

Come home to
Pick n Play



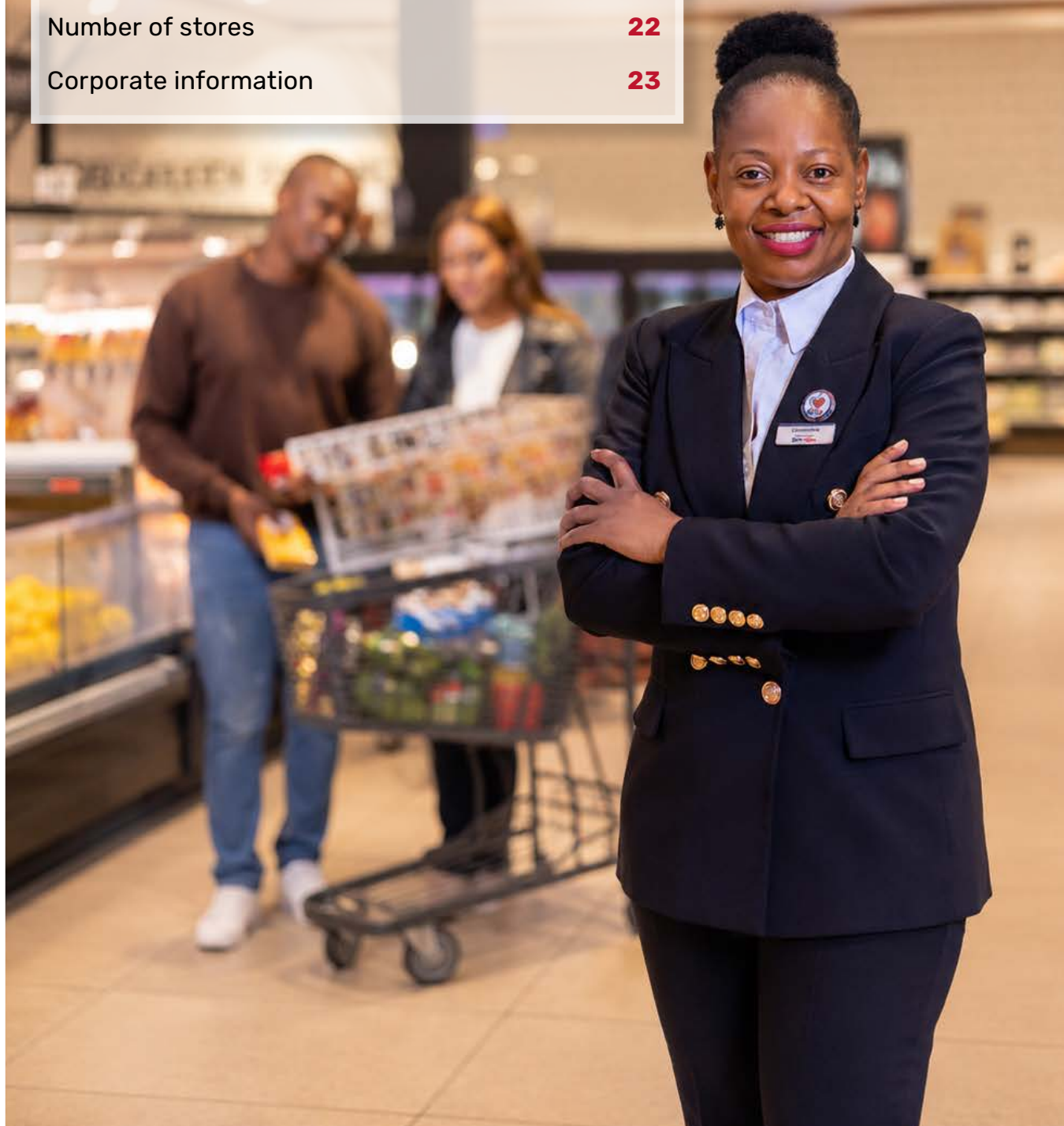
**Unaudited Group Condensed
Interim Financial Statements**

For the 26 weeks ended 30 August

2026

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Review of operations

Financial results for the 26 weeks ended 30 August 2026

Key Group financial indicators	26 weeks to 30 August 2026 H1 FY27	26 weeks to 31 August 2025 H1 FY26 ¹	% improvement
Turnover	R60.5 billion	R59.0 billion	2.4%
Trading profit	R490 million	R310 million	58.1%
Trading profit margin	0.8%	0.5%	
Loss before tax and capital items	(R139 million)	(R317 million)	56.2%
Headline loss	(R299 million)	(R439 million)	31.9%
Headline loss per share (HEPS)	(40.71 cents)	(59.77 cents)	31.9%

H1 FY27 Group highlights

- **Progress on Pick n Pay turnaround initiatives:** including the successful agreement reached on the restructure of the store labour model and the withdrawal of the Section 189 consultation process;
- **Pick n Pay segment trading profit recovery:** Pick n Pay segment trading loss reduced by 16.9%, driven by gross profit margin accretion and contained trading expense growth;
- **Solid Boxer performance:** Boxer opened its 600th store and increased profit before tax and capital items by 10.6%;
- **Group profit recovery:** Group Headline loss reduced by 31.9% to R299 million;
- **Balance sheet strength:** Group net cash on hand of R10.0 billion, including R7.7 billion within Pick n Pay.

Group result summary

The Group reported a 56.2% (R178 million) year-on-year improvement in loss before tax and capital items to R139 million, against a loss of R317 million for H1 FY26. The profit improvement was delivered at the operating level, with trading profit improving by R180 million, while net finance costs were approximately flat. The Headline loss reduced by 31.9% to a loss of R299 million, after taking into account the Boxer non-controlling interest (up 34.1% to R232 million).

Group turnover increased 2.4%, with 6.3% growth from Boxer and the Pick n Pay segment approximately flat. The gross profit margin expanded 0.7% to 18.8%, with improvement in both the Pick n Pay and Boxer gross profit margin. Other income grew 4.8%. Trading expenses increased by 4.5%, driven by the Boxer store rollout. The R180 million (58.1%) Group trading profit improvement to R490 million was the combined result of a R75 million increase in Boxer trading profit (to R1.0 billion) and a R105 million reduction in the Pick n Pay trading loss (to R0.5 billion).

Turnover (Rm)	H1 FY27	H1 FY26 ¹	% change
Boxer	24 094	22 656	6.3%
Pick n Pay*	36 369	36 392	(0.1%)
South Africa	34 687	34 874	(0.5%)
Rest of Africa	1 682	1 518	10.8%
Group	60 463	59 048	2.4%

* Pick n Pay turnover growth impacted by a net year-on-year reduction of the store estate of 19 company-owned and franchise supermarkets.

Pick n Pay segment operational performance

Pick n Pay (PnP) segment turnover

Pick n Pay turnover declined 0.1%, with Pick n Pay South Africa declining 0.5% and Rest of Africa increasing 10.8%, driven by exchange rate translation gains from a stronger Zambian Kwacha.

While the store estate reset plan has been concluded, the impact of stores closed during the past twelve months continues to have a (reduced) negative impact on total turnover growth. As a consequence, PnP South African turnover declined by 0.5% in this period vs. -1.4% in full-year FY26 (52/52w basis).

The total number of Pick n Pay company-owned and franchise supermarkets declined by 19 stores over the past 12 months (and 6 stores over the past 6 months) to 520 stores. Within the 12 month period, the number of company-owned supermarkets and hypermarkets increased by two stores, to 313 stores, while franchise supermarkets declined by 21 stores to 207 stores. Pick n Pay continues to optimise the store estate on an ongoing basis. In this regard, 14 franchise supermarkets were converted to company-owned supermarkets during the past twelve months (10 within H1 FY27). Similarly, two Pick n Pay supermarkets were converted to Boxer Superstores during H1 FY27.

¹ H1 FY26 turnover restated to now include certain items previously recognised within costs of merchandise sold. H1 FY26 trading profit is not impacted.

Pick n Pay's internal selling price inflation (as measured on a volume-held-constant basis) for the period was 1.5%, down on the 2.2% and 1.9% reported for full-year FY25 and FY26 respectively. Pick n Pay's H1 FY27 internal selling price inflation was below Statistics SA food and non-alcoholic beverage inflation for the period of 2.0%, as Pick n Pay maintained its commitment to deliver low prices to customers.

PnP estate – number of stores	H1 FY26	FY26	H1 FY27	6-month net change	12-month net change
PnP Supermarkets and Hypermarkets	539	526	520	(6)	(19)
Company-owned	311	308	313	5	2
Franchise	228	218	207	(11)	(21)
PnP Liquor	468	459	453	(6)	(15)
PnP Clothing	424	437	439	2	15
Express forecourts	184	190	190	0	6
Total	1 615	1 612	1 602	(10)	(13)

Note: Liquor and Clothing stores are company-owned and franchise. Express forecourts are franchise. Table includes both SA and non-SA stores, and excludes Boxer and associate TM Supermarkets.

South African company-owned and franchise supermarkets

Pick n Pay remains focused on driving improved like-for-like sales growth. Like-for-like sales for company-owned supermarkets grew 2.4% year-on-year. With internal selling price inflation of 1.5%, Pick n Pay company-owned supermarkets showed positive like-for-like volume growth during the period. Within the context of the intense pressure facing consumers, particularly since the May 2026 fuel price hikes, as well as recently reported competitor like-for-like sales growths of a similar magnitude, the company-owned supermarkets outcome is satisfactory. That said, stronger growth is required, and Pick n Pay is striving to deliver this.

Franchise supermarket like-for-like sales growth was 1.0%, a slight improvement on the 0.9% reported for full year FY26. The Group continues its efforts to improve the franchise offer to drive sales and profitability for Pick n Pay and our franchisee partners.

Pick n Pay Online

Pick n Pay's online business delivered another standout performance, with H1 FY27 turnover growing 35.4%. Alongside delivering faster shopping and checkout experiences, two key launches stood out in the half:

- The launch of Pick n Pay Clothing in the asap! app was successful, delivering well ahead of budgeted turnover. Customers can now shop groceries and clothing within a single app, bringing more of the Pick n Pay estate into one shopping journey and making asap! a broader destination.
- The launch of Penny, South Africa's first fully integrated AI-powered grocery shopping assistant, allows customers to build their asap! grocery baskets by talking, typing, or snapping a photo of a recipe, shopping list or empty pantry shelf. Penny has generated positive customer sentiment, improved order conversion and increased average order value.

Pick n Pay Clothing

Pick n Pay Clothing turnover in standalone stores grew 3.9%, with like-for-like sales declining 0.7%. The South African clothing market remains exceptionally challenged: within this context, Pick n Pay is encouraged by the improved like-for-like performance vs. H2 FY26, and is focussed on returning the business to positive like-for-like growth.

Pick n Pay Clothing opened net 2 stores during H1 FY27 to bring the total estate to 439 stores, consisting of 421 company-owned and 18 franchise stores.

Like-for-like sales growth	26 weeks H2 FY25	26 weeks H1 FY26	26 weeks H2 FY26	26 weeks H1 FY27
PnP South Africa	3.1%	4.4%	1.3%	1.4%
PnP SA supermarkets	2.7%	3.7%	1.9%	1.9%
PnP SA company-owned supermarkets	3.6%	4.8%	3.0%	2.4%
PnP SA franchise supermarkets	1.1%	1.8%	(0.2%)	1.0%
PnP Clothing standalone stores	3.8%	7.5%	(5.6%)	(0.7%)

Note: 1) PnP SA Supermarkets includes hypermarkets. 2) Franchise sales refers to wholesale sales from Pick n Pay to franchisees.

Pick n Pay segment gross profit

Pick n Pay's H1 FY27 gross profit margin increased 0.7% year-on-year to 17.5%. The improved gross profit margin was primarily due to the combined impacts of better category and margin management in South Africa and Zambia, and the corporatisation of the Botswana stores.

Pick n Pay segment trading expenses

H1 FY27 trading expenses increased 1.7% to R8.1 billion. On a like-for-like basis, trading expense growth was 2.0%, well below the 6.7% like-for-like expense growth reported for FY26.

Employee costs – increased 2.7% to R3.4 billion. The limited increase in employee costs, despite above inflation wage increases, was primarily the result of support office savings, where there have been selective retrenchments as Pick n Pay pursues a fit-for-purpose support office structure.

Occupancy costs – declined 0.4% to R1.0 billion as a result of renegotiation of some rental agreements. Occupancy was impacted by a R99 million IFRS16 profit on lease termination (R126 million in H1 FY26), which arose from store closures and conversions. Excluding this IFRS 16 profit from both periods, occupancy costs declined by 2.6%.

Operations costs – increased 5.0% to R2.2 billion. Increased energy costs, including both diesel and electricity, and utility costs exerted upward pressure on operations costs when measured on a like-for-like basis. PPE depreciation and amortisation declined slightly during the period as a result of store closures and conversions in prior periods.

Merchandising and administration costs – declined 5.0% to R1.4 billion as a result of multiple factors, including more cost-effective advertising and promotional spend.

Expected credit loss allowance – the charge from the change in the credit loss allowance increased by R22 million to R93 million.

Pick n Pay segment trading loss

Pick n Pay H1 FY27 trading loss reduced to R516 million (-1.4% trading margin) from R621 million (-1.7% trading margin) in H1 FY26. The reduced trading loss was the result of 3.9% gross profit growth exceeding 1.7% trading expense growth, due to improved expense control in the period.

Rm	H1 FY27	H1 FY26 ¹	% change
Turnover	36 369	36 392	(0.1%)
Gross profit	6 373	6 132	3.9%
Other income	1 233	1 232	0.1%
Trading expenses	(8 122)	(7 985)	1.7%
Employee costs	(3 411)	(3 320)	2.7%
Occupancy costs	(1 046)	(1 050)	(0.4%)
Operations costs	(2 152)	(2 050)	5.0%
Merchandise and admin costs	(1 420)	(1 494)	(5.0%)
Expected credit loss allowance	(93)	(71)	31.0%
Trading loss	(516)	(621)	(16.9%)
Net lease finance expense [#]	(560)	(543)	3.1%
Trading loss after lease interest*	(1 076)	(1 164)	(7.6%)
Gross profit margin	17.5%	16.8%	
Trading expenses as % of turnover	22.3%	21.9%	
Trading loss margin	(1.4%)	(1.7%)	
Trading loss after lease interest margin	(3.0%)	(3.2%)	

¹ Figures have been restated with no change to Gross profit, Trading loss, or Trading loss after lease interest. Refer to note 4 of the Group condensed interim financial statements.

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

* Refer to Appendix 1 Pro forma financial information.

Boxer segment operational performance

Boxer, the Group's 53.1% owned subsidiary (following the disposal of a further 12.5% of Boxer equity during May 2026) reported a solid H1 FY27 performance. As consolidated by the Group, Boxer turnover grew 6.3% to R24.1 billion, and trading profit increased 8.1% to R1.0 billion. The full H1 FY27 Boxer results, as published by Boxer Retail Limited on 12 October 2026, can be found on the Boxer website at <https://boxerinvestor.co.za/>.

Group trading profit segmentation

	H1 FY27			H1 FY26		
	Pick n Pay	Boxer	Group	Pick n Pay	Boxer	Group
Turnover	36 369	24 094	60 463	36 392	22 656	59 048
Trading (loss)/profit	(516)	1 006	490	(621)	931	310
Trading (loss)/profit margin	(1.4%)	4.2%	0.8%	(1.7%)	4.1%	0.5%
Net lease finance expense [#]	(560)	(262)	(822)	(543)	(229)	(772)
Trading (loss)/profit after lease interest*	(1 076)	744	(332)	(1 164)	702	(462)
Trading (loss)/profit after lease interest margin	(3.0%)	3.1%	(0.5%)	(3.2%)	3.1%	(0.8%)

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

* Refer to Appendix 1 Pro forma financial information.

Group net finance costs

Group net finance costs, including implied interest charges under IFRS 16, increased by 0.3% year-on-year. Pick n Pay segment net finance costs increased 0.3% to R397 million, while Boxer net finance costs increased 0.4% to R232 million.

Funding interest – Group net funding interest income grew 33.1% to R193 million, with both Pick n Pay and Boxer showing substantial improvement as a result of healthy cash positions.

Lease interest – Implied net interest charges under IFRS 16 increased 6.5% year-on-year to R822 million. The increase was driven by the store rollout in Boxer (lease interest up 14.4%), with net lease interest in the Pick n Pay segment up 3.1%.

Net finance costs (Rm)	H1 FY27	H1 FY26	% change
Group	(629)	(627)	0.3%
Net funding interest ¹	193	145	33.1%
Net lease interest ²	(822)	(772)	6.5%
Pick n Pay	(397)	(396)	0.3%
Net funding interest	163	147	10.9%
Net lease interest	(560)	(543)	3.1%
Boxer	(232)	(231)	0.4%
Net funding interest	30	(2)	>100%
Net lease interest	(262)	(229)	14.4%

¹ Net funding interest includes interest received on trade and other receivables of R37 million and R36 million in H1 FY27 and H1 FY26 respectively, which is primarily interest income on overdue franchise receivables within the Pick n Pay segment.

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

Group capital items

The Group recorded an H1 FY27 capital profit of R14 million, vs. an R84 million capital loss in H1 FY26. R11 million of the capital gain was recorded within the Pick n Pay segment, while R3 million related to Boxer. The Group capital gain reflected a R99 million profit on disposal of assets, mostly resulting from the sale of two properties, together with a R85 million asset impairment.

Group tax

The Group's effective tax rate reflects the combined effects of a 32.9% and 27.0% effective tax rate within the Pick n Pay segment and Boxer respectively. The Group expects to pay minimal tax in the Pick n Pay segment for the foreseeable future, given the accumulated tax losses.

Earnings per share

The H1 FY27 Group attributable loss reduced by R226 million to R270 million, while the Headline loss reduced by R140 million to R299 million.

The Boxer non-controlling interest increased from 34.4% to 46.9% during May 2026. As a consequence of this increase and Boxer's organic earnings growth, the Rand value of the non-controlling interest on Group attributable earnings increased by 34.1% year-on-year to R232 million. The relatively high value of the non-controlling interest means that it has a material impact on the calculation of Group attributable earnings.

Headline earnings per share (HEPS) – The Headline loss per share reduced by 31.9% to a loss of 40.71 cents per share. All impairment losses and other capital items are excluded from the calculation of headline earnings.

Earnings per share (EPS) – The loss per share reduced by 45.6% to a loss of 36.77 cents per share, and includes all items of a capital nature.

Detailed review of Group financial position

Funding

Group net cash (excluding leases) at period-end was R10.0 billion, including R7.7 billion of net cash within Pick n Pay and R2.3 billion of net cash within Boxer. Group net cash increased by R6.9 billion since FY26 year-end, including a R1.6 billion increase within Boxer, and a R5.3 billion increase within the Pick n Pay segment.

Pick n Pay raised R4.7 billion gross cash proceeds from the placement of the 12.5% Boxer equity shareholding. Excluding the gross proceeds from this capital raise, Pick n Pay segment's net cash increased by R0.6 billion during H1 FY27, of which R232 million was the Boxer FY26 final dividend.

The Pick n Pay segment has R3.0 billion unsecured short-term working capital facilities in place to fund intra-month working capital requirements where necessary.

Funding (Rm)	H1 FY27	FY26	H1 FY26
Group gross debt (excluding leases)	–	(200)	(650)
Group cash and cash equivalents	9 982	3 277	5 713
Group net cash	9 982	3 077	5 063
Pick n Pay net cash	7 671	2 368	3 937
Boxer net cash	2 311	709	1 126

Working capital

At the Group level, working capital released R2.7 billion of liquidity in H1 FY27. This included a R1.4 billion liquidity release within Pick n Pay and a R1.3 billion release within Boxer. The liquidity release is attributed to the following:

- Normal seasonality, where both Pick n Pay and Boxer ordinarily release liquidity in H1 and absorb liquidity in H2;
- A payables cut-off impact at the end of the period;
- Tight working capital controls within Pick n Pay, where inventory declined R225 million vs. H1 FY26, despite investment in inventory range.

Net working capital movement (Rm)	H1 FY27	H1 FY26
Pick n Pay	1 372	712
Boxer	1 289	1 040
Group liquidity release	2 661	1 752

Group capital investment

Group H1 FY27 net capital investment (i.e. net of proceeds from asset disposals) of R0.7 billion compared with R0.9 billion in H1 FY26. Within the Pick n Pay segment, net capital investment increased by 5.5% to R364 million. This reflected gross capital investment of R583 million (up 20.0% vs. R486 million in H1 FY26) less R219 million proceeds from disposal of assets. Capital investment within the Pick n Pay segment is ramping up as select supermarkets are revamped in order to improve the quality of the store estate.

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

Net capital investment (Rbn)	H1 FY27	H1 FY26
Pick n Pay	0.4	0.4
Boxer	0.3	0.5
Group	0.7	0.9

Shareholder distribution

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

Subsequent event: successful agreement reached on restructure of the store labour model

The Group is pleased to announce the successful conclusion and withdrawal of the Section 189A consultation process initiated in May 2026. The agreement reached with our labour partners delivers the flexibility, efficiency and market alignment sought by the the Group's Pick n Pay segment at the commencement of the process. It introduces a simplified and more competitive store labour model that supports more flexible and effective labour scheduling, improved cost management and a stronger long-term position for Pick n Pay's core supermarket business. The Group acknowledges the constructive and respectful manner in which our labour partners and employee representatives engaged throughout the process. Together with Pick n Pay's broader turnaround initiatives, this is a critical step in the journey to profit break-even and long-term sustainability.

Group strategic plan and outlook

The Group faced a challenging external environment in H1 FY27, given the impact of increased fuel prices from May 2026 on both our customer's wallets and our cost base. Despite this, both Pick n Pay and Boxer managed to deliver improved results on a year-on-year basis.

While the Pick n Pay segment delivered a reduced loss, the R1.1 billion loss at the trading profit after lease interest level indicates that substantial further profitability improvement must still be delivered to return Pick n Pay to a sustainable basis.

The customer experience is being substantially improved, and this is supporting our like-for-like sales growth. The initial benefits of the turnaround elements that have already been put in place are beginning to show in the financial results, with gross profit margin steadily recovering and trading expense growth contained. Significant further benefits are set to flow over the coming two and a half years, as we approach our FY29 trading profit after lease interest break-even target.

Ongoing elevated oil prices and the consequent impacts on food inflation, logistical costs and the ability of the consumer to spend mean that visibility on the trading outlook for the remainder of FY27 is low. Given this, the Group continues to focus on operating levers within our control, where we have substantial opportunity.

In the 4 weeks post period-end, the Pick n Pay segment's South African supermarket like-for-like sales growth was slightly ahead of that achieved in H1 FY27.

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

James Formby
Chair

Sean Summers
Chief Executive Officer

26 October 2026



Group condensed interim financial statements

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Group statement of comprehensive income

for the period ended

		Unaudited 26 weeks to 30 August 2026 Rm	Restated* Unaudited 26 weeks to 31 August 2025 Rm	Audited 52 weeks to 1 March 2026 Rm
	Note			
Revenue	2	62 265	60 765	123 674
Turnover	2	60 463	59 048	120 290
Cost of merchandise sold		(49 112)	(48 336)	(97 672)
Gross profit		11 351	10 712	22 618
Other income		1 493	1 425	2 862
Franchise fee income	2	553	582	1 173
Operating lease income	2	59	56	93
Commissions, dividends and other income	2	881	787	1 596
Trading expenses		(12 354)	(11 827)	(23 795)
Employee costs		(5 250)	(5 006)	(10 009)
Occupancy costs		(1 726)	(1 684)	(3 456)
Operations costs		(3 440)	(3 200)	(6 423)
Merchandising and administration costs		(1 845)	(1 866)	(3 677)
Expected credit loss allowance		(93)	(71)	(230)
Trading profit		490	310	1 685
Finance income	2	309	292	522
Funding finance income		207	191	307
Leases finance income		102	101	215
Finance costs		(938)	(919)	(1 847)
Funding finance expense		(14)	(46)	(69)
Leases finance expense		(924)	(873)	(1 778)
(Loss)/profit before tax before capital items		(139)	(317)	360
Profit/(loss) on capital items		14	(84)	(442)
Net profit/(loss) on disposal of assets		99	(39)	(51)
Loss from impairments of assets		(85)	(45)	(391)
Loss before tax		(125)	(401)	(82)
Tax		87	78	(111)
Loss for the period		(38)	(323)	(193)
Attributable to:				
Equity holders of the parent		(270)	(496)	(728)
Non-controlling interest		232	173	535
Other comprehensive income, net of tax				
Items that will not be reclassified to profit or loss		-	4	14
Remeasurement of retirement scheme assets		-	6	19
Tax on items that will not be reclassified to profit or loss		-	(2)	(5)
Items that may be reclassified to profit or loss		(4)	2	(6)
Foreign currency translations		(5)	4	(3)
Movement in cash flow hedge		1	(2)	(3)
Total comprehensive loss for the period		(42)	(317)	(185)
Attributable to:				
Equity holders of the parent		(274)	(490)	(720)
Non-controlling interest		232	173	535
Earnings per share		Cents	Cents	Cents
Basic loss per share	3	(36.77)	(67.53)	(99.17)
Diluted loss per share	3	(36.77)	(67.53)	(99.17)

* In line with the restatement presented in the Group annual financial statements for the 52 weeks ended 1 March 2026, the Group condensed interim financial statements have also been restated to correct for certain product articles where system mapping erroneously resulted in turnover being presented within the incorrect financial statement lines. The reclassification increased revenue, turnover and cost of merchandise sold by R230 million, for the 26 weeks ended 31 August 2025, with no impact on previously reported gross profit, and decreased revenue, 'commissions, dividend and other income' and 'merchandise and administration costs' by R64 million, with no impact on previously reported trading profit, for the same period.

Group statement of financial position

	Note	Unaudited As at 30 August 2026 Rm	Unaudited As at 31 August 2025 Rm	Audited As at 1 March 2026 Rm
ASSETS				
Non-current assets				
Property, plant and equipment		8 915	8 808	8 965
Right-of-use assets		11 157	10 831	10 779
Intangible assets		1 300	1 333	1 192
Net investment in lease receivables		1 682	1 834	1 795
Deferred tax assets		2 714	3 092	3 236
Trade and other receivables		50	18	14
Loans		132	130	128
Retirement scheme assets		6	65	6
Investment in insurance cell captive	10	87	93	79
Operating lease assets		3	4	3
		26 046	26 208	26 197
Current assets				
Inventory		11 108	10 729	11 733
Right-of-return assets		14	24	22
Trade and other receivables		3 885	4 220	3 798
Net investment in lease receivables		312	356	334
Loans		12	15	14
Cash and cash equivalents		9 982	5 713	3 277
		25 313	21 057	19 178
Non-current asset held for sale	6	-	122	122
Total assets		51 359	47 387	45 497
EQUITY AND LIABILITIES				
Equity				
Share capital	8	3 883	3 883	3 883
Treasury shares	9	(507)	(585)	(507)
Other reserves		-	(2)	(2)
Foreign currency translation reserve		(405)	(393)	(400)
Retained earnings		9 538	6 830	6 588
Equity attributable to equity holders of parent		12 509	9 733	9 562
Non-controlling interest		1 605	835	1 144
Total equity		14 114	10 568	10 706
Non-current liabilities				
Lease liabilities		15 987	15 930	15 883
Borrowings		-	650	200
Deferred tax liabilities		70	78	71
		16 057	16 658	16 154
Current liabilities				
Trade and other payables		17 332	16 705	15 326
Deferred revenue		550	527	377
Provisions		76	107	71
Lease liabilities		2 730	2 687	2 652
Current tax liabilities		500	134	209
Derivative financial instruments	10	-	1	2
		21 188	20 161	18 637
Total equity and liabilities		51 359	47 387	45 497

Group statement of changes in equity

for the period ended

Unaudited	Note	Share capital Rm	Treasury shares Rm	Retained earnings Rm	Other reserves Rm	Foreign currency translation reserve Rm	Equity attributable to equity holders of parent Rm	Non-controlling interest Rm	Total equity Rm
At 2 March 2025		3 883	(496)	7 301	6	(397)	10 297	668	10 965
Total comprehensive (loss)/income for the period		-	-	(492)	(2)	4	(490)	173	(317)
(Loss)/income for the period		-	-	(496)	-	-	(496)	173	(323)
Foreign currency translations		-	-	-	-	4	4	-	4
Movement in cash flow hedge		-	-	-	(2)	-	(2)	-	(2)
Remeasurement of retirement scheme assets		-	-	4	-	-	4	-	4
Other reserve movements		-	-	-	(6)	-	(6)	-	(6)
Transactions with owners		-	(89)	21	-	-	(68)	(6)	(74)
Shares purchased during the period	9	-	(101)	-	-	-	(101)	-	(101)
Purchase of non-controlling interest [#]		-	-	(39)	-	-	(39)	(21)	(60)
Net effect of settlement of employee share awards		-	12	(12)	-	-	-	-	-
Share-based payments		-	-	72	-	-	72	15	87
At 31 August 2025		3 883	(585)	6 830	(2)	(393)	9 733	835	10 568
Total comprehensive (loss)/income for the period		-	-	(222)	(1)	(7)	(230)	362	132
(Loss)/income for the period		-	-	(232)	-	-	(232)	362	130
Foreign currency translations		-	-	-	-	(7)	(7)	-	(7)
Movement in cash flow hedge		-	-	-	(1)	-	(1)	-	(1)
Remeasurement of retirement scheme assets		-	-	10	-	-	10	-	10
Other reserve movements		-	-	-	1	-	1	-	1
Transactions with owners		-	78	(20)	-	-	58	(53)	5
Net effect of settlement of employee share awards		-	78	(78)	-	-	-	-	-
Dividends paid		-	-	-	-	-	-	(71)	(71)
Share-based payments		-	-	58	-	-	58	18	76
As at 1 March 2026		3 883	(507)	6 588	(2)	(400)	9 562	1 144	10 706
Total comprehensive (loss)/income for the period		-	-	(270)	1	(5)	(274)	232	(42)
(Loss)/income for the period		-	-	(270)	-	-	(270)	232	(38)
Foreign currency translations		-	-	-	-	(5)	(5)	-	(5)
Movement in cash flow hedge		-	-	-	1	-	1	-	1
Other reserve movements		-	-	-	1	-	1	-	1
Transactions with owners		-	-	3 220	-	-	3 220	229	3 449
Purchase of non-controlling interest [#]		-	-	(45)	-	-	(45)	(40)	(85)
Net proceeds from change of ownership interest in subsidiary	13	-	-	3 205	-	-	3 205	452	3 657
Dividends paid		-	-	-	-	-	-	(204)	(204)
Share-based payments		-	-	60	-	-	60	21	81
At 30 August 2026		3 883	(507)	9 538	-	(405)	12 509	1 605	14 114

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

Group statement of cash flows

for the period ended

	Note	Unaudited 26 weeks to 30 August 2026 Rm	Unaudited 26 weeks to 31 August 2025 Rm	Audited 52 weeks to 1 March 2026 Rm
Cash flows from operating activities				
Trading profit		490	310	1 685
Adjusted for dividend income	2	-	-	(25)
Adjusted for non-cash items		1 899	1 838	3 800
Depreciation of property, plant and equipment		755	729	1 469
Depreciation of right-of-use assets		1 162	1 130	2 298
Amortisation of intangible assets		59	61	123
Share-based payments		81	87	163
Profit on termination of leases		(126)	(139)	(295)
Other lease adjustments		(23)	(9)	(19)
Movement in operating lease assets		-	1	2
Movement in retirement scheme assets		-	-	72
Fair value and foreign exchange adjustments		(9)	(22)	(13)
Cash generated before movements in working capital		2 389	2 148	5 460
Movements in working capital		2 661	1 752	(403)
Movements in trade and other payables, provisions and deferred revenue		2 184	1 801	249
Movements in inventory and right-of-return assets		696	(34)	(1 013)
Movements in trade and other receivables		(219)	(15)	361
Cash generated from trading activities		5 050	3 900	5 057
Funding interest received		201	187	312
Funding interest paid		(14)	(46)	(69)
Interest received on net investment in lease receivables		103	113	228
Interest paid on lease liabilities		(981)	(955)	(1 791)
Cash generated from operations		4 359	3 199	3 737
Dividends received		-	-	25
Dividends paid		(204)	-	(71)
Tax paid		(107)	(272)	(534)
Cash generated from operating activities		4 048	2 927	3 157
Cash flows from investing activities				
Investment in intangible assets		(69)	(47)	(69)
Investment in property, plant and equipment		(710)	(897)	(1 925)
Purchase of operations	5	(124)	(81)	(89)
Proceeds on disposal of fixed assets*		225	143	163
Principal net investment in lease receipts		171	184	360
Lease incentives received		60	68	155
Loans repaid		34	22	44
Loans advanced		(13)	(5)	(30)
Cash utilised in investing activities		(426)	(613)	(1 391)
Cash flows from financing activities				
Principal lease liability payments		(1 293)	(1 263)	(2 684)
Repayment of borrowings		(200)	(200)	(650)
Share purchases	9	-	(101)	(101)
Net proceeds from change of ownership interest in subsidiary	13	4 664	-	-
Purchase of non-controlling interest shares by Boxer for LTIP		(85)	(60)	(60)
Cash generated/(utilised) from financing activities		3 086	(1 624)	(3 495)
Net increase/(decrease) in cash and cash equivalents		6 708	690	(1 729)
Net cash and cash equivalents at beginning of period		3 277	5 028	5 028
Foreign currency translations		(3)	(5)	(22)
Net cash and cash equivalents at end of period		9 982	5 713	3 277

* Includes 'property, plant and equipment', 'intangible assets', and 'non-current assets held for sale'. Proceeds on disposals of fixed assets have been aggregated for the current period to align with the audited Group annual financial statements for the 52 weeks ended 1 March 2026. Comparatives have been amended for comparability purposes.

Notes to the financial statements

for the period ended 30 August 2026

1 Basis of preparation and accounting policies

The Group condensed interim financial statements for the period ended 30 August 2026 are prepared in accordance with the requirements of the JSE Listings Requirements for condensed reports, and the requirements of the Companies Act, as applicable to summarised financial statements. The Listings Requirements require condensed reports to be prepared in accordance with the framework concepts and the measurement and recognition requirements of International Financial Reporting Standards ('IFRS Accounting Standards'), as issued by the International Accounting Standards Board, and the financial pronouncements, as issued by the Financial Reporting Standards Council and the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, and to also, as a minimum, contain the information required by IAS 34 *Interim Financial Reporting*.

The Group condensed interim financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the audited Group annual financial statements for the 52 weeks ended 1 March 2026.

The accounting policies applied in the preparation of the Group condensed interim financial statements are in terms of IFRS Accounting Standards and are consistent with those applied in the financial statements for the 52 weeks ended 1 March 2026, with the exception of the adoption of new, revised and amended accounting pronouncements as issued by the International Accounting Standards Board ('IASB') which were effective for the Group from 1 March 2026. The new, revised and amended standards did not have a material impact on the Group condensed interim financial statements. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

These Group condensed interim financial statements have been prepared by the Finance Division under the supervision of the Chief Finance Officer, Tina Rookledge CA(SA), and have not been audited or reviewed by the Group's external auditors, Ernst & Young Inc.

2 Revenue

Revenue from contracts with customers

	Unaudited 26 weeks to 30 August 2026 Rm	Restated* Unaudited 26 weeks to 31 August 2025 Rm	Audited 52 weeks to 1 March 2026 Rm
Turnover	61 897	60 417	123 034
Franchise fee income	60 463	59 048	120 290
Commissions and other income	553	582	1 173
	881	787	1 571
Operating lease income	59	56	93
Dividend income from investment in insurance cell captive	-	-	25
Finance income	309	292	522
Bank balances and investments	170	155	242
Trade receivables and other	37	36	65
Net investment in lease receivables	102	101	215
	62 265	60 765	123 674

* Comparative figures have been restated. Refer to the Group Statement of Comprehensive income.



	Unaudited 26 weeks to 30 August 2026 Cents per share	Unaudited 26 weeks to 31 August 2025 Cents per share	Audited 52 weeks to 1 March 2026 Cents per share
3 Basic, headline and diluted earnings per share			
Basic loss per share	(36.77)	(67.53)	(99.17)
Diluted loss per share	(36.77)	(67.53)	(99.17)
Headline loss per share	(40.71)	(59.77)	(52.58)
Diluted headline loss per share	(40.71)	(59.77)	(52.58)
	Rm	Rm	Rm
3.1 Reconciliation between basic and headline earnings			
Loss for the period attributable to equity holders of parent – basic earnings for the period	(270)	(496)	(728)
Adjustments:	(29)	57	342
(Profit)/loss on disposal of assets	(99)	39	51
Tax effect of disposal of assets	5	(10)	(12)
Loss from impairments of assets	85	45	391
Tax effect of impairments of assets	(21)	(11)	(75)
Non-controlling interest	1	(6)	(13)
Headline loss for the period	(299)	(439)	(386)
	000's	000's	000's
3.2 Number of ordinary shares			
Number of ordinary shares in issue	745 657	745 657	745 657
Weighted average number of ordinary shares in issue (excluding treasury shares)	734 383	734 526	734 125
Diluted weighted average number of ordinary shares in issue	734 383	734 526	734 125

4 Operating segments

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

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

Unaudited 26 weeks to 30 August 2026	Reportable segments		Group Rm
	Pick n Pay Rm	Boxer Rm	
Financial performance			
Revenue	37 872	24 393	62 265
Turnover	36 369	24 094	60 463
Cost of merchandise sold	(29 996)	(19 116)	(49 112)
Gross profit	6 373	4 978	11 351
Other income	1 233	260	1 493
Franchise fee income	553	-	553
Operating lease income	54	5	59
Commissions and other income	626	255	881
Trading expenses	(8 122)	(4 232)	(12 354)
Employee costs	(3 411)	(1 839)	(5 250)
Occupancy costs	(1 046)	(680)	(1 726)
Operations costs	(2 152)	(1 288)	(3 440)
Merchandise and administration costs	(1 420)	(425)	(1 845)
Expected credit loss allowance	(93)	-	(93)
Trading (loss)/profit	(516)	1 006	490
Finance income	270	39	309
Funding finance income	168	39	207
Leases finance income	102	-	102
Finance costs	(667)	(271)	(938)
Funding finance expense	(5)	(9)	(14)
Leases finance expense	(662)	(262)	(924)
(Loss)/profit before tax before capital items	(913)	774	(139)
Profit on capital items	11	3	14
Net profit on disposal of assets	82	17	99
Loss from impairments of assets	(71)	(14)	(85)
(Loss)/profit before tax	(902)	777	(125)
Included in (loss)/profit before tax is the following:			
Depreciation and amortisation	(1 242)	(734)	(1 976)
Net funding finance income	163	30	193
Net leases finance expense	(560)	(262)	(822)
Financial position			
Total assets	35 444	15 915	51 359
Total liabilities	24 754	12 491	37 245
	South Africa Rm	Rest of Africa Rm	Group Rm
Geographical information			
Financial performance			
Turnover	58 399	2 064	60 463
Pick n Pay	34 687	1 682	36 369
Boxer	23 712	382	24 094
Franchise fee income	547	6	553
Operating lease income	59	-	59
Commissions and other income	880	1	881
Finance income	308	1	309
Revenue	60 193	2 072	62 265
Financial position			
Non-current assets	20 856	519	21 375

The Pick n Pay segment earned dividends from the Boxer segment of R232 million (31 August 2025: Rnil), which is removed on consolidation and not included in the disclosures above.



4 Operating segments *continued*

Unaudited 26 weeks to 31 August 2025	Reportable segments		
	Restated# Pick n Pay Rm	Restated# Boxer Rm	Restated# Group Rm
Financial performance			
Revenue	37 873	22 892	60 765
Turnover	36 392	22 656	59 048
Cost of merchandise sold	(30 260)	(18 076)	(48 336)
Gross profit	6 132	4 580	10 712
Other income	1 232	193	1 425
Franchise fee income	582	–	582
Operating lease income	51	5	56
Commissions and other income	599	188	787
Trading expenses	(7 985)	(3 842)	(11 827)
Employee costs	(3 320)	(1 686)	(5 006)
Occupancy costs	(1 050)	(634)	(1 684)
Operations costs	(2 050)	(1 150)	(3 200)
Merchandise and administration costs	(1 494)	(372)	(1 866)
Expected credit loss allowance	(71)	–	(71)
Trading (loss)/profit	(621)	931	310
Finance income	249	43	292
Funding finance income	148	43	191
Leases finance income	101	–	101
Finance costs	(645)	(274)	(919)
Funding Finance expense	(1)	(45)	(46)
Lease finance expense	(644)	(229)	(873)
(Loss)/profit before tax before capital items	(1 017)	700	(317)
Loss on capital items	(64)	(20)	(84)
Net loss on disposal of assets	(24)	(15)	(39)
Loss from impairments of assets	(40)	(5)	(45)
(Loss)/profit before tax	(1 081)	680	(401)
Included in (loss)/profit before tax is the following:			
Depreciation and amortisation	(1 244)	(676)	(1 920)
Net funding finance income/(expense)	147	(2)	145
Net leases finance expense	(543)	(229)	(772)
Financial position			
Total assets	32 927	14 460	47 387
Total liabilities	24 787	12 032	36 819
Geographical information	Reportable segments		
	Restated# South Africa Rm	Restated# Rest of Africa Rm	Restated# Group Rm
Financial Performance			
Turnover	57 211	1 837	59 048
Pick n Pay	34 874	1 518	36 392
Boxer	22 337	319	22 656
Franchise fee income	575	7	582
Operating lease income	56	–	56
Commissions and other income	782	5	787
Finance income	280	12	292
Revenue	58 904	1 861	60 765
Financial position			
Non-current assets*^	20 521	577	21 098

In line with the restatement presented in the Group annual financial statements for the 52 weeks ended 1 March 2026, the Group condensed interim financial statements have also been restated to correct for certain product articles where system mapping erroneously resulted in turnover being presented within the incorrect financial statement lines. The reclassification increased Group revenue, turnover and cost of merchandise sold by R230 million and Pick n Pay, Pick n Pay South Africa, Pick n Pay Rest of Africa, Boxer, Boxer South Africa and Boxer Rest of Africa by R92 million, R86 million, R6 million, R138 million, R137 million, R1 million, respectively, for the 26 weeks ended 31 August 2025, with no impact on previously reported gross profit. The reclassification also reduced the Group revenue, 'commissions and other income', and 'merchandising and administration costs' by R64 million, within the Pick n Pay (South Africa) segment, with no impact on previously reported trading profit, for the same period.

* Goodwill of R195 million, relating to the acquisition of the Botswana franchise operations in the prior period, has been reclassified from South Africa to Rest of Africa to align with the classification in the current period and the audited Group annual financial statements for the 52 weeks ended 1 March 2026.

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

5 Purchase of operations

5.1 Acquisition of stores

During the period under review, the Group acquired 10 operations (31 August 2025: 3 operations) none of which was individually material to the Group. These acquisitions were accounted for in terms of IFRS 3 *Business Combinations* and any goodwill arising from these acquisitions represents the value creation that the Group expects to realise in the future.

Any pre-existing contractual relationships were treated as effectively settled at the acquisition date. The effective settlement of pre-existing lease arrangements was measured at the present value of the remaining lease payments (as defined in IFRS 16 *Leases*) as if the acquired leases were new at acquisition date.

The results of these acquisitions are presented below.

	Unaudited 26 weeks to 30 August 2026 Rm	Unaudited 26 weeks to 31 August 2025 Rm	Audited 52 weeks to 1 March 2026 Rm
The net assets arising from acquisitions were as follows:			
Identifiable net assets			
Property, plant and equipment	58	8	18
Intangible assets	16	–	–
Right-of-use assets	128	–	–
Inventory	62	34	56
Lease liabilities	(23)	–	–
Total identifiable net assets at fair value	241	42	74
Goodwill			
Consideration for acquisitions at fair value	340	137	192
Cash purchase price	240	137	192
Effective settlement of pre-existing lease arrangements	100	–	–
Less: total identifiable net assets at fair value	(241)	(42)	(74)
Goodwill acquired	99	95	118
Net cash paid in respect of acquisitions			
Purchase price of acquisitions at fair value	240	137	192
Less: amounts net settled against trade and other receivables	(116)	(69)	(116)
	124	68	76
Less: cash acquired	–	–	–
Net cash paid	124	68	76

These acquisitions contributed revenue of R315 million to the Group statement of comprehensive income for the period under review. Had the acquisitions been at the beginning of the reporting period, Group revenue would have remained at R62.3 billion. These acquisitions had no significant impact on the loss for the period, nor would the impact have been significant had the acquisition been at the beginning of the reporting period.

5.2 Purchase of Botswana franchisees

During the prior year, the Group acquired the Pick n Pay franchise operations in Botswana through the purchase of 100% of the share capital of NTS Holdings Proprietary Limited for a total consideration of R236 million of which R36 million was a cash consideration and R200 million an effective settlement of pre-existing arrangements. The Botswana franchise operations, comprising 13 supermarkets and 6 liquor stores, had a total fair value of identifiable net assets of R41 million. The acquisition resulted in the Group recognising goodwill of R195 million, with net cash of R13 million having been paid. Subsequent to acquisition, the Group recognised an impairment loss of R85 million relating to this Goodwill for the 52 weeks ended 1 March 2026. For further information, refer to note 21.2 of the 2026 audited Group annual financial statements.

5.3 Goodwill

During the period under review, the Group's carrying value of Goodwill increased with a cost of R99 million as a result of the store purchases, with no impairment losses or disposals for the period.

6 Non-current assets held for sale

During the period, the Group sold all properties previously classified as a non-current asset held for sale. As at 1 March 2026, these properties had a carrying value of R122 million. A profit on disposal of R96 million was recorded in the capital items section of the statement of comprehensive income for the 26 weeks ended 30 August 2026.

7 Related party transactions and balances

During the period under review, in the ordinary course of business, certain companies within the Group entered into transactions with each other. These intragroup transactions and related balances are eliminated on consolidation, including:

- R282 million (31 August 2025: R346 million) owing to Boxer Retail Limited Group ('Boxer') as a result of a shared payments system infrastructure, whereby payments are received by the Group and fully settled to Boxer the following day, and
- R232 million (31 August 2025: Rnil) dividends received by the Pick n Pay segment from Boxer.

Intragroup transactions are similar to those in the prior year and related parties remain unchanged from those reported at 1 March 2026.

For further information, refer to note 7 of the 2026 audited Group annual financial statements and note 7 of the 2026 audited Company annual financial statements.

8 Share capital

8.1 Ordinary share capital

	Unaudited 26 weeks to 30 August 2026 000's	Unaudited 26 weeks to 31 August 2025 000's	Audited 52 weeks to 1 March 2026 000's
Authorised ordinary shares of no par value	828 500	828 500	828 500
Issued ordinary shares of no par value	745 657	745 657	745 657
The number of shares in issue is made up as follows:			
Treasury shares (note 9)	11 273	13 273	11 273
Shares held outside the Group	734 384	732 384	734 384
Total shares in issue at end of period	745 657	745 657	745 657
	Rm	Rm	Rm
Issued share capital	3 883	3 883	3 883

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

Certain ordinary shares are stapled to B shares and are subject to restrictions upon disposal. Refer to note 8.2.

The Company can issue new shares to settle the Group's obligations under its employee share schemes, but issues in this regard are limited to 24 672 516 (2025: 24 672 516) shares. To date 15 743 000 (2025: 15 743 000) shares have been issued, resulting in 8 929 516 (2025: 8 929 516) shares remaining for this purpose.

8.2 B share capital

	Unaudited 26 weeks to 30 August 2026 000's	Unaudited 26 weeks to 31 August 2025 000's	Audited 52 weeks to 1 March 2026 000's
Authorised unlisted, non-convertible, non-participating, no par value B shares	256 314	361 500	361 500
Issued unlisted, non-convertible, non-participating, no par value B shares	220 240	325 426	325 426

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

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

During the 2026 financial year, Ackerman Investment Holdings (RF) Proprietary Limited and its related and inter-related persons (collectively, the 'Ackerman Family') disposed of 64 038 857 ordinary shares. Consequently, the 105 186 279 B shares previously attached to these ordinary shares became unstapled and ceased to carry voting rights. In the current period under review, following shareholder approval obtained at the 2026 Annual General Meeting on 6 August 2026, the Company repurchased these unstapled B shares at a nominal value of R0.00001 per B share and cancelled them in accordance with the provisions of the Memorandum of Incorporation (MOI) reducing the number of authorised and issued B shares.

9 Treasury shares

	Unaudited 26 weeks to 30 August 2026 Rm	Unaudited 26 weeks to 31 August 2025 Rm	Audited 52 weeks to 1 March 2026 Rm
At beginning of period	507	496	496
Shares purchased during the period	-	101	101
Settlement of employee share awards	-	(12)	(90)
At end of period	507	585	507
	000's	000's	000's
The movement in the number of treasury shares held is as follows:			
At beginning of period	11 273	9 945	9 945
Shares purchased during the period	-	3 822	3 822
Shares delivered to participants of restricted share plan	-	(494)	(2 494)
At end of period	11 273	13 273	11 273

10 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:

	Unaudited 26 weeks to 30 August 2026 Rm	Unaudited 26 weeks to 31 August 2025 Rm	Audited 52 weeks to 1 March 2026 Rm
Financial instruments at fair value through profit or loss			
Investment in insurance cell captive – Level 2	87	93	79
Derivative financial instruments (designated as hedging instruments)			
Forward exchange contract liabilities – Level 2	–	1	2

The fair value of these financial instruments is determined by using valuation techniques, consistent with those disclosed in the 2026 audited Group annual financial statements and remain level 2 instruments.

The carrying value of all other financial instruments held at amortised cost approximate their fair value.

There have been no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the period. Transfers between levels of the fair value hierarchy are recognised when there is a change in the observability of inputs used in the fair value measurement.

11 Contingent liabilities

Contingent liabilities relating to uncertain tax positions amount to Rnil (1 March 2026: R157 million) (31 August 2025: R135 million) following the successful resolution of the uncertain tax position, which had been adequately provided for.

	Unaudited 26 weeks to 30 August 2026 Rm	Unaudited 26 weeks to 31 August 2025 Rm	Audited 52 weeks to 1 March 2026 Rm
12 Commitments			
Authorised capital expenditure			
Contracted for	1 087	570	470
Not contracted for	705	600	2 340
Total commitments	1 792	1 170	2 810

13 Significant items

Reduction of shareholding in Boxer Retail Limited

During May 2026, the Group disposed of 57.3 million Boxer Retail Limited ('Boxer') shares through an accelerated book build offering (the 'transaction'). The disposal generated gross proceeds of R4.7 billion and net proceeds of R3.7 billion, with R36 million transaction costs incurred and non-cash tax expense of R1.0 billion. The transaction reduced the Group's shareholding in Boxer from 65.6% to 53.1%, with Boxer remaining a consolidated subsidiary of the Group.

As a result of the Group retaining control of Boxer, this has been accounted for as an equity transaction with Non-Controlling Interest ('NCI'), resulting in the following for the Group:

	Rm
Proceeds for change in ownership interest, net of related transaction costs and tax	3 657
Net assets attributable to NCI	(452)
Increase in equity attributable to parent (recognised in retained earnings)	3 205

14 Subsequent events

Process in terms of s189A of the Labour Relations Act

During October 2026, the Group's Pick n Pay segment successfully reached agreement on the restructure of the store labour model and the withdrawal of the Section 189A consultation process. The agreement had no impact on financial information reported for the period under review.

Appendix 1

Pro forma financial information

Certain financial information presented in the Group condensed interim financial statements constitutes pro forma financial information in terms of the JSE Listings Requirements. The pro forma financial information has been prepared to illustrate the additional financial measures regularly used by the management of the Group to assess operating performance and financial position, and thereby enhances an investor's understanding of the Group's results of operations and financial performance. The pro forma financial information is prepared for illustrative purposes only and because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. The directors of the Company are responsible for the pro forma financial information, which has been presented in accordance with the JSE Listings Requirements. The pro forma financial information has not been audited by the Group's external auditors.

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

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

	26 weeks to 30 August 2026			26 weeks to 31 August 2025			52 weeks to 1 March 2026		
	Pick n Pay*	Boxer*	Group**	Pick n Pay*	Boxer*	Group**	Pick n Pay*	Boxer*	Group**
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Cash and cash equivalents	7 953	2 029	9 982	4 283	1 430	5 713	2 739	538	3 277
Intragroup receivable/(payable)*	(282)	282	-	(346)	346	-	(371)	371	-
Borrowings	-	-	-	-	(650)	(650)	-	(200)	(200)
Net cash/(debt) excluding lease liabilities	7 671	2 311	9 982	3 937	1 126	5 063	2 368	709	3 077
Non-current lease liabilities	(11 280)	(4 707)	(15 987)	(11 604)	(4 326)	(15 930)	(11 250)	(4 633)	(15 883)
Current lease liabilities	(2 076)	(654)	(2 730)	(2 067)	(620)	(2 687)	(2 014)	(638)	(2 652)
Net debt (including lease liabilities)	(5 685)	(3 050)	(8 735)	(9 734)	(3 820)	(13 554)	(10 896)	(4 562)	(15 458)

2 EBITDA and EBITDA (pre-IFRS 16 Leases)

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

	26 weeks to 30 August 2026			26 weeks to 31 August 2025			52 weeks to 1 March 2026		
	Pick n Pay*	Boxer*	Group**	Pick n Pay*	Boxer*	Group**	Pick n Pay*	Boxer*	Group**
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
(Loss)/profit for the period	(605)	567	(38)	(825)	502	(323)	(1 749)	1 556	(193)
Tax	(297)	210	(87)	(256)	178	(78)	(445)	556	111
Loss from impairment of assets	71	14	85	40	5	45	360	31	391
Net (profit)/loss on disposal of assets	(82)	(17)	(99)	24	15	39	38	13	51
Finance costs	667	271	938	645	274	919	1 298	549	1 847
Finance income	(270)	(39)	(309)	(249)	(43)	(292)	(455)	(67)	(522)
Trading (loss)/profit	(516)	1 006	490	(621)	931	310	(953)	2 638	1 685
Depreciation on property, plant and equipment	401	354	755	402	327	729	804	665	1 469
Amortisation on intangible assets	49	10	59	52	9	61	104	19	123
Depreciation on right-of-use assets	792	370	1 162	790	340	1 130	1 599	699	2 298
Finance income – trade and other receivables	28	9	37	30	6	36	55	10	65
EBITDA	754	1 749	2 503	653	1 613	2 266	1 609	4 031	5 640
Profit on termination of leases	(99)	(27)	(126)	(126)	(13)	(139)	(260)	(35)	(295)
Lease incentives received	43	17	60	51	17	68	79	76	155
Principal lease liability payments	(1 029)	(264)	(1 293)	(1 009)	(254)	(1 263)	(2 064)	(620)	(2 684)
Interest paid on lease liabilities	(670)	(311)	(981)	(681)	(274)	(955)	(1 319)	(472)	(1 791)
Principal net investment in lease receipts	171	-	171	184	-	184	360	-	360
Interest received on net investment in lease receivables	103	-	103	113	-	113	228	-	228
EBITDA (pre-IFRS 16 Leases)	(727)	1 164	437	(815)	1 089	274	(1 367)	2 980	1 613

* These amounts represent operational cash flow balances between the entities and were repaid shortly after period end. Refer to Note 7.

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

** Information has been extracted, without adjustment, from the Group condensed interim financial statements of Pick n Pay Stores Limited for the 26 weeks ended 30 August 2026.

3 Trading profit after lease interest (TPAL)

The following presents a reconciliation from trading (loss)/profit (computed in accordance with section 2 above) to trading profit after lease interest for the Group on a historical basis for each of the periods indicated.

	26 weeks to 30 August 2026			26 weeks to 31 August 2025			52 weeks to 1 March 2026		
	Pick n Pay*	Boxer*	Group**	Pick n Pay*	Boxer*	Group**	Pick n Pay*	Boxer*	Group**
	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm
Trading (loss)/profit	(516)	1 006	490	(621)	931	310	(953)	2 638	1 685
Leases finance expense	(662)	(262)	(924)	(644)	(229)	(873)	(1 295)	(483)	(1 778)
Leases finance income	102	-	102	101	-	101	215	-	215
Trading profit after lease interest	(1 076)	744	(332)	(1 164)	702	(462)	(2 033)	2 155	122

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

** Information has been extracted, without adjustment, from the Group condensed interim financial statements of Pick n Pay Stores Limited for the 26 weeks ended 30 August 2026.

Appendix 2

Additional information

Additional information may not represent a defined term under IFRS Accounting Standards and, as a result, it may not be comparable with similarly titled measures reported by other companies. Additional information is the responsibility of the Board of directors of the Group, is presented for illustrative purposes only and has not been reviewed nor reported on by the Group's external auditors.

1. Like-for-like turnover and expense growth comparisons

Like-for-like ('LfL') turnover growth comparisons relate to stores that have been open for at least 12 months, removing the impact of store openings, closures and conversions in the current and previous reporting periods, and in the prior period removes the impact of the amended franchise model. This franchise model offers a higher purchasing rebate to our franchisees (recorded against turnover) in exchange for a higher franchise royalty fee (recorded in other income). LfL turnover on new or closed adjacent liquor stores inherits the LfL indicator of the store that it is attached to, as this is the manner in which the Group manages its store base. This is not the case for new or closed stand-alone liquor and clothing stores.

LfL expense growth comparisons remove the impact of store openings, closures and conversions, and the movement in the ECL allowance, in the current and previous reporting periods.

2. Forward looking information

These Group interim condensed financial statements contain certain forward-looking statements related to the Group's possible future actions, long-term strategy, performance, liquidity position and financial position which, although based on assumptions and/or estimates that the Group considers reasonable, are subject to risks and uncertainties which could cause actual events or conditions to differ materially from those expressed or implied by the forward-looking statements. All forward-looking statements are solely based on the views and considerations of the Board, and in particular, as at the date hereof. The Group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information, future events or otherwise. These forward-looking statements have not been reviewed or reported on by the Group's external auditors.

Overview of store estate

	Pick n Pay		Boxer	TM	
	Owned	Franchise	Owned	Associate	Total
Country:					
South Africa	962	565	587	–	2 114
Eswatini	–	24	13	–	37
Zambia	24	–	–	–	24
Botswana	18	5	–	–	23
Lesotho	–	4	–	–	4
Zimbabwe	–	–	–	73	73
	1 004	598	600	73	2 275
Formats:					
Hypermarkets	23	–	–	–	23
Supermarkets	290	397	347	59	1 093
Clothing	421	18	–	–	439
Liquor	270	183	221	14	688
Build	–	–	32	–	32
	1 004	598	600	73	2 275

Geographic footprint

- Company-owned stores
- Franchise stores
- Business investment

South African store formats

Supermarkets
998

Clothing
436

Liquor
648

Build
32

Total South African stores
2 114



Number of stores

	1 March 2026	Opened	Closed	Converted openings	Converted closures	30 August 2026
Pick n Pay						
Company-owned						
Hypermarkets	23	–	–	–	–	23
Supermarkets	285	2	(5)	10	(2)	290
Clothing	419	7	(5)	–	–	421
Liquor	265	1	(5)	10	(1)	270
Total company-owned	992	10	(15)	20	(3)	1 004
Franchise						
Supermarkets	218	1	(2)	–	(10)	207
Express	190	1	(1)	–	–	190
Clothing	18	–	–	–	–	18
Liquor	194	1	(2)	–	(10)	183
Total franchise	620	3	(5)	–	(20)	598
Boxer						
Company-owned						
Supermarkets	338	7	–	2	–	347
Liquor	206	14	–	1	–	221
Build	32	–	–	–	–	32
Total company-owned	576	21	–	3	–	600
TM Supermarkets						
Associate	73	–	–	–	–	73
Total Group stores	2 261	34	(20)	23	(23)	2 275
AFRICAN FOOTPRINT						
– included in total stores above	159	2	–	–	–	161
Pick n Pay company-owned	42	–	–	–	–	42
Boxer company-owned	12	1	–	–	–	13
Pick n Pay franchise	32	1	–	–	–	33
TM Supermarkets – associate	73	–	–	–	–	73
AFRICAN FOOTPRINT						
– by country	159	2	–	–	–	161
Botswana	22	1	–	–	–	23
Lesotho	4	–	–	–	–	4
Eswatini	36	1	–	–	–	37
Zambia	24	–	–	–	–	24
Zimbabwe	73	–	–	–	–	73

Corporate information

Pick n Pay Stores Limited

Registration number: 1968/008034/06
JSE and A2X share code: PIK
ISIN: ZAE000005443

Board of directors

Executive

Sean Summers (CEO)
Tina Rookledge (CFO)¹

Independent non-executive²

James Formby (Chair)
Haroon Bhorat
Aboubakar Jakoe
Thabo Leeuw
Grant Pattison
Annamarie van der Merwe
Pooven Viranna

Non-executive

Gareth Ackerman
Jonathan Ackerman
Suzanne Ackerman

Registered office

Pick n Pay Office Park
101 Rosmead Avenue
Kenilworth
Cape Town 7708
Tel: +27 21 658 1000
Fax: +27 (0)86 675 1475

Postal address

PO Box 23087
Claremont
Cape Town 7735

Registrar

Computershare Investor Services Proprietary Limited
Rosebank Towers
15 Biermann Avenue
Rosebank 2196
Tel: +27 11 370 5000

Postal address

Private Bag X9000
Saxonwold 2132

JSE Limited sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)
1 Merchant Place
Cnr Fredman Drive and Rivonia Road
Sandton 2196

Auditors

Ernst & Young Inc.

Principal bankers

Absa Limited
Rand Merchant Bank (a division of FirstRand Bank Limited)

Corporate advisors

Rand Merchant Bank (a division of FirstRand Bank Limited)

Company Secretary

Vaughan Pierce
Email address: companysecretary@pnp.co.za

Promotion of Access to Information Act

informationofficer@pnp.co.za

Investor relations

Stephen Carrott
Email address: stephencarrott@pnp.co.za

Website

Pick n Pay: www.pnp.co.za
Pick n Pay Clothing: www.picknpayclothing.co.za
Pick n Pay investor relations: www.picknpayinvestor.co.za

Customer careline

Pick n Pay

Tel: +27 860 30 30 30
Email address: customercare@pnp.co.za

Boxer

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

Pick n Pay
asap!

Pick n Pay
home

Pick n Pay
Clothing

BOXER

www.pnp.co.za | www.pnpshome.co.za | www.picknpayclothing.co.za | www.boxer.co.za

Engage with us on      

¹ Tina Rookledge replaced Lerena Olivier, who resigned from the Board, as Chief Financial Officer (CFO) effective 6 August 2026.

² Audrey Mothupi-Palmstierna retired as an independent non-executive director effective 6 August 2026.



Pick n Play



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HYPERMARKET

P n P Clothing

Pick n Play
asap!



BOXER