Average forward rate R	Fair value Rm
2025				
US Dollars	**4.5**	**83.5**	**18.4**	**0.7**
Euro	**3.0**	**59.1**	**19.4**	**–**
Australian Dollar	**0.1**	**1.7**	**11.6**	**–**
		144.3		**0.7**
2024				
US Dollars	0.9	16.9	19.1	0.3
Euro	3.8	78.7	20.7	1.2
British Pound	0.1	1.9	22.7	0.1
Swedish Krone	1.7	3.2	1.8	0.1
		100.7		1.7

Transactional currency risk – Foreign cash balances, trade and other receivables, trade and other payables and lease liabilities

The Group has exposure to foreign currency translation risk through its foreign cash balances, trade and other receivables, trade and other payables and lease liabilities included in the net assets and liabilities of foreign subsidiaries 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 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 Group. A sensitivity analysis is not presented as the estimated impact of the expected movement in currencies is not material.

The following significant foreign exchange rates applied during the period:	Average spot rate 2025	Average spot rate 2024	Closing rate 2025	Closing rate 2024
USD/ZAR	**18.3**	18.7	**18.6**	19.3
Euro/ZAR	**19.7**	20.3	**19.5**	20.9
GBP/ZAR	**23.4**	23.4	**23.7**	24.5
USD/ZMW	**26.4**	21.5	**28.6**	23.0
AUD/ZAR	**12.0**	12.3	**11.6**	12.7
ZAR/SEK	**0.6**	0.6	**0.6**	0.5

32.3.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises from variable-rate interest bearing borrowings, cash and cash equivalents and loans. The exposure to interest rate risk is managed through the Group's cash management system taking into account expected movements in interest rates when funding or investing decisions are made.

	53 weeks to 2 March 2025 %	52 weeks to 25 February 2024 %
The effective weighted average interest rates on financial instruments at end of period are:		
Financial assets		
Variable-rate interest-bearing financial assets		
Cash and cash equivalents and cash investments (note 20)	**3.1 – 9.4**	3.6 – 9.9
Other loans (note 17)	**13.1**	12.0
Fixed-rate interest-bearing financial assets		
Net investment in lease receivables (note 13)	**9.2**	8.4
Employee loans (note 17)	**4.0 – 4.7**	4.8
Financial liabilities		
Variable-rate interest bearing liabilities		
Bank overdraft (note 20)	**9.8 – 10.5**	9.5 – 10.5
Overnight borrowings (note 20)	**9.1 – 15.1**	8.1 – 11.8
Borrowings (note 23)	**8.6 – 13.6**	8.2 – 10.0
Fixed-rate interest-bearing liabilities		
Lease liabilities (note 27)	**9.4**	8.8

32 Financial instruments (continued)

32.3 Market risk (continued)

32.3.2 Interest rate risk (continued)

Sensitivity of the 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 Group. The Group performed a sensitivity analysis for financial instruments exposed to interest rate risk during the current financial period. As at 2 March 2025, a change of 1% in the applicable interest rates for the various financial instruments would have had an effect on net financing costs of approximately R1 million (2024: R74 million).

32.3.3 Other price risk

The Group has not been exposed to any other material price risk for the current and prior period.

32.4 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages the 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 Group to liquidity risk.

Trade and other payables at year end will be paid on average within 60 days of year end from available cash balances, facilities, the proceeds of the sale of inventories or cash received from trade debtors between 7 and 35 days. During the year under review the Group embarked on a recapitalisation programme to strengthen its liquidity, refer to note 34.

In terms of the Company's Memorandum of Incorporation, the Group's borrowing powers are unlimited. However the Board's finance and investment committee maintains strict control over the acceptance of and draw down of any loan facility.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Reconciliation of unutilised borrowing facilities		
Total available facilities	**5 450**	14 252
Committed and uncommitted facilities	**5 104**	13 583
FEC facilities	**346**	669
Total utilised facilities	**(1 259)**	(11 546)
Committed and uncommitted facilities	**(1 150)**	(11 445)
FEC facilities	**(109)**	(101)
Total available facilities*	**4 191**	2 706

* *During the period August to January, an additional R1 billion of facilities are available to fund intra-month working capital requirements.*

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	Within 2 – 5 years Rm	Within 6 – 10 years Rm	More than 10 years Rm
53 weeks to 2 March 2025						
Bank overdraft and overnight borrowings	**300**	**300**	**300**	**–**	**–**	**–**
Borrowings	**850**	**1 229**	**81**	**1 148**	**–**	**–**
Trade and other payables	**14 635**	**14 635**	**14 635**	**–**	**–**	**–**
Lease liabilities	**19 120**	**26 682**	**4 351**	**13 533**	**7 062**	**1 736**
Refund liabilities	**27**	**27**	**27**	**–**	**–**	**–**
Total financial obligations	**34 932**	**42 873**	**19 394**	**14 681**	**7 062**	**1 736**
Restated 52 weeks to 25 February 2024*						
Bank overdraft and overnight borrowings	5 179	5 179	5 179	–	–	–
Borrowings	6 266	8 072	2 231	5 841	–	–
Trade and other payables	14 829	14 829	14 829	–	–	–
Lease liabilities	19 706	27 985	4 524	15 169	6 559	1 733
Refund liabilities	27	27	27	–	–	–
Total financial obligations	46 007	56 092	26 790	21 010	6 559	1 733

* *Refer to note 38 for details on the restatement*

32 Financial instruments (continued)

32.5 Fair value of financial instruments

All financial instruments held by the Group are measured at amortised cost, with the exception of financial instruments at fair value through profit or loss 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 of 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.

The fair values of financial instruments are as follows:

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Financial assets at fair value through profit or loss		
Investment in insurance cell captive – Level 2	**72**	61
Derivative financial instruments (designated as hedging instruments)		
Forward exchange contract assets – Level 2	**1**	2

Basis for determining fair values

The fair value of the investment in insurance cell captive is determined based on the net asset value of the underlying cell captive at the reporting date.

The 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.

The carrying value of all other 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.

32.6 Capital management

The Group's capital management strategy is to maintain investor, creditor, and market confidence and to sustain future development of the business.

Capital is represented by total shareholder's equity per the statement of financial position. The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern to provide shareholder returns, as well as benefits to all stakeholders. The Group aims to maintain an optimal capital structure to reduce the cost of capital. The Board of directors is ultimately responsible for capital management.

To maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new share shares or sell assets to reduce net funding.

The Group assesses the effectiveness of the use of capital in providing a return to shareholders using the ratios of return on invested capital (ROIC). Refer to appendix 1 for the calculation of ROIC.

33 Purchase of operations

33.1 Acquisition and conversion of stores

During the period under review, the Group acquired 6 stores, none of which were individually material to the Group. These acquisitions had no significant impact on the Group's results. Any goodwill arising from these acquisitions represents the value creation that the Group expects to realise in the future.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Identifiable net assets		
Property, plant and equipment (note 10)	**28**	8
Inventory	**19**	13
Total identifiable net assets at fair value	**47**	21
Goodwill		
Purchase price of acquisitions at fair value	**67**	51
Less: total identifiable net assets at fair value	**(47)**	(21)
Goodwill acquired (note 9)	**20**	30
Net cash paid in respect of acquisitions		
Purchase price of acquisitions at fair value	**67**	51
Less: amounts net settled against trade and other receivables	**(19)**	(32)
Net cash paid	**48**	19

33.2 Acquisition of Tomis Group

During the prior year, the Group acquired 100% of the business operations of the Tomis Abattoir Business for a cash purchase price of R289 million. Tomis is a state-of-the-art abattoir and meat processing and packaging business, supplying lamb, beef and other quality fresh meat products to wholesalers and retailers, including Pick n Pay. This acquisition resulted in goodwill of R20 million for the Group.

34 Significant items

34.1 Rights offer share issue

As part of the Group's strategic long-term plan, the Group successfully concluded the first part of its two-step recapitalisation plan by implementing a rights offer share issue to existing shareholders which had the following key impacts for the Group:

- The Company increased its share capital through the rights offer share issue and raised R3.9 billion, net of R0.1 billion transaction costs. Ordinary shares in issue increased by 252 206 809 shares (refer note 21.1), while B shares in issue increased by 65 743 295 shares (refer note 21.2).
- Entities within the Group holding Pick n Pay Stores Limited shares, sold their rights under the terms of the rights offer. Proceeds raised on the sale of the rights of R17 million were recorded in treasury shares within equity (refer to note 22).
- Shares under the terms of the rights offer were issued at a discount to the prevailing share price, resulting in a theoretical bonus element incorporated into the number of shares in issue prior to the implementation of the rights offer share issue. In accordance with IAS 33 *Earnings Per Share*, the prior year weighted and diluted weighted average number of shares in issue has been adjusted retrospectively to account for the bonus element arising from the rights offer share issue. As a result, the prior year earnings per share metrics were adjusted to account for the change in the weighted and diluted weighted average number of shares in issue.

The impact has been presented below:

Impact on weighted average number of shares in issue	Reported 000's	Impact 000's	Restated 000's
52 weeks to 25 February 2024			
Weighted average number of ordinary shares in issue (excluding treasury shares)	482 132	85 199	567 331
Diluted weighted average number of ordinary shares in issue	483 362	85 416	568 778

Impact on earnings per share	Reported cents per share	Impact cents per share	Restated cents per share
52 weeks to 25 February 2024			
Basic loss per share	(661.67)	99.37	(562.30)
Diluted loss per share	(659.98)	99.11	(560.87)
Headline loss per share	(203.06)	30.50	(172.56)
Diluted headline loss per share	(202.54)	30.42	(172.12)

* *The above numbers represent the impact of the Rights Offer restatement only. Refer to note 38 for details on the additional restatements.*

34.2 Formation of the Boxer Retail Limited Group, Listing and Initial Public Offering (IPO) on the Johannesburg Stock Exchange (JSE) and A2X

During the period under review, the Group's Boxer business undertook a Listing and IPO on the main board of the JSE and A2X, resulting in the Group reducing its shareholding in the Boxer business from 100% to 65.6%.

In preparation for the IPO, the following took place, as detailed in the Boxer Retail Limited pre-listing statement published on 11 November 2024:

- The Group's wholly-owned subsidiary, Boxer Superstores Proprietary Limited ('Boxer Superstores') declared a dividend ('Pre-IPO Dividend') of R8 160 million. This dividend remained unpaid until after the Listing and IPO.
- The Boxer Retail Limited Group was formed from the Boxer Superstores Group through a share exchange where the newly incorporated Boxer Retail Limited, also at that stage wholly-owned by the Group, issued 299.9 million shares in exchange for acquiring all issued shares of Boxer Superstores.
- Subsequent to the formation of the Boxer Retail Limited Group, it undertook a Listing and IPO on the JSE and A2X, through which it issued 157.4 million shares at a price of R54 per share. As part of the IPO, the Boxer Retail Limited Group purchased 3.8 million of its own shares as part of the JSE-approved Boxer Retail Limited Long Term Incentive Share Scheme.

The share issue resulted in costs of R350 million for the Group which were recognised directly in equity. Following the IPO, the Group's shareholding of Boxer Retail Limited Group was reduced from 100% to 65.6%

As the Group reduced its shareholding in the Boxer Retail Limited Group without control being lost, the IPO was accounted for as an equity transaction by the Group, with non-controlling interests created and accounted for using the proportionate share method.

The proceeds from the IPO were used to settle the Pre-IPO dividend within the Group, and ultimately settle the borrowings within Pick n Pay segment.

35 Going concern

The Board has performed a formal review of the Company and its subsidiaries' ability to continue trading as a going concern in the foreseeable future. As part of this review, the Board has considered the impact of the current economic environment, reviewed current trading trends, interrogated the Group's forward looking financial forecasts, considered the adequacy of insurance covers and assessed the Group's solvency and liquidity post the successful execution of the two-step Recapitalisation Plan. The Board is satisfied as to the Group's ability to continue as a going concern for the foreseeable future and has concluded that the presentation of the Group and Company annual financial statements on a going concern basis is appropriate.

36 Contingent liabilities

Amounts arising in the ordinary course of business relating to uncertain tax positions, from which it is anticipated that no material liabilities are probable, amounts to R114 million (2024: nil).

The increase in contingent liabilities from the previous year is primarily a result of additional tax assessments received, from certain tax authorities where the Group traded. Management has assessed the merits of each of these cases in close collaboration with the Group's external advisors and remain confident that those assessments leading to probable additional payments have been adequately provided for. Where these payments are considered not probable, these are disclosed as contingent liabilities.

37 Subsequent events

37.1 Botswana purchase

The Group currently operates 19 stores in Botswana under the Pick n Pay brand through a franchise model. The Group is in the process of acquiring the Pick n Pay operations in Botswana from the master franchisee in country, this will result in the corporatisation of the Botswana operations. A sales agreement was signed on 7 April 2025 subject to certain conditions precedent, including approval from the Competition and Consumer Authority of Botswana (CCA) and finalisation of the sale of subsidiaries with minority interest within the Botswana business. The final purchase price will be subject to the valuation of the Botswana business on the purchase date, this will also reference the total franchise debt owing to the Group at that date. An estimate of the financial impact of this transaction on the Group cannot be reliably estimated as at the date of signature of these annual financial statements.

37.2 Acquisition of franchise store

Subsequent to period end, on 1 April 2025, the Group acquired an additional franchise store for a total consideration price of R71 million.

38 Correction of prior period errors

As part of its financial statement close process, the Group undertook a review of the lease balances, income, expenses and cash flows. This process revealed that there were errors in previous periods relating to the measurement of a number of leases within the Pick n Pay segment. The number of leases affected was minimal in comparison to the overall lease portfolio of the Group.

In addition, during the financial statement close process it was identified that a small number of suppliers who are also debtors of the Group, had their receivable and payable balances offset on the statement of financial position despite the Group not intending to net settle. These balances were within the Pick n Pay segment.

In terms of IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the errors have been corrected for retrospectively, with comparative periods being restated. The effect of the restatements on the prior periods is as follows.

52 weeks to 25 February 2024 **Group statement of comprehensive income**	**Previously reported Rm**	**Effect of change Rm**	**Restated Rm**
Operating lease income	113	(11)	102
Occupancy costs	(3 439)	31	(3 408)
Leases finance income	195	7	202
Leases finance expense	(1 606)	(25)	(1 631)
Loss from impairments of assets	(2 838)	(145)	(2 983)
Tax	956	32	988
Loss for the period attributable to equity holders of the parent	(3 190)	(111)	(3 301)
Basic, headline and diluted earnings per share	**Restated* Cents per share**	**Cents per share**	**Cents per share**
Basic loss per share	(562.30)	(19.55)	(581.85)
Diluted loss per share	(560.87)	(19.50)	(580.37)
Headline loss per share	(172.56)	0.35	(172.21)
Diluted headline loss per share	(172.12)	0.35	(171.77)
Group statement of financial position	**Rm**	**Rm**	**Rm**
Right-of-use assets	11 596	106	11 702
Net investment in lease receivables (Non-current)	1 902	59	1 961
Deferred tax assets	2 133	32	2 165
Trade and other receivables (current)	4 255	170	4 425
Net investment in lease receivables (current)	418	30	448
Retained earnings	756	(110)	646
Lease liabilities (non-current)	16 465	403	16 868
Trade and other payables	15 184	170	15 354
Lease liabilities (current)	2 904	(66)	2 838
Group statement of cash flows	**Rm**	**Rm**	**Rm**
Trading profit	385	20	405
Depreciation of right-of-use assets	2 394	(5)	2 389
Profit on termination	(70)	(1)	(71)
Other lease adjustments	31	(16)	15
Interest received on net investment in lease receivables	195	8	203
Interest paid on lease liabilities	(1 624)	(5)	(1 629)
Principal net investment in lease receipts	350	3	353
Principal lease liability payments	(2 516)	(4)	(2 520)

52 weeks to 26 February 2023 **Group statement of financial position**	**Previously reported Rm**	**Effect of change Rm**	**Restated Rm**
Right-of-use assets	11 195	145	11 340
Net investment in lease receivables (Non-current)	1 949	18	1 967
Trade and other receivables (current)	4 472	170	4 642
Retained earnings	4 685	1	4 686
Lease liabilities (Non-current)	15 133	162	15 295
Trade and other payables	14 661	170	14 831

* *In accordance with IAS 33 Earnings Per Share, the prior year weighted average and diluted weighted average number of shares in issue have been adjusted retrospectively to account for the bonus element arising from the rights offer share issue. As a result, the prior year basic and headline earnings per share metrics were adjusted to account for the change in the weighted and diluted weighted average number of shares in issue. Refer to note 34.1*

39 Standards and interpretation issued but not yet adopted

International Financial Reporting Standards (IFRS Accounting Standards)

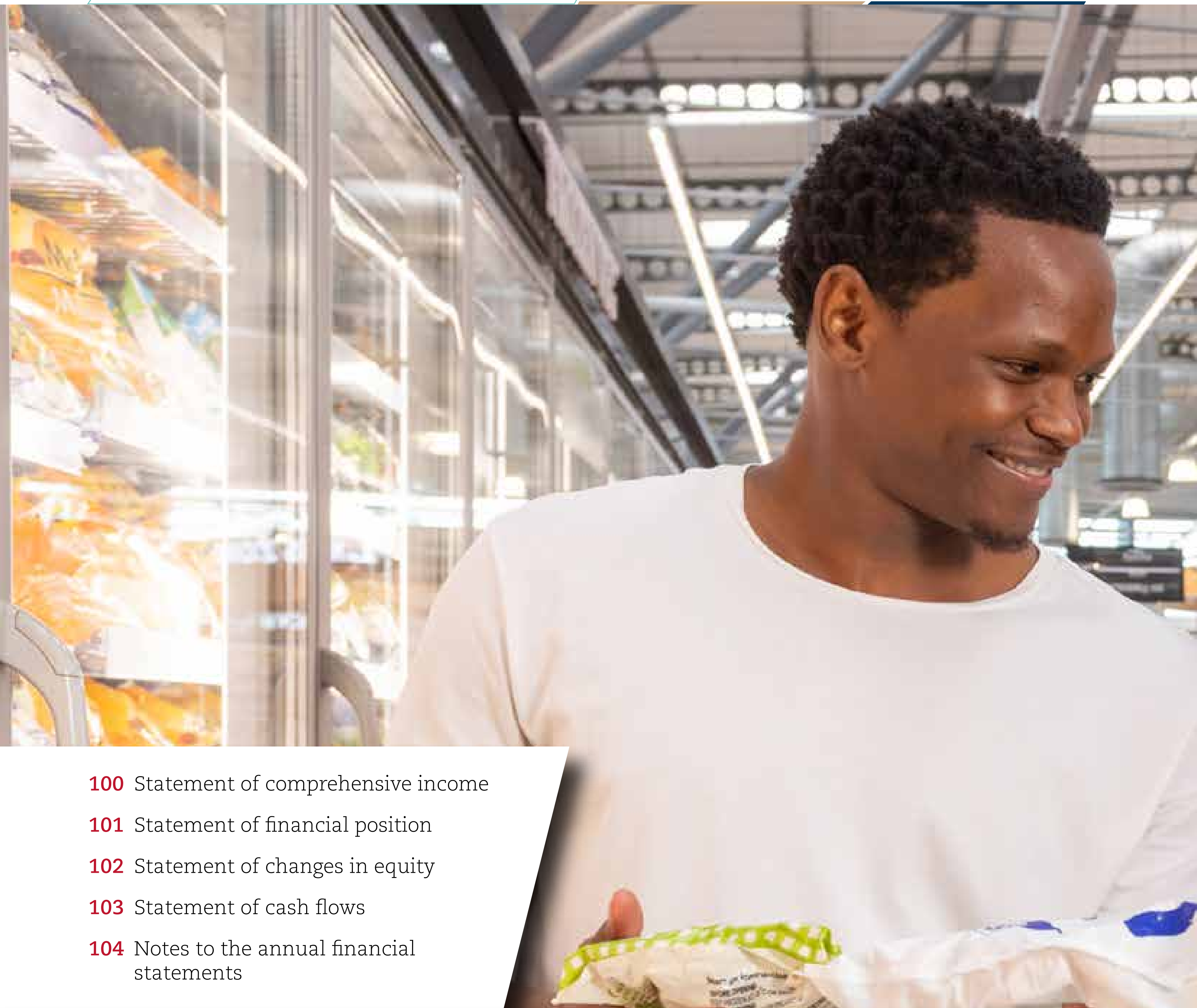
IFRS 18 (Effective: financial year ending February 2028)

IFRS 18 Introduces new categories and subtotals in the consolidated statements of profit or loss and other comprehensive income. It also requires disclosure of management defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information.

The Group is currently working to identify all impacts the IFRS 18 amendments will have on the presentation of the primary financial statements and notes.

The following new or amended standards are not expected to have a significant impact on the Group's financial statements:

- Lack of exchangeability – Amendments to IAS 21 (Effective date: 1 January 2025)
- Classification and Measurement of Financial Instruments – Amendments to IFRS 9 and IFRS 7 (Effective date: 1 January 2026)
- Annual Improvements to IFRS Accounting Standards – Volume 11 (Effective date: 1 January 2026)
- Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (Effective date: 1 January 2026)
- Subsidiaries without Public Accountability: Disclosures – IFRS 19 (Effective date: 1 January 2027)



Company annual financial statements


FROZE

Company Statement of comprehensive income

for the period ended

	Note	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Revenue			
Finance income		**6**	–
Dividend income	8.1	**–**	698
		6	698
Administration expenses	2	**(28)**	(20)
Expected credit loss recovery/(allowance)	9	**187**	(187)
Profit before tax		**165**	491
Tax	3	**–**	–
Profit for the period		**165**	491
Total comprehensive income for the period		**165**	491

Company Statement of financial position

	Note	As at 2 March 2025 Rm	As at 25 February 2024 Rm
ASSETS			
Non-current assets			
Investment in subsidiary	5	**4 700**	–
		4 700	–
Current assets			
Loan to subsidiary	8.2	**72**	918
Cash and cash equivalents	6	**6**	1
		78	919
Total assets		**4 778**	919
EQUITY AND LIABILITIES			
Equity			
Share capital	7	**3 883**	6
Share premium		**835**	835
Retained earnings		**53**	(112)
Total equity		**4 771**	729
Current liabilities			
Trade and other payables	10.2	**7**	3
Financial guarantee contracts	9	**–**	187
		7	190
Total equity and liabilities		**4 778**	919

Company Statement of changes in equity

for the period ended

	Note	Share capital Rm	Share premium Rm	Retained earnings Rm	Total equity Rm
At 26 February 2023		6	835	89	930
Total comprehensive income for the period		–	–	491	491
Profit for the period		–	–	491	491
Dividends	4.1	–	–	(692)	(692)
At 25 February 2024		**6**	**835**	**(112)**	**729**
Total comprehensive income for the period		**–**	**–**	**165**	**165**
Profit for the period		**–**	**–**	**165**	**165**
Transaction with owners		**3 877**	**–**	**–**	**3 877**
Share issue – rights offer	7.1	**3 877**	**–**	**–**	**3 877**
At 2 March 2025		**3 883**	**835**	**53**	**4 771**

Company Statement of cash flows

for the period ended

	Note	**53 weeks to 2 March 2025 Rm**	52 weeks to 25 February 2024 Rm
Cash flows from operating activities			
Profit before tax		**165**	491
Adjusted for dividend income	8.1	**–**	(698)
		165	(207)
Adjusted for non-cash items			
Expected credit loss allowance	9	**(187)**	187
Cash utilised before movements in working capital		**(22)**	(20)
Movements in working capital		**4**	(1)
Movements in trade and other payables		**4**	(1)
Cash utilised in operations		**(18)**	(21)
Dividends received	8.1	**–**	698
Dividends paid	4.1	**–**	(692)
Cash utilised in operating activities		**(18)**	(15)
Cash flows from investing activities			
Loan repaid by subsidiary	8	**146**	15
Investment in subsidiary	5	**(4 000)**	–
Cash (utilised in)/generated from investing activities		**(3 854)**	15
Cash flows from financing activities			
Net proceeds on rights offer	7	**3 877**	–
Cash generated from financing activities		**3 877**	–
Net movement in cash and cash equivalents		**5**	–
Cash and cash equivalents at beginning of period		**1**	1
Cash and cash equivalents at end of period	6	**6**	1

Notes to the company annual financial statements

for the period ended 2 March 2025

1 Accounting policies

Except as presented below, the accounting policies and notes to the Company annual financial statements are identical to those disclosed in note 1 of the Pick n Pay Stores Limited Group (referred to as "the Group") annual financial statements.

1.1 Statement of compliance

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS accounting standards") and its interpretations adopted by the International Accounting Standards Board ("IASB"), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of South Africa.

1.2 Basis of preparation

The Company's financial statements are prepared on the historical cost basis except where stated otherwise in the accounting policies below.

The accounting policies have been consistently applied to all periods presented.

During the prior period under review, management applied significant judgements and estimates in its assessment of the recoverability of the loan receivable.

The Group has prepared its financial statements on the going concern assumption.

1.3 Investments in subsidiaries

The Company carries its investments in subsidiaries at cost less accumulated impairment losses.

1.4 Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the entity becomes a party to an irrevocable commitment. 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 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 income statement.

2 Administration expenses

Administration expenses are stated after considering the following expenses.

2.1 Directors' remuneration[1]

Directors' remuneration paid by Pick n Pay Stores Limited is detailed below.

	Fees for board meetings R'000	Fees for committee and other work R'000	Total remuneration R'000
2025			
Non-executive directors			
Gareth Ackerman	**4 893**	**–**	**4 893**
Jonathan Ackerman	**510**	**111**	**621**
Suzanne Ackerman	**510**	**260**	**770**
Haroon Bhorat	**510**	**580**	**1 090**
Mariam Cassim[2]	**170**	**70**	**240**
James Formby*	**1 688**	**210**	**1 898**
David Friedland	**510**	**596**	**1 106**
Aboubakar Jakoet	**510**	**990**	**1 500**
Audrey Mothupi	**510**	**549**	**1 059**
David Robins[3]	**255**	**28**	**283**
Annamarie van der Merwe	**510**	**312**	**822**
Total remuneration	**10 576**	**3 706**	**14 282**
2024			
Non-executive directors			
Gareth Ackerman	4 893	–	4 893
Jonathan Ackerman[4]	446	105	551
Suzanne Ackerman	486	323	809
Haroon Bhorat	486	405	891
Mariam Cassim	486	200	686
James Formby*	990	83	1 073
David Friedland	486	300	786
Aboubakar Jakoet	486	525	1 011
Audrey Mothupi	486	523	1 009
David Robins	486	105	591
Annamarie van der Merwe	486	205	691
Jeff van Rooyen[5]*	563	–	563
Total remuneration	10 780	2 774	13 554

[1] *Executive directors salaries are paid by a subsidiary company. Refer to note 4 of the Group annual financial statements.*
[2] *Mariam Cassim resigned as an independent non-executive director on 5 July 2024.*
[3] *David Robins retired as a non-executive director on 27 August 2024.*
[4] *Jonathan Ackerman retired as an executive director on 31 March 2023, and was appointed as a non-executive director on that date.*
[5] *Jeff van Rooyen retired on 19 July 2023.*
* *Includes fee as lead independent director.*

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm

3 Tax

3.1 Tax recognised in the statement of comprehensive income:

Normal tax – current period	–	–

3.2 Tax paid

Owing – beginning of period	–	–
Recognised in statement of comprehensive income	–	–
Owing – end of period	–	–
Total tax paid	–	–
	%	%

3.3 Reconciliation of effective tax rate

South African statutory tax rate	**27.0**	27
Exempt income – dividends received	–	(38)
Non-deductible holding company expenses - administration expenses	**0.4**	1
Non-deductible holding company expenses – expected credit loss allowance	**(30.6)**	10
Unrecognised tax losses	**3.2**	–
Effective tax rate	–	–

	53 weeks to 2 March 2025 Cents per share	52 weeks to 25 February 2024 Cents per share

4 Dividends declared

4.1 Dividends declared during the financial period

No dividend declared during the financial period (2024: Number 110 – declared 3 May 2023 – paid 5 June 2023)	–	140.30
Total dividends per share for the period	–	140.30
	Rm	Rm
Total value of dividends paid by the Company	–	692

In the prior period the company suspended dividend payments until such time that the Board believes that there is sufficient cash generation by the Group to review the dividend policy.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
5 Investments in subsidiary		
Pick n Pay Retailers Proprietary Limited* – shares at cost	4 700	–
	4 700	–

* *Pick n Pay Retailers Proprietary Limited is a wholly-owned subsidiary of Pick n Pay Stores Limited.*

Subsequent to the receipt of the rights offer proceeds, the Company subscribed for an additional share in Pick n Pay Retailers Proprietary Limited for a total consideration of R4.7 billion, in order to transfer the rights offer proceeds to Pick n Pay Retailers Proprietary Limited, resulting in an increase in the carrying value of the investment in subsidiary.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
6 Cash and cash equivalents		
Cash and cash equivalents	6	1

Cash and cash equivalents represents a current bank account held for administrative purposes, at an institution which is in line with those used by the Group. Refer to note 20 and note 32 of the Group annual financial statements.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
7 Share capital		
7.1 Ordinary share capital		
Authorised		
828 500 000 (2024: 800 000 000) ordinary shares of no par value (2024: 1.25 cents each)	10	10
Issued		
745 657 130 (2024: 493 450 321) ordinary shares of no par value (2024: 1.25 cents each)	3 883	6

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at meetings of the Company.

Certain ordinary shares are stapled to B shares and are subject to restrictions upon disposal. Refer to note 7.2.

The Company can issue new shares to settle the Group's obligations under its employee share schemes, but issues in this regard are limited to 24 672 516 (2024: 24 672 516) shares. To date, 15 743 000 (2024: 15 743 000) shares have been issued, resulting in 8 929 516 (2024: 8 929 516) shares remaining for this purpose.

During the period under review, the Company undertook the following:

- As resolved by shareholders at the general meeting held on 26 June 2024, the Company amended its Memorandum of Incorporation to increase its authorised ordinary share capital to 10 billion shares and converted all ordinary shares to no par value. Subsequent to this, as resolved at the general meeting held on 1 October 2024, the Company reduced its authorised ordinary share capital to 828 500 000 shares, ensuring that the number of unissued shares constituted no more than 10% of the total number of authorised ordinary shares post the rights offer.
- The Company concluded a fully underwritten renounceable rights offer share issue ("rights offer") during August 2024, which raised gross proceeds of R4.0 billion. The rights offer consisted of an offer of 252 206 809 new ordinary shares. Qualifying shareholders who held no par value ordinary shares in the issued share capital of PIK ("PIK Shares") on the record date received 51.11 rights for every 100 existing PIK Shares held. Each right entitled the holder to subscribe for one new PIK Share at a subscription price of 1 586.0 cents (ZAR 15.86) ("Rights Offer Share Price") per Rights Offer Share. The rights offer raised R3.9 billion of new equity capital, net of transaction costs of R0.1 billion. All necessary resolution to effect the rights offer were passed by the requisite majority of shareholder at the Company's general meeting held on 26 June 2024.

Refer to note 8.3 and 8.4 for details of directors' interest in shares.

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm

7 Share capital (continued)

7.2 B share capital

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Authorised		
361 500 000 (2024: 1 000 000 000) unlisted, non-convertible, non-participating, no par value B shares	–	–
Issued		
325 426 164 (2024: 259 682 869) unlisted, non-convertible, non-participating, no par value B shares	–	–

The holders of B shares are entitled to the same voting rights as holders of ordinary shares, but are not entitled to any rights to distributions by the Company or any other economic benefits. Refer to note 7.1

B shares are stapled to certain ordinary shares, constituting a B-share ratio for every one stapled ordinary share. B shares cannot be traded separately from stapled ordinary shares, and together are subject to restrictions upon disposal.

During the period under review, the Company undertook the following:

- As resolved by shareholders at the general meeting held on 26 June 2024, the Company amended its Memorandum of Incorporation to increase its authorised B share capital to 5.3 billion shares. Subsequent to this, at the general meeting held on 1 October 2024, the Company reduced authorised B share capital to 361 500 000 shares, ensuring that the number of unissued B shares constituted no more than 10% of the total number of authorised B shares.
- The Company concluded a rights offer during August 2024 (refer to note 7.1 for further information). According to the terms of the B shares, an "Adjustment Event" such as a rights offer, triggers the issuance of additional B shares to B shareholders, maintaining the B Share Issue Ratio. However, following a resolution passed at the general meeting on 26 June 2024, and in line with the controlling shareholder's commitment to ordinary shareholders, B shareholders agreed to reduce the B Share Issue Ratio from 1.98061 to 1.64254 B shares for every one stapled ordinary share. This adjustment lowered the controlling shareholder's aggregate voting rights from 52% to 49%. As a result, 65 743 295 new B Shares were issued to stapled ordinary shareholders.

Refer to note 8.3 and 8.4 for details of directors' interest in shares.

8 Related party transactions

8.1 Dividends received

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Pick n Pay Retailers Proprietary Limited	–	692
Pick n Pay Employee Share Purchase Trust	–	6
Total dividends received from related parties	–	698

8.2 Loan to subsidiary

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Pick n Pay Retailers Proprietary Limited	**72**	918
	72	918

The loan to subsidiary is unsecured, interest-free, and repayable on demand. The fair value of the loan approximates its carrying value. Refer to note 10.1 for further information regarding the credit risk exposure of this loan.

8 Related party transactions (continued)

8.3 Ordinary shares held by directors

The percentage of ordinary shares held by directors of Pick n Pay Stores Limited at the reporting date are disclosed below. This percentage is their effective shareholding in the Company (excluding treasury shares), which includes shares held under the Group's restricted share plan. Refer to note 4.2 of the Group annual financial statements.

	53 weeks to 2 March 2025 %	52 weeks to 25 February 2024 %
Beneficial	**1**	1
Non-beneficial	**26**	27
	27	28

8.4 B shares held by directors

The percentage of B shares held by directors of Pick n Pay Stores Limited at the reporting date are disclosed below. Refer to note 4.3 of the Group annual financial statements.

	53 weeks to 2 March 2025 %	52 weeks to 25 February 2024 %
Beneficial	**2**	2
Non-beneficial	**98**	97
	100	99

8.5 Key management personnel

Key management personnel of the Company are the directors. Refer note 2 for details on directors' remuneration. Key management personnel had no interest in any contract with the Company during the period under review.

9 Provision for financial guarantee contracts

During the period under review, the Company's guarantee in favour of the debt facilities of its subsidiary, Pick n Pay Retailers Proprietary Limited was terminated as the debt facilities were fully repaid. As a result, the carrying value of the provision for financial guarantee contracts at the end of the period is nil (2024: R187 million). The maximum potential exposure to credit risk under financial guarantee contracts is nil (2024: R11 billion). All guarantees were classified as stage 2 of the ECL model.

10 Financial instruments

Overview

The Company is exposed to risk in respect of financial instruments, namely the loan to subsidiary, cash and cash equivalents, and trade and other payables. Market risk is negated as financial assets and liabilities have no exposure to changes in exchange rates and have limited exposure to changes in interest rates.

10.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets, which potentially subject the Company to credit risk, consist of the loan to a subsidiary. Refer to note 8.2.

Credit risk of loan to subsidiary

The Company applies a general approach for measuring impairment losses on the loan to subsidiary, at an amount equal to expected credit losses, taking into account past experience and future macro-economic factors, including estimated profits and cash forecasts. Management has assessed that the loan receivable from Pick n Pay Retailers Limited is fully recoverable. The credit risk is considered to be low, and no impairment losses have been recognised.

Credit risk of financial guarantee contracts

The maximum exposure to counterparty (Pick n Pay Retailers Proprietary Limited) credit risk of financial guarantee contracts is nil (2024: R11 billion). Refer to note 9 for further information.

10.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has unlimited access to the funds and facilities of companies within the Group. The Company's liquidity risk is therefore linked to the liquidity of Group companies. Refer to note 32.4 of the Group annual financial statements.

The following are the contractual undiscounted cashflows of financial liabilities, including estimated interest payments:

	53 weeks to 2 March 2025 Rm	52 weeks to 25 February 2024 Rm
Financial obligations measured at carrying value		
Trade and other payables (all contractual cash flows are repayable within 1 year)	**7**	3
Financial obligations measured at stage 2 of ECL model		
Financial guarantee contracts (note 9)	**–**	11 000
	7	11 003

In the prior year, the Company issued financial guarantees in favour of Pick n Pay Retailers Proprietary Limited lenders for the repayment of the R4.5 billion long-term debt (a shared guarantee with Boxer) as well as the R6.5 billion short-term and ancillary facilities.

10.3 Capital management

The Company considers the management of capital with reference to Group policy, refer to note 32.6 of the Group annual financial statements.

Additional information

Appendix 1

Pro forma financial information

Certain financial information presented in the audited Group Annual Financial Statements constitutes pro forma financial information in terms of the JSE Listings Requirements. The pro forma financial information has been prepared to illustrate the additional financial measures regularly used by the management of the Group to assess operating performance and financial position, and thereby enhances an investor's understanding of the Group's results of operations and financial performance. The pro forma financial information is 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. The directors of the Company are responsible for the pro forma financial information, which has been presented in accordance with the JSE Listings Requirements. Ernst & Young Inc.'s unqualified Independent Auditor's Assurance Report on the compilation of the pro forma financial Information is included on page 117 to 118.

1 Impact of week 53

The Group manages its retail operations on a 52-week trading calendar basis where the financial reporting period always ends on a Sunday. To ensure calendar realignment, the inclusion of a 53rd week of trading is required approximately every six years. The Group reports on a 53-week basis in the 2025 financial period (FY25), whereas the comparative period presented is on a 52-week basis.

In order to provide a comparison between the current and previous year, certain financial information relating to week 53 of FY25 is presented below. The impact of week 53, as calculated, is deducted from the reported FY25 results to illustrate a pro forma 52-week FY25. The pro forma 52-week FY25 information is based on the accounting policies of the annual financial statements, which have been prepared in accordance with IFRS Standards.

The Group calculated the impact of week 53 for turnover by extracting the adjustment for week 53 from the Group's accounting records.

Turnover	**As reported Audited 53 weeks 2 March 2025* Rm**	Adjustment for week 53 Rm	**Pro forma 52 weeks to 23 February 2025 Rm**	As reported Audited 52 weeks to 25 February 2024* Rm	Pro forma % change
Boxer	**42 344**	(1 040)	**41 304**	37 419	10.4%
Pick n Pay	**76 266**	(1 650)	**74 616**	74 876	(0.3%)
South Africa	**72 789**	(1 580)	**71 209**	71 265	(0.1%)
Rest of Africa	**3 477**	(70)	**3 407**	3 611	(5.7%)
Group	**118 610**	(2 690)	**115 920**	112 295	3.2%

* *Information has been extracted, without adjustment, from the audited Group annual financial statements of Pick n Pay Stores Limited for the 53 weeks ended 2 March 2025 on which the Independent Auditor has issued an unqualified assurance report.*

2 Net cash/debt (excluding lease liabilities) and Net cash/debt (including lease liabilities)

Net cash/debt (excluding lease liabilities) and Net cash/debt (including lease liabilities) for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table.

	As at 2 March 2025 Rm	Restated* As at 25 February 2024 Rm
Cash and cash equivalents**	**5 328**	5 383
Pick n Pay#	**4 531**	3 699
Boxer#	**797**	1 684
Borrowings**	**(1 150)**	(11 445)
Pick n Pay#	**(300)**	(11 445)
Boxer#	**(850)**	–
Intragroup receivable/(payable)	**–**	–
Pick n Pay#	**127**	1 497
Boxer#	**(127)**	(1 497)
Net cash (excluding lease liabilities)/(Net debt (excluding lease liabilities))	**4 178**	(6 062)
Pick n Pay	**4 358**	(6 249)
Boxer	**(180)**	187
Non-current lease liabilities**	**(16 379)**	(16 868)
Pick n Pay#	**(12 229)**	(13 168)
Boxer#	**(4 150)**	(3 700)
Current lease liabilities**	**(2 741)**	(2 838)
Pick n Pay#	**(2 094)**	(2 230)
Boxer#	**(647)**	(608)
Net debt (including lease liabilities)	**(14 942)**	(25 768)
Pick n Pay	**(9 965)**	(21 647)
Boxer	**(4 977)**	(4 121)

* *Refer to note 38 of the Group annual financial statements of Pick n Pay Stores Limited for details on the restatement.*

** *Information has been extracted, without adjustment, from the audited Group annual financial statements of Pick n Pay Stores Limited for the 53 weeks ended 2 March 2025 on which the Independent Auditor has issued an unqualified assurance report.*

Information has been extracted, without adjustment, from the Group's accounting records.

Pro forma financial information (continued)

3 EBITDA and EBITDA (pre-IFRS 16)*

The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to EBITDA and EBITDA (pre-IFRS 16) for the Group on a historical basis for each of the periods indicated.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm
Loss for the period	**(651)**	(3 301)
Tax	**26**	(988)
Impairment loss on investment in associate	**–**	254
Loss from impairment of assets	**294**	2 983
Net loss/(profit) on sale of assets	**94**	(369)
Share of associate's earnings	**–**	(212)
Finance costs	**2 561**	2 467
Finance income	**(565)**	(429)
Trading profit	**1 759**	405
Depreciation on property, plant and equipment	**1 436**	1 522
Depreciation on right-of-use assets	**2 253**	2 389
Amortisation on intangible assets	**127**	112
Finance income – trade and other receivables	**78**	93
EBITDA	**5 653**	4 521
Profit on termination of leases	**(178)**	(71)
Lease incentives received	**116**	50
Principal lease liability payments	**(2 679)**	(2 520)
Interest paid on lease liabilities	**(1 681)**	(1 629)
Principal net investment in lease receipts	**377**	353
Interest received on net investment in lease receivables	**210**	203
EBITDA (pre-IFRS 16)	**1 818**	907

* *Information has been extracted, without adjustment, from the audited Group annual financial statements of Pick n Pay Stores Limited for the 53 weeks ended 2 March 2025 on which the Independent Auditor has issued an unqualified assurance report.*

** *Refer to note 38 of the Group annual financial statements of Pick n Pay Stores Limited for details on the restatement.*

Pro forma financial information (continued)

4 Return on average invested capital (ROIC)

ROIC for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table:

	53 weeks to 2 March 2025 Rm	Restated# 52 weeks to 25 February 2024 Rm
Trading profit (A)*	**1 759**	405
Multiplier (B)**	**0.73**	0.73
After-tax trading profit (A x B = C)	**1 284**	296
Average invested capital (D)***	**23 284**	22 953
ROIC (C/D)	**5.5%**	1.3%

* *Information has been extracted, without adjustment, from section 3 'EBITDA and EBITDA (pre-IFRS16)'.*
** *The multiplier is one (1) minus the South African statutory company income tax rate for the relevant period, being 27%.*
*** *Information has been extracted, without adjustment, from section 6 'Average invested capital'.*
# *Refer to note 38 of the Group annual financial statements of Pick n Pay Stores Limited for details on the restatement.*

5 ROIC (excluding IFRS 16)

ROIC (excluding IFRS 16) for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table:

	53 weeks to 2 March 2025 Rm	Restated## 52 weeks to 25 February 2024 Rm
Trading profit*	**1 759**	405
Interest paid on lease liabilities**	**(1 681)**	(1 629)
Interest received on net investment in lease receivables**	**210**	203
Trading profit (excluding IFRS 16) (A)	**288**	(1 021)
Multiplier (B)***	**0.73**	0.73
After-tax trading profit (A x B = C)	**210**	(745)
Average invested capital (excluding IFRS 16) (D)#	**6 278**	6 572
ROIC (excluding IFRS 16) (C/D)	**3.3%**	(11.3%)

* *Information has been extracted, without adjustment, from section 3 'EBITDA and EBITDA (pre-IFRS16)'.*
** *Information has been extracted, without adjustment, from the audited Group annual financial statements of Pick n Pay Stores Limited for the 53 weeks ended 2 March 2025 on which the Independent Auditor has issued an unqualified assurance report.*
*** *The multiplier is one (1) minus the South African statutory company income tax rate for the relevant period, being 27%.*
# *Information has been extracted, without adjustment, from section 7 'Average invested capital' (excluding IFRS 16).*
Refer to note 38 of the Group annual financial statements of Pick n Pay Stores Limited for details on the restatement.

Pro forma financial information (continued)

6 Average invested capital

Average invested capital for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm	Restated** 52 weeks to 26 February 2023 Rm
Total equity*	**10 965**	(293)	3 703
Cash and cash equivalents*	**(5 328)**	(5 383)	(1 998)
Non-current lease liabilities*	**16 379**	16 868	15 295
Borrowings*	**1 150**	11 445	5 669
Current lease liabilities*	**2 741**	2 838	2 471
Non-current net investment in lease receivables*	**(2 017)**	(1 961)	(1 967)
Current net investment in lease receivables*	**(388)**	(448)	(333)
Invested capital (A)	**23 502**	23 066	22 840
Invested capital of previous period (B)	**23 066**	22 840	
Average invested capital ((A+B)/2)	**23 284**	22 953	

* *Information for the 53 weeks to 2 March 2025, 52 weeks to 25 February 2024 and 52 weeks to 26 February 2023 has been extracted, without adjustment, from the audited Group annual financial statements of Pick n Pay Stores Limited for the 53 weeks ended 2 March 2025 on which the Independent Auditor has issued an unqualified assurance report.*

** *Refer to note 38 of the Group annual financial statements of Pick n Pay Stores Limited for details on the restatement.*

7 Average invested capital (excluding IFRS 16)

Average invested capital (excluding IFRS 16) for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table.

	53 weeks to 2 March 2025 Rm	Restated* 52 weeks to 25 February 2024 Rm	Restated** 52 weeks to 26 February 2023 Rm
Total equity*	**10 965**	(293)	3 703
Cash and cash equivalents*	**(5 328)**	(5 383)	(1 998)
Borrowings*	**1 150**	11 445	5 669
Invested capital (excluding IFRS 16) (A)	**6 787**	5 769	7 374
Invested capital (excluding IFRS 16) of previous period (B)	**5 769**	7 374	
Average invested capital (excluding IFRS 16) ((A+B)/2)	**6 278**	6 572	

* *Information for the 53 weeks to 2 March 2025, 52 weeks to 25 February 2024 and 52 weeks to 26 February 2023 has been extracted, without adjustment, from the audited Group annual financial statements of Pick n Pay Stores Limited for the 53 weeks ended 2 March 2025 on which the Independent Auditor has issued an unqualified assurance report.*

** *Refer to note 38 of the Group annual financial statements of Pick n Pay Stores Limited for details on the restatement.*

Appendix 2

Independent Auditor's Assurance Report on the Compilation of Non-IFRS Financial Information included in the Group Annual Financial Statements for the 53 weeks ended 2 March 2025

The Directors of Pick n Pay Stores Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Pick n Pay Stores Limited and its subsidiaries (collectively the "Group"), by the directors.

The *pro forma* financial information, as set out on pages 112 to 116 of the Group Annual Financial Statements for the 53 weeks ended 2 March 2025, consists of the i) Impact of week 53 for turnover, ii) Net cash/debt (excluding lease liabilities) and Net cash/debt (including lease liabilities), iii) EBITDA and EBITDA (pre-IFRS 16), iv) Return on average invested capital ("ROIC"), v) ROIC (excluding IFRS 16), vi) Average invested capital, vii) Average invested capital (excluding IFRS 16) 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 page 112 of the Group Annual Financial Statements for the 53 weeks ended 2 March 2025.

The Non-IFRS Financial Information has been compiled by the directors to illustrate the additional financial measures regularly used by the management of the Group to assess operating performance and financial position and thereby enhance an investor's understanding of the Group's results of operations and financial performance. 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 annual financial statements for the 53 weeks ended 2 March 2025, on which an auditor's report was issued on 25 May 2025.

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, described on page 112 of the Group Annual Financial Statements for the 53 weeks ended 2 March 2025.

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 Assurance Report on the Compilation of Non-IFRS Financial Information included in the Group Annual Financial Statements for the 53 weeks ended 2 March 2025 (continued)

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 on page 112 of the Group Annual Financial Statements for the 53 weeks ended 2 March 2025, 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 our 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 the Non-IFRS Financial Information included in the Group Annual Financial Statements for the 53 weeks ended 2 March 2025, is to illustrate how the unadjusted financial information of the entity has been impacted by the adjustments made, as described in the basis of preparation. 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 judgement, having regard to our understanding of the nature of the Group and the adjustments made 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 specified in the JSE Listings Requirements, described on page 112 of the Group Annual Financial Statements for the 53 weeks ended 2 March 2025.

Ernst & Young Inc.
Director: Tina Lesley Rookledge
Chartered Accountant (SA)
Registered Auditor

Cape Town

25 May 2025

Appendix 3

Additional information

Additional information may not represent a defined term under IFRS Accounting Standards and, as a result, it may not be comparable with similarly titled measures reported by other companies. Additional information is the responsibility of the Board of directors of the Group, is presented for illustrative purposes only and has not been reviewed nor reported on by the Group's external auditors.

1 Like-for-like turnover and expense growth comparisons

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, as well as the impact of week 53 during the current period. LfL turnover on new or closed adjacent liquor stores inherits the LfL indicator of the store 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 liquor and clothing stores.

LfL expense growth comparisons remove the impact of store openings, closures and conversions in current and previous reporting periods, the impact of once-off employee restructuring programmes in the prior year base of R307 million and the movement in the ECL allowance of LfL stores in the current and prior year.

2 Forward looking information

These annual financial statements contain certain forward looking statements related to the Group's possible future actions, long-term strategy, performance, liquidity position and financial position 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. All forward looking statements are solely based on the views and considerations of the Board, and in particular, as at the date hereof. The Group does not undertake to update or revise any of these forward looking statements publicly, whether to reflect new information, future events or otherwise. These forward looking statements have not been reviewed or reported on by the Group's external auditors.

Analysis of ordinary shareholders

as at 2 March 2025

Shareholder Spread	Number of shareholders	%	Number of Shares	%
1 – 1 000 shares	24 741	81.4	2 733 816	0.4
1 001 – 10 000 shares	4 136	13.6	13 822 857	1.8
10 001 – 100 000 shares	1 113	3.7	33 120 306	4.4
100 001 – 1 000 000 shares	324	1.1	90 600 921	12.2
1 000 001 shares and over	72	0.2	605 379 230	81.2
Total	**30 386**	**100.0**	**745 657 130**	**100.0**

Public/Non-Public Shareholders	Number of shareholders	%	Number of Shares	%
Non-public shareholders	**15**	**0.1**	**210 728 295**	**28.3**
Ackerman Investment Holdings Proprietary Limited	1	0.0	189 334 996	25.4
Pick n Pay Retailers Proprietary Limited	1	0.0	260 000	0.0
Shares held on behalf of RSP participants	1	0.0	7 970 840	1.1
Pick n Pay Stores Employee Share Purchase Trust	1	0.0	1 714 948	0.2
Directors of Pick n Pay Stores Ltd	8	0.0	6 760 228	1.0
The Mistral Trust	1	0.0	4 533 300	0.6
Ackerman Pick n Pay Foundation	1	0.0	153 981	0.0
Ackerman Family Investment Holdings Proprietary Limited	1	0.0	2	0.0
Public Shareholders	**30 371**	**99.9**	**534 928 835**	**71.7**
Total	**30 386**	**100.0**	**745 657 130**	**100.0**

Beneficial Shareholders Holding 1% or more	Number of Shares	%
Ackerman Investment Holdings Proprietary Limited	189 334 996	25.4
Government Employees Pension Fund	135 604 821	18.2
Allan Gray	47 190 443	6.3
Fidelity	44 949 133	6.0
M&G Investments	34 428 608	4.6
Alexforbes	22 377 992	3.0
Sanlam	20 206 530	2.7
Vanguard	19 406 891	2.6
Government Pension Fund – Norway	15 001 567	2.0
Old Mutual	12 848 355	1.7
Pick n Pay Retailers Propriety Limited	8 230 840	1.1

Analysis of B shareholders

as at 2 March 2025

Shareholder spread	Number of shareholders	%	Number of Shares	%
1 – 1 000 shares	–	–	–	–
1 001 – 10 000 shares	–	–	–	–
10 001 – 100 000 shares	–	–	–	–
100 001 – 1 000 000 shares	1	16.7	244 484	0.1
1 000 001 shares and over	5	83.3	325 181 680	99.9
Total	**6**	**100.0**	**325 426 164**	**100.0**

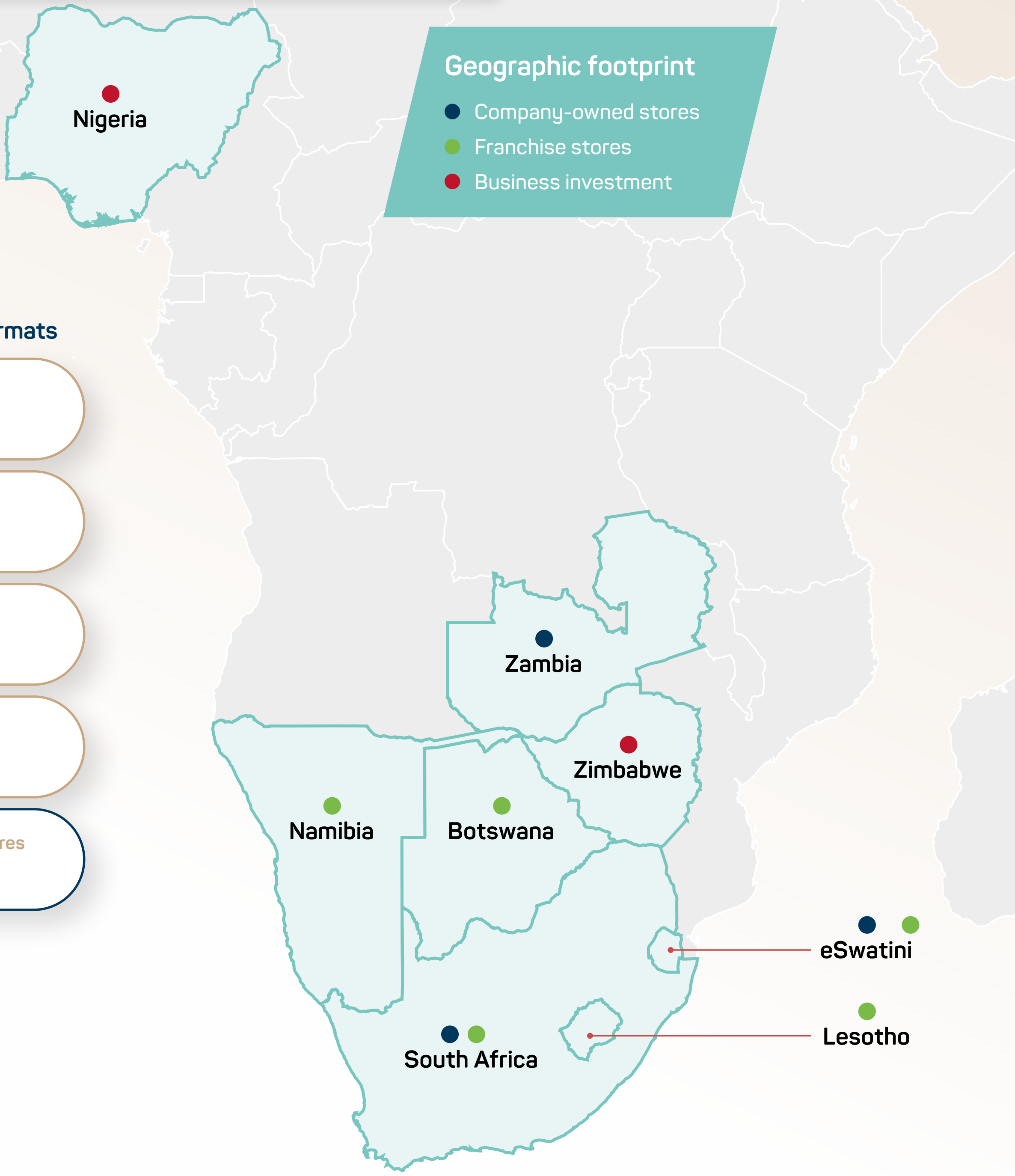
Public/Non-Public Shareholders	Number of shareholders	%	Number of Shares	%
Non-public shareholders	**5**	**83.3**	**325 181 680**	**99.9**
Ackerman Investment Holdings Proprietary Limited	1	16.7	310 989 391	95.6
Gareth Ackerman	1	16.7	4 216 004	1.3
Johnathan Ackerman	1	16.7	1 782 990	0.5
Mistral Trust	1	16.7	6 703 896	2.1
Suzanne Ackerman	1	16.7	1 489 399	0.4
Public shareholders	**1**	**16.7**	**244 484**	**0.1**
Total	**6**	**100.0**	**325 426 164**	**100.0**

Beneficial Shareholders Holding 1% or more	Number of Shares	%
Ackerman Investment Holdings Proprietary Limited	310 989 391	95.6
Gareth Ackerman	4 216 004	1.3
Mistral Trust	6 703 896	2.1

Includes direct and indirect holdings. Refer to note 4.3 of the Group annual financial statements for further information.

The holders of B shares are entitled to the same voting rights as holders of ordinary shares, but are not entitled to any rights to distributions by the Company or any other economic benefits. All B shares are stapled to certain ordinary shares.

	Pick n Pay Owned	Pick n Pay Franchise	Boxer Owned	TM Associate	Total
Formats:					
Hypermarkets	21	–	–	–	**21**
Supermarkets	289	455	320	61	**1 125**
Clothing	396	19	–	–	**415**
Liquor	267	223	175	13	**678**
Build	–	–	30	–	**30**
	973	697	525	74	**2 269**
Country:					
South Africa	948	617	515	–	**2 080**
Zimbabwe	–	–	–	74	**74**
Namibia	–	36	–	–	**36**
eSwatini	–	21	10	–	**31**
Zambia	23	–	–	–	**23**
Botswana	–	19	–	–	**19**
Lesotho	–	4	–	–	**4**
Nigeria	2	–	–	–	**2**
	973	697	525	74	**2 269**



South African store formats

Supermarkets
1 011

Clothing
412

Liquor
627

Build
30

Total South African stores
2 080

Number of stores

Company-owned	25 February 2024	Opened	Closed	Converted closures	Converted openings	2 March 2025
Pick n Pay	1 007	43	(55)	(28)	6	**973**
Hypermarkets	21	–	–	–	–	**21**
Supermarkets	325	2	(26)	(15)	3	**289**
Clothing	366	38	(8)	–	–	**396**
Liquor	295	3	(21)	(13)	3	**267**
Boxer	477	39	(5)	–	14	**525**
Supermarkets	296	18	(2)	–	8	**320**
Build	31	–	(1)	–	–	**30**
Liquor	150	21	(2)	–	6	**175**
Total company-owned	1 484	82	(60)	(28)	20	**1 498**
Franchise						
Pick n Pay						
Supermarkets	269	6	(19)	(3)	7	**260**
Market	9	–	(2)	–	–	**7**
Express	195	2	(9)	–	–	**188**
Clothing	19	–	–	–	–	**19**
Liquor	230	7	(18)	(3)	7	**223**
Total franchise	722	15	(48)	(6)	14	**697**
Associate						
TM Supermarkets	73	3	(2)	–	–	**74**
Total Group stores	2 279	100	(110)	(34)	34	**2 269**
African footprint						
– included in total stores above	189	5	(5)	–	–	**189**
Pick n Pay company-owned	25	1	(1)	–	–	**25**
Boxer company-owned	9	1	–	–	–	**10**
Pick n Pay franchise	82	–	(2)	–	–	**80**
TM Supermarkets – associate	73	3	(2)	–	–	**74**
African footprint						
– by country	189	5	(5)	–	–	**189**
Botswana	19	–	–	–	–	**19**
Lesotho	4	–	–	–	–	**4**
Namibia	36	–	–	–	–	**36**
eSwatini	32	1	(2)	–	–	**31**
Zambia	23	1	(1)	–	–	**23**
Nigeria	2	–	–	–	–	**2**
Zimbabwe	73	3	(2)	–	–	**74**

Corporate information

Pick n Pay stores limited
Registration number: 1968/008034/06
JSE and A2X share code: PIK
ISIN: ZAE000005443

Board of directors
Executive
Sean Summers (CEO)
Lerena Olivier (CFO)

Non-executive
Gareth Ackerman (Chair)
Suzanne Ackerman
Jonathan Ackerman
David Robins[2]

Independent non-executive
Haroon Bhorat
Mariam Cassim[1]
James Formby
David Friedland
Aboubakar Jakoet
Audrey Mothupi
Annamarie van der Merwe

Registered office
Pick n Pay Office Park
101 Rosmead Avenue
Kenilworth
Cape Town 7708
Tel: +27 21 658 1000
Fax: +27 (0)86 675 1475

Postal address
PO Box 23087
Claremont
Cape Town 7735

Registrar
Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
Tel: +27 11 370 5000

Postal address
Private Bag X9000
Saxonwold 2132

JSE Limited sponsor
Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton 2196

Auditors
Ernst & Young Inc.

Principal bankers
Absa Limited
Rand Merchant Bank
(a division of FirstRand Bank Limited)

Corporate advisors
Rand Merchant Bank
(a division of FirstRand Bank Limited)

Company Secretary
Vaughan Pierce
Email address: CompanySecretary@pnp.co.za

Promotion of Access to information act
informationofficer@pnp.co.za

Investor relations
Stephen Carrott
Email address: StephenCarrott@pnp.co.za

Website
Pick n Pay: www.pnp.co.za
Pick n Pay Clothing: www.picknpayclothing.co.za
Pick n Pay Investor relations: www.picknpayinvestor.co.za

Customer careline
Pick n Pay
Tel: +27 860 30 30 30
Email address: customercare@pnp.co.za

Boxer
Tel: +27 860 02 69 37
Email address: customercare@boxer.co.za

Pick n Pay Online

Pick n Pay Online | Pick n Pay asap! | Pick n Pay HOME | Pick n Pay Clothing

www.pnp.co.za | www.pnphome.co.za | www.picknpayclothing.co.za

Engage with us on

[1] *Mariam Cassim resigned as an independent non-executive director on 5 July 2024.*
[2] *David Robins retired as a non-executive director on 27 August 2024.*

19506

Pick n Pay Online

Pick n Pay Online

Pick n Pay asap!

Pick n Pay HOME

Pick n Pay Clothing

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