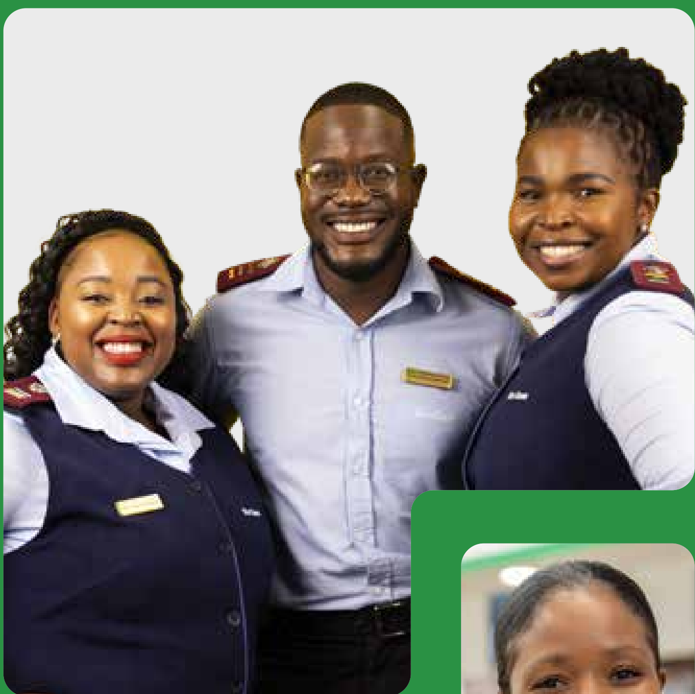
Dis-Chem

Better health starts here

Group and company audited annual financial statements 2025

for the financial year ended 28 February



DIS-CHEM PHARMACIES LIMITED REGISTRATION NUMBER 2005/009766/06

STATEMENT OF DIRECTORS' RESPONSIBILITIES AND APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The directors are responsible for the preparation and fair presentation of the Group and company's audited annual financial statements of Dis-Chem Pharmacies Limited, comprising the statements of financial position at 28 February 2025, and the statements of comprehensive income, changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, prepared in accordance with IFRS® Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB), its IFRIC® interpretations issued by the IFRS Interpretations Committee (Committee) and Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listings Requirements and the Companies Act of South Africa. The annual financial statements are therefore based upon appropriate accounting policies that present fairly the financial position, financial performance and cash flows of the Group and company, consistently applied and supported by reasonable and prudent judgements and estimates.

The directors are required by the Companies Act of South Africa, to maintain adequate accounting records and are responsible for the content and integrity of the Group and company annual financial statements and related financial information included in this report. It is their responsibility to ensure that the Group and company annual financial statements fairly present the state of affairs of the Group and company as at the end of the financial year and the results of its operations and cash flows for the period then ended.

The directors acknowledge that they are ultimately responsible for the system of internal financial controls established by the Group and company and place considerable importance on maintaining a strong control environment. To enable the directors to meet these responsibilities, the board of directors sets standards for internal controls aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the Group and company and all employees are required to maintain the highest ethical standards in ensuring the Group and company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the Group and company is on identifying, assessing, managing and monitoring all known forms of risk across the Group and company. While operating risk cannot be fully eliminated, the Group and company endeavours to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behaviour are applied and managed within predetermined procedures and constraints.

The directors are of the opinion, based on the information and explanations given by management that the system of internal controls provides reasonable assurance that the financial records may be relied on for the preparation of the Group and company annual financial statements. However, any system of internal financial controls can provide only reasonable, and not absolute, assurance against material misstatement or loss.

The directors have reviewed the Group and company's cash flow forecast for the year to 28 February 2026 and beyond, and other appropriate information. The directors have also considered forecasts and budgets for a 12-month period from the approval of these financial statements. In the light of this review and the current financial position, they are satisfied that the Group and company have access to adequate resources to continue in operational existence for the foreseeable future, and have thus considered it to be a going-concern. The external auditors are responsible for independently auditing and reporting on the Group and company annual financial statements. The Group and company annual financial statements have been audited by the company's external auditors and their report is presented on pages 8 to 11.

CEO and CFO certification

Each of the directors, whose names are stated below, hereby confirm that:

a) the annual financial statements set out on pages 2 to 85, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;
c) internal financial controls have been put in place to ensure that material information relating to the issuer and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the issuer;
d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;
e) where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken the necessary steps to remedy the deficiencies; and
f) we are not aware of any fraud involving directors.

The annual financial statements set out on pages 2 to 85, were approved by the Board of Directors on 29 May 2025 and were signed on its behalf by:

Rui Manuel Morais
Chief Executive Officer

Julia Denise Pope
Chief Financial Officer

The annual financial statements have been prepared under the supervision of Ms Julia Pope CA(SA), the Chief Financial Officer of the Group and company.

COMPANY SECRETARY CERTIFICATION

In terms of section 88(e) of the Companies Act of South Africa, No.71 of 2008 (the Act), as amended, I, Nikki Lumley, in my capacity as Company Secretary of Dis-Chem Pharmacies Limited, confirm that, to the best of my knowledge and belief, in respect of the year under review, Dis-Chem Pharmacies Limited has filed with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company.

Nikki Lumley
Company Secretary

Date: 29 May 2025

REPORT OF THE DIRECTORS

for the year ended 28 February 2025

Review of activities

Main business and operations

The Group and company is engaged in the retailing and wholesale of affordable healthcare products and pharmaceuticals.

The operating results and state of affairs of the Group and company are fully set out in the attached annual financial statements.

The Group is pleased with the performance of its businesses considering the constrained consumer environment.
The continued focus on Return on Invested Capital (ROIC) has driven cash generated from operations and positions the Group well to take advantage of it's longer term strategic initiatives.

Additional information is also available on the Dis-Chem website and SENS announcements.

Going concern

The annual financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business. The directors have reviewed and considered all relevant information to support their view that the Group and company is a going concern, and will continue to operate as such in the foreseeable future.

Authorised and issued share capital

During the current and prior year there has been no change to the issued or authorised share capital.

Refer to note 19 for the share capital analysis.

Dividends

In the current year, an interim dividend of 26.98195 cents per share or R232 million was declared on 24 October 2024 and paid on 25 November 2024. A final dividend of 27.85196 cents per share or R240 million was approved by the directors on 29 May 2025. The dividend will be subject to the South African dividend withholding tax ("DWT") rate of 20% which will result in a net dividend of 22.28157 cents per share to those shareholders who are not exempt from paying dividend tax.

In the prior year, an interim dividend of 23.24348 cents per shares or R199 million was declared on 1 November 2023 and paid on 27 November 2023. A final dividend of 22.49300 cents per share or R193 million was approved by the directors on 30 May 2024.

Refer to note 21 for the dividend per share analysis.

Events after reporting period

The directors are not aware of any additional material matter or circumstance arising since the end of the financial year up to the date of this report that would require amendment or additional disclosure in these annual financial statements, except that disclosed in note 31.

Special resolutions

Special resolutions passed during the current year:

Special resolution 1: Authorisation of non-executive directors' fees

Special resolution 2: Authorisation of direct or indirect financial assistance in regards to section 44 and 45 of the Companies Act.

Special resolutions passed during the prior year:

Special resolution 1: Authorisation of non-executive directors' fees

Special resolution 2: Authorisation of direct or indirect financial assistance in regards to section 44 and 45 of the Companies Act.

Borrowing limitations

In terms of the Memorandum of Incorporation of the companies within the Group, the directors may exercise all the powers of the Group to borrow money, as they consider appropriate.

Subsidiary companies/Group structure

Refer to note 4 in the annual financial statements.

Directors

Non-executive directors

LM Nestadt (Independent)	(South African)
A Coovadia (Independent)	(South African)
JS Mthimunye (Independent)	(South African)
A Sithebe (Independent)	(South African)
KDD Kobue	(South African)
H Masondo (Independent)	(South African)

Executive directors

IL Saltzman	(South African)
RM Morais	(South African)
JD Pope	(British)
SE Saltzman	(South African)
SRN Goetsch	(South African)

External auditors

Forvis Mazars, with Danielle Keeve as the signing partner, was re-appointed as the external auditor at the Annual General Meeting on 31 July 2024.

REPORT OF THE DIRECTORS continued

for the year ended 28 February 2025

Directors' and prescribed officers' interest in shares and contracts

There are no material contracts involving directors' interests except the items disclosed in note 28, Related party transactions. Direct and indirect shares held by the directors as at 28 February are as follows:

	2025		2024	
	Direct interest	Indirect interest	Direct interest	Indirect interest
LM Nestadt	–	**500 000**	–	500 000
A Coovadia	–	**162 162**	–	162 162
JS Mthimunye	–	**81 162**	–	81 162
A Sithebe	–	–	–	–
KDD Kobue	–	–	–	–
H Masondo	–	–	–	–
IL Saltzman and LF Saltzman	–	**252 066 319**	–	252 066 319
RM Morais (1)	–	–	–	–
JD Pope	–	–	–	–
SE Saltzman	**5**	**697 181**	337	2 434 781
SRN Goetsch	**3 190**	**29 904 885**	3 190	39 904 885
BI Epstein	–	**9 113 000**	–	10 125 063
KS Sterling (2)	–	–	–	9 624 023
CJ Williams	–	**11 190 212**	–	14 190 212
CR Fairweather	**38 529**	–	38 529	–
CA Swanepoel	**10 000**	–	10 000	–
TJ Ponter	–	–	–	–
R Govender	–	–	–	–
Z Dindar	**16 571**	–	3 161	–
Q Cronje	–	–	–	–

(1) *Melnique Proprietary Limited holds 3 408 556 shares (2024:3 408 556) which are held by the Morais family. RM Morais is not currently a director or controls the company.*

(2) *KS Sterling retired on 31 August 2024 and therefore his shares are reflected as nil.*

During the current year, SE Goetsch sold 4 614 560 shares for R151 726 663 on 14 June 2024, 385 440 shares for R13 311 864 on 18 June 2024 and 5 000 000 shares for R178 192 186 on 27 August 2024; SE Saltzman sold 1 200 000 shares for R38 400 000 shares on 14 June 2024; 537 600 shares for R19 998 720 on 4 December 2024 and 335 shares for R12 676 on 5 December 2024; BI Epstein sold 1 012 063 shares for R38 636 645 on 6 November 2024; and CJ Williams sold 322 149 shares for R10 511 722 on 14 June 2024; 957 851 shares for R32 419 329 on 18 June 2024; 233 902 shares for R8 193 587 on 19 June 2024; 254 098 shares for R9 028 102 on 23 July 2024; 268 673 shares for R9 648 047 on 24 July 2024; 191 459 shares for R6 892 524 on 26 July 2024; 77 700 shares for R2 797 200 on 8 August 2024; 867 shares for R31 212 on 12 August 2024; 39 814 shares for R1 433 304 on 14 August 2024; 134 319 shares for R4 835 484 on 15 August 2024; 361 781 shares for R13 103 708 on 16 August 2024 and 135 219 shares for R4 894 928 on 19 August 2024.

JD Pope sold 14 047 shares for R478 581; TJ Ponter sold 25 064 shares for R853 930; R Govender sold 3 884 shares for R132 328; and Z Dindar sold 25 064 shares for R853 930 on 30 June 2024 in regard to the forfeitable share plan. SRN Goetsch sold 9 446 shares for R325 320 on 16 June 2024 in regard to the share appreciation rights scheme. K Sterling sold 12 397 shares for R441 333 on 26 July 2024 in regard to the share appreciation rights scheme.

During the prior year, H Masondo sold 113 shares on 11 August 2023 for R2 553. CJ Williams sold 31 908 shares for R799 027 on 24 August 2023, 642 118 shares for R15 735 102 on 30 August 2023 and 50 909 shares for R1 565 452 on 8 February 2024. JD Pope sold 19 974 shares for R476 532 and TJ Ponter sold 17 037 shares for R406 462 through the vesting of the forfeitable share plan. TJ Ponter sold 300 shares for R8 832 on 22 January 2024 in regard to the share appreciation rights scheme. IL Saltzman sold 50 000 000 shares on 26 January 2024 for R1 425 000 000. SE Saltzman sold 3 000 000 shares on 26 January 2024 for R87 900 000.

There have been no other changes to the directors' interests between the end of the 2025 financial year and the date of approval of the annual financial statements.

Secretary

N Lumley

Registered office

23 Stag Road
Midrand
1685

AUDIT AND RISK COMMITTEE REPORT

The Audit and Risk Committee is constituted as a committee of the Dis-Chem Board in accordance with the company's Memorandum of Incorporation, and section 84(4)(c) of the Companies Act, 2008. The committee has a documented terms of reference under which it operates and which has been approved by the Board. This report is presented to shareholders in compliance with the requirements of the Companies Act of South Africa, JSE Listing Requirements and the King Code of Governance Principles.

Composition

The committee comprises of five directors, with suitable qualifications, all of whom are non-executive directors of the company. The following non-executive directors served on the committee during the financial year under review:

- JS Mthimunye (Chairman)
- A Coovadia
- A Sithebe
- KDD Kobue (non-voting member)
- H Masondo

The executive directors, external audit, internal audit and senior management have a standing invitation to attend meetings of the committee. The committee also meets separately with the external auditors, internal auditors and senior management as required.

At each annual general meeting the Board presents the shareholders with at least three suitable candidates from amongst the independent non-executive directors, on recommendation by the Nomination Committee, for election as committee members. The Board has the power at all times to appoint, remove and replace any member from the committee.

Role and responsibilities of the committee

The committee has the following specific responsibilities:

Integrated reporting

The committee oversees integrated reporting, and in particular the committee must:

- have regard to all factors and risks that may impact on the integrity of the integrated report;
- review the annual financial statements, interim reports, condensed or summarised result announcements, summarised integrated information, any other intended release of price-sensitive information, circulars and prospectuses, trading statements and similar documents;
- comment in the annual financial statements on the financial statements, the accounting practices and the effectiveness of the internal financial controls of the company;
- consider the frequency for issuing interim results and whether the external auditors should perform assurance procedures on the interim results;
- review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information;
- recommend to the Board the engagement of an external assurance provider on material sustainability issues;
- recommend the integrated report for approval by the Board; and
- consider the latest JSE proactive monitoring report.

Combined assurance

The committee ensures that a combined assurance model is applied to provide a coordinated approach to all assurance activities, and in particular the committee should:

- ensure that the combined assurance received is appropriate to address all the significant risks facing the company via suitable mitigating controls;
- provide an effective counterbalance to executive management, thereby upholding the independence of internal and external assurance providers, to enhance effectiveness; and
- monitor the relationship between the external assurance providers and the company.

Finance function and financial director

The committee:

- reviews the expertise, resources and experience of the company's finance function, and discloses the results of the review in the integrated report; and
- considers and satisfies itself as to the suitability of the expertise and experience of the chief financial officer every year and confirms this in the integrated report.

External audit

The committee is responsible for recommending the appointment of the external auditor and to oversee the external audit process and in this regard the committee:

- nominates the external auditor (a registered auditor), who in the opinion of the committee, is independent of the company, for appointment by the shareholders;
- approves the terms of engagement and remuneration for the external audit engagement;
- monitors and reports on the independence of the external auditor in the annual financial statements;
- ensures that the appointment of the auditor complies with the provisions of the Act and any other legislation relating to the appointment of auditors;
- defines a policy for non-audit services and pre-approves the contracts for non-audit services to be rendered by the external auditor;
- ensures that there is a process for the committee to be informed of any issues identified and reported by the external auditor; and
- reviews the quality and effectiveness of the external audit process.

AUDIT AND RISK COMMITTEE REPORT continued

Internal audit

The committee is responsible for overseeing the internal audit function, and in particular the committee:

- is responsible for the appointment, performance assessment and/or dismissal of the head of internal audit or the outsourced service provider;
- reviews and approves the internal audit plan;
- annually reviews and approves the internal audit charter;
- receives and deals appropriately with concerns or complaints, including those on its initiative relating to the accounting practices and internal audit of the company; the content or auditing of the company's financial statements; the internal financial controls of the company or any related matter;
- reviews and confirms the independence of the internal audit function on an annual basis; and
- ensures that the internal audit function is subject to an independent quality review, as and when the committee determines it appropriate.

Risk management

The committee is an integral component of the risk management process and specifically the committee must oversee financial reporting risks; internal financial controls; fraud risks as it relates to financial reporting; and IT risks as it relates to financial reporting. The committee performs all the functions necessary to fulfil its risk management role including the following:

- ensuring the establishment of an independent risk function at a Group level;
- overseeing the development and annual review of a policy and plan for risk management to recommend for approval to the Board;
- monitoring implementation of the policy and plan for risk management taking place by means of risk management systems and processes;
- making recommendations to the Board concerning the levels of tolerance and appetite and monitoring that risks are managed within the levels of tolerance and appetite as approved by the Board;
- ensures that risk management assessments are performed on a continuous basis and at least once a year;
- ensures that management considers and implements appropriate risk responses;
- ensures that continuous risk monitoring by management takes place;
- expresses the committee's formal opinion to the Board on the effectiveness of the system and process of risk management;
- reviews reporting concerning risk management that is to be included in the integrated report for it being timely, comprehensive and relevant; and
- ensures that a risk register is maintained by management and provided to the Board regularly.

Financial reporting and financial control

The committee:

- evaluates the adequacy and effectiveness of the accounting policies adopted by the company in terms of IFRS Accounting Standards, JSE Listings Requirements and other legal requirements;
- considers the adequacy and clarity of disclosures in the financial statements;
- reviews the effectiveness of financial management and the quality of internal accounting control systems and reports produced by financial management;
- concludes and reports annually to stakeholders and the Board on the effectiveness of internal financial controls;
- reviews the impact of new financial systems, tax and litigation matters on financial reporting;
- reviews the company's interim and audited annual financial statements, interim announcements, dividend announcements, and all financial information, including non-financial information in the integrated report, for distribution to shareholders and the general public, prior to submission to the Board or publication and confirms that the annual financial statements present a balanced and understandable assessment of the company's position, performance and prospects; and
- reviews the basis on which the company has been determined a going concern and makes a recommendation to the Board.

Evaluation of Chief Financial Officer and finance function

The committee is satisfied as to the expertise, resources and experience of the company's finance division and the appropriateness of the experience and expertise of the Chief Financial Officer. It is satisfied that the composition of the finance function meets the Group's requirements.

Independence and evaluation of external auditors

The committee appraised the independence, quality and effectiveness of the external audit function. Part of this process was to obtain confirmation from the external auditors that the firm, partner and staff responsible for the audit comply with all legal and professional requirements in regard to independence. The committee also approved the fees paid to the external auditors.

The committee confirmed its satisfaction with the independence and level of service rendered by the external auditor, Forvis Mazars, for the 2025 financial year. The external auditors and the audit partner, Danielle Keeve, have been the auditors of the Group for four years. The rotation of the partner will occur at least every five years.

The committee has requested and reviewed the following in order to ensure the suitability of the external audit firm and partner:

- latest inspection reports, decision letters and remedial actions to address IRBA findings and all other file reviews;
- summary of internal monitoring review procedures performed, conclusions drawn as well as any significant deficiencies and steps taken to resolve them; and
- outcome of any legal or disciplinary proceedings concluded or settled with a fine within the last 7 years.

The appointment of the external auditors will be tabled as a resolution at the next annual general meeting.

Policy on non-audit services

The committee has formulated a policy to manage and approve non-audit services. Non-audit services provided by the external auditors (Forvis Mazars) in the current financial year amounted to R238,400 (2024: R15,000).

Internal financial controls

The committee is satisfied that internal financial controls have been put in place and no material matter has come to the attention of the committee that has caused the directors to believe that the internal financial controls cannot be relied upon to compile the financial statements of the Group and company.

Internal audit and combined assurance

PricewaterhouseCoopers was appointed as the Group's internal auditors in March 2017. They fulfil an assurance and consulting function, which is mandated to provide independent and objective assurance on Dis-Chem's internal controls system. They employ a systematic and disciplined approach when evaluating the effectiveness of risk management, control and governance processes. Internal Audit activities include highlighting process improvements and providing assurance to the Group's stakeholders that the organisation operates responsibly. They report to the Audit and Risk Committee and assist the committee in effectively discharging the responsibilities delegated to it by the Board. This is achieved through independent financial, IT, compliance, and operational process reviews.

The committee is satisfied that the Combined Assurance Model enabled a sufficiently coordinated approach to assurance and that the level of assurance from the internal and external assurance providers, was adequate and effective.

Execution of functions of the Audit and Risk Committee

The committee is satisfied that, in respect of the period under review, it has conducted its affairs and discharged its duties and responsibilities in accordance with its terms of reference, the Companies Act of South Africa, JSE Listing Requirements and King Code of Governance Principles.

J Mthimunye
Audit and Risk Committee Chairman

29 May 2025

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dis-Chem Pharmacies Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Dis-Chem Pharmacies Limited (the Group and Company) set out on pages 12 to 83, which comprise the consolidated and separate statements of financial position as at 28 February 2025, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and 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 Dis-Chem Pharmacies Limited and its subsidiaries as at 28 February 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 (IASB) 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 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 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 No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

The nature, timing and extent of our audit procedures was influenced by our determination and application of materiality. We have quantitatively calculated the materiality threshold, based on our professional judgement, as detailed in the table below, factoring in any qualitative considerations. We have evaluated the effect of any misstatements noted during the audit on an individual and aggregate basis.

Consolidated financial statements	
Materiality	R130 696 000
Basis for determining materiality	8% of profit before tax has been used as the basis for determining materiality.
Rational for the benchmark applied	We have determined that profit before tax is an appropriate quantitative indicator of materiality as profit before tax best reflects the consolidated financial performance of Dis-Chem Pharmacies Limited. We have also considered misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated financial statements for qualitative reasons.

Separate financial statements	
Materiality	R75 909 000
Basis for determining materiality	8% of profit before tax has been used as the basis for determining materiality.
Rational for the benchmark applied	We have determined that profit before tax is an appropriate quantitative indicator of materiality as profit before tax best reflects the separate financial performance of Dis-Chem Pharmacies Limited. We have also considered misstatements and/or possible misstatements that in our opinion are material for the users of the separate financial statements for qualitative reasons.

Group Audit Scope

We tailored the scope of our audit to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, considering the structure of the Group, the accounting processes and controls and the industry in which the Group operates.

We performed risk assessment procedures to determine which of the Group's components are likely to include risks of material misstatement to the consolidated financial statements, and identified which further audit procedures are required to be performed at component level to address those risks.

In total, we identified 74 components of which 25 are out of scope components. The Group engagement team audited the entire financial information of 43 components within the Group.

We identified six components, at which further audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatement to the consolidated financial statements. The Group engagement team undertook the audit of Revenue, Purchases and Cost of Sales of the six components. Based on our risk assessment procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subject to further audit procedures.

We sent detailed audit instructions to all component auditors, covering the significant areas and the information required to be reported to us. Based on our risk assessment, we determine the level of involvement in component audits. We reviewed key working papers and conclusions. We communicated regularly with the component auditors during various stages of the audit.

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.

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.

Matter #01	
Description of the key audit matter	**Rebates (notes 3.6, 8 and 16)** As described in significant accounting estimates, judgements and assumptions in note 3.6, and as disclosed in note 8 and 16, the Group and Company recognise a reduction in the cost of sales or as other income amounts from suppliers with regards to rebates and advertising agreements. The reduction in the cost of inventory primarily comprises of contributions received in relation to: • Retail business promotions • Annual volume-based rebates • Wholesale logistic rebates • Other general rebates Agreements for rebates and advertising differ in targets, percentages applied and relate to different periods for each supplier and are renegotiated on a regular basis. The calculations of the rebates and advertising agreement receivables are, with the exception of conditional contracts, not automated and are managed centrally. Due to the large volume and variety of trade term agreements we considered that the completeness, occurrence and accuracy of rebate and advertising agreement receivables required significant audit attention.
How we addressed the key audit matter	Our audit procedures included, amongst others, the following: Gained an understanding of the effect of rebates and income earned from suppliers on the reduction in the cost of inventories as well as an understanding of the system and controls for recording rebate and advertising income. Evaluated the accuracy, cut-off and occurrence of the rebates and advertising agreement receivables by performing the following procedures on manually calculated transactions: • Traced a sample of transactions through to signed supplier trade term contracts, related invoices and proof of settlement to establish the occurrence of the transaction. • Re-performed the calculations obtained from management with reference to the underlying data, and the contractual performance obligations to assess the accuracy of the transactions. • Confirmed with reference to the trade term contracts whether the rebates and advertising agreement receivables were accounted for in the correct financial period. • Obtained supporting documentation for any reconciliation differences on the recording of rebates and advertising agreement receivables in the general ledger. Performed an application control test over the completeness and accuracy of data used for the calculation of transactions relating to conditional contracts. A sample of conditional contracts were selected to confirm that the contract is valid and that the terms uploaded into the system are accurate. Compared the current year rebates and advertising contracts to the supplier vendor listing to assess completeness and inspected evidence for missing suppliers, new vendors, active and inactive vendors. Assessed the reasonability of the effect of rebates on valuation of unsold inventory at year end. Assessed the classification of the rebates and advertising agreement receivables as other income or a deduction in cost of inventory in terms of the requirements of IAS 2 Inventories.
Conclusion	Based on the procedures performed as detailed above, we did not raise any material exceptions with respect to our audit of rebates and tallies.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Dis-Chem Group and Company audited annual financial statements for the year ended 28 February 2025", which includes the Report of the Directors, the Audit and Risk Committee Report and the Company Secretary Certification as required by the Companies Act of South Africa. The other information does not include the consolidated and 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 IASB 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 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/or 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/or 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 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 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

Audit Tenure

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Forvis Mazars has been the auditor of Dis-Chem Pharmacies Limited for four years.

Forvis Mazars

Forvis Mazars
Partner: Danielle Keeve
Registered Auditor

Date: 29 May 2025
Johannesbrg

GROUP AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 28 February 2025

		Group		Company	
					*Restated
		2025	2024	2025	2024
	Notes	R'000	R'000	R'000	R'000
Revenue from contracts with customers	7	**39 172 347**	36 283 476	**25 426 048**	24 191 118
Cost of sales	16	**(30 371 972)**	(28 066 929)	**(19 754 676)**	(18 907 475)
Gross profit		**8 800 375**	8 216 547	**5 671 372**	5 283 643
Other income	8	**3 347 467**	2 907 844	**2 609 347**	2 436 804
Total income		**12 147 842**	11 124 391	**8 280 719**	7 720 447
Other expenses	8	**(10 043 744)**	(9 345 144)	**(6 970 740)**	(6 478 745)
Operating profit before interest and equity accounted earnings		**2 104 098**	1 779 247	**1 309 979**	1 241 702
Net financing costs	9	**(490 605)**	(439 936)	**(364 317)**	(377 279)
– Finance income		**30 400**	26 297	**64 154**	24 184
– Finance costs		**(521 005)**	(466 233)	**(428 471)**	(401 463)
Profit from associates and joint ventures	4	**20 207**	45 270	**–**	–
Profit before taxation		**1 633 700**	1 384 581	**945 662**	864 423
Taxation	10	**(414 462)**	(364 093)	**(193 218)**	(186 890)
Total profit for the year, net of taxation		**1 219 238**	1 020 488	**752 444**	677 533
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
– Exchange differences on translating foreign subsidiaries		**(106)**	180	**–**	–
Other comprehensive income for the year, net of taxation		**(106)**	180	**–**	–
Total comprehensive income for the year		**1 219 132**	1 020 668	**752 444**	677 533
Total profit attributable to:					
– Equity holders of the parent		**1 179 809**	984 481		
– Non-controlling interests		**39 429**	36 007		
Total comprehensive income attributable to:					
– Equity holders of the parent		**1 179 703**	984 661		
– Non-controlling interests		**39 429**	36 007		
Earnings per share (cents)	11				
– Basic		**137.6**	114.7		
– Diluted		**137.5**	114.7		

** Restated due to restructure under common control transactions – refer to note 32*

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

at 28 February 2025

		Group		Company		
					*Restated	*Restated
		2025	2024	2025	2024	1 March 2023
	Notes	R'000	R'000	R'000	R'000	R'000
ASSETS						
Non-current assets		**7 312 028**	6 578 031	**6 343 916**	5 761 263	5 288 076
Property, plant and equipment (including right-of-use assets)	12	**5 297 400**	4 799 705	**2 600 272**	2 334 090	2 460 339
Intangible assets	13	**1 448 057**	1 335 134	**373 914**	250 086	222 442
Investments	4/15	**356 267**	208 221	**2 702 049**	2 529 509	2 522 149
Loans receivable	18	**72 804**	68 603	**600 403**	576 177	–
Deferred taxation	14	**137 500**	166 368	**67 278**	71 401	83 146
Current assets		**11 944 913**	10 922 955	**5 408 783**	4 665 457	4 283 911
Inventories	16	**7 905 213**	7 162 558	**2 954 388**	2 809 498	2 388 848
Trade and other receivables	17	**3 312 834**	2 731 553	**1 742 408**	1 388 068	1 469 075
Loans receivable	18	**115 169**	126 111	**305 888**	370 473	315 138
Taxation receivable	27.3	**26 343**	18 362	**9 970**	–	–
Cash and cash equivalents	27.5	**585 354**	884 371	**396 129**	97 418	110 850
Total assets		**19 256 941**	17 500 986	**11 752 699**	10 426 720	9 571 987
EQUITY AND LIABILITIES						
Equity and reserves		**5 218 221**	4 472 124	**3 946 144**	3 625 388	3 402 761
Share capital	19	**6 155 554**	6 155 554	**6 155 554**	6 155 554	6 155 554
Retained earnings		**3 722 968**	2 965 235	**1 791 877**	1 456 937	1 139 924
Other reserves	20	**(4 660 301)**	(4 648 665)	**(4 001 287)**	(3 987 103)	(3 892 717)
Non-controlling interest		**10 750**	2 817	**-**	–	–
Total equity		**5 228 971**	4 474 941	**3 946 144**	3 625 388	3 402 761
Non-current liabilities		**3 850 147**	3 842 967	**2 323 296**	2 279 912	1 634 252
Lease liability	22	**2 045 998**	2 486 298	**1 601 206**	1 473 001	1 614 141
Loans payable	23	**1 678 735**	1 282 337	**722 090**	806 911	20 111
Deferred taxation	14	**125 414**	74 332	**-**	–	–
Current liabilities		**10 177 823**	9 183 078	**5 483 259**	4 521 420	4 534 974
Trade and other payables	24	**7 246 228**	6 863 682	**2 556 680**	2 653 947	2 157 908
Lease liability	22	**617 851**	581 827	**432 488**	414 801	405 925
Loans payable	23	**575 124**	488 341	**865 799**	867 016	1 196 175
Employee-related obligations	25	**314 198**	265 241	**231 606**	210 101	243 070
Deferred revenue (contract liability)	26	**86 912**	83 897	**79 017**	72 021	67 290
Taxation payable	27.3	**19 873**	48 947	**-**	21 920	16 958
Bank overdraft	27.5	**1 317 637**	851 143	**1 317 669**	281 614	447 648
Total equity and liabilities		**19 256 941**	17 500 986	**11 752 699**	10 426 720	9 571 987

** Restated due to restructure under common control transactions – refer to note 32*

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2025

			Other reserves		Non-	
	Share capital R'000	Retained earnings R'000	Treasury shares R'000	Other reserves R'000	controlling interest R'000	Total R'000
Balance at 28 February 2023	6 155 554	2 354 837	(24 615)	(4 585 381)	32 085	3 932 480
Total comprehensive income for the year	–	984 481	–	180	36 007	1 020 668
Profit for the year, net of taxation	–	984 481	–	–	36 007	1 020 488
Other comprehensive income for the year, net of taxation	–	–	–	180	–	180
Change in ownership interest in subsidiary and acquisitions	–	(13 563)	–	–	936	(12 627)
Treasury shares acquired	–	–	(65 485)	–	–	(65 485)
Share-based payment expense	–	–	–	24 232	–	24 232
Exercise of share-based payment	–	(2 404)	20 016	(17 612)	–	–
Dividends paid	–	(358 116)	–	–	(66 211)	(424 327)
Balance at 29 February 2024	**6 155 554**	**2 965 235**	**(70 084)**	**(4 578 581)**	**2 817**	**4 474 941**
Total comprehensive income for the year	**–**	**1 179 809**	**–**	**(106)**	**39 429**	**1 219 132**
Profit for the year, net of taxation	**–**	**1 179 809**	**–**	**–**	**39 429**	**1 219 238**
Other comprehensive income for the year, net of taxation	**–**	**–**	**–**	**(106)**	**–**	**(106)**
Change in ownership interest in subsidiary	**–**	**(4 572)**	**–**	**–**	**15 318**	**10 746**
Treasury shares acquired	**–**	**–**	**(32 604)**	**–**	**–**	**(32 604)**
Share-based payment expense	**–**	**–**	**–**	**29 628**	**–**	**29 628**
Exercise of share-based payment	**–**	**7 671**	**14 056**	**(22 610)**	**–**	**(883)**
Dividends paid	**–**	**(425 175)**	**–**	**–**	**(46 814)**	**(471 989)**
Balance at 28 February 2025	**6 155 554**	**3 722 968**	**(88 632)**	**(4 571 669)**	**10 750**	**5 228 971**
	(Note 19)		(Note 20)			

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2025

			Other reserves		
	Share capital R'000	Retained earnings R'000	Treasury shares R'000	Other reserves R'000	Total R'000
Balance as at 28 February 2023	6 155 554	1 138 746	(24 615)	(3 867 339)	3 402 346
Restated due to common control transaction	–	1 178	–	(763)	415
Balance at 1 March 2023 (restated)*	6 155 554	1 139 924	(24 615)	(3 868 102)	3 402 761
Total comprehensive income for the year (restated)*	–	677 533	–	–	677 533
Common control adjustment	–	–	–	(55 537)	(55 537)
Treasury shares acquired	–	–	(65 485)	–	(65 485)
Share-based payment expense	–	–	–	24 232	24 232
Exercise of share-based payment	–	(2 404)	20 016	(17 612)	–
Dividends paid	–	(358 116)	–	–	(358 116)
Balance at 29 February 2024 (restated)*	**6 155 554**	**1 456 937**	**(70 084)**	**(3 917 019)**	**3 625 388**
Total comprehensive income for the year	**–**	**752 444**	**–**	**–**	**752 444**
Common control adjustment	**–**	**–**	**–**	**(2 654)**	**(2 654)**
Treasury shares acquired	**–**	**–**	**(32 604)**	**–**	**(32 604)**
Share-based payment expense	**–**	**–**	**–**	**29 628**	**29 628**
Exercise of share-based payment	**–**	**7 671**	**14 056**	**(22 610)**	**(883)**
Dividends paid	**–**	**(425 175)**	**–**	**–**	**(425 175)**
Balance at 28 February 2025	**6 155 554**	**1 791 877**	**(88 632)**	**(3 912 655)**	**3 946 144**
	(Note 19)		(Note 20)		

* *Restated due to restructure under common control transactions – refer to note 32*

GROUP AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 28 February 2025

	Notes	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company *Restated 2024 R'000
Cash flow from operating activities		**904 696**	1 465 878	**578 924**	1 052 938
Cash inflow from trading operations	27.1	**3 222 535**	2 878 255	**2 011 325**	1 760 093
Movement in working capital	27.2	**(923 746)**	(175 352)	**(516 042)**	33 841
Finance income received		**24 060**	26 297	**57 754**	24 184
Finance costs paid		**(515 516)**	(457 381)	**(431 393)**	(393 982)
Taxation paid	27.3	**(430 648)**	(381 614)	**(220 985)**	(170 612)
Dividends paid	21	**(471 989)**	(424 327)	**(425 175)**	(358 116)
Dividends received	8	**-**	–	**103 440**	157 530
Cash flow from investing activities		**(1 497 011)**	(1 064 742)	**(725 551)**	(878 684)
Additions to property, plant and equipment and intangible assets					
– To maintain operations	12/13	**(941 548)**	(158 475)	**(323 770)**	(121 565)
– To expand operations	12/13	**(460 596)**	(868 619)	**(223 601)**	(179 342)
Proceeds on disposal of property, plant and equipment and intangible assets		**37 173**	17 100	**18 586**	5 760
Increase in investments	15	**-**	–	**(172 540)**	(7 360)
Acquisition in business combination and subsidiaries, net of cash acquired		**-**	(55 183)	**-**	–
Acquisition of joint venture	4	**(155 940)**	–	**-**	–
Proceeds from joint ventures and associates		**28 101**	31 452	**-**	–
Advances on loans receivable		**(4 201)**	(31 017)	**(24 226)**	(576 177)
Cash flow from financing activities		**(174 637)**	(207 501)	**(590 717)**	(21 652)
Bank loans repaid	27.6	**(883 962)**	(742 740)	**(99 847)**	(39 759)
Receipt of bank loans	27.6	**1 372 355**	1 201 377	**-**	502 090
Lease liability repayment	27.6	**(641 172)**	(586 623)	**(458 266)**	(418 498)
Purchase of treasury shares	19	**(32 604)**	(65 485)	**(32 604)**	(65 485)
Proceeds from non-controlling interest	27.4	**15 000**	2 381	**-**	–
Change in ownership interest in subsidiary	27.4	**(4 254)**	(16 411)	**-**	–
Net (decrease)/increase in cash and cash equivalents		**(766 952)**	193 635	**(737 344)**	152 602
Foreign currency implications on cash and cash equivalents		**1 441**	(238)	**-**	–
Cash and cash equivalents at beginning of year		**33 228**	(160 169)	**(184 196)**	(336 798)
Cash and cash equivalents at end of year	27.5	**(732 283)**	33 228	**(921 540)**	(184 196)

** Restated due to restructure under common control transactions – refer to note 32*

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

1. Corporate information

Dis-Chem Pharmacies Limited is incorporated in South Africa. The Group annual financial statements as at 28 February 2025 comprise the company and its subsidiaries (collectively referred to as "the Group").

2. Basis of preparation

The Group and company annual financial statements set out on pages 2 to 85 are prepared on the historical cost basis as modified by fair value adjustments, and incorporate the following principal accounting policies, which conform with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IASB), its IFRIC® interpretations and Financial Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Listings Requirements and the Companies Act of South Africa.

The Group and company annual financial statements are presented in South African Rands and are rounded to the nearest thousand, except where otherwise indicated. The financial statements are prepared on the going concern basis.

3. Summary of material accounting policies

The material accounting policies applied in the preparation of the annual financial statements are set out in the relevant supporting notes, unless no supporting note is presented or it impacts multiple line items. In the latter case they are presented under 3.1 to 3.6 below. These policies have been consistently applied to all the years presented, unless otherwise stated in note 3.7.

3.1 Basis of consolidation

The Group annual consolidated financial statements comprise the financial statements of the Group and its subsidiaries as at 28 February 2025.

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- the contractual arrangement with the other vote holders of the investee; and
- the Group's voting rights and potential voting rights.

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 year are included in the consolidated annual financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-Group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

3.2 Business combinations and goodwill

Business combinations, other than those under common control, are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group measures the non-controlling interests in the acquiree at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in other expenses.

When the Group/company acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument is measured at fair value with changes in fair value recognised in profit or loss.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the fair value of the net identifiable assets acquired and liabilities assumed.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's/company's cash-generating units (CGUs) that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

3.3 Impairment of non-financial assets

At each reporting date, the carrying amounts of tangible and intangible assets are reviewed to determine whether there is any indication that those assets may be impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount for an individual asset, the recoverable amount is determined for the CGU to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual CGUs, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified.

The recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows per the management accounts for the next five years 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 the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately in profit or loss.

For goodwill and intangible assets that have an indefinite useful life, the recoverable amount is estimated at each reporting date.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the asset's or CGU's recoverable amount is estimated.

Where an impairment loss subsequently reverses, the carrying amount of an asset (or CGU) is increased to the revised estimate of its recoverable amount. This is done so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or CGU) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss. For goodwill and intangible assets that have an indefinite useful life, the recoverable amount is estimated at each reporting date. Whenever the carrying amount of an asset or its CGU exceeds its recoverable amount, an impairment loss is recognised in profit or loss. As goodwill is not capable of generating cash flows independently of other assets, in assessing the recoverable amount of goodwill, it is allocated to CGUs on a reasonable and consistent basis. The recoverable amount of the CGU (including an allocation of goodwill) is assessed with reference to the future cash flows of the CGU. Where an impairment is identified for a CGU, the impairment is applied first to the goodwill allocated to the CGU and then to other assets on a pro rata basis comprising the CGU, provided that each identifiable asset is not reduced to below its recoverable amount. Any impairment of goodwill will not be subsequently reversed.

3.4 Common control reserve

Common control transactions are accounted for using the pooling of interest method with the difference between the carrying amount of the transferring entity and consideration recognised in a separate reserve in equity. Comparative information is restated where relevant.

3.5 Other reserves

Other reserves relates to equity that is non-operating in nature, for example repurchase of shares, common control reserve, share-based payments and foreign currency translation reserve.

3.6 Significant accounting estimates, judgements and assumptions

The presentation of the results of operations, financial position and cash flows in these annual financial statements of the Group is dependent upon and sensitive to the accounting policies, assumptions and estimates that are used as a basis for the preparation of these financial statements. Management has made certain judgements in the process of applying the Group's accounting policies. These, together with the key assumptions concerning the future, and other key sources of the estimation uncertainty at the reporting date, are discussed.

Advertising agreements

The Group enters into cooperative advertising agreements with its suppliers. A cooperative advertising agreement provides that the manufacturer will participate in the advertising cost of the Group. Significant judgement is required to determine whether the reimbursement of advertising costs received by the Group from the manufacturer should be accounted for as other income or as a reduction against cost of sales. The Group accounts for the reimbursement as part of 'other income' when both of the following criteria are met:

- The manufacturer receives, or will receive, an identifiable advertising service in exchange for the reimbursement. In order to meet this condition, the advertising service must be sufficiently separable from the Group's purchase of the manufacturer's products such that the manufacturer could have entered into an exchange transaction with a party other than a purchaser of its products or services in order to receive that advertising service.
- The Group can reasonably estimate the fair value of the advertising services. If the amount of reimbursement paid by the manufacturer exceeds the estimated fair value of the advertisement services, that excess amount is characterised as a reduction of cost of sales when recognised in the Group's statement of comprehensive income.

Loyalty benefit point scheme

The two key inputs in determining the customer loyalty point liability are the allocation of the transaction price and the redemption rate. The transaction price is allocated to the loyalty points with reference to the Rand value of the points. In terms of the redemption rate, loyalty benefit points are redeemed through additional sales to customers. Historical redemption rates of the points are used to determine the extent to which the points which are accrued by customers are likely to be redeemed and therefore the extent they are provided for. The Group experiences low levels of unredeemed loyalty points due to the ease with which customers can redeem them at point of sale. The points are derecognised upon redemption by the customers. An expiry date of 18 months is applicable from 1 March 2023 for all future points and points existing at 1 March 2023.

Ownership of Dis-Chem Oncology

The group owns 50% of the share capital of Dis-Chem Oncology Proprietary Limited but due to the ability to appoint the majority of directors and control the operations of Oncology, the company is consolidated by the Group.

Deferred tax assets – assessed losses

Deferred tax assets are raised to the extent that it is probable that future taxable profits will be available against which the unused tax losses can be utilised. The assessment of future taxable profits is based on forecasted results and the application of existing tax laws. The inputs of forecasted results (such as growth rates, margins and expenditure) align with the Group's annual budgets approved by executive management. To the extent that future results differ significantly from estimates, the ability to realise the deferred tax assets could be impacted.

3.7 New and amended standards and interpretations effective for the period ended 28 February 2025

The following new or revised standards became effective in the current period but had no significant impact on the financial position or performance of the Group or company but additional disclosure has been given where necessary:

- Lease Liability in a Sale and Leaseback - Amendment to IFRS 16 - this amendment was not applicable to the Group or company but will be applied if relevant.
- IFRS 7 Financial Instruments Disclosures and IAS 7 Statement of Cash Flows - refer to note 23 and 24 for additional disclosure in regards to supplier finance arrangements.
- IAS 1 Presentation of Financial Statements - refer to note 29 in regards to covenant disclosure. The Group and company does not have any convertible liabilities with embedded derivatives. There has been no change in the current and non-current classification.
- IFRS 19 Subsidaries without Public Accountability: Disclosures - this standard has been early adopted in the Group and will impact disclosure in the underlying subsidiary companies. The standard does not impact the Group or company.

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

3.8 New and amended standards and interpretations not yet effective

The Group and company has not applied various IFRS Accounting Standards and IFRIC interpretations that have been issued, but which are not yet effective, and does not plan on early adoption (unless otherwise stated). These are as follows:

Standard	Scope	Effective Date
IFRS 7 Financial Instruments: Disclosures	Amendment: Gain or loss on derecognition: – changes in wording and references to IFRS 13 included. Implementation guidance: Disclosure of deferred difference between fair value and transaction price: – Improved consistency with IFRS 7. Implementation Guidance: Introduction and Credit risk disclosures: – Clarifying that the implementation guidance does not illustrate all requirements of the related paragraphs in IFRS 7. – Simplifying some explanations. This amendment is not expected to materially impact the Group or company as the principles are being applied.	1 January 2026
IFRS 9 Financial Instruments	Amendment: Lease derecognition of lease liabilities: – Clarifies lessee accounting of a lease liability by adding reference to IFRS 9.3.3.3. Amendment: Transaction price: – Reference to transaction price deleted and required wording around it providing reference to IFRS 15. This amendment is not expected to materially impact the Group or company as the principles are being applied.	1 January 2026
IFRS 9 Financial Instruments	Amendment: Derecognition of financial liabilities: – Clarify that financial liabilities are derecognised on the settlement date. – Inclusion of accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date if certain criteria are met. Amendment: Classification of financial assets: – Clarify the assessment of contractual cash flow characteristics for financial assets with environmental, social and governance ('ESG') and similar contingent features. – Clarifications relating to financial assets with non-recourse features and contractually linked financial assets. Amendment: Additional disclosures: – Equity instruments measured at fair value through equity; and – Financial instruments with contingent payment features. The impact of the amendment is still being assessed.	1 January 2026
IFRS 10 Consolidated Financial Statements	Amendment: Determination of a 'de facto agent': – Addresses a potential confusion by aligning the language in IFRS 10 guidance regarding an investor determining whether another party is acting on its own behalf. This amendment is not expected to materially impact the Group or company as no such relationships exist.	1 January 2026

Standard	Scope	Effective Date
IFRS 18 Presentation and Disclosure in Financial Statements	New standard: This standard deals with the presentation and disclosure of information in general purpose financial statements; new requirements: - specified totals or subtotals within the statement of comprehensive income; - disclosure of management-defined performance measures; - aggregation and disaggregation of financial information based on the indentified 'roles' of the primary financial statements and the notes; and - consdequential amendments to other accounting standards. This standard will change the disclosure and layout of some statements, management is still assessing the expected impact of adoption.	1 January 2027
IAS 21 The Effect of Changes in Foreign Exchange Rates	Amendment: Lack of Exchangeability - currency exchangeability explained. - requirement to estimate currency that is not exchangeable by using either an observable exchange rate without adjustment or using another estimation - additional disclosure are required when an exchange rate required estimation. This amendment is not expected to materially impact the Group or Company as observable exchange rates are used.	1 January 2025 (Modified retrospective appraoch)

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4. Group information

Subsidiaries

The consolidated financial statements of the Group include:
(All companies are incorporated in South Africa except for Dis-Chem Swakopmund Proprietary Limited, Dis-Chem Walvis Bay Proprietary Limited and Dis-Chem Wernhill Proprietary Limited that are incorporated in Namibia and Dis-Chem Airport Junction Proprietary Limited, Dis-Chem Gallo Shopping Centre Francistown Proprietary Limited and Dis-Chem The Fields Proprietary Limited that are incorporated in Botswana).

	% equity interest	
	2025	2024
Retailer of pharmaceutical and other products and services		
Dis-Chem Ballito Junction Proprietary Limited	**75.0**	75.0
Dis-Chem Krugersdorp Proprietary Limited	**51.0**	51.0
Dis-Chem Three Rivers Proprietary Limited	**75.0**	75.0
Dis-Chem The Galleria Amanzimtoti Proprietary Limited	**85.0**	85.0
Dis-Chem Glen Fair Proprietary Limited	**100.0**	100.0
Dis-Chem Flamwood Value Centre Proprietary Limited	**66.7**	66.7
Dis-Chem Festival Mall Proprietary Limited	**100.0**	100.0
Dis-Chem Worcester Proprietary Limited	**95.0**	95.0
The Local Choice Proprietary Limited	**100.0**	100.0
Pharma-Logistical Solutions Proprietary Limited	**100.0**	100.0
Dis-Chem Oncology Proprietary Limited	**50.0**	50.0
Dis-Chem Rynfield Terrace Pharmacy Proprietary Limited	**100.0**	100.0
Dis-Chem Swakopmund Proprietary Limited	**100.0**	100.0
Dis-Chem Walvis Bay Proprietary Limited	**100.0**	100.0
Dis-Chem Maponya Mall Pharmacy Proprietary Limited (2)	**100.0**	90.0
Dis-Chem Jubilee Mall Pharmacy Proprietary Limited	**90.0**	90.0
Dis-Chem Mega City Pharmacy Proprietary Limited	**100.0**	100.0
Dis-Chem Goodwood Pharmacy Proprietary Limited	**85.0**	85.0
Dis-Chem Mams Mall Pharmacy Proprietary Limited	**100.0**	100.0
Dis-Chem TLC De Wiekus Proprietary Limited	**70.0**	70.0
Dis-Chem York Street Pharmacy Proprietary Limited	**100.0**	100.0
Dis-Chem Airport Junction Proprietary Limited	**80.0**	80.0
Dis-Chem Gallo Shopping Centre Francistown Proprietary Limited	**80.0**	80.0
Dis-Chem Wernhill Proprietary Limited	**85.0**	85.0
Dis-Chem Ferndale Mall Pharmacy Proprietary Limited	**100.0**	100.0
Mundel Gien Proprietary Limited (trading as Springbok Pharmacy)	**99.0**	99.0
AT Gouws Proprietary Limited	**100.0**	100.0
The Local Choice Kungwini Proprietary Limited (2)	**-**	100.0
The Local Choice Scott Street Proprietary Limited	**100.0**	100.0
Dis-Chem Castle Gate Pharmacy Proprietary Limited	**51.0**	51.0
Dis-Chem Thavhani Mall Proprietary Limited	**65.0**	65.0
Fairy Tales Boutiques Proprietary Limited	**100.0**	100.0

	% equity interest	
	2025	2024
Healthforce Proprietary Limited	**87.5**	87.5
Dis-Chem Howick Mall Pharmacy Proprietary Limited (2)	**100.0**	83.0
Pure Pharmacy Holdings Proprietary Limited	**100.0**	100.0
Pure Pharmacy Retail Proprietary Limited	**100.0**	100.0
LJ Farrel and Sons Proprietary Limited	**100.0**	100.0
Dis-Chem KG Proprietary Limited	**100.0**	100.0
Botha-Schneider Proprietary Limited	**100.0**	100.0
Dis-Chem Northlands Pharmacy Proprietary Limited	**72.0**	72.0
Pure MD Services Proprietary Limited	**100.0**	100.0
Dis-Chem Foundation NPC (1)	**n/a**	n/a
Dis-Chem Westville Junction Pharmacy Proprietary Limited	**71.0**	71.0
Superstrike Investment 56 Proprietary Limited	**100.0**	100.0
Dis-Chem The Fields Proprietary Limited	**80.0**	80.0
DC Media Proprietary Limited	**100.0**	100.0
Serveco Distribution Proprietary Limited (2)	**57.3**	52.0
Delta Blue Trading 371 Proprietary Limited	**100.0**	100.0
B Anderson Proprietary Limited	**100.0**	100.0
Wholesaler of pharmaceutical products and supporting services		
Dis-Chem Distribution Proprietary Limited	**100.0**	100.0
CJ Pharmaceutical Enterprises Limited	**100.0**	100.0
Evening Star Trading 204 Proprietary Limited (t/a Nelspruit Pharmaceutical Wholesaler)	**100.0**	100.0
CJ Marketing Proprietary Limited	**100.0**	100.0
The Pharmacy Development Academy Proprietary Limited	**70.0**	70.0
Bemax International Proprietary Limited	**100.0**	100.0
Brandwacht Marketing Proprietary Limited	**100.0**	100.0
Finamics Accounting Services Proprietary Limited	**100.0**	100.0
Eleadora Proprietary Limited	**100.0**	100.0
CT Distribution Centre Proprietary Limited	**100.0**	100.0
KZN Warehouse Proprietary Limited	**100.0**	100.0
Columbia Falls Properties 7 Proprietary Limited (3)	**100.0**	-

During the current and prior period, the company opened new stores/entities which exist within a statutory entity or a new statutory entity. These entities were not acquired from a third party and therefore were not treated as business combinations.

During the current period, the operations of the following entities B Anderson Proprietary Limited, Dis-Chem Maponya Mall Pharmacy Proprietary Limited and Dis-Chem Mega City Pharmacy Proprietary Limited were restructured into Dis-Chem Pharmacies Limited in accordance with our common control accounting policy. Refer to note 32.

(1) The Foundation is included due to the majority of the directors being Dis-Chem executives.

(2) During the period, the Group acquired or sold interest in certain companies. Refer to note 27.4.

(3) On 1 Decembe 2024, Dis-Chem acquired 100% of the share capital of Columbia Falls Properties 7 Proprietary Limited for R520 million. This has been treated as an asset acquisition by applying the concentration test in IFRS 3.B7B. Refer to note 28.

There were no material non-controlling interests identified within the Group in the current and prior financial period. The Group assesses the share of non-controlling interest in profit after tax to be material if the interest is higher than 10% (2024: 10%) of consolidated profit after tax.

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Associates and joint ventures

The Group's investment in its associates and joint ventures is accounted for using the equity method.
(all companies are incorporated in South Africa)

	% equity interest	
	2025	2024
Associates		
Bothomed Dis-Chem Pharmacies Joint Venture Proprietary Limited	**20.0**	20.0
Vexall Proprietary Limited	**36.6**	36.6
BEESECDCP Proprietary Limited	**48.0**	48.0
Kaelo Holdings Proprietary Limited	**25.0**	25.0
Kena Health Proprietary Limited	**30.0**	30.0
Differenza Proprietary Limited	**45.6**	45.6
Tony Ferguson Weightloss SA Proprietary Limited	**25.0**	25.0
Stability Analytical And Biological Laboratory Enterprises Proprietary Limited (Sable)	**22.0**	22.0
Nexuz Proprietary Limited	**40.0**	40.0
Joint ventures		
Geniob Group Proprietary Limited (which owns 100% of Origin Brands Proprietary Limited)	**50.0**	50.0
Health Window Proprietary Limited	**50.0**	50.0
Dis-Chem Life Proprietary Limited	**50.0**	–

	R'000	R'000
Kaelo Holdings Proprietary Limited	**208 576**	195 035
Dis-Chem Life Proprietary Limited	**126 508**	–
Other	**21 183**	13 186
	356 267	208 221

On 1 August 2024, the Group acquired a 50% interest in the ordinary share capital of Dis-Chem Life Proprietary Limited for a consideration of R155.9 million. Dis-Chem Life is at the forefront of life insurance innovation and utilizing advanced AI, and proprietary technology, and has created a revolutionary offering that transforms the traditional insurance experience.

The Group assesses the share of associates and joint ventures to be material if the net carrying value of the company is higher than 10% (2024: 10%) of consolidated profit before tax.

Kaelo houses a complementary portfolio of health assets, including benefit-rich gap and primary health insurance products, occupational health clinics, and is the owner of the AskNelson psychological wellbeing platform. Kaelo's principal place of business is in South Africa.

	2025 R'000	2024 R'000
Summarised financial information of Kaelo Holdings:		
Non-current assets	**340 989**	253 356
Current assets	**279 894**	106 953
Non-current liabilities	**124 818**	93 933
Current liabilities	**250 213**	92 863
Revenue	**1 181 424**	815 099
Profit/Total comprehensive income	**54 124**	53 996
Group's share of profit for the year	**13 531**	13 499
Dividend received	**–**	–

The Group's share of loss/total comprehensive loss of associates (excluding Kaelo) is R3.9 million (2024: R8 million) and profit of joint ventures is R11 million (2024: R40 million).

5. Acquisitions

There were no acquisitions in the current financial period.

6. Segmental information

An operating segment is defined as a component 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 chief operating decision-maker, being the executive directors, in order to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

The Group has identified two reportable segments. The following describes the operations in each of the reportable segments:

Retail

Retail consists of the Dis-Chem stores, retailers of pharmaceutical and a variety of health and beauty products, as well as pharma-logistic services and oncology and retailers of pharmaceutical products. All retail stores have been aggregated into one segment as they have similar economic characteristics (gross margins), products and services, type of customer and distribution methods.

Baby is included in the retail operating segment as its operating results are not separately reviewed to make resourcing decisions. The expenses are incurred across the retail segment.

Wholesale

Wholesale consists of the CJ Wholesale and Dis-Chem Distribution businesses, wholesalers of pharmaceutical and a variety of health and beauty products. The wholesale subsidiaries have been aggregated into one segment as they have similar economic characteristics (gross margins), products and services, type of customer and distribution methods.

There are no external customers that account for more than 10% of the Group's revenue in the current and prior financial year.

Geographic information

With the exception of three stores in Namibia and three stores in Botswana, the Group operates in one principal geographical area, that being South Africa. The revenue, assets and liabilities recognised in non-South African countries are not significant and therefore do not form a separate segment.

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	Retail R'000	Wholesale R'000	Intergroup/ consolidation R'000	Total R'000
2025				
External customers	33 569 780	5 602 567	–	39 172 347
Inter-segment	–	24 496 539	(24 496 539)	-
Revenue from contracts with customers	33 569 780	30 099 106	(24 496 539)	39 172 347
Cost of sales	(26 271 160)	(28 041 867)	23 941 055	(30 371 972)
Gross profit	7 298 620	2 057 239	(555 484)	8 800 375
Other income	2 856 524	501 953	(11 010)	3 347 467
Total income	10 155 144	2 559 192	(566 494)	12 147 842
Other expenses (excluding depreciation and amortisation)	(7 578 349)	(1 895 949)	575 783	(8 898 515)
Depreciation and amortisation	(1 001 318)	(143 911)	–	(1 145 229)
Operating profit before interest and equity accounted earnings	1 575 477	519 332	9 289	2 104 098
Net finance costs	(363 345)	(127 260)	–	(490 605)
Share of profit from associate and joint ventures	20 207	–	–	20 207
Profit before taxation	1 232 339	392 072	9 289	1 633 700
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2 597 002	663 243	9 289	3 269 534
Capital expenditure	(663 005)	(739 139)	–	(1 402 144)
Total assets	12 335 756	11 098 983	(4 177 798)	19 256 941
Total liabilities	8 165 085	8 018 120	(2 155 235)	14 027 970
Total income margin	30.3%	8.5%		31.0%
EBITDA margin	7.7%	2.2%		8.3%
Operating margin	4.7%	1.7%		5.4%

	Retail R'000	Wholesale R'000
Material items included in other income and expenses [1]:		
Other income		
Advertising and marketing income	1 234 109	
Data and administration fees	1 405 311	322 428
Profit on IFRS 16 release on purchase of leased properties		103 692
Other expenses		
Computer expenses	497 720	
Advertising expenses	541 851	
Commission	197 031	
Courier	142 426	183 367
Occupancy costs	625 896	
Employee benefits	4 681 383	721 778
Service fee paid		566 899

[1] *Items are only disclosed if material in that segment, based on 10% of consolidated profit before tax.*

	Retail R'000	Wholesale R'000	Intergroup/ consolidation R'000	Total R'000
2024				
External customers	31 692 905	4 590 571	–	36 283 476
Inter-segment	–	22 799 701	(22 799 701)	–
Revenue from contracts with customers	31 692 905	27 390 272	(22 799 701)	36 283 476
Cost of sales	(24 953 612)	(25 427 373)	22 314 056	(28 066 929)
Gross profit	6 739 293	1 962 899	(485 645)	8 216 547
Other income	2 669 354	266 078	(27 588)	2 907 844
Total income	9 408 647	2 228 977	(513 233)	11 124 391
Other expenses (excluding depreciation and amortisation)	(7 097 029)	(1 709 557)	523 383	(8 283 203)
Depreciation and amortisation	(935 368)	(126 573)	–	(1 061 941)
Operating profit before interest and equity accounted earnings	1 376 250	392 847	10 150	1 779 247
Net finance costs	(383 805)	(56 131)	–	(439 936)
Share of profit from associate and joint ventures	45 270	–	–	45 270
Profit before taxation	1 037 715	336 716	10 150	1 384 581
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2 356 888	519 420	10 150	2 886 458
Capital expenditure	(456 348)	(570 746)	–	(1 027 094)
Total assets	11 401 762	9 774 935	(3 675 711)	17 500 986
Total liabilities	7 685 691	7 378 507	(2 038 153)	13 026 045
Total income margin	29.7%	8.1%		30.7%
EBITDA margin	7.4%	1.9%		8.0%
Operating margin	4.3%	1.4%		4.9%

	Retail R'000	Wholesale R'000
Material items included in other income and expenses [(1)]:		
Other income		
Advertising and marketing income	1 117 169	
Data and administration fees	1 318 869	194 848
Other expenses		
Computer expenses	450 782	
Advertising expenses	586 815	
Commission	180 934	
Security	145 660	
Courier	121 322	185 159
Occupancy costs	526 037	
Employee benefits	4 398 240	660 562
Service fee paid		510 777

[(1)] *Items are only disclosed if material in that segment, based on 10% of consolidated profit before tax.*

7. Revenue from contracts with customers

Revenue from contracts with customers is predominantly derived from the sale of products through our retail stores and warehouse channels.

Sale of goods – wholesale: The Group sells a range of pharmaceutical, health and front shop products in the wholesale market. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer. Delivery occurs when the products have been delivered to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied. A right to return liability (included in trade and other payables) and related asset (included in trade and other receivables) are recognised for any expected returns that may take place within the Group's return policy in relation to sales made until the end of the reporting period. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). No element of financing is deemed present as the sales are made with a credit term of 30 to 60 days, which is consistent with market practice.

Sale of goods – retail: The Group operates a chain of retail stores selling pharmaceutical, health and front shop products. Revenue from the sale of goods is recognised when products are sold to the customer. Payment of the transaction price is due immediately when the customer purchases the products and takes delivery in store. It is the Group's policy to sell certain of its products to the customer with a right of return of between 10 to 30 days depending on the specific product. Legally returns on dispensary items are prohibited. Therefore, a right to return liability (included in trade and other payables) and related asset (included in trade and other receivables) are recognised for the products expected to be returned, that may take place within the Group's return policy. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method).

Customer loyalty programme: The Group operates a loyalty scheme which allows retail customers to accumulate points that entitle them, subject to certain criteria, to use these points in the future in any store in exchange for goods or services. A contract liability for the award points is recognised at the time of the sale and revenue is recognised when the points are redeemed taking into account breakage, if any (refer to note 26).

	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Revenue from contracts with customers	**39 172 347**	36 283 476	**25 426 048**	24 191 118

Retail revenue from contracts with customers can be further disaggregated between the following retail categories:

	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Dispensary	**36**	35	**36**	35
Personal care and beauty	**28**	28	**28**	28
Healthcare and nutrition	**22**	21	**22**	21
Baby care	**8**	9	**8**	9
Other	**6**	7	**6**	7
	100	100	**100**	100

Wholesale revenue is not further disaggregated as revenue from contracts with customers is earned in a similar nature and timing.

8. Profit before taxation

Advertising and marketing income as well as data and administration fees are recognised over time when the service is provided to the vendor, as the customer simultaneously receives and consumes the benefit provided.

The cost of employee benefits is recognised as an expense during the period in which the employee renders the service.

Profit before taxation has been determined after taking into account the following material items:

	Notes	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
Other income					
Advertising and marketing income		**1 241 161**	1 130 114	**1 026 546**	896 548
Data and administration fees		**1 727 738**	1 506 978	**1 116 587**	1 046 115
Commission income		**69 383**	84 850	**63 584**	78 814
Franchise income		**59 284**	47 158	**57 385**	54 001
Dividend income		**–**	–	**103 440**	157 530
Profit on IFRS 16 release on purchase of leased properties		**103 692**	–	**–**	–
Other expenses					
Depreciation of tangible assets	12	**1 060 384**	978 794	**690 857**	632 345
Amortisation of intangible assets	13	**84 845**	83 147	**39 800**	45 198
Computer expenses		**524 967**	478 712	**446 360**	400 899
Advertising expenses		**632 603**	637 813	**514 997**	521 181
Commission		**197 038**	180 980	**158 054**	145 077
Bank charges		**126 569**	119 843	**98 062**	89 846
Security		**191 967**	172 930	**146 262**	129 779
Motor vehicle expenses		**133 457**	127 770	**29 639**	30 194
Courier		**325 793**	306 481	**99 878**	78 646
External audit fees		**13 617**	9 602	**11 375**	7 131
External non-audit fees		**238**	15	**238**	15
Occupancy costs		**674 634**	574 213	**419 765**	345 230
– Lease payments (1)		**88 933**	77 055	**57 776**	47 345
– Other (including electricity and rates)		**585 701**	497 158	**361 989**	297 885

(1) *Lease payments relate to variable lease payments of R2.6 million (2024: R4.8 million) in the Group and R0.7 milllion (2024: R1.1 million) in the company not included in the measurement of lease liabilities (for example, turnover based rental) and R86 million (2024: R72.2 million) in Group and R57.1 million (2024: R46.2 million) in company relating to short-term leases. There was no expense in the current or prior period relating to low-value assets.*

	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
Employee benefits	**5 403 161**	5 058 802	**3 841 185**	3 621 310
– Salaries and wages	**4 351 074**	4 157 560	**3 104 516**	2 974 470
– Provident costs (defined contribution plan)	**196 872**	182 243	**151 423**	140 528
– Medical aid	**135 144**	125 385	**103 621**	97 559
– Leave pay	**(6 498)**	(41 683)	**(6 847)**	(34 760)
– Share-based payment (note 20)	**29 628**	24 232	**29 628**	24 232
– Bonuses	**418 439**	329 785	**287 481**	236 989
– Other (including UIF and SDL)	**278 502**	281 280	**171 363**	182 292

For details on directors' emoluments and key management personnel refer to note 28.

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9. Net financing costs

Finance income

Finance income is recognised utilising the effective interest method, being the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in finance income in profit or loss.

Finance costs

All borrowing costs are recognised in profit or loss using the effective interest method as there are no qualifying assets.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
– Bank accounts	**19 121**	18 624	**6 955**	6 833
– Loans and debtors	**10 276**	7 640	**56 551**	17 347
– Other	**1 003**	33	**648**	4
Finance income	**30 400**	26 297	**64 154**	24 184
– Bank overdraft	**119 337**	122 575	**101 354**	98 827
– Bank loans	**146 767**	95 790	**86 372**	47 192
– Lease liability	**253 250**	247 799	**161 344**	145 485
– Related party loans	**–**	–	**79 401**	109 951
– Other	**1 651**	69	**–**	8
Finance costs	**521 005**	466 233	**428 471**	401 463
Net financing costs	**490 605**	439 936	**364 317**	377 279

10. Taxation

Current tax

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to taxation authorities. The tax rates and laws used to compute the amount are those that are enacted, or substantively enacted at the reporting date. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Management periodically evaluates positions taken in the tax returns where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred taxation is provided using the liability method on all temporary differences between the tax bases of assets and liabilities and their carrying amounts at the reporting date. Deferred tax liabilities are recognised for all taxable temporary differences except:

- in respect of taxable temporary differences associated with investments in subsidiaries and interests in associates and joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and unused tax losses can be utilised:

- in respect of deductible temporary differences associated with investments in subsidiaries and interests in associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
South African normal tax				
Current income tax				
– Current year	**404 959**	354 012	**200 950**	175 330
– Prior year over provision	**(10 654)**	(993)	**(11 855)**	(187)
Deferred tax				
– Attributable to temporary differences	**20 157**	11 074	**4 123**	11 747
	414 462	364 093	**193 218**	186 890
Reconciliation of tax rate	**%**	%	**%**	%
Standard tax rate	**27.00**	27.00	**27.00**	27.00
Prior year net over provision	**(0.65)**	–	**(1.25)**	(0.02)
Adjusted for permanent differences:				
Non-taxable:				
ETI and leadership	**(0.50)**	(0.47)	**(0.82)**	(0.66)
Tenant allowance	**(0.03)**	(0.05)	**(0.06)**	–
Share-based payments	**0.01**	0.14	**0.01**	0.22
Research and development	**(0.41)**	–	**(0.70)**	–
Dividends income	**-**	–	**(3.64)**	(5.09)
Non-deductible:				
Legal fees	**0.17**	0.14	**0.16**	0.19
Investment in associates and joint ventures	**(0.33)**	(0.88)	**-**	–
Other*	**0.11**	0.42	**(0.27)**	(0.02)
Effective tax rate	**25.37**	26.30	**20.43**	21.62

* *Other mainly includes assessed losses not raised, tax rate differences, sale of property,plant and equipment, dividends withholding tax and leave pay provision.*

With regards to IFRIC 23 Uncertain tax positions the Group determined whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Group applies judgement in identifying uncertainties over income tax treatments. Since the Group does not operate in a complex multinational environment, it assessed and concluded that the interpretation did not have an impact on its financial statements for the years presented.

11. Earnings per share

Earnings per share

Earnings per share is calculated using the weighted average number of ordinary shares in issue during the period and is based on the profit after tax attributable to equity holders of the parent.

Headline earnings per share

Headline earnings per share (HEPS) is determined as per the JSE Listings Requirements as set out in the HEPS circular 1/2023.

The calculation of headline earnings per share is based on the weighted average number of ordinary shares.

The calculation is reconciled as follows:

	Group	
	2025 R'000	2024 R'000
Profit attributable to equity holders of the parent	**1 179 809**	984 481
Net loss/(profit) on disposal of property, plant and equipment and intangible assets	**3 110**	(644)
Impairment on intangible asset in joint venture	**324**	–
Compensation from third parties for items of property, plant and equipment and intangible assets	**(4 735)**	(747)
Taxation	**537**	341
Headline earnings	**1 179 045**	983 431
Earnings per share (cents)		
– Basic	**137.6**	114.7
– Diluted	**137.5**	114.7
Headline earnings per share (cents)		
– Basic	**137.5**	114.6
– Diluted	**137.4**	114.6

	Group	
	2025	2024
Reconciliation of shares in issue to weighted average number of shares in issue		
Total number of shares in issue at beginning of the period	**860 084 483**	860 084 483
Total number of treasury shares in issue at the beginning of the period	**(2 734 980)**	(815 000)
Total number of shares outstanding at the beginning of the period	**857 349 503**	859 269 483
Treasury shares exercised and issued under the share scheme	**2 397 586**	290 800
Treasury shares acquired	**(2 390 752)**	(1 577 623)
Total weighted number of shares in issue at the end of the period	**857 356 337**	857 982 660
Share options	**699 577**	132 896
Total diluted weighted number of shares in issue at the end of the period	**858 055 914**	858 115 556

12. Property, plant and equipment

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment. Property plant and equipment are depreciated on the straight-line basis at rates estimated to write each asset down to their residual value over the term of its useful life.

Initial and subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group/company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

All assets are depreciated from the date they are available-for-use, on a straight-line basis, to allocate their cost to their residual value over their estimated useful life. Depreciation ceases at the earlier of either the date the asset is classified as held for sale or the date the asset is derecognised.

The right-of-use (ROU) asset is measured based on the present value of the lease payments, initial direct costs incurred when entering in the lease less any lease incentives received. The ROU asset is depreciated over the shorter of the lease term or the useful life of the underlying asset.

The estimated useful lives are as follows:

– Land	Not depreciated
– Buildings	20 to 30 years
– Computer hardware	1 to 9 years
– Office and other equipment	1 to 10 years
– Leasehold improvements	4 to 12 years
– Motor vehicles (owned)	1 to 10 years
– Furniture and fixtures	2 to 12 years
– Land and buildings (right-of-use)	Lease term
– Motor vehicles (right-of-use)	Lease term
– Equipment (right-of-use)	Lease term

The residual values, useful lives and depreciation methods of property, plant and equipment are reviewed at each reporting date and adjusted if appropriate. At each reporting date it is assessed whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount is estimated.

Where carrying values exceed the estimated recoverable amounts, tangible assets are written down to their recoverable amounts and the impairment is recognised in profit or loss immediately.

Please refer to note 3.3 on impairment of non-financial assets, where the recoverable amount is discussed.

An asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on disposal are determined by comparing the proceeds with the carrying amount. These gains or losses are included in profit or loss in the period of derecognition.

Group	OWNED						RIGHT-OF-USE			
	Land and buildings R'000	Computer hardware R'000	Office and other equip-ment* R'000	Leasehold improve-ments R'000	Furniture and fixtures# R'000	Motor vehicles R'000	Land and buildings R'000	Motor vehicles R'000	Equipment R'000	Total R'000
2025										
Cost	1 749 292	680 526	295 731	361 513	1 282 679	10 253	6 323 689	137 281	74 349	10 915 313
Opening balance	1 035 403	710 588	301 072	361 207	1 173 301	12 320	6 130 622	104 247	61 076	9 889 836
Additions	713 889	135 026	58 737	35 576	309 075	5 381	752 924	34 073	13 273	2 057 954
Disposals/ scrapping	-	(163 825)	(63 815)	(35 097)	(198 998)	(7 423)	(557 915)	(1 039)	-	(1 028 112)
Modification to lease terms	-	-	-	-	-	-	(921)	-	-	(921)
Foreign exchange	-	(1 263)	(263)	(173)	(699)	(25)	(1 021)	-	-	(3 444)
Accumulated depreciation	(57 824)	(299 051)	(149 296)	(207 365)	(512 869)	(5 228)	(4 278 554)	(81 381)	(26 345)	(5 617 913)
Opening balance	(28 641)	(325 099)	(167 530)	(203 298)	(528 261)	(2 622)	(3 762 791)	(59 732)	(12 157)	(5 090 131)
Current charge	(29 183)	(131 904)	(44 625)	(36 128)	(163 613)	(7 733)	(610 461)	(22 549)	(14 188)	(1 060 384)
Disposals/ scrapping	-	157 167	62 685	32 084	179 074	5 142	94 005	900	-	531 057
Foreign exchange	-	785	174	(23)	(69)	(15)	693	-	-	1 545
Net carrying amount	1 691 468	381 475	146 435	154 148	769 810	5 025	2 045 135	55 900	48 004	5 297 400

Included in additions in the current year is the asset acquisition of the Midrand warehouse.

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Group	OWNED						RIGHT-OF-USE			
	Land and buildings R'000	Computer hardware R'000	Office and other equip-ment* R'000	Leasehold improve-ments R'000	Furniture and fixtures# R'000	Motor vehicles R'000	Land and buildings R'000	Motor vehicles R'000	Equipment R'000	Total R'000
2024										
Cost	1 035 403	710 588	301 072	361 207	1 173 301	12 320	6 130 622	104 247	61 076	9 889 836
Opening balance	490 683	744 688	300 063	408 726	1 111 199	15 089	5 763 247	94 335	27 514	8 955 544
Additions	544 720	129 331	55 579	15 638	187 871	1 895	366 224	29 902	33 562	1 364 722
Disposals/ scrapping	–	(163 931)	(55 088)	(63 198)	(125 940)	(4 670)	–	(19 990)	–	(432 817)
Acquisitions	–	–	–	–	14	–	–	–	–	14
Modification to lease terms	–	–	–	–	–	–	789	–	–	789
Foreign exchange	–	500	518	41	157	6	362	–	–	1 584
Accumulated depreciation	(28 641)	(325 099)	(167 530)	(203 298)	(528 261)	(2 622)	(3 762 791)	(59 732)	(12 157)	(5 090 131)
Opening balance	(12 497)	(365 110)	(169 644)	(231 496)	(503 541)	(1 379)	(3 183 820)	(54 386)	(4 445)	(4 526 318)
Current charge	(16 144)	(122 475)	(43 433)	(34 662)	(146 109)	(4 094)	(578 829)	(25 336)	(7 712)	(978 794)
Disposals/ scrapping	–	162 907	45 645	62 982	122 016	2 884	–	19 990	–	416 424
Foreign exchange	–	(421)	(98)	(122)	(627)	(33)	(142)	–	–	(1 443)
Net carrying amount	1 006 762	385 489	133 542	157 909	645 040	9 698	2 367 831	44 515	48 919	4 799 705

Included in additions in 2024 is the Longmeadow warehouse.

* *Includes air conditioners, security equipment, medical and clinic equipment, office equipment, PABX, media equipment and machinery and equipment.*

\# *Includes salon equipment, fixtures and fittings, shop equipment, signs and furniture.*

All motor vehicles and equipment held under lease liabilities are held as security for the lease liabilities (refer to note 22). The owned land and buildings are held as security for the bank loans taken out for their purchase (refer note 23).

	OWNED						RIGHT-OF-USE		
Company	Buildings R'000	Computer hardware R'000	Office and other equip-ment* R'000	Leasehold improve-ments R'000	Furniture and fixtures# R'000	Motor vehicles R'000	Buildings R'000	Motor vehicles R'000	Total R'000
2025									
Cost	**33 500**	**477 807**	**132 522**	**281 143**	**862 740**	**11 114**	**4 828 528**	**30 673**	**6 658 027**
Opening balance	33 500	486 642	128 615	290 232	782 667	9 040	4 256 817	31 076	6 018 589
Additions	-	102 273	47 007	16 956	211 234	3 982	610 373	29	991 854
Disposals/ scrappings	-	(111 108)	(43 100)	(26 045)	(131 161)	(1 908)	(38 662)	(432)	(352 416)
Accumulated depreciation	**(2 134)**	**(202 604)**	**(66 845)**	**(176 709)**	**(360 703)**	**(6 198)**	**(3 214 224)**	**(28 338)**	**(4 057 755)**
Opening balance	(1 019)	(220 950)	(86 576)	(173 636)	(378 321)	(3 788)	(2 792 711)	(27 498)	(3 684 499)
Current charge	(1 115)	(89 213)	(23 117)	(27 864)	(101 678)	(2 492)	(444 247)	(1 131)	(690 857)
Disposals/ scrappings	-	107 559	42 848	24 791	119 296	82	22 734	291	317 601
Net carrying amount	**31 366**	**275 203**	**65 677**	**104 434**	**502 037**	**4 916**	**1 614 304**	**2 335**	**2 600 272**

	OWNED						RIGHT-OF-USE		
Company	Buildings R'000	Computer hardware R'000	Office and other equip-ment* R'000	Leasehold improve-ments R'000	Furniture and fixtures# R'000	Motor vehicles R'000	Buildings R'000	Motor vehicles R'000	Total R'000
2024									
Cost	33 500	486 642	128 615	290 232	782 667	9 040	4 256 817	31 076	6 018 589
Opening balance	–	559 821	147 729	337 502	759 245	8 388	3 973 339	30 915	5 816 939
Additions	33 500	63 526	11 251	9 052	110 162	854	284 237	161	512 743
Modifications	–	–	–	–	–	–	(759)	–	(759)
Disposals/ scrappings	–	(136 705)	(30 365)	(56 322)	(86 740)	(202)	–	–	(310 334)
Accumulated depreciation	(1 019)	(220 950)	(86 576)	(173 636)	(378 321)	(3 788)	(2 792 711)	(27 498)	(3 684 499)
Opening balance	–	(272 312)	(89 876)	(202 501)	(371 785)	(1 510)	(2 394 540)	(24 076)	(3 356 600)
Current charge	(1 019)	(85 405)	(22 439)	(27 264)	(92 197)	(2 428)	(398 171)	(3 422)	(632 345)
Disposals/ scrappings	–	136 767	25 739	56 129	85 661	150	–	–	304 446
Net carrying amount	32 481	265 692	42 039	116 596	404 346	5 252	1 464 106	3 578	2 334 090

* *Includes air conditioners, security equipment, medical and clinic equipment, office equipment, PABX, media equipment and machinery and equipment.*

\# *Includes salon equipment, fixtures and fittings, shop equipment, signs and furniture.*

All motor vehicles held under lease liability are held as security for the lease liability (refer to note 22). The buildings owned are held as security for the bank loans taken outfor their purchase (refer note 23).

13. Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired.

The amortisation period and the amortisation method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss in the expense category consistent with the function of the intangible assets.

Intangible assets with indefinite useful lives (goodwill) are not amortised, but are tested for impairment annually, at the CGU level.

The estimated useful lives are as follows:

– Computer software:	2 to 10 years
– Brand value:	10 to 30 years
– Distribution right:	10 to 15 years
– Customer list:	7 years
– Licences:	10 years

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

Group	Computer software R'000	Licences R'000	Goodwill R'000	Customer list R'000	Distribution right R'000	Brand value R'000	Total R'000
2025							
Cost	**616 618**	**5 181**	**925 986**	**46 340**	**120 759**	**136 235**	**1 851 119**
Opening balance	**423 701**	**5 231**	**929 705**	**46 340**	**120 759**	**136 235**	**1 661 971**
Additions	**204 088**	**-**	**-**	**-**	**-**	**-**	**204 088**
Disposals/scrapping	**(11 180)**	**(50)**	**(3 719)**	**-**	**-**	**-**	**(14 949)**
Foreign exchange	**9**	**-**	**-**	**-**	**-**	**-**	**9**
Accumulated amortisation	**(271 736)**	**(1 937)**	**-**	**(40 570)**	**(67 800)**	**(21 019)**	**(403 062)**
Opening balance	**(213 658)**	**(1 429)**	**-**	**(37 300)**	**(58 829)**	**(15 621)**	**(326 837)**
Current charge	**(66 648)**	**(558)**	**-**	**(3 270)**	**(8 971)**	**(5 398)**	**(84 845)**
Disposals/scrapping	**8 573**	**50**	**-**	**-**	**-**	**-**	**8 623**
Foreign exchange	**(3)**	**-**	**-**	**-**	**-**	**-**	**(3)**
Net carrying amount	**344 882**	**3 244**	**925 986**	**5 770**	**52 959**	**115 216**	**1 448 057**

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Group	Computer software R'000	Licences R'000	Goodwill R'000	Customer list R'000	Distri-bution right R'000	Brand value R'000	Total R'000
2024							
Cost	423 701	5 231	929 705	46 340	120 759	136 235	1 661 971
Opening balance	363 181	5 231	873 719	46 340	120 759	136 235	1 545 465
Additions	92 060	–	–	–	–	–	92 060
Acquisitions	–	–	55 986	–	–	–	55 986
Disposals/scrapping	(31 520)	–	–	–	–	–	(31 520)
Foreign exchange	(20)	–	–	–	–	–	(20)
Accumulated amortisation	(213 658)	(1 429)	–	(37 300)	(58 829)	(15 621)	(326 837)
Opening balance	(181 257)	(772)	–	(33 232)	(49 727)	(10 222)	(275 210)
Current charge	(63 921)	(657)	–	(4 068)	(9 102)	(5 399)	(83 147)
Disposals/scrapping	31 503	–	–	–	–	–	31 503
Foreign exchange	17	–	–	–	–	–	17
Net carrying amount	210 043	3 802	929 705	9 040	61 930	120 614	1 335 134

Company	Computer software R'000	Licences R'000	Goodwill R'000	Customer List R'000	Total R'000
2025					
Cost	**441 584**	**5 181**	**121 057**	**28 136**	**595 958**
Opening balance	**283 867**	**5 231**	**121 057**	**28 136**	**438 291**
Additions	**166 044**	**–**	**–**	**–**	**166 044**
Disposals/scrapping	**(8 327)**	**(50)**	**–**	**–**	**(8 377)**
Accumulated amortisation	**(195 432)**	**(1 937)**	**–**	**(24 675)**	**(222 044)**
Opening balance	**(162 771)**	**(1 429)**	**–**	**(24 005)**	**(188 205)**
Current charge	**(38 572)**	**(558)**	**–**	**(670)**	**(39 800)**
Disposals/scrapping	**5 911**	**50**	**–**	**–**	**5 961**
Net carrying amount	**246 152**	**3 244**	**121 057**	**3 461**	**373 914**
2024					
Cost	283 867	5 231	121 057	28 136	438 291
Opening balance	242 490	5 081	121 057	28 136	396 764
Additions	72 703	150	–	–	72 853
Disposals/scrapping	(31 326)	–	–	–	(31 326)
Accumulated amortisation	(162 771)	(1 429)	–	(24 005)	(188 205)
Opening balance	(150 624)	(921)	–	(22 777)	(174 322)
Current charge	(43 462)	(508)	–	(1 228)	(45 198)
Disposals/scrapping	31 315	–	–	–	31 315
Net carrying amount	121 096	3 802	121 057	4 131	250 086

Goodwill	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
Wholesale				
CJ Pharmaceutical Enterprises	**19 327**	19 327	**-**	-
CJ Marketing	**1 087**	1 087	**-**	-
Evening Star Trading	**274**	274	**-**	-
The Pharmacy Development Academy	**565**	565	**-**	-
Bemax	**37 370**	37 370	**-**	-
Quenets	**15 206**	15 206	**-**	-
Retail				
Platinum Park	**7 670**	7 670	**7 670**	7 670
Market Street	**3 670**	3 670	**3 670**	3 670
Heidelberg	**2 750**	2 750	**-**	-
Logistical Services	**92 961**	92 961	**83 295**	83 295
Dis-Chem York Street	**21 500**	21 500	**-**	-
Dis-Chem TLC De Wiekus	**1 023**	1 023	**-**	-
Mundel Gien	**17 491**	17 491	**-**	-
Culemborg	**968**	968	**-**	-
TLC Medipark	**4 201**	4 201	**-**	-
Baby	**343 957**	343 957	**-**	-
TLC Kungwini (1)	**-**	3 719	**-**	-
Scott Street	**6 067**	6 067	**6 067**	6 067
Ferngate	**20 355**	20 355	**20 355**	20 355
Dis-Chem Northlands Pharmacy	**856**	856	**-**	-
Healthforce	**10 960**	10 960	**-**	-
Dis-Chem Howick Mall Pharmacy	**5 009**	5 009	**-**	-
Pure Pharmacy Holdings	**255 890**	255 890	**-**	-
Serveco	**240**	240	**-**	-
Westville Junction	**603**	603	**-**	-
B Anderson	**55 986**	55 986		
	925 986	929 705	**121 057**	121 057

(1) TLC Kungwini was sold in the current period.

The CGUs are based on the relevant statutory entities or underlying cost centres. The recoverable amount of the above CGUs as at the reporting date, has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 15.7% (2024: 15.25%) for wholesale companies and a range of 13.7% to 16.1% (2024: 13.23% to 15.63%) for the retail companies. Cash flows beyond the five-year period are extrapolated using a 4% (2024: 4%) growth rate. As a result of the analysis, management did not identify an impairment in the current or prior financial period. Key assumptions are determined by management in regards to past experience.

Management has assessed the calculation and have determined that no reasonable change to a key assumption would result in the carrying amount of a CGU exceeding its recoverable amount.

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14. Deferred tax

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Deferred tax assets and liabilities are only offset if there is a legally enforceable right to offset current tax and the asset or liability relates to the same taxation authority and the same taxable entity.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Also refer to accounting policy under note 10.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Deferred taxation				
Balance at the beginning of the year	**92 036**	103 110	**71 401**	83 146
Movements during the year				
– Charge to profit or loss (note 10)	**(20 157)**	(11 074)	**(4 123)**	(11 747)
– Acquisition and take on	**(59 793)**	–	**–**	2
Balance at the end of the year	**12 086**	92 036	**67 278**	71 401
Representing:				
– Deferred tax asset	**137 500**	166 368	**67 278**	71 401
– Deferred tax liability	**(125 414)**	(74 332)	**–**	–
	12 086	92 036	**67 278**	71 401
The deferred tax balance is made up as follows:				
Employee-related obligations	**65 774**	50 643	**47 826**	41 806
Deferred revenue and S24C allowance	**20 183**	17 927	**14 179**	12 232
Lease liability	**134 665**	157 807	**119 890**	116 923
Prepayment	**(8 912)**	(5 983)	**(8 063)**	(5 485)
Tax losses	**79 787**	91 478	**–**	–
Property, plant and equipment	**(199 095)**	(156 639)	**(88 104)**	(96 163)
Intangible assets	**(85 387)**	(66 434)	**(20 572)**	–
Other*	**5 071**	3 237	**2 122**	2 088
	12 086	92 036	**67 278**	71 401

* *Other mainly relates to right of return asset and liability, expected credit loss and tax rate differences on foreign subsidaries.*

As at 28 February 2025, deferred tax assets raised for the Group's estimated tax losses were R80 million (2024: R91 million). The tax losses are available to be offset against future taxable income. For tax years ending on or after 31 March 2023, companies with assessed losses will be entitled to set off a maximum of 80% of their assessed losses (subject to a R1 million minimum) against taxable income in a specific year. The directors consider that sufficient future taxable income will be generated by the relevant companies to utilise the deferred tax asset recognised.

As at 28 February 2025, the rand value of assessed losses amounted to R384 million (2024: R421 million) of which R88 million (2024: R83 million) has not been recognised.

15. Investments

The company holds the investment in subsidiaries, associates and joint ventures at cost.

	Company 2025 R'000	2024 R'000
Investment in associates and joint ventures		
(Proprietary Limited unless stated otherwise)		
Health Window	**16 000**	16 000
Differenza	**1 530**	1 530
Kaelo Holdings	**170 411**	170 411
Dis-Chem Life	**155 940**	–
	343 881	187 941

All other associates and joint ventures measured at cost in the financial statements are below R1,000 and therefore not shown above. Refer to note 4 in regards to additional disclosure.

	Company 2025 R'000	2024 R'000
Investment in subsidiaries		
(Proprietary Limited unless stated otherwise)		
CJ Pharmaceutical Enterprises	**411 612**	411 612
CJ Marketing	**5 104**	5 104
Dis-Chem Distribution	**1 152 972**	1 152 972
Evening Star Trading 204	**6 416**	6 416
Bemax International	**69 350**	69 350
Dis-Chem TLC De Wiekus	**1 500**	1 500
Dis-Chem Ballito Junction	**11 540**	11 540
Dis-Chem The Galleria Amanzimtoti	**2 542**	2 542
Mundel Gien (trading as Springbok Pharmacy)	**37 659**	37 659
Culemborg	**1 000**	1 000
AT Gouws	**9 500**	9 500
Fairy Tales Boutique	**422 425**	422 425
Dis-Chem Castle Gate Pharmacy	**11 683**	11 683
Dis-Chem Howick Mall Pharmacy	**4 000**	2 400
Pure Pharmacy Holdings	**177 865**	177 865
Superstrike Investments 56	**18 000**	18 000
Serveco Distribution	**15 000**	–
	2 358 168	2 341 568

All other subsidiaries measured at cost in the financial statements are below R1,000 and therefore not shown above.

Total investment in subsidiaries, associates and joint ventures	**2 702 049**	2 529 509

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16. Inventories

Inventories comprise merchandise for resale and are valued at the lower of cost determined on a weighted average moving cost basis and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. The cost of merchandise sold includes normal shrinkage, wastage, inventory losses, trade discounts, rebates and other similar items. Obsolete and slow moving inventories are identified and written down to their net realisable value. The carrying amount of inventory is recognised as an expense in the period in which the related revenue is recognised.

The Group enters into various rebate agreements with its vendors in regards to the purchasing of inventory. These rebates are recorded as a reduction to the cost of the related inventory to the extent that the inventories have been sold, to the extent the inventory is unsold the rebates reduce the inventory balance. Certain of these agreements are based on the achievement of specific volumes of purchases over a specified period, including escalating rebates as certain pre-defined hurdles are met. The Group accrues these growth rebates at the point when it is probable that the hurdles will be met.

	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Finished goods	**7 905 213**	7 162 558	**2 954 388**	2 809 498
Cost of inventories recognised as cost of sales	**30 371 972**	28 066 929	**19 754 676**	18 907 475

Provision for obsolete inventory amounts to R4.0 million (2024:R3.4 million) in the Group and Rnil million (2024: Rnil) in the company.

Write off's during the year amounted to R49 million (2024: R28 million) in the Group and R13.5 million (2024: R10 million) in the company. There were no reversals of write off's in the current or prior year.

17. Trade and other receivables

Trade receivables are amounts due from medical aids and wholesale customers for merchandise sold or services rendered in the ordinary course of business and are accounted for as financial assets at amortised cost in accordance with the accounting policy disclosed in note 29. Prepayments are stated at their nominal values.

Expenses and assets are recognised net of VAT, except:

- when the VAT incurred on a purchase of assets or services is not recoverable from SARS, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables which are stated inclusive of VAT. The net amount of sales tax recoverable from, or payable to, SARS is included as part of receivables or payables in the statement of financial position.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Trade receivables	**1 602 861**	1 387 683	**335 290**	283 613
Allowance for expected credit loss	**(18 840)**	(13 261)	**(5 600)**	–
Net trade receivables	**1 584 021**	1 374 422	**329 690**	283 613
Other receivables	**1 405 195**	1 010 879	**767 114**	496 171
Accrued income	**101 022**	115 424	**98 722**	110 100
Prepayments	**198 114**	201 563	**170 087**	169 981
VAT	**3 250**	20 134	**–**	–
Related parties (note 28)	**8 553**	–	**366 492**	321 025
Right of return asset	**12 679**	9 131	**10 303**	7 178
	3 312 834	2 731 553	**1 742 408**	1 388 068
Allowance for expected credit loss				
Opening balance	**(13 261)**	(11 634)	**–**	–
Allowance utilised	**5 665**	11 642	**–**	–
Allowance raised	**(11 244)**	(13 269)	**(5 600)**	–
Closing balance	**(18 840)**	(13 261)	**(5 600)**	–

Trade receivables are non-interest-bearing and are generally on terms of 7 to 60 days.

Other receivables and accrued income are non-interest-bearing and generally on terms of 30 to 60 days. Other receivables and accrued income consist of rebates, advertising and logistic fee receivables as well as other sundry receivables. Prepayments consists mainly of bonus advances and prepayment of IT licences.

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As at 28 February, the age analysis of trade receivables is as follows:

Group	Total R'000	Current R'000	<30 days R'000	30 to 60 days R'000	Days past due: 60 to 90 days R'000	90 to 120 days R'000	>120 days R'000
2025							
Expected credit loss rate	**1.2%**	**0.0%**	**0.0%**	**0.0%**	**6.2%**	**4.3%**	**17.7%**
Estimated gross carrying amount at default	**1 602 861**	**877 553**	**440 442**	**131 599**	**49 315**	**19 652**	**84 300**
Expected credit loss	**18 840**	**-**	**-**	**-**	**3 033**	**852**	**14 955**
2024							
Expected credit loss rate	1.0%	0.0%	0.0%	0.0%	0.0%	0.0%	16.5%
Estimated gross carrying amount at default	1 387 683	614 609	489 625	138 548	42 337	22 293	80 271
Expected credit loss	13 261	–	–	–	–	–	13 261

Company	Total R'000	Current R'000	<30 days R'000	30 to 60 days R'000	Days past due: 60 to 90 days R'000	90 to 120 days R'000	>120 days R'000
2025							
Expected credit loss rate	**1.7%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**0.0%**	**53.3%**
Estimated gross carrying amount at default	**335 290**	**299 360**	**11 989**	**4 083**	**8 656**	**690**	**10 512**
Expected credit loss	**5 600**	**-**	**-**	**-**	**-**	**-**	**5 600**

Trade receivables over 120 days in the current and prior year are mainly on payment plans and have been meeting the payment requirements and therefore not 100% provided for at year-end.

Trade and other receivables relating to CJ Pharmaceutical Enterprises Limited amounting to R400 million (2024: R400 million) were pledged as security for the revolving overdraft facilities with Standard Bank. Under the pledge the bank can claim debtors' receipts if CJ defaults on the bank overdraft. There are no other special terms relating to the pledge.

Refer to note 29 on credit risk management of trade and other receivables.

18. Loans receivable

Loans are accounted for as financial assets in accordance with the accounting policy disclosed in note 29.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
NCI shareholders loans	**5 843**	8 197	**-**	–
Related parties (note 28)	**95 478**	89 976	**861 985**	899 567
Other loans	**86 652**	96 541	**44 306**	47 083
	187 973	194 714	**906 291**	946 650
Non-current assets	**72 804**	68 603	**600 403**	576 177
Current assets	**115 169**	126 111	**305 888**	370 473
	187 973	194 714	**906 291**	946 650

NCI shareholders loans relate to loans with individuals that have non-controlling interest in subsidiary companies of the Group. They are non-interest bearing and must be repaid before any dividend is paid to the individual.

Related party loans in the Group relate to loans given to BEESECDCP, Tony Ferguson, Nexus and Sable. The Tony Ferguson loan earns interest at prime, Nexus at prime and Sable at prime plus 0.5%. BEESECDCP is interest free. These loans are unsecured and are repayable on demand.

Other loans in the Group mainly relate to loans given to ASU, USN, Stem Cell and Phyto Health which are companies within the pharmaceutical and health industry as well as Uphawu and The Tailor that are in the cut and trim industry. These loans are unsecured and repayable on demand. Other loans in the company mainly relate to USN, Uphawu and The Tailor.

The USN loan earns interest at prime less 1%. The ASU, Stem Cell, Phyto Health, Uphawu and The Tailor loans are interest free.

Related party loans in the company includes a loan for R502 million that the company has given to Dis-Chem Distribution Proprietary Limited in 2023 in regards to the purchase of the new Longmeadow warehouse. This loan earns interest at JIBAR plus 1.3% and is repayble at the end of 3 years.

In May 2024, the South African Reserve Bank (SARB) released a publication prepared by the Market Practitioners Group (MPG) providing an update on the JIBAR transition plan. The transition approach includes detail on key milestones and expected timelines. The JIBAR is expected to cease before the end of 2026. The ZARONIA is currently published on the SARB's website. Existing contracts will be renegotiated with the relevant banks and all loans have a maturity date longer than 12 months. No material impact is expected when the rates are changed, but this change cannot be estimated yet.

Non-current assets in the Group consist mainly of related party loans given to Tony Ferguson, Sable and Nexus. Non-current assets in the Company consist mainly of related party loans given to Tony Ferguson, Sable, Nexus and Dis-Chem Distribution.

Refer to note 29 on credit risk management of loans receivable.

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19. Share capital

Ordinary share capital represents the no par value of ordinary shares issued.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Authorised				
1 500 000 000 (2024: 1 500 000 000) ordinary no par value shares				
Issued and fully paid				
860 084 483 (2024: 860 084 483) ordinary no par value shares	**6 155 554**	6 155 554	**6 155 554**	6 155 554
Reconciliation of shares issued				
Opening and closing balance	**6 155 554**	6 155 554	**6 155 554**	6 155 554

Treasury shares

Treasury shares are held for the forfeitable share plan and measured at the cost value of the shares.				
Opening balance	**70 084**	24 615	**70 084**	24 615
Treasury shares acquired	**32 604**	65 485	**32 604**	65 485
Treasury shares issued under share scheme	**(14 056)**	(20 016)	**(14 056)**	(20 016)
Closing balance	**88 632**	70 084	**88 632**	70 084

In 2025 the following treasury shares were bought:

- 425 049 treasury shares were bought in May 2024 for R14 million at an average price of R34.07 per share.
- 501 181 treasury shares were bought in January 2025 for R18 million at an average price of R36.14 per share.

In 2024 the following treasury shares were bought:

- 1 433 126 treasury shares were bought in May 2023 for R33 million at an average price of R22.92 per share.
- 1 269 945 treasury shares were bought in August 2023 for R33 million at an average price of R25.69 per share.

At 28 February 2025, the Group held 3 115 446 treasury shares (2024: 2 734 980).

20. Other reserves

Other reserves is made up as follows:

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Treasury shares (note 19)	**88 632**	70 084	**88 632**	70 084
Share-based payments	**(50 318)**	(43 299)	**(50 318)**	(43 299)
Common control	**990 991**	990 991	**331 921**	329 266
Shares repurchased (1)	**3 631 052**	3 631 052	**3 631 052**	3 631 052
Foreign currency translation reserved	**(56)**	(163)	**-**	-
	4 660 301	4 648 665	**4 001 287**	3 987 103

(1) Relates to shares repurchased on listing

Share-based payments

Employees (including senior executives) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model, further details of which are given below.

The cost is recognised in other expenses as part of employee benefits, together with a corresponding increase in equity (other reserves), over the period in which the service and, where applicable, the performance conditions are fulfilled (the vesting period). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share (refer to note 11).

Forfeitable Share Plan (FSP) – bonus shares

Under the FSP fully-paid shares (bonus shares) of Dis-Chem Pharmacies Limited are granted to regional and head office managers/executives. As the grants are in Dis-Chem's own shares they are treated as equity-settled share-based payments.

The shares are registered in employees' names on the grant date and held in a brokerage account on behalf of the employees until vesting (approximately 3 years), as long as they are still employed by the Company. These shares are held as treasury shares in the Company. Employees receive dividends and voting rights on these shares during the vesting period. Exercise of the shares takes place on the vesting date.

The fair value of the shares is the fair market value on the grant date due to the fact that the employees have full rights to all the dividends declared before the end of the vesting period.

Share Appreciation Rights (SAR)

Under the SAR plan employees share in the growth in the share price between the award price and exercise price, and receive shares to the value of that appreciation.

Vesting of the share options is dependent on the Group's achievement of forward-looking performance conditions, being growth in headline earnings per share and continued employment. The share options can be exercised up to three years after the vesting period.

The fair value of share options granted is estimated at the date of grant by using a Binomial Tree approach, taking into account the terms and conditions on which the share options were granted. The model takes into account dividend yield, share price volatility and risk-free rate.

The exercise price of the share options is equal to the market price of the underlying shares on the date of the grant.

Options/shares not yet exercised by 28 February 2025:

FSP

Offer date	Expiry date	Number of shares Feb 2024	Number of shares forfeited	Number of shares granted	Number of shares exercised	Number of shares Feb 2025
1 September 2021	30 June 2024	504 708	–	–	504 708	**–**
30 August 2022	30 June 2025	960 327	26 424	–	26 087	**907 816**
1 August 2023	30 June 2026	1 284 912	51 299	–	15 269	**1 218 344**
1 August 2024	30 June 2027	–	–	995 532	–	**995 532**

SAR

Offer date	Expiry date	Number of options Feb 2024	Number of options forfeited	Number of options granted	Number of options exercised	Number of options Feb 2025
1 February 2019	31 July 2024	273 465	130 936	–	142 529	**–**

Options/shares not yet exercised by 29 February 2024:

FSP

Offer date	Expiry date	Number of shares Feb 2023	Number of shares forfeited	Number of shares granted	Number of shares exercised	Number of shares Feb 2024
1 March 2021	30 June 2023	783 091	–	–	(783 091)	–
1 September 2021	30 June 2024	504 708	–	–	–	504 708
30 August 2022	30 June 2025	960 327	–	–	–	960 327
1 August 2023	30 June 2026	–	–	1 284 912	–	1 284 912

SAR

Offer date	Expiry date	Number of options Feb 2023	Number of options forfeited	Number of options granted	Number of options exercised	Number of options Feb 2024
1 June 2018	31 May 2023	172 718	172 718	–	–	–
1 February 2019	31 July 2024	299 497	–	–	26 032	273 465

The expense recognised for employee services during the year is shown in the following table:

Group and company	2025 R'000	2024 R'000
Expense arising from FSP	**29 628**	24 232

There were no modifications to the grants in 2025 or 2024.

21. Dividends to shareholders

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
June 2024	**193 459**	–	**193 459**	–
November 2024	**231 716**	–	**231 716**	–
June 2023	**–**	158 712	**–**	158 712
November 2023	**–**	199 404	**–**	199 404
	425 175	358 116	**425 175**	358 116
Minority interest dividend	**46 814**	66 211	**–**	–
	471 989	424 327	**425 175**	358 116

	Cents	Cents	Cents	Cents
Dividends per share				
Interim paid	**27.0**	23.2	**27.0**	23.2
Final declared/paid[1]	**27.9**	22.5	**27.9**	22.5

(1) *Declared subsequent to year-end on 29 May 2025 (2024: 30 May 2024).*

A final dividend of 27.9 cents per share was approved by the directors on 29 May 2025. The dividend will be subject to the South African dividend withholding tax ("DWT") rate of 20% which will result in a net dividend of 22.3 cents per share to those shareholders who are not exempt from paying dividend tax.

22. Lease liability

At inception, the Group assesses whether a contract is or contains a lease. The Group recognises a right-of-use (ROU) asset and lease liability at the commencement date of the lease.

The lease liability is measured at the present value of the lease payments net of cash lease incentives that are not paid at the reporting date. Lease payments are apportioned between the finance charges and reduction of the lease liability using the incremental borrowing rate to achieve a constant rate of interest on the remaining balance of the liability. Lease payments for buildings exclude service fees and other costs.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Minimum payments due				
– Within one year	**813 222**	798 064	**577 185**	538 325
– Within five years	**2 022 128**	2 093 604	**1 569 681**	1 360 529
– Over five years	**409 485**	1 386 715	**345 051**	395 190
	3 244 835	4 278 383	**2 491 917**	2 294 044
Less: future finance charges	**(580 986)**	(1 210 258)	**(458 223)**	(406 242)
Present value of minimum payments	**2 663 849**	3 068 125	**2 033 694**	1 887 802
Present value of minimum payment due:				
– Within one year	**617 851**	581 827	**432 488**	414 801
– Within five years	**1 681 784**	1 583 042	**1 295 476**	1 116 206
– Over five years	**364 214**	903 256	**305 730**	356 795
	2 663 849	3 068 125	**2 033 694**	1 887 802
Non-current liabilities	**2 045 998**	2 486 298	**1 601 206**	1 473 001
Current liabilities	**617 851**	581 827	**432 488**	414 801
	2 663 849	3 068 125	**2 033 694**	1 887 802

The lease liability relates to land and buildings, motor vehicles and equipment. The capitalised lease liability relating to motor vehicles and equipment are secured by the underlying asset (refer to note 12). There are no leases with residual value guarantees.

Many of the store leases across the Group contain extension options. In many cases these terms are not reflected in measuring the lease liabilities until management is reasonably certain they will be exercised. The Group considers all relevant facts and circumstances that create an economic incentive to exercise, or not to exercise, the option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option.

Future cash flow in the 2026 financial year relating to variable lease payments is expected to be approximately R2.2 million for the Group and Rnil for the company (2025 financial year: R4.1 million for the Group and Rnil for the company).

23. Loans payable

Loans payable are accounted for as financial liabilities in accordance with the accounting policy disclosed in note 29.

	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
Non-current loans				
Absa Bank	**722 090**	801 737	**722 090**	801 737
Standard Bank	**942 045**	454 545	**-**	–
Investec Bank	**14 600**	26 055	**-**	5 174
	1 678 735	1 282 337	**722 090**	806 911
Current loans				
Absa Bank	**80 000**	80 000	**80 000**	80 000
Standard Bank	**130 000**	–	**-**	–
Investec Bank	**6 889**	22 276	**-**	15 026
Supply Chain Finance	**308 923**	331 541	**-**	–
NCI shareholders loans	**10 005**	8 227	**-**	–
Related parties (note 28)	**39 307**	46 297	**785 799**	771 990
	575 124	488 341	**865 799**	867 016

The Absa loan consists of two parts:

- R400 million unsecured loan is repayable over a period of five years (31 July 2028) in quarterly instalments at a three-month JIBAR plus 1.4%.
- A bullet loan taken out in the prior year of R502 million repayable in three years with a 2 year optional extension at a three-month JIBAR plus 1.3%. The loan is secured by the underlying warehouse in Longmeadow with a cost of R502 million.

The Standard Bank loan consists of two parts:

- A bullet facility with a maturity date of five years (31 May 2027) and earns interest at the three-month JIBAR plus 1.44%. The loan is secured by the underlying properties with a cost of R421 million.
- A new loan of R650 million was taken out in the current year repayable over a five year period in quarterly instalments at a three-month JIBAR plus 1.27%. The loan is secured by the underlying warehouse in Midrand.

The Investec loan consists of three separate loans payable in quarterly instalments:

- In the prior period, the remaining R20 million loan at a three-month JIBAR rate. This loan was fully repaid in the current period and was unsecured.
- R24 million facility with a maturity date of five years (31 August 2027) and earns interest at Investec prime rate less 0.25%. This loan is secured by the underlying property with a cost of R36.3 million.
- R12 million facility with a maturity date of five years (31 August 2027) and earns interest at Investec prime rate less 0.25%. This loan is secured by the underlying property with a cost of R12.5 million.

The import supply chain finance programme allows Dis-Chem to make payments to foreign suppliers through a funding institution using a cloud-based system. Dis-Chem then receives extended terms of up to 150 days in which to make payment to said financial institution instead of prepaying the suppliers. As at 28 February 2025, R309 million (2024: R332 million) of the suppliers have already received payment from the financial institutoin. Dis-Chem is charged an interest rate in line with SONIA or a similar reference rate.

In May 2024, the South African Reserve Bank (SARB) released a publication prepared by the Market Practitioners Group (MPG) providing an update on the JIBAR transition plan. The transition approach includes detail on key milestones and expected timelines. The JIBAR is expected to cease before the end of 2026. The ZARONIA is currently published on the SARB's website. Existing contracts will be renegotiated with the relevant banks and all loans have a maturity date longer than 12 months. No material impact is expected when the rates are changed, but this change cannot be estimated yet.

Related party and NCI shareholders loans in the Group are considered to be short-term in nature as they are payable on demand and do not earn interest. These loans are unsecured.

24. Trade and other payables

Trade and other payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. They are accounted for as financial liabilities in accordance with the accounting policy disclosed in note 29.

Expenses and assets are recognised net of VAT, except:

- when the VAT incurred on a purchase of assets or services is not recoverable from SARS, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and
- receivables and payables which are stated inclusive of VAT. The net amount of sales tax recoverable from, or payable to, SARS is included as part of receivables or payables in the statement of financial position.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Trade payables	**6 493 968**	6 321 095	**967 156**	878 836
Other payables	**457 585**	313 771	**294 174**	215 751
VAT	**230 633**	171 178	**88 012**	37 358
Related parties (note 28)	**47 568**	45 839	**1 193 883**	1 512 664
Right of return liability	**16 474**	11 799	**13 455**	9 338
	7 246 228	6 863 682	**2 556 680**	2 653 947

Trade and other payables are non-interest-bearing and are generally on terms of 7 to 90 days.

Other payables consist of payables relating to payroll as well as general accruals.

Trade payables includes R784 million (2024: R762 million) (Company R155 million and R131 million in 2024) due to suppliers that have signed up to a supply chain financing programme, under which the suppliers can elect on an invoice-by-invoice basis to receive a discounted early payment from the partner bank rather than being paid in line with the agreed payment terms. If the option is taken the Group's liability is assigned to be due to the partner bank rather than the supplier. The value and terms of the liability payable by the Group remains unchanged. The Group assesses the arrangement against indicators to assess if debts which vendors have sold to the funder under the supplier financing scheme continues to meet the definition of trade payables or should be classified as borrowings. At 28 February, the payables met the criteria of trade payables as the value and terms of the liability payable has not changed and the Group has not given any security or incurred any additional costs.

Refer to note 29 on liquidity risk management.

25. Employee-related obligations

Short-term employee obligations are measured at the undiscounted amount required to settle the present obligation at the reporting date. Included in short-term employee obligations are bonus and leave pay.

The expected cost of short-term employee benefits are recognised in the form of paid absences as follows:
- in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and
- in the case of non-accumulating paid absences, when the absences occur.

The expected cost of bonus payments are recognised when, and only when:
- there is a present legal or constructive obligation to make such payments as a result of past events; and
- a reliable estimate of the obligation can be made.

A present obligation exists when, and only when, there is no realistic alternative but to make the payments.

When an employee has rendered service to the Group during a period, the Group shall recognise the contribution payable to a defined contribution plan in exchange for that service as a liability (accrued expense), after deducting any contribution already paid. The expense is recognised in profit or loss.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Leave pay	**171 538**	177 928	**132 236**	139 080
Bonus	**142 660**	87 313	**99 370**	71 021
	314 198	265 241	**231 606**	210 101

The bonus is dependent on the Group performance as well as individual ratings.

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26. Deferred revenue (contract liability)

Deferred revenue liability is recognised for expected loyalty benefit points and gift vouchers redeemed by customers for purchases made by participating customers for the loyalty points and gift vouchers purchased for cash during the last three years, based on past experience of the level of redemptions. It is expected that a majority of these will be redeemed in the next financial year and all will have been redeemed within two years of the reporting date. Assumptions used to calculate the liability are based on current redemption rates at existing stores which are between 90% and 100% (2024: 90% and 100%).

Loyalty benefit point scheme

The Group operates a loyalty scheme which allows retail customers to accumulate points that entitle them, subject to certain criteria, to use these points in the future in any store in exchange for goods or services. The transaction price is allocated to the loyalty points with reference to the Rand value of the points and is deferred as a liability and recognised as revenue on redemption of the points by customers. The Group experiences low levels of unredeemed loyalty points due to the ease with which customers can redeem them at point of sale.

Gift vouchers

The fair value of gift vouchers which includes the expected redemption rate attributed to the vouchers, is deferred as a liability and recognised as revenue on redemption of the gift vouchers by customers.

	Group		Company	
	2025 R'000	2024 R'000	2025 R'000	2024 R'000
Loyalty benefit points scheme	**45 625**	42 128	**52 516**	45 007
Gift vouchers	**31 646**	31 934	**26 501**	27 014
Other contracts	**9 641**	9 835	**–**	–
	86 912	83 897	**79 017**	72 021
Loyalty points				
Opening balance	**42 128**	41 259	**45 007**	47 494
Points issued	**279 042**	266 083	**243 115**	224 624
Revenue recognised*	**(275 545)**	(265 214)	**(235 606)**	(227 111)
Closing balance	**45 625**	42 128	**52 516**	45 007
Gift vouchers				
Opening balance	**31 934**	23 401	**27 014**	19 796
Vouchers issued	**229 016**	159 190	**152 969**	135 925
Revenue recognised*	**(229 304)**	(150 657)	**(153 482)**	(128 707)
Closing balance	**31 646**	31 934	**26 501**	27 014
Other contracts				
Opening balance	**9 835**	12 510	**–**	–
Contract issued	**23 665**	29 826	**–**	–
Revenue recognised	**(23 859)**	(32 501)	**–**	–
Closing balance	**9 641**	9 835	**–**	–

* *Approximately 100% (2024: 100%) of the opening balance has been recognised as revenue in the current year.*

27. Notes to the statement of cash flows

Cash and cash equivalents are accounted for as financial assets at amortised cost and bank overdrafts are accounted for as financial liabilities in accordance with the accounting policy disclosed in note 29.

Cash and cash equivalents comprise cash on hand and deposits held on call, all of which are available-for-use by the Group/company.

	Group		Company	
	2025	2024	2025	2024
	R'000	R'000	R'000	R'000
27.1 Cash generated by operations				
Profit before tax	**1 633 700**	1 384 581	**945 662**	864 423
Adjustments for:				
– Depreciation and amortisation	**1 145 229**	1 061 941	**730 657**	677 543
– Finance costs	**521 005**	466 233	**428 471**	401 463
– Finance income	**(30 400)**	(26 297)	**(64 154)**	(24 184)
– Increase/ (Decrease) in employee obligations	**48 957**	(27 631)	**21 505**	(32 969)
– Increase in deferred revenue	**3 015**	6 727	**6 996**	4 731
– Decrease in net returns provision	**(1 127)**	(134)	**(992)**	(59)
– Dividend income	**-**	–	**(103 440)**	(157 530)
– Loss/ (profit) on sale and scrapping of tangible and intangible assets	**2 159**	(690)	**2 576**	139
– Increase in allowance for expected credit loss	**5 579**	1 627	**5 600**	–
– Share scheme expense	**28 745**	24 232	**28 745**	24 232
– Unrealised foreign exchange (profit)/ loss	**(18 429)**	35 452	**-**	–
– Loss/ (Gain) on lease liability	**8 001**	(2 516)	**9 699**	2 304
– Profit on IFRS 16 release on purchase of leased properties	**(103 692)**	–	**-**	–
– Profit from associates and joint ventures	**(20 207)**	(45 270)	**-**	–
	3 222 535	2 878 255	**2 011 325**	1 760 093
27.2 Movement in working capital				
Movement in loans receivable	**17 252**	50 395	**70 985**	(55 335)
Movement in loans payable	**(5 212)**	13 085	**13 809**	(4 590)
Movement in inventories	**(742 624)**	(802 702)	**(144 890)**	(420 650)
Movement in trade and other receivables	**(590 408)**	(148 487)	**(363 065)**	80 790
Movement in trade and other payables	**397 246**	712 357	**(92 881)**	433 626
	(923 746)	(175 352)	**(516 042)**	33 841
27.3 Taxation paid				
Net amount payable at beginning of the year	**(30 585)**	(58 276)	**(21 920)**	(16 958)
Amount charged excluding deferred tax (note 10)	**(394 305)**	(353 019)	**(189 095)**	(175 143)
Amount on acquisition and take on	**712**	(904)	**-**	(431)
Net amount payable at end of the year	**(6 470)**	30 585	**(9 970)**	21 920
	(430 648)	(381 614)	**(220 985)**	(170 612)

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	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
27.4 Change in ownership interest in subsidiary/ Proceeds from non-controlling interest				
– Amount paid for Howick	**(1 600)**	–	**–**	–
– Amount paid for Maponya	**(2 654)**	–	**–**	–
– Amount received for Serveco	**15 000**	–	**–**	–
– Amount paid for Rynfield	**–**	(3 351)	**–**	–
– Amount received from Airport Junction, Gallo and The Fields	**–**	2 381	**–**	–
– Amount paid for Springbok	**–**	(5 160)	**–**	–
– Amount paid for Evening Star	**–**	(2 200)	**–**	–
– Amount paid for Mega City	**–**	(5 700)	**–**	–
	10 746	(14 030)	**–**	–

	Group 2025 R'000	Group 2024 R'000	Company 2025 R'000	Company 2024 R'000
Cash and cash equivalents comprise the following:				
27.5 Cash and cash equivalents				
Cash on hand and balances with banks	**585 354**	884 371	**396 129**	97 418
Bank overdrafts	**(1 317 637)**	(851 143)	**(1 317 669)**	(281 614)
	(732 283)	33 228	**(921 540)**	(184 196)

Cash at bank earns interest at floating rates based on daily bank deposit rates.

27.6 Changes in financing activities

Group	2024	Cash flows	Non-cash changes Net new leases/ transaction	Acquisitions	Release/ fair value changes	Modification	2025
Bank loans	**1 716 154**	488 393	–	–	–	–	**2 204 547**
Lease liability[1]	**3 068 125**	(641 172)	824 373	–	(592 429)	4 952	**2 663 849**

Group	2023	Cash flows	Non-cash changes New leases/ transaction	Acquisitions	Release/ fair value changes	Modification	2024
Bank loans	1 257 517	458 637	–	–	–	–	1 716 154
Lease liability[1]	3 227 635	(586 623)	429 688	–	–	(2 575)	3 068 125

[1] *The interest repaid on the lease liability is R253 million (2024: R248 million) and is reflected in finance costs under operating activities.*

Company	2024	Cash flows	Non-cash changes New leases/ transaction	Release/ fair value changes	Modification	2025
Bank loans	901 937	(99 847)	–	–	–	**802 090**
Lease liability[1]	1 887 802	(458 266)	594 453	–	9 705	**2 033 694**

Company	2023	Cash flows	Non-cash changes New leases/ transaction	Release/ fair value changes	Modification	2024
Bank loans	439 606	462 331	–	–		901 937
Lease liability[1]	2 020 066	(418 498)	284 397	–	1 837	1 887 802

[1] *The interest repaid on the lease liability is R161 million (2024: R145 million) and is reflected in finance costs under operating activities.*

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28. Related party transactions

Related party transactions and balances constitute the transfer of resources, services or obligations between the Group/ company and a party related to the Group/ company. For the purposes of defining related party transactions with key management, key management has been defined as directors and public officers and includes close members of their families and entities controlled or jointly controlled by these individuals.

Directors' direct and indirect holdings of shares in the company is disclosed in the Directors Report.

2025

Group Related party	Loan receivable R'000	Loan payable R'000	Lease liability R'000	Accounts receivable R'000	Accounts payable R'000	Interest income/ (expense) R'000	Sales R'000	Purchases R'000	Services received R'000
Columbia Falls Property 7 [(1)/(4)]	-	-	-	-	-	(40 188)	-	-	-
Mathimba [(1)]	-	-	-	-	-	(142)	-	-	-
Origin Brands [(2)]	-	-	-	-	2 750	-	-	11 894	-
Geniob [(2)]	-	-	-	-	40 956	-	-	371 215	-
Vexall [(2)]	-	-	-	-	1 056	-	-	-	103 421
Health Window [(2)]	-	-	-	8 462	-	-	-	-	98 853
Bene [(3)]	-	-	-	-	2 262	-	-	37 301	-
BEESECDCP [(2)]	35 972	-	-	91	-	-	-	-	-
Tony Ferguson [(2)]	25 386	-	-	-	544	2 991	-	-	8 071
Nexuz [(2)]	2 017	-	-	-	-	444	-	-	-
Sable [(2)]	32 103	-	-	-	-	3 391	-	-	-
Kaelo Holdings [(2)]	-	39 307	-	-	-	-	-	-	106 813
Various property companies[(1)]	-	-	136 765	-	-	(12 287)	-	-	-
	95 478	39 307	136 765	8 553	47 568	(45 791)	-	420 410	317 158

(1) *Relates to retail and warehouse space that is owned/partially owned by certain directors.*

(2) *Relates to associates and joint ventures of the Group as disclosed in note 4.*

(3) *Relates to a company that is owned by certain directors.*

(4) *Relates to interest expense before 1 December 2024, when the Group acquired the shares in the company.*

On 1 December 2024, the Group acquired 100% of the share capital of Columbia Falls for the purchase price of R519 million. This is a related party transaction due to the seller being an associate of certain directors and prescribed officers of Dis-Chem, who collectively are also material shareholders of Dis-Chem. This transaction was accounted for as an asset acquisitions.

On 1 August 2024, the Group acquired a 50% interest in the ordinary share capital of Dis-Chem Life Proprietary Limited for a consideration of R155.9 million. Four Dis-Chem directors are indirect shareholders of the holding company of Dis-Chem Life Proprietary Limited and therefore the holding company is considered a related party to Dis-Chem.

For additional information refer to SENS issued on these related party transactions.

2024

Group Related party	Loan receivable R'000	Loan payable R'000	Lease liability R'000	Accounts receivable R'000	Accounts payable R'000	Interest income/ (expense) R'000	Sales R'000	Purchases R'000	Services received R'000
Columbia Falls Property 7 [(1)]	–	–	562 616	–	–	(53 613)	–	–	–
Mathimba [(1)]	–	–	4 585	–	–	(407)	–	–	–
Origin Brands [(2)]	–	–	–	–	3 307	–	–	17 513	–
Geniob [(2)]	–	–	–	–	21 392	–	–	326 171	–
Vexall [(2)]	–	–	–	–	8 094	–	–	–	102 010
Health Window [(2)]	–	–	–	–	7 901	–	–	–	74 480
Bene [(3)]	–	–	–	–	4 005	–	–	39 211	–
BEESECDCP [(2)]	33 764	–	–	–	–	–	–	–	–
Tony Ferguson [(2)]	25 195	–	–	–	1 140	2 775	–	–	7 108
Nexuz [(2)]	2 305	–	–	–	–	25	–	–	–
Sable [(2)]	28 712	–	–	–	–	1 693	–	–	–
Kaelo Holdings [(2)]	–	46 297	–	–	–	–	–	–	20 897
Various property companies [(1)]	–	–	173 350	–	–	(14 683)	–	–	–
	89 976	46 297	740 551	–	45 839	(64 210)	–	382 895	204 495

(1) *Relates to retail and warehouse space that is owned/partially owned by certain directors.*

(2) *Relates to associates and joint ventures of the Group as disclosed in note 4.*

(3) *Relates to a company that is owned by certain directors.*

For further information in regards to loans receivable, guarantees and loans payable refer to note 29. Related party receivable and payables are generally settled within 60 days.

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2025

Company Related party	Loan receivable R'000	Loan payable R'000	Lease liability R'000	Accounts receivable R'000	Accounts payable R'000	Interest income/ (expense) R'000	Sales R'000	Purchases R'000	Services received R'000
Dis-Chem Distribution	503 558	–	–	–	1 159 156	48 312	7 446	16 197 272	401 009
Dis-Chem Ballito Junction	–	52 579	–	5 371	–	(6 347)	2 124	1 596	5 030
Dis-Chem Flamwood Value Centre	–	38 745	–	9 784	–	(4 473)	2 161	1 193	2 608
Dis-Chem Krugersdorp	–	18 877	–	2 569	–	(2 480)	1 681	1 704	1 971
Dis-Chem Glen Fair	4 571	–	–	–	7 202	–	–	–	–
Dis-Chem Three Rivers	–	33 976	–	4 304	–	(3 664)	1 329	416	2 237
Dis-Chem The Galleria Amanzimtoti	–	41 522	–	3 875	–	(4 533)	1 496	1 287	3 312
Dis-Chem Oncology	6 351	–	–	4 754	–	–	1 999	1 564	–
Dis-Chem Worcester	–	23 967	–	2 433	–	(2 753)	566	927	1 583
Dis-Chem Jubilee Mall	11 992	15 466	–	2 171	–	–	226	507	–
Pharma-Logistical Solutions	–	52 881	–	–	–	–	–	–	–
Dis-Chem Goodwood	–	19 751	–	1 876	–	(3 413)	1 474	922	2 008
Dis-Chem Mams Mall	–	2 870	–	879	–	–	441	907	–
The Local Choice	–	740	–	2 327	–	–	–	–	–
TLC De Wiekus	–	10 927	–	6 478	–	(1 647)	1 289	882	1 947
Dis-Chem Northlands	–	9 198	–	1 431	–	(1 507)	442	511	1 453
Dis-Chem Airport Junction	–	–	–	3 082	–	–	–	–	2 954
Dis-Chem Gallo	10 487	–	–	–	405	–	–	–	814
Dis-Chem The Fields	–	11	–	1 943	–	–	–	–	2 432
CJ Marketing	–	–	–	–	1 384	–	–	–	–
CJ Pharmaceutical Enterprises	–	–	–	195 375	–	–	–	1 804 750	64 251
Bemax International	22 409	–	–	179	–	–	–	–	–
Springbok Pharmacy	–	3 376	–	1 126	–	–	432	1 080	–
Dis-Chem Castle Gate	–	90 181	–	15 140	–	(9 107)	3 226	1 363	4 260
Dis-Chem Thavhani Mall	–	18 596	–	3 551	–	(2 173)	268	402	–
Dis-Chem Howick Mall	–	11	–	671	–	(234)	220	445	371
Fairy Tales Boutique	–	33 194	–	18 569	–	–	12 195	25 757	(1 407)

2025 (continued)

Company Related party	Loan receivable R'000	Loan payable R'000	Lease liability R'000	Accounts receivable R'000	Accounts payable R'000	Interest income/ (expense) R'000	Sales R'000	Purchases R'000	Services received R'000
Geniob	–	–	–	4 512	–	–	–	–	–
AT Gouws	1 007	–	–	–	–	–	–	–	–
Dis-Chem Westville	–	3 578	–	1 016	–	(991)	301	405	1 172
KZN Warehouse	–	882	–	–	–	(1 383)	–	–	–
Eleadora	–	14 704	–	191	–	(993)	–	–	–
CT Distribution Centre	165	–	–	–	–	(1 788)	–	–	–
Pure Pharmacy Holdings	–	25 895	–	4	–	–	–	–	–
Pure Pharmacy Retail	–	106 638	–	43 468	–	(23 780)	12 308	14 134	–
Dis-Chem KG	–	81 202	–	23 544	–	(8 135)	2 842	3 321	–
Delta Blue Trading 371	–	2 057	–	–	–	–	–	–	–
Dis-Chem Swakopmund	4 083	–	–	–	469	–	–	–	–
Dis-Chem Wernhill	1 392	–	–	14	965	–	–	–	669
Vexall	–	–	–	–	1 013	–	–	–	101 406
Health Window	–	–	–	–	8 462	–	–	–	98 853
Healthforce	184 061	–	–	–	7 094	–	–	–	66 434
Serveco Distribution	29 427	–	–	2 954	–	–	–	–	(16 232)
DC Media	–	83 975	–	–	7 170	–	–	–	669
Tony Ferguson	25 792	–	–	–	563	2 991	–	–	–
BEESECDCP	21 347	–	–	91	–	–	–	–	–
Nexuz	2 017	–	–	–	–	414	–	–	–
Sable	32 103	–	–	–	–	3 534	–	–	–
LJ Farrell	108	–	–	–	–	–	–	–	–
Pharmacy Development	–	–	–	2 766	–	–	–	–	1 219
Dis-Chem Foundation	–	–	–	44	–		–	–	–
Columbia Falls	1 115	–	–	–	–	14	–	–	–
Various property companies[1]	–	–	128 676	–	–	(11 460)	–	–	–
	861 985	785 799	128 676	366 492	1 193 883	(35 596)	54 466	18 061 345	751 023

[1] *Relates to retail space that is owned/partially owned by certain directors.*

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2024

Company Related party	Loan receivable R'000	Loan payable R'000	Lease liability R'000	Accounts receivable R'000	Accounts payable R'000	Interest expense R'000	Sales R'000	Purchases R'000	Services received R'000
Dis-Chem Distribution	516 047	24 299	–	–	1 355 237	13 235	7 970	15 251 016	297 591
Dis-Chem Ballito Junction	–	35 948	–	6 519		(15 715)	1 565	1 386	4 724
Dis-Chem Flamwood Value Centre	–	36 411	–	7 610	5	(5 209)	784	429	2 484
Dis-Chem Krugersdorp	–	25 985	–	2 760	2	(2 532)	1 494	1 073	1 972
Dis-Chem Glen Fair	–	18 929	–	–	–	–	242	330	–
Dis-Chem Three Rivers	–	24 040	–	6 772	1	(3 652)	1 019	287	2 131
Dis-Chem The Galleria Amanzimtoti	–	51 636	–	4 330	–	(13 351)	1 109	1 296	3 332
Dis-Chem Oncology	8 479	–	–	5 435	3	–	2 312	1 522	–
Dis-Chem Worcester	–	12 688	–	2 551	–	(2 822)	–	597	1 916
Dis-Chem Jubilee Mall	3 527	–	–	1 952	19	(93)	382	468	–
Pharma-Logistical Solutions	–	109 221	–	–	–	–	–	–	–
Dis-Chem Goodwood	–	7 663	–	2 393	–	(2 776)	1 239	1 024	1 835
Dis-Chem Mams Mall	–	2 519	–	693	3	–	593	724	–
The Local Choice	–	7 251	–	2 882	–	–	75	116	(208)
TLC De Wiekus	–	5 118	–	6 739	–	(1 894)	636	655	1 890
Dis-Chem Northlands	–	4 667	–	1 162	–	(1 447)	436	876	1 352
Dis-Chem Airport Junction	–	–	–	2 352	–	–	–	–	2 753
Dis-Chem Gallo	10 499	–	–	1 127	–	–	–	–	1 336
Dis-Chem The Fields	–	–	–	1 747	–	–	–	–	1 973
CJ Marketing	–	–	–	–	1 775	–	–	–	6 739
CJ Pharmaceutical Enterprises	–	–	–	116 125	154 143	–	–	2 062 127	51 974
Bemax International	93 147	–	–	1 624	–	–	–	–	–
Springbok Pharmacy	–	1 995	–	2 732	–	–	900	751	–
Dis-Chem Castle Gate	–	70 530	–	13 731	–	(7 772)	1 989	1 329	3 928
Dis-Chem Thavhani Mall	–	9 209	–	3 260	–	(2 154)	155	211	–
Dis-Chem Howick Mall	–	2 483	–	1 036	–	(798)	184	177	1 041
Fairy Tales Boutique	–	25 066	–	25 701	–	–	7 066	14 143	–
Geniob	–	–	–	1 994	1	–	–	–	–
AT Gouws	–	167	–	–	–	–	164	184	–

2024 (continued)

Company Related party	Loan receivable R'000	Loan payable R'000	Lease liability R'000	Accounts receivable R'000	Accounts payable R'000	Interest expense R'000	Sales R'000	Purchases R'000	Services received R'000
Dis-Chem Westville	–	3 379	–	817	–	(538)	471	424	1 034
KZN Warehouse	–	48 764	–	–	–	(3 309)	–	–	–
Eleadora	–	9 196	–	–	–	(538)	–	–	–
CT Distribution Centre	–	60 747	–	–	–	(3 973)	–	–	–
Pure Pharmacy Holdings	–	25 980	–	32	–	–	–	–	–
Pure Pharmacy Retail	–	89 966	–	56 223	30	(37 257)	10 153	14 710	–
Pharmacy Development		–		1 117	–	–	–	–	–
Dis-Chem KG	–	48 676	–	14 852	–	(4 121)	2 022	1 848	–
Delta Blue Trading 371	–	1 900	–	3	–	–	–	–	–
Dis-Chem Swakopmund	4 083	–	–	256	–	–	–	–	–
Dis-Chem Wernhill	86	–	–	462	–	–	–	–	584
Vexall	–	–	–	8 094	–	–	–	–	102 010
Health Window	–	–	–	7 901	–	–	–	–	74 480
Healthforce	154 711	–	–	–	597	–	–	–	22 008
Serveco Distribution	34 738	–	–	4 195	–	–	–	–	(14 144)
DC Media	–	7 557	–	3 770	–	–	–	–	–
Tony Ferguson	25 469	–	–	–	848	2 775	–	–	–
BEESECDCP	17 764	–	–	76	–	–	–	–	–
Nexuz	2 305	–	–	–	–	25	–	–	–
Sable	28 712	–	–	–	–	1 693	–	–	–
Various property companies [1]	–	–	173 350	–	–	(14 683)	26	12	–
	899 567	771 990	173 350	321 025	1 512 664	(106 906)	42 986	17 357 715	574 735

[1] *Relates to retail space that is owned/partially owned by certain directors.*

For further information in regards to loans receivable, guarantees and loans payable refer to note 29. Related party receivable and payables are generally settled within 60 days. Dividend received earned from subsidaries, associates and joint ventures is disclosed in note 8.

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Group and company	2025 R'000	2024 R'000
Compensation of key management		
Short-term employee benefits	**123 484**	130 886
Post-employment benefits	**1 507**	1 699
Non-executive directors' fees	**7 883**	7 095
	132 874	139 680

Executive and non-executive emoluments to directors

Group and company 2025	Services as director R'000	Salary and allow-ances R'000	Bonuses[1] R'000	Retirement and related benefits R'000	Other benefits R'000	Share scheme vesting R'000	Total R'000
Non-executive directors							
LM Nestadt	3 489	–	–	–	–	–	3 489
A Coovadia	805	–	–	–	–	–	805
JS Mthimunye	1 117	–	–	–	–	–	1 117
A Sithebe	888	–	–	–	–	–	888
KDD Kobue	673	–	–	–	–	–	673
H Masondo	911	–	–	–	–	–	911
	7 883	–	–	–	–	–	7 883
Executive directors							
RM Morais	–	13 039	2 360	72	429	–	15 900
JD Pope	–	6 087	1 144	72	135	479	7 917
IL Saltzman	–	15 206	2 086	72	430	–	17 794
SRN Goetsch	–	6 410	872	72	148	325	7 827
SE Saltzman	–	6 563	878	72	403	–	7 916
	–	47 305	7 340	360	1 545	804	57 354
Prescribed officers							
LF Saltzman	–	12 479	1 710	72	145	–	14 406
BI Epstein	–	6 334	872	72	294	–	7 572
KS Sterling (retired 31 August 2024)	–	3 205	872	36	86	1 855	6 054
CJ Williams	–	6 599	1 215	72	277	–	8 163
CR Fairweather	–	4 532	685	72	98	–	5 387
CA Swanepoel	–	4 548	633	72	102	–	5 355
TJ Ponter	–	3 774	585	337	132	854	5 682
R Govender	–	3 382	184	201	97	132	3 996
Z Dindar	–	3 567	585	213	254	854	5 473
Q Cronje	–	4 860	689	–	–	–	5 549
	–	53 280	8 030	1 147	1 485	3 695	67 637

Group and company 2024	Services as director R'000	Salary and allow-ances R'000	Bonuses[1] R'000	Retirement and related benefits R'000	Other benefits R'000	Share scheme vesting R'000	Total R'000
Non-executive directors							
LM Nestadt	3 339	–	–	–	–	–	3 339
A Coovadia	691	–	–	–	–	–	691
JS Mthimunye	967	–	–	–	–	–	967
A Sithebe	750	–	–	–	–	–	750
KDD Kobue	560	–	–	–	–	–	560
H Masondo	788	–	–	–	–	–	788
	7 095	–	–	–	–	–	7 095
Executive directors							
RM Morais	–	12 487	3 741	72	402	–	16 702
JD Pope	–	4 051	456	99	103	477	5 186
IL Saltzman		15 205	2 764	72	407	–	18 448
SRN Goetsch	–	6 409	866	72	141	96	7 584
SE Saltzman	–	6 289	835	72	364	–	7 560
	–	44 441	8 662	387	1 417	573	55 480
Prescribed officers							
LF Saltzman	–	12 479	2 265	72	150	–	14 966
BI Epstein	–	6 335	867	72	275	–	7 549
KS Sterling	–	6 409	866	72	122	–	7 469
CJ Williams	–	6 315	1 155	72	266	–	7 808
CR Fairweather	–	4 338	10 775	72	196	–	15 381
CA Swanepoel	–	3 819	581	114	99	–	4 613
TJ Ponter	–	3 564	612	323	176	437	5 112
R Govender	–	3 238	173	192	92	151	3 846
Z Dindar	–	3 432	612	323	121	515	5 003
Q Cronje	–	4 689	669	–	–	–	5 358
	–	54 618	18 575	1 312	1 497	1 103	77 105

(1) *Bonuses relate to amounts physically paid in the period.*

The employment contracts of executive directors differ from that of other employees in that they do not accrue leave and have a longer notice period.

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Options granted to directors and prescribed officers on the share appreciation rights scheme at 28 February 2025:

	SRN Goetsch	BI Epstein	KS Sterling	CJ Williams	Total options
Offer date: 1 February 2019					
Opening balance	**65 741**	**65 893**	**65 596**	**49 048**	**246 278**
Exercised	**(65 741)**	**–**	**(65 596)**	**–**	**(131 337)**
Forfeited	**–**	**(65 893)**	**–**	**(49 048)**	**(114 941)**
Closing balance	**–**	**–**	**–**	**–**	**–**

Shares granted to directors and prescribed officers on the forfeitable share plan scheme at 28 February 2025:

	IL Saltzman	LF Saltzman	SE Saltzman	SRN Goetsch	BI Epstein	R Morais	CJ Williams	JD Pope	Total shares
Offer date: 31 August 2022									
Opening and closing balance	**123 041**	**100 840**	**37 171**	**38 565**	**38 579**	**–**	**51 420**	**14 667**	**404 283**
Offer date: 31 August 2023									
Opening and closing balance	**113 587**	**93 092**	**34 315**	**35 602**	**35 615**	**–**	**47 469**	**18 753**	**378 433**
Offer date: 31 August 2024									
Opening balance	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Awarded	**62 577**	**51 286**	**26 341**	**26 151**	**26 161**	**70 811**	**36 438**	**34 317**	**334 082**
	62 577	**51 286**	**26 341**	**26 151**	**26 161**	**70 811**	**36 438**	**34 317**	**334 082**

KS Sterling retired in the current year and received 26 087 shares for offer date 31 August 2022 and 12 565 shares for offer date 31 August 2023.

In the current financial year JD Pope exercised 14 057 options at R478 581, TJ Ponter exercised 25 064 options at R853 930, Z Dindar exercised 25 064 options at R853 930 and R Govender exercised 3 884 options at R132 328.

Options granted to directors and prescribed officers on the share appreciation rights scheme at 29 February 2024:

	SRN Goetsch	BI Epstein	KS Sterling	CJ Williams	TJ Ponter	Total options
Offer date: 1 June 2018						
Opening balance	–	58 999	58 921	41 459	–	159 379
Exercised	–	(58 999)	(58 921)	(41 459)	–	(159 379)
Closing balance	–	–	–	–	–	–
Offer date: 1 February 2019						
Opening balance	65 741	65 893	65 596	49 048	16 439	262 717
Exercised	–	–	–	–	(16 439)	(16 439)
Closing balance	65 741	65 893	65 596	49 048	–	246 278

TJ Ponter exercised 16 439 options in the current year for R8 832.

Shares granted to directors and prescribed officers on the forfeitable share plan scheme at 29 February 2024:

	IL Saltzman	LF Saltzman	SE Saltzman	SRN Goetsch	BI Epstein	KS Sterling	CJ Williams	JD Pope	Total options
Offer date: 30 August 2022									
Opening and closing balance	123 041	100 840	37 171	38 565	38 579	38 564	51 420	14 667	442 847
Offer date: 30 August 2023									
Opening balance	–	–	–	–	–	–	–	–	–
Awarded	113 587	93 092	34 315	35 602	35 615	35 601	47 469	18 753	414 034
	113 587	93 092	34 315	35 602	35 615	35 601	47 469	18 753	414 034

JD Pope exercised 19 974 options in the 2024 financial year and received R476 532 and TJ Ponter exercised 17 037 options at R406 462.

TJ Ponter, JD Pope, Z Dindar and R Govender also have 25 064, 14 057, 25 064 and 3 884 shares respectively in regard to offer date 1 September 2021 on the forfeitable share plan scheme.

29. Financial risk management objectives and policies

Financial assets

Financial assets recognised on the statement of financial position include cash and cash equivalents, trade and other receivables and loans receivable. These financial assets are classified, at initial recognition, as subsequently measured at amortised cost.

Initial recognition

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price under IFRS 15.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

All regular way purchases and sales of financial assets are recognised on the trade date, which is the date that the Group commits to purchase the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

Subsequent measurement

Financial assets are subsequently classified as financial assets at amortised cost.

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

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired; or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive. The carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss.

For trade receivables the Group applies a simplified approach using a provision matrix in calculating ECLs. An allowance for expected credit losses is made over the lifetime of a financial asset when the Group considers it to be in default (such as default or delinquency in payments, the probability of insolvency or significant financial difficulties of the debtor or group of debtors) that all of the amounts due under the original terms of the invoice/agreement will not be collected. Default occurs when a payment is 90 days past its due date. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

For other receivables and loan receivables the Group applies the general approach in calculating ECLs. At each reporting date, the Group recognises a loss allowance based on either 12-month ECLs or lifetime ECLs, depending on whether there has been a significant increase in credit risk on the financial instrument since initial recognition.

Financial liabilities

Financial liabilities recognised on the statement of financial position include bank overdraft, trade and other payables, loans payable and contingent consideration. These financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss or financial liabilities at amortised cost, as appropriate.

Initial recognition

All financial liabilities are recognised initially at fair value and, in the case of financial liabilities at amortised cost, net of directly attributable transaction costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Gains or losses on liabilities held for trading are recognised in profit or loss.

Financial liabilities at amortised cost:

After initial recognition, interest-bearing financial liabilities at amortised cost are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of comprehensive income.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Fair value measurement

In addition to the financial instruments carried at fair value (FVTPL), the fair values of financial instruments measured at amortised cost are disclosed should it be determined that the carrying value of these instruments does not reasonably approximate their fair value at each reporting date. 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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.

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.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The valuation techniques that are used to measure fair value are appropriate in the circumstances and for which sufficient data is available, 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 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 assets and liabilities that are recognised in the financial statements at fair value, or for which the fair value is disclosed, on a recurring basis, it is determined whether transfers have occurred between the levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The main risks arising from the Group's financial instruments are interest rate risk, currency risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks, which are summarised below:

Group

2025	Financial instrument R'000	Fair value through profit or loss R'000	Financial liability at amortised cost R'000	Financial asset at amortised cost R'000	Non-financial instruments, leases and investments in group companies R'000
Assets					
Property, plant and equipment	**–**	**–**	**–**	**–**	**5 297 400**
Intangible assets	**–**	**–**	**–**	**–**	**1 448 057**
Investments	**–**	**–**	**–**	**–**	**356 267**
Deferred taxation	**–**	**–**	**–**	**–**	**137 500**
Inventories	**–**	**–**	**–**	**–**	**7 905 213**
Trade and other receivables	**3 098 791**	**–**	**–**	**3 098 791**	**214 043**
Loans receivable	**187 973**	**–**	**–**	**187 973**	**–**
Taxation receivable	**–**	**–**	**–**	**–**	**26 343**
Cash and cash equivalents	**585 354**	**–**	**–**	**585 354**	**–**
Liabilities					
Lease liability	**–**	**–**	**–**	**–**	**2 663 849**
Loans payable	**2 253 859**	**–**	**2 253 859**	**–**	**–**
Deferred taxation	**–**	**–**	**–**	**–**	**125 414**
Trade and other payables	**6 999 121**	**–**	**6 999 121**	**–**	**247 107**
Employee-related obligations	**–**	**–**	**–**	**–**	**314 198**
Deferred revenue	**–**	**–**	**–**	**–**	**86 912**
Taxation payable	**–**	**–**	**–**	**–**	**19 873**
Bank overdraft	**1 317 637**	**–**	**1 317 637**	**–**	**–**

2024	Financial instrument R'000	Fair value through profit or loss R'000	Financial liability at amortised cost R'000	Financial asset at amortised cost R'000	Non-financial instruments, leases and investments in group companies R'000
Assets					
Property, plant and equipment	–	–	–	–	4 799 705
Intangible assets	–	–	–	–	1 335 134
Investments	–	–	–	–	208 221
Deferred taxation	–	–	–	–	166 368
Inventories	–	–	–	–	7 162 558
Trade and other receivables	2 500 725	–	–	2 500 725	230 828
Loans receivable	194 714	–	–	194 714	–
Taxation receivable	–	–	–	–	18 362
Cash and cash equivalents	884 371	–	–	884 371	–
Liabilities					
Lease liability	–	–	–	–	3 068 125
Loans payable	1 770 678	–	1 770 678	–	–
Deferred taxation	–	–	–	–	74 332
Trade and other payables	6 680 705	–	6 680 705	–	182 977
Employee-related obligations	–	–	–	–	265 241
Deferred revenue	–	–	–	–	83 897
Taxation payable	–	–	–	–	48 947
Bank overdraft	851 143	–	851 143	–	–

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Credit risk

The carrying amount of financial assets represents the maximum credit exposure which relates to trade and other receivables, loans receivables and positive cash and cash equivalents.

Trade and other receivables

The Group is exposed to credit risk in relation to trade and other receivables from its retail and wholesale business.

	2025 R'000	2024 R'000
The maximum exposure to credit risk for trade receivables is as follows:		
Retail	**390 192**	421 799
Wholesale	**1 193 829**	952 623
The maximum exposure to credit risk for other receivables and accrued income is as follows:		
Retail	**1 026 999**	764 548
Wholesale	**479 218**	361 755

In relation to the retail business, trade receivables primarily relate to amounts recoverable from medical aids. These receivables are deemed to be low credit risk as medical schemes pay mainly within 14 days and amounts are neither past due nor impaired.

The majority of other receivables and accrued income in retail and wholesale relate to rebates, promotions and advertising receivables from suppliers and are deemed to be low credit risk as the net position with the supplier is a creditor. Other receivables are currently measured in Stage 1 based on 12-month ECL's.

In wholesale, customers are primarily independent pharmacies and other pharmaceutical companies. The risk is managed through formal procedures for granting of credit to trade debtors. Credit quality of underlying wholesale customers is assessed before credit is granted and re-assessed on a regular basis. The Group determines the allowance for expected credit loss by means of applying a percentage that reflects the best estimate of expected credit losses at the reporting date determined with reference to past history to the relevant age buckets of the trade debtors adjusted for forward-looking information (i.e. current and future pharmaceutical market and legislation as it relates to Single Exit Price (SEP) pricing). The process for managing wholesale credit risk is to allow 10 days after payment is due, for customers to pay. If payment is not subsequently made after following up with the customer, the customer's account will be suspended until payment is received or a payment plan is implemented.

Cash and cash equivalents

With respect to the credit risk arising from cash resources, the Group's exposure to credit risk arises from the default of the counterparty with the maximum exposure equal to the carrying amount of these resources.

The Group manages and monitors daily funding requirements and has limited foreign currency exposure. Surplus funds are invested with banking institutions of a high credit standing.

Loans receivable

The Group is exposed to credit risk in relation to loans with related and other parties. The risk is managed through formal procedures for granting of the loans and the recoverability thereof is assessed annually.

NCI shareholders loans

NCI shareholder loans are full recourse loans that are receivable from individuals that have non-controlling interests in subsidiary companies of the Group. The dividends they receive from the subsidiary companies must, in accordance with the loan agreement, be used to repay the loans and therefore based on the expected profitability and dividend policy there is no expectation that the loans will not be recovered. These loans are unsecured and non-interest bearing.

Related party loans

Related party loans consist of loans to associates/ joint ventures of the Group (BEESECDP, Tony Ferguson, Nexus and Sable). No security is held for these loans and they are repayable on demand.

These entities are in a forecasted profitable position and therefore deemed to be a low credit risk. The Tony Ferguson loan earns interest at prime, Nexus at prime, Sable at prime plus 0.5% and the BEESECDCP loan does not earn interest.

Other loans
Other loans are unsecured and have no fixed terms of repayment and mainly relate to loans given to companies within the pharmaceutical, health and cut and trim industries. The companies are in a profitable position and have sufficient liquid assets in order to repay the loans and therefore deemed to be a low credit risk.

For loans receivables the Group applies the general approach in calculating expected credit losses. The table below shows the credit quality and the maximum exposure to credit risk based on the Group's internal credit rating system:

	12-month Stage 1	Lifetime Stage 2	Credit impaired Stage 3
2025			
Opening gross carrying amount of loans	**188 731**	**5 983**	**–**
New loans receivable	**48 029**	**–**	**–**
Loans repaid	**(63 507)**	**–**	**–**
Interest	**8 737**	**–**	**–**
	181 990	**5 983**	**–**
2024			
Opening gross carrying amount of loans	208 079	5 983	–
New loans receivable	85 665	–	–
Loans repaid	(112 026)	–	–
Interest	7 013	–	–
	188 731	5 983	–

Currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the supply chain finance programme and import vendors. As part of the process of managing the Group's currency risk, foreign exchange contracts may be taken out if deemed necessary.

As at 28 February 2025 the Group had foreign balances of USD14.3 million (R261 million), EUR2.4 million (R47 million) and GBP0.1 million (R3.2 million). As at 29 February 2024 the Group had foreign balances of USD14 million (R267 million), EUR3 million (R67 million) and GBP0.3 million (R6.3 million).

If the exchange rate, with all other variables held constant, increased or decreased by 200 average basis points (2024: 200) at year-end, the impact of the Group's profit before tax would be approximately R33.7 million (2024: R44 million).

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Absa and Standard Bank loans with floating interest rates linked to JIBAR as well as interest incurred on overdraft facilities (note 9).

As part of the process of managing the Group's interest rate risk, interest rate characteristics of new borrowings and refinancing of existing borrowings are positioned according to anticipated movements in interest rates. Funds on call earn interest at prevailing market call rates. Interest payable on bank borrowings fluctuates in accordance with prime bank lending rates while the Absa, Standard Bank and Investec loans fluctuate with the JIBAR and prime rate and the Supply Chain Financing with the SONIA or similar reference rate. The South African Reserve Bank confirmed that JIBAR would cease at some future point and that South Africa would transition to alternative reference rates. The new system will be a variety of alternative risk-free and near-risk-free rates, mostly administered by central banks.

If the interest rate, with all other variables held constant, increased or decreased by 200 average basis points (2024: 200) at year-end, the impact of the Group's profit before tax would be approximately R59 million (2024: R42 million). The sensitivity analysis for both periods presented was based on the average balance of the funds during the period on the bank borrowings, Absa loan, Standard Bank loan, Supply Chain Finance, Investec loan and other loans.

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Liquidity risk

Dis-Chem has working capital facilities with ABSA, Standard Bank and Nedbank of R3 billion (2024:R3 billion); Supply Chain Finance (SCF) facility (reflected in loans payable and trade payables) of R1.7 billion (2024: R1.6 billion); and credit card and fleet card facilities of R15.5 million (2024: R11.7 million). Dis-Chem has derivative trading facilities of R173.5 million (2024: R173.5 million), a forward exchange settlement limit of R100 million (2024: R100 million) and a commercial asset finance credit line of R225 million (2024: R225 million) with ABSA and Standard Bank. Dis-Chem also has loans of R2.2 billion (2024: R1.7 billion), NCI shareholders and related party loans of R49 million (2024: R55 million).

Dis-Chem Pharmacies has entered into a guarantee and indemnity agreement in favour of The Standard Bank of South Africa Limited in terms of any obligation or indebtedness arising of Vexall Proprietary Limited to them but limited to R20 million. This was cancelled in the current year.

The debt covenants for the ABSA and Standard Bank loans (which are tested at February and August) are based on interest cover ratio (EBITDA/finance charges) and net leverage (ratio of total net debt to EBITDA). Dis-Chem has sufficient head room in both these ratios and does not expect these ratios to be defaulted on in the next 12 months. There are no covenants in place for Investec or Supply Chain Finance. The board believes that the debt levels of the Group are acceptable with a gearing ratio (excluding finance leases) of 2.3 (2024: 2.5).

As disclosed in note 23 and 24, the Group has entered in supply chain finance arrangements. There were no material business combinations or foreign exchange differences or other non-cash transfers relating to the carrying amount of liabilities subject to this supply chain finance arrangement.

The table below summarises the maturity profile of the Group's financial liabilities at year-end, based on contractual and undiscounted payments.

	On demand R'000	Less than 12 months R'000	Greater than 12 months R'000	Total R'000
2025				
Trade and other payables	**–**	**6 999 121**	**–**	**6 999 121**
Loans payable excluding bank loans	**49 312**	**–**	**–**	**49 312**
Bank overdraft	**–**	**1 317 637**	**–**	**1 317 637**
Bank loans	**–**	**699 192**	**1 964 802**	**2 663 994**
Lease liability (note 22)	**–**	**813 222**	**2 431 613**	**3 244 835**
Undiscounted payments	**49 312**	**9 829 172**	**4 396 415**	**14 274 899**
Less: Future finance charges	**–**	**(375 640)**	**(664 793)**	**(1 040 433)**
	49 312	**9 453 532**	**3 731 622**	**13 234 466**
2024				
Trade and other payables	–	6 680 705	–	6 680 705
Loans payable excluding bank loans	54 524	–	–	54 524
Bank overdraft	–	851 143	–	851 143
Financial guarantee contract	20 000	–	–	20 000
Bank loans	–	583 735	1 616 272	2 200 007
Lease liability (note 22)	–	798 064	3 480 319	4 278 383
Undiscounted payments	74 524	8 913 647	5 096 591	14 084 762
Less: Future finance charges	–	(373 405)	(1 320 706)	(1 694 111)
	74 524	8 540 242	3 775 885	12 390 651

The debt due on demand and within 12 months will be financed out of operational cash flow and available working capital facilities.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk. The board reviews and agrees policies for managing each of these risks, which are summarised below:

Company

2025	Financial instrument R'000	Fair value through profit or loss R'000	Financial liability at amortised cost R'000	Financial asset at amortised cost R'000	Non-financial instruments, leases and investments R'000
Assets					
Property, plant and equipment	–	–	–	–	2 600 272
Intangible assets	–	–	–	–	373 914
Deferred taxation	–	–	–	–	67 278
Investments	–	–	–	–	2 702 049
Inventories	–	–	–	–	2 954 388
Trade and other receivables	1 562 018	–	–	1 562 018	180 390
Loans receivable	906 291	–	–	906 291	–
Taxation receivable	–	–	–	–	9 970
Cash and cash equivalents	396 129	–	–	396 129	–
Liabilities					
Lease liability	–	–	–	–	2 033 694
Loans payable	1 587 889	–	1 587 889	–	–
Trade and other payables	2 455 213		2 455 213		101 467
Employee-related obligations	–	–	–	–	231 606
Deferred revenue	–	–	–	–	79 017
Bank overdraft	1 317 669	–	1 317 669	–	–

2024	Financial instrument R'000	Fair value through profit or loss R'000	Financial liability at amortised cost R'000	Financial asset at amortised cost R'000	Non-financial instruments, leases and investments R'000
Assets					
Property, plant and equipment	–	–	–	–	2 334 090
Intangible assets	–	–	–	–	250 086
Deferred taxation	–	–	–	–	71 401
Investments	–	–	–	–	2 529 509
Inventories	–	–	–	–	2 809 498
Trade and other receivables	1 210 909	–	–	1 210 909	177 159
Loans receivable	946 650	–	–	946 650	–
Cash and cash equivalents	97 418	–	–	97 418	–
Liabilities					
Lease liability	–	–	–	–	1 887 802
Loans payable	1 673 927	–	1 673 927	–	–
Trade and other payables	2 607 251	–	2 607 251	–	46 696
Employee-related obligations	–	–	–	–	210 101
Deferred revenue	–	–	–	–	72 021
Taxation payable	–	–	–	–	21 920
Bank overdraft	281 614	–	281 614	–	–

Credit risk

The carrying amount of financial assets represents the maximum credit exposure which relates to trade and other receivables, loans receivables and positive cash and cash equivalents.

Trade and other receivables

The company is exposed to credit risk in relation to trade and other receivables from its retail operations.

	2025 R'000	2024 R'000
The maximum exposure to credit risk for trade receivables (excluding intercompany) is as follows:	**329 690**	283 613
The maximum exposure to credit risk for other receivables and accrued income is as follows:	**865 836**	606 271

Trade receivables primarily relate to amounts recoverable from medical aids. These receivables are deemed to be low credit risk as medical schemes pay mainly within 14 days and amounts are neither past due nor impaired. The majority of other receivables and accrued income relates to rebates, promtions and advertising receivable from suppliers and are deemed to be low credit risk as the net position with the supplier is a creditor. Other receivables are currently measured in Stage 1 based on 12-month ECL's.

Cash and cash equivalents

With respect to the credit risk arising from cash resources, the company's exposure to credit risk arises from the default of the counterparty with the maximum exposure equal to the carrying amount of these resources.

The company manages and monitors daily funding requirements and has limited foreign currency exposure. Surplus funds are invested with banking institutions of a high credit standing.

Loans receivable

The company is exposed to credit risk in relation to loans with related and other parties. The risk is managed through formal procedures for granting of these loans and the recoverability of these loans are assessed annually.
The majority of the loans receivable are companies within the Dis-Chem Group and based on budgets prepared and current profitability will be able to repay the loans and therefore deemed to be a low credit risk.

The Tony Ferguson loan earns interest at prime, Nexus at prime, Sable at prime plus 0.5% and the BEESECDCP loan does not earn interest. The Dis-Chem Distribution loan earns interest at JIBAR plus 1.3%.

Other loans mainly relate to the loans given to USN, a company in the health industry, as well as Uphawu and The Tailor, companies in the cut and trim industry, which is expected to be repaid within the next 12 months.

For loan receivables the Company applies the general approach in calculating expected credit losses. The table below shows the credit quality and the maximum exposure to credit risk based on the company's internal credit rating system:

	12 month Stage 1	Lifetime Stage 2	Credit impaired Stage 3
2025			
Opening gross carrying amount of loans	**946 650**	**–**	**–**
New loans receivable	**601 829**	**–**	**–**
Loans repaid	**(685 808)**	**–**	**–**
Interest	**43 620**	**–**	**–**
	906 291	**–**	**–**
2024			
Opening gross carrying amount of loans	315 005	–	–
New loans receivable	1 083 759	–	–
Loans repaid	(459 127)	–	–
Interest	7 013	–	–
	946 650	–	–

Interest rate risk

The company's exposure to the risk of changes in market interest rates relates primarily to the Absa loan with a floating interest rate linked to JIBAR as well as interest incurred on overdraft facilities (note 9).

As part of the process of managing the company's interest rate risk, interest rate characteristics of new borrowings and refinancing of existing borrowings are positioned according to anticipated movements in interest rates. Funds on call earn interest at prevailing market call rates. Interest payable on bank borrowings and the Investec loan fluctuate in accordance with prime bank lending rates while the Absa loans fluctuate with the JIBAR rate.

If the interest rate, with all other variables held constant, increased or decreased by 200 average basis points at year-end (2024: 200), the impact of the company's profit before tax would be approximately R33 million (2024: R38 million). The sensitivity analysis presented was based on the average balance of the funds during the period on the bank borrowings, Absa loan and Investec loan.

Liquidity risk

Dis-Chem has working capital facilities with ABSA, Standard Bank and Nedbank of R2.8 billion (2024:R2.8 billion); Supply Chain Finance (SCF) facility of R1 billion (2024: R1 billion); and credit card and fleet card facilities of R12.7 million (2024: R8.5 million). Dis-Chem has derivative trading facilities of R100 million, a forward exchange settlement limit of R100 million and a commercial asset finance credit line of R100 million with ABSA. Dis-Chem Pharmacies also has bank loans of R802 million (2024: R902 million) and related party loans of R794 million (2024: R772 million).

Dis-Chem Pharmacies have given security/guarantees to ABSA, Standard Bank and Nedbank in regard to certain companies within the Dis-Chem Group and landlords. Securities/guarantees to ABSA for R2.2 billion in regard to Dis-Chem Distribution; to Bemax International (R75 million), Dis-Chem Distribution (R440 million) and CJ Pharmaceutical (R400 million); and to Nedbank for R2 million in regard to landlords. These facilities have not been used at year end.

Dis-Chem Pharmacies has entered into a guarantee and indemnity agreement in favour of The Standard Bank of South Africa Limited in terms of any obligation or indebtedness arising of Vexall Proprietary Limited to them but limited to R20 million. This was cancelled in the current year.

The debt covenants for the ABSA loan (which is tested at February and August) is based on interest cover ratio (EBITDA/finance charges) and net leverage (ratio of total net debt to EBITDA). Dis-Chem has sufficient head room in both these ratios and does not expect these ratios to be met in the next 12 months. There are no covenants in place for Investec. The board believes that the debt levels of the company are acceptable with a gearing ratio (excluding finance leases) of 2.5 (2024: 2.2).

The table below summarises the maturity profile of the company's financial liabilities at year-end, based on contractual and undiscounted payments:

	On demand R'000	Less than 12 months R'000	Greater than 12 months R'000	Total R'000
2025				
Trade and other payables	**–**	**2 455 213**	**–**	**2 455 213**
Loans payable excluding bank loans	**785 799**	**–**	**–**	**785 799**
Bank overdraft	**–**	**1 317 669**	**–**	**1 317 669**
Bank loans	**–**	**147 459**	**866 856**	**1 014 315**
Lease liability (note 22)	**–**	**577 185**	**1 914 732**	**2 491 917**
Undiscounted payments	**785 799**	**4 497 526**	**2 781 588**	**8 064 913**
Less: Future finance charges	**–**	**(212 156)**	**(458 292)**	**(670 448)**
	785 799	**4 285 370**	**2 323 296**	**7 394 465**
2024				
Trade and other payables	–	2 607 251	–	2 607 251
Loans payable excluding bank loans	771 990	–	–	771 990
Bank overdraft	–	281 614	–	281 614
Financial guarantee contract	20 000	–	–	20 000
Bank loans	–	180 363	1 013 611	1 193 974
Lease liability (note 22)	–	538 325	1 755 719	2 294 044
Undiscounted payments	791 990	3 607 553	2 769 330	7 168 873
Less: Future finance charges	–	(208 761)	(489 518)	(698 279)
	791 990	3 398 792	2 279 812	6 470 594

The debt due on demand and within 12 months will be financed out of operational cash flow and available working capital facilities.

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

30. Capital management

The primary objective of the Group’s and company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. This was met in the current and prior year.

The Group and company considers share capital and retained income as capital. The board of directors considers capital requirements from time to time and makes adjustments accordingly.

No changes were made in the objectives, policies and processes for managing capital during the years ended 28 February 2025 and 29 February 2024.

31. Events after the reporting period

The Group has been impacted by fluctuations in exchange rates after the reporting period but this has not had a material impact on the Group and continues to be assessed.

The planned 30% tariff increase on SA exports and the withdrawal of US foreign aid will impact the South African economy, the impact will be more fully known closer to the implementation date.

The Group and company have no other significant events after the reporting period.

32. Company restatement due to common control accounting policy

During the current year, the Company acquired certain assets and liabilities of Dis-Chem Maponya Mall Pharmacy Proprietary Limited, Dis-Chem Mega City Pharmacy Proprietary Limited and B Anderson Proprietary Limited. Due to our common control accounting policy, this necessitates the restatement of prior year amounts to reflect the combination as if it had occurred from the beginning of the earliest period presented, regardless of the actual date of the combination. The Company believes this provides reliable and more relevant information to users as it enhances the comparability of results from period to period. Any adjustments required due to transactions between the entities in the past has been taken to equity in the common control reserve.

	2024 (previously stated) R'000	Acquisition of assets and liabilities R'000	Inter-company elimination and common control R'000	Total R'000
STATEMENT OF FINANCIAL POSITION				
ASSETS	10 429 304	63 628	(66 212)	10 426 720
Property, plant and equipment (including right-of-use asset)	2 300 684	33 406	-	2 334 090
Intangible assets	250 070	16	-	250 086
Deferred taxation	70 667	734	-	71 401
Investments	2 595 721	-	(66 212)	2 529 509
Inventories	2 779 046	30 452	-	2 809 498
Trade and other receivables	1 389 851	(1 783)	-	1 388 068
Loans receivable	946 650	-	-	946 650
Cash and cash equivalents	96 615	803	-	97 418
EQUITY AND RESERVES	3 682 559	9 041	(66 212)	3 625 388
Share capital	6 155 554	-	-	6 155 554
Other reserves	(3 922 721)	-	(64 382)	(3 987 103)
Retained earnings	1 449 726	9 041	(1 830)	1 456 937
LIABILITIES	6 746 745	54 587	-	6 801 332
Lease liability	1 867 682	20 120	-	1 887 802
Loans payable	1 671 289	2 638	-	1 673 927
Trade and other payables	2 624 659	29 288	-	2 653 947
Employee-related obligations	208 711	1 390	-	210 101
Deferred revenue (contract liability)	72 317	(296)	-	72 021
Taxation payable	20 473	1 447	-	21 920
Bank overdraft	281 614	-	-	281 614
STATEMENT OF COMPREHENSIVE INCOME				
Revenue from contracts with customers	23 935 471	258 210	(2 563)	24 191 118
Cost of sales	(18 707 550)	(202 488)	2 563	(18 907 475)
Other income	2 433 152	5 003	(1 351)	2 436 804
Other expenses	(6 427 481)	(51 264)	-	(6 478 745)
Finance income	24 184	5 304	(5 304)	24 184
Finance costs	(402 270)	(4 497)	5 304	(401 463)
Taxation	(184 006)	(2 884)	-	(186 890)
	671 500	7 384	(1 351)	677 533

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2025

	2024 (previously stated) R'000	Acquisition of assets and liabilities R'000	Inter-company elimination and common control R'000	Total R'000
STATEMENT OF CASH FLOWS				
Cash flow from operating activities	**1 072 169**	**(19 231)**	**–**	**1 052 938**
Cash inflow from trading operations	1 742 042	18 051	–	1 760 093
Movement in working capital	68 005	(34 164)	–	33 841
Finance income received	24 184	–	–	24 184
Finance costs paid	(394 790)	808	–	(393 982)
Taxation paid	(168 088)	(2 524)	–	(170 612)
Dividends paid	(358 116)	(1 402)	1 402	(358 116)
Dividends received	158 932	–	(1 402)	157 530
Cash flow from investing activities	**(902 810)**	**24 126**	**–**	**(878 684)**
Additions to property, plant and equipment and intangible assets	(288 775)	(12 132)	–	(300 907)
Proceeds on disposal of property, plant and equipment and intangible assets	5 823	(63)	–	5 760
Increase in investments	(73 572)	66 212	–	(7 360)
Advances on loans receivable	(546 286)	(29 891)	–	(576 177)
Cash flow from financing activities	**(17 204)**	**(4 448)**	**–**	**(21 652)**
Bank loans repaid	(39 759)	–	–	(39 759)
Receipt of bank loans	502 090	–	–	502 090
Purchase of treasury shares	(65 485)	–	–	(65 485)
Lease liability repayment	(414 050)	(4 448)	–	(418 498)
Net increase in cash and cash equivalents	**152 155**	**447**	**–**	**152 602**
Cash and cash equivalents at beginning of year	**(337 154)**	**356**	**–**	**(336 798)**
Cash and cash equivalents at end of year	**(184 999)**	**803**	**–**	**(184 196)**

	2023 (previously stated) R'000	Acquisition of assets and liabilities R'000	Inter-company elimination and common control R'000	Total R'000
STATEMENT OF FINANCIAL POSITION				
ASSETS	9 536 546	35 441	–	9 571 987
Property, plant and equipment (including right-of-use asset)	2 445 844	14 495	–	2 460 339
Intangible assets	222 431	11	–	222 442
Deferred taxation	82 502	644	–	83 146
Investments	2 522 149	–	–	2 522 149
Inventories	2 371 067	17 781	–	2 388 848
Trade and other receivables	1 467 054	2 021	–	1 469 075
Loans receivable	315 005	133	–	315 138
Cash and cash equivalents	110 494	356	–	110 850
EQUITY AND RESERVES	3 402 346	415	–	3 402 761
Share capital	6 155 554	–	–	6 155 554
Other reserves	(3 891 954)	–	(763)	(3 892 717)
Retained earnings	1 138 746	415	763	1 139 924
LIABILITIES	6 134 200	35 026	–	6 169 226
Lease liability	2 010 210	9 856	–	2 020 066
Loans payable	1 219 917	(3 631)	–	1 216 286
Trade and other payables	2 130 514	27 394	–	2 157 908
Employee-related obligations	242 158	912	–	243 070
Deferred revenue (contract liability)	67 363	(73)	–	67 290
Taxation payable	16 390	568	–	16 958
Bank overdraft	447 648	–	–	447 648

ANALYSIS OF ORDINARY SHAREHOLDERS

as at 28 February 2025

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Shareholder spread				
1 – 1 000	**34 588**	**90.85%**	**2 197 447**	**0.25%**
1 001 – 10 000	**2 553**	**6.70%**	**8 336 102**	**0.97%**
10 001 – 100 000	**575**	**1.51%**	**18 545 526**	**2.16%**
100 001 – 1 000 000	**274**	**0.72%**	**92 708 905**	**10.78%**
Over 1 000 000	**82**	**0.22%**	**738 296 503**	**85.84%**
Total	**38 072**	**100.00%**	**860 084 483**	**100.00%**

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Distribution of shareholders				
Assurance Companies	**32**	**0.08%**	**10 591 340**	**1.23%**
Close Corporations	**37**	**0.10%**	**156 035**	**0.02%**
Collective Investment Schemes	**324**	**0.85%**	**226 619 358**	**26.34%**
Custodians	**11**	**0.03%**	**1 207 245**	**0.14%**
Foundations and Charitable Funds	**49**	**0.13%**	**5 636 361**	**0.66%**
Hedge Funds	**16**	**0.04%**	**9 816 169**	**1.14%**
Insurance Companies	**11**	**0.03%**	**3 054 314**	**0.36%**
Investment Partnerships	**20**	**0.05%**	**49 761**	**0.01%**
Managed Funds	**32**	**0.08%**	**1 114 974**	**0.13%**
Medical Aid Funds	**12**	**0.03%**	**1 042 406**	**0.12%**
Organs of State	**12**	**0.03%**	**102 123 825**	**11.87%**
Private Companies	**251**	**0.66%**	**361 250 581**	**42.00%**
Public Companies	**7**	**0.02%**	**3 572 899**	**0.42%**
Public Entities	**5**	**0.01%**	**265 923**	**0.03%**
Retail Shareholders	**36 521**	**95.93%**	**13 254 457**	**1.54%**
Retirement Benefit Funds	**261**	**0.69%**	**93 621 068**	**10.88%**
Scrip Lending	**15**	**0.04%**	**11 495 034**	**1.34%**
Sovereign Funds	**4**	**0.01%**	**2 650 522**	**0.31%**
Stockbrokers and Nominees	**14**	**0.04%**	**8 526 465**	**0.99%**
Trusts	**438**	**1.15%**	**4 035 746**	**0.47%**
Total	**38 072**	**100.00%**	**860 084 483**	**100.00%**
Shareholder type				
Non-public shareholders	**17**	**0.04%**	**316 501 276**	**36.80%**
Directors and associates	**16**	**0.04%**	**313 385 830**	**36.44%**
Dis-Chem Pharmacies Limited	**1**	**0.00%**	**3 115 446**	**0.36%**
Public shareholders	**38 055**	**99.96%**	**543 583 207**	**63.20%**
Total	**38 072**	**100.00%**	**860 084 483**	**100.00%**

ANALYSIS OF ORDINARY SHAREHOLDERS

CONTINUED

as at 28 February 2025

	Number of Shares	% of issued capital
Fund managers with a holding greater than 3% of the issued shares		
Coronation Fund Managers	**248 189 767**	**28.86%**
Public Investment Corporation	**64 017 044**	**7.44%**
Total	**312 206 811**	**36.30%**
Beneficial shareholders with a holding greater than 3% of the issued shares		
Ivlyn (Pty) Ltd	**252 066 319**	**29.31%**
Coronation Fund Managers	**138 714 838**	**16.13%**
Government Employees Pension Fund	**96 974 733**	**11.28%**
Royal Bafokeng Holdings (Pty) Ltd	**43 043 029**	**5.00%**
Stansh (Pty) Ltd	**29 904 885**	**3.48%**
Total	**560 703 804**	**65.20%**