Come home to Pick n Pay

Audited Annual Financial Statements

52 weeks ended 1 March

2026


Come home to
Pick n Pay
CRAZY DEALS AND
15X POINTS

Contents

PICK N PAY STORES LIMITED GROUP

Directors' responsibility statement	2
Company Secretary's certificate	2
Internal financial control responsibility statement	3
Directors' report	4
Independent auditor's report	8
Report of the Group Audit, Risk and Compliance Committee	14
Review of operations	21

GROUP ANNUAL FINANCIAL STATEMENTS

Statement of comprehensive income	27
Statement of financial position	28
Statement of changes in equity	29
Statement of cash flows	30
Notes to the group annual financial statements	31

COMPANY ANNUAL FINANCIAL STATEMENTS

Statement of comprehensive income	82
Statement of financial position	83
Statement of changes in equity	84
Statement of cash flows	85
Notes to the company annual financial statements	86

ADDITIONAL INFORMATION

Pro forma financial information	93
Independent Auditor's Assurance Report on the Compilation of Pro Forma Financial Information	95
Like-for-like turnover and forward looking information	97
Analysis of ordinary shareholders	98
Analysis of B shareholders	99
Overview of store estate	100
Number of stores	101
Corporate information	102

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 statements of financial position as at 1 March 2026, 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 22 May 2026 and signed by:

James Formby
Chair

22 May 2026

Sean Summers
Chief Executive Officer

22 May 2026

Lerena Olivier
Chief Finance Officer

22 May 2026

Company Secretary's **certificate**

In my capacity as Company Secretary, I certify that for the 52-week financial period ended 1 March 2026, 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

22 May 2026

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

In terms of JSE Listings Requirements 5.9, the directors, whose names are stated below, hereby confirm that –

a) the annual financial statements set out on pages 27 to 91, 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 Pick n Pay Stores Limited and its consolidated subsidiaries and associates (the Group) 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

22 May 2026

Lerena Olivier
Chief Finance Officer

22 May 2026

Directors' **report**

The 2026 financial year (FY26) was characterised by a constrained and highly competitive consumer environment. Against this backdrop, the Group continued to execute its strategic turnaround within the Pick n Pay segment. The year reflects disciplined execution and steady progress in improving operational performance, with particularly strong results in the Boxer business and encouraging early signs of recovery in the Pick n Pay segment. While significant work remains to restore the Pick n Pay segment to its targeted break-even position, the Group remains focused on strengthening sustainable long-term profitability and its overall financial position.

Nature of 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, groceries, health and beauty products, general merchandise, clothing, liquor and additional value-added services, throughout southern Africa, on an owned and franchised basis. The Group also acquires and develops strategic retail and distribution sites. Other than the acquisition of the Pick n Pay franchise operations in Botswana, there were no other material changes in the nature or composition of the Group's subsidiaries during the financial year. Noteworthy subsidiaries are presented in note 7 to the Group annual financial statements.

Overview of operations and financial results

The Group's financial and operational performance for the 2026 financial year is outlined in the "Review of Operations" presented on pages 21 to 25 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 reported on a 53-week basis in FY25, for the financial period ended 2 March 2025 and on a 52-week basis in FY26, for the financial period ended 1 March 2026. Comparable pro forma turnover information is provided on page 93.

Going concern

The Board of directors (the Board) has undertaken 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. The Board is satisfied as to the Group's and Company'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.

Capital management and liquidity

The Group maintained a strong focus on capital discipline and liquidity management during FY26, following the effective delivery of the FY25 recapitalisation.

Solvency and liquidity

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

Borrowings

The Group's overall level of debt (including bank overdrafts and overnight borrowings) decreased from R1.2 billion in FY25 to R200 million at the close of FY26. The Group remained compliant with all debt covenants during the financial year.

Net cash position

The Group's net cash position (defined as total cash and cash equivalents net of borrowings) reduced from R4.2 billion at the end of FY25 to R3.1 billion at the end of FY26. Further detail is provided in the Review of Operations.

Shareholder distribution

In light of the Group's capital position and ongoing recovery, dividend payments remained suspended during FY26 and no dividend was declared for the year. The Board will consider resuming shareholder distributions once it is satisfied that the Group's cash generation is sufficiently strong, sustainable and supports a return to consistent profitability.

Share capital and treasury shares

	FY26	FY25
Listed ordinary shares, no par value		
Authorised	**828 500 000**	828 500 000
Issued	**745 657 130**	745 657 130
Unlisted B shares, no par value		
Authorised	**361 500 000**	361 500 000
Issued	**325 426 164**	325 426 164

Cancellation of B shares

As previously announced, Ackerman Investment Holdings (RF) Proprietary Limited and its related and inter-related persons (collectively, the "Ackerman Family") disposed of 64 038 857 ordinary shares on 17 November 2025 and the 105 186 384 B shares held by the Ackerman Family that were previously attached to such ordinary shares have ceased to have voting rights. Subject to the requisite shareholder approval being obtained at the 2026 AGM, these "unstapled" B shares will be repurchased by the Company for a nominal price of R0.00001 per B share and cancelled, as contemplated in the Memorandum of Incorporation (MOI).

Treasury shares

At financial year end, 11 273 807 shares (2025: 9 945 786 shares) of Pick n Pay Stores Limited were held within the Group to settle future obligations under the Group's employee share scheme.

Shareholders

The Company maintains a broad and diverse shareholder base, with the Ackerman family remaining the Group's largest shareholder. Details of the Group's shareholder analysis at 1 March 2026 are set out on pages 98 and 99. Further details of the Group's share capital and treasury shares, including all movements for the period under review are disclosed in notes 24 and 25 of the Group's annual financial statements.

Legal proceedings

The Company and its subsidiaries were not involved in any legal or arbitration proceedings during FY26 that may have, or may 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

At the Annual General Meeting (AGM) held on 5 August 2025, 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 MOI.

Non-executive directors' fees for the 2026 and 2027 annual financial periods

Shareholders approved the proposed fees payable to non-executive directors for FY26, which remained unchanged from FY25 in support of the cost and efficiency efforts being undertaken by the Group. Shareholders also approved a CPI-linked increase in directors' fees for FY27.

General approval 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.

Directors

Details of the directors who served on the Board during the financial year 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 2026 Integrated Annual Report later in the year and are available on the Company's website at: www.picknpayinvestor.co.za.

Name	Designation	Appointment/Retirement
Current directors		
Sean Summers	Executive – CEO	
Lerena Olivier	Executive – CFO	
Gareth Ackerman	Non-executive	
Jonathan Ackerman	Non-executive	
Suzanne Ackerman	Non-executive	
Haroon Bhorat	Independent non-executive	
James Formby	Independent non-executive – Chair	
Aboubakar Jakoet	Independent non-executive	
Thabo Leeuw	Independent non-executive	Appointed 1 February 2026
Audrey Mothupi-Palmstierna	Independent non-executive	
Grant Pattison	Independent non-executive	Appointed 1 February 2026
Annamarie van der Merwe	Independent non-executive	
Pooven Viranna	Independent non-executive	Appointed 1 June 2025
Former director		
David Friedland	Independent non-executive	Retired 5 August 2025

Board and Committee changes during FY26

The following Board and Committee changes occurred during FY26:

26 May 2025

- Suzanne Ackerman stepped down as Chair of the Social, Ethics and Transformation Committee and was succeeded by independent non-executive director, Haroon Bhorat. Suzanne continues to serve as a member of the Committee.

1 June 2025

- Pooven Viranna was appointed to the Board as an independent non-executive director and as a member of the Group Audit, Risk and Compliance Committee.

5 August 2025 – AGM

- David Friedland retired from the Board, the Group Audit, Risk and Compliance Committee and the Finance and Investment Committee.
- Gareth Ackerman stepped down as Board Chair and was appointed to the Finance and Investment Committee.
- James Formby was appointed as Board Chair and stepped down from the Group Audit, Risk and Compliance Committee.
- Haroon Bhorat was appointed as a member of the Nominations and Corporate Governance Committee.

1 February 2026

- Thabo Leeuw was appointed as an independent non-executive director and as a member of the Group Audit, Risk and Compliance Committee and the Social, Ethics and Transformation Committee.
- Grant Pattison was appointed as an independent non-executive director and member of the Group Audit, Risk and Compliance Committee, Remuneration Committee and Finance and Investment Committee.
- Pooven Viranna was appointed as a member of the Social, Ethics and Transformation Committee.

28 February 2026

- It is noted that Board Chair, James Formby, stepped down as Chair of the Boxer Retail Limited Board, the Group's majority held subsidiary, on 28 February 2026, and was succeeded in that role by Sean Summers on 1 March 2026.

Post year-end Board and committee changes

Lerena Olivier will step down as the Group's Chief Finance Officer at the conclusion of the Company's 2026 AGM in August 2026, in line with the Group's long-term succession planning. The Board extends its sincere appreciation to Lerena for her significant contribution and dedicated service to the Group, and is pleased that she will continue to support the business in a strategic capacity thereafter. Tina Rookledge joined the Group on 1 February 2026 as part of a structured transition process to enable a seamless handover of responsibilities. It is intended that Tina will assume the role of Group Chief Finance Officer following the conclusion of the 2026 AGM. The Board welcomes Tina and looks forward to her contribution.

Finance and Investment Committee

In August 2025, the Group announced the intention that James Formby would step down as Chair of the Finance and Investment Committee at the end of FY26. Following further consideration, and the annual Board and committee evaluations, it was agreed that he would continue in this role. The Board is satisfied that this does not affect his independence as Board Chair or the effectiveness of this non-statutory Committee, and values the significant benefit of his experience in treasury and liquidity management.

Director retirement and rotation

In May 2024, the Board initiated a structured process to support the rotation and retirement of long-serving independent non-executive directors. Supported by the Nominations and Corporate Governance Committee, this Board refreshment process has resulted in the retirement of two of the Group's longest-serving directors and the appointment of three new independent non-executive directors over the past two years. As part of this process, Audrey Mothupi-Palmstierna will retire from the Board at the 2026 AGM, to be held in August 2026.

In line with the Company's MOI, at least one-third of directors retire by rotation at each AGM and may offer themselves for re-election. In determining those directors retiring, the Board considers applicable regulatory requirements, the Board's Corporate Governance Charter and the tenure of each director since their last election. Non-executive directors retire at least every three years, while those who have served for more than nine years are subject to annual re-election.

The directors standing for election or re-election at the 2026 AGM are set out below. Further details will be included in the Notice of AGM, expected to be published at the end of June 2026.

Category	Director	Basis
Executive	Tina Rookledge	Election, on appointment as Chief Finance Officer
Non-executive	Gareth Ackerman	Retirement and re-election after a three-year term
Non-executive	Jonathan Ackerman	Retirement and re-election after a three-year term
Independent non-executive	Thabo Leeuw	Election, following Board appointment on 1 February 2026
Independent non-executive	Grant Pattison	Election, following Board appointment on 1 February 2026
Independent non-executive	Haroon Bhorat	Retirement and re-election after a three-year term
Independent non-executive	James Formby	Retirement and re-election after a three-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 6 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 notes 6 of the Group annual financial statements and 7 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 IFRS Accounting Standards, between the Company or its subsidiaries, and the directors or their associates, are disclosed in note 7 of the Group annual financial statements.

Company Secretary

Vaughan Pierce BA (LLB) (LLM) has served as Company Secretary of the Pick n Pay Group since 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 attention to the Group Audit, Risk and Compliance Committee report on pages 14 to 20, where the Committee Chair sets out the responsibilities of the Committee and how it discharged these responsibilities during the period.

Events subsequent to the reporting date

Consultation process in terms of Section 189A of the Labour Relations Act

Subsequent to period end, the Group's Pick n Pay segment notified its store-based non managerial bargaining unit employees, together with their representative trade unions, of restructuring requirements in accordance with Section 189A of the Labour Relations Act, No. 66 of 1995. The statutory consultation period has commenced, with deliberations focused on the optimisation of the Pick n Pay segment's store labour model. Matters under consideration include guaranteed working hours by job category, flexibility and scheduling efficiencies, non statutory leave entitlements, as well as certain benefits and related provisions. Due to the inherent uncertainty surrounding the outcome of this event, the Group is unable to reliably estimate the financial effect at reporting date.

Repayment of Borrowings

Subsequent to period end, the Group's Boxer segment repaid borrowings of R200 million, resulting in no remaining long term debt in the Group.

Logistics contract

Subsequent to period end, management has concluded a new logistics agreement, which is expected to benefit the Pick n Pay Segment through supply chain cost efficiencies. The new contract had no impact on financial information reported for the period under review. The agreement includes an extension to leases for equipment and vehicles, resulting in an increase in the IFRS 16 right-of-use asset and lease liability for these assets of approximately R600 million, recorded in FY27.

Reduction of shareholding in Boxer Retail Limited

Subsequent to period end, the Group disposed of 57.3 million Boxer Retail Limited (Boxer) shares through an accelerated bookbuild offering (the transaction), generating gross proceeds of R4.7 billion. The proceeds will support Pick n Pay's turnaround and growth strategies, enhancing financial flexibility. The transaction reduces the Group's shareholding in Boxer from 65.6% to 53.1% and therefore there has been no loss of control by the Group, with Boxer remaining a consolidated subsidiary of the Group. As a result of Boxer being fully consolidated into the Group's results, both before and after the transaction, the impacts of the reduction in shareholding shall be accounted for within equity as a transaction with owners for the FY27 financial reporting period. There is therefore no impact on the assets, liabilities or profit and loss of the Group resulting from the shareholding reduction. The transaction has been assessed, as per IAS10 Events after the reporting period as a non-adjusting event for the period ended 1 March 2026.

Geopolitical events and uncertainty

Subsequent to period end, geopolitical tensions have introduced uncertainty to the Group's outlook and are being closely monitored. The potential impacts across the Group, primarily through higher oil prices, inflation, and potential currency volatility, are being assessed; the potential financial effects cannot presently be quantified. This has not cast doubt in the Group's ability to continue as a going concern.

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.

James Formby
Chair

22 May 2026

Sean Summers
Chief Executive Officer

22 May 2026

Lerena Olivier
Chief Finance Officer

22 May 2026

Independent auditor's **report**

To the shareholders of Pick n Pay Stores Limited

Report on the Audit of the Consolidated and Company Financial Statements

Opinion

We have audited the consolidated and company financial statements of Pick n Pay Stores Limited and its subsidiaries (the Group and company) set out on pages 27 to 91, which comprise of the consolidated and company statements of financial position as at 1 March 2026, the consolidated and company statements of comprehensive income, the consolidated and company statements of changes in equity, the consolidated and company statements of cash flows for the year then ended, and notes to the consolidated and company financial statements, including material accounting policy information.

In our opinion, the consolidated and company financial statements present fairly, in all material respects, the consolidated and company financial position of the group and company as at 1 March 2026, and its consolidated and company financial performance and consolidated and company 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 company 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) as applicable to audits of financial statements of public interest entities, 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 judgment. 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 R108 million, which is based on 2% of earnings before interest, tax, depreciation and amortisation (EBITDA). We identified EBITDA as the most appropriate earnings basis. We believe earnings are a key metric for users. EBITDA is an important metric which focuses on the operational strength of the group by providing insights to the Group's operational performance by excluding the effects of financing and non-cash accounting items providing a view of the entity's earnings. Our review of information provided to users by the entity and analysts confirms our view.

Company materiality

We determined final materiality for the standalone company to be R47 million, which is based on 1% of equity. We have identified that a capital-based measure was most appropriate because Pick n Pay Stores company is the holding company of the group's operational subsidiaries and is not a profit orientated operating entity itself. 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 relevant classes of transactions, account balances or disclosures 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. We involved component auditors in this risk assessment process.

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 7 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.
- 5 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 a Group level we also tested certain IT processes, the consolidation process, lease liabilities and related right of use assets, impairment of non-financial assets 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 company financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and company financial statements as a whole, and in forming our opinion thereon, and we do not provide a company 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 company 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 company 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 company 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 R3 236 million (2025: R2 749 million). The current year's increase is primarily due to the estimated tax loss incurred by Pick 'n Pay Retailers (Proprietary) Limited (Retailers). Disclosures relating to the deferred tax asset is included in notes 1.6 and 29 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 (inclusive of tax planning opportunities) will be available against which the deferred tax asset can be utilised by the entity. Given Retailers' continued losses within the Pick n Pay segment 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 Long term Plan (LTP), other tax planning opportunities, and sources of taxable income within the Group. Significant judgement and estimation has been applied in the determination 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 prospective financial information applied and therefore increased levels of audit focus included: ▪ Revenue growth assumptions, ▪ Gross profit assumptions, ▪ Expense savings initiatives, as well as ▪ Other tax planning opportunities. Due to the size of the deferred tax asset as well as the complexity and judgment required, 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* (IAS 12) relating to this balance are set out in the audited annual financial statements in note 29 – Deferred tax.	Our procedures, amongst others, included the following to assess the recoverability of the deferred tax assets: ▪ We obtained an understanding of the process management have followed to assess the recoverability of the deferred tax assets. ▪ We obtained the Board approved LTP reflecting the impact of key strategic initiatives as they relate to the operations of the core Retailers business. ▪ We held various discussions with management to understand the status of each of the key strategic initiatives contained in the LTP. ▪ We inspected evidence supporting the status of the initiatives and their progress to date, verifying inputs to internal or external data or audited amounts. ▪ We obtained an understanding of the nature of the once off items included in the 2026 financial year and the likelihood of recurrence to establish an appropriate base for our independent sensitivity analysis. ▪ Where an initiative could not be vouched or supported with convincing evidence, we considered the impact on profit projections through our independent sensitivity analysis. ▪ With the assistance of our tax specialists, we reviewed the appropriateness of the principles applied in respect of tax planning opportunities and compliance with the Income Tax Act. We assessed and evaluated that the presentation and disclosures in the consolidated financial statements in respect of the deferred tax assets are complete, appropriate and in compliance with IAS 12.

Key observations:
Based on the procedures performed over the recognition and recoverability of deferred tax assets, we identified areas of discussion with management and after resolution we were able to conclude our procedures.

Key Audit Matter	How the matter was addressed in the audit
Impairment assessments in respect of the carrying value of non-financial assets	
Goodwill for the Group has a carrying value of R689 million at 1 March 2026 (2025: R498 million). Property, plant, and equipment (PPE) has a carrying value of R8 965 million at 1 March 2026 (2025: R8 675 million), and right of use assets (ROUA) has a carrying amount of R10 779 million at 1 March 2026 (2025: R11 043 million), herein after referred to as non-financial assets. The Group is required to assess the recoverable amount of goodwill annually at each reporting date in addition to whether there are any other indications that other non-current assets may be impaired, inclusive of PPE and ROUA in accordance with *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. In addition, the Group identified corporate assets such as distribution centres, IT infrastructure and support office assets which could not be allocated to the CGUs that they support on a reasonable and consistent basis. For these assets that could not be allocated to individual CGUs, the assets were aggregated 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 Retailers. The recoverable amount of each CGU has been calculated as the greater of the fair value less costs of disposal (FVLCD) and its value in use (VIU) based on discounted cash flow models. Forecasting in the current period is inherently more challenging due to the heightened uncertainty arising from the global geopolitical landscape, which continues to affect consumer demand, inflationary pressures, supply chains and input costs across the markets in which the Group operates. This complexity is further increased by the Group's broad geographic footprint and diverse store portfolio, as different store formats are exposed to different trading conditions, customer behaviours and cost dynamics. As a result, greater judgement is required in forecasting the future performance of stores across the Group. Key judgements applied in the respective valuations included: ▪ Discount rate assumptions ▪ Cash flow projections ▪ Growth rates ▪ Terminal values The Group recognised a pre-tax impairment charge of R391 million (2025: R294 million) during the year as set out in note 15 – Impairment of non-financial assets. Consequently, the impairment considerations in respect of the carrying value of non-financial assets is more complex, with a higher level of estimation of uncertainty given the level of judgement and estimation required, and we have therefore considered the impairment considerations of non-financial assets to be a key audit matter. Disclosures relating to the Group's impairment assessments are included in notes 1.6, 1.13, and note 15 to the financial statements.	Our procedures included: ▪ We obtained an understanding and evaluated the design and implementation of key controls over the impairment assessments of the carrying value of non-financial assets. ***Methodology and assumptions:*** To test the inputs, methodology and assumptions, our audit procedures were executed with the assistance of our valuation specialists. We: ▪ Assessed management's methodology for the evaluation of impairment indicators with reference to the performance of the CGU against budgets, forecasts and earnings ratios. ▪ Assessed the methodologies and assumptions applied in determining the recoverable amounts based on the respective fair value less costs of disposal and value in use computations of the CGUs. ▪ Evaluated revenue and margin forecasts along with future growth rates with reference to external data sources and industry norms. ▪ Performed sensitivity analysis over management's forecasts where relevant. ▪ Evaluated the appropriateness of the inputs used in the determination of the discount rates and terminal value growth rates applied by comparing inputs to external sources and industry norms, including specific risk premiums, as applicable. ▪ Evaluated the appropriateness of the methodology of the assets and liabilities included in the carrying amounts of the respective CGU based on the cash flows included in the determination of the recoverable amount. ▪ Recalculated management's models for the FVLCD and VIU computations for arithmetic accuracy. We evaluated the completeness and accuracy of the Group's disclosures in respect of the impairment assessments for compliance with the requirements of IAS 36.
Key observations: Based on the procedures performed over impairments assessments in respect of the carrying values of non-financial assets, we identified areas of discussion with management and after resolution we were able to conclude our procedures.	

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 102-page document titled "Pick n Pay Audited Annual Financial Statements for the 52 weeks ended 1 March 2026", which includes the Directors' Report, the Audit, Risk and Compliance Committee report and the 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' responsibility statement, 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 company financial statements and our auditor's report thereon.

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

Responsibilities of the Directors for the Consolidated and Company 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 company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and company 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 Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and company 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 company 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 company 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 company 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 company financial statements, including the disclosures, and whether the consolidated and company 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 company 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 company 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 11 years.

Ernst & Young Inc.
Director: Lucian Rolleston

Registered Auditor
Chartered Accountant (SA)

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

22 May 2026

Report of the **Group Audit, Risk and Compliance Committee**

The Audit, Risk and Compliance Committee (the Committee) is pleased to present its report for the financial year ended 1 March 2026 (FY26). This report has been 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, 2016 (King IV), the JSE Limited Listings Requirements (Listings Requirements), and other applicable regulatory requirements.

Committee Chair overview

The recapitalisation in FY25 was critical to restoring financial liquidity and stability to the Group. During the year, the Committee focused on ensuring that this stability was maintained, including through ongoing oversight of the Group's liquidity and solvency position.

The operating environment remains constrained and uncertain. Ongoing geopolitical developments, including conflict in the Middle East and the resulting volatility in fuel and input costs, will place further pressure on the cost of doing business and on household spending. These external factors were closely monitored by the Committee in assessing financial performance, liquidity and risk exposure.

Against this backdrop, the Committee maintained close focus on financial and operational performance across the Group. Performance was monitored against budgets, forecasts and strategic priorities, with particular focus on the delivery of the Pick n Pay turnaround strategy. The Committee also worked closely with the Finance and Investment Committee (FIC) to oversee cash flows, liquidity, working capital management and balance sheet strength. While acknowledging the strategic progress achieved to date, the FIC recognised the capital required to sustain the turnaround over the longer term. Accordingly, the Board approved the sale of Boxer shares, executed through an accelerated bookbuild on 18 May 2026. The transaction raised R4.7 billion from the placement of 57.3 million shares (12.5% of Boxer). The net proceeds will strengthen financial flexibility and support the ongoing implementation of the Pick n Pay turnaround plan, enabling a return to improved cash flow generation and profitability.

The Committee also oversaw developments in the Group's Rest of Africa operations, including the acquisition of the Botswana business. These actions were aligned with the Group's strategic focus on reducing risk exposure and strengthening the overall quality and sustainability of its store estate.

At the same time, there was continued progress in strengthening the Group's risk, assurance and compliance functions. The risk management function was brought fully in-house under a dedicated Head of Group Risk, transitioning from a model previously supported by an independent third-party risk advisor. This has strengthened accountability and integration with the business. Boxer also transitioned to its own in-house risk, internal audit and compliance functions, building on established Group frameworks and with support from the Pick n Pay internal audit function to complete a smooth transition.

Oversight of the Group's principal risks remained a key focus area, particularly in the context of executing strategic priorities in a constrained operating environment.

Given the increasing frequency and sophistication of cyber and systems-related threats globally, the Committee maintained a strong focus on cybersecurity and system resilience, as well as third-party risk and talent retention. IT governance continued to receive focused attention, recognising the importance of stable, secure and scalable systems in supporting operations and the Group's growing digital capability.

The Committee monitored all investigations of potential incidents of fraud and misconduct, ensuring these were interrogated thoroughly and that appropriate corrective and disciplinary action was taken.

Throughout the year, emphasis remained on the integrity and transparency of the Group's financial and integrated reporting, as well as the effectiveness of its internal control environment, risk management and assurance processes.

The year presented both challenge and opportunity. The Committee is encouraged by the deliberate and measured approach taken by management in executing the Group's strategic priorities, and remains confident in the Group's governance foundations and in the actions underway to support a return to sustainable performance over time.

On behalf of the Committee, I would like to express my appreciation for the professionalism, dedication and insight demonstrated by the finance team throughout the year. My sincere thanks also go to management, our assurance providers and my fellow Committee members for their ongoing commitment, guidance and valued contribution during the year.

Mandate and responsibilities 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 oversight of the Group's financial reporting, internal control environment, risk management processes, compliance framework and assurance activities. In fulfilling its mandate, the Committee supports the Board in maintaining sound governance, accountability and informed decision-making, contributing to the safeguarding of assets, the protection of stakeholder interests and the sustainability of the Group.

Key responsibilities of the Committee

The Committee's key areas of oversight include:

Financial performance and reporting integrity – monitoring the Group's financial performance, including performance against budgets, forecasts and strategic objectives, and reviewing the Annual Financial Statements and other internal and external financial reports to ensure these present a fair, balanced and understandable view in accordance with applicable standards.

Financial position and liquidity – assessing the Group's solvency and liquidity, financial position and funding requirements, and supporting the Board in confirming the appropriateness of the going concern basis of preparation, with support from the Finance and Investment Committee.

Risk governance – overseeing the Group's enterprise-wide risk management framework and processes, including the identification, assessment and management of material and emerging risks, and evaluating the effectiveness of mitigation strategies to support Group strategy and long-term value creation.

Internal control effectiveness – assessing the effectiveness of the Group's internal financial controls and broader control environment in mitigating key risks and supporting the integrity of financial reporting.

Internal audit – overseeing the effectiveness, independence and performance of the internal audit function, including approval of its charter and risk-based internal audit plan.

External audit – overseeing the appointment, independence and performance of the external auditor, and the quality and effectiveness of the external audit process.

Combined assurance – overseeing a coordinated, risk-based approach to assurance across internal audit, external audit, risk management and other assurance providers.

Regulatory compliance – overseeing the Group's compliance with applicable laws, regulations and codes, including the Companies Act and JSE Listings Requirements, and monitoring the effectiveness of the Group's compliance framework.

The Committee operates in accordance with formal Terms of Reference, which are reviewed annually and approved by the Board. The Committee applies an annual workplan to guide its activities and ensure disciplined execution of its responsibilities.

Committee governance

The Committee is a statutory committee of the Board, operating within a defined governance framework. The Board has delegated oversight of audit, risk and compliance matters to the Committee, while retaining overall accountability for these matters.

The Committee comprises independent non-executive directors who are nominated by the Board and elected by shareholders at the Annual General Meeting (AGM). Members collectively possess the required financial literacy, skills and experience to discharge their responsibilities effectively.

The Committee Chair reports to the Board after each meeting and engages periodically with the Chair of the Boxer Retail Limited Audit, Risk and Compliance Committee on matters of mutual interest.

Committee composition and meeting attendance

The Board continues to prioritise the deliberate renewal of the Committee to maintain independence and strengthen its collective capability. David Friedland retired from the Board in FY26 and the Committee thanks David for his years of dedicated service. James Formby stepped down from the Committee in August 2025 on his appointment as Chair of the Board, in line with King IV and good governance practice. Audrey Mothupi-Palmstierna will retire from the Board at the 2026 AGM to be held in August 2026. Pooven Viranna was appointed as an independent non-executive director and member of the Committee on 1 June 2025, followed by the appointments of Thabo Leeuw and Grant Pattison as independent non-executive directors and members of the Committee on 1 February 2026. The Committee welcomes their appointment and looks forward to the contribution of their experience and insight.

The Committee met four times in respect of FY26, including a meeting held after year-end to consider the Group's FY26 results, Annual Financial Statements and the outcomes of the external audit and combined assurance processes.

Meetings were attended by standing invitees, including the Chair of the Board, Chief Executive Officer, Chief Finance Officer, the Heads of Internal Audit, Risk, Legal and Compliance, the external auditor and senior members of the finance team. The Committee also held closed sessions with the internal and external auditors to support independent engagement and to ensure that they were able to discharge their responsibilities objectively and without undue influence.

Details of Committee membership and attendance are set out below:

Members	Status	Attendance	Notes
Aboubakar Jakoet (Chair)	Independent non-executive	4/4	
Haroon Bhorat	Independent non-executive	4/4	
Audrey Mothupi-Palmstierna	Independent non-executive	4/4	
Thabo Leeuw	Independent non-executive	1/1	Appointed 1 February 2026
Grant Pattison	Independent non-executive	1/1	Appointed 1 February 2026
Pooven Viranna	Independent non-executive	3/3	Appointed 1 June 2025

Biographical details of Committee members are available on the Group Investor Relations website at https://www.picknpayinvestor.co.za/board-and-committees and will be included in the 2026 Notice of AGM.

How the Committee fulfilled its responsibilities in FY26

Financial performance and reporting integrity

The Committee maintained oversight of the integrity and reliability of the Group's financial reporting, as well as the quality and sustainability of financial performance.

Throughout the year, the Committee monitored financial performance against budgets, forecasts and the Group's strategic plan, with a focus on key performance indicators and variances. It engaged with management on the drivers of performance and the appropriateness of actions taken in response.

The Committee reviewed the interim and year-end financial results, Annual Financial Statements and all other internal and external financial reports and publications, including trading updates, trading statements and SENS announcements. It assessed whether these provide a fair, balanced and understandable view of the Group's financial position, performance and cash flows. The Committee also monitored the Group's tax position and tax governance framework.

Particular attention was given to significant matters and areas of judgement, including accounting policies, impairments, deferred tax, provisions and prior year reclassifications and restatements. The Committee engaged with management and the external auditor on these matters and considered the significant matters reported in the external auditor's report.

Statutory duties and confirmations

The Committee:

- Confirmed that the Group's financial reporting complies with IFRS Accounting Standards and the JSE Listings Requirements, and concluded that the Annual Financial Statements present a fair, balanced and understandable view of the Group's financial position, performance and cash flows
- Concluded that the accounting policies applied and significant judgements and estimates are appropriate
- Confirmed that the Chief Finance Officer, and the finance function have the appropriate expertise, experience and resources
- Reviewed the Annual Financial Statements and other external reports and recommended their approval to the Board

Financial position and liquidity

The Committee maintained oversight of the Group's financial position, with particular focus on liquidity, solvency and disciplined capital management.

Following the recapitalisation in FY25, the Committee continued to monitor the Group's liquidity position, supported by the Finance and Investment Committee. This included oversight of the sufficiency of borrowing and working capital facilities and the careful and effective investment of surplus cash.

Statutory duties and confirmations

The Committee:

- Concluded that the assumptions underlying budgets, forecasts and cash flow projections are reasonable and supportable, and that liquidity, funding and capital allocation are being managed in a disciplined manner
- Confirmed that the Group satisfies the solvency and liquidity requirements of the Companies Act, and has adequate cash resources and funding facilities in place to meet its obligations as they fall due
- Concluded that the going concern basis of preparation of the Annual Financial Statements is appropriate and recommended this to the Board

Risk governance

The Committee closely monitored the Group's enterprise-wide risk management framework, recognising its importance in supporting strategic delivery and long-term value creation.

During the year, the Group transitioned from a co-sourced risk model, where elements of the risk management function were supported by an external independent service provider, to a fully in-house risk management function under a dedicated Head of Group Risk. This transition followed the establishment of appropriate risk frameworks and processes and was undertaken to strengthen internal capability, improve integration with the business and support a more practical, value-adding approach to risk management. The Committee maintained close oversight of this transition and the continued development of the function.

The Committee reviewed the Group's key risks and the evolving risk landscape, including operational, financial and external risks, and considered the effectiveness of mitigation strategies and management's response. Risk management continues to be embedded more deeply into operational and strategic decision-making, supporting a disciplined approach to growth and execution.

The Committee also considered how key risks are monitored and managed across the Group's operating divisions, including the consistency of risk identification and mitigation practices. Particular attention was given to IT governance, including cybersecurity, data protection and system resilience, given the critical role of technology in enabling the Group's operations and safeguarding its information assets.

The Committee continues to support the ongoing maturation of the risk management framework, building on established foundations and strengthening its integration into operational and strategic decision-making.

Statutory duties and confirmations

The Committee:

- Concluded that the Group's risk management framework is effective and continues to mature, and that risk management is appropriately embedded across the business in support of strategic and operational decision-making
- Confirmed that key risks are being identified, assessed and managed appropriately, with effective mitigation strategies in place

Internal control effectiveness

The Committee reviewed the effectiveness of the Group's internal control environment, recognising its importance in supporting reliable financial reporting and disciplined operational execution. The review drew on a range of inputs, including CEO and CFO attestations, management representations, internal audit reports, external audit feedback and broader assurance activities across the Group. The Committee considered the design and implementation of key controls within financial reporting processes, as well as controls addressing significant risk areas and areas involving judgement.

In addition, the Committee assessed how control practices are applied across the Group's operating divisions and monitored the resolution of control-related matters raised through assurance processes. Engagement with management focused on understanding the root causes of identified issues and the actions taken to strengthen the control environment over time.

Statutory duties and confirmations

The Committee:

- Concluded that the Group's internal financial controls were effective and that appropriate financial reporting procedures are in place and functioning effectively across the Group
- Confirmed that the control environment supports the integrity of financial and integrated reporting

Internal audit

The Committee oversaw the internal audit function, recognising its role as an independent third line of defence and a key component of the Group's combined assurance model. The Committee approved the internal audit charter and the annual risk-based audit plan, ensuring alignment with the Group's key risks and priorities. It retained oversight of the execution of the plan, including coverage of financial, operational and IT controls, and engaged with management on the findings arising from internal audit reviews. Focus was placed on the effectiveness of internal controls, the quality of management's response to audit findings and the timely implementation of agreed actions. The Committee also monitored outstanding audit issues to ensure appropriate resolution.

The internal audit function continues to operate as a mature and effective in-house capability. The Head of Internal Audit reports directly to the Committee and engages regularly with the Committee Chair, supporting independence and open communication. During the year, the function also supported Boxer in its transition to an independent in-house internal audit capability.

Statutory duties and confirmations

The Committee:

- Concluded that the internal audit function is effective, independent and appropriately positioned within the Group, with the necessary authority, access and resources to perform its responsibilities
- Confirmed that the internal audit plan is aligned to the Group's key risks and that the function provides appropriate assurance over the effectiveness of internal controls
- Concluded that management responds appropriately to internal audit findings and that agreed actions are implemented in a timely manner

External audit

The Committee oversaw the external audit process, with a focus on audit quality, independence and the robustness of the audit approach. The Committee reviewed and approved the external audit plan, including scope, materiality and key areas of focus, ensuring alignment with the Group's financial reporting risks and areas of judgement. In accordance with Committee policy, all non-audit services provided by the external auditor must be pre-approved by the Committee. These amounted to R95 970 (FY25: R25 000) representing 0.4% of the Group's assurance fees. The Committee engaged with the external auditor on audit progress, key audit matters and internal control findings, and monitored management's response where relevant. The Committee considered the key audit matters reported in the external audit report on pages 8 to 13 and is satisfied that these matters have been appropriately addressed in the Annual Financial Statements.

During the year, Tina Rookledge rotated off as the designated audit partner and was succeeded by Lucian Rolleston. The Committee considered his experience, suitability and independence as part of its oversight of the audit process.

Ernst & Young Inc. (EY) has served as the Group's external auditor since 2015. The Committee undertakes an annual assessment of independence, competence and audit quality. In the context of the Group's recent period of significant change, including the FY25 recapitalisation, stability, continuity and institutional knowledge were key considerations in the Committee's decision not to initiate an audit tender at this time. The need for audit firm rotation continues to be assessed annually.

Following the appointment of Tina Rookledge as the incoming Chief Financial Officer, the Committee applied its oversight responsibilities in line with the applicable regulatory and ethical standards. The Committee satisfied itself that appropriate independence safeguards were implemented, including an adequate cooling off period, clear separation from the FY26 financial reporting and assurance processes, and the ongoing protection of the independence and objectivity of the external audit.

Statutory duties and confirmations

The Committee:

- Approved the external auditor's engagement terms, audit plan and fees, and concluded that the audit approach is appropriate and responsive to the Group's financial reporting risks
- The Committee concluded that Ernst & Young Inc. is independent and effective in performing its duties as external auditor. In accordance with paragraph 5.7 (h)(iii) of the JSE Listings Requirements, the Committee considered the auditor's suitability, independence, performance and quality of audit work, including the application of professional scepticism and the resolution of all material audit matters
- Recommended the reappointment of EY to shareholders at the AGM

Combined assurance

The Committee oversaw a coordinated approach to assurance across the Group, ensuring that assurance activities are aligned to key risks and support effective oversight of controls and performance.

During the year, the Committee approved the Combined Assurance Framework and annual Combined Assurance workplan, which set out how assurance is applied across the Group's key risk areas. A management Combined Assurance Forum was established to improve coordination between business units and assurance providers, strengthen accountability and provide clearer visibility of risk management and assurance activities.

The Committee reviewed assurance outcomes across internal audit, external audit, risk and compliance, with a focus on the coverage of key risks, the quality of assurance provided and the effectiveness of management's response to identified issues. Particular attention was given to internal financial controls, including their effectiveness, the consistency of control practices across the Group and the timely resolution of identified control weaknesses.

Statutory duties and confirmations

The Committee:

- Approved the Combined Assurance Framework and annual work plan, and concluded that assurance activities are aligned to the Group's key risks
- Confirmed that coordination across internal audit, external audit, risk management and other assurance providers is effective
- Concluded that the combined assurance model provides sufficient and appropriate assurance over the effectiveness of internal controls, risk management and financial reporting processes

Regulatory compliance

The Committee oversaw the Group's compliance framework and regulatory obligations, supporting a culture of ethical conduct and responsible business practices.

The Committee monitored compliance processes across the Group, including key legal and regulatory developments and their impact on operations. It reviewed reports on compliance matters, including incidents of non-compliance, and engaged with management on the actions taken to address these and strengthen controls where required.

Particular focus was placed on whistleblowing processes, including reports received, investigation outcomes and the effectiveness of remediation actions. The Committee also considered third-party compliance and governance processes, recognising the importance of managing regulatory and reputational risks across the Group's broader ecosystem.

Statutory duties and confirmations

The Committee:

- Confirmed that the Group maintains an effective compliance framework that supports adherence to applicable laws, regulations and governance standards, and concluded that significant compliance matters are appropriately identified, addressed and resolved
- Confirmed that whistleblowing processes are effective, with appropriate investigation and remediation of reported matters, and that compliance practices support ethical conduct and sound governance across the Group

Events subsequent to the reporting date

The Committee is not aware of any material events that have occurred between the reporting date and the date of approval of these financial statements, other than those that are disclosed in the Group audited annual financial statements. Please refer to page 79 for further information.

Key focus areas for FY27

- Financial resilience – with continued focus on liquidity, funding and capital discipline
- Strengthening the Group's risk and assurance environment – including embedding the in-house risk function and strengthening combined assurance with a focus on third party compliance
- Maintaining focus on key risk areas – including systems and operational resilience
- Oversight of the Group's preparation for the adoption of King V – including the review and alignment of governance frameworks, policies and practices to evolving best practice

Committee effectiveness and re-election

The Committee conducted a formal self-assessment during the year and is satisfied that it has operated effectively and in accordance with its mandate. Areas for continued focus include supporting ongoing governance maturity, strengthening oversight in key risk areas, and ensuring appropriate succession and renewal of Committee membership. In accordance with the Companies Act, all members of the Committee will be put to shareholders for formal election or re-election at the 2026 AGM to be held in August 2026.

Based on the work performed by management, internal audit, the external auditor and other assurance providers, the Committee is satisfied that the Group's governance, risk management, internal control and assurance processes are effective.

The Committee further confirms that these processes support the integrity of the Group's financial and integrated reporting and provide a sound basis for reliable financial statements.

Aboubakar Jakoet
Chair: Group Audit, Risk and Compliance Committee

22 May 2026

Review of **operations**

Audited financial results for the 52 weeks ended 1 March 2026 (FY26)

Key Group financial indicators	**52 weeks to 1 March 2026 FY26**	53 weeks to 2 March 2025 FY25	% improvement
Turnover	**R120.3 billion**	R119.0 billion[1]	1.0
Turnover (pro forma 52w for FY25)[2]	**R120.3 billion**	R116.3 billion[1]	3.4
Trading profit	**R1 685 million**	R1 759 million	(4.2)
Trading profit margin	**1.4%**	1.5%	
Profit/(loss) before tax and capital items	**R360 million**	(R237 million)	
Headline loss	**(R386 million)**	(R408 million)	5.4
Headline loss per share (HEPS)	**(52.58 cents)**	(61.54 cents)	14.6

FY26 Group highlights

In FY26 the Group put in place critical initiatives for the Pick n Pay supermarkets turnaround plan, while Boxer continued to drive its store rollout. Achievements during the period include:

- **Pick n Pay SA Supermarkets like-for-like sales acceleration and gross profit margin accretion:** Company-owned supermarkets like-for like sales momentum improved to 3.9% vs. 3.3% in FY25, with the gross profit margin of the Pick n Pay segment simultaneously improving by 0.4%;
- **Critical progress on key Pick n Pay SA supermarkets turnaround initiatives:** including signing a materially improved logistics contract, concluding the store estate reset and improving the product range, particularly within Fresh categories. Post year end, Pick n Pay initiated an engagement with our store-based employees and labour partners to align with our operational needs and normalise our labour practices and costs compared to industry norms;
- **Exceptional performance from Boxer:** Boxer's market leading 12.3% turnover growth on a 52/52w basis further solidified its position as South Africa's leading grocery discounter;
- **Group profit recovery:** While the Pick n Pay segment reported a larger FY26 trading loss vs. FY25, the Group reduced its Headline loss by R22 million to R386 million.

Group result summary

The Group reported a R597 million positive year-on-year swing in profit before tax and capital items to a R360 million profit, against a loss of R237 million in FY25. The improvement was driven by a R681 million positive swing in net funding interest, partially offset by a R74 million reduction in consolidated trading profit. The profitability improvement was significantly lower at the Headline earnings level as a result of the R450 million increase in the Boxer non-controlling interest to R535 million, which resulted from the 34.4% Boxer non-controlling interest being included for the whole of FY26 vs. 3 months in FY25. The net result was that the Group Headline loss decreased by R22 million to R386 million.

Group turnover increased 3.4% (52/52w basis), with 12.3% growth from Boxer and a 1.6% decline from Pick n Pay, impacted by the store estate reset programme. Gross profit margin expanded 0.5% to 18.8%, with improvement in both the Pick n Pay and Boxer gross profit margin. Other income grew 0.6%. Trading expenses increased by 4.1%, driven by the Boxer store rollout. The R74 million (4.2%) decline in Group trading profit to R1.7 billion was the combined result of a R330 million increase in Boxer trading profit (to R2.6 billion) and a R404 million increase in the Pick n Pay trading loss (to R1.0 billion).

Turnover (Rm)	**FY26 (52 weeks)**	FY25 (53 weeks as reported)[1]	FY25 (52 weeks pro forma)[1,2]	52/53 weeks % change	**52/52 weeks % change**
Boxer	**46 682**	42 597	41 551	9.6%	**12.3%**
Pick n Pay*	**73 608**	76 452	74 798	(3.7%)	**(1.6%)**
South Africa	**70 405**	72 965	71 381	(3.5%)	**(1.4%)**
Rest of Africa	**3 203**	3 487	3 417	(8.1%)	**(6.3%)**
Group	**120 290**	119 049	116 349	1.0%	**3.4%**

* *Pick n Pay turnover growth impacted by a cumulative net reduction of the store estate of 98 company-owned and franchise supermarkets in FY25 and FY26.*

1 *FY25 turnover restated to now include certain items previously recognised within costs of goods sold. FY25 trading profit is not impacted; FY25 trading profit margin has been revised as a consequence of this turnover restatement.*

2 *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 an exceptionally strong FY26 performance. As consolidated by the Group, Boxer turnover grew 12.3% (52/52w) to R46.7 billion, and trading profit grew to R2.6 billion. The full FY26 Boxer results, as published by Boxer Retail Limited on 11 May 2026, can be found on the Boxer website at https://boxerinvestor.co.za/.

Pick n Pay (PnP) segment operational performance

Pick n Pay segment turnover

Pick n Pay made ongoing progress on its turnover objective of driving improved like-for-like sales growth in profitable stores and those stores with reasonable prospects of achieving profitability, whilst closing or converting those stores with limited opportunity for a profitable recovery.

Pick n Pay turnover declined 1.6% (52/52w) in FY26, with Pick n Pay South Africa declining 1.4%, reflecting the closures and conversions, and Rest of Africa declining 6.3%, impacted by the loss of the Namibian franchise from July 2025 and a weakening Botswana Pula.

Pick n Pay is changing its internal selling price inflation reporting method to the volume-held-constant method, to be in line with Boxer. On this basis, FY26 Pick n Pay internal selling price inflation was 1.9%. To provide historical comparison Pick n Pay's internal selling price inflation on a volume-held-constant basis was 2.2% in FY25 (previously reported at as 2.1%).

Pick n Pay's FY26 internal selling price inflation was well below Statistics SA food and non-alcoholic beverage inflation for the period of +4.4%, as Pick n Pay maintained its commitment to deliver low prices to customers.

South African company-owned and franchise supermarkets

FY26 like-for-like sales for company-owned supermarkets grew 3.9% year-on-year, an improvement on the 3.3% reported for FY25. H2 FY26 like-for-like sales slowed from the 4.8% reported in H1 FY26 to 3.0% in H2, as a consequence of a slow November 2025 (with a like-for-like decline), but this was followed by a return to pleasing growth in December, January and February.

Franchise like-for-like sales growth was 0.9% in FY26 vs – 0.1% in FY25. The Group continues its efforts to improve the franchise offering to drive sales and profitability for Pick n Pay and our franchisee partners.

The store estate reset plan, whereby Pick n Pay is closing those company-owned supermarkets with limited scope for reaching profitability, was mostly concluded during FY26. As a consequence of this, Pick n Pay reduced the number of South African company owned supermarkets and hypermarkets by a net 13 stores during the period, to 275 stores. Over the course of FY25 and FY26, the cumulative reduction totalled a net 49 stores.

While the total number of Pick n Pay franchise supermarkets declined by 49 stores during FY26, the majority of these closures related to Namibia.

The number of South African franchise supermarkets reduced by a net 17 stores during FY26, to close with 198 stores.

Like-for-like sales growth	FY25	H1 FY26	H2 FY26	FY26
PnP South Africa	2.0%	4.4%	1.3%	**2.8%**
PnP SA supermarkets	2.0%	3.7%	1.9%	**2.8%**
PnP SA company-owned supermarkets	3.3%	4.8%	3.0%	**3.9%**
PnP SA franchise supermarkets	(0.1%)	1.8%	(0.2%)	**0.9%**
PnP Clothing standalone stores	2.0%	7.5%	(5.6%)	**0.7%**

Note: 1) PnP SA supermarkets includes hypermarkets. 2) Franchise sales refers to wholesale sales from Pick n Pay to franchisees. 3) H1 FY26 like-for-like sales has been restated to normalise for a change in the franchise model.

Pick n Pay Online

Pick n Pay's online business had a strong FY26, with turnover increasing by 32.7% (52/52w basis) and the business achieving its profitability targets. On-demand platforms (asap! and PnP groceries on Mr D) delivered turnover growth of 37.6%.

The rollout of the next-generation asap! app in April 2025 was a key enabler of new customer acquisition and customer retention, through the introduction of integrated Smart Shopper rewards, enhanced value-added services, a redesigned, intuitive user experience, and the flexibility offered to customers to schedule their delivery and select their preferred delivery store. The platform's scale and capabilities have been supported by increased investment to deliver a faster shopping and payment process, as well as improved operations. asap! is now available in 620+ stores nationwide (company-owned supermarkets, hypermarkets, and franchise stores) with 2 500+ drivers improving delivery speed and reliability.

Pick n Pay Clothing

Pick n Pay Clothing turnover in standalone stores grew 5.3% in FY26 (52/52w) and 0.7% on a like-for-like basis. After reporting a strong first half of the year (turnover +12.0% and like-for-like +7.5%), the business experienced a slowdown in H2, with turnover -0.9% and like-for-like sales -5.6%.

The disappointing performance over the second half of the year was primarily driven by an exceptionally soft clothing market, exacerbated by a delayed online launch. Over 3 years, Pick n Pay Clothing's like-for-like sales growth average of 3.5% remains strong relative to competitors.

Pick n Pay Clothing opened net 22 stores during FY26 to bring the total estate to 437 stores, consisting of 419 company-owned and 18 franchise stores.

Pick n Pay segment gross profit

Pick n Pay's FY26 gross profit margin expanded 0.4% year-on-year to 17.0%. The improved gross profit margin was due to the combined impacts of reduced waste especially within the Fresh category, better category management, and the corporatisation of the Botswana stores, all of which were partially offset by a reduced margin on sales to franchisees in line with Pick n Pay's efforts to improve the profitability of its franchise partners.

Pick n Pay segment trading expenses

FY26 trading expenses increased 1.1%, including the additional week in the prior year base. While total trading expense growth was contained as a result of the store closures and conversions, like-for-like trading expense growth was 6.7%, ahead of 3.9% company-owned supermarket like-for-like sales growth. As a consequence, trading expenses as a % of turnover increased to 21.7% vs. 20.7% the previous year. The relatively high like-for-like expense growth was driven by increased advertising and employee costs. Pick n Pay incurred costs related to its various restructuring initiatives of R235 million during the period.

Employee costs – increased 2.6% to R6.6 billion. The slight increase in employee costs, despite the impact of the closed or converted company-owned supermarkets, was the result of selective hiring of skills in stores and regional offices to improve in-store execution and drive like-for-like sales, and above-inflation store level wage increases.

Occupancy costs – declined 5.0% to R2.2 billion. Occupancy was impacted by a R260 million IFRS16 profit on lease termination (R136 million in FY25), which arose from store closures and conversions. Excluding this IFRS16 profit from both periods, occupancy cost increased 0.4%.

Operations costs – declined 1.3% to R4.1 billion. Increased energy and utility costs, driven by price increases, exerted upward pressure on Operations costs when measured on a like-for-like basis. PPE depreciation and amortisation declined during the period as a result of store closures and conversions.

Merchandising and administration costs – increased 5.6% to R2.9 billion as a result of increased advertising costs as Pick n Pay invested in the brand to drive turnover growth.

Expected credit loss allowance – the charge increased 12.7% to R230 million.

Pick n Pay segment trading loss

Pick n Pay FY26 trading loss increased to R953 million (-1.3% trading margin) from R549 million (-0.7% trading margin) in FY25. The trading profit decline was the result of the 0.4% gross margin improvement being more than offset by the 1.0% increase in trading expenses as a % of turnover.

Rm	FY26 (52 weeks)	FY25[1] (53 weeks)	% change
Turnover	**73 608**	76 452	(3.7)
Gross profit	**12 546**	12 711	(1.3)
Other income	**2 472**	2 532	(2.4)
Trading expenses	**(15 971)**	(15 792)	1.1
Employee costs	**(6 609)**	(6 444)	2.6
Occupancy costs	**(2 163)**	(2 278)	(5.0)
Operations costs	**(4 067)**	(4 119)	(1.3)
Merchandise and admin	**(2 902)**	(2 747)	5.6
Expected credit loss allowance	**(230)**	(204)	12.7
Trading loss	**(953)**	(549)	73.6
Net lease finance expense#	**(1 080)**	(1 141)	(5.3)
Trading loss after lease interest*	**(2 033)**	(1 690)	20.3
Gross profit margin	**17.0%**	16.6%	
Trading expenses as % of turnover	**21.7%**	20.7%	
Trading loss margin	**(1.3%)**	(0.7%)	
Trading loss after lease interest margin	**(2.8%)**	(2.2%)	

[1] *Figures have been restated with no change to Gross profit, Trading loss, or Trading loss after lease interest. Refer to note 5 of the Group annual financial statements.*

Group trading profit segmentation

	FY26 (52 weeks)			FY25 (53 weeks)		
	Pick n Pay	Boxer	Group	Pick n Pay	Boxer	Group
Turnover	**73 608**	**46 682**	**120 290**	76 452	42 597	119 049
Trading (loss)/profit	**(953)**	**2 638**	**1 685**	(549)	2 308	1 759
Trading (loss)/profit margin	**(1.3%)**	**5.7%**	**1.4%**	(0.7%)	5.4%	1.5%
Net lease finance expense#	**(1 080)**	**(483)**	**(1 563)**	(1 141)	(412)	(1 553)
Trading (loss)/profit after lease interest*	**(2 033)**	**2 155**	**122**	(1 690)	1 896	206
Trading (loss)/profit after lease interest margin	**(2.8%)**	**4.6%**	**0.1%**	(2.2%)	4.5%	0.2%

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 33.6% year-on-year to R1.3 billion. Pick n Pay segment net finance costs declined 48.3% year-on-year to R843 million (due to the FY25 recapitalisation and the store estate reset programme), while Boxer net finance costs increased 31.3% year-on-year to R482 million (due to debt taken on prior to the IPO and store estate growth).

Funding interest – Group net funding interest swung from a net R443 million expense in FY25 to R238 million net income in FY26.

Lease interest – Implied net interest charges under IFRS 16 increased 0.6% year-on-year to R1.6 billion. The increase was driven by the store rollout in Boxer (lease interest up 17.2% year-on-year), with net lease interest in the Pick n Pay segment declining by 5.3%.

Net finance costs (Rm)	FY26 (52 weeks)	FY25 (53 weeks)	% change
Group	**(1 325)**	(1 996)	(33.6)
Net funding interest[1]	**238**	(443)	(153.7)
Net lease interest[2]	**(1 563)**	(1 553)	0.6
Pick n Pay	**(843)**	(1 629)	(48.3)
Net funding interest	**237**	(488)	(148.6)
Net lease interest	**(1 080)**	(1 141)	(5.3)
Boxer	**(482)**	(367)	31.3
Net funding interest	**1**	45	(97.8)
Net lease interest	**(483)**	(412)	17.2

[1] *Net funding interest includes interest received on trade and other receivables of R65 million and R78 million in FY26 and FY25 respectively, which is primarily interest income on overdue franchise receivables within the Pick n Pay segment.*

[2] *As per the Statement of Comprehensive Income. Lease liability finance costs less net investment in lease receivables finance income, which is income received from sub-leases where the Group holds head leases.*

Group capital items

The Group recorded an FY26 capital loss of R442 million, compared with R388 million in FY25. R398 million of the capital loss was recorded within the Pick n Pay segment, while R44 million occurred within Boxer. The Group capital loss reflected a R391 million net asset impairment together with a R51 million net loss on disposal of assets.

Group tax

The Group's effective tax rate reflects the combined effects of a 20.3% and 26.3% effective tax rate in the Pick n Pay segment and Boxer respectively. The Group expects to pay minimal tax in the Pick n Pay segment for the foreseeable future, given the anticipation of further losses within this segment and the accumulated tax losses.

Earnings per share

The Group notes the substantial impact of the 34.4% Boxer non-controlling interest, which was consolidated for full year FY26 versus three months within FY25. The high value of the FY26 non-controlling interest, at R535 million, has a material impact on the calculation of FY26 attributable earnings.

The FY26 loss and Headline loss reduced by 1.1% to R728 million and 5.4% to R386 million respectively. Per share earnings metrics continue to be impacted by the August 2024 PIK Rights Offer, which resulted in the weighted average number of ordinary shares in issue (net of treasury shares) increasing by 10.7% from 663.0 million in FY25 to 734.1 million for FY26.

Headline earnings per share (HEPS) – The Headline loss per share reduced by 14.6% to a loss of 52.58 cents per share. All impairment losses and other capital items are excluded from the calculation of headline earnings.

Earnings per share (EPS) – The loss per share reduced by 10.7% to a loss of 99.17 cents per share, and includes all items of a capital nature.

Detailed review of Group financial position

Funding

Group net cash at period-end was R3.1 billion, including R2.4 billion of net cash within Pick n Pay and R0.7 billion of net cash within Boxer. Group net cash reduced by R1.1 billion since March 2025, comprising a R0.9 billion positive swing within Boxer, and a R2.0 billion cash utilisation within Pick n Pay.

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

Funding (Rm)	FY26	FY25
Group gross debt (excluding leases)	**(200)**	(1 150)
Group cash and cash equivalents	**3 277**	5 328
Group net cash/(debt)	**3 077**	4 178
Pick n Pay net cash	**2 368**	4 358
Boxer net cash/(debt)	**709**	(180)

Working capital

Working capital absorbed R0.4 billion of Group liquidity in FY26. This included a R17 million liquidity utilisation within Pick n Pay and a R386 million utilisation within Boxer. The FY26 liquidity release is attributed to the following:

- Tight working capital controls within Pick n Pay, despite investing in inventory range; and
- A R0.9 billion inventory increase within Boxer, arising from strategic inventory investments, stocking the new Tongaat DC, and store growth.

Net working capital movement (Rm)	FY26 (52 weeks)	FY25 (53 weeks)
Pick n Pay	**(17)**	(505)
Boxer	**(386)**	(78)
Group liquidity absorption	**(403)**	(583)

Group capital investment

Group FY26 net capital investment (i.e. net of proceeds from asset disposals) of R1.9 billion reflected a 22.3% increase on the R1.6 billion invested in FY25. The increase was primarily driven by Pick n Pay which increased its net investment by 41.2% to R0.9 billion.

Group gross capital investment for the FY27 financial year is likely to be approximately R2.8 billion, including R1.7 billion for Pick n Pay and R1.1 billion for Boxer.

Net capital investment (Rbn)	FY26	FY25
Pick n Pay	**0.9**	0.6
Boxer	**1.0**	0.9
Group	**1.9**	1.6

Shareholder distribution

As a result of the headline loss incurred, the Board has not declared a dividend, and does not expect to declare any dividends until the Group has returned to sustainable profitability.

Subsequent event: R4.7 billion Boxer share sale

On 18 May 2026 the Group completed a placement of 57.3 million Boxer shares via an accelerated bookbuild for gross proceeds of R4.7 billion. The shares sold represent 12.5% of Boxer shares in issue, and reduce the Group's Boxer shareholding from 65.6% to 53.1%.

The net proceeds of the sale, together with the R2.4 billion of net cash within the Pick n Pay segment, will be used to invest in and fund the Pick n Pay segment's journey to growth and profitability.

The Group is firmly committed to retaining a majority stake in Boxer, which is a vital part of the Group.

Group strategic plan and outlook

FY26 saw an exceptional performance from Boxer. Against that, the Pick n Pay segment's increased trading loss indicates that the in-progress turnaround still has some way to go.

The loss of R2.0 billion at the trading profit after lease interest level in the Pick n Pay segment underpins the urgency of returning Pick n Pay to a sustainable enterprise. Notwithstanding the challenges, positive progress is being made in improving the customer experience, which is our lifeblood.

Critical elements of the Pick n Pay turnaround strategy have already been put in place, with the full benefits still to be realised. Initiatives including closing loss-making stores, strengthening store and regional management, and improving the product offer have driven a steady improvement in like-for-like sales coupled with a gross profit margin recovery. The new logistics contract is expected to drive further gross margin accretion in FY27 and FY28.

Astute management of trading expenses is a critical lever on the journey to achieving break-even at the trading level within the Pick n Pay segment. Employee costs are the Pick n Pay segment's largest expense (equating to 41.4% of FY26 trading expenses) and are out of kilter with the wider retail industry. Support office employee costs were targeted in FY26 (and continued to be addressed), with restructuring and a salary freeze. Post year end, Pick n Pay initiated a s.189A (of the Labour Relations Act) process with our bargaining unit store-based employees and labour partners with the express purpose of restructuring our labour model and bringing Pick n Pay's employee costs, practices and efficiencies in-line with the market. The outcome of this process, in combination with the other turnaround initiatives, is critical to Pick n Pay's ability to reach profit break-even, to create a sustainable business with secure futures for Pick n Pay employees.

Elevated oil and diesel prices mean that the trading outlook for FY27 is uncertain. The Group expects the war in the Persian Gulf to impact food inflation, logistical costs, and the ability of the consumer to spend. How these factors ultimately play out is unclear, and is largely predicated on the duration of the war.

Given the time it will take for the turnaround initiatives already in play to deliver their full benefits, and the challenges facing the South African retail market, the Group is pushing out its profit break-even target for the Pick n Pay segment by one year. The Group is now targeting the Pick n Pay segment to break even at the trading profit after lease interest level in FY29 (previously FY28). The delay reflects the phasing of the various elements of the turnaround plan, rather than any reduction in the Board's confidence that the turnaround objectives will ultimately be achieved.

In the 9 weeks post period-end, the Pick n Pay segment's South African supermarket like-for-like sales growth was slightly ahead of that achieved in FY26.

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

James Formby
Chair

Sean Summers
Chief Executive Officer

22 May 2026

Group annual **financial statements**

27 Statement of comprehensive income
28 Statement of financial position
29 Statement of changes in equity
30 Statement of cash flows

31 **Notes to the group annual financial statements**

1 Material accounting policies
2 Revenue
3 Loss before tax
4 Basic, headline and diluted earnings per share
5 Operating segments
6 Directors remuneration and interest in shares
7 Related party transactions
8 Cash and cash equivalents
9 Borrowings
10 Inventory
11 Trade and other receivables
12 Trade and other payables
13 Deferred revenue
14 Provisions
15 Impairments of non-financial assets
16 Property, plant and equipment
17 Intangible assets
18 Right-of-use assets
19 Net investment in lease receivables
20 Lease liabilities
21 Purchase of operations
22 Partly-owned subsidiary
23 Investment in associate and joint operations
24 Share capital
25 Treasury shares
26 Share-based payments
27 Dividends declared
28 Income tax
29 Deferred tax
30 Retirement benefits
31 Loans
32 Financial instruments
33 Going concern
34 Contingent liabilities
35 Commitments
36 Subsequent events
37 Standards and interpretation issued but not yet effective

Group statement of **comprehensive income**

for the period ended

	Note	52 weeks to 1 March 2026 Rm	Restated* 53 weeks to 2 March 2025 Rm
Revenue	2	**123 674**	122 458
Turnover	2	**120 290**	119 049
Cost of merchandise sold		**(97 672)**	(97 285)
Gross profit		**22 618**	21 764
Other income		**2 862**	2 844
Franchise fee income	2	**1 173**	1 244
Operating lease income	2	**93**	111
Commissions, dividend and other income	2	**1 596**	1 489
Trading expenses		**(23 795)**	(22 849)
Employee costs	3	**(10 009)**	(9 516)
Occupancy costs		**(3 456)**	(3 460)
Operations costs		**(6 423)**	(6 217)
Merchandising and administration costs		**(3 677)**	(3 452)
Expected credit loss allowance	11	**(230)**	(204)
Trading profit		**1 685**	1 759
Finance income	2	**522**	565
Funding finance income		**307**	349
Leases finance income	19	**215**	216
Finance costs		**(1 847)**	(2 561)
Funding finance expense		**(69)**	(792)
Leases finance expense	20	**(1 778)**	(1 769)
Profit/(loss) before tax before capital items		**360**	(237)
Loss on capital items		**(442)**	(388)
Net loss on disposal of assets		**(51)**	(94)
Loss from impairments of assets	15	**(391)**	(294)
Loss before tax	3	**(82)**	(625)
Tax	28	**(111)**	(26)
Loss for the period		**(193)**	(651)
Attributable to:			
Equity holders of the parent		**(728)**	(736)
Non-controlling interest		**535**	85
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss		**14**	2
Remeasurement of retirement scheme assets	30	**19**	3
Tax on items that will not be reclassified to profit or loss	29	**(5)**	(1)
Items that may be reclassified to profit or loss		**(6)**	(9)
Foreign currency translations		**(3)**	(8)
Movement in cash flow hedge		**(3)**	(1)
Tax on items that may be reclassified to profit or loss		**–**	–
Total comprehensive loss for the period		**(185)**	(658)
Attributable to:			
Equity holders of the parent		**(720)**	(743)
Non-controlling interest		**535**	85
Earnings per share		**Cents**	Cents
Basic loss per share	4	**(99.17)**	(111.01)
Diluted loss per share	4	**(99.17)**	(111.01)

* *Comparative figures have been restated to correct for certain product articles where system mapping erroneously resulted in turnover being presented within the incorrect financial statement lines. The reclassification increased prior period revenue, turnover and cost of merchandise sold by R439 million, with no impact on previously reported gross profit, and decreased revenue, 'commissions, dividend and other income' and 'merchandise and administration costs' by R105 million, with no impact on previously reported trading profit.*

Group statement of **financial position**

	Note	As at 1 March 2026 Rm	As at 2 March 2025 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	16	**8 965**	8 675
Right-of-use assets	18	**10 779**	11 043
Intangible assets	17	**1 192**	1 067
Net investment in lease receivables	19	**1 795**	2 017
Deferred tax assets	29	**3 236**	2 749
Trade and other receivables	11	**14**	8
Loans	31	**128**	143
Retirement scheme assets	30	**6**	60
Investment in insurance cell captive	32	**79**	72
Operating lease assets		**3**	5
		26 197	25 839
Current assets			
Inventory	10	**11 733**	10 598
Right-of-return assets	13	**22**	24
Trade and other receivables	11	**3 798**	4 366
Net investment in lease receivables	19	**334**	388
Loans	31	**14**	13
Derivative financial instruments	32	**–**	1
Cash and cash equivalents	8	**3 277**	5 328
		19 178	20 718
Non-current asset held for sale	16	**122**	250
Total assets		**45 497**	46 807
EQUITY AND LIABILITIES			
Equity			
Share capital	24	**3 883**	3 883
Treasury shares	25	**(507)**	(496)
Other reserves		**(2)**	6
Foreign currency translation reserve		**(400)**	(397)
Retained earnings		**6 588**	7 301
Equity attributable to equity holders of parent		**9 562**	10 297
Non-controlling interest	22	**1 144**	668
Total equity		**10 706**	10 965
Non-current liabilities			
Lease liabilities	20	**15 883**	16 379
Borrowings	9	**200**	850
Deferred tax liabilities	29	**71**	–
		16 154	17 229
Current liabilities			
Trade and other payables	12	**15 326**	15 036
Deferred revenue	13	**377**	300
Provisions	14	**71**	96
Lease liabilities	20	**2 652**	2 741
Bank overdraft and overnight borrowings	8	**–**	300
Current tax liabilities	28	**209**	140
Derivative financial instruments	32	**2**	–
		18 637	18 613
Total equity and liabilities		**45 497**	46 807

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 25 February 2024		6	(557)	646	1	(389)	(293)	–	(293)
Total comprehensive (loss)/income for the period		–	–	(734)	(1)	(8)	(743)	85	(658)
(Loss)/income for the period		–	–	(736)	–	–	(736)	85	(651)
Foreign currency translations		–	–	–	–	(8)	(8)	–	(8)
Movement in cash flow hedge		–	–	–	(1)	–	(1)	–	(1)
Remeasurement of 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	24	3 877	–	–	–	–	3 877	–	3 877
Proceeds on sale of rights attached to treasury shares, pursuant to rights offer	25	–	17	–	–	–	17	–	17
Net effect of settlement of employee share awards	25	–	44	(44)	–	–	–	–	–
Net proceeds from change of ownership interest in subsidiary	22	–	–	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**
Total comprehensive (loss)/income for the period		**–**	**–**	**(714)**	**(3)**	**(3)**	**(720)**	**535**	**(185)**
(Loss)/income for the period		**–**	**–**	**(728)**	**–**	**–**	**(728)**	**535**	**(193)**
Foreign currency translations		**–**	**–**	**–**	**–**	**(3)**	**(3)**	**–**	**(3)**
Movement in cash flow hedge		**–**	**–**	**–**	**(3)**	**–**	**(3)**	**–**	**(3)**
Remeasurement of retirement scheme assets		**–**	**–**	**14**	**–**	**–**	**14**	**–**	**14**
Other reserve movements		**–**	**–**	**–**	**(5)**	**–**	**(5)**	**–**	**(5)**
Transactions with owners		**–**	**(11)**	**1**	**–**	**–**	**(10)**	**(59)**	**(69)**
Shares purchased during the period	25	**–**	**(101)**	**–**	**–**	**–**	**(101)**	**–**	**(101)**
Purchase of non-controlling interest[#]		**–**	**–**	**(39)**	**–**	**–**	**(39)**	**(21)**	**(60)**
Net effect of settlement of employee share awards	25	**–**	**90**	**(90)**	**–**	**–**	**–**	**–**	**–**
Dividends paid	27	**–**	**–**	**–**	**–**	**–**	**–**	**(71)**	**(71)**
Share-based payments	3	**–**	**–**	**130**	**–**	**–**	**130**	**33**	**163**
At 1 March 2026		**3 883**	**(507)**	**6 588**	**(2)**	**(400)**	**9 562**	**1 144**	**10 706**

[#] *Purchase of non-controlling interest shares by Boxer Retail Limited Group ("Boxer") for Long Term Incentive Plan ("LTIP").*

Group statement of **cash flows**

for the period ended

	Note	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Cash flows from operating activities			
Trading profit		**1 685**	1 759
Adjusted for dividend income	2	**(25)**	–
Adjusted for non-cash items		**3 800**	3 731
Depreciation of property, plant and equipment	16	**1 469**	1 436
Depreciation of right-of-use assets	18	**2 298**	2 253
Amortisation of intangible assets	17	**123**	127
Share-based payments	3	**163**	71
Profit on termination of leases		**(295)**	(178)
Other lease adjustments		**(19)**	34
Movement in operating lease assets		**2**	1
Movement in retirement scheme assets		**72**	(6)
Fair value and foreign exchange adjustments		**(13)**	(7)
Cash generated before movements in working capital		**5 460**	5 490
Movements in working capital		**(403)**	(583)
Movements in trade and other payables, provisions and deferred revenue		**249**	(229)
Movements in inventory and right-of-return assets		**(1 013)**	(386)
Movements in trade and other receivables		**361**	32
Cash generated from trading activities		**5 057**	4 907
Funding interest received		**312**	350
Funding interest paid		**(69)**	(900)
Interest received on net investment in lease receivables	19	**228**	210
Interest paid on lease liabilities	20	**(1 791)**	(1 681)
Cash generated from operations		**3 737**	2 886
Dividends received		**25**	–
Dividends paid	27	**(71)**	–
Tax paid	28	**(534)**	(744)
Cash generated from operating activities		**3 157**	2 142
Cash flows from investing activities			
Investment in intangible assets	17	**(69)**	(164)
Investment in property, plant and equipment	16	**(1 925)**	(1 513)
Purchase of operations	21	**(89)**	(48)
Proceeds on disposal of fixed assets*		**163**	155
Principal net investment in lease receipts	19	**360**	377
Lease incentives received		**155**	116
Loans repaid		**44**	73
Loans advanced		**(30)**	(59)
Cash utilised in investing activities		**(1 391)**	(1 063)
Cash flows from financing activities			
Principal lease liability payments	20	**(2 684)**	(2 679)
Borrowings raised	9	**–**	3 235
Repayment of borrowings	9	**(650)**	(8 651)
Share purchases	25	**(101)**	–
Purchase of non-controlling interest shares by Boxer for LTIP		**(60)**	–
Net proceeds for rights offer		**–**	3 877
Proceeds on sale of rights attached to treasury shares, pursuant to rights offer	25	**–**	17
Proceeds for change in ownership interest as a result of the IPO	22	**–**	7 945
Cash (utilised)/generated from financing activities		**(3 495)**	3 744
Net (decrease)/increase in cash and cash equivalents		**(1 729)**	4 823
Net cash and cash equivalents at beginning of period		**5 028**	204
Foreign currency translations		**(22)**	1
Net cash and cash equivalents at end of period	8	**3 277**	5 028
Consisting of:		**3 277**	5 028
Cash and cash equivalents		**3 277**	5 328
Overnight borrowings		**–**	(300)

* *Includes 'property, plant and equipment', 'intangible assets', and 'non-current assets held for sale'. Proceeds on disposals of fixed assets have been aggregated. Comparatives have been amended for comparability purposes.*

Notes to the group annual **financial statements**

1 Material accounting policies

1.1 Reporting entities

The Group annual financial statements for the 52 weeks ended 1 March 2026 (2025: 53 weeks ended 2 March 2025) comprise Pick n Pay Stores Limited, 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 as issued by the International Accounting Standards Board and its interpretations as issued by the IFRS Interpretations Committee (together, "IFRS Accounting Standards"), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, 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 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. During the current year, the order of notes to the financial statements has been amended in order to improve the relevance for users of the financial statements.

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.

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 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. These 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 37.

The Group has prepared its financial statements on the going concern assumption. Refer to note 33 for further information.

1.4 Basis of consolidation

Investment in subsidiaries

Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are consolidated in the Group annual financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The acquisition method is used to account for business combinations. The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. Identifiable assets acquired, and liabilities and contingent liabilities assumed are measured initially at fair value at the acquisition date, including deferred tax consequences, irrespective of non-controlling interest. Where the consideration transferred exceeds the fair value of the Group's share of the identifiable net assets acquired, this excess is recognised as goodwill. Where the consideration transferred is less than fair value of the Group's share of the identifiable net assets acquired, the difference is recognised directly in the statement of comprehensive income.

Where the acquiree is party to contractual relationships with the Group prior to its acquisition, these pre-existing contractual relationships are treated as effectively settled at the acquisition date and the effective settlement included in the consideration.

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.

Interest in equity-accounted investees

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

Interest in joint operations

The Group has assessed the risks associated with its interest in the joint operations, which are recognised in accordance with the rights and obligations arising from its involvement, and has determined that there are no significant risks that could materially affect the Group's financial position, financial performance or cash flows.

1 Material accounting policies *continued*

1.5 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.

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 cash-generating unit (CGU) for impairment testing of intangible assets, property, plant and equipment, and right-of-use assets, as stores are able to generate cashflows largely independently from other groups of assets (refer note 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 disposal. 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.

When a fair value less costs of disposals measure was determined as the recoverable amount, the Group determined fair value using a discounted cash flow model rather than a sales multiple technique, to reflect a more appropriate measure based on the current environment. This is not a correction of error nor is it a change in accounting policy.

In assessing both fair value less cost of disposal and value-in-use for a CGU, the estimated future cash flows of the 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. For value-in-use, cash flow forecasts do not include restructuring activities that the Group is not yet committed to.

Cash flow forecasts were determined for a 5-year period, with cash flows beyond this period being extrapolated using an appropriate growth rate. The growth rate was determined taking into account formalised data relating to the relevant economy, including forward-looking food inflation estimates. Where the CGU is a trading store and the Group intends to close the store, value-in-use cash flow forecasts were based on the remaining lease period.

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 1.13 and note 15.

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 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 1.13).

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.

1 Material accounting policies *continued*

1.6 Use of estimates, judgements and assumptions *continued*

Determination and measurements of the recoverable amounts of corporate assets *continued*

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. Refer to note 15 for sensitivity analysis performed on key assumptions applied in the preparation of the annual financial statements.

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

In prior periods 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 in current and prior periods was driven by a substantial trading loss reported in the Pick n Pay segment. The Pick n Pay segment's continued trading loss triggered an indicator of impairment for the total assets of the Pick n Pay segment in both the current and prior 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 experienced in the future. Refer to note 11, 19, 31 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 and payable.

Deferred tax assets represent the amount of income tax recoverable in future periods in respect of net 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, recapitalisation options 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, competitive forces and realisation of investment returns. The successful delivery 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 and the capital, and related investment returns that are likely to be realised, required to support the delivery of the plan over the period. 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 28 and note 29.

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 recorded 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 to recognise 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 1.19.

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 are based on historical return data. Any significant changes in experience as compared to historical return patterns will impact the expected return percentages estimated by the Group. Estimated return percentages are updated regularly and the refund liability is adjusted accordingly. Refer to note 13.

1 Material accounting policies *continued*

1.6 Use of estimates, judgements and assumptions *continued*

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 26.

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 10.

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 13.

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 30.

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 24 and 25.

Segmental reporting

IFRS 8 *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 is satisfied that the nature of products offered in each operating segment are similar within the various 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 5.

1.7 Intangible assets

Subsequent to initial recognition, intangible assets are measured at cost less accumulated amortisation and impairment losses, with the exception of goodwill and other intangible assets with indefinite useful lives which are measured at cost less accumulated impairment losses.

1 Material accounting policies *continued*

1.7 Intangible assets *continued*

Amortisation

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
Software assets	4 to 8 years
Licenses	9 years

Impairment

Intangible assets are assessed for impairment as non-financial assets in accordance with note 1.13.

1.8 Property, plant and equipment

Subsequent to initial recognition, all property, plant and equipment is 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.

Depreciation

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.

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	3 to 8 years
▪ Leasehold improvements	8 years
▪ Aircraft and major components	8 to 20 years

Impairment

Property, plant and equipment are assessed for impairment as non-financial assets in accordance with note 1.13.

1.9 Right-of-use assets

Right-of-use assets are initially recognised at cost and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Cost

The cost of right-of-use assets include the initial measurement of the corresponding lease liabilities, any initial direct costs less any lease incentives received and less any dismantling or restoration costs expected to be incurred in order to restore the asset or the site on which it is located.

Depreciation

Depreciation is based on the cost of the right-of-use asset over its useful life. At the commencement date of lease agreements, management determines 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 on a straight-lined basis over the estimated useful lives of the right-of-use assets as an expense in the statement of comprehensive income, within occupancy 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 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 1.13.

1.10 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 1.16) 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 when 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.

1 Material accounting policies
continued

1.10 Net investment in lease receivables
continued

Impairment
Net investment in lease receivables are assessed for impairment as financial assets in accordance with note 1.13.

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.

1.11 Inventory
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.

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 as cost of sales.

1.12 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.

1.13 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
Impairment testing of non-financial assets, other than inventory, defined benefit assets, and deferred tax 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:

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

This this is also the level to which relevant goodwill has been allocated, except for the goodwill relating to the original acquisition of the Boxer segment and the goodwill relating to the acquisition of the Group's Botswana subsidiaries; goodwill has been allocated to these two groups of CGUs because they are the lowest levels within the entity at which the relevant goodwill is monitored for internal management purposes, and is not larger than an operating segment determined in accordance with IFRS 8 *Operating Segments* before aggregation.

1 Material accounting policies *continued*

1.13 Impairment of assets *continued*

Non-financial assets *continued*

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 cost of disposal 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. 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 cost of disposal. 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.

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 15 for further information on impairment losses during the current period under review.

1.14 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.

1.15 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.

1.16 Leases liabilities

The Group enters into various lease agreements as the lessee of property, equipment and vehicles.

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.

1 Material accounting policies *continued*

1.16 Leases liabilities *continued*

Initial recognition *continued*

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.

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.

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.

1.17 Financial instruments

Initial recognition and measurement

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.

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.

Subsequent measurement

Financial assets at amortised cost

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. 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.

1 Material accounting policies *continued*

1.17 Financial instruments *continued*

Subsequent measurement *continued*

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 1.16 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.

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 Other Reserves) 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.

1.18 Provisions

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.

1.19 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, or on payment terms ranging between 7 and 35 days.

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.

1 Material accounting policies *continued*

1.19 Revenue *continued*

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. Payment of the transaction price in respect of franchise fee income is on payment terms ranging between 7 and 35 days.

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.

Payment of the transaction price in respect of commission and other income is on payment terms ranging between 7 and 35 days.

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.

1.20 Employee benefits

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.

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.

1 Material accounting policies *continued*

1.21 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 driver 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, Pick n Pay Express and Pick n Pay Online 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.

1.22 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).

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.

	52 weeks to 1 March 2026 Rm	Restated* 53 weeks to 2 March 2025 Rm
2 Revenue		
Revenue from contracts with customers	**123 034**	121 782
Turnover	**120 290**	119 049
Franchise fee income	**1 173**	1 244
Commissions and other income	**1 571**	1 489
Operating lease income	**93**	111
Dividend income from investment in insurance cell captive	**25**	–
Finance income	**522**	565
Bank balances and investments	**242**	271
Trade receivables and other	**65**	78
Net investment in lease receivables (note 19)	**215**	216
	123 674	122 458

Revenue recognised during the period, recorded within turnover, from amounts included in deferred revenue at the beginning of the period amounted to R249 million (2025: R290 million). Refer to note 13.

* *Comparative figures have been restated to correct for certain product articles where system mapping erroneously resulted in turnover being presented within the incorrect financial statement lines. The reclassification increased prior period revenue, turnover and cost of merchandise sold by R439 million, with no impact on previously reported gross profit, and decreased revenue, 'commissions, dividend and other income' and 'merchandise and administration costs' by R105 million respectively, with no impact on previously reported trading profit.*

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
3 Loss before tax		
Profit/(loss) before tax is stated after taking into account the following expenses:		
3.1 Employee costs		
Salaries and wages	**9 009**	8 695
Staff benefits and training	**487**	418
Share-based payments	**163**	71
Net income recognised on defined-benefit plan (note 30.1)	**(3)**	(6)
Contributions to defined-contribution plans (note 30.2)	**353**	338
	10 009	9 516
3.2 Auditor's remuneration		
Assurance services		
Ernst & Young Inc.*	**20**	19
Other	**4**	3
	24	22
3.3 Foreign exchange gains/(losses)		
Lease liabilities gains/(losses)	**6**	(2)
Other foreign exchange gains/(losses)	**5**	(12)
	11	(14)
3.4 Fair value gains		
Investment in insurance cell captive gain	**6**	11
Other fair value gains/(losses)	**1**	(1)
	7	10

* *In addition, assurance-related services of Rnil (2025: R17 million) that related to capital transactions were recognised directly in equity, and non-audit services amounting to R95 970 (2025: R25 000) were recognised in Loss before tax.*

	52 weeks to 1 March 2026 Cents per share	53 weeks to 2 March 2025 Cents per share

4 Basic, headline and diluted earnings per share

Basic loss per share	**(99.17)**	(111.01)
Diluted loss per share	**(99.17)**	(111.01)
Headline loss per share	**(52.58)**	(61.54)
Diluted headline loss per share	**(52.58)**	(61.54)

	Rm	Rm

4.1 Reconciliation between basic and headline earnings

Loss for the period attributable to equity holders of parent – basic earnings for the period	**(728)**	(736)
Adjustments:	**342**	328
Loss on disposal of assets	**51**	94
Tax effect of loss on disposal of assets	**(12)**	(18)
Loss from impairments of assets	**391**	294
Tax effect of loss from impairments of assets	**(75)**	(38)
Non-controlling interest	**(13)**	(4)
Headline loss for the period	**(386)**	(408)

	000's	000's

4.2 Number of ordinary shares

Number of ordinary shares in issue (note 24.1)	**745 657**	745 657
Weighted average number of ordinary shares in issue (excluding treasury shares)	**734 125**	663 018
Diluted weighted average number of ordinary shares in issue	**734 125**	663 018
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)	**734 125**	663 018
Dilutive effect of share awards	**–**	–
Diluted weighted average number of ordinary shares in issue	**734 125**	663 018

Any outstanding PIK 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.

5 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
52 weeks to 1 March 2026			
Financial performance			
Revenue	76 535	47 139	123 674
Turnover	73 608	46 682	120 290
Cost of merchandise sold	(61 062)	(36 610)	(97 672)
Gross profit	12 546	10 072	22 618
Other income	2 472	390	2 862
Franchise fee income	1 173	–	1 173
Operating lease income	93	–	93
Commissions, dividend and other income	1 206	390	1 596
Trading expenses	(15 971)	(7 824)	(23 795)
Employee costs	(6 609)	(3 400)	(10 009)
Occupancy costs	(2 163)	(1 293)	(3 456)
Operations costs	(4 067)	(2 356)	(6 423)
Merchandise and administration costs	(2 902)	(775)	(3 677)
Expected credit loss allowance	(230)	–	(230)
Trading (loss)/profit**	(953)	2 638	1 685
Finance income	455	67	522
Funding finance income	240	67	307
Leases finance income	215	–	215
Finance costs	(1 298)	(549)	(1 847)
Funding finance expense	(3)	(66)	(69)
Leases finance expense	(1 295)	(483)	(1 778)
(Loss)/profit before tax before capital items	(1 796)	2 156	360
Loss on capital items	(398)	(44)	(442)
Net loss on disposal of assets	(38)	(13)	(51)
Loss from impairments of assets	(360)	(31)	(391)
(Loss)/profit before tax	(2 194)	2 112	(82)
Included in (loss)/profit before tax is the following:			
Depreciation and amortisation	(2 507)	(1 383)	(3 890)
Net funding finance income	237	1	238
Net leases finance expense	(1 080)	(483)	(1 563)
Financial position			
Total assets	31 205	14 292	45 497
Total liabilities	23 824	10 967	34 791
Additions to non-current assets	2 589	2 196	4 785

Geographical information	South Africa Rm	Rest of Africa Rm	Group Rm
Financial performance			
Turnover	116 402	3 888	120 290
Pick n Pay	70 405	3 203	73 608
Boxer	45 997	685	46 682
Franchise fee income	1 159	14	1 173
Operating lease income	91	2	93
Commissions, dividend and other income	1 596	–	1 596
Finance income	509	13	522
Revenue	119 757	3 917	123 674
Financial position			
Non-current assets***	20 537	524	21 061

The Pick n Pay segment earned dividends from the Boxer segment of R136 million (2025: R9 260 million), which is removed on consolidation and not included in the disclosures above.

* *The structure of the operating segments note has been adjusted to allow for comparison to the Group statement of comprehensive income. The comparative structure has been amended accordingly.*

** *"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 and capital items.*

*** *Non-current assets consists of property, plant and equipment, right-of-use asset, intangible assets, operating lease assets and non-current asset held for sale. Comparatives have been amended for comparability.*

5 Operating segments* *continued*

Reportable segments	Restated# Pick n Pay Rm	Restated# Boxer Rm	Restated# Group Rm
53 weeks to 2 March 2025			
Financial performance			
Revenue	79 458	43 000	122 458
Turnover	76 452	42 597	119 049
Cost of merchandise sold	(63 741)	(33 544)	(97 285)
Gross profit	12 711	9 053	21 764
Other income	2 532	312	2 844
Franchise fee income	1 244	–	1 244
Operating lease income	101	10	111
Commissions and other income	1 187	302	1 489
Trading expenses	(15 792)	(7 057)	(22 849)
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	(2 747)	(705)	(3 452)
Expected credit loss allowance	(204)	–	(204)
Trading (loss)/profit*	(549)	2 308	1 759
Finance income	474	91	565
Funding finance income	258	91	349
Leases finance income	216	–	216
Finance costs	(2 103)	(458)	(2 561)
Funding finance expense	(746)	(46)	(792)
Leases finance expense	(1 357)	(412)	(1 769)
(Loss)/profit before tax before capital items	(2 178)	1 941	(237)
Loss on capital items	(355)	(33)	(388)
Net loss on disposal of assets	(81)	(13)	(94)
Loss from impairments of assets	(274)	(20)	(294)
(Loss)/profit before tax	(2 533)	1 908	(625)
Included in (loss)/profit before tax is the following:			
Depreciation and amortisation	(2 558)	(1 258)	(3 816)
Net funding finance (expense)/income	(488)	45	(443)
Net leases finance expense	(1 141)	(412)	(1 553)
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

Geographical information	Restated# South Africa Rm	Restated# Rest of Africa Rm	Restated# Group Rm
Financial performance			
Turnover	114 913	4 136	119 049
Pick n Pay	72 965	3 487	76 452
Boxer	41 948	649	42 597
Franchise fee income	1 227	17	1 244
Operating lease income	108	3	111
Commissions and other income	1 488	1	1 489
Finance income	527	38	565
Revenue	118 263	4 195	122 458
Financial position			
Non-current assets	20 801	239	21 040

* *"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 and capital items.*

\# *Comparative figures have been restated to correct for certain product articles where system mapping erroneously resulted in turnover being presented within the incorrect financial statement lines. The reclassification increased Group prior period revenue, turnover and cost of merchandise sold by R439 million and Pick n Pay, Pick n Pay South Africa, Pick n Pay Rest of Africa, Boxer, Boxer South Africa and Boxer Rest of Africa by R186 million, R176 million, R10 million, R253 million, R250 million, R3 million, respectively, with no impact on previously reported gross profit. The reclassification also reduced the Group revenue, 'commissions and other income', and 'merchandising and administration costs' by R105 million, within the Pick n Pay (South Africa) segment, with no impact on previously reported trading profit.*

6 Directors' remuneration and interest in shares

6.1 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 incentive bonus R'000	Total remuneration R'000	Long-term awards charges – current year[4] R'000
2026								
Non-executive directors	8 580	3 244	–	–	11 824	–	11 824	–
Gareth Ackerman[1]	2 702	143	–	–	2 845	–	2 845	–
Jonathan Ackerman	510	111	–	–	621	–	621	–
Suzanne Ackerman	510	131	–	–	641	–	641	–
Haroon Bhorat	510	745	–	–	1 255	–	1 255	–
James Formby*#1	2 094	–	–	–	2 094	–	2 094	–
David Friedland[2]	255	180	–	–	435	–	435	–
Aboubakar Jakoet	510	807	–	–	1 317	–	1 317	–
Thabo Leeuw[3]	43	27	–	–	70	–	70	–
Audrey Mothupi-Palmstierna	510	549	–	–	1 059	–	1 059	–
Annamarie van der Merwe	510	345	–	–	855	–	855	–
Grant Pattison[3]	43	39	–	–	82	–	82	–
Pooven Viranna[2]	383	167	–	–	550	–	550	–
Executive directors	–	–	32 925	300	33 225	3 130	36 355	35 309
Sean Summers**	–	–	25 200	–	25 200	–	25 200	31 517
Lerena Olivier	–	–	7 725	300	8 025	3 130	11 155	3 792
Total remuneration	8 580	3 244	32 925	300	45 049	3 130	48 179	35 309

1 *Gareth Ackerman retired as Chairman of Pick n Pay effective 5 August 2025. James Formby was appointed as Chairman on that date.*

2 *Pooven Viranna was appointed as an independent non-executive director effective on 1 June 2025. David Friedland retired as an independent non-executive director effective 5 August 2025.*

3 *Thabo Leeuw and Grant Pattison were appointed as independent non-executive directors effective on 1 February 2026.*

4 *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 by the Group if the vesting criteria are not met.*

* *Includes fee as lead independent director prior to appointment as Chairman on 5 August 2025.*

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

\# *Serves as a non-executive director of the Boxer Retail Group for which he earned R1.8 million (2025: R0.8 million) in addition to the above disclosed amount.*

6 Directors' remuneration and interest in shares *continued*

6.1 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-Palmstierna	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 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 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 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.*

6 Directors' remuneration and interest in shares *continued*

6.2 Directors' interest in ordinary shares

2026	How held[1]	Balance held at 2 March 2025	Additions/ grants	Disposals	Vesting	Forfeits	Balance held at 1 March 2026[2]	Beneficial/ non-beneficial interest[3]
Gareth Ackerman	indirect	2 746 492	–	–	–	–	2 746 492	Beneficial
Ackerman Pick n Pay Foundation[4]	indirect	153 981	–	–	–	–	153 981	Non-beneficial
Ackerman Family Investment Holdings Proprietary Limited[5]	indirect	2	–	–	–	–	2	Non-beneficial
Ackerman Investment Holdings (RF) Proprietary Limited[6]*	indirect	189 334 996	–	(64 038 857)	–	–	125 296 139	Non-beneficial
Mistral Trust[7]	indirect	4 533 300	–	–	–	–	4 533 300	Non-beneficial
Sean Summers	direct	345 391	2 000 000	–	–	–	2 345 391	Beneficial
	direct – RSP	4 000 000	–	–	(2 000 000)	(1 000 000)	1 000 000	Beneficial
Lerena Olivier	direct	163 078	34 800	(16 182)	–	–	181 696	Beneficial
	direct – RSP	34 800	514 454	–	(34 800)	(257 227)	257 227	Beneficial
Suzanne Ackerman	indirect	1 072 919	–	–	–	–	1 072 919	Beneficial
Jonathan Ackerman	indirect	1 537 256	–	–	–	–	1 537 256	Beneficial
Aboubakar Jakoet	direct	10 000	–	–	–	–	10 000	Beneficial
	indirect[8]	750 000	–	–	–	–	750 000	Beneficial
	indirect	13 995	–	–	–	–	13 995	Non-beneficial
James Formby	direct	6 130	–	–	–	–	6 130	Beneficial
	indirect	63 306	–	–	–	–	63 306	Beneficial

David Friedland retired as an independent non-executive director effective 5 August 2025.

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 1 March 2026 up to the date of approval of the 2026 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 (RF) 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.*

* *During the period under review, the Ackerman Family, through Ackerman Investment Holdings (RF) Proprietary Limited sold 64 038 857 ordinary Pick n Pay Stores Limited shares by way of an accelerated bookbuild offering. Refer to note 6.3 for the impact on voting rights.*

6 Directors' remuneration and interest in shares *continued*

6.2 Directors' interest in ordinary shares *continued*

2025	How held[1]	Balance held at 25 February 2024	Additions/ grants*	Disposals*	Balance held at 2 March 2025	Beneficial/ non-beneficial interest[2]
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[3]	indirect	101 900	52 081	–	153 981	Non-beneficial
Ackerman Family Investment Holdings Proprietary Limited[4]	indirect	1	1	–	2	Non-beneficial
Ackerman Investment Holdings (RF) Proprietary Limited[5]	indirect	124 677 237	64 657 759	–	189 334 996	Non-beneficial
Mistral Trust[6]	indirect	3 000 000	1 533 300	–	4 533 300	Non-beneficial
Sean Summers	direct	–	644 456	(299 065)	345 391	Beneficial
	direct – RSP	–	4 000 000	–	4 000 000	Beneficial
Lerena Olivier	direct	96 150	66 928	–	163 078	Beneficial
	direct – RSP	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[7]	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 *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 the Ackerman Pick n Pay Foundation represents the holdings of Gareth Ackerman and Suzanne Ackerman in their capacities as trustees.*

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 (RF) 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 *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.*

6 Directors' remuneration and interest in shares *continued*

6.3 Directors' interest in B shares

2026	How held[1]	Balance held at 2 March 2025	Balance held at 1 March 2026[2]	Beneficial/ non-beneficial interest[3]
Gareth Ackerman	indirect	4 216 004	4 216 004	Beneficial
Ackerman Investment Holdings (RF) Proprietary Limited[4]	indirect	310 989 391	310 989 391	Non-beneficial
Mistral trust[5]	indirect	6 703 896	6 703 896	Non-beneficial
Suzanne Ackerman	indirect	1 489 399	1 489 399	Beneficial
Jonathan Ackerman	indirect	1 782 990	1 782 990	Beneficial

As previously announced, Ackerman Investment Holdings (RF) Proprietary Limited and its related and inter-related persons (collectively, the "Ackerman Family") disposed of 64 038 857 ordinary shares on 17 November 2025 and the 105 186 384 B shares held by the Ackerman Family that were previously attached to such ordinary shares have ceased to have voting rights. Subject to the requisite shareholder approval being obtained at the 2026 AGM, these "unstapled" B shares will be repurchased by the Company for a nominal price of R0.00001 per B share and cancelled, as contemplated in the Memorandum of Incorporation (MOI).

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 1 March 2026 up to the date of approval of the 2026 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 (RF) 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.*

2025	How held[1]	Balance held at 25 February 2024	Additions	Disposals	Balance held at 2 March 2025	Beneficial/ non-beneficial interest[2]
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 (RF) Proprietary Limited[3]	indirect	246 936 847	64 052 544	–	310 989 391	Non-beneficial
Mistral trust[4]	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 *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 (RF) 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.*

6 Directors' remuneration and interest in shares *continued*

6.4 Share awards granted to directors

2026	Calendar year granted	Award grant price R	Balance held at 2 March 2025	Granted/ (exercised)	Forfeits	Share price at exercise R	Balance held at 1 March 2026	Available for take-up
Sean Summers								
Restricted shares	2024	Nil	2 000 000	(2 000 000)	–	28.30	–	n/a
	2024	Nil	2 000 000	–	(1 000 000)	–	1 000 000	February 2027
			4 000 000	(2 000 000)	(1 000 000)	–	1 000 000	
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)	–	27.20	–	n/a
	2026	Nil	–	234 666	(117 333)	–	117 333	February 2027
	2026	Nil	–	279 788	(139 894)	–	139 894	February 2028
			234 800	479 654	(257 227)	–	457 227	

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						
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	

7 Related party transactions

7.1 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
- Tomis Wholesale Proprietary Limited (formerly Socius Trading Proprietary Limited), incorporated in South Africa
- NTS Holdings Proprietary Limited, incorporated in Botswana

Partly-owned

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

7 Related party transactions *continued*

7.2 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.

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Key management personnel remuneration comprises:		
Fees for board meetings, committee and other work	14	14
Base salary	57	54
Retirement and medical aid contributions	3	3
Fringe and other benefits	1	1
Fixed remuneration	75	72
Short-term performance bonus, severance and retirement gratuities	28	17
Total remuneration	103	89
Long-term incentive awards	58	47

8 Cash and cash equivalents

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Cash and cash equivalents	3 277	5 328
Bank overdraft and overnight borrowings	–	(300)
Cash and cash equivalents at end of period	3 277	5 028

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 zaAAA (2025: zaAA), facilitates the collection of cash at stores, provides general banking facilities and facilitates the payment of suppliers via an electronic banking platform. The zaAAA credit rating indicates a low risk of default.

The Group invested its surplus cash in money market accounts during the current and prior period and utilised bank overdraft and overnight borrowings facilities when necessary.

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

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm

9 Borrowings

Unsecured borrowings
Long-term

Unsecured loans in the Group's Boxer segment, repayable on 25 October 2029 bearing interest at the 3 month Jibar plus 180 basis points. The average rate for the year was 9.0% p.a. (2025: 9.6% p.a.)	**200**	850
Total borrowings at end of period	**200**	850
Less: current portion (repayable within one year)	**–**	–
Non-current portion (repayable after one year)	**200**	850

Subsequent to period end, the Group's Boxer segment repaid borrowings of R200 million, resulting in no remaining long-term debt in the Group.

9.1 Reconciliation of carrying value of borrowings

At beginning of period	**850**	6 266
Non-cash movements for the period	**50**	664
Finance costs	**50**	664
Cash movements for the period	**(700)**	(6 080)
Borrowings raised	**–**	3 235
Borrowings repaid	**(650)**	(8 651)
Interest paid	**(50)**	(664)
At end of period	**200**	850

During the prior period, the Group's Pick n Pay segment repaid all borrowings from the proceeds of the Group's rights offer and Boxer IPO.

Under the terms of the major borrowing facilities, the Boxer segment is required to comply with covenants as specified by the financial institutions. These include a leverage ratio as well as an interest cover ratio.

The Boxer segment has met all covenant requirements for the year.

	Required	52 weeks to 1 March 2026	53 weeks to 2 March 2025
Net debt to EBITDA	<2.5	**0.2**	0.1
Interest cover	>3.5:1	**6.2:1**	7.2:1

During the current financial year, the Group continued to monitor the impact of the proposed interest rate reform transition of its borrowings to ZARONIA. As at 01 March 2026, no amendments to the underlying loan agreements have been implemented and the existing terms and conditions remain unchanged. The evaluation process is ongoing and any resulting changes will be accounted for in the period in which they are finalised.

10 Inventory

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Merchandise for resale	**12 119**	10 925
Provision for shrinkage, obsolescence and markdown of inventory	**(496)**	(421)
Consumables	**110**	94
	11 733	10 598

Inventory includes biological assets with a carrying value of R25 million (2025: R19 million). During the period under review, biological assets of R106 million (2025: R90 million) were purchased by the Group and a value of R133 million (2025: R128 million) transferred to inventory at the point of harvest.

The Group recognised write-downs to net realisable value during the period of R425 million (2025: R344 million.)

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm

11 Trade and other receivables

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Gross trade and other receivables	**4 060**	5 096
Trade receivables from contracts with customers	**3 558**	4 442
Prepayments	**233**	236
Other receivables	**269**	418
Allowance for impairment losses (note 11.1)	**(248)**	(722)
Trade receivables from contracts with customers	**(239)**	(640)
Other receivables	**(9)**	(82)
Net trade and other receivables	**3 812**	4 374
Disclosed as:		
Non-current	**14**	8
Current	**3 798**	4 366

Current trade and other receivables are interest-free unless overdue and have average payment terms ranging between 7 and 35 days (2025: 7 and 35 days). The carrying value approximates its fair value due to the short-term nature of the receivables.

11.1 Allowance for impairment losses

Set out below is the movement in the allowance for impairment on trade and other receivables.

52 weeks to 1 March 2026	Trade and other receivables Rm	Trade receivables from contracts with customers Rm	Other receivables Rm
At the beginning of the period	**722**	**640**	**82**
Irrecoverable debts written off	**(338)**	**(261)**	**(77)**
Additional impairment losses recognised	**270**	**262**	**8**
Prior allowances for impairment reversed	**(40)**	**(36)**	**(4)**
Purchase of operations*	**(366)**	**(366)**	**–**
At end of period	**248**	**239**	**9**
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

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 R167 million (2025: R15 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.

The allowance provision for trade receivables from contracts with customers, as a percentage of the gross receivable, has decreased from 14.4% in the prior year to 6.7% in the current year. This is largely attributable to the purchase of Botswana franchise operations, and the closure or conversion of underperforming stores, leading to an overall reduction in franchise debt.

* *During the period under review, the Pick n Pay Group acquired the Botswana franchise operations. This resulted in the outstanding franchise receivable as at acquisition converting to an intercompany debt for the Group and is eliminated on a Group level since acquisition date.*

11 Trade and other receivables *continued*

11.2 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.

52 weeks to 1 March 2026	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
	3 827	**3 284**	**168**	**375**
Trade receivables from contracts with customers	**3 558**	**3 068**	**150**	**340**
Other receivables	**269**	**216**	**18**	**35**
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

During the current period under review, trade receivables from contracts with customers exceeding payment terms by more than 14 days decreased from R638 million in 2025 to R340 million. This has reduced the Group's total credit risk exposure on trade and other receivables.

12 Trade and other payables

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Trade and other payables	**15 326**	15 036

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 (2025: 60 days). Refer to note 32.

13 Deferred revenue

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Prepaid gift card liability	**267**	203
Loyalty programme liability	**84**	70
Refund liability	**26**	27
	377	300

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 10.7% (2025: 11.5%).

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 19.0% (2025: 24.0%).

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 R22 million (2025: R24 million) for its right to recover goods returned by the customer.

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
14 Provisions		
At beginning of period	**96**	102
Additional provisions raised during the period	**45**	30
Reversals	**(3)**	(34)
Utilised amounts	**(67)**	(2)
At end of period	**71**	96

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 R16.0 million (2025: R19.2 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.

15 Impairments of non-financial assets

Consistent with the prior period, the Group's Pick n Pay segment's reported trading loss was an indicator of impairment for the total assets of the segment. As a result, the Group assessed all the assets in the Pick n Pay segment for impairment.

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	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Intangible assets	17	**109**	53
Goodwill		**103**	25
Software		**6**	23
Licenses		**–**	5
Property, plant and equipment	16	**107**	168
Property		**–**	101
Furniture, fittings, equipment and vehicles		**96**	46
Leasehold improvements		**11**	21
Right of use assets	18	**175**	73
Total impairment loss on non-financial assets		**391**	294
Pick n Pay segment – trading stores	15.1.1	**275**	173
Pick n Pay segment – properties	15.1.2	**–**	101
Pick n Pay segment – Botswana	15.1.3	**85**	–
Boxer segment – trading stores	15.2	**31**	20

15.1 Pick n Pay segment

15.1.1 Trading store impairments

The recoverable amount for each CGU was determined based on the higher of value-in-use 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.

An impairment loss of R275 million (2025: R173 million) was recognised in the current year, of which R222 million impairment was recorded relating to 29 stores that had previously been impaired, where the performance recovery of the store has not yet materialised.

The following assumptions were considered when assessing trading sites 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.

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 using a discounted cash flow model rather than the sales multiple technique used in the prior year (where a multiple was 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). Cash flow projections were based on a period of 5 years, with cash flow projections beyond this period extrapolated using a terminal growth rate of 5%, and a pre-tax discount rate range of between 15.9% and 17.9%, before adjusting for the impact of IFRS 16 *Leases*. 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.

15 Impairments of non-financial assets *continued*

15.1 Pick n Pay segment *continued*

15.1.1 Trading store impairments *continued*

Value-in-use calculations

When a value-in-use measurement was determined as the recoverable amount, the value-in-use for these stores were calculated using a pre-tax discount rate of between 15.9% and 17.9% (2025: 13.1%), before adjusting for the impact of IFRS 16 *Leases*. Cash flow projections were based on the remaining lease period, with a terminal value of zero, and were based on management approved budgets for the 2027 financial period.

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 discounted cash flow measurement	Increase 1% Rm	As reported Rm	Decrease 1% Rm
Impact on statement of comprehensive income			
Loss from impairment of assets			
52 weeks to 1 March 2026	287	275	260
53 weeks to 2 March 2025	175	173	171

Terminal growth rate applied in discounted cash flow measurement	Increase 1% Rm	As reported Rm	Decrease 1% Rm
Impact on statement of comprehensive income			
Loss from impairment of assets			
52 weeks to 1 March 2026	259	275	285
53 weeks to 2 March 2025	165	173	180

Cash flows applied in the discounted cash flow measurement	Increase 10% Rm	As reported Rm	Decrease 10% Rm
Impact on statement of comprehensive income			
Loss from impairment of assets			
52 weeks to 1 March 2026	246	275	325
53 weeks to 2 March 2025	156	173	190

15.1.2 Pick n Pay property impairments

Properties are considered on an individual basis, as they generate 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 of disposal, 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.

Fair value less costs of disposal was based on a forward net rental yield, ranging between 6.8% and 9.0% (2025: 6.8% and 9.0%). Sensitivity analysis on the key assumptions applied is not presented as these are not considered to be material.

No impairment charges relating to properties were recognised for the period under review. The impairment charge in the prior year of R101 million related to two properties in the Pick n Pay segment.

15.1.3 Pick n Pay Botswana

The recoverable amount of the Pick n Pay Botswana CGU is based on the value-in-use. Cash flow projections were on a period of 5 years, using management approved budgets, which were based on actual results for the 2026 financial period. Cash flow projections beyond the 5 year period were extrapolated using a 4.5% growth rate. Cash flows were discounted using a pre-tax, post IFRS 16 *Leases* discount rate of 25.9% (2025: n/a).

An impairment of R85 million was recognised on the goodwill during the period as a result of the significant decline in the macroeconomic environment in Botswana subsequent to the purchase of the operations by the Group during July 2025 (note 21).

15 Impairments of non-financial assets *continued*

15.1 Pick n Pay segment *continued*

15.1.3 Pick n Pay Botswana *continued*

Sensitivity analysis

The following table represents the sensitivity analysis performed by management on the significant judgement applied in the accounting for the impairment loss on goodwill relating to Pick n Pay Botswana.

52 weeks to 1 March 2026	Increase Rm	As reported Rm	Decrease Rm
Impact on statement of comprehensive income			
Loss from impairment of assets			
Discount rate applied in discounted cash flow measurement increase/decrease of 1%	92	85	76
Terminal growth rate applied in discounted cash flow measurement increase/decrease of 1%	80	85	88
Cash flows applied in the discounted cash flow measurement increase/decrease of 10%	75	85	93

15.1.4 Corporate assets

Corporate assets, other than central omnichannel assets, were aggregated together with the assets of CGUs that they support, and were 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 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.

The fair value was determined based on cash flow projections approved by management and the Board covering a period of 4 years (2025: 3 years). Cash flow projections for a further 6 years (2025: 7 years) were based on an estimated sales growth rate of 6% (2025: 6%) and inflationary cost increases. Cash flow projections beyond these planning periods were extrapolated using an estimated growth of 5% (2025: 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 12.9% (2025: 13.1%), before adjusting for the impact of IFRS 16 *Leases*.

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

15.2 Boxer trading store impairments

During the current period under review, three CGUs (2025: three CGUs) were impaired within the Boxer segment for R31 million (2025: R20 million). Impairment considerations and sensitivity analysis are not presented as these are not considered to be material.

16 Property, plant and equipment

	Property Rm	Furniture, fittings, equipment and vehicles Rm	Leasehold improvements Rm	Aircraft Rm	Total Rm
52 weeks to 1 March 2026					
Carrying value	**1 188**	**6 727**	**1 013**	**37**	**8 965**
Cost	**1 463**	**12 162**	**2 081**	**71**	**15 777**
Accumulated depreciation and impairment losses	**(275)**	**(5 435)**	**(1 068)**	**(34)**	**(6 812)**
Reconciliation of carrying value					
At beginning of period	**1 113**	**6 490**	**1 031**	**41**	**8 675**
Additions	**88**	**1 589**	**234**	**2**	**1 913**
Expansion of operations	**84**	**758**	**127**	**–**	**969**
Maintaining operations	**4**	**831**	**107**	**2**	**944**
Depreciation	**(13)**	**(1 231)**	**(219)**	**(6)**	**(1 469)**
Impairment loss (note 15)	**–**	**(96)**	**(11)**	**–**	**(107)**
Disposals	**–**	**(76)**	**(25)**	**–**	**(101)**
Purchase of operations (note 21)	**–**	**31**	**–**	**–**	**31**
Foreign currency translations	**–**	**20**	**3**	**–**	**23**
At end of period	**1 188**	**6 727**	**1 013**	**37**	**8 965**
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 15)	(101)	(46)	(21)	–	(168)
Disposals	–	(170)	(20)	–	(190)
Purchase of operations (note 21)	–	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

Property includes land with an indefinite useful life with a carrying value of R255 million (2025: R290 million).

Non-current assets held for sale

At period end, the Group has non-current assets held for sale with a total carrying value of R122 million (2025: R250 million).

During the current period under review, the Group sold a property, previously classified as a non-current asset held for sale as at 2 March 2025 with a carrying value of R128 million. A profit on disposal of R2 million was recorded in the capital items section of the statement of comprehensive income.

The remaining properties with a carrying value of R122 million, previously disclosed as non-current assets held for sale within the Pick n Pay operating segment were not sold in the current period, however 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. Non-current assets held for sale are recognised at carrying value, which is the lower of carrying value and fair value less cost of disposal.

17 Intangible assets

	Goodwill Rm	Software assets* Rm	Licences Rm	Total Rm
52 weeks to 1 March 2026				
Carrying value	**689**	**502**	**1**	**1 192**
Cost	**1 246**	**996**	**7**	**2 249**
Accumulated amortisation and impairment losses	**(557)**	**(494)**	**(6)**	**(1 057)**
Reconciliation of carrying value				
At beginning of period	**498**	**568**	**1**	**1 067**
Additions	**–**	**68**	**1**	**69**
Expansion of operations	**–**	**2**	**1**	**3**
Maintaining operations	**–**	**66**	**–**	**66**
Amortisation	**–**	**(122)**	**(1)**	**(123)**
Impairment (note 15)	**(103)**	**(6)**	**–**	**(109)**
Disposals	**(12)**	**(6)**	**–**	**(18)**
Purchase of operations (note 21)	**313**	**–**	**–**	**313**
Foreign currency translations	**(7)**	**–**	**–**	**(7)**
At end of period	**689**	**502**	**1**	**1 192**
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 15)	(25)	(23)	(5)	(53)
Disposals	(3)	–	(10)	(13)
Purchase of operations (note 21)	20	–	–	20
At end of period	498	568	1	1 067

* *The majority of additions to software assets (previously named “systems development”) during the current and prior periods are internally generated.*

Boxer goodwill

Goodwill with a carrying value of R135 million (2025: 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 or prior period.

Botswana goodwill

Goodwill with a carrying value of R91 million, relates to the acquisition of the CGU trading as Pick n Pay Botswana during the period (refer to note 15 and 21.2) and is significant to the Group.

Other goodwill

The remaining goodwill, with a carrying value of R463 million (2025: R363 million), largely relates to various acquisitions or conversions of franchise stores to owned stores, none of which is individually significant in comparison to the Group’s total carrying amount of goodwill. Of the R463 million (2025: R363 million) goodwill, R242 million (2025: R258 million) relates to Boxer trading stores within the Group’s Boxer segment.

18 Right-of-use assets

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Reconciliation of carrying value of right-of-use assets		
At beginning of period	**11 043**	11 702
New leases	**2 345**	2 187
Depreciation	**(2 298)**	(2 253)
Property	**(2 041)**	(1 986)
Equipment and vehicles	**(257)**	(267)
Lease incentives	**(155)**	(116)
Lease terminations	**(190)**	(406)
Remeasurements	**64**	18
Purchase of operations (note 21)	**114**	–
Impairment (note 15)	**(175)**	(73)
Other movements	**17**	–
Foreign currency translations	**14**	(16)
At end of period	**10 779**	11 043
Comprising of:		
Property	**10 155**	10 178
Equipment and vehicles	**624**	865

19 Net investment in lease receivables

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm

19.1 Reconciliation of net investment in lease receivables

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
At beginning of period	**2 405**	2 409
New leases	**367**	536
Lease receipts	**(588)**	(587)
Principal lease receipts	**(360)**	(377)
Interest received	**(228)**	(210)
Finance income (note 2)	**215**	216
Lease terminations	**(159)**	(129)
Purchase of operations (note 21)	**(114)**	–
Other movements	**14**	(34)
Foreign currency translations	**(11)**	(6)
At end of period	**2 129**	2 405
Net investment in lease receivables are presented in the statement of financial position as follows:		
Current	**334**	388
Non-current	**1 795**	2 017

19.2 Lease receipts

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Lease receipts included in the measurement of net investment in lease receivables	**588**	587
Variable lease receipts not included in the measurement of net investment in lease receivables	**38**	45
	626	632

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 (2025: 1.5% of turnover) of franchise stores.

19.3 Maturity analysis

The undiscounted contractual maturities of lease receivables are as follows:

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Less than one year	**541**	617
One to two years	**496**	525
Two to three years	**458**	507
Three to four years	**394**	450
Four to five years	**304**	363
More than five years	**841**	927
Total undiscounted lease receivables	**3 034**	3 389
Unearned finance income	**(905)**	(984)
Net investment in lease receivables	**2 129**	2 405

Future lease payments are discounted at an average borrowing rate of 9.8% (2025: 9.2%).

20 Lease liabilities

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
20.1 Reconciliation of lease liabilities		
At beginning of period	**19 120**	19 706
New leases	**2 712**	2 723
Lease payments	**(4 475)**	(4 360)
Principal lease liability payments	**(2 684)**	(2 679)
Interest paid	**(1 791)**	(1 681)
Finance costs	**1 778**	1 769
Remeasurements	**55**	18
Lease terminations	**(625)**	(713)
Other movements	**(30)**	–
Foreign currency translations	**–**	(23)
At end of period	**18 535**	19 120
Lease liabilities are presented in the statement of financial position as follows:		
Current	**2 652**	2 741
Non-current	**15 883**	16 379

20.2 Lease payments

Lease payments included in the measurement of lease liabilities	**4 475**	4 360
Variable lease payments not included in the measurement of lease liabilities	**212**	205
Short-term and low value lease payments	**81**	89
	4 768	4 654

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 (2025: 1.7% of turnover).

20.3 Maturity analysis

The undiscounted contractual maturities of lease liabilities are as follows:

Less than one year	**4 359**	4 351
One year to five years	**13 553**	13 533
Five to ten years	**6 968**	7 062
More than ten years	**1 440**	1 736
Total undiscounted lease liabilities	**26 320**	26 682
Finance costs to be incurred in future	**(7 785)**	(7 562)
Lease liabilities	**18 535**	19 120

Future lease payments are discounted at an average borrowing rate of 9.9% (2025: 9.4%).

20.4 Lease terms

Lease terms include any non-cancellable periods and reasonably certain extension, and excludes reasonably certain termination options. Approximately 79% (2025: 79%) of the Group's portfolio of property leases contain extension options and approximately 21% (2025: 21%) 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:

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Property	**11 years**	11 years
Equipment and vehicles	**6 years**	6 years

21 Purchase of operations

21.1 Acquisition of stores

During the period under review, the Group acquired 7 operations (2025: 6 operations), none of which was 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.

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
The net assets arising from acquisitions were as follows:		
Identifiable net assets		
Property, plant and equipment	**18**	28
Inventory	**56**	19
Total identifiable net assets at fair value	**74**	47
Goodwill		
Purchase price of acquisitions at fair value	**192**	67
Less: total identifiable net assets at fair value	**(74)**	(47)
Goodwill acquired	**118**	20
Net cash paid in respect of acquisitions		
Purchase price of acquisitions at fair value	**192**	67
Less: amounts net settled against trade and other receivables	**(116)**	(19)
Net cash paid	**76**	48

21.2 Purchase of Botswana franchise operations

On 28 July 2025 the Group acquired the Pick n Pay franchise operations in Botswana through the purchase of 100% of the share capital of NTS Holdings Proprietary Limited for a cash consideration of R36 million. The Botswana franchise operations consisted of 13 supermarkets and 6 liquor stores, the majority of which are situated in southern Botswana. The goodwill arising from this acquisition represents the value creation that the Group expects to realise in the future.

As a former franchisee of the Group, the NTS Holdings Proprietary Limited Group ("NTS") was party to contractual relationships with the Group prior to its acquisition. These contractual relationships were:

- Leases where the Group holds head leases on property with landlords and NTS subleases these properties from the Group, and
- Trade payables owing to the Group, relating to inventory purchases from the Group when NTS was a franchisee.

In accordance with IFRS 3 *Business Combinations*, these pre-existing contractual relationships were treated as effectively settled at the acquisition date. The effective settlement amount of the leasing arrangements was measured as the present value of the remaining lease payments (as defined in IFRS 16 *Leases*) as if the acquired leases were new leases at the acquisition date. The effective settlement amount of the trade payables was determined using a discounted cash flow methodology. The effective settlement of the pre-existing relationships did not result in any gain or loss for the Group. Any reasonable change to assumptions in the valuations does not have a significant impact on the effective settlement amounts.

NTS contributed revenue of R553 million and a loss for the period of R13 million to the Group statement of comprehensive income for the period under review. Had the acquisition of NTS been at the beginning of the reporting period, Group revenue would have been R124.0 billion and the Group loss for the period would have remained R0.2 billion.

21 Purchase of operations *continued*

21.2 Purchase of Botswana franchise operations *continued*

	52 weeks to 1 March 2026 Rm
The net assets arising from the acquisition were as follows:	
Identifiable net assets at acquisition date	
Property, plant and equipment	13
Right-of-use assets	114
Inventory	69
Trade and other receivables	6
Cash and cash equivalents	23
Trade and other payables	(106)
Deferred tax (note 29)	(78)
Total identifiable net assets at fair value	**41**
Goodwill	
Consideration for acquisitions at fair value	236
Cash purchase price	36
Effective settlement of pre-existing arrangements	200
Less: total identifiable net assets at fair value	(41)
Goodwill acquired	**195**
Net cash paid in respect of acquisitions	
Purchase price of acquisitions at fair value	36
Less: cash acquired	(23)
Net cash paid	**13**

22 Partly-owned subsidiary

During the prior period on 28 November 2024, 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. As a result of retaining control, this was accounted for as an equity transaction with non-controlling interest (NCI).

This resulted in an increase of R7.4 billion in equity attributable to the parent (recognised in retained earnings), arising from proceeds related to the change in ownership interest following the IPO of R7.9 billion (net of related costs) less net assets attributable to NCI of R576 million.

Name	52 weeks to 1 March 2026	53 weeks to 2 March 2025
Boxer Retail Limited Group		
Principal place of business and country of incorporation – South Africa		
Proportion of equity interests held by NCI	34.4%	34.4%
Accumulated balances of material non-controlling interest (Rm)	1 144	668
Profit allocated to material non-controlling interest (Rm)	535	85

Subsequent to period end, the Group disposed of 57.3 million Boxer Retail Limited (Boxer) shares through an accelerated bookbuild offering. This increased the proportion of Boxer Retail Limited equity interest held by NCI from 34.4% to 46.9%. Refer to note 36.4.

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 5.

22 Partly-owned subsidiary *continued*

	52 weeks to 1 March 2026 Rm	Restated# 53 weeks to 2 March 2025 Rm
Summarised statement of profit or loss		
Revenue	**47 139**	43 000
Turnover	**46 682**	42 597
Cost of merchandise sold	**(36 610)**	(33 544)
Other trading income	**390**	312
Trading expenses	**(7 824)**	(7 057)
Finance income	**67**	91
Finance costs	**(549)**	(458)
Loss on capital items	**(44)**	(33)
Profit before tax	**2 112**	1 908
Tax	**(556)**	(525)
Profit for the year	**1 556**	1 383
Attributable to non-controlling interest	**535**	85
Total comprehensive income	**1 554**	1 387
Attributable to non-controlling interest	**535**	85
Dividends paid to non-controlling interest	**(71)**	–

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Summarised statement of financial position		
Assets		
Non-current	**8 671**	8 089
Current	**5 621**	4 644
	14 292	12 733
Equity and liabilities		
Total equity		
Attributable to:		
Equity holders of parent	**2 181**	1 274
Non-controlling interest	**1 144**	668
	3 325	1 942
Liabilities		
Non-current	**4 833**	5 000
Current	**6 134**	5 791
	10 967	10 791
Total equity and liabilities	**14 292**	12 733

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Summarised statement of cash flow		
Cash generated/(utilised) from operating activities	**2 488**	(6 861)
Cash utilised in investing activities	**(919)**	(834)
Cash (utilised)/generated from financing activities	**(1 457)**	6 808
Net increase/(decrease) in cash and cash equivalents	**112**	(887)

Comparative figures have been restated to correct for certain product articles where system mapping erroneously resulted in turnover being presented within cost of merchandise sold. The reclassification increased prior period revenue, turnover and cost of merchandise sold by R253 million, with no net impact on previously reported gross profit.

23 Investment in associate and joint operations

23.1 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 during the 2024 financial year. The unrecognised share of the associate's losses for the current period is R37 million (2025: R51 million).

23.2 Interest in joint operations

23.2.1 The Apex Distribution Centre (DC) Consortium

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.

23.2.2 The Whetstone DC Consortium

The Whetstone DC Consortium was established during the 2025 financial year to develop and 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. All matters related to the Whetstone DC Consortium are decided by unanimous resolution from both parties.

The following are the Group's share of assets in the above-mentioned joint operations:

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Apex DC Consortium		
Land	**23**	23
Building	**70**	70
Whetstone DC Consortium		
Land	**25**	25
Building	**158**	106

	52 weeks to 1 March 2026 000's	53 weeks to 2 March 2025 000's

24 Share capital

24.1 Ordinary share capital

Authorised ordinary shares of no par value	**828 500**	828 500
Issued ordinary shares of no par value	**745 657**	745 657
The number of shares in issue is made up as follows:		
Treasury shares (note 25)	**11 273**	9 945
Shares held outside the Group	**734 384**	735 712
Total shares in issue at end of period	**745 657**	745 657
	Rm	Rm
Issued share capital	**3 883**	3 883

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 24.2.

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 (2025: 24 672 516) shares. To date, 15 743 000 (2025: 15 743 000) shares have been issued, resulting in 8 929 516 (2025: 8 929 516) shares remaining for this purpose.

24 Share capital *continued*

24.1 Ordinary share capital *continued*

During the prior period, 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 ("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.

	52 weeks to 1 March 2026 000's	53 weeks to 2 March 2025 000's
24.2 B share capital		
Authorised unlisted, non-convertible, non-participating, no par value B shares	**361 500**	361 500
Issued unlisted, non-convertible, non-participating, no par value B shares	**325 426**	325 426

The holders of B shares are not entitled to any rights to distributions by the Company or any other economic benefits.

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 prior period, 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 shareholders aggregate voting rights from 52% to 49%. As a result, 65 743 295 new B shares were issued to stapled ordinary shareholders.

As previously announced, Ackerman Investment Holdings (RF) Proprietary Limited and its related and inter-related persons (collectively, the "Ackerman Family") disposed of 64 038 857 ordinary shares on 17 November 2025 and the 105 186 384 B shares held by the Ackerman Family that were previously attached to such ordinary shares have ceased to have voting rights. Subject to the requisite shareholder approval being obtained at the 2026 AGM, these "unstapled" B shares will be repurchased by the Company for a nominal price of R0.00001 per B share and cancelled, as contemplated in the Memorandum of Incorporation (MOI).

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm

25 Treasury shares

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
At beginning of period	**496**	557
Settlement of employee share awards	**(90)**	(44)
Shares purchased during the period*	**101**	–
Proceeds on sale of rights attached to treasury shares, pursuant to rights offer	**–**	(17)
At end of period	**507**	496

	000's	000's
The movement in the number of treasury shares held is as follows:		
At beginning of period	**9 945**	10 796
Shares purchased during the period*	**3 822**	–
Shares sold during the period pursuant to the take-up of share options by employees	**–**	(1)
Shares delivered to participants of restricted share plan (note 26.1)	**(2 494)**	(850)
At end of period (note 24.1)	**11 273**	9 945

* *During the current period, the Group purchased shares from the market for purposes of issuing awards under its Restricted Share Plan.*

26 Share-based payments

Forfeitable Share Plans

The PIK Restricted Share Plan and Boxer Long term incentive plan are both structured as a zero-strike forfeitable share plan in terms of which the participants are beneficial owners of shares from the award date, but the shares are held in escrow on behalf of the participants and are subject to forfeiture restrictions until the vesting date. Any dividends declared in respect of the RSP or 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.

PIK Restricted Share Plan (RSP)

The RSP recognises executive and senior management employees who play a significant role in delivering the Group's strategy and supporting its long-term growth and sustainability. By incorporating performance and service conditions, the RSP incentivises participating employees to achieve the financial and operational objectives set out in the Group's long-term strategic plan, while also promoting employee retention. An award of shares may also be used to attract talented prospective employees.

Shares awarded under the RSP are subject to performance conditions over a three-year vesting period, although shorter vesting periods may apply in specific circumstances. Performance conditions include Group financial targets and personal key performance indicators linked to Pick n Pay's break-even objectives. Vesting is contingent on the relevant service and performance conditions being met and remains subject to the discretion of the Group's remuneration committee in accordance with the rules of the RSP.

Boxer segment Long Term Incentive Plan (LTIP)

The LTIP recognises executive, senior and middle management employees of the Boxer Group (Boxer) who have a significant role to play in delivering Boxer's strategy and ensuring the growth and sustainability of the Group. Through the attachment of performance and service conditions, the LTIP incentivises participating employees to deliver long-term earnings growth in line with the objectives of Boxer, while encouraging the retention of key skill and talent.

Admission and Performance Boxer Retail Limited shares awarded under the LTIP are subject to performance conditions over a two to three-year vesting period. Performance conditions include both Boxer financial targets and personal key performance indicators linked to Boxer's long-term strategic plan. Vesting is contingent on the relevant service and performance conditions being met and remains subject to the discretion of the Boxer's remuneration committee in accordance with the rules of the LTIP.

26 Share-based payments *continued*

26.1 Outstanding PIK RSP shares

	52 weeks to 1 March 2026 Number of restricted shares 000's	53 weeks to 2 March 2025 Number of restricted shares 000's
Reconciliation of the total number of PIK RSP shares outstanding:		
At beginning of period	**7 971**	2 161
Shares awards granted	**4 014**	7 464
Shares delivered to participants (note 25)	**(2 494)**	(850)
Share awards forfeited*	**(4 937)**	(804)
At end of period	**4 554**	7 971
Weighted average share price at date of delivery to participants	**R27.99**	R24.92

* *Share awards forfeited during the prior 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 the next financial year, 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 current period, ahead of vesting date.

Outstanding PIK RSP shares vest during the following financial periods:

	52 weeks to 1 March 2026 000's	53 weeks to 2 March 2025 000's
2026	**–**	2 536
2027	**1 117**	2 000
2028	**1 767**	3 435
2029	**1 670**	–
	4 554	7 971

26.2 Outstanding Boxer LTIP shares

	52 weeks to 1 March 2026 000's	53 weeks to 2 March 2025 000's
Reconciliation of the total number of Boxer LTIP shares outstanding:		
At beginning of period	**3 795**	–
Shares awards granted	**932**	3 795
Share awards forfeited	**(17)**	–
At end of period	**4 710**	3 795
Outstanding Boxer LTIP shares vest during the following financial periods:		
2027	**1 512**	1 518
2028	**2 268**	2 277
2029	**930**	–
	4 710	3 795

Rights to Boxer LTIP shares are awarded at a zero strike price.

The fair value of an LTIP share award is the market price of a Boxer Retail Limited share at grant date. The awards have a grant price of nil.

26 Share-based payments *continued*

26.3 Outstanding PIK 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 vest to participants within the next 2 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.

	52 weeks to 1 March 2026 Number of options 000's	53 weeks to 2 March 2025 Number of options 000's
Reconciliation of the total number of PIK share options outstanding:		
At beginning of period	**8 141**	11 904
Options taken up	**–**	(1)
Options forfeited	**(855)**	(1 654)
Options cancelled	**–**	(2 108)
At end of period	**7 286**	8 141
The weighted average grant price of outstanding PIK share options are as follows:		
At beginning of period	**R56.07**	R64.64
Options taken up	**–**	R35.37
Options forfeited	**R57.41**	R59.11
Options cancelled	**–**	R53.06
At end of period	**R56.87**	R56.07

		000's	000's
Outstanding PIK share options may be taken up during the following financial periods:			
Year	**Average grant price**		
2026	R56.09	**–**	7 766
2027	R56.90	**7 258**	347
2028	R49.28	**28**	28
		7 286	8 141

27 Dividends declared

Pick n Pay Stores Limited did not declare dividends during the current or prior year period.

During the period, the Group's partly owned subsidiary, Boxer Retail Limited, declared dividends resulting in a payment of R71 million (2025: Nil) to the Group's non-controlling-interest. Refer to note 22.

28 Income tax

28.1 Tax recognised in profit or loss

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Normal tax	**603**	611
– current period	**610**	614
– prior period over provision	**(7)**	(3)
Deferred tax (note 29)	**(492)**	(585)
	111	26

28.2 Tax paid

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Current tax liability at beginning of period	**140**	273
Recognised in profit or loss	**603**	611
Current tax liability at end of period	**(209)**	(140)
Total tax paid	**534**	744

28.3 Reconciliation of effective tax rate

	%	%
South African statutory tax rate	**27.0**	27.0
ETI allowances and other exempt income	**50.5**	3.9
Learnership and other allowances	**13.0**	2.1
Impact of fair value adjustments	**2.1**	(4.7)
Non-deductible impairment loss on intangible assets	**(30.8)**	(0.9)
Non-deductible leasehold improvement and property depreciation	**(70.3)**	(15.4)
Impact of sale of properties	**(5.6)**	(0.7)
Impact of share based payments	**–**	1.3
Legal entity loss not subject to deferred tax	**(61.8)**	(1.0)
Utilisation of legal entity loss not subject to deferred tax	**14.0**	0.3
Other non-deductible expenditure	**(12.9)**	(2.2)
Foreign withholding taxes	**(11.7)**	(8.0)
Net prior period under/(over) provisions	**(24.1)**	(5.9)
Impact of foreign tax rates	**(24.8)**	–
Effective tax rate	**(135.4)**	(4.2)

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm

29 Deferred tax

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Deferred tax assets	**3 236**	2 749
Deferred tax liabilities	**(71)**	–
Net deferred tax assets	**3 165**	2 749

The movement in net deferred tax assets are as follows:

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
At beginning of period	**2 749**	2 165
Recognised in profit or loss (note 28)	**492**	585
Property, plant and equipment and intangible assets	**161**	138
Net operating lease assets	**–**	1
Retirement benefits and actuarial gains	**19**	(1)
Prepayments	**3**	3
Allowance for impairment losses	**(29)**	70
Deferred revenue	**5**	(10)
Income received in advance	**(3)**	11
Leases	**–**	9
Income and expense accruals	**(39)**	41
Unutilised tax losses	**375**	323
Recognised in other comprehensive income	**(5)**	(1)
Tax effect on items that will not be reclassified to profit or loss	**(5)**	(1)
Foreign currency translations	**7**	–
Purchase of operation (note 21)	**(78)**	–
At end of period	**3 165**	2 749
Comprising of:		
Property, plant and equipment and intangible assets	**(178)**	(339)
Net operating lease assets	**(1)**	(1)
Retirement benefits and actuarial gains	**(2)**	(16)
Prepayments	**(7)**	(10)
Allowance for impairment losses	**77**	177
Deferred revenue	**20**	15
Income received in advance	**28**	31
Leases	**1 505**	1 505
Income and expense accruals	**240**	279
Unutilised tax losses	**1 483**	1 108
	3 165	2 749

At period end, the Group had estimated cumulative unused tax losses of R5.5 billion (2025: R4.1 billion) that arose in the Pick n Pay segment.

These losses are available for set-off against future taxable income indefinitely in the companies where the losses arose. Significant judgement was applied in determining that it is probable that future taxable income will be available against which these unused losses and the reversing deductible temporary differences can be utilised. This assessment considered forecast taxable earnings from operations, including the successful delivery of the Pick n Pay strategic long term plan, other tax planning opportunities, and sources of taxable income within the Group such as those noted in note 1.6 and note 36. Deferred tax assets of R1.5 billion (2025: R1.1 billion) and R1.7 billion (2025: R1.6 billion) on tax losses and deductible temporary differences respectively were recognised.

30 Retirement benefits

30.1 Defined benefits plan (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 defined-contribution plans in relation to active members in service but have a defined benefit guaranteed element in relation to pensioners post-retirement.

Assets are ring fenced within a Pensioner Guarantee to cover the pensioner guarantee liability and monthly pension payments and this account is sufficiently funded to cover the liability.

The Group may be allocated a share of surplus arising from the Pensioner Guarantee. Once a distribution is made by the Board of Trustees, distributed surplus is transferred into an Employer Retirement Scheme Asset. The employer has full access to the assets in the Employer Retirement Scheme Asset.

30 Retirement benefits *continued*

30.1 Defined benefits plan (Pick n Pay segment) *continued*

	Pensioners' Guarantee Rm	Employer Retirement Scheme Assets Rm	Total net assets 2026 Rm	Total net assets 2025 Rm
Defined-benefit obligations				
The amount recognised in the statement of financial position is as follows:				
Present value of funded obligations	794	–	794	726
Fair value of assets	(794)	(6)	(800)	(786)
	–	(6)	(6)	(60)
Amounts recognised in the statement of comprehensive income are as follows:				
Net interest on the obligation	2	(5)	(3)	(6)
Total included in employee costs (note 3.1)	2	(5)	(3)	(6)
Asset ceiling				
Refund (employer surplus account)	–	6	6	60
	–	6	6	60
Movement in the asset recognised on the statement of financial position is as follows:				
Net asset – beginning of period	–	(60)	(60)	(51)
Total included in employee costs in profit or loss	2	(5)	(3)	(6)
Amount recognised in other comprehensive income	(2)	(17)	(19)	(3)
Contribution holiday	–	75	75	–
Net asset – end of period	–	(7)	(7)	(60)
Remeasurement recognised in other comprehensive income				
Actuarial loss – liabilities	66	–	66	16
Actuarial gain – assets	(68)	(17)	(85)	(19)
Remeasurement recognised in other comprehensive income (before tax)	(2)	(17)	(19)	(3)
Movement in the fund's obligations and plan assets recognised on the statement of financial position is as follows:				
Liability – beginning of period	726	–	726	702
Interest cost	58	–	58	67
Actuarial loss from experience	66	–	66	16
Benefits paid	(56)	–	(56)	(59)
Liability – end of period	794	–	794	726
Plan assets – beginning of period	727	59	786	753
Expected return	55	5	60	73
Actuarial gain from experience	68	17	85	19
Contributions	–	(75)	(75)	–
Contribution holiday	–	(75)	(75)	–
Benefits paid	(56)	–	(56)	(59)
Plan assets – end of period	794	6	800	786

30 Retirement benefits *continued*

30.1 Defined benefits plan (Pick n Pay segment) *continued*

	Pensioners' Guarantee 2026 %	Pensioners' Guarantee 2025 %
Composition of plan assets		
Equities	**12.7**	11.0
Fixed interest – bonds	**7.5**	7.1
Fixed interest – cash	**8.8**	7.3
Property	**0.3**	0.3
Global Balanced	**17.0**	18.1
Liability driven investment	**53.7**	56.2
	100.0	100.0

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

	2026 % per annum Pensioners' Guarantee	2025 % per annum Pensioners' Guarantee
The principal actuarial assumptions at the last valuation date are:		
Discount rate	**8.0**	9.8
Future salary increases	**n/a**	n/a
Future pension increases	**3.8**	5.0
Estimated return on plan assets	**7.3**	8.6

Sensitivity analysis

At the end of the current financial period, the liability towards the guaranteed pensions is fully matched by the assets held by the Pensioners' Guarantee. A sensitivity analysis has therefore not been presented.

30.2 Group defined current contribution benefits

The Group, through its trading and employer subsidiaries, provides post-retirement benefits to its employees in the form of defined contribution plans through the Pick n Pay Paid-up Pension Fund, the Pick n Pay Contributory Provident Fund and five Boxer defined contribution provident fund schemes.

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Pick n Pay	**226**	225
Boxer	**127**	113
Current contributions (refer to note 3.1)	**353**	338

31 Loans

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Employees	**12**	21
Other	**130**	135
	142	156
Loans are presented in the statement of financial position as follows:		
Current	**14**	13
Non-current	**128**	143

At period end, R8 million (2025: R17 million) of employee loans were secured. Refer to note 32.3.2 for interest rates.

Other loans mainly relate to property related expenditure (maintenance or improvements) for landlords with repayment terms within the agreed lease terms. Refer to note 32.3.2 for interest rates. The Group's Boxer segment accounts for R127 million (2025: R133 million) of these loans.

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 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.

32.1 Financial assets and financial liabilities by category

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

52 weeks to 1 March 2026	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
Financial assets					
Net investment in lease receivables (note 19)	2 129	–	–	–	2 129
Loans (note 31)	142	–	–	–	142
Trade receivables from contracts with customers (note 11)	3 319	–	–	–	3 319
Other receivables (note 11)	260	–	–	–	260
Cash and cash equivalents (note 8)	3 277	–	–	–	3 277
Investment in insurance cell captive	–	79	–	–	79
	9 127	79	–	–	9 206
Financial liabilities					
Borrowings (note 9)	–	–	–	200	200
Trade and other payables (note 12)	–	–	–	14 896	14 896
Lease liabilities (note 20)	–	–	–	18 535	18 535
Refund liability (note 13)	–	–	–	26	26
Derivative financial instruments – Forward exchange contracts (FEC)	–	–	2	–	2
	–	–	2	33 657	33 659

53 weeks to 2 March 2025	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
Financial assets					
Net investment in lease receivables (note 19)	2 405	–	–	–	2 405
Loans (note 31)	156	–	–	–	156
Trade receivables from contracts with customers (note 11)	3 802	–	–	–	3 802
Other receivables (note 11)	336	–	–	–	336
Cash and cash equivalents (note 8)	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 8)	–	–	–	300	300
Borrowings (note 9)	–	–	–	850	850
Trade and other payables (note 12)	–	–	–	14 635	14 635
Lease liabilities (note 20)	–	–	–	19 120	19 120
Refund liability (note 13)	–	–	–	27	27
	–	–	–	34 932	34 932

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 11 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 Eswatini and Lesotho 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. Subsequently, the agreement was terminated on 30 June 2025. All outstanding debt from the franchisee has been fully recovered during the current financial year.

Loans

Loans comprise mostly landlord loans. Loans are granted after reviewing the affordability of each landlord and, where appropriate, suitable forms of security are obtained. Majority of the loans are secured and are considered to have low credit risk.

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 zaAAA (2025: zaAA) (refer to note 8).

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.

Forward Exchange Contracts (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 FEC's to mitigate its foreign exchange risks from the import of inventory. It is the Group's policy to cover foreign inventory purchases by utilising a derivative contract (FEC), where the currency risk is considered significant. The Group does not use derivatives for speculative purposes.

The Group's FEC's 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 FEC's 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, R5 million (2025: R6 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*

Forward exchange contract (liabilities)/assets	Contract foreign currency m	Rand equivalent Rm	Average forward rate R	Fair value Rm
2026				
US Dollars	**6.0**	**100**	**16.7**	**(1)**
Euro	**3.2**	**53**	**16.6**	**(1)**
		153		**(2)**
2025				
US Dollars	4.5	84	18.4	1
Euro	3.0	59	19.4	–
Australian Dollar	0.1	2	11.6	–
		145		1

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 cash balances, trade and other receivables, trade and other payables and lease liabilities 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.

	Average spot rate		Closing rate	
	2026	2025	**2026**	2025
The following significant foreign exchange rates applied during the period:				
USD/ZAR	**17.5**	18.3	**15.9**	18.6
EURO/ZAR	**20.2**	19.7	**18.8**	19.5
GBP/ZAR	**23.5**	23.4	**21.5**	23.7
ZMW/ZAR	**0.7**	0.7	**0.8**	0.7
BWP/ZAR	**0.8**	n/a	**0.9**	n/a

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.

	52 weeks to 1 March 2026 %	53 weeks to 2 March 2025 %
The effective interest rates on financial instruments for the period are:		
Financial assets		
Variable-rate interest-bearing financial assets		
Cash and cash equivalents and cash investments (note 8)	**2.2 – 6.7**	3.1 – 9.4
Other loans (note 31)	**10.0**	13.1
Fixed-rate interest-bearing financial assets		
Net investment in lease receivables (note 19)	**9.8**	9.2
Employee loans (note 31)	**4.6**	4.7
Financial liabilities		
Variable-rate interest bearing liabilities		
Bank overdraft (note 8)	**9.0 – 9.8**	9.8 – 10.5
Overnight borrowings (note 8)	**9.1 – 10.3**	9.1 – 15.1
Borrowings (note 9)	**8.6 – 9.3**	8.6 – 13.6
Fixed-rate interest-bearing liabilities		
Lease liabilities (note 20)	**9.9**	9.4

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 1 March 2026, an increase of 1% in the applicable interest rates for the various financial instruments would have resulted in a decrease (2025: decrease) in net financing costs by approximately R9 million (2025: R1 million). A decrease of 1% in the applicable interest rates would have an equal and opposite impact in net financing costs.

32 Financial instruments *continued*

32.3 Market risk *continued*

32.3.3 Other price risk

The Group has not been exposed to any 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 averaging between 7 and 35 days. During the prior year the Group embarked on a recapitalisation programme to strengthen its liquidity.

The Board's finance and investment committee maintains strict control over the acceptance of and draw down of any loan facility.

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Reconciliation of unutilised borrowing facilities		
Total available facilities	**6 479**	5 450
Committed and uncommitted facilities	**5 954**	5 104
FEC Facilities	**525**	346
Total utilised facilities	**(309)**	(1 259)
Committed and uncommitted facilities	**(200)**	(1 150)
FEC Facilities	**(109)**	(109)
Total available facilities*	**6 170**	4 191

* *During the period August to January, an additional R1 billion of facilities are available to fund intra-month working capital requirements. Of the total available facilities R3.7 billion (2025: R2 billion) belongs to the Boxer segment.*

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
52 weeks to 1 March 2026						
Borrowings	**200**	**302**	**17**	**285**	**–**	**–**
Trade and other payables	**14 896**	**14 896**	**14 896**	**–**	**–**	**–**
Lease liabilities	**18 535**	**26 320**	**4 359**	**13 553**	**6 968**	**1 440**
Refund liabilities	**26**	**26**	**26**	**–**	**–**	**–**
Forward exchange contracts (FEC)	**2**	**2**	**2**	**–**	**–**	**–**
Total financial obligations	**33 659**	**41 456**	**19 300**	**13 838**	**6 968**	**1 440**
53 weeks to 2 March 2025						
Bank overdraft and overnight borrowings	300	300	300	–	–	–
Borrowings	850	1 230	81	1 149	–	–
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	42 874	19 394	14 682	7 062	1 736

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

32 Financial instruments *continued*

32.5 Fair value of financial instruments *continued*

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:

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Financial assets at fair value through profit or loss		
Investment in insurance cell captive – Level 2	**79**	72
Derivative financial instruments (designated as hedging instruments)		
Forward exchange contract (liabilities)/assets – Level 2	**(2)**	1

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. Transfers between levels of the fair value hierarchy are recognised when there is a change in the observability of inputs used in the fair value measurement.

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 shareholders' 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 requirements.

The Group assesses the effectiveness of the use of capital in providing a return to shareholders using the ratio of return on invested capital (ROIC).

33 Going concern

The Board of directors (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 following the recapitalisation in the prior year. 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 annual financial statements on a going concern basis is appropriate.

34 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 R157 million (2025: R114 million).

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.

35 Commitments

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Authorised capital expenditure		
Contracted for	470	535
Not contracted for	2 340	1 715
Total commitments	2 810	2 250
Pick n Pay	1 670	1 099
Boxer	1 140	1 151

The above commitments relate to anticipated capital expenditure for the 52 weeks ending 28 February 2027, and will be funded from the Group's cash reserves and cash generation from segmental operations.

36 Subsequent events

36.1 Consultation process in terms of Section 189A of the Labour Relations Act

Subsequent to period end, the Group's Pick n Pay segment notified its store-based non managerial bargaining unit employees, together with their representative trade unions, of restructuring requirements in accordance with Section 189A of the Labour Relations Act, No. 66 of 1995. The statutory consultation period has commenced, with deliberations focused on the optimisation of the Pick n Pay segment's store labour model. Matters under consideration include guaranteed working hours by job category, flexibility and scheduling efficiencies, non statutory leave entitlements, as well as certain benefits and related provisions. Due to the inherent uncertainty surrounding the outcome of this event, the Group is unable to reliably estimate the financial effect at the reporting date.

36.2 Repayment of borrowings

Subsequent to period end, the Group's Boxer segment repaid borrowings of R200 million, resulting in no remaining long term debt in the Group.

36. 3 Logistics contract

Subsequent to period end, management has concluded a new logistics agreement, which is expected to benefit the Pick n Pay Segment through supply chain cost efficiencies. The new contract had no impact on financial information reported for the period under review. The agreement includes an extension to leases for equipment and vehicles, resulting in an increase in the IFRS 16 *Leases* right-of-use asset and lease liability for these assets of approximately R600 million, recorded in FY27.

36.4 Reduction of shareholding in Boxer Retail Limited

Subsequent to period end, the Group disposed of 57.3 million Boxer Retail Limited (Boxer) shares through an accelerated bookbuild offering (the transaction), generating gross proceeds of R4.7 billion. The proceeds will support Pick n Pay's turnaround and growth strategies, enhancing financial flexibility.

The transaction reduces the Group's shareholding in Boxer from 65.6% to 53.1% and therefore there has been no loss of control by the Group, with Boxer remaining a consolidated subsidiary of the Group.

As a result of Boxer being fully consolidated into the Group's results, both before and after the transaction, the impacts of the reduction in shareholding shall be accounted for within equity as a transaction with owners for the FY27 financial reporting period. There is therefore no impact on the assets, liabilities or profit and loss of the Group resulting from the shareholding reduction. The transaction has been assessed, as per IAS10 Events after the reporting period as a non-adjusting event for the period ended 1 March 2026.

36.5 Geopolitical events and uncertainty

Subsequent to period end, geopolitical tensions have introduced uncertainty to the Group's outlook and are being closely monitored. The potential impacts across the Group, primarily through higher oil prices, inflation, and potential currency volatility, are being assessed; the potential financial effects cannot presently be quantified.

This has not cast doubt in the Group's ability to continue as a going concern.

37 Standards and interpretation issued but not yet effective

International Financial Reporting Standards (IFRS Accounting Standards)

IFRS 18 *Presentation and Disclosure in Financial Statements* (IFRS 18) (Effective: 1 January 2027)

The standard introduces new categories and subtotals in the consolidated and separate statement of profit or loss and other comprehensive income, disclosure of management-defined performance measures (MPMs), and includes new requirements for the location, aggregation and disaggregation of financial information.

The standard will result in the Group's statement of comprehensive income being classified into five categories: operating, investing, financing, income tax and discontinued operations.

IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

The new standard is effective for the Group for the 2028 financial reporting period, with restatement of comparative information required.

The Group is currently in progress with the detailed impacts assessment relating to the introduction of IFRS 18.

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

- 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)
- Translation to a Hyperinflationary Presentation Currency – Amendments to IAS 21 (Effective date: 1 January 2027)

Company annual **financial statements**

82 Statement of comprehensive income
83 Statement of financial position
84 Statement of changes in equity
85 Statement of cash flows
86 Notes to the company annual financial statements

Company statement of **comprehensive income**

for the period ended

	Note	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Revenue			
Finance income		–	6
Dividend income	7.1	20	–
		20	6
Administration expenses	2	(20)	(28)
Expected credit loss recovery	8.1	–	187
Profit before tax		–	165
Tax	3	–	–
Profit for the period		–	165
Total comprehensive income for the period		–	165

Company statement of **financial position**

	Note	As at 1 March 2026 Rm	As at 2 March 2025 Rm
ASSETS			
Non-current assets			
Investment in subsidiary	4	**4 700**	4 700
		4 700	4 700
Current assets			
Receivables from related entities	7.2	**65**	72
Cash and cash equivalents	5	**7**	6
		72	78
Total assets		**4 772**	4 778
EQUITY AND LIABILITIES			
Equity			
Share capital	6	**3 883**	3 883
Share premium		**835**	835
Retained earnings		**53**	53
Total equity		**4 771**	4 771
Current liabilities			
Trade and other payables	8.2	**1**	7
		1	7
Total equity and liabilities		**4 772**	4 778

Company statement of **changes in equity**

for the period ended

	Share capital Rm	Share premium Rm	Retained earnings Rm	Total equity Rm
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	3 877	–	–	3 877
At 2 March 2025	**3 883**	**835**	**53**	**4 771**
Total comprehensive income for the period	**–**	**–**	**–**	**–**
Profit for the period	**–**	**–**	**–**	**–**
At 1 March 2026	**3 883**	**835**	**53**	**4 771**

Company statement of cash flows

for the period ended

	Note	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Cash flows from operating activities			
Profit before tax		–	165
Adjusted for dividend income	7.1	**(20)**	–
		(20)	165
Adjusted for non-cash items			
Expected credit loss allowance	8	–	(187)
Cash utilised before movements in working capital		**(20)**	(22)
Movements in working capital		**(5)**	4
Movements in trade and other payables		**(5)**	4
Cash utilised in operating activities		**(25)**	(18)
Cash flows from investing activities			
Receivable repaid by subsidiary	7.2	**26**	146
Investment in subsidiary	4	–	(4 000)
Cash generated from/(utilised in) investing activities		**26**	(3 854)
Cash flows from financing activities			
Net proceeds on rights offer		–	3 877
Cash generated from financing activities		–	3 877
Net movement in cash and cash equivalents		**1**	5
Cash and cash equivalents at beginning of period		**6**	1
Cash and cash equivalents at end of period	5	**7**	6

Notes to the company annual **financial statements**

for the period ended 1 March 2026

1 Material 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 as issued by the International Accounting Standards Board and its interpretations as issued by the IFRS Interpretations Committee (together, "IFRS Accounting Standards"), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, 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.

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.

2 Administration expenses

Administration expenses are stated after considering the following expenses.

2.1 Directors' remuneration

Directors' remuneration paid by Pick n Pay Stores Limited is detailed below. Refer to note 6.1 of the Group annual financial statements for all remuneration earned by directors.

	Fees for board meetings R'000	Fees for committee and other work R'000	Total remuneration R'000
2026			
Non-executive directors			
Gareth Ackerman[1]	**2 702**	**143**	**2 845**
Jonathan Ackerman	**510**	**111**	**621**
Suzanne Ackerman	**510**	**131**	**641**
Haroon Bhorat	**510**	**745**	**1 255**
James Formby*[1]	**2 094**	**–**	**2 094**
David Friedland[2]	**255**	**180**	**435**
Aboubakar Jakoet	**510**	**807**	**1 317**
Thabo Leeuw[3]	**43**	**27**	**70**
Audrey Mothupi-Palmstierna	**510**	**549**	**1 059**
Annamarie van der Merwe	**510**	**345**	**855**
Grant Pattison[3]	**43**	**39**	**82**
Pooven Viranna[2]	**383**	**167**	**550**
Total remuneration	**8 580**	**3 244**	**11 824**
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[4]	170	70	240
James Formby*	1 688	210	1 898
David Friedland	510	596	1 106
Aboubakar Jakoet	510	990	1 500
Audrey Mothupi-Palmstierna	510	549	1 059
David Robins[5]	255	28	283
Annamarie van der Merwe	510	312	822
Total remuneration	10 576	3 706	14 282

1 *Gareth Ackerman retired as Chairman of Pick n Pay effective 5 August 2025. James Formby was appointed as Chairman on that date.*

2 *Pooven Viranna was appointed as an independent non-executive director effective on 1 June 2025. David Friedland retired as an independent non-executive director effective 5 August 2025.*

3 *Thabo Leeuw and Grant Pattison were appointed as independent non-executive directors effective on 1 February 2026.*

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

5 *David Robins retired as a non-executive director on 27 August 2024.*

* *For the current period, includes fee as lead independent director prior to appointment as chairman on 5 August 2025. The prior period includes fee as lead independent director for the full financial year.*

2.2 Auditor's remuneration

The Company incurred fees for assurance services provided by Ernst & Young Inc. of R276 700 (2025: R264 800).

3 Tax

The Company's current and deferred tax expense is nil for the current period under review (2025: nil) and the Company did not pay tax in the current and prior period.

Reconciliation of effective tax*	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
South African statutory tax	–	45
Exempt income – dividends received	(5)	–
Unrecognised tax losses	4	5
Non-deductible holding company expenses – administration expenses	1	1
Non-deductible holding company expenses – expected credit loss allowance	–	(51)
Effective tax	–	–

At period end, the Company had an estimated cumulative unused tax loss of R34.9 million (2025: R17.8 million), the losses are available for set-off against future taxable income indefinitely.

* *The reconciliation of effective tax has been presented in South African rand values and the comparative period has been amended for comparability purposes.*

4 Investment in subsidiary

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Pick n Pay Retailers Proprietary Limited – shares at cost	4 700	4 700
	4 700	4 700

Pick n Pay Retailers Proprietary Limited is a wholly-owned subsidiary of Pick n Pay Stores Limited and incorporated in the Republic of South Africa.

5 Cash and cash equivalents

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Cash and cash equivalents	7	6

Cash and cash equivalents represents a current bank account held for administrative purposes. Refer to note 8 and note 32 of the Group annual financial statements. The carrying value of cash and cash equivalents approximates its fair value.

6 Share capital

6.1 Ordinary share capital

	52 weeks to 1 March 2026 000's	53 weeks to 2 March 2025 000's
Authorised ordinary shares of no par value	828 500	828 500
Issued shares of no par value	745 657	745 657
	Rm	Rm
Issued share capital	3 883	3 883

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 6.2.

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 (2025: 24 672 516) shares. To date, 15 743 000 (2025: 15 743 000) shares have been issued, resulting in 8 929 516 (2025: 8 929 516) shares remaining for this purpose.

6 Share capital *continued*

6.1 Ordinary share capital *continued*

During the prior period, 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 7.3 and 7.4 for details of directors' interest in shares.

The Company did not declare dividends during the current or prior period.

	52 weeks to 1 March 2026 000's	53 weeks to 2 March 2025 000's
6.2 B share capital		
Authorised unlisted, non-convertible, non-participating, no par value B shares	**361 500**	361 500
Issued unlisted, non-convertible, non-participating, no par value B shares	**325 426**	325 426

The holders of B shares are not entitled to any rights to distributions by the Company or any other economic benefits.

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 prior period, 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 6.1 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.

As previously announced, Ackerman Investment Holdings (RF) Proprietary Limited and its related and inter-related persons (collectively, the "Ackerman Family") disposed of 64 038 857 ordinary shares on 17 November 2025 and the 105 186 384 B shares held by the Ackerman Family that were previously attached to such ordinary shares have ceased to have voting rights. Subject to the requisite shareholder approval being obtained at the 2026 AGM, these "unstapled" B shares will be repurchased by the Company for a nominal price of R0.00001 per B share and cancelled, as contemplated in the Memorandum of Incorporation (MOI).

Refer to note 7.3 and 7.4 for details of directors' interest in shares.

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm

7 Related party transactions

7.1 Dividend income

Pick n Pay Employee Share Purchase Trust	14	–
Pick n Pay Retailers Proprietary Limited	6	–
	20	–

7.2 Receivables from related entities

Pick n Pay Retailers Proprietary Limited	51	72
Pick n Pay Employee Share Purchase Trust	14	–
	65	72

The receivables are unsecured, interest-free, and repayable on demand. The carrying value of the receivables approximate their fair value. Refer to note 8.1 for further information regarding the credit risk exposure of these receivables.

7.3 Directors' interest in ordinary shares

The directors' interest in ordinary shares of Pick n Pay Store Limited at the reporting date is 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 6.2 of the Group annual financial statements.

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Beneficial	1	1
Non-beneficial	18	26
	19	27

7.4 Directors' interest in B shares

The directors' interest in B shares of Pick n Pay Stores Limited at the reporting date is disclosed below. Refer to note 6.3 of the Group annual financial statements.

	52 weeks to 1 March 2026 %	53 weeks to 2 March 2025 %
Beneficial	2	2
Non-beneficial	98	98
	100	100

7.5 Key management personnel

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

8 Financial instruments

Overview

The Company is exposed to risk in respect of financial instruments, namely the receivables from related entities, 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, or equity prices and have limited exposure to changes in interest rates.

8.1 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 receivables from related entities, and cash.

Credit risk of receivables from related entities

The Company applies a general approach for measuring impairment losses on the receivables from related entities, 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 receivables from Pick n Pay Retailers Limited and Pick n Pay Employee Share Purchase Trust are fully recoverable. The credit risk is considered to be low, and no impairment losses have been recognised.

Credit risk of financial guarantee contracts

In the prior period the Company reversed the expected credit loss allowance of R187 million as the guarantee in favour of the debt facilities of its subsidiary, Pick n Pay Retailers Proprietary Limited, was terminated on repayment of those debt facilities, removing the exposure to counterparty (Pick n Pay Retailers Proprietary Limited) credit risk.

Cash and cash equivalents

The Company's cash is placed with a major South African institution, which at period end had a high credit standing and had a long-term credit rating of zaAAA (2025: zaAA).

8.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

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

	52 weeks to 1 March 2026 Rm	53 weeks to 2 March 2025 Rm
Financial obligations measured at carrying value		
Trade and other payables (all contractual cash flows are repayable within 1 year)	**1**	7
	1	7

8.3 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.

9 Going concern

The Board of directors (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 Company's forward-looking financial forecasts, considered the adequacy of insurance covers and assessed the Company's solvency and liquidity following the recapitalisation in the prior year. The Board is satisfied as to the Company's ability to continue as going concern for the foreseeable future and has concluded that the presentation of the Company annual financial statements on a going concern basis is appropriate.

Additional **information**

93 Pro forma financial information
95 Independent Auditor's Assurance Report on the Compilation of Non-IFRS Financial Information
97 Like-for-like turnover and forward looking information
98 Analysis of ordinary shareholders
99 Analysis of B shareholders
100 Overview of store estate
101 Number of stores report
102 Corporate 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 current period pro forma financial Information is included on page 95 to 96.

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 reported on a 53-week basis in the prior financial period (FY25), whereas the current period presented is on a 52-week basis.

In order to provide a comparison between the current and prior 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 Accounting Standards.

Turnover	As reported Audited 52 weeks to 1 March 2026* Rm	Restated# Pro forma 52 weeks to 23 February 2025 Rm	Restated# Adjustment for week 53** Rm	Restated# Audited 53 weeks 2 March 2025* Rm	Pro forma % change
Boxer	46 682	41 551	1 046	42 597	12.3%
Pick n Pay	73 608	74 798	1 654	76 452	(1.6%)
South Africa	70 405	71 381	1 584	72 965	(1.4%)
Rest of Africa	3 203	3 417	70	3 487	(6.3%)
Group	120 290	116 349	2 700	119 049	3.4%

Comparative figures have been restated to correct for certain product articles where system mapping erroneously resulted in turnover being presented within the incorrect financial statement lines. The reclassification increased prior period turnover for 53 weeks for the Group, Pick n Pay South Africa, Pick n Pay Rest of Africa and Boxer by R439 million, R186 million, R176 million, R10 million and R253 million respectively and for 52 weeks for the Group, Pick n Pay South Africa, Pick n Pay Rest of Africa and Boxer by R429 million, R182 million, R172 million, R10 million and R247 million, respectively, with no net impact on previously reported gross profit, trading profit, or loss for the period.

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.

	52 weeks to 1 March 2026			53 weeks to 2 March 2025		
	Pick n Pay** Rm	Boxer** Rm	Group* Rm	Pick n Pay** Rm	Boxer** Rm	Group* Rm
Cash and cash equivalents	2 739	538	3 277	4 862	466	5 328
Intragroup receivable/(payable)#	(371)	371	–	(204)	204	–
Borrowings	–	(200)	(200)	–	(850)	(850)
Bank overdraft and overnight borrowings	–	–	–	(300)	–	(300)
Net cash/(debt) excluding lease liabilities	2 368	709	3 077	4 358	(180)	4 178
Non-current lease liabilities	(11 250)	(4 633)	(15 883)	(12 229)	(4 150)	(16 379)
Current lease liabilities	(2 014)	(638)	(2 652)	(2 094)	(647)	(2 741)
Net debt (including lease liabilities)	(10 896)	(4 562)	(15 458)	(9 965)	(4 977)	(14 942)

These amounts represent operational cash flow balances between the entities and were repaid shortly after year end.

* *Information has been extracted, without adjustment, from the audited Group annual financial statements of Pick n Pay Stores Limited for the 52 weeks ended 1 March 2026 on which the Independent Auditor has issued an unqualified assurance report.*

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

3 EBITDA and EBITDA (pre-IFRS 16 *Leases*)

The following presents a reconciliation from profit for the period (computed in accordance with IFRS) to EBITDA and EBITDA (pre-IFRS 16 *Leases*) for the Group on a historical basis for each of the periods indicated.

	52 weeks to 1 March 2026			53 weeks to 2 March 2025		
	Pick n Pay* Rm	**Boxer* Rm**	**Group** Rm**	Pick n Pay* Rm	Boxer* Rm	Group** Rm
(Loss)/profit for the period	**(1 749)**	**1 556**	**(193)**	(2 034)	1 383	(651)
Tax	**(445)**	**556**	**111**	(499)	525	26
Loss from impairment of assets	**360**	**31**	**391**	274	20	294
Net loss on disposal of assets	**38**	**13**	**51**	81	13	94
Finance costs	**1 298**	**549**	**1 847**	2 103	458	2 561
Finance income	**(455)**	**(67)**	**(522)**	(474)	(91)	(565)
Trading (loss)/profit	**(953)**	**2 638**	**1 685**	(549)	2 308	1 759
Depreciation on property, plant and equipment	**804**	**665**	**1 469**	845	591	1 436
Amortisation on intangible assets	**104**	**19**	**123**	113	14	127
Depreciation on right-of-use assets	**1 599**	**699**	**2 298**	1 600	653	2 253
Finance income – trade and other receivables	**55**	**10**	**65**	72	6	78
EBITDA	**1 609**	**4 031**	**5 640**	2 081	3 572	5 653
Profit on termination of leases	**(260)**	**(35)**	**(295)**	(136)	(42)	(178)
Lease incentives received	**79**	**76**	**155**	42	74	116
Principal lease liability payments	**(2 064)**	**(620)**	**(2 684)**	(2 066)	(613)	(2 679)
Interest paid on lease liabilities	**(1 319)**	**(472)**	**(1 791)**	(1 336)	(345)	(1 681)
Principal net investment in lease receipts	**360**	**–**	**360**	377	–	377
Interest received on net investment in lease receivables	**228**	**–**	**228**	210	–	210
EBITDA (pre-IFRS 16 *Leases*)	**(1 367)**	**2 980**	**1 613**	(828)	2 646	1 818

4 Trading profit after lease interest (TPAL)

The following presents a reconciliation from trading (loss)/profit (computed in accordance with section 3 above) to trading profit after lease interest for the Group on a historical basis for each of the periods indicated.

	52 weeks to 1 March 2026			53 weeks to 2 March 2025		
	Pick n Pay* Rm	**Boxer* Rm**	**Group** Rm**	Pick n Pay* Rm	Boxer* Rm	Group** Rm
Trading (loss)/profit	**(953)**	**2 638**	**1 685**	(549)	2 308	1 759
Leases finance expense	**(1 295)**	**(483)**	**(1 778)**	(1 357)	(412)	(1 769)
Leases finance income	**215**	**–**	**215**	216	–	216
Trading (loss)/profit after lease interest	**(2 033)**	**2 155**	**122**	(1 690)	1 896	206

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

** *Information has been extracted, without adjustment, from the audited Group annual financial statements of Pick n Pay Stores Limited for the 52 weeks ended 1 March 2026 on which the Independent Auditor has issued an unqualified assurance report.*

Appendix 2

Independent Auditor's Assurance Report on the Compilation of *Pro Forma* Financial Information included in the Group Annual Financial Statements for the 52 weeks ended 1 March 2026

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 and its subsidiaries (collectively the "**Group**"), by the directors.

The *pro forma* financial information, as set out on pages 93 to 94 of the Group Annual Financial Statements for the 52 weeks ended 1 March 2026, consists of the i) Net cash/debt (excluding lease liabilities) and Net cash/debt (including lease liabilities), ii) EBITDA and EBITDA (pre-IFRS 16), iii) Trading profit after lease interest for the 52 weeks ending 1 March 2026 and related notes, (collectively, the "***Pro Forma* Financial Information**"). The applicable criteria on the basis of which the directors have compiled the *Pro Forma* Financial Information are specified in the JSE Limited ("**JSE**") Listings Requirements and described in page 93 of the Group Annual Financial Statements for the 52 weeks ended 1 March 2026.

The *Pro Forma* 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 52 weeks ended 1 March 2026, on which an auditor's report was issued on 22 May 2026.

Directors' Responsibility for the *Pro Forma* Financial Information

The directors are responsible for compiling the *Pro Forma* Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements, described on page 93 of the Group Annual Financial Statements for the 52 weeks ended 1 March 2026.

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.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the *Pro Forma* Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described on page 93 of the Group Annual Financial Statements for the 52 weeks ended 1 March 2026, 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 *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the *Pro Forma* Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the *Pro Forma* Financial Information.

The purpose of the *Pro Forma* Financial Information included in the Group Annual Financial Statements for the 52 weeks ended 1 March 2026, 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 *Pro Forma* Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the *Pro Forma* Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the adjustments made, and to obtain sufficient appropriate evidence about whether:

- The related *pro forma* adjustments give appropriate effect to those criteria; and
- The *Pro Forma* Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Group and the adjustments made in respect of which the *Pro Forma* Financial Information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the *Pro Forma* Financial Information.

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

Opinion

In our opinion, the *Pro Forma* Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements, described on page 93 of the Group Annual Financial Statements for the 52 weeks ended 1 March 2026.

Ernst & Young Inc.
Director: Lucian Rolleston

Chartered Accountant (SA)
Registered Auditor

Cape Town

22 May 2026

Appendix 3

Like-for-like turnover and forward looking 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 in the current and previous reporting periods, and in the current period removes the impact of the amended franchise model. This franchise model offers a higher purchasing rebate to our franchisees (recorded against turnover) in exchange for a higher franchise royalty fee (recorded in other income). 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, and the movement in the ECL allowance, in the current and previous reporting periods.

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 1 March 2026

Shareholder spread	Number of shareholders	%	Number of Shares	%
1 – 1 000 shares	25 440	83.0	2 602 619	0.3
1 001 – 10 000 shares	3 840	12.5	12 921 977	1.7
10 001 – 100 000 shares	990	3.2	28 978 876	3.9
100 001 – 1 000 000 shares	298	1.0	93 607 807	12.6
1 000 001 shares and over	86	0.3	607 545 851	81.5
Total	30 654	100.0	745 657 130	100.0

Public/non-public shareholders	Number of shareholders	%	Number of Shares	%
Non-public shareholders	15	0.1	150 077 972	20.1
Ackerman Investment Holdings (RF) Proprietary Limited	1	0.0	125 296 139	16.8
Pick n Pay Retailers Proprietary Limited	1	0.0	5 002 400	0.7
Shares held on behalf of RSP participants	1	0.0	4 554 727	0.6
Pick n Pay Stores Employee Share Purchase Trust	1	0.0	1 716 680	0.2
Directors of Pick n Pay Stores Limited	7	0.0	8 727 185	1.2
Directors of Boxer Retail Limited	1	0.0	93 558	0.0
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 (RF) Proprietary Limited	1	0.0	2	0.0
Public shareholders	30 639	99.9	595 579 158	79.9
Total	30 654	100.0	745 657 130	100.0

Beneficial Shareholders Holding 1% or more	Number of Shares	%
Ackerman Investment Holdings (RF) Proprietary Limited	125 296 139	16.8
Government Employees Pension Fund	116 264 867	15.6
Allan Gray	50 567 757	6.8
Ninety One	50 495 548	6.8
Fidelity	42 108 163	5.6
M&G Investments	38 974 047	5.2
Alexforbes	25 456 075	3.4
Old Mutual	22 260 154	3.0
Vanguard	21 831 397	2.9
PSG Financial Services	11 083 199	1.5
Standard Bank Group Retirement Funds	10 146 233	1.4
Pick n Pay Retailers Proprietary Limited	9 557 127	1.3
Dimensional Fund Advisors	9 425 968	1.3
BlackRock	8 180 996	1.1
Rand Merchant Bank	7 207 265	1.0

Analysis of **B shareholders**

As at 1 March 2026

Shareholder spread	Number of shareholders	%	Number of 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 (RF) Proprietary Limited	1	16.7	310 989 391	95.6
Gareth Ackerman	1	16.7	4 216 004	1.3
Jonathan 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 (RF) Proprietary Limited	310 989 391	95.6
Gareth Ackerman	4 216 004	1.3
Mistral Trust	6 703 896	2.1

Refer to note 6.3 of the Group annual financial statements for further information.

The holders of B shares are not entitled to any rights to distributions by the Company or any other economic benefits.

Overview of **store estate**

	Pick n Pay		Boxer	TM	
	Owned	Franchise	Owned	Associate	Total
South Africa	950	588	564	–	**2 102**
Eswatini	–	24	12		**36**
Zambia	24	–	–	–	**24**
Botswana	18	4	–	–	**22**
Lesotho	–	4	–	–	**4**
Zimbabwe	–	–	–	73	**73**
	992	620	576	73	**2 261**
Hypermarkets	23	–	–	–	**23**
Supermarkets	285	408	338	59	**1 090**
Clothing	419	18	–	–	**437**
Liquor	265	194	206	14	**679**
Build	–	–	32	–	**32**
	992	620	576	73	**2 261**

Geographic footprint

- Company-owned stores
- Franchise stores
- Business investment

South African store formats

Supermarkets and Hypermarkets
996

Clothing
434

Liquor
640

Build
32

Total South African stores
2 102

Number of **stores**

	2 March 2025	Opened	Closed	Converted openings	Converted closures	1 March 2026
Pick n Pay						
Company-owned						
Hypermarkets	21	–	–	2	–	**23**
Supermarkets	287	2	(17)	19	(6)	**285**
Clothing	396	32	(9)	–	–	**419**
Liquor	267	3	(13)	12	(4)	**265**
Total company-owned	971	37	(39)	33	(10)	**992**
Franchise						
Supermarkets	260	2	(35)	4	(20)	**211**
Market	7	–	–	–	–	**7**
Express	188	6	(5)	1	–	**190**
Clothing	19	–	(1)	–	–	**18**
Liquor	223	7	(28)	4	(12)	**194**
Total franchise	697	15	(69)	9	(32)	**620**
Boxer						
Company-owned						
Supermarkets	320	20	(2)	–	–	**338**
Liquor	175	32	(1)	–	–	**206**
Build	30	2	–	–	–	**32**
Total company-owned	525	54	(3)	–	–	**576**
TM Supermarkets						
Associate	74	2	(3)	–	–	**73**
Total Group stores	2 267	108	(114)	42	(42)	**2 261**
AFRICAN FOOTPRINT						
- included in total stores above	187	11	(39)	20	(20)	**159**
Pick n Pay company-owned	23	1	–	19	(1)	**42**
Boxer company-owned	10	2	–	–	–	**12**
Pick n Pay franchise	80	6	(36)	1	(19)	**32**
TM Supermarkets – associate	74	2	(3)	–	–	**73**
AFRICAN FOOTPRINT						
- by country	187	11	(39)	–	–	**159**
Botswana	19	3	–	–	–	**22**
Lesotho	4	–	–	–	–	**4**
Namibia	36	–	(36)	–	–	**–**
Eswatini	31	5	–	–	–	**36**
Zambia	23	1	–	–	–	**24**
Zimbabwe	74	2	(3)	–	–	**73**

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)

Independent non-executive

James Formby (Chair)[1]
Haroon Bhorat
Aboubakar Jakoet
Thabo Leeuw[2]
Annamarie van der Merwe
Audrey Mothupi-Palmstierna
Grant Pattison[2]
Pooven Viranna[3]

Non-executive

Gareth Ackerman[1]
Jonathan Ackerman
Suzanne Ackerman

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

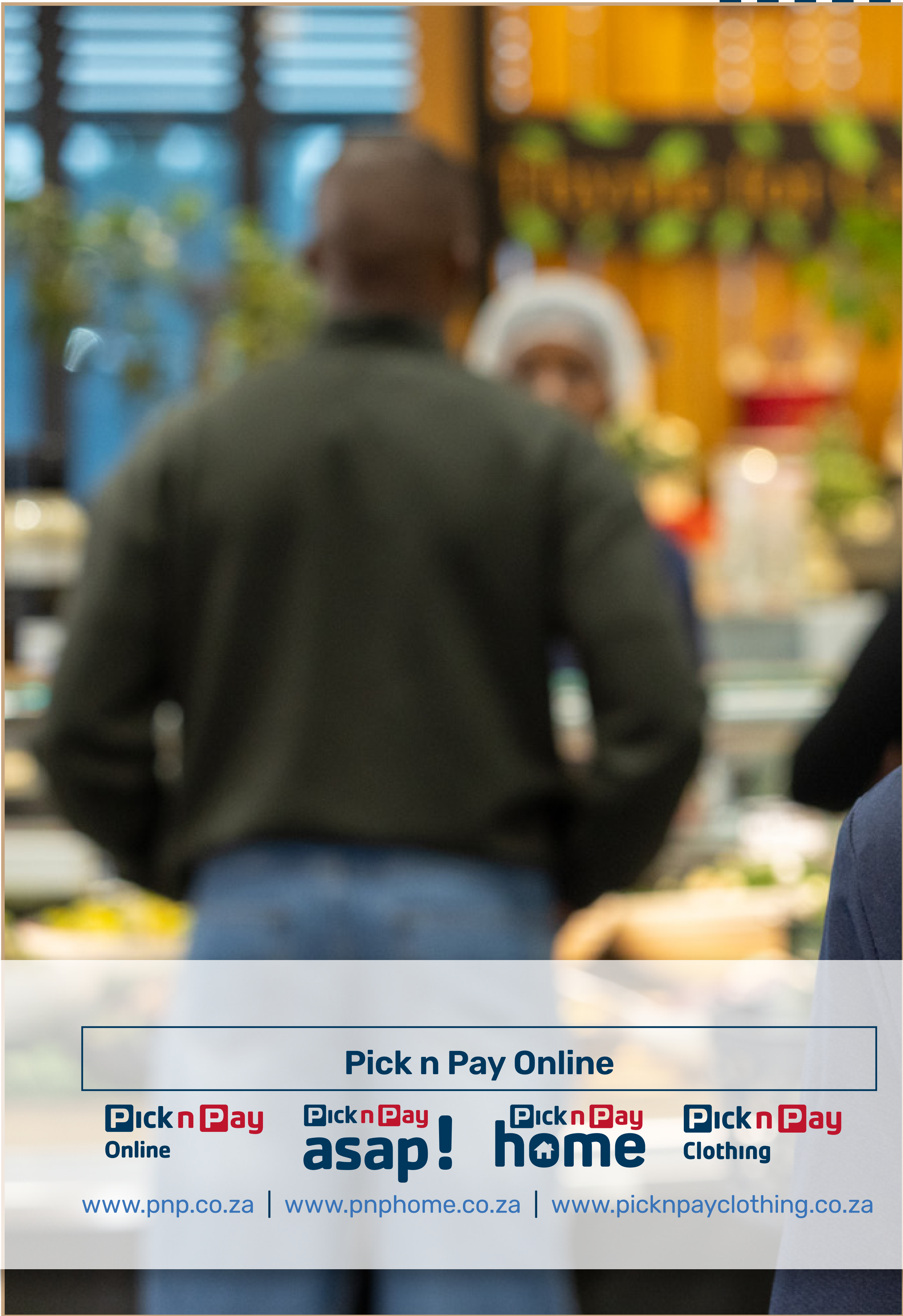
Boxer

Tel: +27 860 02 69 37
Email address: customercare@boxer.co.za

www.pnp.co.za | www.pnphome.co.za | www.picknpayclothing.co.za

Engage with us on

1 Gareth Ackerman retired as Chairman of Pick n Pay effective 5 August 2025. James Formby was appointed as Chairman on that date.
2 Thabo Leeuw and Grant Pattison was appointed as an independent non-executive director effective on 1 February 2026.
3 Pooven Viranna was appointed as an independent non-executive director effective on 1 June 2025.



Pick n Pay Online

www.pnp.co.za | www.pnphome.co.za | www.picknpayclothing.co.za