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KEY METRICS

Sales

+5.2%

R97.9 billion

Pro forma Profit before Tax

+24.9%

R1 978 million

Including insurance proceeds received after year-end

Pro forma HEPS

+23.0%

289.64 cents

Including insurance proceeds received after year-end

Total dividend

+23.0%

221.15 cents



REVIEW OF OPERATIONS

Progress in a disrupted year

KEY FINANCIAL INDICATORS	52 weeks to 27 February 2022 FY22	52 weeks to 28 February 2021 FY21	% change
Group turnover	R97.9 billion	R93.1 billion	5.2
Gross profit margin	18.8%	19.8%	
Trading expenses	R18 014.7 million	R17 294.8 million	4.2
Net finance costs	R1 150.4 million	R1 233.6 million	(6.7)
Profit before tax and capital items (PBT) ¹	R1 807.7 million	R1 554.2 million	16.3
Pro forma PBT ²	R1 978.0 million	R1 583.4 million	24.9
Pro forma PBT ² – South Africa	R1 859.0 million	R1 435.3 million	29.5
Basic earnings per share (EPS) ¹	253.34 cents	202.52 cents	25.1
Headline earnings per share (HEPS) ¹	262.59 cents	229.31 cents	14.5
Pro forma HEPS ²	289.64 cents	235.42 cents	23.0
Total dividend per share	221.15 cents	179.74 cents	23.0

¹ Profit before tax and capital items (PBT), basic earnings per share and headline earnings per share (HEPS) include non-cash hyperinflation net monetary adjustments recognised in respect of the Group's investment in its associate in Zimbabwe, under the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29).

² Pro forma PBT and pro forma HEPS exclude non-cash hyperinflation net monetary adjustments related to the Group's investment in its associate in Zimbabwe (Rest of Africa segment) and, in FY22, include R145.2 million (R104.5 million net of tax) of business interruption insurance proceeds received post year-end in respect of the civil unrest in July 2021 (South Africa segment), which results in a pro forma adjustment for the 52 weeks ended 27 February 2022. Pro forma HEPS is the Group's dividend driver.

³ For further information on pro forma PBT, HEPS and constant currency information, users are referred to Appendix 1 and Appendix 3 of the Summarised Group Annual Financial Statements for the 52 weeks ended 27 February 2022.

Result summary

The Group delivered a resilient performance across the year despite the considerable negative impact of the civil unrest of July 2021, and some continuing restrictions on trading associated with the Covid-19 pandemic. Group turnover increased by 5.2%, despite an estimated R2.7 billion in lost sales arising from store closures as a result of the civil unrest, and the trading restrictions on liquor mainly in the first half of the year. A quarterly breakdown of trading performance set out below demonstrates the considerable impact of the civil unrest on Group operations. More positively, it also shows the Group's stronger underlying trading momentum both before and after this disruption.

The Group's gross profit and operating margins reflect the significant impact of the lost sales and earnings, with the majority of the losses associated with the unrest covered under the Group's programme of insurance. Pro forma profit before tax and capital items (including R145.2 million of insurance recoveries received post year-end) increased 24.9% at a Group level – and by 29.5% in the Group's South Africa segment – under some of the most difficult

circumstances in the Group's history. The Board has declared a final dividend of 185.35 cents per share, bringing the total FY22 dividend to 221.15 cents per share, up 23.0% in line with pro forma headline earnings per share.

Over the course of the year, the Group made progress against a number of its strategic priorities. The refurbishment of key Pick n Pay Select supermarkets, serving our most affluent customers, resulted in a gain in customers. Pick n Pay Clothing delivered market-leading sales growth and increased its market share across a number of key categories. The Group's on-demand online grocery offer was relaunched as Pick n Pay asap!, resulting in significant growth in the second half of the year.

Project Future, the Group's modernisation and cost savings programme delivered targeted cost savings of R1.0 billion over the past two years. This was crucial in mitigating the impact of other cost escalations over the course of the year – particularly in security and insurance costs as a result of the civil unrest – and has allowed for sustained investment into lower prices for customers and a strengthened marketing campaign.

Highlights from the year include:

- The Group's extraordinary recovery from the civil unrest in July 2021 – rapidly restoring damaged infrastructure and re-opening stores, and mounting a major humanitarian response to provide essential food and groceries to affected communities
- The resilience of the Group's underlying sales performance – driven by the value offered by Pick n Pay Value and Boxer supermarkets
- Stronger customer growth from 40 refurbished Pick n Pay Select supermarkets
- Cost discipline and operational efficiency, enabled the Group to offer lower prices and deeper promotions, with selling price inflation restricted to 2.9% against CPI Food of 6.2%
- Project Future contained like-for-like trading expense growth below like-for-like sales growth in a highly disrupted environment
- Sustained market share gains from Pick n Pay Clothing, with sales growth of 21.0%
- Pick n Pay's Smart Shopper loyalty programme driving loyalty penetration to 80% of Pick n Pay sales and recognised as the most used loyalty programme in South Africa
- Relaunch of the Group's on-demand grocery offer as Pick n Pay asap!, delivering year-on-year growth of over 300% since August 2021
- Careful management of working capital and capital investment underpinned strong liquidity, with the Group's cost of borrowing down 6.7%
- Growth in the Group's store estate – with 139 new stores across all formats

Strategic plan

The Group will separately present details of its Strategic Plan immediately after the FY22 Financial Results presentation at 10:30am on Tuesday, 17 May 2022 (webcast link: www.corpcam.com/PNP17052022). Presentation materials will be published on the Group's website at www.picknpayinvestor.co.za.

Detailed review of financial and operational performance

Sales and earnings impact of civil unrest

The outbreak of civil unrest across KwaZulu-Natal and parts of Gauteng in July 2021 was one of the worst episodes in the country's democratic history. 212 Pick n Pay and Boxer stores, and two Pick n Pay distribution centres, were damaged and looted during the violence, and a further 551 stores were closed on a precautionary basis to safeguard staff and customers.

The Group is strongly represented in terms of store numbers in KwaZulu-Natal and Gauteng, and 37% of its estate was closed at the height of the civil disorder. 16 of the affected stores (nine Pick n Pay and seven Boxer) currently remain closed. These stores are located in severely damaged shopping centres, with the reinstatement of each store dependent on the restoration of the centre as a whole.

The Group recovered R958.7 million of material damage losses under its SASRIA riot insurance covers in FY22, including R627.8 million of stock losses and R210.5 million of property damage, alongside increased operating costs.

Alongside the material damage suffered, the Group estimates that the unrest resulted in approximately R1.8 billion of lost sales in FY22. The Group's related business interruption (loss of profits) claims remain open, as not all of the affected stores have re-opened for trade. The Group has provided business interruption insurers with interim submissions setting out the earnings lost as a result of the unrest up to and including end October 2021. The Group received interim payments of R145.2 million from business interruption insurers in respect of these submissions in March 2022 (post year-end). These recoveries have not been accounted for in the Group's FY22 results in line with the technical requirements of International Financial Reporting Standards. The Group has presented pro forma profit before tax and pro forma headline earnings per share metrics which include these insurance proceeds relating to FY22 received after year-end. Pro forma headline earnings per share is the Group's dividend driver. Please refer to Appendix 1 for further information. The balance of lost earnings is expected to be recovered in FY23, once insurers have completed the assessment of the full and final business interruption claim. The recoveries in FY23 will mitigate to some extent the increase in trading expenses expected as a result of the unrest.

Turnover

Group sales increased 5.2% to R97.9 billion (FY21: R93.1 billion), with like-for-like sales growth of 4.5%.

The Group's South Africa segment (96.6% of Group sales) increased sales by 5.1% to R94.5 billion, with like-for-like sales growth of 4.4%. Selling price inflation was contained at 2.9% against CPI Food of 6.2%.

The underlying strength and resilience of the Group's trading performance is evidenced by a quarter-by-quarter analysis of sales growth:

	Q1 13 weeks ended 30 May 2021	Q2 13 weeks ended 29 Aug 2021	Q3 13 weeks ended 28 Nov 2021	Q4 13 weeks ended 27 Feb 2022	FY22 52 weeks ended 27 Feb 2022
Group sales growth	+9.0%	-0.7%	+4.9%	+7.4%	+5.2%

- The Group delivered a solid start to FY22, growing sales by 9.0% in the first quarter, a positive recovery against a prior year base highly disrupted by Covid-19 measures.
- The impact of the civil unrest, combined with the loss of liquor trade, was most evident in the second quarter of the year, with sales growth falling to -0.7%. The civil unrest was particularly damaging to the Group, as it struck at the heart of our high-performing value business, with significant damage to a large number of Boxer and Pick n Pay Value stores.
- Sales growth recovered to 4.9% in quarter three as a result of the extraordinary efforts to re-open over 180 damaged stores over July to November 2021 – notwithstanding a shortage of point of sale and other critical store infrastructure – supported by the successful execution of Black Friday promotions.
- The Group's trading momentum accelerated in the final quarter of the year, with sales growth increasing to 7.4%. Q4 was underpinned by a strong festive trading period, with sales up 9% in the three weeks leading into and including Christmas.

Greater clarity in the Group's supermarket offer

Boxer – the Group's discount format – delivered an outstanding performance. Boxer provides customers with a clear customer value proposition across a tight range of essential food and groceries and provides exceptional value through its simple and highly effective operating model. The Group's long-term plan recognises the importance and potential of the Boxer brand in the South African market and targets 200 new Boxer stores over the next three years.

Over the course of the year, the Group made further important strides in ensuring that its Pick n Pay Value supermarkets provide an aspirational but affordable destination for middle and lower-income customers. The Group reduced the range in these stores, streamlined the operating model and delivered more targeted promotions, including bulk

and combination offers. Pick n Pay Value stores outperformed the balance of the Pick n Pay estate in terms of sales growth, sales densities, on-shelf availability and waste.

The Group also strengthened its offer in the more affluent segment of the market through the refurbishment of 40 supermarkets under its Pick n Pay Select plan. These stores have a modern and innovative design and layout and carry over 400 new own brand and imported products, focused on high-quality fresh meat, produce and bakery lines, health and wellness, plant-based meal solutions, and added-convenience products.

One of the priorities of the Group's new Strategic Plan will be to build on the progress made in differentiating the Pick n Pay customer offer in recent years.

Strong performance from Pick n Pay Clothing

The Group's clothing division made excellent progress, with sales growth of 21.0% year-on-year. The strong performance was driven by solid market share gains across a number of women's, men's and childrenswear categories, for the fourth consecutive year. On a two-year compound annual growth basis, clothing sales have increased by 11.7%. The division's solid performance reflects its clear customer value proposition and highly efficient operating model, built on the principle of providing high-quality wardrobe essentials at incredible prices. Local sourcing represents 40% of total clothing sales. It has provided the opportunity for exciting collaborations with local designers and entrepreneurs, while reducing order lead times and maintaining high levels of availability. Online clothing sales increased 233% year-on-year, including through the Group's strategic partnership with online retail platform Zando. The Group added 22 net new clothing stores this year. Pick n Pay clothing is a strategic priority for the Group, and the offer will continue to expand through new stand-alone clothing stores (66 planned for FY23), additional space in supermarkets, and a growing online offer.

Strengthened omni-channel offer

The Group's online on-demand grocery offer was relaunched in August 2021 as Pick n Pay asap!. Following the relaunch, the service has delivered year-on-year growth of over 300%. Significant enhancements to the mobile app and the in-store picking interface have simplified the user experience, including navigation, ordering and checkout and have led to notable improvements in the reliability and speed of the service, with product availability maintained at over 95%. Pick n Pay asap! is now available in 392 supermarkets and liquor stores. On-demand grocery retail is only one element of the Group's omni-channel proposition, which includes its traditional scheduled delivery service, a Click n Collect service and an online clothing offer.

The Group's combined online offer has delivered compound annual growth of 72.5% over two years. The Group believes that online grocery sales will continue to expand in South Africa and intends to grow its omni-channel offer and presence significantly. Details of how this will be achieved are set out in the Group's Strategic Plan.

Some recovery in the Group's highly disrupted liquor business

Group liquor sales increased 57.2% year-on-year. The Group lost a further 66 liquor trading days this year (FY21: 209 days) as a result of Covid-19 trading restrictions, with an estimated R0.9 billion in lost sales (FY21: R2.5 billion). The Group added 42 net new liquor stores this year (32 Pick n Pay and 10 Boxer). We are working closely with suppliers to restore volumes, including through strong promotions and improved on-shelf availability.

Store estate

The July civil unrest disrupted the Group's opening programme, with resources diverted to repairing and re-opening damaged stores. Despite this, the Group made good progress against its FY22 target, opening 102 Pick n Pay stores across all formats (57 company-owned and 45 franchise), 34 new Boxer stores, and three new TM Supermarkets in Zimbabwe.

In addition, the Group improved the overall quality of its estate with the closure of 49 under-performing stores, and the conversion of seven Pick n Pay franchise stores to company-owned stores, and two Pick n Pay company-owned stores to Boxer. The Group will continue to leverage the flexibility of its operating model in order to tailor its store estate to best meet customer needs.

Gross profit

Gross profit remained flat at R18.4 billion, with a reduction in the gross profit margin to 18.8% of turnover (FY21: 19.8%). This contraction in gross profit reflects the significant impact of the civil unrest, in particular stock losses of R627.8 million, and increased supply chain costs of R68.0 million. These losses have been recovered through the Group's programme of insurance, and recoveries have been recognised within "other income" in line with International Financial Reporting Standards.

The Group invested close to R800 million in lower prices across 400 key food and grocery lines in Pick n Pay. This strategic programme of price investment has enhanced Pick n Pay's price competitiveness and is an important step forward in improving its price perception among consumers. The Group also strengthened its promotions across both Pick n Pay and Boxer to assist hard-pressed customers and drive a recovery in sales volumes following the civil unrest. The Group's Smart Shopper loyalty programme is an increasingly important lever in Pick n Pay's marketing and pricing strategy, with loyalty customers receiving the lowest Smart Prices and best deals, driving loyalty participation to close to 80% of sales.

Smart Shopper is the most used loyalty programme in South Africa and with ten years of customer data provides the Group with unrivalled market insights, invaluable in shaping our customer value proposition and tailoring personalised promotions.

	FY22 %	FY21 %
Undisrupted gross profit margin – prior year	20.1	19.7
Better buying and supply chain efficiency	0.3	0.9
Strategic investment in lower prices	(0.8)	(0.5)
Undisrupted gross profit margin	19.6	20.1
Impact of trade disruptions:		
Civil unrest	(0.8)	–
Covid-19 trading restrictions	–	(0.3)
Reported gross profit margin	18.8	19.8

The Group's price investment has been funded through a combination of better buying (driven in part by strong volume growth in Boxer), improved supply chain efficiency, and other cost savings delivered under the Group's Project Future programme – including reduced shrink and waste, tighter working capital management, increased staff productivity, and lower logistics costs.

The Group's central supply chain remains an important efficiency lever in the successful execution of the second phase of Project Future. The development of Pick n Pay's new Eastport distribution centre in Gauteng – in partnership with Fortress REIT Limited (Fortress) – began in July 2021. Eastport will replace the Group's Longmeadow distribution centre and is on track to open in March 2023. The facility, at just over 150 000m², will be 45% larger than Longmeadow and – with 50% more capacity and enhanced systems and layout – targeting a 12% decrease in the cost-per-case per delivered over the next 5 years. The Eastport DC will complete Pick n Pay's supply chain centralisation in Gauteng and will support the Group's growth ambitions for the next 15 years. The Group will purchase 60% of the Eastport facility from Fortress on completion of the development in FY24, at a projected value of R1.2 billion, and will enter into a long-term lease for the 40% balance. The capital investment will be funded through highly cost-effective long-term debt already secured from a local funding partner.

Boxer plans to begin construction on its second distribution centre in Gauteng by the end of May 2022. This distribution centre will add 30 000m² of capacity, and ultimately service more than 100 stores. It will open early in FY24 and is an important element of Boxer's accelerated growth strategy. In addition, Boxer is currently extending its existing facility in Gauteng by a further 5 000m² to a total size of 19 000m².

Other income

Other income of R2.5 billion includes insurance recoveries of R748.2 million in respect of losses suffered as a result of the civil unrest. Further detail is provided below. Other income, excluding the insurance recoveries, increased 11.1% to R1.8 billion.

Franchise fee income – the Group's royalty fee income earned on franchise point of sale turnover, increased 3.8% to R428.3 million. The moderate increase reflects the combined impact of the Covid-19 liquor restrictions and the civil unrest on our franchise partners – notwithstanding a strong recovery in the second half of the year – as well as the conversion of 41 franchise supermarkets and liquor stores to company-owned Pick n Pay and Boxer stores over the past two years.

Operating lease income – decreased 18.9% year-on-year, from R142.5 million to R115.6 million, reflecting the impact of conversions of franchise stores to company-owned stores, as well as the impact the civil unrest had on income received from in-store kiosks and other retail tenants.

Commissions and other income – this broad category of income includes income from value-added services and all other commission and incentive income not directly related to the sale of inventory. Commissions and other income increased 18.3% year-on-year

to R1.2 billion, with a solid recovery in all services disrupted by Covid-19 restrictions in the prior period.

Income from value-added services – grew 25.0% year-on-year, with solid performances across travel and event ticketing, store vouchers and banking and insurance services. Providing a secure and convenient platform for banking and other financial transactions is an increasingly important part of the Group's value-added offer. The Group processed 74.8 million cash withdrawals this year with a value of R39.8 billion, facilitated 5.1 million local and cross-border money transfers, extended the reach of TymeBank to 3.6 million Pick n Pay and Boxer customers, and introduced mini Standard Bank kiosks into 27 of its Pick n Pay Supermarkets. Customers are now able to renew their vehicle licence discs in over 500 Pick n Pay supermarkets – with close to 50 000 registered customers since the launch of the service in January 2022. The Group provides an important service in the monthly distribution of South African Social Security Agency (SASSA) grants through its Pick n Pay and Boxer supermarkets and in September 2021 were the first retailers to be selected as collection points for the South African government's Social Relief of Distress (SRD) grant.

Insurance recoveries

The Group incurred material damage losses (stock, assets and other costs) of R958.7 million as a result of the July 2021 civil unrest. The Group recovered these losses in full in FY22 under its SASRIA riot insurance covers. Of these recoveries, R748.2 million have been recorded within other income (the value of stock and other costs recovered), with the balance related to items of a capital nature. Further information is provided in note 14 to the summarised financial information. The Group's business interruption (loss of profits) claims remain open, as 16 of the damaged stores have not yet re-opened for trade. The Group provided business interruption insurers with interim submissions setting out the earnings lost as a result of the unrest up to and including end October 2021. The Group received interim payments of R145.2 million from insurers in respect of these interim submissions in March 2022 (post year-end).

Trading expenses

Trading expenses increased 4.2% year-on-year (2.4% like-for-like) to R18.0 billion. Excluding once-off staff costs in the prior year of R250 million, like-for-like trading expenses increased by 4.0%. Strong cost discipline – particularly driven by greater staff productivity and operational efficiency – contained like-for-like expense growth below that of like-for-like sales growth, notwithstanding significant cost pressures directly related to the civil unrest, including the cost of heightened security measures, the reinstatement of insurance covers, and essential repairs and maintenance.

Employee costs – decreased 1.5% to R7.8 billion over the period (-3.8% like-for-like). Employee costs in the prior year included R250 million of once-off costs – R200 million arising from a voluntary severance programme and other strategic staff restructuring decisions, and an appreciation bonus of R50 million paid to frontline staff during the Level 5 Covid-19 lockdown last year. Excluding the impact of these once-off costs, employee costs increased just 1.7% year-on-year, reflecting the realisation of significant staff productivity and efficiency benefits under the Group's Project Future programme and a reduction in share-based payment costs.

Occupancy costs – increased 9.7% to R2.7 billion (5.2% like-for-like), driven primarily by an escalation in security costs after the civil unrest, with stronger security measures implemented across the Group's estate, particularly in respect of key supply chain infrastructure. In addition, the Group reinstated its riot covers post the unrest, at significant cost. The cost of security and insurance are expected to remain elevated, with the reduced insurance capacity related to riot risk in South Africa considered a risk for all businesses. The Group is focused on reducing cash property rentals (excluding IFRS 16) as a percentage of turnover and has worked closely with landlords to secure fair and reasonable rentals and escalation terms which can sustain mutual growth over the long term.

Operations costs – increased 9.4% to R4.5 billion (6.3% like-for-like), largely driven by increased repairs and maintenance costs – due in part to structural repairs necessitated by the civil unrest, and in part by the resumption of a standard programme of repairs and maintenance at store level, deferred last year as a result of the Covid-19 pandemic. The increase in the Group's operating costs also reflects higher electricity tariffs in the second half of the year, and the cost of load shedding in South Africa – including the cost of running and maintaining diesel generators (exacerbated by the higher cost of fuel). The Group continues to enforce stringent health and hygiene protocols as result of the Covid-19 pandemic, repeating the majority of the related costs incurred in the prior year.

The Group's Project Future initiatives have delivered strategic savings in combined depreciation and amortisation charges – up just 1.5% year-on-year (excluding IFRS 16 right-of-use assets). Savings have been achieved through the careful management of capital investment, a more targeted repairs and maintenance programme and a move away from software ownership to strategic software service providers. While these savings have been partially off-set by an increase in repairs and maintenance and professional fees, this has been an important area of cost control and efficiency gains.

Merchandising and administration costs – increased 7.8% year-on-year to R3.0 billion (12.2% like-for-like), driven by the Group's deliberate investment in a strengthened marketing campaign this year, to drive the recovery in sales volumes post the Covid-19 pandemic and the civil unrest. The Group has made good progress in strengthening its voice in the market and in improving Pick n Pay's price perception, but there is still more to do, which remains a priority under the Group's new Strategic Plan.

The Group's year-on-year increase in trading expenses also reflects the impact of its store conversion programme, with the conversion of 41 franchise stores into company-owned stores over the past two years. The conversion programme has added operating costs for the Group – particularly for its Boxer business – but is driving greater investment returns through improved sales growth and operating margins.

Project Future, supported by extensive internal and external benchmarking, has identified further significant and quantifiable opportunities for cost savings and efficiency gains across the Group's procurement, supply chain, store operations and support office structures. The Group is seeking R3.0 billion in cost savings over the next three years. Execution of this second phase of Project Future will be crucial to addressing cost pressures across the value chain and to ensure the Group is able to deliver on its promise of better value for customers. Further details will be provided in the presentation of the Group's Strategic Plan.

Net finance costs

Net finance costs, including implied interest charges under IFRS 16, decreased 6.7% year-on-year to R1.1 billion.

Net funding interest – the Group maintained high levels of liquidity over the year, through disciplined control over capital investment, operating costs and working capital. The Group's cost of net bank funding decreased 23.8% year-on-year, from R94.6 million to R72.1 million, supported by underlying like-for-like improvements in working capital, lower average interest rates over the year and the strategic investment of surplus funds into high-yield money market funds.

Lease interest – implied net interest charges under IFRS 16 decreased 4.1% year-on-year to R1.1 billion, with ongoing stability in the Group's broad lease portfolio. Combined IFRS 16 implied interest and depreciation charges are up 4.7% year-on-year, reflecting the Group's focus on reducing its cash cost of occupancy.

South Africa has returned to a cycle of interest rate hikes, with the South African Reserve Bank (SARB) steadily increasing interest rates over the past six months to contain headline consumer price

inflation within its target range of 3% – 6%. The SARB increased interest rates by 50 basis points from November 2021 to January 2022. The Russian invasion of Ukraine has further fuelled global and domestic inflation concerns, driving large increases in the prices of commodity products, including wheat and cooking oil. SARB implemented a further 25 basis point increase in March 2022, with further increases, estimated at around 100 – 125 basis points, expected over the balance of the 2022 calendar year. The Group will actively manage the impact on its cost of funding, through an optimal mix of short-term and longer-term funding.

Rest of Africa segment

The Group's Rest of Africa segment contributed R4.5 billion of segmental revenue, up 5.1% on last year. Segmental revenue increased 8.4%¹ in constant currency terms, and 10.8% on a like-for-like basis. The Rest of Africa division delivered pro forma profit before tax and capital items of R119.0 million (before the application of hyperinflation accounting) down R29.1 million (-19.6%) on last year.

The Group operates franchise operations across Botswana, eSwatini, Namibia and Lesotho. These businesses have demonstrated resilience over the course of the Covid-19 pandemic, notwithstanding increasingly difficult trading conditions across southern Africa. The Group opened its first Pick n Pay Express store in Namibia this year, alongside one new clothing store in eSwatini and one supermarket and one liquor store in Botswana – the first new stores in the region in five years.

In partnership with AG Leventis, Pick n Pay opened a small supermarket in Lagos, Nigeria in March 2021. This pilot store had a challenging start as a result of Covid-19 trading restrictions. The store's sales performance has improved as restrictions have eased, and as brand awareness has grown, and the initiative continues to provide the Group with valuable learnings in the region, at limited risk. The Group's approach to investment in Nigeria remains cautious.

Zambia – lower earnings in the Rest of Africa segment was largely attributable to the persistently difficult trading conditions in Zambia, particularly over the first half of the year. Stronger sales growth in the region was driven by high levels of inflation, which also resulted in significant cost and margin pressure. Underlying volume growth remained weak over the first half of the year, exacerbated by the economic impact of the Covid-19 pandemic.

The team delivered an encouraging recovery in the second half of the year, supported by strong promotions over the festive season and a revitalised fresh meat and produce offer. The Group countered

inflationary cost pressures through improved operating efficiency and tight working capital management, with a meaningful reduction in stock cover, alongside improvements in in-store execution and on-shelf availability.

The Group opened one new store and closed four under-performing stores in Zambia over the year. The management team progressed in its efforts to reduce rental costs, working closely with landlords to introduce a greater level of variable turnover-based rentals, and reduce its exposure to US dollar-based rentals. The political and economic environment stabilised post the elections held in August 2021, and the Group expects trading conditions to improve in FY23, driven by a firmer local kwacha currency, lower levels of inflation and the stronger copper price.

Zimbabwe – TM Supermarkets (TM), the Group's 49%-owned associate in Zimbabwe, delivered another resilient sales and earnings performance. Sustained market share gains drove underlying volume growth up 23.5% year-on-year, supported by the successful refurbishments of our Newlands, Zengeza and Makoni stores. Earnings in local currency grew 95.8% year-on-year, as the management team countered inflationary cost pressures with highly-disciplined cost and working capital management. The local Zimbabwe dollar weakened significantly over the second half of the year and, as a result, the Group's share of TM's operating profits (trading result) fell to R96.7 million, from R109.2 million last year, on translation to the South African rand. The Group recognised a non-cash net monetary loss on the revaluation of TM assets and liabilities of R25.1 million (FY21: R29.2 million) under the provisions of hyperinflation accounting in Zimbabwe, which is excluded from pro forma headline earnings per share, the Group's main dividend driver.

	Investment in TM Supermarkets	
	27 February 2022 Rm	28 February 2021 Rm
Opening balance	69.7	50.4
Share of TM's earnings, excluding net monetary adjustments	96.7	109.2
Hyperinflation accounting – net monetary adjustments	(25.1)	(29.2)
Dividends received	(20.1)	-
Foreign translation recorded in equity	(0.8)	20.9
Impairment on fair value assessment	(14.4)	(81.6)
Closing balance	106.0	69.7

The Group re-assessed the fair value of its investment in TM Supermarkets at R106.0 million, from R69.7 million last year. The increase in the value of the investment recognises TM's strong underlying FY22 operating performance, high levels of liquidity in the business, minimal exposure to foreign debt and the successful remittance of R20.1 million of dividends to South Africa.

TM added three new stores during the year, including its first Pick n Pay Express store, taking its store footprint to 64 stores in Zimbabwe (56 supermarkets, one Pick n Pay Express and seven liquor stores) with 32 stores trading under the Pick n Pay brand.

Profit before tax and capital items (PBT)

	FY22 Rm	FY21 Rm	% change
Profit before tax and capital items (PBT)	1 807.7	1 554.2	16.3%
Non-cash hyperinflation net monetary loss ¹	25.1	29.2	
Comparable PBT¹	1 832.8	1 583.4	15.8%
Insurance recoveries received post year-end	145.2	-	
Pro forma PBT²	1 978.0	1 583.4	24.9%
South Africa	1 859.0	1 435.3	29.5%
Rest of Africa	119.0	148.1	(19.6%)

¹ In line with normal Group practice, comparable PBT excludes all non-cash hyperinflation net monetary adjustments recognised in respect of the Group's investment in its associate in Zimbabwe, under the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29).

² Pro forma PBT and pro forma HEPS exclude all non-cash hyperinflation net monetary adjustments related to the Group's investment in its associate in Zimbabwe and, in FY22, include R145.2 million (R104.5 million net of tax) of business interruption insurance proceeds received post year-end in respect of the civil unrest. Refer to Appendix 1.

Pro forma PBT increased 24.9% year-on-year to R1 978.0 million. The Group's resilient earnings performance against a backdrop of significant trade and operational disruption over the past two years is testament to targeted improvements in the Pick n Pay and Boxer customer offer, alongside sustained cost and operational discipline under the Group's Project Future modernisation programme. The strength of the Group's FY22 performance is particularly evidenced by the results of its South African segment, with pro forma PBT up 29.5% year-on-year. Please refer

to note 9 for further information on the Group's segmental performance and to Appendix 1 for further information relating to pro forma PBT.

Capital losses

The Group incurred capital losses of R46.2 million this year, against a R145.9 million charge in the prior year. Net capital losses include R85.5 million related to the sale, closure or impairment of under-performing stores, a net capital gain of R53.7 million on the recovery of insured assets at replacement value, and a R14.4 million impairment loss on the Group's assessment of the fair value of its investment in TM Supermarkets (please refer to note 7 for further information). Net capital losses are added back in the calculation of headline earnings and pro forma headline earnings.

Tax

The Group's effective tax rate of 31.1% is in line with last year (FY21: 31.3%) and reflects lower levels of profitability in operations outside of South Africa. The Group expects its tax rate to remain above South Africa's statutory tax rate of 28.0% for the foreseeable future.

Earnings per share

Pro forma headline earnings per share (HEPS) – is the primary measure in determining the Group's dividend pay-out ratio. Pro forma HEPS includes R145.2 million of business interruption insurance proceeds (R104.5 million net of tax) received in March 2022 (post year-end) related to the July 2021 civil unrest.

In line with normal Group practice, pro forma HEPS also excludes the Group's share of non-cash hyperinflation accounting remeasurements in TM Supermarkets and all impairment losses and other capital items. Pro forma HEPS increased by 23.0% year-on-year to 289.64 cents per share. Please refer to Appendices 1 and 3 for further detail.

Headline earnings per share (HEPS) – does not recognise the insurance proceeds received after year-end and includes the Group's share of non-cash hyperinflation accounting remeasurements in TM Supermarkets, in line with the technical requirements of International Financial Reporting Standards. All related impairment losses and other capital items are excluded in the calculation of HEPS, which increased by 14.5% to 262.59 cents per share.

Earnings per share (EPS) – does not recognise insurance proceeds received after year-end and includes the Group's share of non-cash hyperinflation remeasurements in TM Supermarkets and all items of a capital nature. EPS increased by 25.1% to 253.34 cents per share.

¹ For further information on pro forma constant currency disclosures, users are referred to Appendix 1 of the Summarised Group Annual Financial Statements for the 52 weeks ended 27 February 2022

Detailed review of financial position

The Group has consistently executed a phased long-term turnaround plan, with the initial stages designed to stabilise the business and improve operational effectiveness, followed by plans to enhance the customer offer and drive long-term sustainable growth. Notwithstanding the impact of severe disruption over the past two years, the Group's liquidity remains strong, reflecting the success of its long-term plan, and the achievement of sustainable investment returns within carefully considered risk parameters. The Group's balance sheet provides a solid foundation from which to accelerate strategic investment.

Net funding and liquidity

The Group manages its operating and working capital requirements through short-term and cost-effective ZAR-denominated funding facilities. The Group has drawn down approximately two thirds of its available borrowing facilities to protect against potential short-term market liquidity risks as a result of the Covid-19 pandemic and civil unrest. Surplus funds have been invested in high-yield money market accounts. In addition, the Group has extended shorter-dated debt into six-month and 12-month funding.

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

The Group's maintained its net cash position, which reduced by R348.4 million year-on-year to R25.3 million, reflecting the cash impact of the trade disruptions over the year, alongside an expanded capital investment programme and strategic inventory investments at year-end. The Group has utilised its supply chain finance programme – borrowings on the platform increased to R403.1 million – to take advantage of early settlement discounts from suppliers where the cost of the Group's funding is less than the supplier incentive income received. The Group's liquidity position is strong, supported by careful management of capital and operational spend.

The Group's new Strategic Plan will set out to deliver more ambitious change in order to deliver long-term growth. The Group will continue to work closely with strategic funders to ensure that its short and long-term borrowings remain within targeted risk parameters, that it does not place the business or its stakeholders at any undue risk, and that capital investments generate sustainable investment returns ahead of the Group's weighted average cost of capital.

Working capital

Inventory

Inventory at R8.3 billion increased 15.1% on last year. The increase was primarily driven by R900 million of strategic stock buy-ins at year-end – including investment into essential food and grocery products ahead of anticipated price increases, alongside investment into certain clothing and general merchandise lines to protect against delays experienced in global supply chains. Excluding strategic investment, inventory increased 2.6% year-on-year, with the addition of a net 72 new company-owned stores and increased levels of centralisation across our Boxer business. The Group continued to work closely with suppliers to tailor its customer offer across its estate – and delivered further progress in reducing duplicate, slow moving and uneconomic lines in the business.

Trade and other receivables

Trade and other receivables (current and non-current) increased by 10.3% on last year to R4.3 billion.

The Group's net franchise debt increased 7.7% year-on-year to R3.9 billion. The increase reflects extended payment terms provided to franchisees affected by the civil unrest, largely secured by insurance receivables and repaid post the financial

year-end. The Group worked closely with its franchise partners to rebuild and re-open its damaged franchise estate as quickly as possible and provided support in quantifying insurance claims and expediting recoveries. At the time of publication, seven of the 58 damaged stores remain closed. The Group expects all affected franchise stores to re-open, except for one smaller market store. The Group converted seven franchise stores (FY21: 34) to company-owned stores during the period, targeting improved trading densities and store profitability going forward.

The Group wrote off R82.3 million of irrecoverable debt during the year (FY21: R130.2 million) and has reduced its impairment provision to 4.7% of the value of the debtors' book (FY21: 5.0%). The Group is confident in the quality of its debtors' book and in the prudence of its impairments, supported by the agility of its franchise partners in navigating the operational challenges of the past two years.

Trade creditors

Trade and other payables increased by 7.1% on last year to R13.1 billion, notwithstanding the impact of strategic inventory buy-ins at year-end. The Group continues to unlock gross profit margin benefits through cash and early settlement discounts, with the cost-effective use of its supply chain financing programme and has made good progress in improving its working capital efficiency through the rationalisation of supplier payment days.

Capital investment

The Group invested R2.1 billion in capital projects this year, delivering solid progress against its FY22 growth ambitions, notwithstanding the redirection of capital spend to restore distribution and store infrastructure in KwaZulu-Natal and Gauteng. Capital commitments at year-end of R0.4 billion are in respect of projects planned for FY22 that were delayed into next year as a result of the civil unrest. Capital investment included R715.4 million on new stores, R888.5 million on refurbishments and R530.2 million in the maintenance and expansion of supply chain capability and systems infrastructure and technology.

The Group will accelerate and expand its capital investment programme to deliver its new Strategic Plan – with a FY23 capital investment target of R3.5 billion. The investment targets a stronger and expanded Pick n Pay customer value proposition (R1.7 billion); an acceleration in the roll-out of our Boxer estate (R1.4 billion) and R400 million into systems and digital innovation. In addition, the Group will invest R500 million in supply chain equipment at the new Pick n Pay Eastport distribution centre in FY23, ahead of its schedule opening in FY24.

Shareholder distribution

The Board declared a final dividend of 185.35 cents per share. This brings the total FY22 dividend to 221.15 cents per share, up 23.0% on last year in line with the increase in Group's pro forma headline earnings per share, maintaining a dividend cover of 1.3 times related earnings. The dividend will be paid on 6 June 2022, please refer to the dividend declaration included with this announcement for further information.

In summary

The Group is proud of the achievements of our colleagues across the Pick n Pay and Boxer businesses over the past year. Our operations recovered very rapidly from the violence in July 2021. This was vital in restoring consumer confidence. The Group also made progress on improving its customer offer, and the efficiency of its operations. We have entered the FY23 year with good trading momentum, delivering sales growth of 9.9% over the first eight weeks of FY23.

Looking to the future, our management team has developed a strong Strategic Plan to bring Pick n Pay closer to the customer and accelerate the progress of our key growth engines, including the expansion of our Boxer, Clothing and Omnichannel businesses. As part of the Strategic Plan, the Group will seek to unlock further operating efficiencies through Project Future Phase 2. This Strategic Plan will be presented to investors and other stakeholders immediately after publication and presentation of these financial results.

Greater efficiency will be key in a year when the Group expects to see potentially significant inflationary and other cost pressures. These are already evident in the operating environment, and reflect both international factors – in particular the invasion of Ukraine and its consequences – and local factors, including higher insurance and security costs following the civil unrest, and costs required to mitigate the impact of load shedding. The Group will therefore guide that stakeholders should not expect immediate returns from its Strategic Plan, but should expect an acceleration from FY24, as the benefits from the plan materialise.

Gareth Ackerman
Chair

Pieter Boone
Chief Executive Officer

16 May 2022

PRO FORMA EARNINGS PERFORMANCE

The table alongside presents the Group's earnings performance on a pro forma basis.

The financial result for the 52 weeks ended 27 February 2022 was impacted by the civil unrest which occurred in parts of South Africa in July 2021. Many stores were closed for trade, resulting in significant business interruption (loss of profits). For further information on the impact of the civil unrest, refer to the review of operations. The Group's related business interruption claims remain open, as not all affected stores have re-opened for trade as at the date of this report. During the financial period under review, the Group provided business interruption insurers with interim claims submissions setting out the earnings lost as a result of the unrest up to and including October 2021. The Group received payments of R145.2 million from business interruption insurers in respect of these submissions in March 2022 (post year-end).

In line with technical requirements of International Financial Reporting Standards, these business interruption insurance recoveries have not been accounted for in the Group's 2022 financial results. These insurance recoveries directly relate to the losses suffered by the Group during the 2022 financial year. The Group has therefore presented its earnings performance for the current period on a pro forma basis, including the insurance proceeds received post year-end.

In addition, in line with normal Group practice, the Group has excluded hyperinflation net monetary adjustments from earnings for the current and prior periods under review in respect of the Group's investment in associate attributable to IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29).

Refer to Appendix 1 for further information.



	52 weeks to 27 February 2022 Rm	Insurance recoveries received post year-end* 52 weeks to 27 February 2022 Rm	Pro forma 52 weeks to 27 February 2022 Rm	% of turnover	% change	52 weeks to 28 February 2021 Rm	% of turnover
Turnover	97 872.8 (79 476.7)	-	97 872.8 (79 476.7)		5.2	93 078.8 (74 657.1)	
Cost of merchandise sold							
Gross profit	18 396.1	-	18 396.1	18.8	(0.1)	18 421.7	19.8
Other income	2 505.1	145.2	2 650.3	2.7	67.6	1 580.9	1.7
Franchise fee income	428.3	-	428.3	0.4	3.8	412.7	0.4
Operating lease income	115.6	-	115.6	0.1	(18.9)	142.5	0.2
Commissions and other income	1 213.0	-	1 213.0	1.3	18.3	1 025.7	1.1
Insurance recoveries*	748.2	145.2	893.4	0.9	-	-	-
Trading expenses	(18 014.7)	-	(18 014.7)	18.4	4.2	(17 294.8)	18.6
Employee costs	(7 836.3)	-	(7 836.3)	8.0	(1.5)	(7 959.0)	8.6
Occupancy	(2 662.1)	-	(2 662.1)	2.7	9.7	(2 427.1)	2.6
Operations	(4 535.1)	-	(4 535.1)	4.6	9.4	(4 144.4)	4.5
Merchandising and administration	(2 981.2)	-	(2 981.2)	3.1	7.8	(2 764.3)	3.0
Trading profit	2 886.5	145.2	3 031.7	3.1	12.0	2 707.8	2.9
Net finance costs	(1 150.4)	-	(1 150.4)	1.2	(6.7)	(1 233.6)	1.3
Net funding	(21.4)	-	(21.4)	-	(61.7)	(55.9)	0.1
Leases	(1 129.0)	-	(1 129.0)	1.2	(4.1)	(1 177.7)	1.3
Share of associate's earnings excluding net monetary adjustments*	96.7	-	96.7		(11.4)	109.2	
Profit before tax before capital items excluding net monetary adjustments*	1 832.8	145.2	1 978.0	2.0	24.9	1 583.4	1.7
Share of associate's hyperinflation net monetary loss*	(25.1)	-	(25.1)			(29.2)	
Profit before tax before capital items*	1 807.7	145.2	1 952.9			1 554.2	
Loss on capital items	(46.2)	-	(46.2)			(145.9)	
Profit/(loss) on sale of assets and insurance recoveries on scrapping of assets*	241.8	-	241.8			(21.4)	
Loss from impairments and scrapping of assets*	(273.6)	-	(273.6)			(42.9)	
Impairment loss on investment in associate	(14.4)	-	(14.4)			(81.6)	
Profit before tax	1 761.5	145.2	1 906.7	1.9	35.4	1 408.3	1.5
Tax	(547.0)	(40.7)	(587.7)	0.6	33.2	(441.2)	0.5
Profit for the period	1 214.5	104.5	1 319.0	1.3	36.4	967.1	1.0
South Africa operating segment							
Turnover	94 535.2	-	94 535.2		5.1	89 919.2	
Profit before tax before capital items	1 713.8	145.2	1 859.0		29.5	1 435.3	
Rest of Africa operating segment							
Total segmental revenue	4 481.7	-	4 481.7		5.1	4 264.1	
Profit before tax before capital items excluding net monetary adjustments*	119.0	-	119.0		(19.6)	148.1	
Earnings per share							
Basic earnings per share	253.34	-	253.34		25.1	202.52	
Diluted earnings per share	252.43	-	252.43		25.6	200.93	
Headline earnings per share	262.59	-	262.59		14.5	229.31	
Diluted headline earnings per share	261.65	-	261.65		15.0	227.51	
Pro forma headline earnings per share*							
Pro forma headline earnings per share	262.59	27.05	289.64		23.0	235.42	
Pro forma diluted headline earnings per share	261.65	26.94	288.59		23.6	233.57	

* Profit before tax and capital items, headline earnings, headline earnings per share (HEPS) and diluted headline earnings per share (DHEPS) includes hyperinflationary net monetary adjustments in respect of the Group's investment in associate under the requirements of IAS 29. In order to present the underlying operating performance of the Group on a comparable basis, the share of associate's earnings has been separately disclosed between components including and excluding hyperinflation net monetary adjustments, and the Group has included insurance proceeds received post year-end relating to civil unrest. The Group has therefore presented pro forma profit before tax before capital items, pro forma headline earnings, pro forma HEPS and pro forma DHEPS, which excludes non-cash hyperinflation net monetary adjustments and includes insurance proceeds related to civil unrest received post year-end. Refer to Appendix 1 and note 14 for further information.

Pick n Pay Stores Limited
Incorporated in the Republic of South Africa
Registration number: 1968/008034/06
ISIN: ZAE000005443
JSE share code: PIK

DIVIDEND DECLARATION

Tax reference number: 9275/141/71/2
Number of shares in issue: 493 450 321

Notice is hereby given that the directors have declared a final gross dividend (number 108) of 185.35 cents per share out of income reserves.

The dividend declared is subject to dividend withholding tax at 20%.

The tax payable is 37.07 cents per share, resulting in shareholders who are not exempt from dividends tax with a net dividend of 148.28 cents per share.

Dividend dates

The last day of trade in order to participate in the dividend (CUM dividend) will be Tuesday, 31 May 2022.

The shares will trade EX dividend from the commencement of business on Wednesday, 1 June 2022 and the record date will be Friday, 3 June 2022. The dividends will be paid on Monday, 6 June 2022.

Share certificates may not be dematerialised or rematerialised between Wednesday, 1 June 2022 and Friday, 3 June 2022, both dates inclusive.

On behalf of the Board of directors

Debra Muller
Company Secretary
16 May 2022



GROUP STATEMENT OF COMPREHENSIVE INCOME

for the period ended

	Note	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
Revenue	2	100 902.4	95 108.6
Turnover	2	97 872.8	93 078.8
Cost of merchandise sold		(79 476.7)	(74 657.1)
Gross profit		18 396.1	18 421.7
Other income		2 505.1	1 580.9
Franchise fee income	2	428.3	412.7
Operating lease income	2	115.6	142.5
Commissions, dividend and other income	2	1 213.0	1 025.7
Insurance recoveries	2	748.2	-
Trading expenses		(18 014.7)	(17 294.8)
Employee costs		(7 836.3)	(7 959.0)
Occupancy		(2 662.1)	(2 427.1)
Operations		(4 535.1)	(4 144.4)
Merchandising and administration		(2 981.2)	(2 764.3)
Trading profit		2 886.5	2 707.8
Finance income	2	524.5	448.9
Finance costs	3	(1 674.9)	(1 682.5)
Share of associate's earnings	7	71.6	80.0
Profit before tax before capital items		1 807.7	1 554.2
Loss on capital items		(46.2)	(145.9)
Profit/(loss) on sale of assets and insurance recoveries on scrapping of assets		241.8	(21.4)
Loss from impairments and scrapping of assets		(273.6)	(42.9)
Impairment loss on investment in associate	7	(14.4)	(81.6)
Profit before tax		1 761.5	1 408.3
Tax		(547.0)	(441.2)
Profit for the period		1 214.5	967.1
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss		25.4	7.8
Remeasurement in retirement scheme assets		35.3	10.9
Tax on items that will not be reclassified to profit or loss		(9.9)	(3.1)
Items that may be reclassified to profit or loss		16.2	12.5
Foreign currency translations		19.0	28.4
Movement in cash flow hedge		(0.2)	(16.9)
Tax on items that may be reclassified to profit or loss		(2.6)	1.0
Total comprehensive income for the period		1 256.1	987.4
Earnings per share		Cents	Cents
Basic earnings per share	4	253.34	202.52
Diluted earnings per share	4	252.43	200.93

GROUP STATEMENT OF FINANCIAL POSITION

	Note	As at 27 February 2022 Rm	As at 28 February 2021 Rm
ASSETS			
Non-current assets			
Intangible assets		987.1	1 006.0
Property, plant and equipment		7 150.5	6 642.6
Right-of-use assets		9 588.9	10 050.6
Net investment in lease receivables		2 069.0	2 134.1
Deferred tax assets		822.5	912.7
Investment in associate	7	106.0	69.7
Loans		85.9	59.2
Retirement scheme assets		122.0	82.7
Investment in insurance cell captive	11	47.4	32.7
Operating lease assets		7.9	11.0
Trade and other receivables	8	106.5	166.7
		21 093.7	21 168.0
Current assets			
Inventory		8 277.3	7 193.3
Trade and other receivables	8	4 207.6	3 743.7
Cash and cash equivalents		6 425.3	5 415.1
Net investment in lease receivables		319.1	277.1
Right-of-return assets		21.5	19.3
		19 250.8	16 648.5
Total assets		40 344.5	37 816.5
EQUITY AND LIABILITIES			
Equity			
Share capital	5	6.0	6.0
Treasury shares	6	(702.1)	(873.4)
Retained earnings		4 717.3	4 573.5
Other reserves		(8.6)	(6.6)
Foreign currency translation reserve		(296.9)	(313.3)
Total equity		3 715.7	3 386.2
Non-current liabilities			
Lease liabilities		13 656.5	14 312.6
Deferred tax liabilities		-	10.1
		13 656.5	14 322.7
Current liabilities			
Trade and other payables		13 065.2	12 198.8
Lease liabilities		2 431.4	2 046.8
Deferred revenue		385.1	353.3
Bank overdraft and overnight borrowings		2 800.0	1 951.4
Borrowings		4 003.1	3 331.2
Current tax liabilities		279.8	218.6
Derivative financial instruments	11	7.7	7.5
		22 972.3	20 107.6
Total equity and liabilities		40 344.5	37 816.5
Number of ordinary shares in issue – thousands	5.1	493 450.3	493 450.3
Weighted average number of ordinary shares in issue – thousands	4.2	479 389.3	477 524.8
Diluted weighted average number of ordinary shares in issue – thousands	4.2	481 128.4	481 304.5
Net asset value (property value based on directors' valuation) – cents per share		827.1	769.9

GROUP STATEMENT OF CHANGES IN EQUITY

for the period ended

	Share capital Rm	Treasury shares Rm	Retained earnings Rm	Other reserves Rm	Foreign currency translation reserve Rm	Total equity Rm
At 1 March 2020	6.0	(961.7)	4 303.2	5.3	(342.7)	3 010.1
Total comprehensive income for the period	-	-	974.9	(16.9)	29.4	987.4
Profit for the period	-	-	967.1	-	-	967.1
Foreign currency translations	-	-	-	-	29.4	29.4
Movement in cash flow hedge	-	-	-	(16.9)	-	(16.9)
Remeasurement in retirement scheme assets	-	-	7.8	-	-	7.8
Other reserve movements	-	-	-	5.0	-	5.0
Transactions with owners	-	88.3	(704.6)	-	-	(616.3)
Dividends paid	-	-	(934.7)	-	-	(934.7)
Net effect of settlement of employee share awards	-	88.3	(88.3)	-	-	-
Share-based payments expense	-	-	318.4	-	-	318.4
At 28 February 2021	6.0	(873.4)	4 573.5	(6.6)	(313.3)	3 386.2
Total comprehensive income for the period	-	-	1 239.9	(0.2)	16.4	1 256.1
Profit for the period	-	-	1 214.5	-	-	1 214.5
Foreign currency translations	-	-	-	-	16.4	16.4
Movement in cash flow hedge	-	-	-	(0.2)	-	(0.2)
Remeasurement in retirement scheme assets	-	-	25.4	-	-	25.4
Other reserve movements	-	-	-	(1.8)	-	(1.8)
Transactions with owners	-	171.3	(1 096.1)	-	-	(924.8)
Dividends paid	-	-	(959.6)	-	-	(959.6)
Share purchases	-	(114.2)	-	-	-	(114.2)
Net effect of settlement of employee share awards	-	285.5	(285.5)	-	-	-
Share-based payments expense	-	-	149.0	-	-	149.0
At 27 February 2022	6.0	(702.1)	4 717.3	(8.6)	(296.9)	3 715.7

GROUP STATEMENT OF CASH FLOWS

for the period ended

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
Cash flows from operating activities		
Trading profit	2 886.5	2 707.8
Adjusted for dividend income	-	(40.0)
Adjusted for non-cash items	3 391.5	3 404.7
Depreciation on property, plant and equipment	1 216.0	1 187.3
Depreciation on right-of-use assets	1 979.9	1 793.0
Amortisation on intangible assets	123.4	131.9
Share-based payments expense	149.0	318.4
Lease adjustments	(42.4)	(91.2)
Movement in operating lease assets	3.1	2.0
Movement in retirement scheme assets	(4.0)	(3.1)
Fair value and foreign exchange adjustments	(33.5)	66.4
Cash generated before movements in working capital	6 278.0	6 072.5
Movements in working capital	(563.6)	591.5
Movements in trade and other payables and deferred revenue	898.2	998.1
Movements in inventory and right-of-return assets	(1 074.2)	(645.9)
Movements in trade and other receivables	(387.6)	239.3
Cash generated from trading activities	5 714.4	6 664.0
Other interest received	300.1	240.4
Other interest paid	(341.0)	(296.3)
Interest received on net investment in lease receivables	203.7	205.9
Interest paid on lease liabilities	(1 364.4)	(1 519.4)
Cash generated from operations	4 512.8	5 294.6
Dividends received	20.1	5.7
Dividends paid	(959.6)	(934.7)
Tax paid	(403.9)	(425.2)
Cash generated from operating activities	3 169.4	3 991.8
Cash flows from investing activities		
Investment in intangible assets	(88.1)	(81.2)
Investment in property, plant and equipment	(1 990.1)	(1 204.0)
Purchase of operations	(55.7)	(199.5)
Proceeds on disposal of intangible assets	4.0	0.7
Proceeds on disposal of property, plant and equipment	135.9	14.7
Insurance proceeds on capital items	210.5	-
Principal net investment in lease receipts	251.6	254.4
Lease incentives received	52.0	42.8
Loans repaid	14.8	34.9
Loans advanced	(41.5)	(7.5)
Cash utilised in investing activities	(1 506.6)	(1 144.7)
Cash flows from financing activities		
Principal lease liability payments	(2 059.8)	(1 677.0)
Borrowings raised	6 020.4	7 540.3
Repayment of borrowings	(5 348.5)	(5 144.1)
Share purchases	(114.2)	-
Cash (utilised in)/generated from financing activities	(1 502.1)	719.2
Net increase in cash and cash equivalents	160.7	3 566.3
Net cash and cash equivalents at beginning of period	3 463.7	(102.7)
Foreign currency translations	0.9	0.1
Net cash and cash equivalents at end of period	3 625.3	3 463.7
Consisting of:		
Cash and cash equivalents	6 425.3	5 415.1
Overnight borrowings	(2 800.0)	(1 951.4)

NOTES TO THE FINANCIAL INFORMATION

for the period ended 27 February 2022

1 Basis of preparation and accounting policies

The summarised Group financial statements for the period ended 27 February 2022 are prepared in accordance with the requirements of the JSE Listings Requirements for abridged reports, and the requirements of the Companies Act, as applicable to summarised financial statements. The Listings Requirements require abridged reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards (IFRS) and the SAICA *Financial Reporting Guides* as issued by the Accounting Practices Committee, and the Financial Pronouncements, as issued by the Financial Reporting Standards Council, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The summarised Group annual financial statements do not include all the information required by IFRS for full financial statements and should be read in conjunction with the 2022 audited Group annual financial statements. The accounting policies applied in the preparation of the audited Group annual financial statements, from which the summarised Group annual financial statements were derived, are in terms of IFRS and are consistent with those applied in the financial statements for the 52 weeks ended 28 February 2021. Amendments to IFRS 16 regarding the practical expedient allowed for rent concessions received as a result of Covid-19 have been extended to 30 June 2022. The Group has continued to apply this practical expedient. During the period, the Group recognised rent concessions of R13.1 million (2021: R54.9 million), all of which were recorded in the statement of comprehensive income.

These summarised Group financial statements are themselves not audited, but are extracted from audited information. The audited Group annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon. Refer to Appendix 4 for an extraction of the key audit matters included in the auditor's report, and refer to note 14 for an extraction of the relevant notes to the Group annual financial statements, to which those key audit matters relate. The audited Group annual financial statements and the auditor's report thereon are available for inspection at the Company's (Pick n Pay Stores Limited) registered office.

The directors take full responsibility for the preparation of these summarised Group annual financial statements and the correct extraction of financial information from the underlying audited Group annual financial statements.

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

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
2 Revenue		
Revenue from contracts with customers	99 514.1	94 477.2
Turnover	97 872.8	93 078.8
Franchise fee income	428.3	412.7
Commissions and other income	1 213.0	985.7
Insurance recoveries (note 14)	748.2	-
Operating lease income	115.6	142.5
Dividend income from investment in insurance cell captive*	-	40.0
Finance income	524.5	448.9
Bank balances and investments	268.9	201.7
Trade receivables and other	50.7	38.7
Net investment in lease receivables	204.9	208.5
	100 902.4	95 108.6

Revenue from contracts with customers is further disaggregated into geographical regions. Refer to note 9.

* Reserves declared out of the insurance cell captive in the prior year was offset by a corresponding decrease in the fair value of the investment insurance cell captive recorded within trading expenses.

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
3 Finance costs		
Lease liabilities	1 333.9	1 386.2
Borrowings and other	341.0	296.3
	1 674.9	1 682.5

	52 weeks to 27 February 2022 Cents per share	52 weeks to 28 February 2021 Cents per share
4 Basic, headline and diluted earnings per share		
Basic earnings per share	253.34	202.52
Diluted earnings per share	252.43	200.93
Headline earnings per share	262.59	229.31
Diluted headline earnings per share	261.65	227.51
	Rm	Rm
4.1 Reconciliation between basic and headline earnings		
Profit for the period – basic earnings for the period	1 214.5	967.1
Adjustments:	44.4	127.9
(Profit)/loss on sale of property, plant and equipment	(31.6)	21.4
Tax effect of profit/(loss) on sale of property, plant and equipment	3.5	(6.0)
Loss from impairments and scrapping of property, plant and equipment	209.1	18.1
Tax effect of loss from impairments and scrapping of property, plant and equipment	(48.7)	(5.1)
Loss from impairments and scrapping of intangible assets	7.9	10.7
Tax effect of loss from impairments and scrapping of intangible assets	(0.1)	(3.0)
Impairment loss on right-of-use assets	56.6	14.1
Tax effect of impairment loss on right-of-use assets	(15.1)	(3.9)
Impairment loss on investment in associate	14.4	81.6
Insurance recoveries on scrapping of assets due to civil unrest	(210.5)	-
Tax effect of insurance recoveries on scrapping of assets due to civil unrest	58.9	-
Headline earnings for the period	1 258.9	1 095.0
<i>For pro forma headline earnings per share and pro forma diluted headline earnings per share, refer to the Appendix 3.</i>		
	000's	000's
4.2 Number of ordinary shares		
Number of ordinary shares in issue	493 450.3	493 450.3
Weighted average number of ordinary shares (excluding treasury shares)	479 389.3	477 524.8
Diluted weighted average number of ordinary shares	481 128.4	481 304.5
Reconciliation of weighted average number of ordinary shares to diluted weighted average number of ordinary shares:		
Weighted average number of ordinary shares (excluding treasury shares)	479 389.3	477 524.8
Dilutive effect of share awards	1 739.1	3 779.7
Diluted weighted average number of ordinary shares	481 128.4	481 304.5

Any outstanding restricted shares granted in terms of the Group's executive 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 Share capital

5.1 Ordinary share capital

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
Authorised		
800 000 000 (2021: 800 000 000) ordinary shares of 1.25 cents each	10.0	10.0
Issued		
493 450 321 (2021: 493 450 321) ordinary shares of 1.25 cents each	6.0	6.0
	000's	000's
The number of shares in issue is made up as follows:		
Treasury shares (note 6)	13 224.8	15 268.6
Shares held outside the Group	480 225.5	478 181.7
Total shares in issue at end of period	493 450.3	493 450.3

The Company can issue new shares to settle the Group's obligations under its employee share schemes, but issues in this regard are limited, in aggregate, to 5% of total issued share capital or 24 672 516 (2021: 24 672 516) shares. To date, 15 743 000 (2021: 15 743 000) shares have been issued, resulting in 8 929 516 (2021: 8 929 516) shares remaining for this purpose.

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 5.2.

5.2 B share capital

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
Authorised		
1 000 000 000 (2021: 1 000 000 000) unlisted, non-convertible, non-participating, no par value B shares	-	-
Issued		
259 682 869 (2021: 259 682 869) unlisted, non-convertible, non-participating, no par value B shares	-	-

B shares are stapled to certain ordinary shares and cannot be traded separately from each other. Stapled ordinary shares, together with B shares, are subject to restrictions upon disposal.

The holders of B shares are entitled to the same voting rights as holders of ordinary shares, but are not entitled to any rights to distributions by the Company or any other economic benefits. Refer to note 5.1.

6 Treasury shares

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
At beginning of period	873.4	961.7
Shares purchased during the period	114.2	-
Settlement of employee share awards	(285.5)	(88.3)
At end of period	702.1	873.4
	000's	000's
The movement in the number of treasury shares held is as follows:		
At beginning of period	15 268.6	16 115.2
Shares purchased during the period	2 200.0	-
Shares forfeited during the period pursuant to employee share schemes	-	696.1
Shares sold during the period pursuant to the take-up of share options by employees	(681.8)	(163.4)
Shares delivered to participants of restricted share plan	(3 562.0)	(1 379.3)
At end of period	13 224.8	15 268.6

7 Investment in associate

7.1 Accounting for investment in associate

The Group has a 49% investment in TM Supermarkets (Pvt) Limited (TM Supermarkets), a private company incorporated in Zimbabwe, and 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*.

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, with the following key accounting principles applied within the results of TM Supermarkets:

- All previously published financial information was restated to reflect the current buying power of the Zimbabwe dollar (ZWL\$), and
- All assets and liabilities were revalued to reflect current values, which resulted in a non-cash net monetary adjustment recognised in the statement of comprehensive income of TM Supermarkets.

As the Group's presentation currency is not that of a hyperinflationary economy, the comparative information of the Group's financial results related to TM Supermarkets is not restated. Any difference between the Group's share of the TM Supermarkets adjusted equity balance after applying IAS 29 and the balance previously recorded by the Group as at 28 February 2021 is recognised in other comprehensive income in the current period, as part of foreign currency translations.

7.2 Exchange rates applied in translating the results of investment in associate

The share of associate's income and net asset value of TM Supermarkets have been translated into the Group's presentation currency at the closing rate in accordance with the hyperinflationary provisions of IAS 21 *The Effects of Changes in Foreign Exchange Rates*.

Effective 1 June 2020, Zimbabwe implemented a formal market-based foreign exchange trading system to establish formalised trading in ZWL\$ with other currencies (referred to as the auction rate). The intention of this auction rate system is expected to bring transparency and efficiency in the trading of foreign currency in the economy.

7 Investment in associate (continued)

7.2 Exchange rates applied in translating the results of investment in associate (continued)

In line with prior period assessments, management assessed that the closing auction rate of 0.12 ZWL\$ (2021: 0.18 ZWL\$) to the South African rand is not available for immediate settlement, as shortages of foreign currency results in the official exchange rate not being liquid, and is therefore not an appropriate rate to use when accounting for the Group's investment in associate. An estimated exchange rate of 0.08 ZWL\$ (2021: 0.13 ZWL\$) to the South African rand was used when translating the result of TM Supermarkets as at 27 February 2022. Inputs considered in this estimate include the official inflation rate, the in-country fuel price, the exchange rate applicable to dividends received from the Group's investment in associate during the period and trends in the Zimbabwean Retail industry of permanent discounts being applied to the auction rate to attract settlement in USD.

The table below summarises the exchange rates at which the results of TM Supermarkets have been translated into South African rand, for the relevant periods under review. The closing ZWL\$ to ZAR exchange rate was calculated using the official USD to ZAR exchange rate divided by the management estimated USD to ZWL\$ exchange rate. For comparative informational purposes, exchange rates based on the USD to ZWL\$ auction rate have also been presented.

	1.0 ZWL\$: 1.0 ZAR	1.0 USD : 1.0 ZAR	1.0 USD : 1.0 ZWL\$
Closing rates at 27 February 2022			
Exchange rates used by management	0.08	15.29	186.00
Auction rate	0.12	15.29	124.00
Closing rates at 28 February 2021			
Exchange rates used by management	0.13	15.08	115.00
Auction rate	0.18	15.08	83.90

7.3 Reconciliation of investment in associate

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
At beginning of period	69.7	50.4
Share of associate's earnings	71.6	80.0
Share of associate's earnings before net monetary adjustments	96.7	109.2
Share of associate's hyperinflation net monetary loss	(25.1)	(29.2)
Foreign currency translations	(0.8)	20.9
Impairment loss on investment in associate	(14.4)	(81.6)
Dividend declared and received	(20.1)	-
At end of period	106.0	69.7

7.4 Impairment of investment in associate

During the period under review, significant judgement was applied by management in determining that the following impairment indicators of the Group's investment in associate exist:

- The devaluation and illiquidity of currency in Zimbabwe and the resultant impact on the Zimbabwean economy – the jurisdiction in which TM Supermarkets trades in,
- Currency shortages and currency devaluation led to high levels of food and other inflation,
- The economy was subjected to increases in Zimbabwe inflation rates as published by the RBZ; and
- The upward valuation of the assets of TM Supermarkets as a result of the application of hyperinflation accounting in terms of IAS 29.

7 Investment in associate (continued)

7.4 Impairment of investment in associate (continued)

Impairment reviews were performed and the Group concluded that the carrying value of its investment in associate exceeded its recoverable amount, resulting in an impairment loss of R14.4 million recognised by the Group.

The recoverable amount of TM Supermarkets was determined based on value-in-use calculations. The calculation discounts future cash flow forecasts at an appropriate pre-tax rate that reflects the specific risks and challenges relating to TM Supermarkets. Management-approved future cash flow forecasts, over a period of five years, were based on past experience and the expected performance of the retail market in Zimbabwe. Cash flows beyond this period were extrapolated by applying a nil growth rate. The pre-tax discount rate applied to cash flow projections was 44.9%.

Management believes that the carrying value of the Group's investment in associate of R106.0 million is reflective of the value of its investment in TM Supermarkets and that any reasonable possible change in key assumptions on which the recoverable amounts are based would not result in any additional significant impairment losses. Refer to note 7.5.

7.5 Sensitivity analysis

The following tables represent the sensitivity analysis performed by management on the significant judgements applied in the accounting of the Group's investment in associate for the 52 weeks ended 27 February 2022.

7.5.1 Exchange rates applied in the translation of the results of the Group's investment in associate

If the exchange rate applied by management had been 10% higher or 10% lower, or the auction rate was applied, with all other variables held constant, the impact on the statement of comprehensive income and statement of financial position would have been as follows:

	+10%	Exchange rate applied by management	-10%	Auction rate*
	1.0 ZWLS : 0.07 ZAR	1.0 ZWLS : 0.08 ZAR	1.0 ZWLS : 0.09 ZAR	1.0 ZWLS : 0.12 ZAR
Impact on statement of comprehensive income				
Share of associate's earnings (Rm)	65.2	71.6	79.7	107.5
Impairment on investment in associate (Rm)	13.1	14.4	16.0	21.6
Impact on statement of financial position				
Investment in associate (Rm)	96.4	106.0	117.8	159.0

* Calculated by applying the official auction rate of 1 USD to 124 ZWLS.

7 Investment in associate (continued)

7.5 Sensitivity analysis (continued)

7.5.2 Discount rate applied in the assessment of the recoverable amount of the Group's investment in associate

If the discount rate had been 10% higher or 10% lower, with all other variables held constant, the impact on the statement of comprehensive income and statement of financial position would have been as follows:

	+10%	As reported	-10%
Impact on statement of comprehensive income			
Impairment/(reversal of impairment) on investment in associate (Rm)	35.8	14.4	(22.3)
Impact on statement of financial position			
Investment in associate (Rm)	84.6	106.0	142.7

7.5.3 Growth rate applied in the assessment of the recoverable amount of investment in associate

The sensitivity of the Group's exposure to the growth rate risk is estimated by assessing the impact of a reasonable expected movement in the relevant growth rates on our investment in TM Supermarkets. A sensitivity analysis is not presented as the estimated impact is not considered to be material.

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
8 Trade and other receivables		
Gross trade and other receivables	4 521.2	4 110.1
Trade receivables from contracts with customers	4 075.1	3 796.6
Prepayments	121.9	104.0
Other receivables	324.2	209.5
Allowance for impairment losses	(207.1)	(199.7)
Trade receivables from contracts with customers	(155.0)	(156.4)
Other receivables	(52.1)	(43.3)
Net trade and other receivables	4 314.1	3 910.4
Disclosed as:		
Non-current	106.5	166.7
Current	4 207.6	3 743.7
8.1 Allowance for impairment losses		
Balance at the beginning of the period	199.7	134.3
Irrecoverable debts written off	(82.3)	(130.2)
Additional impairment losses recognised	92.8	205.2
Prior allowances for impairment reversed	(3.1)	(9.6)
At end of period	207.1	199.7

9 Operating segments

52 weeks to 27 February 2022

	South Africa Rm	Rest of Africa Rm	Total operations Rm
Total segment revenue	97 521.9	4 481.7	102 003.6
Revenue from contracts with customers (note 2)	96 163.1	3 351.0	99 514.1
Operating lease income (note 2)	114.9	0.7	115.6
Insurance recoveries (note 2)	748.2	-	748.2
Finance income (note 2)	495.7	28.8	524.5
Direct deliveries*	-	1 101.2	1 101.2
Segment external turnover (note 2)	94 535.2	3 337.6	97 872.8
Pro forma profit before tax before capital items**^	1 859.0	119.0	1 978.0
Profit before tax before capital items excluding net monetary adjustment	1 713.8	119.0	1 832.8
Insurance proceeds received post year-end^	145.2	-	145.2
Profit before tax**	1 672.5	89.0	1 761.5
Other information			
Statement of comprehensive income			
Finance costs (note 3)	1 641.3	33.6	1 674.9
Depreciation and amortisation on property, plant and equipment and intangible assets	1 305.0	34.4	1 339.4
Depreciation on right-of-use assets	1 930.7	49.2	1 979.9
Profit on sale and insurance recoveries on scrapping of assets	237.3	4.5	241.8
Loss from impairments and scrapping of property plant and equipment	173.9	35.2	209.1
Loss from impairments and scrapping of intangible assets	7.9	-	7.9
Impairment loss of right-of-use assets	53.9	2.7	56.6
Impairment loss on investment in associate (note 7)	-	14.4	14.4
Share of associate's earnings (note 7)	-	71.6	71.6
Statement of financial position			
Total assets	38 735.1	1 609.4	40 344.5
Total liabilities	35 726.1	902.7	36 628.8
Investment in associate (note 7)	-	106.0	106.0
Additions to non-current assets	4 328.5	105.3	4 433.8

52 weeks to 28 February 2021

Total segment revenue	91 871.6	4 264.1	96 135.7
Revenue from contracts with customers (note 2)	91 304.7	3 172.5	94 477.2
Operating lease income (note 2)	141.6	0.9	142.5
Finance income (note 2)	425.3	23.6	448.9
Direct deliveries*	-	1 067.1	1 067.1
Segment external turnover (note 2)	89 919.2	3 159.6	93 078.8
Pro forma profit before tax before capital items**^	1 435.3	148.1	1 583.4
Profit before tax**	1 383.1	25.2	1 408.3
Other information			
Statement of comprehensive income			
Finance costs (note 3)	1 654.4	28.1	1 682.5
Depreciation and amortisation on property, plant and equipment and intangible assets	1 278.2	41.0	1 319.2
Depreciation on right-of-use assets	1 754.7	38.3	1 793.0
Loss on sale of property, plant and equipment	20.1	1.3	21.4
Impairment loss on property, plant and equipment	7.5	10.6	18.1
Impairment loss on intangible assets	10.5	0.2	10.7
Impairment loss on right-of-use assets	14.1	-	14.1
Impairment loss on investment in associate (note 7)	-	81.6	81.6
Share of associate's earnings (note 7)	-	80.0	80.0
Statement of financial position			
Total assets	36 346.2	1 470.3	37 816.5
Total liabilities	33 572.2	858.1	34 430.3
Investment in associate (note 7)	-	69.7	69.7
Additions to non-current assets	3 629.4	79.3	3 708.7

* Included in segmental revenue, as reviewed by the CODM of the Group, are deliveries made directly to franchisees by in-country suppliers, in those countries where the Group does not have a statutory presence. These deliveries do not qualify as revenue in terms of IFRS but are included in segmental revenue for the purposes of the Group's review of operating segments. In those countries where the Group has a statutory presence, including South Africa, direct deliveries are included in the Group's reported revenue.

** "Segmental profit before tax" and "segmental pro forma profit before tax before capital items" are reported measures used for evaluating the performance of the Group's operating segments. On an overall basis, these metrics equal the Group's reported "profit before tax", and "pro forma profit before tax before capital items", respectively. These metrics, for the Rest of Africa segment, comprise the segment's trading result and directly attributable costs only. No allocations are made for indirect or incremental costs incurred by the South Africa segment relating to the Rest of Africa segment.

^ Calculated as profit before tax before capital items, excluding the Group's share of hyperinflation net monetary adjustments recognised by the Group's associate as a result of IAS 29 for the current and prior period, and including insurance recoveries received post year-end of R145.2 million for the current period. Refer to note 14 and the Appendix 1 for further information.

10 Related party transactions

During the period under review, in the ordinary course of business, certain companies within the Group entered into transactions with each other. These intergroup transactions and related balances are eliminated on consolidation. Intergroup transactions are similar to those in the prior year and related parties remain unchanged from those reported at 28 February 2021.

11 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, as set out below:

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
Financial instruments at fair value through profit or loss		
Investment in insurance cell captive – Level 2	47.4	32.7
Derivative financial instruments (designated as hedging instruments)		
Forward exchange contract liabilities – Level 2	7.7	7.5

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.

The carrying value of all other financial instruments 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.

12 Purchase of operations

The Group converted seven (2021: 34) franchise stores to company-owned Pick n Pay and Boxer stores, none of which is individually material to the Group. These acquisitions had no significant impact on the Group's results, but are now delivering stronger store sales growth and improved store profitability. The goodwill arising from these acquisitions represents the value creation that the Group expects to realise in the future.

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
The net assets arising from these acquisitions were as follows:		
Identifiable net assets		
Property, plant and equipment	27.9	72.4
Inventory	13.8	21.2
Intangible assets	-	33.0
Total identifiable net assets at fair value	41.7	126.6
Goodwill		
Purchase price of acquisitions at fair value	69.5	296.5
Less: total identifiable net assets at fair value	(41.7)	(126.6)
Goodwill acquired	27.8	169.9
Net cash paid in respect of acquisitions		
Purchase price of acquisitions at fair value	69.5	296.5
Less: amounts net settled against trade and other receivables	(13.8)	(97.0)
Net cash paid	55.7	199.5

13 Commitments

Authorised capital expenditure

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
Contracted for	1 221.2	383.4
Property	208.3	3.3
Furniture, fittings, equipment and vehicles	1 007.1	364.3
Intangible assets	5.8	15.8
Not contracted for	2 778.8	2 116.6
Property	110.1	232.9
Furniture, fittings, equipment and vehicles	2 418.7	1 810.4
Intangible assets	250.0	73.3
Total commitments	4 000.0	2 500.0

The above commitments relate to anticipated capital expenditure for the 52 weeks ended 26 February 2023. In addition, the Group will develop Pick n Pay's new Eastport distribution centre in Gauteng – in partnership with Fortress REIT Limited (Fortress). Eastport will replace the Group's Longmeadow distribution centre and is anticipated to open during the 2024 financial year. The Group will purchase 60% of Eastport asset from Fortress on completion of the development, at a projected value of R1.2 billion, and will enter into a long-term lease for the 40% balance. This long-term lease results in an estimated R1.4 billion of future rental payments over a 15 year lease term.

14 Significant event – civil unrest in South Africa

During July 2021, the disruptive effects of civil unrest and looting in parts of South Africa had a significant impact on the Group's result for the 52 weeks ending 27 February 2022.

Across the Group, 212 stores were damaged by looting and destruction, with many stores requiring significant restoration before re-opening. In addition, 2 distribution centres in KwaZulu-Natal were looted of all inventory and suffered considerable damage to infrastructure. Furthermore, at the height of the unrest, an additional 551 stores were closed as a precautionary measure to ensure the safety of staff and customers.

The Group has made significant progress in rebuilding and re-opening stores. Damage to the Pick n Pay's distribution network was restored within two weeks, and at the date of this report, only 16 stores remain closed. These stores are in severely damaged shopping centres, where re-opening depends on the restoration of the centre as a whole.

The Group suffered material losses to its assets and material disruption to its business operations (loss of profits) as a result of looted inventory, destruction of infrastructure and lost sales from store closures, alongside increased operating costs. The result for the period under review includes stock write-off losses, capital losses related to the scrapping of assets, increased operating costs and related insurance recoveries.

The Group fully recovered material asset losses and related costs during the 2022 financial period under its SASRIA riot insurance policies.

14 Significant event – civil unrest in South Africa (continued)

Significant items relating to the civil unrest, recorded in the period under review, is tabled below.

Impact on statement of comprehensive income:	Rm
Cost of sales – inventory written off	627.8
Other income – insurance recovery of inventory, increased costs of operations and business interruption losses	748.2
Capital items – insurance recovery of material damages to assets	210.5
Capital items – loss of scrapping assets	(156.8)
	Rm
Contingent asset related to post year-end insurance receipts	145.2

The Group's business interruption claims (loss of profits) remain open, as not all affected stores have re-opened for trade. During the financial period under review, the Group provided business interruption insurers with interim claim submissions setting out the earnings lost as a result of the unrest up to and including end October 2021. The Group received interim payments of R145.2 million from business interruption insurers, in respect of its interim submissions, in March 2022 (post year-end). In line with insurance recovery recognition criteria as set out by IFRS, these recoveries have not been accounted for in the 2022 financial year, however, a contingent asset exists at 27 February 2022. At that date, the Group had a right to a possible asset whose existence would be confirmed by the future settlement of these insurance claims.

Refer to Appendix 1 for pro forma disclosures relating to the Group's 2022 pro forma financial performance, taking into account these post year-end insurance recoveries.

This note is an extraction of note 31 of the audited Group annual financial statements for the 52 weeks ended 27 February 2022, and relate to the key audit matter raised by Ernst & Young Inc. in their audit report on the audit of the 2022 Group annual financial statements. Refer to Appendix 4 for further information.

Judgement applied in assessing the virtual certainty of recoverability of insurance claims

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

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.

This note is an extraction of note 1.6 of the audited Group annual financial statements for the 52 weeks ended 27 February 2022, and relate to the key audit matter raised by Ernst & Young Inc. in their audit report on the audit of the 2022 Group annual financial statements. Refer to Appendix 4 for further information.

APPENDIX 1

Pro forma information

Certain financial information presented in these summarised audited Group annual financial statements constitutes pro forma financial information.

1 Pro forma earnings metrics

The pro forma earnings information, presented in accordance with the JSE Listing Requirements and the SAICA guide on Pro forma Financial Information, is the responsibility of the Board of directors of the Group and is presented for illustrative purposes only. Because of its nature, the pro forma earnings information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. The pro forma earnings information is based on the audited financial information of the Group for the period ended 27 February 2022 and has been prepared using the accounting policies of the Group which comply with IFRS and are consistent with those applied in the audited financial information.

Insurance proceeds received post year-end

During the period under review, the Group submitted interim business interruption insurance claims to its insurers related to losses suffered as a result of the civil unrest which occurred during July 2021 in parts of South Africa. At 27 February 2022, the Group had potential rights to insurance receivables, the existence of which would be confirmed on the future settlement of these insurance claims by insurers. Refer to note 14 of the 2022 summarised audited Group annual financial statements.

Subsequent to year-end, during March 2022, the Group received payments of R145.2 million from insurers related to these interim business interruption claims. These insurance recoveries directly relate to the losses suffered by the Group during the 2022 financial year. In management's view, these losses and insurance recoveries should be viewed together. Recording the losses in one financial year and the recoveries in the next financial year does not provide users with an accurate assessment of the Group's comparable year-on-year earnings performance. As a result, the Group has presented its earnings for the current period on a pro forma basis, by including the R145.2 million insurance proceeds (net of tax, R104.5 million) received post year-end.

Hyperinflation net monetary adjustments

Zimbabwe is classified as a hyperinflationary economy. The equity accounted earnings of the Group's investment in associate operating in Zimbabwe is, therefore, accounted for under IAS 29 *Financial Reporting in Hyperinflationary Economies* (IAS 29), with the impact presented below.

	52 weeks to 27 February 2022 Rm	52 weeks to 28 February 2021 Rm
Share of associate's earnings excluding net monetary adjustments	96.7	109.2
Share of associate's hyperinflation net monetary loss	(25.1)	(29.2)
Reported share of associate's earnings	71.6	80.0
Impairment loss on investment in associate as a result of hyperinflation accounting	(14.4)	(81.6)
	57.2	(1.6)

Pro forma information (continued)

1 Pro forma earnings metrics (continued)

Reported profit before tax and reported headline earnings include the impact of hyperinflation accounting attributable to the Group's investment in associate. In management's view, this impact of hyperinflation accounting does not provide stakeholders with an accurate assessment of the Group's comparable year-on-year earnings performance. As a result, the Group has presented its earnings for the current and prior period on a pro forma basis, by excluding the Group's share of associate's hyperinflation net monetary loss of R25.1 million (2021: R29.2 million), with no impact on tax. Refer to note 7 of the summarised audited Group annual financial statements for more information.

The table below presents the key changes to items presented on a pro forma basis:

52 weeks to 27 February 2022	As reported Rm	Remove Impact of IAS 29 Rm	Add insurance recoveries received post year-end Rm	Pro forma Rm
Group				
Other income	2 505.1	-	145.2	2 650.3
Trading profit	2 886.5	-	145.2	3 031.7
Profit before tax before capital items	1 807.7	25.1	145.2	1 978.0
Profit before tax	1 761.5	-	145.2	1 906.7
Tax	(547.0)	-	(40.7)	(587.7)
Profit for the period	1 214.5	-	104.5	1 319.0
Headline earnings	1 258.9	25.1	104.5	1 388.5
Rest of Africa operating segment				
Profit before tax before capital items	93.9	25.1	-	119.0
	Cents	Cents	Cents	Cents
Headline earnings per share	262.59	5.25	21.80	289.64
Diluted headline earnings per share	261.65	5.22	21.72	288.59

The Group's external auditor, Ernst & Young Inc., has issued an independent reporting accountant's assurance report on the pro forma adjustments made by the Group (namely, removing the impact of IAS 29 and adding insurance recoveries received post year-end), which is available for inspection at the Company's (Pick n Pay Stores Limited) registered office.

52 weeks to 28 February 2021	As reported Rm	Remove Impact of IAS 29 Rm	Rm
Group			
Profit before tax before capital items	1 554.2	29.2	1 583.4
Headline earnings	1 095.0	29.2	1 124.2
Rest of Africa operating segment			
Profit before tax before capital items	118.9	29.2	148.1
	Cents	Cents	Cents
Headline earnings per share	229.31	6.11	235.42
Diluted headline earnings per share	227.51	6.06	233.57

Pro forma information (continued)

2 Constant currency disclosures

Constant currency information constitutes pro forma information. The Group discloses constant currency information in order to report on the Group's turnover and the Group's Rest of Africa segmental revenue results, excluding the impact of foreign currency fluctuations (collectively the "constant currency pro forma information").

The constant currency pro forma information has been presented to illustrate the impact of changes in the Group's major foreign currencies, namely the Zambia kwacha and the Botswana pula.

The Group's turnover growth in constant currency is calculated by translating the prior period local currency turnover at the current period average exchange rates on a country-by-country basis and then comparing that against the current period turnover translated at current period average exchange rates.

The segmental revenue growth in constant currency is calculated by translating the prior period local currency segmental revenue at the current period average exchange rates on a country-by-country basis and then comparing that against the current period segmental revenue translated at the current period average exchange rates.

The average Zambia kwacha exchange rate to the South African rand for the 52 weeks ended 27 February 2022 is 1.27 (2021: 1.18) and the average Botswana pula exchange rate to the South African rand for the 52 weeks ended 27 February 2022 is 0.75 (2021: 0.69).

The constant currency pro forma information, presented in accordance with JSE Listings Requirements, is the responsibility of the Board of directors of the Group and is presented for illustrative purposes only. Because of its nature, the pro forma financial information may not fairly present the Group's financial position, changes in equity, results of operations or cash flows.

The Group's external auditor has issued a reporting accountant's report on the constant currency pro forma information, which is available for inspection at the Company's (Pick n Pay Stores Limited) registered office.

	Increase in reported currency	Increase in constant currency
52 weeks ended 27 February 2022		
Group turnover (%)	5.2	5.3
Rest of Africa segmental revenue (%)	5.1	8.4

APPENDIX 2

Additional information

Additional information may not represent a defined term under IFRS 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 auditors.

1 Like-for-like turnover and expense growth comparisons

Like-for-like turnover and expense growth comparisons remove the impact of store openings, closures (including damaged and looted stores closed due to civil unrest) and conversions in the current and previous reporting periods.

2 Turnover analysis excluding the impact of trade disruptions during the current reporting period

During the period under review, the Group's South African operations were significantly impacted by trade disruptions arising from the civil unrest in KwaZulu-Natal and parts of Gauteng (referred to as civil unrest); and by the resumption of government imposed trade restrictions on the sale of liquor during the period (referred to as Covid-19 liquor restrictions). Refer to the Result Summary and note 14 of the 2022 summarised audited Group annual financial statements for further information.

Estimated lost turnover: Civil unrest

Management estimates that the Group lost approximately R1 775 million of turnover during this reporting period related to the civil unrest from both stores closed due to damage and looting as well as stores closed preventatively. This estimation is based on approved internal financial budgets per affected store, and supported by recent turnover trends in the relevant stores. Where it was noted that turnover transferred to existing operating stores, that positive impact was also taken into account in the lost turnover assessment, reducing the loss in turnover estimate. Furthermore, these estimations align to methodologies applied in the Group's business interruption (loss of profits) insurance claims.

Estimated lost turnover: Covid-19 liquor restrictions

Management estimates that the Group lost approximately R925 million (2021: R2 503 million) of turnover during the current reporting period as a result of the 66 trading days (2021: 209 trading days) lost on the resumption of the Covid-19 liquor trading restrictions. This estimation is based on management's best estimate of the lost turnover during the restricted trading days, net of the increase in liquor sales on days surrounding the restricted days. This estimation is based on approved internal financial budgets per affected store and supported by recent turnover trends in the relevant stores.

APPENDIX 3

The table below presents the Group's earnings performance on a pro forma basis.

The Group has presented its earnings on a pro forma basis, by including R145.2 million (R104.5 million net of tax) in the current year related to insurance proceeds received post year-end, and by excluding hyperinflation net monetary adjustments attributable to IAS 29 from the current and prior periods. Refer to Appendix 1 for further information.

	% change	52 weeks to 27 February 2022 Cents per share	52 weeks to 28 February 2021 Cents per share
Earnings per share			
Basic earnings per share	25.1	253.34	202.52
Diluted earnings per share	25.6	252.43	200.93
Headline earnings per share	14.5	262.59	229.31
Diluted headline earnings per share	15.0	261.65	227.51
Pro forma headline earnings per share			
Pro forma headline earnings per share	23.0	289.64	235.42
Pro forma diluted headline earnings per share	23.6	288.59	233.57
		Rm	Rm
Reconciliation between basic and headline earnings			
Profit for the period – basic earnings for the period		1 214.5	967.1
Adjustments:		44.4	127.9
(Profit)/loss on sale of property, plant and equipment		(31.6)	21.4
Tax effect of profit/(loss) on sale of property, plant and equipment		3.5	(6.0)
Loss from impairments and scrapping of property, plant and equipment		209.1	18.1
Tax effect of loss from impairments and scrapping of property, plant and equipment		(48.7)	(5.1)
Loss from impairments and scrapping of intangible assets		7.9	10.7
Tax effect of loss from impairments and scrapping of intangible assets		(0.1)	(3.0)
Impairment loss on right-of-use assets		56.6	14.1
Tax effect of impairment loss on right-of-use assets		(15.1)	(3.9)
Impairment loss on investment in associate		14.4	81.6
Insurance recoveries on scrapping of assets due to civil unrest		(210.5)	-
Tax effect of insurance recoveries on scrapping of assets due to civil unrest		58.9	-
Headline earnings for the period (note 4)		1 258.9	1 095.0
Adjusted for hyperinflation net monetary loss (note 7)		25.1	29.2
Adjusted for insurance proceeds received post year-end (note 14)		145.2	-
Adjusted for tax effects of insurance proceeds received post year-end		(40.7)	-
Pro forma headline earnings		1 388.5	1 124.2
The table below presents the Group's share information			
		000's	000's
Number of ordinary shares in issue		493 450.3	493 450.3
Weighted average number of ordinary shares in issue (excluding treasury shares)		479 389.3	477 524.8
Diluted weighted average number of ordinary shares in issue		481 128.4	481 304.5

APPENDIX 4

These summarised Group annual financial statements are themselves not audited, but are extracted from audited information. The audited Group annual financial statements were audited by Ernst & Young Inc., who expressed an unmodified opinion thereon.

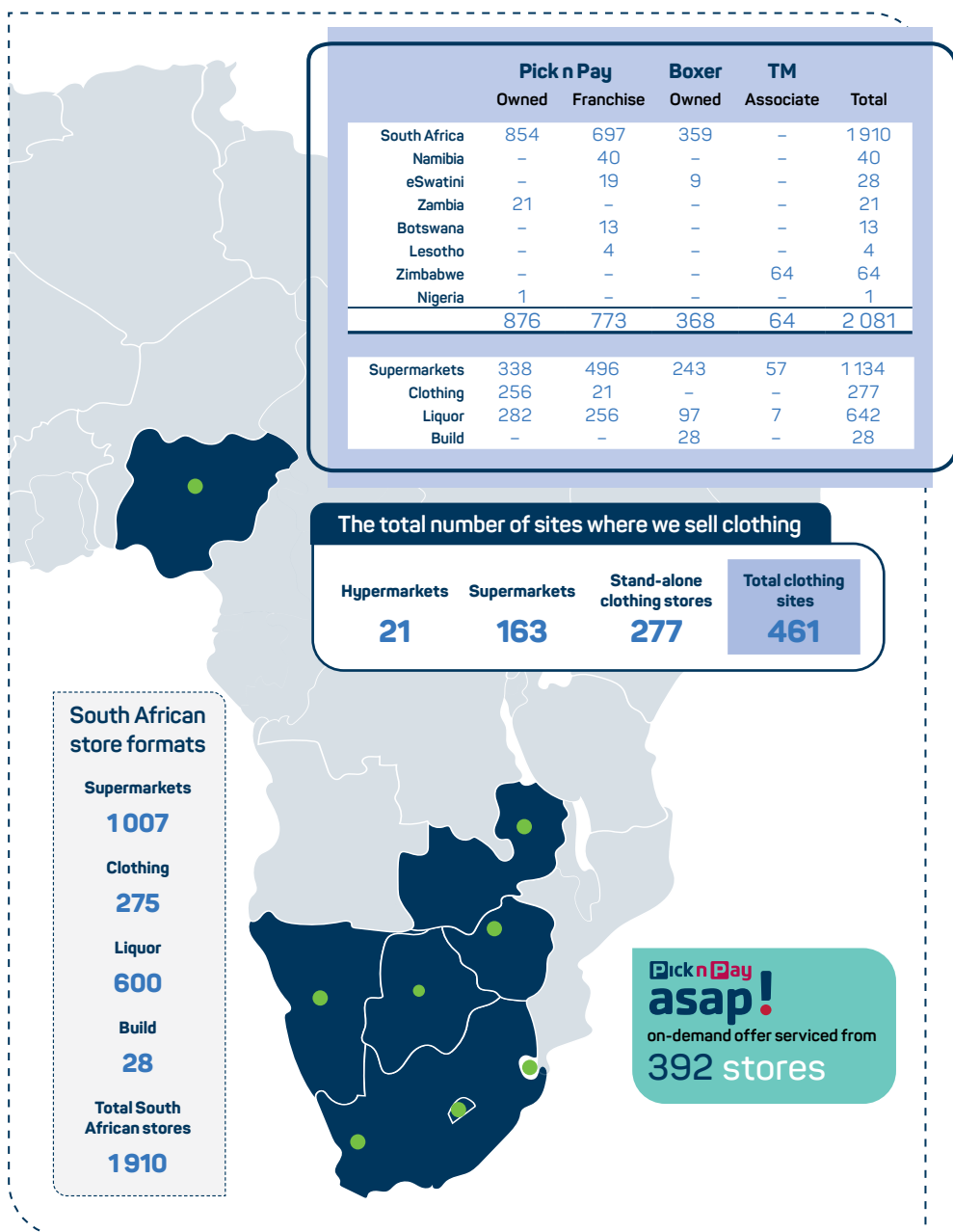
The table below, which provides information on the key audit matter applicable to the audit of the Group annual financial statements, is an extraction of Ernst & Young Inc. audit report and should be read in conjunction with the full audit report. An extraction of notes to the 2022 audited Group annual financial statements to which the key audit matter relates to has been included in note 14 of the summarised Group annual financial statements.

The audited Group annual financial statements, and the auditor's report there on, are available for inspection at the Company's (Pick n Pay Stores Limited) registered office.

Extract of Ernst & Young Inc. Report on the Audit of the Pick n Pay Stores Limited Consolidated and Separate Financial Statements:

Key Audit Matter: Impact of civil unrest	How the matter was addressed in the audit
<p>The extensive civil unrest in parts of KwaZulu-Natal and Gauteng affected a total of 112 Pick n Pay stores, 100 Boxer stores and two Pick n Pay Distribution Centres and resulted in the Group incurring losses and damages from looting and destruction.</p> <p>The impact on the consolidated annual financial statements of Pick n Pay Stores Limited was as follows:</p> <ul style="list-style-type: none"> Insurance proceeds resulted in an increase in other income of R748.2 million and an increase in profit on sale of assets and insurance recoveries on scrapping of property, plant and equipment of R210.5 million Inventory losses resulted in an increase in cost of sales of R627.8 million and Scrapping of property, plant and equipment amounted to R156.8 million. <p>In addition to the impact of the consolidated financial statements, significant judgement was required in assessing whether the insurance proceeds received as compensation for business interruption after year end of R145.2 million was an adjusting or non-adjusting subsequent event.</p> <p>The civil unrest was a significant event that occurred during the financial year, the outcome of which has had a material effect on the financial position and performance of the group. Significant auditor attention was therefore required, and extended audit procedures were performed.</p> <p>The civil unrest is therefore considered to be a matter of most significance to the current year's audit and identified as a key audit matter.</p> <p>The impact of the civil unrest and associated insurance claims received is disclosed in note 1.6 and note 31 of the group annual financial statements for the period ended 27 February 2022.</p>	<p>Our audit procedures, amongst others, included the following:</p> <p>Insurance proceeds</p> <ul style="list-style-type: none"> Together with our technical accounting specialists, we evaluated the recognition and classification of insurance income in accordance with the relevant International Financial Reporting Standards. We audited the amounts recognised and disclosed by inspection of correspondence with SASRIA and confirmation of the payments received to banking records. <p>Inventory losses</p> <ul style="list-style-type: none"> We obtained an understanding of management's controls and processes for identifying, quantifying and impairing damaged and lost stock through discussion with management and the loss adjusters. For a sample of affected stores: <ul style="list-style-type: none"> we inspected documentation of inventory counts performed; and agreed the rand value of inventory written off per the count sheets to the accounting records. We agreed the inventory write-off list to the SASRIA claim. For fully looted locations, we compared the inventory amount written off with reference to the pre-looting inventory balance held. <p>Scrapping of property, plant and equipment</p> <ul style="list-style-type: none"> For all affected stores and distribution centres we confirmed that damaged assets were removed from the fixed asset registers and compared the asset values to scrapped assets per the accounting records. We recalculated depreciation and impaired carrying values for a sample of assets written off to ensure arithmetical accuracy. We performed physical verification at a sample of sites to confirm that assets not scrapped still existed. <p>Compliance with International Financial Reporting Standards</p> <ul style="list-style-type: none"> We considered and evaluated the classification of the transactions in the consolidated statement of comprehensive income and the relevance and accuracy of additional disclosure provided in the notes to the consolidated financial statements against the various relevant International Financial Reporting Standards.

AN OVERVIEW OF OUR STORE ESTATE



NUMBER OF STORES

	28 February 2021	Opened	Closed	Converted openings	Converted closures	27 February 2022
COMPANY-OWNED						
Pick n Pay	830	57	(16)	7	(2)	876
Hypermarkets	21	-	-	-	-	21
Supermarkets	310	14	(9)	4	(2)	317
Clothing	235	24	(3)	-	-	256
Liquor	264	19	(4)	3	-	282
Boxer	342	34	(10)	2	-	368
Supermarkets	208	21	(5)	2	-	226
Build	30	-	(2)	-	-	28
Liquor	87	12	(2)	-	-	97
Punch	17	1	(1)	-	-	17
Total company-owned	1 172	91	(26)	9	(2)	1 244
FRANCHISE						
Pick n Pay						
Supermarkets	284	5	(3)	-	(4)	282
Market	38	5	(7)	-	-	36
Express	174	7	(3)	-	-	178
Clothing	20	3	(2)	-	-	21
Liquor	242	25	(8)	-	(3)	256
Total franchise	758	45	(23)	-	(7)	773
Total Group stores	1 930	136	(49)	9	(9)	2 017
TM Supermarkets – associate	61	3	-	-	-	64
Total with TM Supermarkets	1 991	139	(49)	9	(9)	2 081
AFRICAN FOOTPRINT						
- included in total stores above	163	14	(6)	-	-	171
Pick n Pay company-owned	24	-	(2)	-	-	22
Boxer company-owned	9	-	-	-	-	9
Pick n Pay franchise	69	11	(4)	-	-	76
TM Supermarkets – associate	61	3	-	-	-	64
AFRICAN FOOTPRINT						
- by country	163	14	(6)	-	-	171
Botswana	11	2	-	-	-	13
Lesotho	4	-	-	-	-	4
Namibia	36	6	(2)	-	-	40
eSwatini	27	1	-	-	-	28
Zambia	24	1	(4)	-	-	21
Nigeria	-	1	-	-	-	1
Zimbabwe	61	3	-	-	-	64



CORPORATE INFORMATION

Pick n Pay Stores Limited

Registration number: 1968/008034/06
 JSE share code: PIK
 ISIN: ZAE000005443

Board of directors Executive directors

Pieter Boone (CEO)
 Lerena Olivier (CFO)
 Jonathan Ackerman

Non-executive

Gareth Ackerman (Chairman)
 Suzanne Ackerman-Berman*
 Aboubakar Jakoet
 David Robins

Independent non-executive

Haroon Borhat
 Mariam Cassim
 David Friedland
 Hugh Herman
 Audrey Mothupi
 Annamarie van der Merwe
 Jeff van Rooyen

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Edward Nathan Sonnenbergs

Principal transactional bankers

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 First National Bank

Company Secretary

Debra Muller
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Promotion of Access to Information Act

informationofficer@pnp.co.za

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Boxer

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Online shopping

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* Suzanne Ackerman-Berman retired as an executive director on 31 March 2022 and was appointed as a non-executive director from 1 April 2022.