BOXER

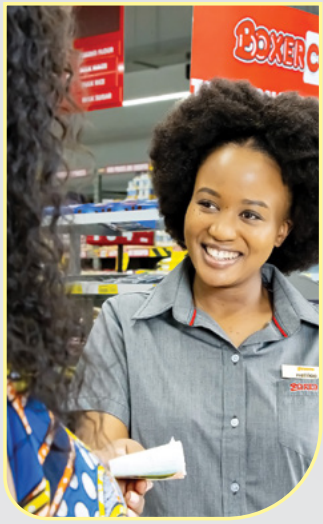
















2025 ANNUAL FINANCIAL **STATEMENTS**

Welcome to our 2025 annual financial statements

We are proud to be South Africa's leading soft discount retailer, committed to being the "People's Champion" for the communities we serve. With a vision to grow a lifetime of loyalty, we place our customers at the heart of everything we do.

Boxer is South Africa's leading soft discount retailer, operating over 500 stores across South Africa and Eswatini. Since our founding in 1977, we have built a legacy of continuous growth, innovation, and operational excellence, always putting our customers and communities first.

TO BE SOUTH AFRICA'S NO.1 DISCOUNT RETAILER

1

UNBEATABLE VALUE

Delivering the lowest basket prices compared to our competitors, without sacrificing on quality, ensuring our customers get more for less.

2

QUALITY PRODUCTS

Providing a curated range of 3 000 essential food and grocery items, including market-leading brands and exclusive Boxer confined labels.

3

EXCEPTIONAL SERVICE

Offering a shopping experience that is convenient, efficient, tailored to meet the needs of the communities we serve, with service that reflects care and respect.



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

Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the Group annual financial statements and annual financial statements of Boxer Retail Limited (the Company), comprising the statement of financial position as at 02 March 2025, the statements of comprehensive income, changes in equity and cash flows for the period then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa No.71 of 2008 (Companies Act), as amended and the directors report.

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

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

The auditor is responsible for reporting on whether the Group financial statements and financial statements of the Company are fairly presented in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board.

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

The Group annual financial statements and annual financial statements of Boxer Retail Limited, as identified in the first paragraph, were approved by the board of directors on 08 May 2025 and signed by:

James Formby
Chairperson

8 May 2025

Marek Masojada
Chief Executive Officer

8 May 2025

Company Secretary's certificate

In my capacity as Company Secretary, I certify that for the period ended 02 March 2025, Boxer Retail Limited has filed all returns and notices as required for a company in terms of section 88(2)(e) of the Companies Act No 71 of 2008, as amended, and that such returns and notices are, to the best of my belief, true, correct and up to date.

Vaughan Pierce
Company secretary

8 May 2025

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

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

a) the annual financial statements set out on pages 19 to 74, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of International Financial Reporting Standards (IFRS Accounting Standards as issued by the International Accounting Standards Board);

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

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

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

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

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

Marek Masojada
Chief Executive Officer

8 May 2025

David Wayne
Chief Finance Officer

8 May 2025

Directors' report and statutory information

The directors present the Group annual financial statements for the period ended 02 March 2025.

Nature of the business

Boxer Retail Limited is an investment holding company that is domiciled and incorporated in the Republic of South Africa and listed on the JSE and A2X, the recognised securities exchanges in South Africa. The Group comprises subsidiaries that engage in the retail of food, health and beauty products, general merchandise and liquor, including additional value-added-services, in South Africa and Eswatini. Noteworthy subsidiaries are presented in note 28 of the Group Annual Financial Statements.

Overview of operations and financial results

The Group provides an overview of its operational and financial performance for the 2025 financial period (FY25) in "The operational review" presented on pages 15 to 18 of the Group Annual Financial Statements.

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

Going concern

The Board of directors (the Board) has performed a formal review of the Company and its subsidiaries' ability to continue trading as going concerns in the foreseeable future. As part of this review, the Board has considered the impact of the current economic environment, assessed financial forecasts, considered the adequacy of insurance covers and current trading trends. In line with standard governance practice, the Board has assessed the Group's solvency and liquidity and is satisfied as to the Group's ability to continue as going concern for the foreseeable future and that the presentation of the Annual Financial Statements on a going concern basis is appropriate.

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

Shareholder distribution

In line with the disclosures in the Group's Pre-Listing Statement published on 11 November 2024, the Board has not declared a dividend subsequent to the Group's listing. Refer to notes 18 and 28.3. The Board's intention is to declare a dividend for the period relating to the 26 weeks ending 31 August 2025.

Share capital and treasury shares

At period end the Group has authorised, ordinary, nil par value shares of 1 000 000 000 shares, of which 457 407 408 shares are issued.

At period end, 3 794 515 shares of Boxer Retail Limited were held within the Group to settle future obligations under the Group's employee share scheme. Further details of the Group's share capital and treasury shares, including all movements for the period under review are disclosed in notes 18, 19 and 5.3 of the Group's annual financial statements.

Details of the Group's shareholder analysis as at 02 March 2025 are set out on pages 83 to 84.

Borrowings

The Group's borrowings at 02 March 2025 are R850 million (2024: Nil).

The Group's net debt (excluding lease liabilities)* position increased from a cash positive position of R187 million at 25 February 2024 to R180 million at 02 March 2025. Refer to the review of operations for further information on the Group's gearing.

Legal proceedings

The Company and its subsidiaries are not involved, and have not in the 2025 financial period been involved, in any legal or arbitration proceedings which may have or have had a material effect on the financial position of the Group, nor is the Company aware of any such proceedings that are pending or threatened.

* *Refer to 'Pro forma financial information' under Additional information.*

Directors' report and statutory information continued

Special resolutions

In preparation for the Company's listing on the JSE and A2X, prior to listing the Company's shareholders approved the following special resolutions during the 2025 financial year:

Conversion to a public company and adoption of new Memorandum of Incorporation (MOI)

On 8 October 2024, shareholders approved the conversion of the private company, Boxer Retail Proprietary Limited, to a public company, Boxer Retail Limited. In addition a new MOI, complying with schedule 10 of the JSE Listings Requirements, was adopted.

Approval of issuance of shares

On 14 October 2024, as part of the restructuring transactions detailed in the pre-listing statement of the Company, which was published on 11 November 2024, shareholders approved the issuance of 299 999 000 shares in exchange for the acquisition of all issued shares of Boxer Superstores Proprietary Limited.

Provision of financial assistance to related or interrelated companies and others

On 14 October 2024, shareholders resolved, in terms of the provisions of sections 44 and 45 of the Companies Act, that the Company may from time to time, for a period of two years, provide direct or indirect financial assistance to any person, related company, interrelated company or member of a related or inter-related company on such terms and conditions as determined by the Board in the ordinary course of business and in accordance with the Company's MOI.

General approval to repurchase Company shares

On 14 October 2024, shareholders resolved that the Company or any of its subsidiaries may, for a period not exceeding 15 months, acquire issued shares of the Company, upon such terms and conditions and in such amounts as the directors of the Company may determine from time to time. Acquisition of such shares is subject to the Memorandum of Incorporation of the Company, the provisions of the Companies Act and the Listings Requirements of the JSE.

Authority to issue ordinary shares pursuant to the Initial Public Offering (IPO)

On 25 October 2024, shareholders resolved that the Company be authorised to issue such number of shares required for the IPO and overallotment option, as detailed in the Pre-Listing Statement (PLS).

Approval of Boxer Retail Limited Long Term Incentive Plan share scheme

On 25 October 2024, shareholders resolved that the Company be authorised to establish the share scheme, the rules of which comply with the provisions of Schedule 14 of the JSE Listings Requirements and have been approved by the JSE. It is further provided that the number of shares to be issued by the Company under the share scheme shall not, in aggregate, exceed 5% of the number of issued Shares of the Company subsequent to the IPO.

Directors' fees for the 2025 and 2026 annual financial periods

On 25 October 2024, shareholders approved the non-executive directors' fees as proposed.

Directors, prescribed officers and company secretary

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

Directors' report and statutory information continued

In the prior financial year in anticipation of the listing, Boxer Superstores Proprietary Limited Group Annual financial statements were prepared to ensure that the Boxer Retail Limited Group Annual financial statements for the period ended 02 March 2025 would have comparative disclosures. For the current year, only the directors of Boxer Retail Limited are disclosed in the Boxer Retail Limited Group Annual financial statements.

Current directors		
Charlotte Maponya	Lead Independent non-executive	Appointed: 15 October 2024
Cindy Robertson	Independent non-executive	Appointed: 15 October 2024
David Wayne	Executive – Chief Finance Officer	Appointed: 15 October 2024
Dineo Molefe	Independent non-executive	Appointed: 15 October 2024
James Formby	Non-executive Chairperson	Appointed: 9 October 2024
Jesmane Boggenpoel	Independent non-executive	Appointed: 15 October 2024
Leon Lourens	Independent non-executive	Appointed: 15 October 2024
Marek Masojada	Executive – Chief Executive Officer	Appointed: 15 October 2024
Sean Summers	Non-executive	Appointed: 20 August 2024

Refer to note 4.2 of the Group Annual Financial Statements for details of the directors' interest in shares.

In accordance with the Company's Memorandum of Incorporation, all directors will retire at the first Annual General Meeting to be held in July 2025 and, being eligible, will offer themselves for re-election by shareholders.

Company secretary		
Vaughan Pierce	Company Secretary	Appointed: 15 October 2024

Audit, risk and compliance committee

We draw your attention to the Group Audit, Risk and Compliance Committee report on pages 10 to 14, where we set out the responsibilities of the Committee and how it has discharged these responsibilities during the period.

Events subsequent to the reporting date

There have been no material events between the reporting date and the date of approval of these annual financial statements.

James Formby
Chair

8 May 2025

Marek Masojada
Chief Executive Officer

8 May 2025

Independent auditor's report

To the shareholders of Boxer Retail Limited Group

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Boxer Retail Limited and its subsidiaries ("the group") and company set out on pages 20 to 74, which comprise of the consolidated and separate statements of financial position as at 2 March 2025, the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity, the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the consolidated and separate financial statements* section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements of the group and company and in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits of the group and company and in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Final Materiality

The ISAs recognise that:

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

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

Group Final Materiality:

We determined the final materiality for the Group to be R117 Million, which is based on 5% of earnings before interest and tax (EBIT). We have identified EBIT as the most appropriate stable earnings basis as we typically believe that profit companies are evaluated by users on their ability to generate earnings.

Company materiality:

We determined the final materiality for the standalone company to be R40 Million, which is based on 0,5% of Assets. We have identified Assets as the most appropriate basis due to the fact that Boxer Retail Limited is the holding company of the group's operational subsidiaries and is not a profit orientated entity.

Group Audit Scope

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

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

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

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

Of the 2 components selected, we identified:

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

Independent auditor's report continued

Key Audit Matters

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

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

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

The key audit matters only applies to the audit of the consolidated financial statements.

Key audit matter	How the matter was addressed in the audit
Group Restructure and IPO During the period under audit, the Boxer Retail Limited Group undertook a Listing and Initial Public Offering (IPO) on the main board of the JSE resulting in a restructure of the group. The restructuring steps included the creation of Boxer Retail Limited, the issuance of shares, and the listing of Boxer Retail Limited on the JSE. This involved a series of steps to reorganize the group structure, ensuring compliance with the applicable IFRS Accounting Standards as issued by the International Accounting Standards Board and taxation requirements. These transactions required significant effort by management, particularly in the areas of classification, measurement, and disclosure in accordance with IFRS. Refer to note 36.1 Formation of the Boxer Retail Limited Group, listing and initial Public Offering (IPO) on the Johannesburg Stock Exchange (JSE) The restructuring and IPO resulted in the following key transactions: 1. The Boxer Superstores Proprietary Limited ('Boxer Superstores') Group declared a dividend ('Pre-IPO Dividend') of R8 160 million to its then sole-shareholder, a wholly-owned subsidiary of the Pick n Pay Stores Limited (PIK) Group. This dividend remained unpaid until after the Listing and IPO. 2. The Boxer Retail Limited Group was formed from the Boxer Superstores Group through a share exchange where the newly incorporated Boxer Retail Limited issued 299.9 million shares in exchange for acquiring all issued shares of Boxer Superstores. 3. The formation of the Group during the current period was a reorganisation under common control whereby the Group's consolidated financial statements are a continuation of the previous Boxer Superstores Group, with an equity reclassification at acquisition date to reflect the capital structure of Boxer Retail Limited. The Pre-IPO Dividend and the equity reclassifications resulting from the reorganisation under common control were recognised by the Group in the Common Control Reserve within equity. 4. Additionally, as a result of the Group being formed through a share exchange using a newly-incorporated holding company and the Group Annual Financial Statements being a continuation of the Boxer Superstores Group Annual Financial Statements, in line with IAS 33 Earnings Per Share, the prior year weighted average, and diluted weighted average number of shares in issue, and ordinary shares in issue, have been adjusted retrospectively as though the share exchange share issue of 299.9 million shares took place at the start of the comparative period. 5. Subsequent to the formation of the Group, Boxer Retail undertook a Listing and IPO on the JSE, through which it issued 157.4 million shares at a price of R54 per share. The share issue resulted in costs of R343 million which were recognised directly in equity. As part of the IPO, a wholly-owned subsidiary of the Group, Boxer Superstores, purchased 3.8 million shares for a total consideration of R205 million as part of the newly-formed Boxer Retail Limited Group LTIP (Long Term Incentive Plan) share scheme (Refer to note 5 Share Based Payments for further information). 6. Following the IPO, the Group settled the Pre-IPO Dividend payable of R8 160 million using net proceeds from the IPO. This matter is identified as a Key Audit Matter (KAM) because it required significant auditor effort to understand and assess the transactions. The complexity and magnitude of these transactions, involving multiple steps, necessitated increased evaluation and analysis. These transactions were significant to the audit due to their nature and the material impact on the financial statements. The key areas included the classification and measurement of the transactions, the determination of the appropriate accounting treatment under IFRS, and the adequacy of disclosures in the financial statements.	Our procedures, amongst others, included the following: • We reviewed the documents related to the IPO process and the terms involved. This involved the various stages and various steps of the restructuring process. • We inspected the terms and conditions of the share exchange and the formation of the Boxer Retail Limited Group to determine whether the transactions were correctly accounted for in terms of the applicable accounting standards. • We assessed the accuracy of the equity reclassification and the recognition of the Pre-IPO Dividend in the Common Control Reserve within equity. • We evaluated the completeness and accuracy of the adjustments made to the prior year weighted average, and diluted weighted average number of shares in issue, and ordinary shares in issue, in line with the requirements of IAS 33 Earnings Per Share. • We inspected the share register to validate the issuance of 157.4 million shares. • We obtained the costs schedules of R343 million and traced a sample of expenses to invoices and ensured it was correctly recognised in equity. • We assessed the purchase of 3.8 million shares by Boxer Superstores for the LTIP share scheme to ensure it was adequately accounted for and disclosed in terms of IFRS 2 *Share-based payments*. • We evaluated the adequacy of the disclosures made by management with reference to the requirements of the applicable accounting standards to assess this disclosure.

Key observations:
Based on the procedures performed over the group restructure, we did not identify any significant matters requiring further consideration in concluding on our procedures.

Independent auditor's report continued

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 86-page document titled "Boxer Retail Limited Group Financial Statements for the 53 weeks ended 2 March 2025", which includes the Directors' responsibility statement and Company Secretary certificate, Chief Executive Officer and Chief Financial Officer Internal Financial Control Responsibility Statement, Directors' report and statutory information and the Report of the Audit, Risk and Compliance Committee as required by the Companies Act of South Africa, and the operational review. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Boxer Retail Limited for 1 year.

Ernst & Young Inc.
Director: Matthew R Brown
Registered Auditor
Chartered Accountant (SA)

8 May 2025

Report of the Audit, Risk and Compliance Committee

The Audit, Risk and Compliance Committee (the Committee) presents its report for the financial period ended 02 March 2025 (FY25). This report was prepared in accordance with the requirements of the Companies Act, No 71 of 2008, as amended (the Companies Act), the King IV™ Report on Corporate Governance for South Africa and King Code of Governance Principles (King IV), the JSE Limited Listings Requirements (Listings Requirements), IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS) and other applicable regulatory requirements.

Committee chair statement

It was a landmark year for Boxer, marked by its successful listing on the main Board of the JSE (Boxer IPO) in November 2024. While the Boxer IPO was a critical step in the recapitalisation of the Pick n Pay Stores Limited Group (Pick n Pay), it has also elevated Boxer's position in the South African retail industry, unlocking opportunities for accelerated growth. In structuring the new Boxer Retail Limited Board, the Boxer team prioritised financial and governance oversight, appointing an Audit, Risk and Compliance Committee with expertise in retail operations, financial reporting, corporate governance and regulatory compliance. Much of the Committee's early focus was on the successful execution of the IPO, a complex and highly technical process requiring oversight and rigor to ensure that the executive team was fully prepared to execute a listing that was effective, efficient and compliant with all local and international regulatory requirements.

The IPO groundwork, under the stewardship of Board Chair James Formby, was extensive and through the process the Committee gained confidence in Boxer's ability to operate effectively in a listed environment.

I extend thanks to my fellow Committee and Board members for their diligent contribution and dedication throughout the IPO process.

Beyond the IPO, the Committee remained focused on ensuring that Boxer upholds standards of financial integrity, risk management and corporate governance. Our oversight during FY25 was guided by a shared commitment to transparency, independence and robust financial controls, ensuring that Boxer enters its next phase as a listed entity with a strong governance foundation.

The Committee confirms that it has fulfilled its mandate effectively, with appropriate internal controls, compliance measures, and risk governance structures in place to safeguard stakeholders' interests and uphold Boxer's commitment to transparency and accountability.

Committee mandate

The Board has delegated the statutory and regulatory duties arising from the Companies Act, Listings Requirements, and all other legislative compliance and risk governance to the Committee.

The Committee provides independent oversight of the Group's financial reporting, risk management and assurance processes, ensuring robust controls, regulatory compliance and transparency. The Committee plays a key role in fostering ethical leadership, sound governance, and effective decision-making, supporting the Board in safeguarding assets, maintaining internal controls, and ensuring accurate financial and integrated reporting.

The key responsibilities of the Committee are:

- **Financial integrity** – ensuring the accuracy and reliability of the Group's financial statements and external reports
- **Financial sustainability** – assessing the liquidity and solvency of the Group and confirming the appropriateness of the going concern assumption used in the Annual Financial Statements
- **Risk management** – overseeing the Group's risk strategy and ensuring that risks are identified, monitored and mitigated effectively
- **Assurance oversight** – coordinating internal and external audits to uphold accountability and transparency
- **Compliance** – monitoring adherence to regulatory requirements, including the JSE Listings Requirements and Companies Act obligations.

The Committee's mandate and responsibilities are set out in its Terms of Reference, which is reviewed and approved annually by the Board. The Terms of Reference are available on the Company's Investor Relations website, at www.boxerinvestor.co.za/esg-governance.

Report of the Audit, Risk and Compliance Committee continued

Committee governance

The Committee proactively evaluates risks, assurance outcomes, and compliance measures to safeguard Boxer's long-term sustainability and value creation.

The Committee comprises independent non-executive directors, nominated annually and elected by shareholders at the AGM. Fees paid to members are approved by shareholders each year and disclosed in the Remuneration Report.

The Committee Chair reports to the Board quarterly, providing insight into the Committee's activities. Additionally, the Chair meets with the Audit Committee Chair of Pick n Pay Stores Limited (the majority shareholder) quarterly to discuss material issues or concerns.

Committee composition and meeting attendance

All Committee members satisfy the requirements to serve as a member of an audit committee, as provided in section 94 of the Companies Act. They have the necessary financial literacy skills and experience to execute their duties effectively. The detailed curriculum vitae of each Committee member is available on the Boxer Investor Relations website at www.boxerinvestor.co.za/leadership and will be included in the 2025 Notice of AGM.

			Meeting attendance		
Member	Qualification	Appointed	October	February	May
Cindy Robertson (Chair)	BCom, PGDA, CA(SA)	15 October 2024	✓	✓	✓
Jesmane Boggenpoel	BCom, PGDA, CA(SA), MPA	15 October 2024	✓	✓	✓
Leon Lourens	BCom, NHD in HR	15 October 2024	✓	a	✓

a apology received and feedback provided.

The Committee was formally constituted in October 2024, ahead of the Company's JSE listing. The Committee met three times in respect of the FY25 year, with initial focus on the Group's JSE listing and particularly the accuracy and transparency of the Group's Pre-Listing Statement (PLS) and its compliance with JSE regulations and all other applicable legislation. Thereafter the Committee finalised and followed a formal workplan in delivering on its mandate to the Board. Going forward, guided by the principles of King IV, the Committee will meet at least four times over a twelve-month period, with additional ad hoc meetings as required.

Committee meetings include the following standing invitees: the Board Chair; Chief Executive Officer (CEO); Chief Finance Officer (CFO); Head of Internal Audit & Risk; Chief Information Officer (CIO); and external auditor. In addition, representatives of Pick n Pay, may join Committee meetings by invitation, as required, including the Chair of that Audit Committee.

Key committee activities performed in FY25

1. Boxer listing on the JSE and A2X

The Committee played a key role in ensuring Boxer's listing on the JSE and A2X was executed in line with all legislative requirements. Key activities included:

- Approval of the Group's founding constitutional documents, including Board and Committee charters and work plans, and key ethics and other policies
- Oversight of the reorganisation of the Group companies, and review of related assurance reports, and the resultant inter-company transactions and pre-IPO dividend flows
- Appointment of the Company's JSE Sponsor
- Engagement with the external auditor to understand the Group's historic financial performance and approval of all IPO-related financial disclosures
- Engagement with local and international legal counsel to ensure legislative compliance
- Review of governance and combined assurance frameworks
- Oversight of capital adequacy and working capital requirements
- Comprehensive review and approval of the Pre-Listing Statement to ensure all information provided was transparent, accurate, fair and balanced to enable informed investment decisions

The Committee is satisfied that the listing process was managed with transparency, accuracy and regulatory compliance, ensuring the Company entered the listed environment with a strong governance foundation.

Report of the Audit, Risk and Compliance Committee continued

2. Finance function and integrated reporting

The Committee provided independent oversight of the effectiveness of the finance function, ensuring accuracy, integrity and compliance in financial and other reporting. Key activities included:

- Review of financial results, budgets, cash flow forecasts and capital expenditure
- Evaluation of the appropriateness of key accounting policies and financial reporting controls
- Review of key disclosures to ensure year-on-year comparability of financial performance, including the required restatement of the Group's share capital post the IPO, and the application of the 53-week financial calendar in FY25 and all related pro forma disclosures
- Assessment of liquidity, debt covenants and treasury management
- Review of tax status and compliance
- Ensured JSE proactive monitoring feedback was incorporated into financial disclosures as relevant
- Monitored compliance with IFRS, the Companies Act, JSE Listings Requirements and King IV
- Validation of CEO and CFO attestations on financial controls

The Committee is satisfied that Boxer's finance function is well-resourced and effective, ensuring financial reporting reliability and compliance with all regulatory standards.

Expertise and experience of the CFO and the Finance Function

The Committee considered the composition, experience, resources and skills of the Group finance function. The Committee is satisfied that David Wayne has the appropriate expertise and experience for his continued appointment as CFO. In addition, the Committee is satisfied that the composition, experience and skills of the finance function meet the Group's requirements.

Going concern

The Committee reviewed and considered representations by management on the going concern statement for the Group and recommended the adoption of the going concern principle to the Board.

Annual Financial Statements

The Annual Financial Statements for the financial period ended 02 March 2025 were compiled under the supervision of the CFO, David Wayne CA (SA). The Committee reviewed the Consolidated Group and separate Company Annual Financial Statements for the 53 weeks ended 2 March 2025. The Committee is of the opinion that, in all material respects, the financial statements comply with IFRS and the Companies Act and that they fairly present the financial position of the Group and Company for the 2025 financial period and the results of the operations and cash flows for the period then ended. The Committee recommended them for approval to the Board on 8 May 2025.

3. Internal audit assurance

The Committee oversaw the effectiveness of the Internal Audit function, which is currently performed by Pick n Pay under an arm's length professional shared-services agreement. A formal transition plan to an in-house internal audit function is underway, expected to be fully operational during the second half of FY26. Key activities included:

- Approval of the internal audit charter, plan and budget
- Assessment of the expertise and independence of the internal audit team
- Review of internal audit reports on governance, risk management, financial, operating and IT controls, control breakdowns and the overall control environment. Assessed significant internal audit findings and evaluated management's corrective actions
- Independent engagement with the Head of Internal Audit to confirm full cooperation from management
- Oversight of cybersecurity controls
- Ensuring compliance with professional internal auditing standards

The Committee confirms that internal audit processes are independent and effective and the Committee supports the transition to an in-house function to further strengthen assurance capabilities.

Internal financial controls

Through the work of the Internal Audit function, the Committee assessed the effectiveness of internal financial controls to determine whether there were significant weaknesses in their design, implementation or execution that could lead to material financial loss, fraud or error. No material issues have come to the attention of the Committee or the Board that would indicate the Group's system of internal controls and risk management is not effective, and the Committee concluded that internal financial controls provide a sound basis for the preparation of reliable financial statements.

Report of the Audit, Risk and Compliance Committee continued

4. External audit assurance

The Committee oversees the appointment, remuneration and effectiveness of the Group's external auditor. Ernst & Young Inc. (EY) previously served as Boxer Superstores Proprietary Limited external auditor from July 2015, following a formal tender process undertaken by Pick n Pay. The Committee formally appointed EY as the independent auditor to Boxer Retail Limited on 25 October 2024.

In compliance with section 92 of the Companies Act, the designated audit partner must rotate after five consecutive financial periods. Matthew Brown, the current designated audit partner, was appointed on 25 October 2024.

EY has unrestricted access to the Group's records and management team and presents significant external audit findings to the Committee. The designated audit partner has direct access to the Committee Chair to raise any concerns. Key Committee activities included:

- Approval of EY's audit plan and scope to ensure adequate coverage of critical risk areas, significant balances and transactions, and other material matters
- Approval of the external audit fees
- Assessment of EY's independence, effectiveness and suitability in line with the JSE Listing Requirements
- Confirmation of compliance with IFRS, the Companies Act and JSE Listings Requirements
- Evaluation of audit findings, confirming no material unresolved matters or reportable irregularities

The Committee is satisfied that EY remains independent, competent and effective in performing its duties during FY25. It also confirms that Matthew Brown meets the required competence and independence standards as designated audit partner. The Company will table a resolution at the 2025 AGM to re-appoint EY as the external auditor for FY26 and will annually assess whether an external audit tender process is required.

Significant matters

The Committee considered the key audit matters reported in the external audit report on pages 7 to 9. After discussions with management and the external auditor, it is satisfied that the Annual Financial Statements appropriately address the critical judgements and key estimates related to these matters.

5. Risk and compliance

The Committee provided oversight on the Group's risk management framework, ensuring material risks were identified, assessed, and mitigated. Key areas of Committee focus included:

- Review of material and emerging risks, including operational and financial risks, and mitigation plans
- Review of all internal and external assurance reports from a risk perspective
- Monitored supply chain security and civil unrest contingency plans
- Assessed the adequacy of insurance coverage and business continuity measures
- Ensured adherence to food safety, occupational health and safety and other risk-related policies
- Confirmed the expertise and experience of the Group Head of Risk and Compliance, and evaluated the composition, skill and independence of the risk and compliance function

The Committee is satisfied that the Group's risk and compliance framework is effective, ensuring robust mitigation strategies against operational and external risks.

The Committee closely monitored the relationship between external and internal assurance providers and the Group. It ensured that the Group's combined assurance model adequately addressed the Group's significant risks. The Committee was satisfied that the Group's combined assurance model had been effective in achieving transparent and accurate financial reporting, sound risk management and mitigation, and an effective level of residual risk.

Report of the Audit, Risk and Compliance Committee continued

6. Other key activities and outcomes

6.1 IT governance

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

6.2 Policy on non-audit services

All non-audit services provided by the Group's external auditor are required to be approved by the Committee prior to the work being undertaken. The nature and extent of non-audit services provided by the external auditor are reviewed to ensure that the fees for such services do not become so significant as to call into question their independence. In FY25, in addition to receiving fees for the audit of financial statements, EY received R9.9 million relating to agreed-upon assurance related services provided under auditing standards in connection with the IPO, which were approved in accordance with this policy. EY did not receive fees for tax or consultancy work during FY25.

6.3 King IV

The Group applied the King IV principles over the FY25 year. The details will be reported in the Group's 2025 Integrated Annual Report and updated King IV application register, expected to be published during July 2025. The Group's King IV application register is available on the Group's Investor Relations website at www.boxerinvestor.co.za/esg-governance.

Committee evaluation and re-election

The Board is satisfied that the Committee has performed its duties effectively to date and that Committee members have the necessary skills and experience to discharge their duties effectively. Committee members will be put to shareholders for formal election at the 2025 AGM to be held in July 2025. Going forward, the performance and effectiveness of the Committee will be formally assessed by the Board on an annual basis, assisted by the Nominations and Corporate Governance Committee.

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

Key focus areas for FY26

The Committee's focus areas for the 2026 financial year will include:

- Enhancing risk oversight and ongoing awareness on emerging global geo-political risks, international tariffs, macro-economic volatility and cyber security risks
- Strengthening internal audit and risk management, ensuring a seamless transition to an in-house function

Cindy Robertson
Chair: Audit, Risk and Compliance Committee

8 May 2025

The operational review

Audited financial results for the 53 weeks ended 02 March 2025

Rm	53 weeks to 02 March 2025 FY25	52 weeks to 25 February 2024 FY24	% change
Turnover	**42 344**	37 419	13.2
Trading profit	**2 308**	2 101	9.9
Trading profit margin	**5.5%**	5.6%	
Profit before tax before capital items	**1 941**	1 850	4.9
Headline earnings	**1 407**	1 408	(0.1)
Headline earnings per share (HEPS) – cents	**413.76**	469.33	(11.8)
Pro forma FY25 (52 weeks)	**52 weeks**	52 weeks	
Turnover	**41 304**	37 419	10.4
Trading profit	**2 248**	2 101	7.0
Trading profit margin	**5.4%**	5.6%	

Highlights

- Highly successful JSE listing on 28 November
- 48 net new stores opened to take the Boxer retail estate to 525 stores
- Like-for-like sales growth of 5.6% (52/52w basis)
- Trading profit growth of 9.9% and 17.0% when excluding non-cash gains on derecognition of Pick n Pay financial guarantee
- 5.5% trading margin (5.4% on a 52w basis) ahead of Pre-listing Statement 5% guidance
- 2 900 jobs created, to take total employment to 31 906 employees
- FY25 Net debt (excluding leases)[1] of R180 million, equating to just 0.1x Net debt to EBITDA (pre-IFRS 16)[1]
- Return on Invested Capital (ROIC)[1] a sector-leading 25.5% (73.6% excluding IFRS 16)[1]

Introduction

FY25 represented a milestone year for Boxer, with the Group completing its 28 November IPO whilst also delivering strong FY25 trading profit growth. Boxer is excited to be listed on the JSE, and looks forward to creating value for all stakeholders by driving long-term growth through staying faithful to our vision of being the Peoples Champion by continuously fighting for low prices for our customers.

Boxer's successful discount model is based on a self-reinforcing virtuous circle of driving *Volume growth* through giving customers great *Value for money* and serving them respectfully via *Efficient* logistics and systems, whilst simultaneously delivering *store Expansion* which further drives volumes and allows even better prices for our customers.

For the 53 weeks ended 02 March 2025, Boxer turnover grew 13.2% to R42.3 billion. Trading profit increased 9.9% to R2.3 billion, at a trading margin of 5.5%. Trading profit year-on-year growth was negatively impacted by non-recurring non-cash gains on the derecognition of a Pick n Pay financial guarantee in the prior year. Excluding this impact FY25 trading profit growth would have been 17.0%.

Boxer reports on the retail calendar of trading weeks, by which each financial year is an exact 52-week period of trading weeks from Monday to Sunday. The result is the loss of a day per calendar year. These lost days are taken into account by reporting a 53-week financial year approximately every six years. In line with this methodology, FY25 is a 53-week year. In order to facilitate comparison with FY24 on a 52/52 week basis, Boxer has provided pro forma turnover and trading profit, which strips out the impact of the additional week.[1]

On a pro forma 52/52w basis, turnover increased by 10.4% and trading profit increased by 7.0% to R2.3 billion. Excluding the impact of the derecognition of the Pick n Pay guarantee, 52/52w trading profit growth would have been 14.0%.

Profit before tax before capital items increased by 4.9% to R1.9 billion, below trading profit growth, because of net finance charges increasing 46.2% year-on-year to R367 million. FY25 headline earnings was flat at -0.1%, due to a 3.5% increase in the effective tax rate to 27.5%. HEPS declined 11.8% year-on-year as a consequence of a 13.4% increase in the weighted average number of ordinary shares (WANOS) due to the dilution from the 157.4m shares issued in the IPO.

Operating review

Turnover

Boxer turnover growth for the period was 10.4% (52/52w basis), including like-for-like sales growth of 5.6%. Sales growth softened from 12.0% (7.7% like-for-like) in H1 to 9.0% (3.7% like-for-like) in H2 due to the business cycling a significantly stronger H2 FY24 base and slowing food inflation. For context, sales growth for H2 FY24 was 18.6% (11.6% like-for-like) vs. 15.9% (4.3% like-for-like) in H1 FY24.

Boxer added 48 net new stores in FY25 (vs. 49 in FY24), taking the total estate to 525 stores, including 320 Boxer Superstores, 175 Boxer Liquor, and 30 Boxer Build stores. Store additions by format included 24 net new Superstores (17 in FY24) and 25 net new liquor stores (32 in FY24). FY25 store openings were concentrated in the latter part of the year, with 36 net new store openings in H2 FY25 vs. 12 in H1 FY25. A total of 15 store conversions from Pick n Pay to Boxer were completed during the year, including 8 Superstores and 7 liquor stores. Boxer is particularly pleased with the sales uptick achieved in these stores post conversion to the Boxer banner.

[1] *Refer to 'Pro forma financial information' under Additional Information.*

The operational review continued

FY25 Internal selling price inflation was 5.9%, slightly down on the 6.3% reported for FY24. Boxer's reported internal inflation is based on the year-on-year change in average unit prices for items common to both periods, where average unit price is calculated as total like-for-like sales divided by total related product volumes. The methodology does not normalise for mix change impacts which are influenced by promotional activity. Whereas mix change does not normally have a material impact on the reported number, in FY25 the mix change impact was meaningful. Normalising for mix change impacts, Boxer's FY25 inflation would be 0.3% (0.5% in H1 and 0.1% in H2), which Boxer believes provides a true reflection of underlying inflation for its customers, and results in a loyal and growing customer base.

	FY25	FY24	% change
Turnover (Rm pro forma 52/52w)	**41 304**	37 419	10.4
Store estate (number of stores)	**525**	477	10.1
Superstores	**320**	296	8.1
Liquor	**175**	150	16.7
Build	**30**	31	(3.2)
Liquor stores as % of Superstores	**55%**	51%	
Trading space (GLA, sqm)	**649.8**	595.8	9.1

Gross profit

The gross profit margin for the period expanded by 0.2% to 21.4%. The gross margin increase was the net result of reduced point-of-sale margin (as Boxer gave greater value to its customers), better buying and distribution efficiencies emanating from scale gains. Boxer's relatively low gross profit margin within the context of South African food retail peers is testament to the great prices the Group delivers to its customers every day.

Trading expenses

Trading expenses (including the additional week) increased 15.9% to R7.1 billion, with trading expenses as a % of sales increasing from 16.3% to 16.7%. The relatively high increase in trading expenses was the result of three factors:

- **Non-recurring non-cash IFRS gains on the derecognition of the Pick n Pay financial guarantee:** FY24 trading profit was positively impacted by R135 million of IFRS gains relating to derecognition of a Pick n Pay debt guarantee. This same event also resulted in a R7 million FY25 gain. Excluding these gains from both FY24 and FY25 would result in year-on-year trading expense growth of 13.5%.
- **Ongoing costs of being a separate listed entity:** Ahead of its IPO, Boxer indicated that it was likely to incur R45 million in ongoing annualised expenses resulting from its IPO. Within this period, Boxer incurred additional costs of R16 million.
- **New store rollout:** Store rollout was the primary driver of FY25 trading expense growth, with most of the new stores opening in the second half of the year.

Employee costs – Increased 19.1% to R3.1 billion, driven by 9.9% employee growth and above-inflation wage increases.

Occupancy costs – Grew 10.1% to R1.2 billion, driven by annual lease escalations and store rollout. Occupancy cost growth was impacted by IFRS 16 profit on termination of leases to the value of R8 million and R42 million in FY24 and FY25 respectively.

Operations costs – Increased 6.6% to R2.1 billion. Operations costs is Boxer's 2nd largest cost-line, and includes PPE Depreciation and energy costs. Reduced loadshedding helped to moderate Operations cost growth during the year, with loadshedding related diesel costs reducing from R329 million in FY24 to R142 million in FY25.

Merchandising and Administration costs – Increased 51.4% to R698 million. Excluding the FY24 and FY25 gains from the derecognition of the Pick n Pay debt guarantee, Merchandising and Administration costs increased 18.3%. Launch costs of the Boxer Rewards Club, rolled out in September 2024, contributed to FY25 Merchandising and Administration cost growth.

Trading profit

Trading profit increased 9.9% to R2.3 billion, at a trading margin of 5.5%. Excluding the impact of the Pick n Pay guarantee derecognition FY25 trading profit growth would have been 17.0%. The 53rd week contributed R60 million to FY25 trading profit as reported. On a 52/52w pro forma basis, FY25 trading profit increased 7.0% to R2.25 billion, at a trading margin of 5.4%.

Rm	FY25 as reported (53 weeks)	Adjustment for week 53	FY25 (52 weeks pro forma)	FY24 (52 weeks)	Pro forma % change
Turnover	**42 344**	(1 040)	**41 304**	37 419	**10.4**
Trading profit	**2 308**	(60)	**2 248**	2 101	**7.0**
Trading margin	**5.5%**		**5.4%**	5.6%	

The operational review continued

Net finance costs

Net finance costs, including implied interest charges under IFRS 16, increased 46.2% year-on-year to R367 million.

Funding interest – Net funding interest received reduced 47.7% to R45 million, with the R59 million of net interest income earned in H1 FY25 changing to a R14 million net interest charge for H2 FY25, due to new external debt taken on as part of the new funding structure implemented in the balance sheet restructuring process associated with the IPO.

IFRS 16 Lease interest – Lease liability interest increased 22.3% year-on-year to R412 million, driven by the store rollout programme, the full annualisation of the Benoni DC costs (opened in October 2023), and the mechanics of IFRS 16, whereby lease interest expense is disproportionately higher on commencement of new leases.

Profit before tax before capital items

Profit before tax before capital items increased 4.9% year-on-year to R1.9 billion, as a result of the 46.2% net finance cost increase exceeding the R9.9% trading profit increase.

Tax

Boxer's effective tax rate of 27.5% (24.0% in FY24) was close to the 27% statutory tax rate. The effective tax rate increase was primarily due to the non-repeat of the impact of the financial guarantee on the FY24 result.

Earnings per share

The calculation of HEPS and EPS was impacted by the issue of 157.4 million new shares in the Boxer IPO, which took the number of shares outstanding from a (restated) 300 million shares to 457.4 million shares. This had the impact of increasing the weighted average number of ordinary shares by 13.4% to 340.1 million.

Headline earnings per share (HEPS) – All impairment losses and other capital items are excluded from the calculation of Headline earnings per share. HEPS declined 11.8% year-on-year to 413.76 cents per share.

Earnings per share (EPS) – All items of a capital nature, including impairments, are included in the calculations of Earnings per share. EPS decreased 11.9% year-on-year to 406.70 cents per share.

Financial position review

Gearing

Boxer had net debt (excluding lease liabilities) of R180 million at FY25 period-end. This includes an R850 million drawdown on the term loan facility, offset by R466 million in cash and net R204 million owed to Boxer by Pick n Pay. Including R4.8 billion of lease liabilities, Boxer had total debt of R5.0 billion at period end. Boxer ended the period on a pre-IFRS 16 net debt to EBITDA ratio of 0.1x, well ahead of its FY25 target of 0.2.

FY25, Rm	Net debt	EBITDA* (53 weeks)	Net debt/ EBITDA*
Cash	466		
Long-term bank debt	(850)		
Net amounts owed by Pick n Pay	204		
Net debt excluding lease liabilities	(180)	2 640	0.1
Lease liabilities	(4 797)		
Net debt including lease liabilities	(4 977)	3 566	1.4

* *Refer to 'Pro forma financial information' under Additional Information. EBITDA is matched to Net debt including lease liabilities, while EBITDA (pre-IFRS 16) is matched to Net debt excluding lease liabilities.*

Working capital

Working capital absorbed R78 million of liquidity during the period. Inventory was well managed, increasing by just 4.5% over the period, to R3.4 billion. Trade and other payables increased by 3.1% to R4.8 billion, and was impacted by the 02 March timing of the financial year end, which captured some supplier payments that would not ordinarily have been paid by period end.

Capital investment

Capital investment for the period totalled R939 million, 14.1% down on the R1.1 billion spent in FY24. This includes R28 million spent on the acquisition of eleven retail stores, including eight from Pick n Pay. Key capex projects within the period include acquiring a new East London DC and turning ground on the new Tongaat DC, which is set to open in September 2025, and will be Boxer's second KZN DC.

Boxer's resilient capital structure together with its efficient operating model ensured Boxer retained its best-in-class return on investment of the listed South African food retailers, producing a FY25 ROIC (post-IFRS 16) of 25.5%, versus 26.5% of FY24. Capital investment for FY26 is expected to be approximately R1.2 billion.

The operational review continued

Shareholder distribution

As part of the restructuring associated with the IPO, Boxer declared dividends totalling R9.3 billion to Pick n Pay before the IPO. In line with the pre-listing statement, Boxer has not declared a FY25 final dividend, and maintains its intention to pay out 40% of headline earnings per share from FY26. Boxer intends to declare an interim FY26 dividend at the time of the H1 FY26 result.

Outlook

Boxer remains focused on creating long-term value by compounding earnings growth at a high ROIC over multiple consecutive years. This is to be achieved by targeting annual store growth of at least 25 Superstores and 35 liquor stores per year, whilst striving to maintain mid-single-digit like-for-like sales growth.

While the FY25 trading margin came in well ahead of the 5.0% medium-term trading margin guidance, Boxer continues to anticipate moderate margin pressure from the annualisation of the guided incremental costs associated with being a listed entity, an initial profit drag as the Tongaat DC is brought onstream, and from gross margin reinvestment where necessary to drive the competitiveness of the customer offer.

Shareholders are reminded that Boxer's FY26 WANOS will increase by c.34% to fully account for the IPO share issue. This will provide a drag on FY26 earnings per share, and likely result in an FY26 year-on-year HEPS decline. The impact on H1 FY26 year-on-year HEPS growth will be even more acute given that the IPO share issuance occurred during H2 FY25 and therefore did not impact H1 FY25 WANOS. Boxer's H1 FY26 WANOS will increase by c.52% year-on-year, with the result that H1 FY26 EPS and HEPS will decline by greater than 20% year-on-year. The expected earnings dilution is purely a function of the chosen IPO transaction structure, and Boxer suggests shareholders focus on absolute FY26 earnings growth, which the board feels reflects a more appropriate view of operational performance.

Given the moderating global economic outlook and competitive pressure in the SA food retail market, Boxer currently anticipates low-teens FY26 sales growth. Regardless of the state of the economic cycle, Boxer is resolutely focused on execution to capture its substantial long-term structural growth opportunity, and this remains Boxer's primary focus.

James Formby
Chairman

Marek Masojada
Chief Executive Officer

8 May 2025

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Group statement of comprehensive income

	Note	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Revenue	2	**42 747**	37 779
Turnover	2	**42 344**	37 419
Cost of merchandise sold		**(33 291)**	(29 498)
Gross profit		**9 053**	7 921
Other trading income	2	**312**	269
Trading expenses		**(7 057)**	(6 089)
Employee costs	3.1	**(3 079)**	(2 586)
Occupancy costs		**(1 182)**	(1 074)
Operations costs		**(2 098)**	(1 968)
Merchandising and administration costs		**(698)**	(461)
Trading profit		**2 308**	2 101
Finance income	2	**91**	91
Finance costs	3.3	**(458)**	(342)
Profit before tax before capital items		**1 941**	1 850
Loss on capital items		**(33)**	(27)
Loss on sale of assets		**(13)**	(16)
Loss from impairments of property, plant and equipment and intangible assets	6, 7	**(4)**	(11)
Loss from impairment on right-of-use assets	8	**(16)**	–
Profit before tax	3	**1 908**	1 823
Tax	24	**(525)**	(438)
Profit for the period		**1 383**	1 385
Other comprehensive income, net of tax			
Items that will not be reclassified to profit or loss		**5**	(48)
Fair value gain/(loss) on investment in Pick n Pay Stores Limited	13	**5**	(48)
Items that may be reclassified to profit or loss		**(1)**	(1)
Movement in cash flow hedge		**(1)**	(1)
Total comprehensive income for the period		**1 387**	1 336
Earnings per share		**Cents**	Cents
Basic earnings per share	32	**406.70**	461.67
Diluted earnings per share	32	**405.51**	461.67

Group statement of financial position

	Note	As at 02 March 2025 Rm	As at 25 February 2024 Rm
ASSETS			
Non-current assets			
Property, plant and equipment	6	3 807	3 468
Intangible assets	7	337	334
Right of use assets	8	3 654	3 312
Loans	11	126	120
Deferred tax asset	12	165	144
Investment in Pick n Pay Stores Limited	13	–	40
		8 089	7 418
Current assets			
Inventory	14	3 378	3 231
Trade and other receivables	15	458	382
Cash and cash equivalents	16	466	349
Loans	11	8	–
Right-of-return asset	23	3	2
Amounts owing by related parties	17.1	331	1 335
		4 644	5 299
Total assets		12 733	12 717
EQUITY AND LIABILITIES			
Equity			
Share capital	18	8 203	–
Share premium		–	9
Treasury shares	19	(205)	–
Retained earnings		2 142	1 891
Common control reserve		(8 197)	–
Fair value reserve		–	(59)
Other reserves		(1)	–
Total equity		1 942	1 841
Non-current liabilities			
Share based payment liability	5	–	8
Lease liabilities	9	4 150	3 700
Borrowings	20	850	–
		5 000	3 708
Current liabilities			
Trade and other payables	21	4 755	4 612
Share based payment liability	5	–	11
Lease liabilities	9	647	608
Provisions	22	57	49
Deferred revenue	23	119	94
Current tax liability	24	86	290
Amounts owing to related parties	17.2	127	1 497
Provision for financial guarantee contracts	30	–	7
		5 791	7 168
Total equity and liabilities		12 733	12 717

Group statement of changes in equity

	Note	Share capital Rm	Share premium Rm	Treasury shares Rm	Retained earnings Rm	Common control reserve Rm	Fair value reserve Rm	Other reserves Rm	Total equity Rm
At 26 February 2023		–	9	–	947	–	(20)	1	937
Total comprehensive income for the period		–	–	–	1 376	–	(39)	(1)	1 336
Profit for the period		–	–	–	1 385	–	–	–	1 385
Movement in cash flow hedge		–	–	–	–	–	–	(1)	(1)
Fair value loss on investment in Pick n Pay Stores Limited	13	–	–	–	–	–	(48)	–	(48)
Reclassification to retained earnings	13	–	–	–	(9)	–	9	–	–
Other reserve		–	–	–	–	–	–	–	–
Transactions with owners		–	–	–	(432)	–	–	–	(432)
Dividends		–	–	–	(290)	–	–	–	(290)
Financial guarantee	30				(142)				(142)
At 25 February 2024		–	9	–	1 891	–	(59)	–	1 841

	Note	Share capital Rm	Share premium Rm	Treasury shares Rm	Retained earnings Rm	Common control reserve Rm	Fair value reserve Rm	Other reserves Rm	Total equity Rm
At 25 February 2024		–	9	–	1 891	–	(59)	–	1 841
Total comprehensive income for the period		–	–	–	1 329	–	59	(1)	1 387
Profit for the period		–	–	–	1 383	–	–	–	1 383
Movement in cash flow hedge		–	–	–	–	–	–	(1)	(1)
Fair value gain on investment in Pick n Pay Stores Limited	13	–	–	–	–	–	5	–	5
Reclassification to retained earnings	13	–	–	–	(54)	–	54	–	–
Share purchases	19	–	–	(205)	–	–	–	–	(205)
Transactions with owners		8 204	(9)	–	(1 078)	(8 197)	–	–	(1 080)
Dividends		–	–	–	(1 100)	(8 160)	–	–	(9 260)
Capital reorganisation under common control		46	(9)	–	–	(37)	–	–	–
Issue of shares		8 157	–	–	–	–	–	–	8 157
Share-based payments		–	–	–	22	–	–	–	22
At 02 March 2025		8 203	–	(205)	2 142	(8 197)	–	(1)	1 942

Group statement of cash flows

	Note	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Cash flows from operating activities			
Trading profit		2 308	2 101
Adjusted for non-cash items		1 225	1 004
Depreciation on property, plant and equipment	6	591	518
Amortisation on intangible assets	7	14	16
Depreciation on right-of-use assets	8	653	620
Share-based payment expense/(reversal)	3	16	(7)
Profit on termination of leases		(42)	(8)
Amortisation of financial guarantee contract	30	(1)	(18)
Derecognition of financial guarantee contract	30	(6)	(117)
Cash generated before movements in working capital		3 533	3 105
Movements in working capital		(78)	396
Movement in trade and other payables, provisions and deferred revenue		146	801
Movement in inventory and right-of-return asset		(148)	(417)
Movement in trade and other receivables		(76)	12
Cash generated from trading activities		3 455	3 501
Interest paid on lease liabilities	9	(345)	(336)
Interest paid	3.3	(47)	(5)
Interest received		86	84
Cash generated from operations		3 149	3 244
Dividend paid	32	(9 260)	—
Tax paid	24	(750)	(407)
Cash (utilised)/generated from operating activities		(6 861)	2 837
Cash flows from investing activities			
Investment in intangible assets	7	(16)	(42)
Investment in property, plant and equipment	6	(895)	(1 044)
Proceeds on disposal of Pick n Pay Stores Limited shares	13	31	–
Proceeds on disposal of property, plant and equipment and intangible assets		12	32
Purchase of operations	29	(28)	(7)
Loans advanced by the Group		(59)	(120)
Loans repaid to the Group		47	62
Lease incentives received		74	28
Cash utilised in investing activities		(834)	(1 091)
Cash flows from financing activities			
Net proceeds on issue of shares*	18	8 157	–
Borrowings raised	20	850	–
Share purchases	19	(205)	–
Settlement of share based payment liability		–	(1)
Related party loans advanced to the Group	17	966	–
Related party loans repaid by the Group	17	(2 347)	–
Related party loans advanced by the Group	17	–	(455)
Principal lease liability payments	9	(613)	(550)
Cash generated/(utilised) in financing activities		6 808	(1 006)
Net (decrease)/increase in cash and cash equivalents		(887)	740
Cash and cash equivalents at beginning of period		1 684	944
Cash and cash equivalents at end of period	16	797	1 684
Comprising of:		797	1 684
Cash and cash equivalents	16	466	349
Amounts owing by related parties	17.1	331	1 335

* *This amount is disclosed net of transaction costs of R343 million.*

Accounting policies

1. Material accounting policy information

1.1 Statement of compliance

The consolidated annual financial statements for the 53 weeks ended 02 March 2025 (2024: 52 weeks ended 25 February 2024) of Boxer Retail Limited (the Company) and its subsidiaries (together, the Group) have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board (IASB), the South African Institute of Chartered Accountants Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

1.2 Basis of preparation

The Group annual financial statements are prepared on the historical cost basis except where stated otherwise in the accounting policies below.

All financial information has been rounded to the nearest million, unless otherwise stated.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, except where the Group has adopted IFRS and International Financial Reporting Interpretations Committee (IFRIC) interpretations and amendments that became effective during the period. Several new standards, amendments to standards and interpretations became applicable to the Group during the current period and have been applied in the preparation of these annual financial statements. New standards, amendments to standards and interpretations did not have a significant impact on the Group.

The Group has not early adopted any other IFRS and IFRIC interpretations and amendments that are not yet effective for the Group. Refer to note 33.

1.3 Basis of consolidation

Investment in subsidiaries

The Group controls an entity when it is exposed to, or has the rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the period are included in the Group annual financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All inter-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Group re-organisations under common control

In circumstances where the Boxer Retail Limited Group undergoes a reorganisation whereby a newly-incorporated non-operating holding company acquires a group of entities, and this acquisition does not meet the definition of a business combination under IFRS 3, and the combining entities are controlled by the same ultimate shareholder before and after the acquisition, with the control being non-transitory, the Boxer Retail Group accounts for the acquisition as a reorganisation under common control. The Boxer Retail Limited Group accounts for reorganisations under common control using a book-value method whereby the consolidated financial statements of the new holding company are a continuation of the existing group, with an equity reclassification at acquisition date to reflect the capital structure of the holding company.

1.4 Foreign currency transactions and translations

Functional currency and presentation currency

The Group annual financial statements are presented in South African Rand.

Transactions and balances

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

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to South African rand at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in the statement of comprehensive income. Non-monetary items that are measured in terms of historical costs in a foreign currency are translated using the exchange rate at the date of the transaction.

The Group has no risk on foreign currency translations in relation to its foreign operation in Eswatini as the exchange rate of the Eswatini Lilangeni to South African Rand is 1:1.

Accounting policies continued

1. Material accounting policy information continued

1.5 Use of estimates, judgements and assumptions

The preparation of these annual financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

Estimates, judgements and assumptions used in the Group's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period include, but are not limited to, the following:

Purchase rebates and other income earned from suppliers

The Group enters into various agreements with suppliers and these agreements provide for various purchase rebates.

Purchase rebates are accrued for as part of cost of inventory sold when they are closely related to the purchase of inventory. Management uses judgement when assessing the nature of the rebates earned for recognition as a reduction in the purchase price of inventories and when recognising the relevant portion as a reduction in the cost of inventory.

Taking into account cumulative purchases of inventory to date, as well as historical and forecasted performance, management uses judgement to estimate the probability of meeting contractual obligations and in determining the amount of volume-related rebates recognised. Rebates actually received may therefore differ from that which has been accrued.

Estimating variable consideration for returns

The Group estimates variable consideration to be included in the transaction price for the sale of goods where customers are entitled to a right of return within a specified time frame. The Group uses statistical projection methods for forecasting sales returns which are based on historical return data. Any significant changes in experience as compared to historical return patterns will impact the expected return percentages estimated by the Group. Estimated return percentages are updated regularly and the refund liability is adjusted accordingly. Refer to note 23.

Measurements of share-based payments expense

The Group issues equity-settled share awards to qualifying employees. Judgement, informed by terms and conditions of the grant, is used to determine the number of awards expected to vest, and impacts the quantum of share-based payments expense recognised for the period. Refer to note 5.

Provision for expected credit losses on loans and trade and other receivables

The Group considers both quantitative and qualitative information and analysis, based on historical experience and informed credit assessment including forward-looking information specific to trade and other receivables, loans and economic environment in determining the expected credit losses. At each reporting period, the methodologies and assumptions used for estimating expected credit losses are reviewed and adjusted as necessary to reflect changes in circumstances. The assessment of these factors involves judgements and estimates. The Group's historical credit loss experience and forecast economic conditions may therefore not be representative of the actual default in future. Refer to notes 11 and 15.

Inventory net realisable value allowances

The Group evaluates its inventory to ensure that it is carried at the lower of cost and net realisable value. Allowances are made against slow moving, obsolete and damaged items. Damaged inventories are identified and written down through inventory verification processes. Allowances for slow moving and obsolete inventories are assessed continuously. Obsolescence is assessed based on comparison of the level of inventory holding and the projected likely future sales, taking into account factors existing at the reporting date. Refer to note 14.

Measurement of deferred revenue in respect of prepaid gift cards

Prepaid gift cards provide rights to customers which is accounted for as separate performance obligations. The consideration allocated to unredeemed gift cards are measured by reference to its stand-alone selling prices adjusted for an expected forfeiture rate. The Group applies statistical projection methods in its estimation of forfeiture rates by using customers' historical redemption patterns as the main input, and is therefore subject to uncertainty. The expected forfeiture rate is updated regularly and the liabilities for unredeemed gift cards are adjusted accordingly. Refer to note 23.

Estimates of useful lives and residual values of intangible assets

Intangible assets with finite useful lives are amortised over their useful lives, taking into account applicable residual values. Useful lives and residual values are reviewed at each reporting date, taking into account factors such as the manner of recovery, innovation in technology and relevant market information.

Accounting policies continued

1. Material accounting policy information continued

1.5 Use of estimates, judgements and assumptions continued

Estimates of useful lives and residual values of property, plant and equipment

Property, plant and equipment with finite useful lives are depreciated over their useful lives, taking into account applicable residual values. Useful lives and residual values are reviewed at each reporting date, considering factors such as the manner of recovery and relevant market information.

Estimates of useful lives of right-of-use assets

Right-of-use assets are depreciated over their useful lives, and are directly linked to the lease term of the underlying lease agreement that has been accounted for in the measurement of the corresponding lease liabilities. Useful lives are reviewed at each reporting date, considering factors such as lease term extension and termination options.

Measurements of the recoverable amounts of cash-generating units

The recoverable amount of a cash-generating unit (CGU) is determined by calculating its value-in-use. The Group treats a store as a separate CGU for impairment testing of intangible assets, property, plant and equipment and right-of-use assets. The value-in-use is sensitive to the discount rate used for the discontinued cash flow model, future cash flows and the growth rate used for extrapolation purposes. Refer to notes 6, 7 and 8.

Estimates of lease terms of lease agreements

Lease terms applicable to lease agreements, relating to the Group's lease liabilities, are negotiated on an individual basis and contain a wide range of terms and conditions. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. Management exercises judgement in determining the reasonable certainty of exercising termination or extension options in determining the lease term, including considerations of the age of the lease, the nature of the leased asset and the expected return on the underlying cash generating unit to which the leased asset belongs.

Subsequent to the commencement date of lease agreements, lease terms are reassessed when there is a significant event or change in circumstances that is within the Group's control and affects its ability to exercise or not to exercise the option to renew or to terminate. Significant events could include a change in the Group's assessment of whether it is reasonably certain to exercise a renewal or termination option, the incurrences of unanticipated significant leasehold improvements or the negotiation of unanticipated lease incentives. Refer to note 9.

Estimates of incremental borrowing rates applied in the measurement of lease liabilities

Incremental borrowing rates applied in the measurement of lease liabilities are specific to the term, currency and start date of the applicable lease agreement. Incremental borrowing rates are based on a series of inputs including the prime lending rate, the repo rate and a credit risk adjustment. Refer to note 9.

Income and deferred taxes

The Group is subject to income tax. Significant judgement is required in determining the provision for tax as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of the taxes that are likely to become due.

The Group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the Group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the Group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted. Refer to note 12 and 24.

Allowance for impairment loss on amounts owing by related parties

At each reporting period, the historical observed default rates are updated and changes in forward looking estimates are analysed for amounts owing by related parties. The assessment of historical observed default rates and forward looking factors require significant judgement and estimates. The Group's historical credit loss experience and forecast economic conditions may therefore not be representative of the actual default in the future. Refer to notes 17 and 26.

Accounting policies continued

1. Material accounting policy information continued

1.6 Intangible assets

Intangible assets are held by the Group for use in the supply of goods or administrative purposes and are expected to be used for more than one financial period. Intangible assets acquired are initially recognised at cost if it is probable that associated future economic benefits will flow to the Group and the cost can be measured reliably.

If the intangible assets are acquired via a business combination, initial recognition is at fair value.

Intangible asset development consists of two phases; research phase and development phase. Expenditure incurred during the research phase is expensed as incurred.

Intangible assets that are developed are initially recognised at cost if the cost can be measured reliably, the intangible assets are technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete the development. If not, the development expenses are recognised in the statement of comprehensive income when they are incurred.

Intangible assets are subsequently measured at cost less accumulated amortisation and impairment losses, with the exception of goodwill and other intangible assets with indefinite useful lives. These are measured at cost less impairment losses.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised but expensed in the statement of comprehensive income when they are incurred.

Cost

The cost of intangible assets includes expenditure that is directly attributable to the acquisition of the intangible asset. The cost of developed intangible assets includes the cost of materials, direct labour and any overhead costs directly attributable to preparing the intangible asset for its intended use.

The Group recognises subsequent expenditure in the carrying amount of intangible assets, when that cost is incurred, if it is probable that the related future economic benefits embodied with the cost will flow to the Group and the cost can be measured reliably. All other costs, such as costs associated with the implementation or maintenance of intangible assets, are recognised in the statement of comprehensive income as an expense as incurred.

Goodwill is acquired through business combinations and initially measured at the fair value of the consideration transferred, less the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed, all measured at the acquisition date.

Amortisation

Amortisation is calculated on the cost of an intangible asset, less its residual value over its useful life. The residual value is the estimated amount that the Group would receive from the disposal of the intangible asset, after deducting the estimated costs of disposal, if the intangible asset was already of the age and the condition expected at the end of its useful life.

Management determines the amortisation methods, useful lives and residual values at acquisition. These are reviewed at each reporting date and adjusted if appropriate. Any adjustments are accounted for prospectively as a change in estimate.

Amortisation is calculated on a straight-line basis over the estimated useful life of each intangible asset from the date that it is available for its intended use and is recognised as an expense in the statement of comprehensive income, within operations costs, unless it is capitalised to the cost of another asset in terms of IFRS.

Useful lives

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

Goodwill	Indefinite
Systems development	4 to 8 years
Licences	9 to 10 years

Impairment

Intangible assets are assessed for impairment as non-financial assets in accordance with note 1.11.

Derecognition

Intangible assets are derecognised upon disposal or when no future economic benefits are expected to flow to the Group from either their use or disposal. Gains or losses on derecognition of an intangible asset are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the intangible asset and are recognised directly in the statement of comprehensive income.

Accounting policies continued

1. Material accounting policy information continued

1.7 Property, plant and equipment

Property, plant and equipment are tangible assets held by the Group for use in the supply of goods or administrative purposes and are expected to be used for more than one financial period. Property, plant and equipment are initially recognised at cost if it is probable that associated future economic benefits will flow to the Group and the cost can be measured reliably.

All property, plant and equipment are subsequently measured at cost less accumulated depreciation and accumulated impairment losses, with the exception of land. Land is measured at cost less accumulated impairment losses as it has an indefinite life and is not depreciated.

Cost

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of materials and direct labour, any other costs directly attributable to bringing the asset to a working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located.

The Group recognises in the carrying amount of property, plant and equipment subsequent expenditure, including the cost of replacing part of such an item, when that cost is incurred, if it is probable that the future economic benefits embodied within the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as day-to-day servicing costs, are recognised in the statement of comprehensive income as expenses when incurred.

Depreciation

Depreciation is based on the cost of an asset, less its residual value, over its useful life. The residual value is the estimated amount that the Group would receive from the disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and the condition expected at the end of its useful life.

Management determines the depreciation methods, useful lives and residual values at acquisition. These are reviewed at each reporting date and adjusted, if appropriate. Any adjustments are accounted for prospectively as changes in estimate.

Depreciation is calculated on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment from the date that they are available for its intended use, and is recognised as an expense in the statement of comprehensive income, within operation expenses, unless it is capitalised to the cost of another asset in terms of IFRS Accounting Standards as issued by the International Accounting Standards Board. Leasehold improvements are depreciated over the shorter of the lease term and their useful lives, unless it is reasonably certain that the Group will obtain ownership by the end of the lease term.

Where significant components of an item of property, plant and equipment have different useful lives, they are depreciated separately.

Useful lives

The estimated useful lives, per category of property, plant and equipment, are as follows:

Property	
• Land	Indefinite
• Buildings and other major components	40 years
Furniture, fittings, equipment and vehicles	
• Computer equipment	2 to 4 years
• Furniture and fittings	5 to 14 years
• Equipment	2 to 14 years
• Vehicles	3 to 5 years
Leasehold improvements	Over the lease period

Impairment

Property, plant and equipment are assessed for impairment as non-financial assets as per note 1.11.

Derecognition

Property, plant and equipment are derecognised upon disposal or when no future economic benefits are expected to flow to the Group from either their use or disposal. Gains or losses on derecognition of an item of property, plant and equipment are determined by comparing the proceeds from disposal, if applicable, with the carrying amount of the item and are recognised directly in the statement of comprehensive income.

Accounting policies continued

1. Material accounting policy information continued

1.8 Right-of-use assets

The Group enters into various lease agreements as the lessee of property, equipment and vehicles. Where leases convey the right to control the use of the underlying leased assets, the Group classifies these leases as right-of-use assets in a consistent manner to its property, plant and equipment.

Right-of-use assets are initially recognised at cost at the date at which the Group gains control of the right to use the leased asset, referred to as the commencement date of lease agreements, and are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Cost

The cost of right-of-use assets include the initial measurement of the corresponding lease liabilities, any initial direct costs less any lease incentives received.

Depreciation

Depreciation is based on the cost of the right-of-use asset over its useful life. At the commencement date of lease agreements, management determines useful lives as the lease term of corresponding lease liabilities. These lease terms are reviewed at each reporting date and adjusted, if appropriate. Any adjustments are accounted for prospectively as a change in estimate.

Depreciation is recognised as an expense in the statement of comprehensive income, within occupancy costs, on a straight-lined basis over the estimated useful lives of the right-of-use assets.

Useful lives

The estimated useful lives, per category of right-of-use assets, are as follows:

Property	2 to 22 years
Equipment and vehicles	2 to 7 years

Impairment

Right-of-use assets are assessed for impairment as non-financial assets in accordance with note 1.11.

Derecognition

Right-of-use assets are derecognised upon the loss of control by the Group of the right to use the leased assets. Gains or losses on derecognition are determined by comparing the value of corresponding lease liabilities, with the carrying amount of right-of-use assets and are recognised directly in the statement of comprehensive income.

1.9 Inventory

Inventory comprises merchandise for resale and consumables. Inventory is measured at the lower of cost and net realisable value, and is classified as a current asset as it is expected to be sold within the Group's normal operating cycle.

Cost is calculated on the weighted-average basis and includes expenditure incurred in acquiring the inventory and bringing it to its existing location and condition, including distribution costs, and is stated net of relevant purchase rebates.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses. Obsolete, redundant and slow-moving items are identified on a regular basis and are written down to their estimated net realisable values.

The carrying amount of inventories sold is recognised as an expense in the statement of comprehensive income.

1.10 Right-of-return assets and refund liabilities

For the sale of goods where customers are entitled to a right of return within a specified period of time, the Group recognises a right-of-return asset (and corresponding adjustment to cost of sales) which is representative of the Group's right to recover the goods expected to be returned by customers.

The asset is measured at the carrying amount of inventory estimated to be returned using the expected value method, less any expected costs to recover the goods, including any potential decreases in the value of the returned goods. The Group updates the measurement of the asset recorded for any revisions to its estimated level of returns, as well as any additional decreases in the value of the returned products.

For goods that are expected to be returned, the Group recognises a refund liability for the customer's right to a refund (and corresponding adjustment to turnover) which is measured at the amount the Group expects it will have to return to the customer. Refer to note 23.

Accounting policies continued

1. Material accounting policy information continued

1.11 Impairment of assets

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

Financial assets

The Group recognises an allowance for expected credit losses (ECL's) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The Group applies a simplified approach for measuring impairment on trade receivables at an amount equal to lifetime ECLs. To measure lifetime ECLs, trade receivables are assessed on an individual basis. The ECL rates are based on historical credit loss experienced during the period, adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the debtors to settle their receivables.

The Group applies a general approach for measuring impairment on other receivables and loans, at an amount equal to expected credit losses, taking into account past experience and future macro-economic factors. The loss allowance is measured at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at reporting date, the credit risk has not increased significantly since initial recognition, the loss allowance is measured at an amount equal to 12-month expected credit losses. The Group considers credit risk to have increased significantly since initial recognition, if there has been a significant change in the counterparties ability to meet its obligations. In addition, changes in the general economic or market conditions, changes in internal and external credit ratings and changes in the amount of financial support available to the counterparty are considered.

The Group considers a financial asset in default when contractual payments are one to two weeks past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Non-financial assets

The carrying amounts of non-financial assets (other than inventory and deferred tax assets) are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is calculated. For non-financial assets, such as goodwill, which have indefinite useful lives and are not subject to depreciation or amortisation, or that are not yet available for use, the recoverable amount is calculated at each reporting date.

The recoverable amount of an asset is the greater of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to that asset. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating units (CGUs) to which the asset belongs. A CGU is the smallest group of assets that generates cash inflows from continuing use that is largely independent of the cash inflows of other assets or groups of assets.

Goodwill acquired in a business combination is allocated to CGUs that are expected to benefit from the synergies of the combination and, for the purposes of impairment testing, are evaluated at the lowest level at which goodwill is monitored for internal reporting purposes.

An impairment loss is recognised whenever the carrying amount of an asset or its CGU exceeds its recoverable amount. The carrying amount is impaired and the non-financial asset is written down to its recoverable amount with the related impairment loss recognised in the statement of comprehensive income. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGUs (or groups of units) and then to reduce the carrying value of the other assets in the unit (or groups of units) on a pro rata basis.

An impairment loss for a non-financial asset is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Impairment losses in respect of goodwill are not reversed.

Impairment losses for non-financial assets recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

1.12 Share capital

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

1.13 Treasury shares

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

Dividends received on treasury shares are eliminated on consolidation. Treasury shares are treated as a deduction from the weighted average number of shares in issue.

Accounting policies continued

1. Material accounting policy information continued

1.14 Lease liabilities

The Group enters into various lease agreements as the lessee of property, equipment and vehicles. Where lease agreements convey the right to control the use of underlying leased assets, the Group recognises the present value of future lease payments under the lease as lease liabilities.

Initial recognition

At the date when the Group gains the right to control the use of underlying leased assets, referred to as the commencement date, the Group measures the lease liability at the present value of the lease payments to be made over the lease term, discounted at an applicable discount rate.

Lease terms are negotiated on an individual basis and contain a wide range of terms and conditions. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised. Judgement is applied in determining the likelihood of exercising extension or termination options in determining the lease period.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed payments), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised or termination options reasonably certain not to be exercised. Variable lease payments are initially measured using the index or rate at the commencement date.

Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the Group's incremental borrowing rate is used. The incremental borrowing rate is the rate that the Group would have to pay to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

The discount rate used for the Group's commercial vehicle fleet is the interest rate implicit in the lease agreement. All other lease payments are discounted using the Group's incremental borrowing rate specific to the lease term, currency and commencement date of the lease. Incremental borrowing rates are based on a series of inputs including the prime rate, the repo rate and credit risk adjustments.

The Group accounts for non-lease components together with the lease component to which it relates as a single lease component.

Subsequent measurement

Lease liabilities are subsequently measured at amortised cost using the effective interest method, whereby the carrying value is increased by effective interest incurred and reduced by future lease payments. Interest costs are recorded in the statement of comprehensive income.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments of lease payments based on an index or rate take effect, the lease liability is remeasured with a corresponding adjustment to the right-of-use asset. Further remeasurements occur when there is a change in future lease payments resulting from a rent review.

Lease terms are reassessed when there is a significant event or change in circumstance that is within the Group's control and affects the Group's ability to exercise or not to exercise the option to renew or to terminate. Significant events could include a change in the Group's assessment of whether it is reasonably certain to exercise a renewal or termination options, the incurrences of unanticipated significant leasehold improvements or the negotiation of unanticipated lease incentives. Upon the occurrence of the significant event, lease liabilities are remeasured with a corresponding adjustment to the related right-of-use assets, or to the statement of comprehensive income if the right-of-use asset carrying value is nil.

Derecognition

Lease liabilities are derecognised upon the Group's loss of control of the leased assets. Gains or losses on derecognition are determined by comparing the carrying value of corresponding right-of-use assets with the carrying value of lease liabilities and are recognised directly in the statement of comprehensive income.

Variable lease payments

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

Leasing of low-value assets and short-term leases

The Group elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying assets is of low value (low-value assets).

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss.

Accounting policies continued

1. Material accounting policy information continued

1.15 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Initial recognition and measurement

The classification of the Group's financial instruments at initial recognition depends on the financial instrument's contractual cash flow characteristics and the Group's model for managing them. The Group manages its financial assets in order to generate cash flows, by determining whether cash flows will result from collecting cash flows, selling the financial asset, or both, and whether the contractual cash flows are solely payments of principal amounts and interest.

The Group classifies its financial instruments into the following categories: financial assets at amortised cost, financial instruments at fair value through other comprehensive income or loss, financial liabilities at amortised cost and derivatives designated as hedging instruments.

Financial instruments are recognised on trade date when the Group becomes a party to the contractual provisions of the instrument and are initially recognised at fair value, plus transaction costs for financial instruments not measured at fair value through profit or loss.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. Where there is no active market, the Group uses valuation techniques that are appropriate under the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the annual financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

Derecognition

Financial assets (or where applicable, a part of a financial asset or part of a group of similar financial assets) are derecognised if the Group's contractual rights to the cash flows from the financial assets expire or if the Group transfers the financial assets to another party without retaining control or substantially all risks and rewards of the asset.

Financial liabilities are derecognised if the Group's obligations specified in the contract expire, are discharged or are cancelled. The resulting differences between the carrying values on derecognition of the financial instrument and the amount received or paid is recognised in the statement of comprehensive income.

Offsetting

Financial assets and financial liabilities are offset, and the net amount reported in the statement of financial position, when the Group has a legally enforceable right to offset the recognised amounts, and intends either to settle on a net basis, or to realise the assets and settle the liability simultaneously.

Subsequent measurement

Financial assets at amortised cost

The Group measures financial assets at amortised cost if both the following conditions are met:

- The financial asset is held with the objective to hold the financial asset in order to collect contractual cash flows; and
- The contractual terms of the financial asset give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost include trade and other receivables, cash and cash equivalents, amounts owing by related parties and loans.

Trade and other receivables and loans

Trade and other receivables and loans are measured at amortised cost, using the effective interest method, less impairment losses. Trade and other receivables mainly comprise trade debtors. The effective interest method amortisation is included in finance income in the statement of comprehensive income. Loans mainly comprise employee loans with maturity dates of more than 12 months after the reporting date.

Accounting policies continued

1. Material accounting policy information continued

1.15 Financial instruments continued

Subsequent measurement continued

Cash and cash equivalents

Cash and cash equivalents are measured at amortised cost, using the effective interest method, less accumulated impairment losses. The effective interest amortisation is included in finance income or costs, as relevant, in the statement of comprehensive income. Cash and cash equivalents comprise cash on hand and amounts held on short-term deposit at financial institutions. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits net of outstanding overnight borrowings.

Amounts owing by related parties

Amounts owing by related parties are measured at amortised cost, using the effective interest method, less impairment losses. For the purpose of the statement of cash flows, amounts owing by related parties are considered cash and cash equivalents as the loan balances are held to meet the short term cash commitments of the Group and are highly liquid investments that are readily convertible to known amounts of cash with an insignificant risk of changes in value.

Financial assets at fair value through other comprehensive income

Financial instruments that are classified at fair value through other comprehensive income (OCI) are investments in equity instruments. The Group made an irrevocable election to present subsequent changes in the fair value of investments in equity instruments to other comprehensive income as they are neither held for trading nor contingent consideration recognised by the Group in a business combination to which IFRS 3 applies.

Investments in equity instruments are subsequently measured at fair value with unrealised gains or losses recognised in the statement of comprehensive income and recorded in the fair value reserve in the statement of changes in equity. When the investment is derecognised, the cumulative gain or loss is reclassified within equity, between the fair value reserve and retained earnings.

Financial liabilities at amortised cost

Financial liabilities at amortised cost comprise of lease liabilities, trade and other payables, borrowings, amounts owing to related parties and provisions for financial guarantee contracts.

Lease liabilities

Refer to note 1.14 for further information.

Trade and other payables

Trade and other payables are measured at amortised cost using the effective interest method. The effective interest amortisation is included in finance costs in the statement of comprehensive income. Trade and other payables mainly comprise trade payables for merchandise for resale and are all short term in nature.

Borrowings

Borrowings are measured at amortised cost using the effective interest method. The effective interest amortisation is included in finance costs in the statement of comprehensive income. The maturity date of each financial liability is dependent on the contractual terms of the related borrowing.

Amounts owing to related parties

Amounts owing to related parties are measured at amortised cost using the effective interest method. The effective interest method amortisation is included in finance income or costs in the statement of comprehensive income.

Derivatives designated as hedging instruments

The Group holds derivative financial instruments, being forward exchange contracts (FECs) that are designated as hedging instruments, in order to mitigate the risks associated with the firm commitment of purchasing imported inventory, defined as the hedged item.

The relationship between the FECs and the underlying inventory is classified as a cash flow hedge, as the FECs are used to hedge the variability in cash flows attributable to the foreign currency risks of importing inventory.

The hedge is deemed to be highly effective as the terms of the FEC match the terms of the purchase of imported inventory. The effective portion of the change in fair value of the FECs are recognised in other comprehensive income and accumulated in the cash flow hedging reserve within equity. The accumulated amount in the reserve is released to the statement of comprehensive income when the underlying inventory is sold. Where a forecast transaction is no longer expected to occur, the cumulative unrealised gain or loss is recognised immediately in the statement of comprehensive income.

FECs are measured at fair value and are carried as derivative financial assets when the fair value is positive and as derivative financial liabilities when the fair value is negative.

Accounting policies continued

1. Material accounting policy information continued

1.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made.

The Group recognises a provision for the estimated direct cost of settling all outstanding claims and legal disputes at period-end. The provision is determined by using established claims patterns. Full provision is made for the cost of claims reported but not yet settled at period-end by using the best information available.

1.17 Revenue

Revenue is recognised when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation.

Turnover

Revenue from the sale of goods, or turnover, comprises sales to customers through its owned stores and the Group's supply arrangements. All turnover is stated exclusive of value added tax.

Turnover is recognised at a point in time when the Group transfers control of goods to its customer at the point of sale and is measured at the consideration received or receivable, net of returns, trade discounts, loyalty discounts, and volume rebates. Discounts, rebates or loyalty payments to customers are deducted from turnover, unless it is directly funded by suppliers. Payment of the transaction price in respect of sale of goods is due immediately when the customer purchases goods and takes delivery.

Turnover recognised through deferred revenue transactions (prepaid gift cards) is not recognised at the time of the initial transaction, but is deferred and recognised as a contract liability (deferred revenue) when the consideration is received, and recognised as turnover over time when the Group's obligations are fulfilled.

Prepaid gift cards

Gift cards represent a prepaid value card which effectively can be redeemed as cash consideration against future purchases. The consideration allocated to prepaid gift cards is measured at the fair value of the consideration received in advance, adjusted for an expected forfeiture rate. Such consideration is not recognised as turnover at the time of the initial transaction, but is recognised as a deferred revenue liability until the prepaid gift card has been redeemed or when the Group's obligations have been fulfilled. The Group updates its estimates of forfeiture on a regular basis and any adjustments to the deferred revenue liability are recognised in turnover.

Commissions and other income

The Group acts as a payment office for the services provided by a variety of third parties to the Group's customers.

Commissions related to the sale of third-party products are recognised at a point in time, when the underlying third-party product is sold to the customer.

Other income is recognised as and when the Group satisfies its obligations in terms of the contract.

Finance income

Finance income is recognised as it accrues in the statement of comprehensive income, using the effective interest method, by reference to the principal amounts outstanding and at the interest rate applicable.

1.18 Finance costs

Finance costs incurred are recognised as an expense in the statement of comprehensive income and are accrued on an effective interest basis by reference to the principal amounts outstanding and at the interest rate applicable.

1.19 Taxes

Income tax on the profit or loss for the period comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised in other comprehensive income or directly in equity, in which case it is recognised in other comprehensive income or directly in equity.

Current tax

Current tax comprises tax payable calculated on the basis of the expected taxable income for the period using tax rates enacted or substantively enacted at the reporting date and any adjustment of tax payable for previous periods.

Accounting policies continued

1. Material accounting policy information continued

1.19 Taxes continued

Deferred tax

Deferred tax is recognised for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the tax base of the assets and liabilities at the reporting date.

Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill; the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit; and investments in subsidiaries to the extent that the holding company has the ability to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities using tax rates enacted or substantively enacted at the reporting date.

Deferred tax is recognised in the statement of comprehensive income, except to the extent that it relates to a transaction that is recognised directly in equity or other comprehensive income, or a business combination. The effect on deferred tax of any changes in tax rates is recognised in the statement of comprehensive income, except to the extent that it relates to items previously recognised in other comprehensive income or directly to equity, in which case it is recognised in other comprehensive income or directly in equity.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the associated unused tax losses and deductible temporary differences can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

1.20 Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service.

Accruals for employee entitlements to wages, salaries, bonuses and annual leave represent the amount which the Group has a present obligation to pay as a result of employees' services provided up to the reporting date. These accruals have been calculated at undiscounted amounts based on current wage and salary rates.

Share-based payment transactions

The share ownership programme enables Group employees to acquire shares in the Company, thereby treating them as equity-settled share-based payment transactions in the Group.

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

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

The fair value of options or awards with market performance conditions or non-vesting conditions is measured using an actuarial binomial option pricing model, taking into account the terms and conditions upon which the awards are granted.

No cumulative expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested, irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Certain Group employees were previously awarded Pick n Pay Stores (PIK) Limited share-based payment awards as a result of the Group being wholly-owned by the PIK Group. These were accounted for as cash-settled share-based payments by the Group. All outstanding PIK share-based payment awards as at 25 February 2025 were forfeited or vested during the current period. As at 02 March 2025, there are no exercisable or vesting PIK share-based payment awards held by Group employees.

Retirement benefits

The Group operates several retirement schemes comprising defined-contribution funds, the assets of which are held in trustee-administered funds.

Defined-contribution plans

A defined-contribution plan is a post-employment benefit plan under which the Group pays fixed contributions into a separate legal entity and will have no legal or constructive obligation to pay further amounts.

Obligations for contributions to defined-contribution retirement plans are recognised as an expense in the statement of comprehensive income when they are due.

Where the Group is responsible for providing retirement benefits to employees with a retirement scheme outside the Group, contributions are made on behalf of the employee and the cost is accounted for in the period when the services have been rendered.

Contributions to a defined-contribution plan that are made more than 12 months after the end of the period in which the employees render the services are discounted to their present value.

Accounting policies continued

1. Material accounting policy information continued

1.21 Expenses

Expenses, other than those dealt with under a specific accounting policy note, are recognised in the statement of comprehensive income when it is probable that an outflow of economic benefits associated with the transaction will occur and that it can be measured reliably.

Expenditure relating to advertising and promotional activities are recognised as an expense when the Group has received such services.

1.22 Dividends distributed to shareholder

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

1.23 Interest in joint operations

The Group recognises its interest in a joint operations, where it has joint control, in accordance with the rights and obligations arising from its involvement in the joint operation.

The Group recognises in relation to its interest its:

- Assets, including its share of any assets held jointly.
- Liabilities, including its share of any liabilities incurred jointly.
- Revenue from the sale of its share of the output arising from the joint operation.
- Share of the revenue from the sale of the output by the joint operation.
- Expenses, including its share of any expenses incurred jointly.

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

The Group has assessed the risks associated with its interest in the joint operation and has determined that there are no significant risks that could materially affect the Group's financial position, financial performance or cash flows.

1.24 Operating segments

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

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

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

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

The Group has one operating segment, namely Boxer Group, with no individual customer accounting for more than 10% of turnover.

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

1.25 Provision for financial guarantee contracts

Financial guarantee contracts for related parties are recognised as a financial liability at the time the entity becomes a party to an irrevocable commitment, with a corresponding decrease directly in equity. Financial guarantee contracts are initially measured at fair value and amortised over the life of the guarantee. The fair value is determined based on the probability of default of the Borrower, thereby estimating the value that the company may be liable for. Subsequent to initial recognition the financial guarantee is remeasured at period end and subsequently stated at the higher of the amount determined by the lifetime expected credit loss (ECL) model under the principles of IFRS 9: Financial Instruments, and the amortised carrying amount of the guarantee. Any difference between the redemption value guarantee obligation and the amount paid is recognised in the statement of comprehensive income, within merchandising and administration expenses.

1.26 Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to ordinary equity holders of the Group for the period by the weighted average number of shares in issue (excluding treasury shares).

Dilutive earnings per share is calculated by adjusting the profit attributable to ordinary equity holders of the Group, and the weighted average number of shares in issue, for the effects of all dilutive potential ordinary shares.

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

1.27 Net asset value per share

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

1.28 Events after reporting date

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

Notes to the Group annual financial statements

2. Revenue

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Revenue from contracts with customers	**42 656**	37 688
Turnover	**42 344**	37 419
Commissions and other income	**312**	269
Finance income	**91**	91
Bank balances and investments	**34**	22
Related party interest received (note 28.3)	**57**	69
	42 747	37 779

Revenue recognised during the period, recorded within turnover, from amounts included in deferred revenue at the beginning of the period amounted to R94 million (2024: R83 million). Refer to note 23.

3. Profit before tax

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Profit before tax is stated after taking into account the following expenses:		
3.1 Employee costs	**3 079**	2 586
Salaries, wages and staff benefits	**2 950**	2 492
Contributions to defined contribution plans (note 27)	**113**	101
Share-based payment expense/(reversal)	**16**	(7)
3.2 Audit fees*	**5**	2
3.3 Finance costs	**458**	342
Lease liabilities (note 9)	**412**	337
Related party interest paid (note 28.3)	**19**	–
Other interest paid	**27**	5

* *Audit fees paid relating to the IPO transaction costs included within equity were R9.9 million (refer to note 18).*

Notes to the Group annual financial statements continued

4. Directors' remuneration and interest in shares

4.1 Directors' remuneration

In the prior financial year in anticipation of the IPO, Boxer Superstores Proprietary Limited Group Annual financial statements were prepared to ensure that the current Annual financial statements would have comparative disclosures. Going forward, only the directors of Boxer Retail Group will be disclosed in the Group Annual financial statements.

	Fees for board meetings Rm	Fees for committee and other work Rm	Base salary Rm	Retirement and medical contributions Rm	Fringe and other benefits Rm	Total fixed remuneration Rm	Short-term performance bonus Rm	Total remuneration Rm	Long-term share awards charges – current period[1] Rm
53 weeks to 02 March 2025									
Executive directors[2]									
Marek Masojada	–	–	5.6	1.1	0.3	7.0	11.5	18.5	–
David Wayne	–	–	2.7	0.6	0.2	3.5	4.1	7.6	(0.2)
Non-executive directors[3]									
Charlotte Maponya	0.4	–	–	–	–	–	–	0.4	–
Cindy Robertson	0.2	0.3	–	–	–	–	–	0.5	–
Dineo Molefe	0.2	–	–	–	–	–	–	0.2	–
James Formby	0.8	–	–	–	–	–	–	0.8	–
Jesmane Boggenpoel	0.2	0.2	–	–	–	–	–	0.4	–
Leon Lourens	0.2	0.2	–	–	–	–	–	0.4	–
Lerena Olivier[4]	–	–	–	–	–	–	–	–	–
Sean Summers[5]	0.2	–	–	–	–	–	–	0.2	–
	2.2	0.7	8.3	1.7	0.5	10.5	15.6	29.0	(0.2)

1 *The long-term share awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments, and is measured on an equity-settled basis.*
2 *The Executive directors are employed and remunerated by Boxer Superstores (Proprietary) Limited, a subsidiary of the Boxer Retail Limited Group.*
3 *The Non-Executive directors have been remunerated by Boxer Retail Limited. The remuneration is from appointment date of 15 October 2024 to 02 March 2025.*
4 *Lerena Olivier was appointed as a director of Boxer Retail Limited on 26 August 2024. She resigned on 15 October 2024. During her tenure as a director no remuneration was earned and therefore no fees paid.*
5 *Sean Summers has ceded his directors fees to Pick and Pay Retailers Proprietary Limited.*

	Fees for board meetings Rm	Fees for committee and other work Rm	Base salary Rm	Retirement and medical contri-butions Rm	Fringe and other benefits Rm	Total fixed remu-neration Rm	Termination settlement[4] Rm	Total remu-neration Rm	Long-term share awards charges – current period[1] Rm
52 weeks to 25 February 2024									
Paid by Pick n Pay Stores Limited Group									
Gareth Ackerman	4.9	–	–	–	–	4.9	–	4.9	–
Sean Summers[2]	–	–	10.0	–	–	10.0	–	10.0	–
Lerena Olivier	–	–	5.7	0.3	–	6.0	–	6.0	(1.4)
Aboubakar Jakoet	0.5	0.5	–	–	–	1.0	–	1.0	–
Audrey Mothupi	0.5	0.5	–	–	–	1.0	–	1.0	–
Jeff van Rooyen[3]	0.6	–	–	–	–	0.6	–	0.6	–
Pieter Boone[4]	–	–	7.9	0.5	1.1	9.5	15.8	25.3	(11.6)
	6.5	1.0	23.6	0.8	1.1	33.0	15.8	48.8	(13.0)

1 *The long-term share awards expense or recoupment is determined in accordance with IFRS 2 Share-Based Payments, and was measured on an equity-settled basis in PIK.*
2 *Sean Summers was appointed 30 September 2023.*
3 *Jeff van Rooyen retired as a director effective from 19 July 2023.*
4 *Termination settlement in terms of contract of employment.*

Notes to the Group annual financial statements continued

4. Directors' remuneration and interest in shares continued

4.2 Directors' interest in shares

2025	How Held[1]	Balance held at 25 February 2024	Additions/Grants	Balance held at 02 March 2025	Beneficial/ non-beneficial interest[3]
Marek Masojada	Direct – LTIP[2]	–	521 040	521 040	Beneficial
David Wayne	Direct – LTIP[2]	–	210 896	210 896	Beneficial
James Formby	Indirect	–	7 000	7 000	Beneficial
Dineo Molefe	Direct	–	7 628	7 628	Beneficial

There have been no changes in the directors' interest in shares since 02 March 2025 up to the date of approval of the 2025 audited Group annual financial statements.

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

[2] *Direct – LTIP relates to the long term incentive plan share scheme, where shares not yet vested are held in escrow, refer to note 5 Share based payments.*

[3] *Beneficial interest represents an interest in shares in which a person is entitled to receive income payable in respect to that shareholding and/or obtain any benefit as a result of holding those shares. The total directors' beneficial interest in ordinary shares held amounts to 0.2% of total issued ordinary shares. Non-beneficial interest represents an interest in shares in which a person will not benefit directly as a result of holding those shares.*

4.3 Share awards granted to directors

2025	Calendar year granted	Award grant price R	Balance held at 25 February 2024	Granted/ (exercised)	Balance held at 02 March 2025
Long term incentive plan (LTIP)					
Marek Masojada					
Vesting 2027	2024	Nil	–	208 416	208 416
Vesting 2028	2024	Nil	–	312 624	312 624
			–	521 040	521 040
David Wayne					
Vesting 2027	2024	Nil	–	84 358	84 358
Vesting 2028	2024	Nil	–	126 538	126 538
			–	210 896	210 896

Notes to the Group annual financial statements continued

5. Share-based payments

Pick n Pay Stores Limited (PIK) Share options and Restricted Share Plan (RSP)

Certain Group employees were previously awarded PIK share options and PIK RSP shares as a result of the Group being wholly-owned by the PIK Group and certain of its employees being eligible to participate in the PIK employee share incentive schemes. These awards were accounted for as cash-settled share-based payments by the Boxer Group, in line with International Financial Reporting Standards. As at 02 March 2025, there are no exercisable or vesting PIK options or RSPs held by Boxer Group employees, refer below for further information.

5.1 Outstanding PIK share options

	53 weeks to 02 March 2025 Number of options 000's	52 weeks to 25 February 2024 Number of options 000's
Reconciliation of the total number of share options outstanding:		
At beginning of period	2 340	2 464
Options cancelled	(2 340)	–
Options forfeited	–	(124)
At end of period	–	2 340

The PIK share options held by qualifying Group employees had no intrinsic value ahead of the IPO, with grant prices below the market price of the PIK share. As a result, the share option awards no longer served their purpose and were formally cancelled during the year, with no value accruing to participants.

The weighted average grant price of share options are as follows:		
At beginning of period	R61.90	R62.03
Options forfeited	–	R64.49
At end of period	n/a	R61.90

5.2 Outstanding PIK restricted shares

	53 weeks to 02 March 2025 Number of options 000's	52 weeks to 25 February 2024 Number of options 000's
Reconciliation of the total number of PIK RSP outstanding:		
At beginning of period	1 289	1 699
Shares delivered to participants	(539)	(386)
Share awards forfeited	(750)	(24)
At end of period	–	1 289

Rights to PIK RSP shares were issued with a grant price of zero. The performance criteria in respect of the RSP awards due to vest in June 2025 were not fully met. As a result, and as directed by the PIK Remuneration Committee, a portion of the RSP share awards allocated to Group participants were forfeited.

	Rm	Rm
Share based payment liability as reflected in the statement of financial position:		
Non-current liability	–	8
Current liability	–	11
	–	19

Notes to the Group annual financial statements continued

5. Share-based payments continued

5.3 The Boxer Retail Limited (BOX) Long term incentive plan (LTIP)

The LTIP recognises executive and senior management employees of the Group who have a significant role to play in delivering the Group's strategy and ensuring the growth and sustainability of the Group. Through the attachment of performance conditions, the LTIP incentivises participating employees to deliver long-term earnings growth in line with the objectives of the Group. The LTIP is structured as a zero-strike forfeitable share plan in terms of which participants are beneficial owners of shares from the award date, but the shares are held in escrow and are subject to forfeiture restrictions until the vesting date. Dividends on LTIP shares are held, net of dividend withholding tax, by the escrow agent, until the vesting date and are paid in proportion to the vesting of the underlying award.

BOX shares (Admission Awards) were awarded under the LTIP during the current period have vesting periods of two or three years and have financial performance conditions attached. Performance conditions include growth in the Group's adjusted trading profit after leases (ATPAL) in relation to the rate of South African Consumer Price Index inflation (CPI), and a gatekeeper clause which specifies that the Group's return on invested capital (ROIC) must be greater than its weighted average cost of capital (WACC) over the vesting period. Vesting is dependent on service and performance conditions being met, subject to the discretion of the Group's remuneration committee within the LTIP scheme rules.

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

	53 weeks to 02 March 2025 Number of shares 000's	52 weeks to 25 February 2024 Number of shares 000's
Reconciliation of the total number of share awards:		
At beginning of period	–	–
Share awards granted	3 795	–
At end of period	3 795	–
Outstanding restricted shares vest during the following financial periods:		
2027	2 277	–
2028	1 518	–
	3 795	–

Notes to the Group annual financial statements continued

6. Property, plant and equipment

	Property Rm	Furniture, fittings, equipment and vehicles Rm	Leasehold improvements Rm	Total Rm
53 weeks to 02 March 2025				
Carrying value	313	2 960	534	3 807
Cost	323	4 476	880	5 679
Accumulated depreciation and impairment losses	(10)	(1 516)	(346)	(1 872)
Reconciliation of carrying value				
Carrying value at beginning of period:	277	2 660	531	3 468
Additions:	39	746	110	895
Expansion of operations	4	459	72	535
Maintaining operations	35	287	38	360
Depreciation	(3)	(483)	(105)	(591)
Impairment	–	(2)	–	(2)
Disposals	–	(20)	(4)	(24)
Purchase of operations (note 29)	–	59	2	61
Carrying value at end of period	313	2 960	534	3 807
52 weeks to 25 February 2024				
Carrying value	277	2 660	531	3 468
Cost	284	3 906	839	5 029
Accumulated depreciation and impairment losses	(7)	(1 246)	(308)	(1 561)
Reconciliation of carrying value				
Carrying value at beginning of period:	85	2 368	516	2 969
Additions:	193	731	120	1 044
Expansion of operations	193	378	117	688
Maintaining operations	–	353	3	356
Depreciation	(1)	(419)	(98)	(518)
Impairment	–	(1)	–	(1)
Disposals	–	(19)	(7)	(26)
Carrying value at end of period	277	2 660	531	3 468

Property includes land with an indefinite useful life, with a carrying value of R88 million (2024: R88 million).

The Group treats each trading store as a separate cash-generating unit (CGU) for impairment testing of property, plant and equipment.

The value-in-use for each CGU was determined using cash flow projections covering the relevant CGU's refurbishment cycles, which averages five years. The cash flow projections are based on financial budgets (informed by past experience and the expected performance on the retail market in the relevant areas) approved by management. The pre-tax discount rate applied to these cash flow projections, which reflects the specific risks of the relevant CGU, was 12.9% (2024: 14.5%). Cash flows for CGUs beyond these planning periods were extrapolated using an estimated growth rate of 5.0% (2024: 6.8%). Management believes that any reasonable possible change in key assumptions on which these CGU's recoverable amounts are based would not result in any additional significant impairment losses.

An impairment charge was recorded in relation to one CGU (2024: one CGU). This CGU is an individually owned store, which is not material to the Group's overall portfolio of stores. This impairment was as a result of a significant reduction in the future expected revenue of the CGU due to a weakening in the general economic conditions in which the CGU operates.

Notes to the Group annual financial statements continued

7. Intangible assets

	Goodwill Rm	Systems development Rm	Licences Rm	Total Rm
53 weeks to 02 March 2025				
Carrying value	258	79	–	337
Cost	258	126	–	384
Accumulated amortisation and impairment losses	–	(47)	–	(47)
Reconciliation of carrying value				
Carrying value at beginning of period:	252	81	1	334
Additions:	–	16	–	16
Maintaining operations	–	16	–	16
Amortisation/(reversal) of amount	–	(18)	4	(14)
Impairment	(2)	–	–	(2)
Disposals	(1)	–	–	(1)
Purchase of operations (note 29)	4	–	–	4
Reclassifications	5	–	(5)	–
Carrying value at end of period	258	79	–	337
52 weeks to 25 February 2024				
Carrying value	252	81	1	334
Cost	262	114	5	381
Accumulated amortisation and impairment losses	(10)	(33)	(4)	(47)
Reconciliation of carrying value				
Carrying value at beginning of period:	270	58	4	332
Additions:	–	42	–	42
Expansion of operations	–	–	–	–
Maintaining operations	–	42	–	42
Amortisation	–	(15)	(1)	(16)
Impairment	(10)	–	–	(10)
Disposals	(15)	(6)	–	(21)
Purchase of operations (note 29)	7	–	–	7
Reclassifications	–	2	(2)	–
Carrying value at end of period	252	81	1	334

Internally generated systems development intangible assets carrying values are R52 million (2024: R49 million) and intangible assets that have been acquired are R27 million (2024: R32 million).

The Group treats each trading store as a separate cash-generating unit (CGU) for impairment testing of intangible assets, including goodwill.

The value-in-use for each CGU was determined using cash flow projections covering the relevant CGU's refurbishment cycles, which averages five years. The cash flow projections are based on financial budgets (informed by past experience and the expected performance on the retail market in the relevant areas) approved by management. The pre-tax discount rate applied to these cash flow projections, which reflects the specific risks of the relevant CGU, was 12.9% (2024: 14.5%). Cash flows for CGUs beyond these planning periods were extrapolated using an estimated growth rate of 5.0% (2024: 6.8%). Management believes that any reasonable possible change in key assumptions on which these CGU's recoverable amounts are based would not result in any additional significant impairment losses.

An impairment charge was recorded in the current financial period which arose in one CGU (2024: one CGU). This CGU is an individual trading store, which is not material to the Group's overall portfolio of stores. This impairment was as a result of a significant reduction in the future expected revenue of the CGU due to a weakening in the general economic conditions in which the CGU operates.

The goodwill balance relates to various acquisitions of stores, none of which are significant in comparison to the Group's total carrying amount of goodwill.

Notes to the Group annual financial statements continued

8. Right-of-use assets

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Reconciliation of carrying value of right-of-use assets		
Carrying value at beginning of period	**3 312**	3 033
Additions	**1 178**	992
Depreciation	**(653)**	(620)
Property	**(604)**	(548)
Equipment and vehicles	**(49)**	(72)
Other movements*	**(167)**	(92)
Impairments	**(16)**	(1)
Carrying value at end of period	**3 654**	3 312
Comprising of:		
Property	**3 462**	3 188
Equipment and vehicles	**192**	124

* *Other movements include lease incentives received, remeasurements and terminations of leases.*

The Group treats each store as a separate CGU for impairment testing of right-of-use assets.

The value-in-use was determined using cash flow projections covering the relevant CGU's refurbishment cycles, which averages five years. The cash flow projections are based on financial budgets (informed by past experience and the expected performance on the retail market in the relevant areas) approved by management. The pre-tax discount rate applied to these cash flow projections, which reflects the specific risks of the relevant CGU, was 12.9% (2024: 14.5%). Cash flows for CGUs beyond these planning periods were extrapolated using an estimated growth rate of 5.0% (2024: 6.8%). Management believes that any reasonable possible change in key assumptions on which these CGU's recoverable amounts are based would not result in any additional significant impairment losses.

An impairment charge was recorded in relation to two CGUs (2024: one). These CGUs are individual trading stores, which are not material to the Group's overall portfolio of stores. These impairments were as a result of a significant reduction in the future expected revenue of the CGUs due to a weakening in the general economic conditions in which the CGU operates.

Notes to the Group annual financial statements continued

9. Lease liabilities

9.1 Reconciliation of lease liabilities

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
At beginning of period	**4 308**	3 937
Additions	**1 178**	992
Lease payments	**(958)**	(886)
Principal lease liability payments	**(613)**	(550)
Interest paid	**(345)**	(336)
Finance costs (note 3.3)	**412**	337
Other movements*	**(143)**	(72)
At end of period	**4 797**	4 308
Lease liabilities are presented in the statement of financial position as follows:		
Current	**647**	608
Non-current	**4 150**	3 700

* *Other movements include remeasurements and termination of leases*

9.2 Lease payments

Lease payments included in the measurement of lease liabilities (note 9.1)	**958**	886
Variable lease payments not included in the measurement of lease liabilities	**10**	11
Short-term and low value lease payments	**59**	53
	1 027	950

Certain property head leases contain variable payment terms linked to sales generated from retail owned stores, referred to as turnover rent. Turnover rent expense averages 1.7% (2024: 1.7%) of turnover.

9.3 Maturity analysis

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
The undiscounted contractual maturities of lease liabilities are as follows:		
Less than one year	**1 036**	948
One year to five years	**3 440**	2 994
Five to ten years	**2 051**	1 794
More than ten years	**182**	152
Total undiscounted lease liabilities	**6 709**	5 888
Finance costs to be incurred in future	**(1 912)**	(1 580)
Lease liabilities	**4 797**	4 308

Lease terms include any non-cancellable periods and reasonably certain extension options, and exclude reasonably certain termination options. Approximately 93% (2024: 95%) of the Group's portfolio of property leases contain extension options and approximately 5% (2024: 9%) contain termination options. The majority of extension and termination options held are exercisable by the Group and not by the respective lessor.

The average lease term of the Group's portfolio of qualifying leases for property are 10 years (2024: 9 years), and for equipment are 5 years (2024: 6 years).

Future lease payments are discounted at an average borrowing rate of 9.6% (2024: 8.6%).

Notes to the Group annual financial statements continued

10. Interest in joint operation

The Group holds interests in two joint arrangements:

1. The Apex Distribution Centre (DC) Consortium (Benoni DC):

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

2. The Whetstone DC Consortium (Tongaat DC):

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

The following are the share of the Group's assets:

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Interest in Joint Operation		
Apex DC Consortium		
Land	**23**	23
Building	**70**	72
Whetstone DC Consortium		
Land	**25**	49
Building	**106**	46

Land and buildings for the current and prior year are reflected in note 6 as this is held directly by the Boxer Group.

11. Loans

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Employee loans	**1**	3
Other loans	**133**	117
Total loans	**134**	120
Loans are presented in the statement of financial position as follows:		
Non-current	**126**	120
Current	**8**	–

Loans to employees bear interest at varying rates averaging 4.0% (2024: 6.9%) per annum and have varying repayment terms.

Other loans relate to bridging finance for landlords with repayment terms between two and ten years and average interest rates linked to the South African prime rate, averaging at a rate of 13.1% (2024: 12.0%).

Notes to the Group annual financial statements continued

12. Deferred tax

The movement in deferred tax assets are as follows:

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
At beginning of period	**144**	147
Recognised in the statement of comprehensive income (note 24.1)	**21**	(3)
Property, plant and equipment and intangible assets	**(44)**	(55)
Income and expense accruals	**23**	27
Prepayments	**2**	–
Leases	**40**	25
At end of period	**165**	144
Comprising:		
Property, plant and equipment and intangible assets	**(323)**	(279)
Income and expense accruals	**189**	166
Prepayments	**(10)**	(12)
Leases	**309**	269
	165	144

13. Investment in Pick n Pay Stores Limited

	Number of shares	Cost Rm	Fair value adjustment Rm	Carrying value Rm
53 weeks to 02 March 2025				
Balance at beginning of period	**1 699 500**	**99**	**(59)**	**40**
Movements for the period	**(1 699 500)**	**(99)**	**54**	**(45)**
Shares delivered to RSP participants (note 5)	**(539 000)**	**(29)**	**15**	**(14)**
Sale to related party	**(1 160 500)**	**(70)**	**39**	**(31)**
Fair value remeasurement	**–**	**–**	**5**	**5**
Balance at end of period	**–**	**–**	**–**	**–**
52 weeks to 25 February 2024				
Balance at beginning of period	2 086 000	115	(20)	95
Movements for the period	(386 500)	(16)	9	(7)
Shares delivered to RSP participants (note 5)	(386 500)	(16)	9	(7)
Fair value remeasurement	–	–	(48)	(48)
Balance at end of period	1 699 500	99	(59)	40

The investment in Pick n Pay Stores Limited shares is carried at fair value through other comprehensive income, which is measured at the market value of Pick n Pay Stores Limited shares, listed on the Johannesburg Stock Exchange.

No shares were purchased by the Group during the current or prior period.

Following the Group's exit from the Pick n Pay Stores Limited's option and RSP schemes, all remaining shares in Pick n Pay Stores Limited were sold, as the Group implemented its own share scheme (refer to note 5).

Notes to the Group annual financial statements continued

14. Inventory

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Merchandise for resale	3 429	3 297
Provision for shrinkage, obsolescence and mark down of inventory	(69)	(84)
Consumables	18	18
	3 378	3 231

15. Trade and other receivables

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Gross trade and other receivables	469	392
Trade receivables from contracts with customers	346	231
Prepayments	57	72
Other receivables	66	89
Allowance for impairment losses	(11)	(10)
Trade receivables from contracts with customers	(7)	(7)
Other receivables	(4)	(3)
Net trade and other receivables	458	382

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

Other receivables mainly comprise of sundry debtors and property debtors.

15.1 Allowance for impairment losses

Impairment losses are recorded in the allowance account until the Group is satisfied that no recovery of the amount owing is possible, at which point the amount is considered irrecoverable and is written off against the financial asset directly. Impairment losses have been included in the statement of comprehensive income.

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

	Trade and other receivables Rm	Trade receivables from contracts with customers Rm	Other receivables Rm
53 weeks to 02 March 2025			
At beginning of the period	10	7	3
Additional impairment losses recognised	9	6	3
Prior allowances for impairment reversed	(8)	(6)	(2)
At the end of the period	11	7	4
52 weeks to 25 February 2024			
At beginning of the period	12	12	–
Additional impairment losses recognised	6	2	4
Prior allowances for impairment reversed	(8)	(7)	(1)
At the end of the period	10	7	3

Notes to the Group annual financial statements continued

15. Trade and other receivables continued

15.2 Credit risk exposure

Set out below is the credit risk exposure on the Group's trade and other receivables. The expected credit loss (ECL) relating to trade and other receivables within payment terms is insignificant as a result of the credit quality of these debtors, the stringent credit granting policies and the various forms of security and collateral held by the Group. Refer to note 26 for the Group's credit risk management disclosure.

	Gross receivables Rm	Within payment terms Rm	Exceeding payment terms by more than 14 days Rm
53 weeks to 02 March 2025	**412**	368	44
Trade receivables from contracts with customers	**346**	340	6
Other receivables	**66**	28	38
52 weeks to 25 February 2024	320	302	19
Trade receivables from contracts with customers	231	222	9
Other receivables	89	80	10

16. Cash and cash equivalents

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Cash and cash equivalents in the statement of financial position	**466**	349
Related party loan receivable (note 17.1)	**331**	1 335
Cash and cash equivalents in the statement of cash flows	**797**	1 684

Cash and cash equivalents includes cash floats at stores as well as the Group's current account balance. The Group's primary bankers, which at period-end had long-term credit ratings of zaAA, facilitates the collection of cash at stores, provides general banking facilities and facilitates the payment of suppliers via an electronic banking platform. The interest rate on the current and call account balances in South Africa is 7.2% (2024: 7.2%) and in Eswatini is 3.6% (2024: 4.0%). Refer to note 26.4.

17. Amounts owing by/(to) related parties

The amounts owing by/to related parties are unsecured and are repayable on demand. Due to the repayment terms, fair value is considered to approximate the carrying value. Refer to note 26.4 for further details, including applicable interest rates charged/earned on related party balances. For the purpose of the statement of cash flows, amounts owing by related parties are considered cash and cash equivalents as the loan balances are held to meet the short term cash commitments of the Group and are highly liquid investments that are readily convertible to known amounts of cash with an insignificant risk of changes in value.

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

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
17.1 Amounts owing by related party		
Pick n Pay Retailers Proprietary Limited	**331**	1 335
	331	1 335
17.2 Amounts owing to related parties		
Boxer Holdings Proprietary Limited	**–**	(163)
Pick n Pay Retailers Proprietary Limited	**(127)**	(1 334)
	(127)	(1 497)
17.3 Net amount owing by/(to) related parties	**204**	(162)

Notes to the Group annual financial statements continued

17. Amounts owing by/(to) related parties continued

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
17.4 Reconciliation of carrying value of amounts owing to related parties:		
At the beginning of the period	**(1 497)**	(1 663)
Movements:		
Non-cash movements	**(11)**	(289)
Loans received by the Group	**(11)**	(289)
Cash movements for the period	**1 381**	455
Loans received by Group	**(966)**	–
Loans repaid by Group	**2 347**	455
At the end of the period (note 17.2)	**(127)**	(1 497)

18. Share capital

	53 weeks to 02 March 2025 R'000	52 weeks to 25 February 2024 R'000
Authorised		
1 000 000 000 (2024 : n/a) ordinary no par value shares	**–**	–
Issued		
457 407 408 (2024: 299 999 000) ordinary no par value shares	**8 203 213**	171

During the period, the Group underwent an initial public offering (IPO) and listing on the Johannesburg Stock Exchange (JSE). Prior to the IPO, a dividend of R8 160 million was declared to the Group's sole shareholder, the Pick n Pay Stores Limited group (Pre-IPO Dividend). The Group issued 157 million shares for the IPO, which raised net proceeds of R8 157 million, after costs of R343 million. The Pre-IPO Dividend and the equity reclassifications resulting from the reorganisation under common control were recognised in the Common Control Reserve within equity.

The formation of the Group during the current period was a reorganisation under common control whereby the Group's consolidated financial statements are a continuation of the previous Boxer Superstores Proprietary Limited Group, with an equity reclassification at acquisition date to reflect the capital structure of the Company. Furthermore, the prior year number of ordinary shares in issue have been adjusted retrospectively as Boxer Retail Limited was established as the Group's holding company by means of a share exchange.

The unissued shares remain under the control of the directors until the next annual general meeting.

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.

The Company can issue new shares to settle the Group's obligations under its LTIP scheme (refer to note 5), but issues in this regard are limited to 5% (2024: not applicable) of issued shares. To date, 3 794 515 (2024: nil) shares have been issued, resulting in 19 075 855 (2024: nil) shares remaining for this purpose.

Notes to the Group annual financial statements continued

19. Treasury shares

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
At beginning of the period	–	–
Additions during the period	205	–
At end of period	205	–
	000's	000's
The movement in the number of treasury shares held is as follows:		
At beginning of the period	–	–
Additions during the period	3 796	–
At end of period	3 796	–

The addition of treasury shares of the Group was through a new issue of shares purchased by a Group subsidiary for the purposes of the Group LTIP (refer to note 5).

20. Borrowings

The Group raised interest bearing borrowings during the current financial period.

The loans are unsecured, repayable in a single bullet payment on 25 October 2029 and bear interest at the 3 month Jibar plus 180 basis points. The average rate for the year was 9.6% p.a.

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Total interest bearing borrowings:		
Absa Bank Limited	510	–
FirstRand Bank Limited	340	–
	850	–
Non-current	850	–
Current	–	–
Reconciliation of carrying value of borrowings:		
At the beginning of the period	–	–
	–	–
Non-cash movements	17	–
Finance charges	17	–
Cash movements for the period	833	–
Borrowings raised	850	–
Finance charges paid	(17)	–
At the end of the period	850	–

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

The Group has met all covenant requirements for the year.

	Required	53 weeks to 02 March 2025	52 weeks to 25 February 2024
Net debt to EBITDA	<2.5	**0.1**	n/a
Interest cover	>3.5:1	**7.2:1**	n/a

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

Notes to the Group annual financial statements continued

21. Trade and other payables

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Trade and other payables	4 755	4 612

Trade and other payables that are financial instruments are settled within an average of 35 days (2024: 37 days). Included in trade and other payables are leave pay obligations and value-added tax (VAT) which are not financial instruments. Refer to note 26 for more information on financial instruments.

22. Provisions

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
At the beginning of the period	49	43
Additional provisions raised during the period	9	8
Utilised amounts (incurred or changes against the provision)	(1)	(2)
At the end of the period	57	49

Provisions relate to outstanding claims and legal disputes arising in the ordinary course of business. In management's opinion, any adverse outcome of pending claims will not have a material adverse effect on the financial condition or future operations of the Group.

The Group does not have any material contingent liabilities.

23. Deferred revenue

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Prepaid gift card liability	116	91
Refund liability	3	3
	119	94

Prepaid gift card liability

Gift cards can be redeemed as cash against future purchases, are redeemable on demand and expire 3 years after last date used. The balance outstanding at period end represents the fair value of the revenue received in advance.

Refund liability

Customers are entitled to return goods purchased within a specified period of time, for a full or partial refund of the amount paid. The refund liability represents the amount of consideration that the Group does not expect to be entitled to because it will be refunded to customers within the next financial period. In addition, the Group recognised a right of return asset of R3 million (2024: R2 million) for its right to recover goods returned by the customer.

Notes to the Group annual financial statements continued

24. Income tax

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
24.1 Tax recognised in profit or loss		
Normal tax	546	435
Current period	548	440
Prior period over provision	(2)	(5)
Deferred tax (note 12)	(21)	3
	525	438
24.2 Tax paid comprises:		
Payable – beginning of period	290	262
Recognised in profit or loss	546	435
Payable – end of period	(86)	(290)
Total tax paid	750	407
	%	%
24.3 Reconciliation of effective tax rate		
South African statutory tax rate	27.0	27.0
Impact of financial guarantee	–	(2.0)
ETI allowances exempt income	(0.9)	(1.2)
Learnership and other allowances	(0.2)	(0.6)
Non-deductible impairment loss on intangible assets	–	0.2
Impact of share based payments	0.1	(0.6)
Non-deductible leasehold improvement depreciation	1.5	1.4
Other non-deductible expenditure	0.1	–
Net prior period over provision	(0.1)	(0.2)
Effective tax rate	27.5	24.0

25. Commitments

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Authorised capital expenditure		
Contracted for:	256	715
Furniture, fittings, equipment and vehicles	251	680
Intangible assets	5	35
Not contracted for	895	622
Property	45	75
Furniture, fittings, equipment and vehicles	850	497
Intangible assets	–	50
Total commitments	1 151	1 337

All capital expenditure is anticipated to be funded from internally generated cash.

Notes to the Group annual financial statements continued

26. Financial instruments

The Group's principal financial assets include loans, investments in equity instruments, trade and other receivables, cash and cash equivalents, amounts owing by related parties and derivatives designated as hedging instruments. The Group's principal financial liabilities comprise lease liabilities, refund liabilities, trade and other payables, borrowings, amounts owing to related parties and provision for financial guarantee contracts. The Group holds fair value through other comprehensive income financial instruments and enters into derivative transactions which comprises of forward foreign exchange rate contracts (FEC) to hedge future foreign currency exposures. Where all relevant criteria are met, hedge accounting is applied, to remove the accounting mismatch between the hedging instrument and the hedged item.

The Group is exposed to credit, market and liquidity risk due to the effects of changes in debt, exchange rates and interest rates experienced in the normal course of business. The Group's objective is to effectively manage each of the risks associated with its financial instruments in order to minimise the potential adverse effect on the financial performance and position of the Group.

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

26.1 Financial assets and financial liabilities by category

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

	Financial assets at fair value through OCI Rm	Financial assets at amortised cost Rm	Financial liabilities at amortised cost Rm	Total Rm
53 weeks to 02 March 2025				
Financial assets				
Loans (note 11)	–	134	–	134
Trade and other receivables (note 15)	–	401	–	401
Cash and cash equivalents (note 16)	–	466	–	466
Amounts owing by related parties (note 17.1)	–	331	–	331
	–	1 332	–	1 332
Financial liabilities				
Amounts owing to related parties (note 17.2)	–	–	127	127
Trade and other payables (note 21)	–	–	4 618	4 618
Lease liabilities (note 9)	–	–	4 797	4 797
Borrowings (note 20)	–	–	850	850
Refund liability (note 23)	–	–	3	3
	–	–	10 395	10 395
52 weeks to 25 February 2024				
Financial assets				
Loans (note 11)	–	120	–	120
Investment in Pick n Pay Stores Limited shares (note 13)	40	–	–	40
Trade and other receivables (note 15)	–	310	–	310
Cash and cash equivalents (note 16)	–	349	–	349
Amounts owing by related parties (note 17.1)	–	1 335	–	1 335
	40	2 114	–	2 154
Financial liabilities				
Amounts owing to related parties (note 17.2)	–	–	1 497	1 497
Trade and other payables (note 21)	–	–	4 297	4 297
Lease liabilities (note 9)	–	–	4 308	4 308
Refund liability (note 23)	–	–	3	3
Provision for financial guarantee contracts (note 30)	–	–	7	7
	–	–	10 112	10 112

Notes to the Group annual financial statements continued

26. Financial instruments continued

26.2 Credit risk

Credit risk is the risk of financial loss to the Group if a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets, which potentially subject the Group to credit risk, consist principally of cash and cash equivalents, trade and other receivables, loans and amounts owing by related parties.

Cash and cash equivalents

The Group's cash is placed with major South Africa, Eswatini and international financial institutions of high credit, which at period end had a high credit standing and had a long-term credit rating of zaAA (refer to note 16).

Trade and other receivables

Trade and other receivables mainly relates to trade debtors and are presented net of allowance for credit losses (refer to note 15). Majority of trade and other receivables are within payment terms and are therefore considered to have low credit risk.

Loans

Loans mainly comprise employee loans and landlord loans in line with the Group's credit policy. Loans are granted after reviewing the credit worthiness of each employee and landlord (refer to note 11). Majority of loans are secured and are considered to have low credit risk.

Amounts owing by related parties

The amounts owing by related parties are unsecured and are repayable on demand. Due to the repayment terms, fair value is considered to approximate the carrying value.

Amounts owing by related parties mainly comprises of loans granted by the Group to related parties and is presented net of impairment losses (refer to note 17.1).

26.3 Market risk management

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk (such as equity price risk). Financial instruments affected by market risk include loans, lease liabilities, borrowings, amounts owing by/to related parties, cash and cash equivalents, fair value through OCI financial instruments and derivative financial instruments. The objective of market risk management is to manage and control exposure to market risk, while optimising the return on the risk.

26.3.1 Currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities.

Transactional currency risk – FECs

The Group has transactional currency exposures arising from the acquisition of goods and services in currencies other than its functional currency. The Group operates internationally and is exposed to currency risk through the importation of merchandise, however it does not have material foreign creditors and in certain cases the Group utilises FECs to mitigate its foreign exchange risks from the import of inventory.

The Group's FECs have been designated as cash flow hedges of firm commitments. All firm commitments are expected to be realised within 12 months.

An economic relationship exists between the hedged items and the hedging instruments. The Group has established a hedge ratio of 1:1, as the terms of the FECs match the terms of the firm commitments. To test hedge effectiveness, the Group uses the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items attributable to the hedged risks.

The effective portion of the gain or loss on the hedging instrument is recognised in other comprehensive income in the cash flow hedge reserve. During the period under review, R312 106 (2024: R71 237) was reclassified to cost of sales in the statement of comprehensive income.

Transactional currency risk – foreign cash balances, trade and other receivables, trade and other payables.

The Group has exposure to foreign currency translation risk through its foreign cash balances, trade and other receivables and trade and other payables denominated in currencies other than the South African rand. These balances are immaterial in relation to the total of the line items they are included in. These risks are not hedged.

Sensitivity of the Group's exposure to material foreign currencies is estimated by assessing the impact of a reasonable expected movement of the currencies on the statement of comprehensive income, statement of financial position and statement of changes in equity of the Group. A sensitivity analysis is not presented as the estimated impact of the expected movement in currencies is immaterial.

Notes to the Group annual financial statements continued

26. Financial instruments continued

26.4 Interest rate risk management

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

The interest rates on financial instruments at the end of the period are:

	53 weeks to 02 March 2025 %	52 weeks to 25 February 2024 %
Financial assets		
Employee loans (note 11)	**4.0**	4.0 – 6.9
Other loans (note 11)	**13.1**	12.0
Cash and cash equivalents (note 16)	**3.6 – 7.2**	4.0 – 7.2
Amount owing by related party	**–**	0.0 – 9.1
Financial liabilities		
Lease liabilities (note 9)	**9.6**	8.6
Borrowings (note 20)	**9.6**	–
Amounts owing to related parties	**–**	0.0 – 9.1

Sensitivity of the Group's exposure to interest rate risk is estimated by assessing the impact of a reasonable expected movement in the relevant interest rates on the statement of comprehensive income and statement of changes in equity of the Group based on the period end closing balances. Interest rates could reasonably be expected to change by 1% up or down (2024: changed by 1% up or down). This range has been used in our sensitivity analysis, as set out below.

	2025		2024	
	1% decrease Rm	1% increase Rm	1% decrease Rm	1% increase Rm
Total effect on net finance charges	**4**	**(4)**	(14)	14

26.5 Market value risk

The Group had an investment in Pick n Pay Stores Limited shares classified as financial asset at fair value through other comprehensive income. The fair value of these financial instruments are derived from quoted market prices in an active securities market.

At the reporting date, the Group's exposure to these listed equity securities at fair value was Rnil (2024: R40 million). An increase/decrease of 10% on the JSE market index could have had an impact of approximately R4 million on total comprehensive income in the prior year.

Notes to the Group annual financial statements continued

26. Financial instruments continued

26.6 Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group manages this risk by maintaining adequate reserves and unutilised borrowing facilities (listed below) and by continuously monitoring forecasted and actual cash flows, ensuring that the maturity profiles of financial assets and liabilities do not expose the Group to liquidity risk.

On average, trade and other receivables and inventory are realised within 40 days (2024: 39 days) and trade and other payables are settled within 35 days (2024: 37 days). To the extent that the Group requires short-term funds, it utilises the banking facilities available and lease liabilities are used to fund right-of-use-assets.

The table below presents the Group's utilisation of its FEC facilities.

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Unutilised FEC facilities		
Total available facilities	71	71
Utilisation of FEC	(26)	(18)
	45	53
Unutilised borrowing facilities		
Available working capital facility	2 000	–
Utilised	–	–
	2 000	–

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

	Carrying amount Rm	Contractual cash flows Rm	Within 1 year Rm	Over 1 year and within 5 years Rm	Over 5 years and within 10 years Rm	More than 10 years Rm
53 weeks to 02 March 2025						
Lease liabilities (note 9)	4 797	6 709	1 036	3 440	2 051	182
Trade and other payables (note 21)	4 618	4 618	4 618	–	–	–
Borrowings (note 20)	850	1 230	81	1 148	–	–
Amounts owing to related parties (note 17.2)	127	127	127	–	–	–
Refund liability (note 23)	3	3	3	–	–	–
Total financial obligations	10 395	12 687	5 865	4 588	2 051	182
52 weeks to 25 February 2024						
Lease liabilities (note 9)	4 308	5 888	948	2 994	1 794	152
Trade and other payables (note 21)	4 297	4 297	4 297	–	–	–
Amounts owing to related parties (note 17.2)	1 497	1 497	1 497	–	–	–
Provision for financial guarantee contracts (note 30)	7	7	–	7	–	–
Refund liability (note 23)	3	3	3	–	–	–
Total financial obligations	10 112	11 692	6 745	3 001	1 794	152

Notes to the Group annual financial statements continued

26. Financial instruments continued

26.7 Fair value of financial instruments

All financial instruments held by the Group are measured at amortised cost, with the exception of the investment in Pick n Pay Stores Limited which was measured at fair value through OCI and derivatives designated as hedging instruments. The carrying value of financial instruments held at amortised cost approximates their fair value.

Financial instruments measured at fair value are classified using a 3 level hierarchy to rank inputs used in measuring fair value. The levels are explained below:

Level 1 – quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 – valuation techniques for which the lowest level of input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 – valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data, where it is available, and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
The fair values of financial instruments are as follows:		
Financial assets at fair value through OCI		
Investment in Pick n Pay Stores Limited – Level 1	**–**	40
Derivative financial instruments (designated as hedging instruments)		
Forward exchange contract assets/(liabilities) – Level 2	**–**	–

The fair value of the investment in the Pick n Pay Stores Limited shares are derived from quoted market prices in an active securities market.

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts are valued using a forward pricing model utilising present valuation techniques, allowing for counterparty credit risk.

There have been no transfers between Level 1, Level 2 and Level 3 of the fair value hierarchy during the period.

26.8 Capital management

Boxer's capital management strategy is to maintain investor, creditor and market confidence and to sustain future growth by capital re-investment in the business. Capital is represented by total shareholders' equity as per the statement of financial position. The Group's capital management objectives are to safeguard the Group's ability to continue as a going concern in order to provide shareholder returns, as well as benefits to all stakeholders. The Group's lean business model provides a high return on capital, and Boxer is focussed on sustaining these high returns by ensuring future capital investment continues to provide high incremental returns on capital. The Group take a cautious approach to debt, as it values the operational flexibility this allows, and believes that this operational flexibility will maximise shareholder value over the long run.

The Board of directors is ultimately responsible for capital management.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Key changes to capital management during the period include securing bank debt in the Group's own name as part of the IPO restructuring (refer to note 36), and also amended dividend policy, with the adoption of a payout policy of 40% of Headline earnings post the IPO.

27. Retirement benefit information

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

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

Notes to the Group annual financial statements continued

28. Related party disclosure

28.1 Identity of related parties

Boxer Retail Group is a partly-owned subsidiary of Pick n Pay Retailers Proprietary Limited. The ultimate holding company is Pick n Pay Stores Limited. Both holding companies are registered in South Africa.

Current directors		
Charlotte Maponya	Lead Independent non-executive	Appointed: 15 October 2024
Cindy Robertson	Independent non-executive	Appointed: 15 October 2024
David Wayne	Executive – Chief Finance Officer	Appointed: 15 October 2024
Dineo Molefe	Independent non-executive	Appointed: 15 October 2024
James Formby	Non-executive Chairperson	Appointed: 9 October 2024
Jesmane Boggenpoel	Independent non-executive	Appointed: 15 October 2024
Leon Lourens	Independent non-executive	Appointed: 15 October 2024
Marek Masojada	Executive – Chief Executive Officer	Appointed: 15 October 2024
Sean Summers	Non-executive	Appointed: 20 August 2024
Company secretary		
Vaughan Pierce	Company Secretary	Appointed: 15 October 2024

Refer to note 4 for details of directors remuneration.

The Group contains the following noteworthy wholly-owned subsidiaries:

- Boxer Superstores Proprietary Limited, incorporated in South Africa, and
- Boxer Superstores Eswatini Limited, incorporated in Eswatini.

28.2 Key management personnel

Key management personnel are those directors and key employees who have authority and responsibility for planning, directing and controlling the activities of the Group. No key management personnel had a material interest in any contract of any significance for the Group during the period under review. Remuneration, as paid by companies within the Boxer Retail Limited Group is detailed below:

	53 weeks to 02 March 2025 Rm
Key management personnel remuneration comprises:	
Base salary	8.3
Retirement and medical aid contributions	1.7
Fringe and other benefits	0.5
Bonus and gratuity	15.6
	26.1
Fees for board meetings, committee and other work	2.9
Total remuneration	29.0
Gain relating to share award granted	(0.2)

The key management personnel included above are the directors of Boxer Retail Group. The expenses for the Non-Executive Directors are from date of appointment of 15 October 2024 to 02 March 2025. The share expense relate to PIK Share options, PIK RSP and LTIP.

Notes to the Group annual financial statements continued

28. Related party disclosure continued

28.2 Key management personnel continued

The prior year key management personnel remuneration disclosed below was for the key management of the Pick n Pay Stores Limited Group and was for a full year. The share expenses relate to the PIK share options and PIK RSP.

	52 weeks to 25 February 2024 Rm
Key management personnel remuneration comprises:	
Base salary	28.2
Retirement and medical aid contributions	1.7
Fringe and other benefits	1.4
Bonus and gratuity	7.0
	38.3
Fees for board meetings, committee and other work	7.5
Total remuneration	45.8
Gain relating to share award granted	(9.6)

28.3 Material related party transactions

The Group entered into a variety of transactions with related parties. The transactions are entered into in the normal course of business. The following material transactions occurred during the period:

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Dividends declared		
Boxer Holdings Proprietary Limited	9 260	290
Dividends paid		
Boxer Holdings Proprietary Limited	9 260	–
Interest received		
Pick n Pay Retailers Proprietary Limited	57	69
Interest paid		
Pick n Pay Retailers Proprietary Limited	19	–
Trading expenses		
Pick n Pay Retailers Proprietary Limited		
– Rental	9	–
– Shared service	20	–

Refer to note 13 for sale of PIK shares to Pick n Pay Retailers Proprietary Limited.

Refer to note 29 for purchases of operations from Pick n Pay Retailers Proprietary Limited.

Refer to note 30 for information relating to the financial guarantee in favour of Pick n Pay Retailers Proprietary Limited extinguished in the current period.

28.4 Related party balances

Refer to note 17 for details of amounts owing by/(to) related parties and to note 30 for detail on the related party financial guarantee contracts.

Notes to the Group annual financial statements continued

29. Purchase of operations

During the period under review, the Group acquired eight (2024: one) retail operations in South Africa from Pick n Pay Retailers Proprietary Limited and three from independent sellers. These acquisitions had no significant impact on the Group's results. The goodwill arising from these acquisitions represent the acquired customer base and the value creation the Group expects to realise as a result of integration with the Group.

The net assets arising from these acquisitions were as follows:

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Identifiable net assets		
Property, plant and equipment (note 6)	61	–
Total identifiable net assets at fair value	61	–
Goodwill		
Purchase price of acquisitions	65	7
Less: Total identifiable net assets at fair value	(61)	–
Goodwill acquired (note 7)	4	7
Net cash paid in respect of acquisitions		
Cash purchase price of acquisitions at fair value	65	7
Less: amounts net settled against loan account/other payables	(37)	–
Net cash paid	28	7

30. Provision for financial guarantee contracts in favour of Pick n Pay Retailers Proprietary Limited

During the period under review, the Group's guarantee in favour of the debt facilities of its related party, Pick n Pay Retailers Proprietary Limited, was terminated as the debt facilities were fully repaid. As a result, the carrying value of the provision for financial guarantee contracts at the end of the period is nil (2024: R7 million).

	Contract value Rm	Fair value Rm
53 weeks to 02 March 2025		
Balance at beginning of period	4 500	7
Modification of contract value	6 500	–
Amortisation	–	(1)
Derecognition of financial guarantee due to extinguishing of guaranteed debt	(11 000)	(6)
Balance at end of period	–	–
52 weeks to 25 February 2024		
Balance at beginning of period	–	–
Initial recognition at fair value	4 500	135
Amortisation	–	(18)
Derecognition of financial guarantee due to significant modification at carrying value	(4 500)	(117)
Initial recognition of modified financial guarantee at fair value	4 500	7
Balance at end of period	4 500	7

Notes to the Group annual financial statements continued

31. 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. The Group manages financial performance and resource allocations by reviewing one reportable segment, namely the Boxer Group.

An analysis of the geographical regions in which the Group operates has been presented below.

Geographical information	South Africa Rm	Eswatini Rm	Group Rm
53 weeks to 02 March 2025			
Revenue	**42 101**	**646**	**42 747**
Turnover	**41 698**	**646**	**42 344**
Commission and other income	**302**	**–**	**302**
Operating lease income	**10**	**–**	**10**
Finance income	**91**	**–**	**91**
Total non-current assets	**8 000**	**89**	**8 089**
52 weeks to 25 February 2024			
Revenue	37 180	599	**37 779**
Turnover	36 820	599	**37 419**
Commission and other income	258	–	**258**
Operating lease income	11	–	**11**
Finance income	91	–	**91**
Total non-current assets	7 328	90	**7 418**

Notes to the Group annual financial statements continued

32. Basic, headline and diluted earnings per share

	53 weeks to 02 March 2025 Cents per share	Restated* 52 weeks to 25 February 2024 Cents per share
Basic earnings per share	**406.70**	461.67
Diluted earnings per share	**405.51**	461.67
Headline earnings per share	**413.76**	469.33
Diluted headline earnings per share	**412.54**	469.33
Dividends per share#	**27 135.53**	849.52

Dividends of R9 260 million, including a pre-IPO Dividend of R8 160 million (refer to note 36) were declared pre-listing, when there were 34.1 million shares in issue. All declared dividends were paid prior to the end of the period.

32.1 Reconciliation between basic and headline earnings

	53 weeks to 02 March 2025 Rm	52 weeks to 25 February 2024 Rm
Profit for the period – basic earnings for the period	**1 383**	1 385
Adjustments:	**24**	23
Loss on sale of assets	**13**	16
Tax effect of loss on sale of assets	**(4)**	(4)
Loss from impairments	**20**	11
Tax effect of loss from impairments	**(5)**	–
Headline earnings for the period	**1 407**	1 408

32.2 Number of ordinary shares

	000's	Restated* 000's
Number of ordinary shares in issue (note 18)	**457 407**	299 999
Weighted average number of ordinary shares in issue (net of treasury shares)	**340 052**	299 999
Diluted weighted average number of ordinary shares in issue (net of treasury shares)	**341 055**	299 999

* *In accordance with IAS 33 Earnings Per Share, the prior year weighted average, and diluted weighted average number of shares in issue, and ordinary shares in issue, have been adjusted retrospectively as the Group's financial statements are presented as a continuation of the previously existing Boxer Superstores Group, and Boxer Retail Limited was established as the Group's holding company by means of a share exchange. As a result, the prior year basic and headline earnings per share metrics have been adjusted to account for the retrospective adjustment of weighted and diluted weighted average number of shares in issue.*

Notes to the Group annual financial statements continued

33. Standards and interpretations

Standards and interpretations that are effective for the current period

The following new or amended standards did not have a significant impact on Group's annual financial statements:

Amendments to IAS 12	Income Taxes – International Tax Reform – Pillar Two Model Rules
Amendments to IAS 1	Classification of Liabilities as Current or Non-current and Non-current liabilities with covenants
Amendment to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements

Standards and interpretations issued but not yet effective

IFRS 18 (Effective: financial year ending Feb 2028)

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

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

The new or amended standards below have been issued but are not yet effective and are not expected to have a significant impact on the Group's annual financial statements.

Amendments to IAS 21 (Feb 2026)	Lack of exchangeability
Amendments to IFRS 9 and IFRS 7 (Feb 2027)	Classification and measurement of Financial instruments
Volume 11 (Feb 2027)	Annual improvements to IFRS Accounting Standards as issued by the International Accounting Standards Board
Amendments to IFRS 9 and IFRS 7 (Feb 2027)	Power purchase agreements
IFRS 19 (Feb 2028)	Subsidiaries without public accountability

34. Going concern

In line with standard governance practice, the Board has assessed the Group's solvency and liquidity and is satisfied as to the Group's ability to continue as a going concern for the foreseeable future and that the presentation of the Annual Financial Statements on a going concern basis is appropriate.

35. Subsequent events

There have been no material events between the reporting date and the date of approval of these annual financial statements.

Notes to the Group annual financial statements continued

36. Significant items

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

During the period under review, the Group undertook a Listing and IPO on the main board of the JSE. In preparation for this, the following took place, as detailed in the Group's pre-listing statement published on 11 November 2024:

- The Boxer Superstores Proprietary Limited ('Boxer Superstores') Group declared a dividend ('Pre-IPO Dividend') of R8 160 million to its then sole-shareholder, a wholly-owned subsidiary of the Pick n Pay Stores Limited (PIK) Group. This dividend remained unpaid until after the Listing and IPO
- The Boxer Retail Limited Group was formed from the Boxer Superstores Group through a share exchange where the newly incorporated Boxer Retail Limited issued 299.9 million shares in exchange for acquiring all issued shares of Boxer Superstores.

The formation of the Group during the current period was a reorganisation under common control whereby the Group's consolidated financial statements are a continuation of the previous Boxer Superstores Group, with an equity reclassification at acquisition date to reflect the capital structure of Boxer Retail Limited.

The Pre-IPO Dividend and the equity reclassifications resulting from the reorganisation under common control were recognised by the Group in the Common Control Reserve within equity.

Additionally, as a result of the Group being formed through a share exchange using a newly-incorporated holding company and the Group annual financial statements being a continuation of the Boxer Superstores Group annual financial statements, in line with IAS 33 Earnings Per Share, the prior year weighted average, and diluted weighted average number of shares in issue, and ordinary shares in issue, have been adjusted retrospectively as though the share issue of 299.9 million shares took place at the start of the comparative period.

Subsequent to the formation of the Group, it undertook a Listing and IPO on the JSE, through which it issued 157.4 million shares at a price of R54 per share. The share issue resulted in costs of R343 million which were recognised directly in equity. As part of the IPO, a wholly-owned subsidiary of the Group, Boxer Superstores, purchased 3.8 million shares for a total consideration of R205 million as part of the newly-formed Boxer Retail Limited Group LTIP share scheme (Refer to note 5 and note 19).

Following the IPO, the Group settled the Pre-IPO Dividend payable of R8 160 million using proceeds from the IPO.

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Company statement of comprehensive income

for the period ended 02 March 2025

	Notes	53 weeks to 02 March 2025 Current year R'000	52 weeks to 25 February 2024 Prior year R'000
Revenue			–
Dividend Income	9.3	**6 812**	–
		6 812	–
Administration expenses	2	**(6 812)**	–
Trading profit		**–**	–
Profit before tax		**–**	–
Tax		**–**	–
Profit for the period		**–**	–
Other comprehensive income			
Items that will not be reclassified to profit or loss		**–**	–
Items that will be reclassified to profit or loss		**–**	–
Total comprehensive income for the period		**–**	–

The Company was incorporated on 1 July 2024 in anticipation of Initial Public Offering (IPO) of the Boxer Retail Group on the Johannesburg Stock Exchange (JSE). Refer to note 36 of the Group annual financial statements.

As it is newly incorporated the Company does not have comparative information.

Company statement of financial position

	Note	As at 02 March 2025 R'000	As at 25 February 2024 R'000
ASSETS			
Non-current assets			
Investment in subsidiaries	4	8 206 626	–
		8 206 626	–
Current assets			
Loan to subsidiary	5.1	279 126	–
		279 126	–
Total assets		8 485 752	–
EQUITY AND LIABILITIES			
Equity			
Share capital	6	8 203 213	–
Retained earnings		–	–
Total equity		8 203 213	–
Current liabilities			
Other payables		177 570	–
Amount owing to holding company	5.2	104 969	–
		282 539	–
Total equity and liabilities		8 485 752	–

The Company was incorporated on 1 July 2024 in anticipation of Initial Public Offering (IPO) of the Boxer Retail Group on the Johannesburg Stock Exchange (JSE). Refer to note 36 of the Group annual financial statements.

As it is newly incorporated the Company does not have comparative information.

Company statement of changes in equity

	Note	Share capital R'000	Retained earnings R'000	Total equity R'000
As at 25 February 2024				
Total comprehensive income for the period		–	–	–
Profit for the period		–	–	–
Transactions with owners		8 203 213	–	8 203 213
Issue of shares, net of costs	6	8 203 213	–	8 203 213
As at 02 March 2025		8 203 213	–	8 203 213

The Company was incorporated on 1 July 2024 in anticipation of Initial Public Offering (IPO) of the Boxer Retail Group on the Johannesburg Stock Exchange (JSE). Refer to note 36 of the Group annual financial statements.

As it is newly incorporated the Company does not have comparative information.

Company statement of cash flows

for the period ended 02 March 2025

	53 weeks to 02 March 2025 R'000	52 weeks to 25 February 2024 R'000
Cash flows from operating activities		
Trading profit	–	–
Cash generated before movements in working capital	–	–
Movements in working capital	177 570	–
Cash generated from trading activities	177 570	–
Cash generated from operating activities	177 570	–
Cash flows from investing activities		
Investment in Boxer Superstores Proprietary Limited	(8 160 000)	–
Cash utilised in investing activities	(8 160 000)	–
Cash flows from financing activities		
Related party loan advanced to the Company	165 844	–
Related party loan advanced by the Company	(340 000)	–
Net proceeds on issue of shares*	8 156 586	–
Cash generated in financing activities	7 982 430	–
Net increase in cash and cash equivalents	–	–
Cash and cash equivalents at beginning of period	–	–
Effect of exchange rate fluctuations on cash and cash equivalents	–	–
Cash and cash equivalents at end of period	–	–

The Company was incorporated on 1 July 2024 in anticipation of Initial Public Offering (IPO) of the Boxer Retail Group on the Johannesburg Stock Exchange (JSE). Refer to note 36 of the Group annual financial statements.

As it is newly incorporated the Company does not have comparative information.

* *This amount is disclosed net of transaction costs of R343 million.*

Notes to the Company annual financial statements

1. Material accounting policies

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

1.1 Statement of compliance

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

1.2 Basis of preparation

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

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

The financial statements are presented in South African Rand.

1.3 Use of estimates, judgements and assumptions

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. Estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future years.

Estimates, judgements and assumptions used in the Company's accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period include, but are not limited to, the following:

Allowance for impairment loss on amounts owing by related party

The Company has an amount owing by a related party which is measured at amortised cost less accumulated impairment losses. At each reporting period, the historical observed default rates are updated and changes in forward looking estimates are analysed for amounts owing by related parties. The assessment of historical observed default rates and forward looking factors require significant judgement and estimates. The Company's historical credit loss experience and forecast economic conditions may therefore not be representative of the actual default in the future. Refer to note 5.

1.4 Investment in subsidiary

The Company carries its investment in subsidiary at cost less accumulated impairment losses.

The Company measures the cost of an investment in a subsidiary, obtained through the issue of shares, where the investment in subsidiary constitutes a business, at the carrying value of the investment of the transferor.

1.5 Share capital

Ordinary shares are classified as equity. Shares issued in exchange for an investment in subsidiary, associate or joint venture are measured at the carrying value of the asset acquired. Incremental costs directly attributable to the issue of ordinary shares are recognised as a deduction from equity, net of any tax effects.

1.6 Revenue

Dividend income

Revenue for the Company is principally dividend income. Dividend income is recognised when the shareholders' right to receive payment is established.

Notes to the Company annual financial statements continued

2. Administration expenses

Administration expenses are stated after considering the following expenses:

	53 weeks to 02 March 2025 R'000	52 weeks to 25 February 2024 R'000
Audit fees*	1 200	–

* *Audit fees paid relating to IPO transaction costs included within equity were R9.9 million (Refer to note 6).*

3. Directors' remuneration

Directors' remuneration as paid by the Company, is detailed below:

	Fees for board meetings R'000	Fees for committee and other work R'000	Total remuneration R'000
53 weeks to 02 March 2025			
Non-executive directors			
Charlotte Maponya	375	–	375
Cindy Robertson	192	254	446
Dineo Molefe	192	46	238
James Formby	750	–	750
Jesmane Boggenpoel	192	213	405
Leon Lourens	192	227	419
Lerena Olivier	–	–	–
Sean Summers	192	46	238
	2 085	786	2 871

Executive directors salaries are paid by a subsidiary company. Refer to note 4 of the Group Annual financial statements.

All non-executive directors were appointed on 15 October 2024 with the exception of James Formby and Sean Summers who were appointed on 9 October 2024 and 20 August 2024 respectively.

Lerena Olivier was appointed on 26 August 2024 and resigned on 15 October 2024. During the period of her appointment no remuneration was earned.

The directors' remuneration paid is from date of appointment 15 October 2024 to 02 March 2025.

4. Investment in subsidiaries

	53 weeks to 02 March 2025 R'000	52 weeks to 25 February 2024 R'000
Shares at cost	8 206 626	–
Boxer Superstores Proprietary Limited is 100% held and incorporated in the Republic of South Africa.		
Reconciliation of carrying value of investment in subsidiary		
Carrying value at beginning of period	–	–
Acquisition of investment in Boxer Superstores Proprietary Limited[a]	46 626	–
Capitalisation of Boxer Superstores Proprietary Limited[b]	8 160 000	–
Carrying value at end of period	8 206 626	–

a During the period a restructuring of the Pick n Pay Stores Limited Group took place, resulting in the Company acquiring 100% of the shares of Boxer Superstores Proprietary Limited in exchange for the issue of Company shares. Refer to note 36 of the Group Annual financial statements.

b On 28 November 2024 and 13 December 2024, the Company subscribed for additional shares in its wholly-owned subsidiary, Boxer Superstores Proprietary Limited, for a total cash consideration of R7.660 billion and R500 million respectively.

Notes to the Company annual financial statements continued

5. Amounts owing by/(to) related parties

	53 weeks to 02 March 2025 R'000	52 weeks to 25 February 2024 R'000
5.1 Loan to subsidiary		
Boxer Superstores Proprietary Limited	279 125	–
	279 125	–
5.2 Amount owing to holding company		
Pick n Pay Retailers Proprietary Limited	(104 969)	–
	(104 969)	–

The above amounts are interest free, unsecured and repayable on demand. Due to the repayment terms, fair value is considered to approximate the carrying value. The amount owing to Pick n Pay Proprietary Limited was paid shortly after year end.

6. Share capital

	53 weeks to 02 March 2025 R'000	52 weeks to 25 February 2024 R'000
Authorised		
1 000 000 000 (2024: N/A) ordinary no par value shares	–	–
Issued		
457 407 408 (2024: N/A) ordinary no par value shares	8 203 213	–

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.

The unissued shares remain under the control of the directors until the next annual general meeting.

The Company can issue new shares to settle the Group's obligations under its LTIP scheme, but issues in this regard are limited to 5% (2024: Not Applicable) shares. To date 3 794 515 (2024: Nil) shares have been issued, resulting in 19 075 855 (2024: Nil) shares remaining for this purpose.

During the year Boxer Retail Limited listed on the Johannesburg Stock Exchange (JSE). The issued share capital relates to the net proceeds on issue of shares. Refer to note 36 of the Group Annual financial statements.

7. Income tax

The South African statutory tax rate is 27% (2024: 27%), however as a result of all the Company's income being exempt and all of the Company's expenses being non-deductible, the Company's effective tax rate is nil.

8. Financial instruments

Overview

The Company's principal financial instruments comprise of a loan to subsidiary and an amount owing to holding company. The Company is not exposed to market risk as the financial assets and liabilities do not have exposure to changes in exchange rates or interest rates.

8.1 Credit risk

Credit risk is the risk of financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets, which potentially subject the Company to credit risk, consist of a loan to subsidiary. Management has assessed loan to Boxer Superstores Proprietary Limited as fully recoverable and no impairment loss has been recognised.

Notes to the Company annual financial statements continued

8. Financial instruments continued

8.2 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company has unlimited access to the funds and facilities of companies within the Group. The Company's liquidity risk is therefore linked to the liquidity of the Group companies. Refer to note 26.6 of the Group annual financial statements. The payable to related party and other payables have contractual cash flows equal to their carrying values. Other payables have contractual maturity of less than one year and the payable to related party is repayable on demand.

8.3 Capital management

The Company considers the management of capital with reference to Group policy, refer to note 26.8 of the Group annual financial statements.

9. Related party disclosure

9.1 Identity of related parties

Boxer Retail Limited is a subsidiary of Pick n Pay Retailers Proprietary Limited. The ultimate holding company is Pick n Pay Stores Limited. Both holding companies are incorporated in South Africa.

Refer to note 28 of Group annual financial statements for details of the directors during the period.

9.2 Related party balances

Refer to note 5 for details of amounts owing by subsidiary and amount owing to holding company.

9.3 Related party transactions

	53 weeks to 02 March 2025 R'000	52 weeks to 25 February 2024 R'000
Dividend received		
Boxer Superstores Proprietary Limited	**6 812**	–

9.4 Key management personnel

Key management personnel are directors having authority and responsibility for planning, directing and controlling the activities of the Company. Refer to note 3 for directors' remuneration. No key management personnel had a material interest in any contract of any significance for the Company during the period under review.

10. Significant items

Incorporation of Boxer Retail Limited, Listing and Initial Public Offering (IPO) on the Johannesburg Stock Exchange (JSE)

During the period under review, the Company undertook a Listing and IPO on the main board of the JSE. In preparation for this, the following took place, as detailed in the Company's pre-listing statement published on 11 November 2024:

- The Company was incorporated as a private company on 1 July 2024, with its sole shareholder (Boxer Holdings Proprietary Limited, a wholly-owned subsidiary of the Pick n Pay Stores Limited Group) holding 1 000 shares. The Company was subsequently converted to a public company
- The Company issued a further 299.9 million shares to Boxer Holdings Proprietary Limited in exchange for acquiring all issued shares of Boxer Superstores Proprietary Limited, resulting in the Company becoming the sole shareholder of Boxer Superstores Proprietary Limited
- The Company's sole shareholder, Boxer Holdings Proprietary Limited, disposed of its 300 million shares in the Company to Pick n Pay Retailers Proprietary Limited, a wholly-owned subsidiary of the Pick n Pay Stores Limited Group.

Subsequently, the Company undertook a Listing and IPO on the JSE, through which it issued 157.4 million shares at a price of R54 per share. The share issue resulted in costs of R343 million which were recognised directly in equity.

Following the IPO, R8 160 million was paid by the Company for the subscription of further shares in its wholly-owned subsidiary, Boxer Superstores Proprietary Limited.

Refer to note 36 of the Group Annual financial statements for additional information.

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Pro forma financial information

Certain financial information presented in the audited Group Annual Financial Statements constitutes pro forma financial information in terms of the JSE Listings Requirements. The pro forma financial information has been prepared to illustrate the additional financial measures regularly used by the management of the Group to assess operating performance, and thereby enhances an investor's understanding of the Group's results of operations and financial performance. The pro forma financial information is prepared for illustrative purposes only and because of its nature, may not fairly present the Group's financial position, changes in equity, results of operations or cash flows. The directors of the Company are responsible for the pro forma financial information, which has been presented in accordance with the JSE Listings Requirements. Ernst & Young Inc.'s unqualified Independent Auditor's Assurance Report on the compilation of the pro forma financial Information is included on page 80 to 81.

1. Impact of week 53

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

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

The Group calculated the impact of week 53 as follows:

- Adjustment to turnover for week 53 is extracted from the Group's accounting records.
- In calculating the adjustment to trading profit for week 53, management's judgement is used for the calculation of gross profit, other income and trading expenses based on extractions from the Group's accounting records.
- Trading profit margin is calculated as trading profit as a percentage of turnover.

R'm	As reported audited 53 weeks to 02 March 2025[i]	Adjustment for week 53	Pro forma 52 weeks to 23 February 2025	As reported audited 52 weeks to 25 February 2024[i]	Pro forma % change
Turnover	**42 344**	(1 040)	**41 304**	37 419	10.4%
Trading profit	**2 308**	(60)	**2 248**	2 101	7.0%
Trading profit margin	**5.5%**		**5.4%**	5.6%	

i. Information has been extracted, without adjustment, from the audited Group annual financial statements of Boxer Retail Limited for the 53 weeks ended 02 March 2025 on which the Independent Auditor has issued an unqualified assurance report.

2. Net debt (excluding lease liabilities), and Net debt (including lease liabilities)[i]

Net debt (excluding lease liabilities), and Net 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.

	53 weeks to 02 March 2025 R'm	52 weeks to 25 February 2024 R'm
Cash and cash equivalents	**466**	349
Amount owing by related party	**331**	1 335
Borrowings	**(850)**	–
Amounts owing to related parties	**(127)**	(1 497)
Net debt (excluding lease liabilities)/(Net cash (excluding lease liabilities))	**(180)**	187
Non-current lease liabilities	**(4 150)**	(3 700)
Current lease liabilities	**(647)**	(608)
Net debt (including lease liabilities)	**(4 977)**	(4 121)

i. Information has been extracted, without adjustment, from the audited Group annual financial statements of Boxer Retail Limited for the 53 weeks ended 02 March 2025 on which the Independent Auditor has issued an unqualified assurance report.

Pro forma financial information continued

3. EBITDA and EBITDA (pre-IFRS 16)[i]

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

	53 weeks to 02 March 2025 R'm	52 weeks to 25 February 2024 R'm
Profit for the period	**1 383**	1 385
Tax	**525**	438
Loss from impairment on right-of-use assets	**16**	–
Loss from impairments of property, plant and equipment and intangible assets	**4**	11
Loss on sale of assets	**13**	16
Finance costs	**458**	342
Finance income	**(91)**	(91)
Trading profit	**2 308**	2 101
Depreciation on property, plant and equipment	**591**	518
Amortisation on intangible assets	**14**	16
Depreciation on right-of-use assets	**653**	620
EBITDA	**3 566**	3 255
Profit on termination of leases	**(42)**	(8)
Lease incentives received	**74**	28
Principal lease liability payments	**(613)**	(550)
Interest paid on lease liabilities	**(345)**	(336)
EBITDA (pre-IFRS 16)	**2 640**	2 389

i. Information has been extracted, without adjustment, from the audited Group annual financial statements of Boxer Retail Limited for the 53 weeks ended 02 March 2025 on which the Independent Auditor has issued an unqualified assurance report.

Pro forma financial information continued

4. Return on average invested capital ("ROIC")

ROIC for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table:

	53 weeks to 02 March 2025 R'm	52 weeks to 25 February 2024 R'm
Pro forma 52 week FY25 trading profit/As reported 52 week FY24 trading profit (A)[i]	**2 248**	2 101
Multiplier (B)[ii]	**0.73**	0.73
After-tax trading profit (A x B = C)	**1 641**	1 534
Average invested capital (D)[iii]	**6 441**	5 778
ROIC (C/D)	**25.5%**	26.5%

i. Information has been extracted, without adjustment, from section 1 'Impact of week 53' above.

ii. The multiplier is one (1) minus the South African statutory company income tax rate for the relevant period, being 27%.

iii. Information has been extracted, without adjustment, from section 6 'Average invested capital' below.

5. ROIC (excluding IFRS 16)

ROIC (excluding IFRS 16) for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table:

	53 weeks to 02 March 2025 R'm	52 weeks to 25 February 2024 R'm
Pro forma 52 week FY25 trading profit/As reported 52 week FY24 trading profit (A)[i]	**2 248**	2 101
Interest paid on lease liabilities[ii]	**(345)**	(336)
Trading profit (excluding IFRS 16) (A)	**1 903**	1 765
Multiplier (B)[iii]	**0.73**	0.73
After-tax trading profit (A x B = C)	**1 389**	1 288
Average invested capital (excluding IFRS 16) (D)[iv]	**1 888**	1 655
ROIC (excluding IFRS 16) (C/D)	**73.6%**	77.8%

i. Information has been extracted, without adjustment, from section 1 'Impact of week 53' above.

ii. Information has been extracted, without adjustment, from section 3 'EBITDA and EBITDA (pre-IFRS 16)' above.

iii. The multiplier is one (1) minus the South African statutory company income tax rate for the relevant period, being 27%.

iv. Information has been extracted, without adjustment, from section 7 'Average invested capital' (excluding IFRS 16) below.

Pro forma financial information continued

6. Average invested capital

Average invested capital for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table.

	53 weeks to 02 March 2025 R'm	52 weeks to 25 February 2024 R'm	52 weeks to 26 February 2023 R'm
Total equity[i]	**1 942**	1 841	937
Cash and cash equivalents[i]	**(466)**	(349)	(345)
Amount owing by related party[i]	**(331)**	(1 335)	(599)
Non-current lease liabilities[i]	**4 150**	3 700	3 393
Borrowings[i]	**850**	–	–
Current lease liabilities[i]	**647**	608	545
Amounts owing to related parties[i]	**127**	1 497	1 663
Invested capital (A)	**6 919**	5 962	5 594
Invested capital of previous period (B)	**5 962**	5 594	
Average invested capital ((A+B)/2)	**6 441**	5 778	

i. Information for the 53 weeks to 02 March 2025 and 52 weeks to 25 February 2024 has been extracted, without adjustment, from the audited Group annual financial statements of Boxer Retail Limited for the 53 weeks ended 02 March 2025 on which the Independent Auditor has issued an unqualified assurance report. Information for the 52 weeks to 26 February 2023 has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited included in the Pre-Listing Statement published on 11 November 2024, on which the Independent Auditor has issued an unqualified assurance report.

7. Average invested capital (excluding IFRS 16)

Average invested capital (excluding IFRS 16) for the Group on a historical basis for each of the periods indicated is calculated as presented in the following table.

	53 weeks to 02 March 2025 R'm	52 weeks to 25 February 2024 R'm	52 weeks to 26 February 2023 R'm
Total equity[i]	**1 942**	1 841	937
Cash and cash equivalents[i]	**(466)**	(349)	(345)
Amount owing by related party[i]	**(331)**	(1 335)	(599)
Borrowings[i]	**850**	–	–
Amounts owing to related parties[i]	**127**	1 497	1 663
Invested capital (excluding IFRS 16) (A)	**2 122**	1 654	1 656
Invested capital (excluding IFRS 16) of previous period (B)	**1 654**	1 656	
Average invested capital (excluding IFRS 16) ((A+B)/2)	**1 888**	1 655	

i. Information for the 53 weeks to 02 March 2025 and 52 weeks to 25 February 2024 has been extracted, without adjustment, from the audited Group annual financial statements of Boxer Retail Limited for the 53 weeks ended 02 March 2025 on which the Independent Auditor has issued an unqualified assurance report. Information for the 52 weeks to 26 February 2023 has been extracted, without adjustment, from the audited Consolidated Annual Historical Financial Information of Boxer Superstores Proprietary Limited included in the Pre-Listing Statement published on 11 November 2024, on which the Independent Auditor has issued an unqualified assurance report.

Independent Auditor's Assurance Report on the Compilation of Non-IFRS Financial Information included in the Group Annual Financial statements

for the 53 weeks ended 02 March 2025

To the Shareholders of Boxer Retail Limited

We have completed our assurance engagement to report on the compilation of pro forma financial information of Boxer Retail Limited and its subsidiaries (collectively the "Group"), by the directors.

The pro forma financial information, as set out on pages 76 to 79 of the Group Annual Financial Statements for the 53 weeks ended 02 March 2025, consists of the i) 52 week revenue, ii) 52 week trading profit iii) 52 week trading margin iv) Net Debt (Excluding Leases), v) EBITDA (Excluding IFRS 16), vii) Return on invested capital and viii) Return on Invested Capital (Excluding IFRS 16) and related notes, (collectively the Non-IFRS Financial Information). The applicable criteria on the basis of which the directors have compiled the Non-IFRS Financial Information are specified in the JSE Limited ("JSE") Listings Requirements and described in page 76 of the Group Annual Financial Statements for the 53 weeks ended 02 March 2025.

The Non-IFRS Financial Information has been compiled by the directors to illustrate the additional financial measures regularly used by the management of the Group to assess operating performance, and thereby enhance an investor's understanding of the Group's results of operations and financial performance. As part of this process, information about the Group's financial performance has been extracted by the directors from the Group's annual financial statements for the 53 weeks ended 02 March 2025, on which an auditor's report was issued on 8 May 2025.

Directors' Responsibility for the Non-IFRS Financial Information

The directors are responsible for compiling the Non-IFRS Financial Information on the basis of the applicable criteria specified in the JSE Listings Requirements, described in page 76 of the Group Annual Financial Statements for the 53 weeks ended 02 March 2025.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Professional Conduct for Registered Auditors issued by the Independent Regulatory Board for Auditors (IRBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies International Standard on Quality Management 1 (ISQM 1) Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements which requires the firm to design, implement and operate a system of quality management, including documented policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's Responsibility

Our responsibility is to express an opinion about whether the Non-IFRS Financial Information has been compiled, in all material respects, by the directors on the basis specified in the JSE Listings Requirements and described in page 76 of the Group Annual Financial Statements for the 53 weeks ended 02 March 2025, based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro forma Financial Information Included in a Prospectus, which is applicable to an engagement of this nature, issued by the International Auditing and Assurance Standards Board. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the Non-IFRS Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements.

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

The purpose of the Non-IFRS Financial Information included in the Group Annual Financial Statements for the 53 weeks ended 02 March 2025, is to illustrate how the unadjusted financial information of the entity has been impacted by the adjustments made, as described in the basis of preparation. Accordingly, we do not provide any assurance that the actual outcome of the adjustments made would have been as presented.

Independent Auditor's Assurance Report on the Compilation of Non-IFRS Financial Information included in the Group Annual Financial statements continued

for the 53 weeks ended 02 March 2025

A reasonable assurance engagement to report on whether the Non-IFRS Financial Information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the directors in the compilation of the Non-IFRS Financial Information provides a reasonable basis for presenting the significant effects directly attributable to the adjustments made, and to obtain sufficient appropriate evidence about whether:

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

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

Our engagement also involves evaluating the overall presentation of the Non-IFRS Financial Information.

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

Opinion

In our opinion, the Non-IFRS Financial Information has been compiled, in all material respects, on the basis specified in the JSE Listings Requirements, described in page 76 of the Group Annual Financial Statements for the 53 weeks ended 02 March 2025.

Ernst & Young Inc.
Director: Matthew R Brown CA(SA)
Registered Auditor
Durban

8 May 2025

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 external auditors.

Like-for-like turnover growth comparisons

Like-for-like turnover growth comparisons remove the impact of store openings, closures and conversions in the current and previous reporting periods. Turnover on new or closed adjacent liquor stores inherits the Like-for-like indicator of the Superstore that it is attached to, as this is the manner in which the Group manages its store base. This is not the case for new or closed stand-alone Boxer Liquors stores. Refer to review of operations for like-for-like turnover growth comparisons.

Forward-looking information

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

Analysis of shareholders

As at 02 March 2025

Shareholder spread

	Number of shareholdings	%	Number of shares	%
1 – 1 000 shares	25 102	86.06	3 576 864	0.78
1 001 – 10 000 shares	3 275	11.23	9 256 654	2.02
10 001 – 100 000 shares	627	2.15	19 962 584	4.36
100 001 – 1 000 000 shares	131	0.45	40 858 080	8.93
1 000 001 shares and over	32	0.11	383 753 226	83.90
Totals	29 167	100.00	457 407 408	100.00

Distribution of shareholders

	Number of shareholdings	%	Number of shares	%
Strategic Investor	1	0.00	300 000 000	65.59
Mutual Funds	362	1.24	57 323 098	12.53
Retirement Funds	429	1.47	34 227 218	7.48
Banks/Brokers	36	0.12	33 888 375	7.41
Individuals	26 065	89.36	10 263 769	2.24
Private Companies	498	1.71	8 897 332	1.95
Boxer Superstores Proprietary Limited	1	0.00	3 796 296	0.83
Trusts	1 418	4.86	3 671 705	0.80
Insurance Companies	51	0.17	2 924 512	0.64
Medical Schemes	34	0.12	1 160 371	0.25
Endowment Funds	74	0.25	729 683	0.16
Close Corporations	74	0.25	193 199	0.04
Other Corporations	114	0.39	137 264	0.03
Public Companies	4	0.01	107 978	0.02
Investment Companies	5	0.02	57 688	0.01
Sovereign Wealth Fund	1	0.00	28 920	0.01
Totals	29 167	100.00	457 407 408	100.00

Public/non-public shareholders

	Number of shareholdings	%	Number of shares	%
Non-public shareholders	6	0.02	303 810 924	66.42
Pick n Pay Retailers Proprietary Limited	1	0.00	300 000 000	65.59
Boxer Superstores Proprietary Limited	3	0.01	3 796 296	0.83
Directors of the Company	2	0.01	14 628	0.00
Public shareholders	29 161	99.98	153 596 484	33.58
Totals	29 167	100.00	457 407 408	100.00

Analysis of shareholders continued

Beneficial shareholders holding more than 1%

	Number of shares	%
Pick n Pay Retailers Proprietary Limited	300 000 000	65.59
Government Employees Pension Fund	20 321 847	4.44
Allan Gray	7 767 671	1.70
Alexforbes	7 675 508	1.68
International Finance Corporation	6 481 181	1.42
Sanlam	5 727 196	1.25
M&G Investments	5 604 091	1.23
Salestalk Proprietary Limited Selected Shares 2	5 500 000	1.20
GIC Private Limited	5 300 095	1.16
Old Mutual	4 037 599	0.88
Totals	368 415 188	80.54

Number of stores

	As at 25 February 2024	Opened	Closed	As at 02 March 2025
Boxer South Africa	468	52	5	**515**
Superstores	290	25	2	**313**
Liquors	147	27	2	**172**
Build	31	–	1	**30**
Boxer Rest of Africa	9	1	–	**10**
Superstores	6	1	–	**7**
Liquors	3	–	–	**3**
Build	–	–	–	**–**
African Footprint – by Country	477	53	5	**525**
South Africa	468	52	5	**515**
eSwatini	9	1	–	**10**
Store Formats	477			**525**
Superstores	296			**320**
Liquors	150			**175**
Build	31			**30**

Corporate information

Boxer Retail Limited

Registration number: 2024/392006/06
JSE and A2X share code: BOX
ISIN: ZAE000339891

Board of directors

Executive

Marek Adam Masojada (CEO)
David Peter Wayne (CFO)

Non-executive

James Formby (Chairperson)
Sean Summers

Independent non-executive

Charlotte Maponya (Lead)
Cindy Robertson
Dineo Molefe
Jesmane Boggenpoel
Leon Lourens

Registered office

41 The Boulevard
Westend Office Park
Westville, 3630

PO Box 370
Westville, 3630
South Africa

Registrar

Computershare Investor Services Proprietary Limited

(Registration number 2004/003647/07)
First Floor Rosebank Towers
15 Bierman Avenue
Rosebank Johannesburg, 2196
South Africa
(Private Bag X9000, Saxonwold, 2132, South Africa)

JSE Limited sponsor

Rand Merchant Bank

(a division of FirstRand Bank Limited)
(Registration number 1929/001225/06)
1 Merchant Place
Corner Rivonia Road and Fredman Drive
Sandton, 2196
South Africa
(PO Box 786273, Sandton, 2146, South Africa)

Independent Auditors

Ernst & Young Inc.

(Registration number 2005/002308/21)
1 Pencarrow Crescent
PO Box 859
Durban 4000
South Africa

Principal transactional bankers

Absa Limited
First National Bank

Company secretary

Vaughan Pierce
companysecretary@boxer.co.za

Website

www.boxer.co.za

Investor relations

Stephen Carrott
StephenCarrott@boxer.co.za
www.boxerinvestor.co.za

Customer careline

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

Connect with us

Notes

Notes







Never pay more than the BOXER price

Boxer Head Office
PO Box 370 | Westville | KwaZulu-Natal | 3630
companysecretary@boxer.co.za
www.boxer.co.za