SHOPRITE HOLDINGS LTD

2025 ANNUAL FINANCIAL STATEMENTS

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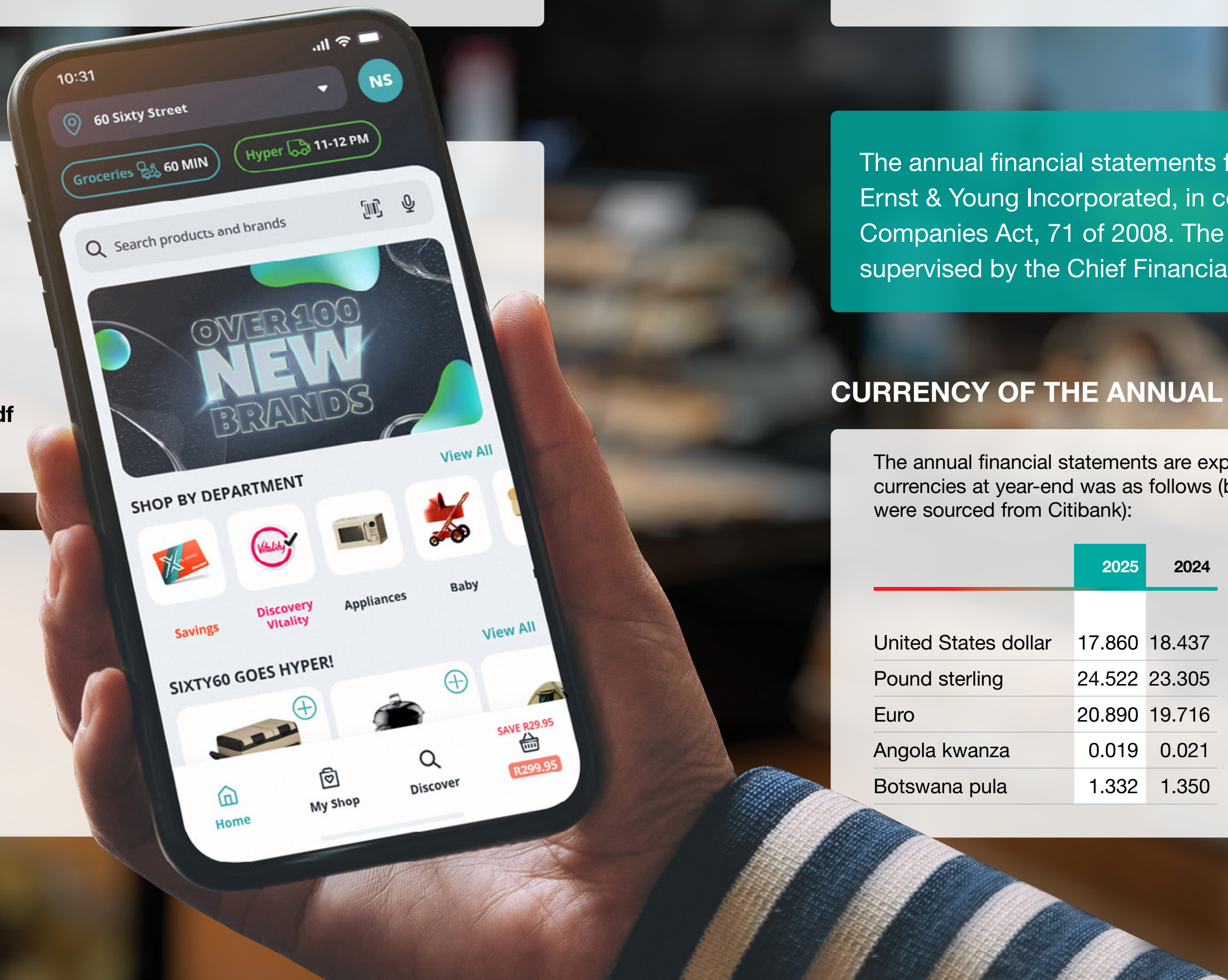

NAVIGATING OUR REPORT

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The annual financial statements for the year ended 29 June 2025 have been audited by Ernst & Young Incorporated, in compliance with the applicable requirements of the South African Companies Act, 71 of 2008. The preparation of the audited annual financial statements was supervised by the Chief Financial Officer (CFO), Mr A de Bruyn, CA(SA).

CURRENCY OF THE ANNUAL FINANCIAL STATEMENTS

The annual financial statements are expressed in South Africa rand. The approximate rand cost of a unit of the following currencies at year-end was as follows (based on Reuters, with the exception of the DRC franc and the Nigeria naira, which were sourced from Citibank):

	2025	2024
United States dollar	17.860	18.437
Pound sterling	24.522	23.305
Euro	20.890	19.716
Angola kwanza	0.019	0.021
Botswana pula	1.332	1.350

	2025	2024
DRC franc	0.006	0.006
Ghana cedi	1.718	1.199
Kenya shilling	0.137	0.143
Madagascar ariary	0.004	0.004
Malawi kwacha	0.010	0.011

	2025	2024
Mozambique metical	0.277	0.288
Nigeria naira	0.012	0.012
Uganda shilling	0.005	0.005
Zambia kwacha	0.757	0.717

Statement of Directors' responsibility

The Board of Directors (the Board) is responsible for the preparation, integrity and fair presentation of the annual financial statements of the Company and Group in accordance with International Financial Reporting Standards Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the Listings Requirements of the JSE Limited and the provisions of the South African Companies Act, 71 of 2008.

The Board is satisfied that the information contained in the annual financial statements fairly represents the financial position at year-end, the financial performance and cash flows of the Company and Group.

The Board has the responsibility to oversee that internal controls are in place:
- To enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- For maintaining adequate accounting records as well as an effective system of risk management; and
- For the preparation of the supplementary schedules included in these financial statements.

The Board is satisfied that the Company and Group have adequate resources to continue trading as a going concern in the foreseeable future.

The Board confirms that the Company is in compliance with the provisions of the Companies Act, applicable legislation and regulations and operates in compliance with its Memorandum of Incorporation (MOI).

The Group's external auditors, Ernst & Young Incorporated, audited the Company's separate and Group's consolidated annual financial statements, and their report is presented on pages 10 to 15. The external auditors were given unrestricted access to all financial records and related data, including minutes of all meetings of shareholders, the Board of Directors and committees of the Board. The Board believes that all representations made to the independent auditors during their audit are valid and appropriate.

Approval of the annual financial statements

The Company's separate and Group's consolidated annual financial statements of Shoprite Holdings Ltd and its subsidiaries were approved by the Board on 1 October 2025 and signed on its behalf by:

WE Lucas-Bull
Chairman

PC Engelbrecht
Chief Executive Officer

Statement of Chief Executive Officer and Chief Financial Officer responsibility

Each of the Directors, whose names are stated below, hereby confirm that:
(a) The annual financial statements set out on pages 18 to 152, 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 and Risk Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
(f) We are not aware of any fraud involving Directors.

PC Engelbrecht
Chief Executive Officer

A de Bruyn
Chief Financial Officer

1 October 2025

Certificate of the Company Secretary

In terms of section 88(2)(e) of the Companies Act No. 71 of 2008 (as amended) I, LM Goliath, in my capacity as Company Secretary, confirm that for the year ended 29 June 2025, the Company has lodged with the Companies and Intellectual Property Commission, all such returns as are required of a public company in terms of the Companies Act and that all such returns and notices are true, correct and up to date.

LM Goliath
Company Secretary

1 October 2025

Directors' report

Nature of business
Shoprite Holdings Ltd (Shoprite Holdings) is an investment holding company listed on the Johannesburg Stock Exchange (JSE) in the "food retailers & wholesalers" sector. Secondary listings are also maintained on A2X, Namibian and Zambian Stock Exchanges. Cash income is derived mainly from dividends and interest. The consolidated annual financial statements of Shoprite Holdings and its subsidiaries also incorporate the equity accounted attributable income of associates and joint ventures.

Shoprite Holdings comprises of the following main subsidiaries

Shoprite Checkers (Pty) Ltd
Supermarkets: Serves a broad customer base through our Shoprite, Checkers, Checkers Hyper, Usave and other store formats.
Supply Chain Management: Supplies the Group's outlets in South Africa and seven countries outside of South Africa.
Franchise: The OK Franchise division's stores offer a wide range of perishable and non-perishable food items through supermarket/convenience outlets primarily under the OK brand. Wholesale franchise partners trade under the Megasave brand and retail buying partners under the Sentra brand. Add-on retail liquor outlets operate mainly under the OK Liquor brand.
Freshmark: Freshmark is the Group's fruit and vegetable procurement and distribution division and supplies fresh produce to the Group's retail outlets.
Liquor Stores: Trading under the Shoprite LiquorShop and Checkers LiquorShop brands respectively, the liquor stores have extended the Group's offering by providing a selection of wines, beers and a wide range of premium spirits to its customers.
Meat Markets: The Group's customers are served through in-store butcheries that employ qualified butchers and technicians.
Money Markets: The Money Markets offer a comprehensive range of financial services and products to the Group's customers through dedicated in-store service counters.
Pharmacies and wholesale distribution: Medirite's in-store and stand-alone pharmacies offer consumers easy access to affordable healthcare and healthcare professionals through in-store dispensaries with outlets throughout South Africa. The Group's pharmaceutical wholesaler, Transpharm, sells and distributes pharmaceutical products and surgical equipment to hospitals and clinics, dispensing doctors, veterinary surgeons and private and corporate pharmacies.
Properties: This division is tasked to expand the Group's supermarket portfolio through the identification and leasing of new supermarket premises or developing new shopping centres to accommodate one of the supermarket formats. New retail developments and the redevelopment of existing properties are supervised through every stage of the planning-, design- and construction process.

Shoprite Financial Services Ltd
Conducts the treasury function of our South African operations and financing of credit sales to third parties.

Shoprite International Ltd
Incorporated in the Republic of Mauritius,
Shoprite International Ltd is the holding company for the majority of the Group's retail and property investments located outside of the common monetary area.

Shoprite DTMC (Pty) Ltd
Registered as a domestic treasury management company with the South African Reserve Bank with the US dollar as functional currency.

Other Group subsidiaries
The interests of Shoprite Holdings in other subsidiaries are set out in Annexure A to the annual financial statements.

Financial review
The Group's diluted headline earnings per share amounted to 1 426.5 cents for the year (2024: 1 186.3 cents). Details of the profit of Shoprite Holdings and its subsidiaries are contained in the consolidated statement of comprehensive income with reference to the operating segment information. The financial position of Shoprite Holdings and its subsidiaries are recorded in the consolidated statement of financial position. Further details are furnished in the notes to the consolidated annual financial statements on pages 22 to 127. The Group's net asset value per share as at 29 June 2025 was 5 586 cents (2024: 5 110 cents).

Distribution to shareholders
Ordinary dividends
An interim cash dividend (no. 152) of 285 cents per share was paid on 31 March 2025. A final dividend (no. 153) of 496 cents per share, is payable on 29 September 2025, bringing the total dividend for the year to 781 cents (2024: 712 cents) per ordinary share.

Stated capital
Authorised:
- 1 300 000 000 ordinary shares having no par value; and
- 720 000 000 deferred shares.

Issued:
- 591 338 502 ordinary shares having no par value; and
- 305 621 601 deferred shares.

Going concern
The annual financial statements of the Group were prepared on a going concern basis.

The Board has performed a formal review of the Group's results and its ability to continue trading as a going concern in the foreseeable future.

The Directors of Shoprite Holdings confirm that they are satisfied that the Group has adequate resources to continue in business for the foreseeable future.

Borrowings
Shoprite Holdings has unlimited borrowing powers in terms of its Memorandum of Incorporation (MOI).

The Group's overall level of debt increased from R6.0 billion to R7.0 billion during the financial year under review.

Special resolutions
At the Annual General Meeting of Shoprite Holdings held on 11 November 2024, shareholders approved the following special resolutions:
- **Special resolution number 1** – Remuneration of Non-Executive Directors;
- **Special resolution number 2** – General authority to acquire the Company's own shares; and
- **Special resolution number 3** – Authority to provide financial assistance to related and inter-related entities.

Directorate and Secretary
In terms of the Company's MOI, no less than one third of the Non-Executive Directors shall retire by rotation at each Annual General Meeting. Ms L de Beer, Prof H Mathebula, Mr PD Norman and Dr CW Wiese will retire as Directors, in terms of Article 33.5.1 of the Company's MOI at the Annual General Meeting and have offered themselves for re-election.

The Board supports the re-election of these Directors.

Directors' and Alternate Directors' interests in ordinary shares

Non-executive Directors	Total 2024	Direct beneficial	Indirect beneficial**	Total 2025	Encumbered 2025
WE Lucas-Bull	–	–	–	–	–
P Cooper	–	–	–	–	–
L de Beer	–	–	–	–	–
GW Dempster	–	–	–	–	–
NN Gobodo	–	–	–	–	–
MLD Marole	–	–	–	–	–
SN Maseko	–	–	–	–	–
H Mathebula	–	–	–	–	–
PD Norman	–	–	–	–	–
CH Wiese	63 118 920	46 183	63 118 920	63 165 103	60 000 000
JD Wiese*	25 000	–	25 000	25 000	25 000
EA Wilton	–	–	–	–	–

* Alternate Director to Dr CH Wiese
** Indirect beneficial includes interests in ordinary shares held by associates of the Non-executive Directors.

Executive Directors	Total 2024	Direct beneficial	Indirect beneficial***	Total 2025	Encumbered 2025
PC Engelbrecht	686 590	317 165	329 048	646 213	–
A de Bruyn	161 775	124 755	36 775	161 530	–

*** Indirect beneficial includes interests in ordinary shares held by associates of the Executive Directors.

The following changes occurred in the shareholdings of Directors in ordinary shares between the financial year-end and the date of this report.

Executive Directors	Total 2025	Sale	ESP and EDI award	Shares acquired	Total at date of this report	Encumbered at date of this report
PC Engelbrecht	646 213	49 869	116 905	–	713 249	–
A de Bruyn	161 530	18 878	48 660	–	191 312	–

Directors' report continued

Non-executive Director's interest in non-convertible, non-participating, no par value deferred shares

	Total 2024	Total 2025
CH Wiese through Thibault Square Financial Services (Pty) Ltd	305 621 601	305 621 601

In terms of the transaction agreement concluded between the Company, Thibault Square Financial Services (Pty) Ltd and Titan Premier Investments (Pty) Ltd on 18 April 2019, the voting rights attached to 40 652 489 deferred shares held by Thibault Square Financial Services (Pty) Ltd will remain restricted whilst the required approvals are obtained to enable the redemption of these deferred shares as required in the MOI of the Company.

King IV™

The Group applies the King IV™ Report on Corporate Governance for South Africa (King IV™) principles, details of which are reported in the Group's 2025 Integrated Report, with a more detailed application register available on the Company's website.

Board committees

The reports of the various board committees will be included in the forthcoming Integrated Report.

Auditors

Subject to shareholder approval at the Annual General Meeting, Ernst & Young Incorporated will continue in office in accordance with Section 90(1) of the Companies Act.

Events after the reporting date

Other than the facts in these annual financial statements, there have been no material changes in the affairs or financial position of Shoprite Holdings and its subsidiaries from 29 June 2025 to the date of this report.

Holding company

Shoprite Holdings has no holding company. An analysis of the main shareholders appears in Annexure B to the annual financial statements.

Litigation statement

Save for the disclosures as stated in note 39 of the annual financial statements, the Directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or have had in the recent past, being at least the previous 12 months, a material effect on the Group's financial position.

Audit and Risk Committee report

Introduction

The Shoprite Holdings Ltd's Group Audit and Risk Committee (the Committee) is pleased to present its report for the financial year ended 29 June 2025.

The Committee is an independent statutory committee, established in terms of section 94(2) of the Companies Act, 71 of 2008 (the Companies Act), comprising of five independent non-executive directors who collectively have the requisite independence, skills and knowledge to fulfill the mandate of the Committee.

The Committee has decision-making authority in respect of its statutory duties and is accountable in this regard to both the shareholders and the Board of Shoprite Holdings Ltd (the Board). The Committee discharged its responsibilities, as mandated by the Board, in its terms of reference. These terms of reference are informed by the Companies Act, the King IV™ and the JSE Limited (JSE) Listings Requirements.

Committee composition, attendance and assessment

The members of the Committee are Linda de Beer (Chairman), Graham Dempster, Nonkululeko Gobodo, Sipho Maseko and Eileen Wilton. The Committee met six times during the 2025 financial year.

Further details on the qualifications, expertise and experience of the Committee members, and the evaluation of the effectiveness and performance of the Committee, can be found in the corporate governance section of the Integrated Report.

Committee meetings held and attendance:

Member and appointment date	21 August 2024 (special)	26 August 2024	7 November 2024	22 January 2025 (special)	24 February 2025	20 May 2025
Linda de Beer (Chairman) 11 May 2021	✓	✓	✓	✓	✓	✓
Graham Dempster 4 March 2022	✓	✓	✓	✓	✓	✓
Nonkululeko Gobodo 11 May 2021	✓	✓	✓	✓	✓	✓
Sipho Maseko 27 June 2023	✓	✓	✓	✓	✓	×
Eileen Wilton 2 September 2021	✓	✓	✓	✓	✓	✓

The Chief Financial Officer (CFO), Group Risk Manager, Chief Legal Officer and external auditor attend the Committee meetings by invitation. Any Director is entitled to participate in the meetings of the Committee. During the financial year the Chairman of the Board, Wendy Lucas-Bull, attended all the Committee meetings. The Company Secretary acts as secretary to the Committee. Other senior managers responsible for finance and information technology (IT) attend meetings as required.

In line with the requirements of King IV™, the performance of the Committee is evaluated every two years. An internal performance evaluation was conducted during the 2024 financial year. An independent evaluation of the Committee will be conducted in the 2026 financial year.

Committee responsibilities

The Committee oversees the Group's financial reporting, audit and assurance functions, risk and information and technology governance matters.

This report details how the Committee met its obligations, statutory and otherwise, as set out in its terms of reference, during the year under review.

The Committee is satisfied that it executed its responsibilities in compliance with its terms of reference for the year under review.

Committee focus areas in 2025

In addition to its roles and responsibilities, as outlined in the Terms of Reference, the Committee focused on the following matters in 2025:

- The Group's ongoing initiatives to enhance its defence against cyber security threats, including its third-party service providers.
- Monitoring the seamless transition to the recently appointed Chief Technology Officer, with attention to an enhanced technology strategy, particularly regarding the modernisation and phasing out of outdated technology, addressing technical debt and executing critical business projects and programmes in support of the Group's strategy.
- In-depth consideration of the application of artificial intelligence across the business and the implementation of safeguards to maintain and support the integrity of information.
- Continuation of the Committee's multi-year focus on the modernisation of the internal audit function to establish a more robust risk-based approach, concentrating on the Group's core risks while capitalising on the benefits of combined assurance through various other assurance providers and functions.
- Consideration of several specific technical accounting matters relating to financial reporting, particularly concerning strategic activities associated with acquisitions and disposals, as well as the JSE's Proactive Monitoring Report.
- With this being the second year following audit firm rotation to EY, careful attention was given to addressing initial lessons learned and building an unfettered line of communication between the Committee and auditor.
- With respect to risk and compliance governance, focus was directed towards security and loss prevention, business continuity of the distribution centres and compliance with relevant legislation, such as the Financial Intelligence Centre Act and Protection of Personal Information Act.

Audit and Risk Committee report continued

Financial reporting and going concern

The Committee reviewed the Group's interim and annual financial statements, which included the review of material accounting policies, key accounting matters, areas of significant judgement, material assumptions and estimates adopted by management.

The Committee recommended these sets of financial statements to the Board for approval, with specific reference to the going concern assumption.

Similarly, the Committee considered the solvency and liquidity tests supporting distributions via dividends, as well as financial assistance to other companies in the Group, before recommending these to the Board for approval.

Key audit matters reported by the external auditors

The Committee considered the following in respect of matters included in the EY Group independent auditor's report as key audit matters:

Discontinuing operations and assets held-for-sale
During the year a number of businesses were classified as held-for-sale, as a result of strategic decisions to exit certain non-core activities. In respect of the reporting thereof, the Committee considered whether and when such classification, in terms of IFRS, was appropriate. Furthermore, it received feedback from the reporting team on the assumptions applied as well as the measurement and disclosure of these discontinued or discontinuing operations.

Refer to note 35 for further details.

Inventory valuation and supplier rebates
Lead indicators in respect of shrinkage and waste are reported to the Committee on a quarterly basis. These are considered by management at a granular store and regional level weekly. The oversight of this important area is well embedded in business processes and in the various control functions (lines of defence).

At reporting dates, the Finance team provides feedback in respect of the principles applied and impact thereof on the shrinkage and inventory obsolescence provisions, for consideration by the Committee.

Supplier discounts, albeit material in volume and quantum, is another class of transactions well established in the core accounting of the retail business.

In FY2024 the Committee performed a deep dive into supplier rebates, to enhance its understanding of the practices thereof, the risk of misstatement and the controls in place to ensure that these are accurately calculated in line with supplier contracts and accounting practices.

Impairment of non-financial assets

At year-end, the Committee carefully considers management's assumptions and judgements applied in the determination of the recoverable amounts of non-financial assets and instances where impairment indicators are prevalent. Specific attention was given to the appropriateness of the carrying amounts of property, plant and equipment, investment properties, right-of-use assets and intangible assets.

Note 8 of the consolidated annual financial statements provides information in this regard.

External audit

The Committee evaluated the performance and independence of the external auditors, being EY as the firm at a Group level, the lead audit partner, Anthony Cadman as well as PwC in the context of it auditing certain non-RSA entities. The Independent Regulatory Board for Auditors' inspection findings at a firm and partner level and other relevant information, as required by paragraph 3.84(g)(iii)(aa)-(dd) of the JSE Listings Requirements, were considered in support of this.

The external auditor's independence is further governed by a non-audit service policy which disallows certain services and implements an approval framework and maximum levels for permissible non-audit services. This policy was considered and updated last year to support its ongoing relevance.

The Committee approved the terms of the EY Group audit engagement letter, audit plan and budgeted audit fees for the 2025 financial year. Audit fees and non-audit services are disclosed in note 32 of the consolidated annual financial statements.

There is a direct line of communication between the Chairman of the Committee and the external auditor. In addition, private sessions are held between the Committee and external audit, without management being present.

Internal audit and internal financial controls

The Committee is responsible for overseeing the assessment of the adequacy and effectiveness of internal controls, including internal financial controls, and for considering the significant findings of any internal investigation into control weaknesses, fraud or misconduct and management's responses to them.

The Committee, through various management and assurance processes, obtained confirmation that the effectiveness of systems of internal control and risk management are being maintained and that there were no material breakdowns in the functioning of the internal financial control systems during the year.

Risk and compliance governance

The Board is ultimately responsible for the governance of risk and compliance. The Board has delegated the responsibility to oversee the implementation of the governance, risk, legal and compliance frameworks and processes to the Committee.

To this end, the Committee has standing agenda items on these aspects to receive quarterly feedback from the Group Risk Manager and Chief Legal Officer on matters of risk, regulatory compliance and litigation. This includes setting risk appetite limits, considering risk identification and mitigation activities, emerging risks and new legislation and compliance thereof as well as risk and compliance reporting.

Ethics

The Social and Ethics Committee (SEC) oversees ethics governance. The Committee obtains quarterly feedback from the SEC Chair and management on these matters that could potentially impact on the accuracy of financial reporting and the effectiveness of internal controls.

Combined assurance

As indicated in the Committee focus areas, attention is given to the development and maturity of the combined assurance framework of the Group, especially in as far as the Group Core Risks are concerned. The objective is to have a holistic view of assurance services and providers being relied upon for the effective functioning of control and the integrity of information used for decision making. Internal Audit is tasked with coordinating and documenting this, establishing gaps that require further work and considering the skills, experience and objectivity of assurance providers as well as the maturity of in-house assurance services in the various lines of defence.

IT governance

The Committee allocates significant time to and focus on IT governance. There is ongoing focus on information security and cyber risk defence. Furthermore, the Committee considers the implementation of the Group's digital and technology strategy through projects and programmes, sunsetting of old technology and responsible handling of technical debt, safeguarding key systems and attracting and retaining IT talent.

2025 Integrated Report

The Committee is tasked with overseeing the preparation of the Integrated Report and reviewing the content and assurance in respect of the integrity of the information. This Committee, having reviewed the content and assurance processes, recommended it to the Board for approval.

Annual confirmations and assessments

As part of its annual obligations, the Committee assessed and satisfied itself of the following:

- The skills and experience of the CFO, Anton de Bruyn, as well as the finance function;
- The appropriateness of financial reporting procedures and whether these procedures in Group companies allowed for effective preparation of the Group's annual financial statements;
- The adequacy and effectiveness of internal controls, with specific reference to internal financial controls over financial reporting;
- External audit quality and auditor independence; and
- Compliance with related matters regarding the JSE Listings Requirements and the JSE's 2024 Proactive Monitoring Report.

Future focus areas

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

- Oversight of the continuous focus on information security and cyber defence initiatives on the one hand, and the implementation of the Group's digital and technology strategy on the other hand. This includes the modernisation and phasing out of outdated technology and executing critical business projects and programmes.
- Continuation of the Committee's multi-year focus on the modernisation of the Internal Audit function to establish a more robust risk-based approach, concentrating on the Group's core risks while capitalising on the benefits of combined assurance through various other assurance providers and functions.
- With respect to risk and compliance governance, focus will continue on building a combined assurance model for core Group risks and establishing a strong compliance framework.

Linda de Beer
Chairman

Independent auditor's report

To the shareholders of Shoprite Holdings Ltd

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Shoprite Holdings Limited and its subsidiaries ('the Group') and Company set out on pages 18 to 150, which comprise the consolidated and separate statements of financial position as at 29 June 2025, and the consolidated and separate statements of comprehensive income, the consolidated and separate statements of changes in equity and the consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Group and Company as at 29 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of South Africa.

Basis for Opinion

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

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

Final Materiality

The ISAs recognise that:

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

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

Group Final Materiality:

We determined final materiality for the Group to be R500 million, which is based on 5% of profit before income tax. We have identified profit before income tax as the most appropriate basis as we typically believe that profit-making companies are evaluated by users based on their ability to generate earnings.

Company Final Materiality:

We determined final materiality for the standalone Company to be R85 million, which is based 1% of total assets. We have identified that a capital-based measure is the most appropriate basis given that the primary focus of the users of the financial statements relates to the investments in subsidiaries, which correspond to the performance of the Group overall.

Group Audit Scope

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

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

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

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

Of the twenty-one components selected, we identified:
Three components that were deemed to be the most significant by size or risk characteristics. For these we performed a full scope audit of the complete financial information.

Audit procedures were performed on specific accounts of eighteen components that we considered had the potential for the greatest impact on the significant accounts in the financial statements either because of the size of these accounts or their risk profile. Analytical review procedures were performed over the remaining components.

At a Group level, we tested the consolidation process. We also completed centralised testing over IT applications, and elements of leases, payroll, share-based payments, payables and impairment of non-financial assets.

Key Audit Matters

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

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

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

The key audit matters apply to the audit of the consolidated financial statements.

Key audit matter description	How the matter was addressed in the audit
Discontinued operations and Assets Held for Sale During the 2025 reporting period, the group entered into sale agreements to dispose of the following disposal groups: • Furniture Division (including the OK Furniture and House & Home brands, excluding Mozambique which was abandoned) • Ghana operations • Malawi operation • Nigerian properties Profit for the period from discontinued operations of R191 million (2024: Rnil) has been separately disclosed on the face of the statement of comprehensive income in the current year and prior year results have been adjusted. Assets and liabilities were reclassified as held for sale on the face of the statement of financial position as at 29 June 2025, amounting to R5 588 million (2024: R956 million) and R2 302 million (2024: Rnil) respectively. The assets held for sale were tested for impairment in accordance with International Accounting Standard 36 – Impairment of Assets (IAS 36) and IFRS 5 – Non-current Assets Held for Sale and Discontinued Operations (IFRS 5) by comparing their carrying amounts to their recoverable amounts (based on value in use or fair value less costs to sell). We considered this to be a matter of most significance to our current year audit due to the: • Magnitude of the assets and liabilities held for sale balances in the consolidated statement of financial position; • Quantum of profit from discontinued operations that directly impacts the consolidated statement of profit or loss and other comprehensive income; • Judgement involved in considering whether the assets are impaired; and • Judgement involved in respect of whether the requirements for classification as held for sale under IFRS 5 have been met. Refer to accounting policy 1.1.1.1 (j) (Classification of non-current assets to be sold within 12 months after the reporting date) and note 4 (Assets classified as held for sale), 25 (Liabilities directly associated with assets classified as held for sale) and 35 (Discontinued operations).	We performed the following audit procedures, amongst others, to address the key audit matters: • We evaluated management's assessment of potential sales transactions as discontinued operations and/or non-current assets held for sale, using the criteria under IFRS 5. These procedures were performed in order to obtain comfort over the completeness of disposal groups held for sale as well as management's judgement applied to reach these conclusions; • We reviewed the relevant sale agreements to assess whether the terms of the agreements support the classification and timing of the disposal due to the judgement involved in concluding on the asset being held for sale or discontinued; • We evaluated the restatement of prior period comparatives and the adequacy of disclosures in the notes to the financial statements to ensure the requirements of IFRS 5 were adhered to; • We evaluated the impairment testing conducted by management on the disposal groups by assessing the recoverable amount and comparing it to the carrying value to determine impairment in accordance with IFRS 5; and • We performed substantive testing over the calculations of the recoverable amount by comparing management's estimates to an independently recalculated amount derived from the associated sales agreements. This allowed us to assess the reasonableness of management's estimates against our recalculated amount. Based on the procedures performed, no material misstatements were identified.

Independent auditor's report continued

Key Audit Matters continued

Key audit matter description	How the matter was addressed in the audit
Inventory valuation and supplier rebates At the reporting date, the Group holds inventory of R29.7 billion. Several adjustments are made to the valuation of inventory at year-end, including adjustments for: • Shrinkage and obsolete inventory provisions; and • Supplier rebates. **Shrinkage and obsolete inventory provisions** Management have applied significant judgement in assessing the measurement of an overlay to the shrinkage provision, which is adjusted depending on relevant circumstances present at each store, for example where shrinkage experienced exceeds the rate used by the system, which is based on the last inventory count results. Further significant judgement is applied in determining slow moving inventory, using historic sales data to estimate the likelihood of future obsolescence. Understanding the rationale for, obtaining evidence for, and assessing the completeness of the various manual adjustments required significant auditor attention given the degree of judgement involved. **Supplier rebates** In acquiring inventory, the Group enters into contractual agreements with suppliers through which it is entitled to receive various cost rebates, including volume-based rebates, advertising recoupments and other discounts linked to the purchase of inventory. The variety of contractual terms, and amount of rebates earned, is significant and a portion of this income is recognised as a reduction to the cost of inventory. Significant judgement is applied in determining the probability and amount of volume-related allowances involving contractual target volumes, as well as in the calculation used to recognise a proportion of rebates as a reduction in the cost of inventory. Due to the judgements applied by management in the calculation of adjustments to inventory at the reporting date, the magnitude of rebates earned, the variety of related contractual terms, and further judgement applied in estimating the probability that the Group will meet contractual target volumes, this matter required significant auditor attention. Refer to accounting policies note 1.1.1.2 (a) (Assumptions and estimates – Rebates from suppliers) and note 1.22 (Rebates from suppliers).	We performed the following audit procedures, amongst others, relating to manual provisions raised against inventory at the reporting date: • We identified and tested the effectiveness of system controls relating to the automated calculation of shrinkage; • We assessed management's overlay shrinkage provisions by challenging the rationale for these adjustments and assessing and corroborating evidence provided to support adjustments made; and • We assessed the estimates used by management and recalculated the provision for slow-moving and obsolete stock. This analysis considered both historic sales and wastage data at a departmental level, which were reconciled to audited information. We performed the following audit procedures, amongst others, relating to supplier rebates and the associated adjustment made to inventory at the reporting date: • We identified and tested the effectiveness of the key controls related to rebates, including the relevant information technology (IT) application controls; • We performed analytical procedures over purchases and expected rebates, and amounts were corroborated to supporting documentation; • We evaluated management's judgement in determining the probability and amount of volume-related allowances in accruing for supplier rebates at year-end by considering the term of the associated contract and the volume of historic purchases made per the audited records; • We agreed the key inputs in rebate calculations to contracts on a sample basis, as well as agreed purchases to the underlying accounting records; • We performed an overall recalculation of a sample of rebates for mathematical accuracy; • We assessed the validity and appropriateness of management's assumptions in attributing the rebates to the value of the year-end inventory by reference to the split of foods and non-foods stock, and the calculation of purchases remaining in inventory at year-end; • We re-performed management's calculation and tested the inputs into the calculation; and • We performed a stand-back analysis to assess the reasonability of management's rebate adjustment by considering rebate adjustments as a proportion of inventory at the reporting date. Based on the procedures performed, no material misstatements were identified.

Key audit matter description	How the matter was addressed in the audit
Impairment of non-financial assets Management identified indicators of impairment related to non-financial assets. In making the impairment assessment of right-of-use assets, property, plant and equipment, and other intangible assets, the Group considers each store to be a separate cash generating unit. The recoverable amount of each cash generating unit is calculated at the higher of its value-in-use and its fair value less costs of disposal. During the current reporting period, management recognised impairments on specific assets within the Group. These impairments resulted in a net pre-tax impairment change of R390 million, as detailed in note 8, Impairment of non-financial assets. Judgement is applied by management in determining the recoverable amount for each store based on the value-in-use. This includes judgements concerning future trading profits, and the discount and growth rates used in the discounted cash flow model. Given the number of stores and locations in which the Group operates, this assessment involved significant judgement in the determination of appropriate inputs into value-in-use calculations which may differ by store or location. We therefore consider the impairment of non-financial assets to be a key audit matter given the number of cash generating units identified, across various locations and jurisdictions, and the associated significant judgements required in determining value-in-use. Refer to accounting policies note 1.1.1.2 (b) (Assumptions and estimates – Impairment of assets) and note 8 (Impairment of non-financial assets).	We performed the following audit procedures, amongst others, to address the key audit matter: • We obtained management's impairment assessment of all cash generating units, which formed the basis of our audit work; • We independently re-evaluated the impairment calculations and assessed any differences in impairment values calculated; • We assessed the completeness of all cash-generating units included in management's calculation by obtaining a reconciled list of all revenue-generating stores with assets and confirming their inclusion in the assessment; • We evaluated the appropriateness of adjustments to trading profit to derive cash flows included in the cash flow models by reviewing the nature and purpose of adjustments made and agreeing these to underlying records; • We involved our valuation specialists to assess the methodology applied and to test the reasonability of management's discount rates, based on an independent recalculation of the weighted average cost of capital; and • We evaluated the growth rates by analysing historical performance data. Based on the procedures performed, no material misstatements were identified.

Independent auditor's report continued

Other Information

The Directors are responsible for the other information. The other information comprises the information included in the 153-page document titled "Shoprite Holdings Ltd 2025 Annual Financial Statements", which includes the Directors' Report, the Audit and Risk Committee's Report and the Certificate of the Company Secretary as required by the Companies Act of South Africa. The other information does not include the consolidated or the separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that Ernst & Young Inc. has been the auditor of Shoprite Holdings Ltd for two years.

Ernst & Young Inc.

Ernst & Young Inc.
Director: Anthony Cadman
Registered Auditor
3 Dock Road, V&A Waterfront, Cape Town, 8001, South Africa

1 October 2025

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GROUP ANNUAL FINANCIAL STATEMENTS

Consolidated statement of financial position

Shoprite Holdings Ltd and its subsidiaries as at 29 June 2025

	Notes	2025 Rm	2024* Rm
Assets			
Non-current assets		72 077	62 269
Property, plant and equipment	3	22 536	19 672
Investment properties	5	128	617
Right-of-use assets	6	36 090	30 469
Intangible assets	7	5 700	4 695
Equity accounted investments	9	2 452	2 478
Investments at fair value through other comprehensive income	10	74	67
Investment in insurance cell captive arrangements	11	39	129
Government bonds and bills	12	539	—
Loans receivable	13	487	429
Deferred income tax assets	14	3 447	3 297
Trade and other receivables	15	585	416
Current assets		52 867	50 059
Inventories	16	29 748	28 366
Trade and other receivables	15	5 706	6 298
Current income tax assets		740	736
Investment in insurance cell captive arrangements	11	92	402
Government bonds and bills	12	33	886
Loans receivable	13	1 009	680
Restricted cash		5	3
Cash and cash equivalents	43.4.1	9 946	11 732
		47 279	49 103
Assets classified as held for sale	4	5 588	956
Total assets		**124 944**	**112 328**
Equity			
Capital and reserves attributable to owners of the parent			
Stated capital	17	7 516	7 516
Treasury shares	17	(3 756)	(2 616)
Reserves	19	26 434	22 891
		30 194	27 791
Non-controlling interest		(77)	(67)
Total equity		**30 117**	**27 724**
Liabilities			
Non-current liabilities		50 286	43 066
Lease liabilities	20	43 116	36 702
Borrowings	21	6 504	5 788
Deferred income tax liabilities	14	8	8
Employee benefit and other provisions	22	582	482
Trade and other payables	23	76	86
Current liabilities		44 541	41 538
Trade and other payables	23	34 084	32 458
Contract liabilities	24	1 064	1 219
Lease liabilities	20	3 904	3 775
Borrowings	21	489	205
Current income tax liabilities		677	784
Employee benefit and other provisions	22	158	202
Bank overdrafts and other short-term facilities		1 863	2 895
		42 239	41 538
Liabilities directly associated with assets classified as held for sale	25	2 302	—
Total liabilities		94 827	84 604
Total equity and liabilities		**124 944**	**112 328**

* Comparatives have not been restated for the Group's operations classified as discontinued in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45.

Consolidated statement of comprehensive income

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

	Notes	52 weeks 2025 Rm	Restated* 52 weeks 2024 Rm
Revenue	26	256 682	236 328
Sale of merchandise	26	252 701	232 088
Cost of sales		(191 259)	(176 549)
Gross profit		61 442	55 539
Alternative revenue[1]	26	3 763	3 927
Interest revenue	26	218	313
Share of profit of equity accounted investments	9	250	268
Depreciation and amortisation	27	(8 012)	(6 845)
Employee benefits	28	(20 268)	(18 289)
Credit impairment losses	43.4.1	(76)	(179)
Other operating expenses	30	(22 366)	(21 916)
Trading profit		14 951	12 818
Exchange rate (losses)/gains		(3)	27
Profit on lease modifications and terminations		95	96
Items of a capital nature[2]	31	(100)	(279)
Operating profit	32	14 943	12 662
Interest received from bank account balances		357	517
Finance costs	33	(5 115)	(4 153)
Profit before income tax		10 185	9 026
Income tax expense	34	(2 793)	(2 805)
Profit from continuing operations		7 392	6 221
Profit from discontinued operations	35	191	—
Profit for the year		**7 583**	**6 221**
Other comprehensive loss, net of income tax		(136)	(871)
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment medical benefit obligations		—	2
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences including hyperinflation from continuing operations	19	(299)	(628)
Foreign currency translation differences including hyperinflation from discontinued operations	19	10	41
Release of foreign currency translation reserve on deemed disposal of associates	19	—	(33)
Changes in the fair value of investments at fair value through other comprehensive income	19	9	27
Gain/(loss) on effective net investment hedge, net of income tax from continuing operations	19	43	(227)
Gain/(loss) on effective net investment hedge, net of income tax from discontinued operations	19	101	(53)
Total comprehensive income for the year		**7 447**	**5 350**
Profit/(loss) attributable to:		7 583	6 221
Owners of the parent		7 585	6 248
Non-controlling interest		(2)	(27)
Total comprehensive income/(loss) attributable to:		7 447	5 350
Owners of the parent		7 448	5 382
Non-controlling interest		(1)	(32)
Total comprehensive income/(loss) attributable to owners of the parent arises from:		7 448	5 382
Continuing operations		7 153	5 399
Discontinued operations		295	(17)
Earnings per share for profit from continuing operations attributable to owners of the parent:			
Basic earnings per share from continuing operations (cents)	36	1 367.2	1 149.5
Diluted earnings per share from continuing operations (cents)	36	1 362.3	1 144.7
Earnings per share for profit attributable to owners of the parent:			
Basic earnings per share (cents)	36	1 401.2	1 148.6
Diluted earnings per share (cents)	36	1 396.2	1 143.7

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

1 Alternative revenue represents the previously disclosed other operating income. The updated terminology is more representative of the nature of the revenue included in this line item.

2 Refer to note 1.1.2(b) for an explanation of what constitutes items of a capital nature.

Consolidated statement of changes in equity

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

Rm	Notes	Total equity	Non-controlling interest	Attributable to owners of the parent: Total	Stated capital	Treasury shares	Other reserves	Retained earnings
Balance at 2 July 2023		**26 278**	**148**	**26 130**	**7 516**	**(2 624)**	**(7 398)**	**28 636**
Total comprehensive income		5 350	(32)	5 382	—	—	(868)	6 250
Profit/(loss) for the year		6 221	(27)	6 248				6 248
Recognised in other comprehensive loss								
Re-measurements of post-employment medical benefit obligations		2		2				2
Foreign currency translation differences including hyperinflation effect		(549)	(5)	(544)			(544)	
Income tax effect of foreign currency translation differences including hyperinflation	19	(38)		(38)			(38)	
Release of foreign currency translation reserve on deemed disposal of associates	19	(33)		(33)			(33)	
Loss on effective net investment hedge	19	(396)		(396)			(396)	
Income tax effect of loss on effective net investment hedge	19	116		116			116	
Fair value adjustment	19	27		27			27	
Share-based payments – value of employee services	19	218		218			218	
Modification of cash bonus arrangement transferred from employee benefit provisions	22	17		17			17	
Purchase of treasury shares	17	(239)		(239)		(239)		
Treasury shares disposed	17	11		11		9		2
Realisation of share-based payment reserve	19	—		—		238	(250)	12
Non-controlling interest on acquisition of subsidiaries		(158)	(158)	—				
Non-controlling interest on disposal of subsidiary		(15)	(15)	—				
Dividends distributed to shareholders		(3 738)	(10)	(3 728)				(3 728)
Balance at 30 June 2024		**27 724**	**(67)**	**27 791**	**7 516**	**(2 616)**	**(8 281)**	**31 172**
Total comprehensive income		7 447	(1)	7 448	—	—	(137)	7 585
Profit/(loss) for the year		7 583	(2)	7 585				7 585
Recognised in other comprehensive loss								
Foreign currency translation differences including hyperinflation effect		(293)	1	(294)			(294)	
Income tax effect of foreign currency translation differences including hyperinflation	19	4		4			4	
Gain on effective net investment hedge	19	164		164			164	
Income tax effect of gain on effective net investment hedge	19	(20)		(20)			(20)	
Fair value adjustment	19	9		9			9	
Share-based payments – value of employee services	19	268		268			268	
Modification of cash bonus arrangement transferred from employee benefit provisions	22	58		58			58	
Purchase of treasury shares	17	(1 432)		(1 432)		(1 432)		
Treasury shares disposed	17	38		38		33		5
Realisation of share-based payment reserve	19	—		—		259	(253)	(6)
Dividends distributed to shareholders		(3 986)	(9)	(3 977)				(3 977)
Balance at 29 June 2025		**30 117**	**(77)**	**30 194**	**7 516**	**(3 756)**	**(8 345)**	**34 779**

Consolidated statement of cash flows

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

	Notes	2025 Rm	2024 Rm
Cash flows from operating activities		10 984	13 841
Operating profit		15 380	12 828
Less: investment income and interest revenue earned		(767)	(1 009)
Non-cash items	38.1	9 589	8 557
Changes in working capital	38.2	(2 312)	3 252
Cash generated from operations		21 890	23 628
Interest received		861	1 212
Interest paid		(5 166)	(4 305)
Dividends received		750	568
Dividends paid	38.3	(3 985)	(3 743)
Income tax paid	38.4	(3 366)	(3 519)
Cash flows utilised by investing activities		(7 365)	(6 779)
Investment in property, plant and equipment and other intangible assets to expand operations		(6 320)	(5 718)
Investment in property, plant and equipment and other intangible assets to maintain operations		(1 679)	(2 012)
Payment for investment in insurance cell captive arrangements		(10)	—
Investment in assets classified as held for sale		(11)	(32)
Investment in convertible loans		—	(5)
Payment for investments at fair value through other comprehensive income		—	(4)
Proceeds on disposal of property, plant and equipment and intangible assets		323	400
Cash inflows as a result of the disposal of discontinued operations	35.2	9	39
Proceeds on disposal of assets classified as held for sale[3]		774	368
Payments for government bonds and bills		(791)	(339)
Proceeds from government bonds and bills		1 061	523
Loans receivable advanced		(635)	(663)
Loans receivable repaid		578	593
Proceeds on disposal of investment in associate		1	—
Decrease in ring-fenced Angola tax guarantees		—	285
Investment in associate	9	(111)	(119)
Acquisition of Pingo Delivery (Pty) Ltd	38.5	(472)	—
Acquisition of other subsidiaries and operations		(82)	(44)
Cash outflow on disposal of investment in subsidiary	38.6	—	(51)
Cash flows utilised by financing activities		(4 298)	(4 012)
Repayment of lease liability obligations	20	(3 870)	(3 386)
Purchase of treasury shares		(1 432)	(239)
Proceeds from treasury shares disposed		38	11
Repayment of borrowings	21.1	(1 083)	(1 714)
Borrowings raised	21.1	2 049	1 316
Net movement in cash and cash equivalents		(679)	3 050
Cash and cash equivalents at the beginning of the year[5]		10 037	7 502
Effect of exchange rate movements and hyperinflation on cash and cash equivalents		(35)	(515)
Cash and cash equivalents at the end of the year[5]		**9 323**	**10 037**
Consisting of:			
Restricted cash[4]	43.4.1(d)	5	—
Cash and cash equivalents	43.4.1(e)	9 946	11 732
Cash and cash equivalents classified as assets held for sale		35	—
Bank overdrafts[5]		(663)	(1 695)
		9 323	**10 037**
Other short-term facilities[5]		(1 200)	(1 200)
		8 123	**8 837**

3 Proceeds on disposal of assets classified as held for sale include R772 million (2024: R338 million) relating to sale and leaseback arrangements. Refer to note 20.

4 Cash and cash equivalents for the prior year excludes restricted cash of R3 million related to ring-fenced Angola tax guarantees. Refer to note 43.4.1(d).

5 Short-term facilities of R1.2 billion are not considered to meet the definition of cash and cash equivalents under IAS 7 Statement of Cash flows, but are used to fund operational cash requirements. These facilities are now therefore disclosed separately from cash and cash equivalents in the current and prior year. The change had no other impact on previously reported cash flows.

Notes to the consolidated annual financial statements

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies

The principal accounting policies adopted in the preparation of the consolidated financial statements are set out below and are consistent with those applied in the previous year, except where the Group has applied new accounting policies or adopted new accounting standards effective for year-ends starting on or after 1 January 2024.

The Group's consolidated financial statements were authorised for issue by the Board of Directors on 1 October 2025. Other than the matters disclosed in these financial statements, there have been no material events occurring between 29 June 2025 and the date of authorisation of these financial statements on 1 October 2025, which would require adjustment to or disclosure in the financial statements.

1.1 Basis of preparation

The Group reports on the retail calendar of trading weeks which treats each financial year as an exact 52-week period, incorporating trade from Monday to Sunday each week. This treatment effectively results in the loss of a day (or two in a leap year) per calendar year. These days are brought to account approximately every six years by including a 53rd week. Accordingly, the results for the financial year under review are for a 52-week period, ended 29 June 2025, compared to 52 weeks in the previous financial year.

The financial statements have been prepared in accordance with International Financial Reporting Standards Accounting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC), the JSE Limited Listings Requirements and the requirements of the South African Companies Act, 71 of 2008. The financial statements are prepared under the historical cost convention adjusted for the effects of inflation, where entities operate in hyperinflationary economies, and for the revaluation of certain financial instruments to fair value. The financial statements are prepared on a going concern basis.

The Ghana economy has been considered to be hyperinflationary. Accordingly, the results, cash flows and financial position of the Group's subsidiary in Ghana have been expressed in terms of the measuring unit applicable at the reporting date.

The Angolan economy had been considered to be hyperinflationary up to 30 June 2019. For the 52 weeks ended 29 June 2025, the Angolan economy was assessed not to be hyperinflationary. Although no further hyperinflationary adjustments were required for the current and comparative reporting period of the Group's subsidiaries in Angola, the statement of financial position at the reporting date still includes cumulative hyperinflation adjustments as a result of the application of IAS 29: Financial Reporting in Hyperinflationary Economies, up to 30 June 2019. These cumulative hyperinflation adjustments, included in property, plant and equipment and right-of-use assets, are written off to the statement of comprehensive income, together with the related deferred income tax effect, in accordance with the Group's accounting policies for the respective items.

1.1.1 Use of judgements, assumptions and estimates

1.1.1.1 Judgements

The preparation of the financial statements in accordance with IFRS Accounting Standards requires management to exercise its judgement in the process of applying the Group's accounting policies. The most significant judgements in applying the Group's accounting policies relate to the following:

(a) **Investment in associate:** The Group considers Retail Logistics Fund (RF) (Pty) Ltd to be a strategic partner and holds a 49.9% shareholding in the associate. Significant judgement is required in determining whether or not the Group controls Retail Logistics Fund (RF) (Pty) Ltd. Management determined that control of Retail Logistics Fund (RF) (Pty) Ltd vests in its Board of Directors. Equites Property Fund Ltd has a 50.1% shareholding in Retail Logistics Fund (RF) (Pty) Ltd and may appoint the majority of Directors to the Board of Retail Logistics Fund (RF) (Pty) Ltd. Furthermore, the majority stake substantive rights inferred includes the ability to appoint key management personnel, the ability to enter into significant transactions and the ability to dominate the nomination of members to the Board of Retail Logistics Fund (RF) (Pty) Ltd.

The founding and operational agreements of Retail Logistics Fund (RF) (Pty) Ltd note that the Group has been granted a number of protective rights and the scope of the activities of Retail Logistics Fund (RF) (Pty) Ltd has been partially restricted. Equites Property Fund Ltd has substantive rights to direct these relevant activities of Retail Logistics Fund (RF) (Pty) Ltd.

Based on the assessment done by management it was concluded that Equites Property Fund Ltd controls Retail Logistics Fund (RF) (Pty) Ltd and that the Group exercises significant influence over Retail Logistics Fund (RF) (Pty) Ltd.

(b) **Date of acquisition of Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd:** During the previous financial year, the Group acquired Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd. Significant judgement was required in determining the acquisition date on which the Group obtained control of the entities. The date of acquisition was determined to be the date when the Group assumed the risks and rewards associated with the acquisition, being end of March 2024, when the share purchase agreements were signed and both parties unconditionally committed to the transaction.

1 Accounting policies continued

1.1 Basis of preparation continued

1.1.1 Use of judgements, assumptions and estimates continued

1.1.1.1 Judgements continued

(c) **Investment in joint venture:** The Group previously held a 50% shareholding in Pingo Delivery (Pty) Ltd, the delivery partner for Sixty60 and acquired the remaining 50% share capital during the reporting period. Significant judgement was required in determining whether the Group controlled Pingo Delivery (Pty) Ltd. Management determined that control of Pingo Delivery (Pty) Ltd vested in its Board of Directors. The Board- and sub-committee compositions were equally represented by the shareholders. These committees made decisions about the relevant activities and the appointment of key management personnel of Pingo Delivery (Pty) Ltd.

The founding and operational agreements of Pingo Delivery (Pty) Ltd note that the Group had been granted a number of protective rights and the scope of Pingo Delivery (Pty) Ltd's activities has been partially restricted. The shareholders together had substantive rights to direct the relevant activities of Pingo Delivery (Pty) Ltd.

Further judgement was applied in considering whether the agreement was a joint venture or joint operation. According to projections, Pingo Delivery (Pty) Ltd would not provide substantially all of its services solely to the Group.

Based on the assessment done by management, it was concluded that the shareholders jointly controlled Pingo Delivery (Pty) Ltd and therefore this was accounted for as a joint venture up to the date that the Group acquired the remaining share capital of Pingo Delivery (Pty) Ltd.

(d) **Third-party cell captive contracts:** Judgement was applied to determine the Group's eligibility for adopting the premium allocation approach, in accordance with IFRS 17. The Group has adopted the premium allocation approach as it reasonably expects the measurement relating to its insurance contracts would not differ materially from that produced under the general measurement model, if applied.

(e) **Investment in Shoprite Employee Trust:** The Group established Shoprite Employee Trust on a non-vesting, evergreen basis. Significant judgement is required in determining whether or not the Group controls Shoprite Employee Trust. As its founder, Shoprite Checkers (Pty) Ltd funded the Shoprite Employee Trust primarily on a notional basis upon formation of the trust. Aimed at retention and motivation of the Group's employees in an appropriate manner and ensuring that they benefit from the growth and continued success of the Group, the objective of the scheme implemented by Shoprite Employee Trust is to provide eligible employees with distributions whenever a dividend is declared by Shoprite Holdings Ltd to its ordinary shareholders. Such distributions to eligible employees are funded by dividends received from Shoprite Checkers (Pty) Ltd.

Based on the assessment done by management, it was concluded that the Group controls Shoprite Employee Trust in accordance with IFRS 10: Consolidated Financial Statements, and that the appropriate accounting treatment for this entity is for the Group to consolidate its results.

(f) **Classification of cash and bank balances:** Local currency cash and short-term deposits held in Angola, Nigeria and Malawi are subject to onerous local exchange control regulations, which provide restrictions on exporting capital from the country, other than through normal dividends. In order to determine how restricted funds should be classified in the cash flow statement, it should be considered whether the restricted funds meet the definition of cash and cash equivalents or whether the funds are restricted in a manner such that the definition is not met. Significant judgement is required in this assessment. Management assessed the economic substance of the restrictions in each case by taking into consideration the facts and circumstances of the specific restrictions and how management intends to use the deposits. It was concluded that restricted funds that are available for use in the short-term in Angola, Nigeria and Malawi (2024: Angola, Nigeria and Malawi), albeit with some restrictions over their use, still qualify to be classified as cash and cash equivalents. However, the deposit accounts in Angola which were held for objections to tax assessments were ring-fenced as they could not be utilised by the Group. These guaranteed amounts were classified as restricted cash on the statement of financial position. The funds do not form part of the statement of cash flows as the Group does not have access to these accounts.

(g) **Lease term:** In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of distribution centres and retail stores, the following factors are normally the most relevant:

- The number of extension options included in the initial measurement of the lease liability will depend on the length of the initial period and whether higher-than-normal capital expenditure was incurred on leasehold improvements. For subsequent measurement, the store's profitability is used to determine if and how many options are to be included upon renewal of the lease.
- Otherwise, the Group considers other factors including the costs and business disruption required to replace the leased asset.

Most extension options in rental contracts for offices and the commercial vehicle fleet have not been included in the lease liability, because the Group could replace the assets without significant cost or business disruption.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued
1.1 Basis of preparation continued
1.1.1 Use of judgements, assumptions and estimates continued
1.1.1.1 Judgements continued

(g) **Lease term:** continued
The lease term is reassessed if an extension option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. Extension options are generally exercised six to 12 months before the end of the lease term. When the lease term is adjusted as a result of exercising an extension option not included in the initial measurement of the lease liability, the lease liability is reassessed and adjusted against the right-of-use asset. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances that is within the control of the lessee occurs and affects this assessment.

(h) **Discount rate used to calculate the lease liability:** Incremental borrowing rates used to calculate lease liabilities at inception of the lease are determined monthly and depend on the term, country, currency and start date of the lease. The incremental borrowing rate is determined based on a series of inputs including: the risk-free rate based on government bond rates; a country-specific risk adjustment; an adjustment for the term of the lease; and an entity-specific adjustment where the entity risk profile is different to that of the Group.

(i) **Determination of whether a sale and leaseback transaction qualifies as a sale:** A sale and leaseback is a transaction in which the owner of an asset sells the asset and leases it back from the buyer. The IFRS 16: Leases (IFRS 16) treatment of a sale and leaseback transaction hinges on whether the transaction is considered to be a sale or not. Where the Group acts as a seller-lessee in this transaction, it must determine if the transaction qualifies as a sale for which revenue is recognised, or whether the transaction is a collateralised borrowing.

The assessment of whether the transaction is a sale depends on whether it satisfies the requirements of IFRS 15: Revenue from Contracts with Customers (IFRS 15), in which the buyer-lessor obtains control of the asset. Judgement is thus required in analysing whether the transaction constitutes a transfer of control sale in terms of IFRS 15.

In terms of IFRS 15, a performance obligation is satisfied by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. In determining whether control has transferred to the buyer-lessor, management considers all qualitative facts and prepares a quantitative assessment considering the proportion of the fair value retained.

(j) **Classification of non-current assets to be sold within 12 months after the reporting date:** Management applies judgement in determining whether a portfolio of assets and related liabilities should be classified as held for sale. In terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (IFRS 5), an entity shall classify a disposal group as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

The Group identified a portfolio of malls to be sold and subsequently leased back from the buyer-lessor (subject to certain conditions). Management applied their judgement and concluded that the carrying amount of the malls would be recovered principally through sale rather than through continued use as the Group retained an insignificant percentage of the fair value of the underlying assets. The portfolio of malls was subsequently classified as assets held for sale as their carrying amounts were recovered principally through a sale transaction.

During the current year the Group signed agreements to dispose of the furniture business (excluding Mozambique), as well as the Group's operations in Ghana and Malawi. Furthermore an offer was accepted to sell the Group's subsidiaries, Asaba Mall Development Company Ltd and Delta Mall Development Company Ltd that each own an investment property in Nigeria. The Group considers it highly probable that these disposal groups will be disposed of and consequently they have been classified as held for sale in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 4.

(k) **Segment reporting:** IFRS 8: Operating Segments requires an entity to identify its operating segments and determine its reportable segments. Reportable segments may comprise single operating segments or an aggregation of operating segments. Aggregation of one or more operating segments into a single reportable segment is permitted where certain conditions are met; the principle conditions being that the operating segments should have similar economic characteristics and the operating segments are similar in respect of the products and services offered, nature of production processes, type or class of customers, distribution methods, and regulatory environment.

The Group's management has assessed the above mentioned aggregation criteria in respect of its identified retail operating segments and believe that it has been satisfied as they have similar average gross margins and similar expected growth rates; therefore it has elected to aggregate the segments as disclosed in note 2.

(l) **Determination of cash-generating units:** The Group has determined each store and investment property as a separate cash-generating unit for impairment testing.

(m) **Use of exchange rates:** All foreign currency translations and foreign currency transactions are translated using the official exchange rate in line with the requirements of IFRS Accounting Standards and foreign exchange regulations in individual countries.

1 Accounting policies continued
1.1 Basis of preparation continued
1.1.1 Use of judgements, assumptions and estimates continued
1.1.1.1 Judgements continued

(n) **Hyperinflation:** The Group exercises judgement in determining the onset of hyperinflation in countries in which it operates and whether the functional currency of its subsidiaries, associates and joint arrangements is the currency of a hyperinflationary economy.

Various characteristics of the economic environment of each country are taken into account to assess whether an economy is hyperinflationary or not. These characteristics include, but are not limited to, the following:
- The general population prefer to keep its wealth in non-monetary assets or in a relatively stable foreign currency;
- Prices are quoted in a relatively stable foreign currency;
- Sales and purchases on credit take place at prices that compensate for the expected loss of purchasing power during the credit period, even if the period is short;
- Interest rates, wages and prices are linked to a price index; and
- The cumulative inflation rate over three years is approaching, or exceeds, 100%.

Management exercises judgement in determining when a restatement of the financial statements of a Group entity becomes necessary.

Ghana
The economy of Ghana was assessed to be hyperinflationary effective from 3 July 2023 and hyperinflation accounting was applied for the year ended 29 June 2025. Accordingly, the results and financial position of the Group's Ghana subsidiary have been expressed in terms of the measuring unit current at the reporting date.

During the current year, the Group signed an agreement to dispose of the operations in Ghana, which have been classified as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Sale of merchandise included in profit from discontinued operations has increased by R395 million (2024: R93 million decrease) due to the hyperinflation impact, while prior period gains of R15 million (2024: R124 million gains), which arose from the net monetary position, were recognised in other comprehensive income from discontinued operations.

The general price indices, as published by the Ghana Statistical Service, were used in adjusting the historical cost local currency results and financial position of the Group's Ghana subsidiary. The general price index as at the end of the reporting period was 257.30 (2024: 226.4). As at 29 June 2025, the cumulative three-year inflation rate was 98.8% (2024: 127.1%).

Angola
The economy of Angola was reassessed and found to no longer be hyperinflationary. The hyperinflation accounting was ceased for the current and comparative year and the cumulative hyperinflation adjustments up to 30 June 2019 will unwind over time. The Group will continue to monitor the hyperinflationary nature of Angola.

The general price indices, as published by the National Institute of Statistics of Angola, were used in adjusting the historic cost local currency results and financial positions of the Group's Angolan subsidiaries up to 30 June 2019. As at 29 June 2025, the cumulative three-year inflation rate was 74.5% (2024: 79.2%).

(o) **Agent versus principal assessment of drop-shipments:** The IFRS 15 principles dictate that revenue is recognised as and when the control over goods and services is transferred to customers. OK Franchise members may order goods for direct delivery in terms of a drop-shipment arrangement with suppliers, which are pre-approved by the Group, at prices negotiated between the Group and the suppliers. The Group has assessed its drop-shipment sales and concluded that the fact that the Group has a contractual relationship with the suppliers, negotiates prices on behalf of its members and pays the swell allowance for quality issues to the member, indicates that it is acting as principal in these arrangements. The Group's drop-shipment sales will therefore continue to be recognised on a gross basis having satisfied the requirements of principal accounting under IFRS 15.

1.1.1.2 Assumptions and estimates
The preparation of the financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions. The most significant assumptions and estimates used in applying the Group's accounting policies relate to the following:

(a) **Rebates from suppliers:** Management is required to make estimates in determining the amount and timing of recognition of rebates for some transactions with suppliers. In determining the amount of volume-related allowances recognised in any period, management estimates the probability that the Group will meet contractual target volumes, based on historical and forecast performance. There is limited estimation involved in recognising income for promotional and other allowances.

Management assesses its performance against the obligations conditional on earning the rebate, with the rebate recognised either over time as the obligations are met, or at the point when all obligations are met, dependent on the contractual requirements. Rebates are recognised as a credit within cost of sales. Where the rebate earned relates to inventories which are held by the Group at period ends, the rebate is included within the cost of those inventories, and recognised in cost of sales upon sale of those inventories. Management views that the cost of inventories sold (which is inclusive of rebates) provides a consistent and complete measure of the statement of comprehensive income impact of the overall supplier relationships.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued
1.1 Basis of preparation continued
1.1.1 Use of judgements, assumptions and estimates continued
1.1.1.2 Assumptions and estimates continued

(b) **Impairment of assets:** The Group performs a review of trading stores as well as investment properties and considers the need for the impairment of assets. This determination requires significant judgement. The Group evaluates amongst other things the near-term business outlook, the possible redeployment of assets between stores and the trading duration of the stores. Refer to note 8.

(c) **Useful lives of assets:** In determining the depreciation and amortisation charge for property, plant and equipment, investment properties and intangible assets, management applies judgement in estimating the useful lives and residual values of these different asset classes. Refer to notes 3, 5, 7, 27 and 46.

(d) **Income taxes:** The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the worldwide accrual for income taxes. The Group recognises liabilities for anticipated uncertain income tax positions for either the most likely amount or the expected value (probability weighted average), based on management's estimates of potential additional taxes due. For the period under review, the Group primarily applied the most likely amount method to calculate the best estimate of potential cash outflows as management expects this method to better predict the resolution of the uncertainties. Management apply judgement to estimate the reasonable likelihood percentages using the Group's experiences of historic successful reductions in similar tax matters, taking into consideration advice from independent experts regarding the merits of each dispute. With regards to deferred income tax assets for unutilised income tax losses, judgement is also required to determine whether sufficient future taxable income will be available against which these losses can be utilised. Refer to notes 1.24 and 14.

(e) **Allowance for expected credit losses (ECL) on financial assets:** The Group assesses on a forward-looking basis the ECL associated for all debt instruments not held at fair value through profit or loss and the Group recognises an allowance for ECL on these financial assets. The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. The ECL allowances on financial assets are based on assumptions about risk of default and expected loss rates. The Group uses its judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Group's history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 43.4.1.

(f) **Third-party cell captive contracts:** Third-party cell captive contracts are measured using the premium allocation approach which simplifies the measurement of the net asset for remaining coverage and liabilities for incurred claims. Refer to notes 1.27, 11 and 43.5 for details of key assumptions and estimates applied.

(g) **Net realisable value of inventory:** Inventories are measured at the lower of cost and net realisable value. Inventories are physically verified through the performance of inventory counts in all stores and distribution centres at least once a year, whilst cycle counts are performed daily. Shortages identified during stock takes and daily cycle counts are written off immediately.

The Group provides for shrinkage and write-downs below cost to ensure that inventory is carried at net realisable value. The provision for net realisable value of inventory represents management's estimate of the extent to which merchandise on hand at the reporting date will be sold below cost. The provision for shrinkage applies the historic shrinkage percentage to sales between the most recent inventory count and the reporting date. Refer to note 16.

(h) **Employee benefit accruals and provisions:** Various assumptions are applied in determining the valuations of post-employment medical benefits, share-based payment accruals and long-term employee benefits as set out in notes 1.17, 1.18, 18 and 22.

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in a subsequent year relate to the following: impairment of assets; income taxes; expected credit losses and employee benefit allowances.

All estimates and underlying assumptions are based on historical experience and various other factors that management believes are reasonable under the circumstances. The results of these estimates form the basis of judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any affected future periods.

1 Accounting policies continued
1.1 Basis of preparation continued
1.1.2 Use of adjusted measures

The measures listed below are presented as management believes it to be relevant to the understanding of the Group's financial performance. These measures are used for internal performance analysis and provide additional useful information on underlying trends to equity holders. These measures are not defined terms under IFRS Accounting Standards and may therefore not be comparable with similarly titled measures reported by other entities. It is not intended to be a substitute for, or superior to, measures as required by IFRS Accounting Standards.

(a) Trading profit on the face of the statement of comprehensive income, being the Group's operating results excluding foreign exchange rate differences, profit or loss on lease modifications and terminations as well as items of a capital nature.

(b) Items of a capital nature on the face of the statement of comprehensive income, being all re-measurements excluded from the calculation of headline earnings per share in accordance with the guidance contained in SAICA Circular 1/2023: Headline Earnings. The principal items that will be included under this measure are: gains and losses on disposal and scrapping of property, plant and equipment, investment properties, intangible assets and assets classified as held for sale; impairments or reversal of impairments; any non-trading items such as gains and losses on disposal of investments, operations and subsidiaries.

(c) Interest received on the face of the statement of comprehensive income, being only interest received on call and operating bank account balances.

1.2 Consolidation and equity accounting
1.2.1 Subsidiaries

Subsidiaries are entities (including structured entities) which are, directly or indirectly, controlled by the Group. Control is established where the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The nature and effect of existing rights that give the Group the current ability to direct the relevant activities of the entity are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases.

The acquisition method is used to account for business combinations. The consideration transferred is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition. Identifiable assets acquired as well as liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date, irrespective of the extent of any non-controlling interest. Acquisition-related costs are expensed as incurred. The excess of the consideration transferred over the fair value of the Group's share of the identifiable net assets of the subsidiary acquired is recorded as goodwill. If the consideration transferred is less than the Group's share of the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the statement of comprehensive income.

Where substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets, the Group may apply an optional concentration test, which simplifies the evaluation of whether an acquired set of activities and assets is not a business. In these circumstances, where the Group determines that the assets acquired do not represent a business, the relevant recognition and measurement policies are applied to the acquisition of those assets directly. The acquisition of Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd has been accounted for as an asset acquisition applying the optional concentration test.

All intergroup transactions, balances and unrealised gains and losses on transactions between entities of the Group have been eliminated. When necessary, accounting policies of subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

1.2.2 Associates

Associates are those entities over which the Group exercises significant influence but not control. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting rights of another entity. The Group's investments in associates are accounted for using the equity method and are initially recognised at cost. Investments in associates include goodwill identified on acquisition, net of any accumulated impairment losses.

The Group's share of post-acquisition profit or loss and its share of post-acquisition movements in other comprehensive income are recognised in the statement of comprehensive income and in other comprehensive income respectively, with a corresponding adjustment to the carrying amount of the investment, from the date that significant influence commences until the date that significant influence ceases. When the Group's share of losses in an associate equals or exceeds its investment in the associate, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate. When necessary, accounting policies applied by associates have been changed to ensure consistency with the policies adopted by the Group.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.2 Consolidation and equity accounting continued

1.2.3 Joint arrangements

Joint arrangements are those arrangements over which the Group exercises joint control in terms of a contractual agreement. Investments in joint arrangements are classified as either joint operations or joint ventures depending on the rights and obligations of the parties to the arrangement. The Group has assessed the nature of its joint arrangements and determined them to be joint ventures. The Group's investments in joint ventures are accounted for using the equity method and are initially recognised at cost.

The Group's share of post-acquisition profit or loss and its share of post-acquisition movements in other comprehensive income are recognised in the statement of comprehensive income and in other comprehensive income respectively, with a corresponding adjustment to the carrying amount of the investment, from the date that joint control commences until the date that joint control ceases. When the Group's share of losses in a joint venture equals or exceeds its investment in the joint venture, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the joint venture. When necessary, accounting policies applied by joint ventures have been changed to ensure consistency with the policies adopted by the Group.

1.3 Cell captive insurance arrangements

The Group has entered into insurance cell arrangements with Old Mutual Life Insurance Company (Namibia) Ltd and Centriq Insurance Company Ltd, licensed insurance companies. The Group purchased shares in insurance cells within South Africa and Namibia.

The first-party cells are classified as financial assets held at fair value through profit or loss (FVPL) (refer to note 1.14) and the third-party cells as cell captive insurance contracts (refer to note 1.27).

The third-party cells issue contracts that transfer significant insurance risk. The risks and rewards associated with these contracts are transferred to the Group through a cell agreement (refer to note 43.5).

The net investment is presented separately on the face of the statement of financial position.

1.4 Foreign currency translation

1.4.1 Functional and presentation currency

All items in the financial statements of the Group's subsidiaries, associates and joint arrangements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The Group's consolidated financial statements are presented in South Africa rand, which is Shoprite Holdings Ltd's functional currency and the Group's presentation currency.

1.4.2 Transactions and balances

Foreign currency transactions are translated into the functional currency using the average exchange rates for the relevant month. These average exchange rates approximate the spot rate at the date of the transaction. Gains and losses resulting from the settlement of such transactions, and from the translation of monetary assets and liabilities denominated in foreign currencies at closing rates, are generally recognised in profit or loss. They are deferred in equity if they relate to qualifying net investment hedges or are attributable to part of the net investment in a foreign operation.

1.4.3 Foreign operations

The results and the financial position of Group subsidiaries, associates and joint arrangements which are not accounted for as entities which operate in hyperinflationary economies and that have a functional currency that is different from the presentation currency of the Group are translated into the presentation currency as follows:

(a) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
(b) Income and expenses for each statement of comprehensive income presented are translated at the average exchange rates for the period presented; and
(c) All resulting translation differences are recognised in other comprehensive income and presented as a separate component of equity in the foreign currency translation reserve (FCTR).

The results and financial position of Group entities which are accounted for as entities which operate in hyperinflationary economies and that have a functional currency that is different from the presentation currency of the Group are translated into the presentation currency of its immediate parent at the exchange rates ruling at the reporting date.

On consolidation, exchange rate differences arising from the translation of the net investment in foreign operations are also taken to the FCTR. The Group's net investment in a foreign operation is equal to the equity investment plus all monetary items that are receivable from or payable to the foreign operation, for which settlement is neither planned nor likely to occur in the foreseeable future.

1 Accounting policies continued

1.4 Foreign currency translation continued

1.4.3 Foreign operations continued

When a foreign operation is disposed of, abandoned or sold and the Group loses control, joint control or significant influence over the foreign operation, all related exchange rate differences recognised in other comprehensive income and accumulated in equity in the FCTR are reclassified from equity to the statement of comprehensive income as part of the profit or loss on the sale of the operation. On partial disposal of a foreign subsidiary, where a change occurs in the absolute ownership percentage held by the Group and control is not lost, a proportionate share of all related exchange rate differences recognised in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. On partial disposal of a foreign joint arrangement or associate, where a change occurs in the absolute ownership percentage held by the Group and joint control or significant influence is not lost, a proportionate share of all related exchange rate differences recognised in other comprehensive income are reclassified from equity to the statement of comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign subsidiary are treated as assets and liabilities of the foreign subsidiary and are translated at the closing rate.

1.5 Hyperinflation

The results, cash flows and financial position, including comparative amounts, of the subsidiary whose functional currencies are the currencies of hyperinflationary economies are adjusted in terms of the measuring unit current at the end of the reporting date in accordance.

As the presentation currency of the Group is that of a non-hyperinflationary economy, comparative amounts are not adjusted for changes in the price level of exchange rates in the current year. Differences between these comparative amounts and the hyperinflation adjusted equity opening balances are recognised in other comprehensive income.

The carrying amounts of non-monetary assets and liabilities are adjusted to reflect the change in the general price index from the date of acquisition to the end of the reporting period. An impairment loss is recognised in profit or loss if the restated amount of a non-monetary item exceeds its estimated recoverable amount.

Gains or losses on the net monetary position are recognised in profit or loss and included in trading profit.

All items recognised in the statement of comprehensive income are restated by applying the change in the general price index from the dates when the items of income and expenses were initially earned or incurred.

At the beginning of the first period of application, the components of owners' equity, except for retained earnings, are restated by applying a general price index from the dates the components were contributed or otherwise arose. These restatements are recognised in other comprehensive income. Restated retained earnings are derived from all other amounts in the restated statement of financial position.

At the end of the first period and in the subsequent periods, all components of owners' equity are restated by applying a general price index from the beginning of the period or the date of contribution, if later.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

1.6 Hedging activities: net investment hedging

In accordance with IFRS 9: Financial Instruments (IFRS 9), certain foreign currency denominated financial liabilities are designated as hedges of a net investment in a foreign operation. The Group uses non-derivative financial liabilities to reduce exposure to fluctuations in foreign currency exchange rates resulting from the Group's net investments in certain foreign operations.

The Group documents, at the inception of the hedging transaction, the economic relationship between hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking various hedging transactions.

Any gain or loss on the hedging instrument relating to the effective portion of the hedge is recognised in other comprehensive income and accumulated in the FCTR in equity. The gain or loss relating to the ineffective portion is recognised immediately in profit or loss.

The Group discontinues hedge accounting prospectively when a hedging instrument expires or is sold, when a hedge no longer meets the criteria for hedge accounting, or when the designation is revoked. Gains and losses accumulated in the FCTR at that time remains in equity and are reclassified to profit or loss when the foreign operation is partially disposed of or sold. Refer to note 1.4.3.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.7 Property, plant and equipment

Property, plant and equipment are tangible assets held by the Group for use in the supply of goods, rental to others or administrative purposes and are expected to be used during more than one period. All property, plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment. The historical cost includes all expenditure that is directly attributable to the acquisition of the buildings, machinery, equipment and vehicles and is depreciated on a straight-line basis, from the date it is available for use, at rates appropriate to the various classes of assets involved, taking into account the estimated useful life and residual values of the individual items. Land is not depreciated, as it has an unlimited useful life. Improvements to leasehold properties are shown at cost and written off over the shorter of the remaining period of the lease and the items' useful life.

Management determines the estimated useful lives, residual values and the related depreciation charges at acquisition and these are reviewed at each reporting date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate. During the year, the estimated useful life of racking has been adjusted to 20 years (previously 15 years) and shelving has been adjusted to 10 years (previously 6 years). Refer to note 46.

Useful lives:

Buildings	20 years
Machinery	5 to 10 years
Racking	20 years
Shelving	10 years
Vehicles	5 to 10 years
Trolleys	3 to 5 years
Equipment	4 to 10 years
Safes	20 years
Computer equipment	3 to 5 years
Aircraft and its components	33 to 50 years

The cost of major refurbishments is capitalised as property, plant and equipment to the extent that it can be recovered from future use of the assets. The capitalised amounts are depreciated over the relevant write-off periods. All other repairs and maintenance are charged to the statement of comprehensive income during the period in which these are incurred.

As the functional currency of the Group's subsidiary in Ghana is a currency of a hyperinflationary economy, property, plant and equipment relating to this subsidiary are restated by applying the change in the general price indices from the date of acquisition to the current reporting date (refer to note 1.5).

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal or scrapping of property, plant and equipment, being the difference between the net proceeds on disposal or scrapping and the carrying amount, are recognised in the statement of comprehensive income.

1.8 Investment properties

Properties held to earn rentals or for capital appreciation or both, rather than for use in production, supply of goods or services, or for administrative purposes or for sale in the ordinary course of business, are classified as investment properties. Investment properties are measured at cost, less accumulated depreciation and impairment losses. The historical cost includes all expenditure that is directly attributable to the acquisition of the buildings and land.

Investment properties are depreciated on the straight-line basis over 20 years. This rate is considered to be appropriate to reduce the buildings to their estimated residual value over their useful life.

Management determines the estimated useful lives, residual values and the related depreciation charges at acquisition and these are reviewed at each reporting date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate.

Repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of major renovations is included in the carrying amount of the assets when it is probable that future economic benefits in excess of original assessed standards of performance of the existing asset will flow to the Group. Major renovations are depreciated over the remaining useful life of the related asset.

The carrying amount of investment properties are written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. Gains and losses on disposal or scrapping of investment properties, being the difference between the net proceeds on disposal or scrapping and the carrying amount, are recognised in the statement of comprehensive income.

1 Accounting policies continued

1.9 Intangible assets

1.9.1 Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net assets of the acquired subsidiary or operation at the date of acquisition. Goodwill denominated in a foreign currency is translated at closing rates. Goodwill is tested for impairment at each reporting date and whenever there is an indication of impairment. Goodwill is carried at cost less accumulated impairment losses. It is not amortised, as it has an indefinite useful life. Goodwill is allocated to cash-generating units (CGUs) for the purpose of impairment testing. The allocation is made to those CGUs or groups of CGUs that are expected to benefit from the business combination in which the goodwill arose. Each of those CGUs represents the Group's investment in a trading unit or a group of trading units. Gains and losses on the disposal of an entity that has related goodwill include the carrying amount of the related goodwill. An impairment loss recognised for goodwill shall not be reversed in a subsequent period.

1.9.2 Software, trademarks and customer relationships

Intangible assets are held by the Group for use in the supply of goods or administrative purposes and are expected to be used during more than one period. Acquired intangible assets are initially recognised at cost and intangible assets acquired in a business combination are recognised at fair value at the acquisition date. Intangible assets, other than goodwill and customer relationships which have an indefinite useful life, are subsequently measured at cost less accumulated amortisation and accumulated impairment. The cost of intangible assets includes all costs incurred to acquire the intangible assets and bring it into use and is amortised on a straight-line basis, from the date it is available for use, at rates appropriate to the various classes of intangible assets involved, taking into account the estimated useful life and residual values of the individual items.

Costs associated with implementing or maintaining intangible assets are recognised as an expense when incurred. Costs that are directly associated with the purchase and customisation of identifiable and unique intangible assets controlled by the Group, and that will probably generate future economic benefits beyond one year, are recognised as intangible assets. Direct costs include the intangible asset development employee costs and an appropriate portion of relevant overheads.

Management determines the estimated useful lives, residual values and the related amortisation charges at acquisition and these are reviewed at each reporting date. If appropriate, adjustments are made and accounted for prospectively as a change in estimate. During the year under review, the estimated useful life of software has been adjusted to 1 to 20 years, previously 1 to 10 years. Refer to note 46.

Useful lives:

Software	1 to 20 years
Trademarks	16 to 20 years

As the functional currency of the Group's subsidiary in Ghana is a currency of a hyperinflationary economy, intangible assets relating to this subsidiary are restated by applying the change in the general price indices from the date of acquisition to the current reporting date (refer to note 1.5).

An intangible asset's carrying amount is written down immediately to its recoverable amount if the intangible asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposal or scrapping of intangible assets, being the difference between the net proceeds on disposal or scrapping and the carrying amount, are recognised in the statement of comprehensive income.

1.10 Non-current assets classified as held for sale and discontinued operations

1.10.1 Non-current assets classified as held for sale

Non-current assets and/or disposal groups are classified as assets held for sale and are stated at the lower of the carrying amount and fair value less costs of disposal if their carrying amount will be recovered principally through a sale transaction rather than through continued use and this sale is considered highly probable.

An impairment loss is recognised for any initial or subsequent write-down of the asset (or disposal group) to fair value less costs to sell. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset (or disposal group) is recognised at the date of derecognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities of a disposal group classified as held for sale continue to be recognised.

Non-current assets classified as held for sale and the assets of a disposal group classified as held for sale are presented separately from the other assets in the statement of financial position. The liabilities of a disposal group classified as held for sale are presented separately from other liabilities in the statement of financial position.

Assets and liabilities of abandoned disposal groups are not classified as held for sale because the carrying amounts will not be recovered principally through a sale transaction.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.10 Non-current assets classified as held for sale and discontinued operations continued

1.10.2 Discontinued operations

A discontinued operation is a component of the entity that has been disposed of, abandoned or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is part of a single co-ordinated plan to dispose of such a line of business or area of operations, or is a subsidiary acquired exclusively with a view to resale. An abandoned operation is classified as a discontinued operation when it has been closed. The results of discontinued operations are presented separately in the statement of comprehensive income.

1.11 Impairment of non-financial assets

Goodwill and customer relationships, being the Group's only non-financial assets with an indefinite useful life, is not subject to depreciation and amortisation and is tested for impairment at each reporting date, or more frequently if events or changes in circumstances indicate that it might be impaired. Other assets that are subject to depreciation and amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the full carrying amount may not be recoverable. The determination of whether an asset is impaired requires significant management judgement and the following factors, amongst others, will be considered: duration and extent to which the fair value of the assets is less than its cost; industry, geographical and sector performance; changes in regional economies; and operational and financing cash flows.

Where the carrying amount of an asset exceeds its estimated recoverable amount, the carrying amount is impaired and the asset is written down to its recoverable amount. The recoverable amount is calculated as the higher of the asset's fair value less costs of disposal and the value-in-use. These calculations are prepared based on management's assumptions and estimates such as forecasted cash flows; management budgets; and industry, regional and geographical operational and financial outlooks. For the purpose of impairment testing, the assets are allocated to CGUs or a group of CGUs. CGUs are the lowest levels for which separately identifiable cash flows can be determined. The related impairment expense is charged to the statement of comprehensive income as expenditure of a capital nature.

The Group assesses at each reporting date whether there is any indication that an impairment loss recognised in prior periods for an asset, other than goodwill and customer relationships, may no longer exist or may have decreased. If any such indication exists the Group will immediately recognise the reversal as income of a capital nature in the statement of comprehensive income. An impairment loss recognised for goodwill and customer relationships shall not be reversed in a subsequent period.

1.12 Leases

1.12.1 Where the Group is the lessee

(a) Leasing activities and how they are accounted for

The Group leases various offices, distribution centres, retail stores, vehicles and equipment. Rental contracts are typically entered into for fixed periods, with extension options as follows:

- **Properties:** five to 10 years, with extension options for a further 15 to 20 years.
- **Commercial vehicle fleet:** one to 12 years, with an option to renew.
- **Multifunctional printers:** three years, with month to month extension options.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. Non-lease components are expensed as they become due.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

A right-of-use asset and a corresponding lease liability are recognised at the date at which the leased asset is available for use by the Group. They are initially measured on a present value basis.

Lease liabilities include the net present value of the following lease payments:

- Fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that are based on an index or a rate, initially measured using the index or rate as at the commencement date;
- The exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- Lease payments to be made under reasonably certain extension options.

The Group's current rental portfolio does not include termination penalties. However, should these become relevant in the future, such payments will also be included in the initial measurement of the lease liability.

The Group is exposed to potential future increases in variable lease payments based on an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset.

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

1 Accounting policies continued

1.12 Leases continued

1.12.1 Where the Group is the lessee continued

(a) Leasing activities and how they are accounted for continued

To determine the incremental borrowing rate, the Group:

- Where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third-party financing was received;
- Uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by the lessee, which does not have recent third-party financing; and
- Makes adjustments specific to the lease, e.g. term, country, currency and security.

Lease liabilities are subsequently measured at amortised cost using the effective interest rate method. Lease payments are allocated between principal and finance costs. Finance costs are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- The amount of the initial measurement of the lease liability;
- Any lease prepayments made at or before the commencement date, less any lease incentives received;
- Any initial direct costs;
- Restoration costs; and
- Subsequent remeasurement of the lease liability.

After initial recognition the cost of the right-of-use asset is adjusted to include the subsequent remeasurement of the lease liability. Right-of-use assets are generally depreciated over the shorter of the underlying asset's useful life and the lease term on a straight-line basis. In instances where the ownership transfers from the lessor to the lessee, the right-of-use assets are depreciated over the underlying asset's useful life.

As the functional currency of the Group's subsidiary in Ghana is a currency of a hyperinflationary economy, right-of-use assets relating to this subsidiary are restated by applying the change in the general price indices from the date of acquisition to the current reporting date (refer to note 1.5).

Payments associated with short-term leases of equipment and vehicles and all leases of low-value assets (with a cost price below R75 000) are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

(b) Variable lease payments

Some property leases (2025: 53.3%; 2024: 52.8%) contain variable payment terms that are linked to sales generated from a store. Turnover rentals, where applicable, average 2.2% (2024: 2.1%) of turnover. Variable payment terms are used for a variety of reasons, including minimising the fixed costs base for newly established stores. Variable lease payments that depend on sales are recognised in profit or loss in the period in which the condition that triggers those payments occurs.

A 10% increase in sales across all stores in the Group with such variable lease contracts would increase total lease payments by approximately R55 million (2024: R53 million).

(c) Extension and termination options

The lease term includes any non-cancellable periods and reasonably certain termination or extension option periods. Extension and termination options are included in a number of property and commercial vehicle fleet leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

The average lease term of the Group's portfolio of qualifying leases are as follows:

	2025	2024
Distribution centres	9.6 years	9.9 years
Storage and warehousing	4.7 years	4.6 years
Other properties	8.7 years	8.5 years
Commercial vehicle fleet	5.0 years	5.0 years
Multifunctional printers	3.0 years	3.0 years

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.12 Leases continued

1.12.2 Where the Group is the lessor

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases. Where the Group is an intermediate lessor, the sublease classification is assessed with reference to the head lease right-of-use asset.

Finance leases

At the commencement date of a sublease agreement, the right-of-use asset of the head lease is derecognised, and the Group recognises a net investment in lease receivables. The net investment in lease receivables is measured as the present value of the lease payments to be received over the lease term, discounted using the interest rate implicit in the lease. If the interest rate implicit in the sublease cannot be readily determined, the discount rate for the head lease is used. Any difference between the right-of-use asset and net investment in lease receivables is recognised in profit or loss.

The lease liabilities of the head leases are accounted for in terms of note 1.12.1.

Net investment in lease receivables is subsequently measured at amortised cost using the effective interest rate method. Lease payments received are allocated between principal and finance income. Finance income is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the receivable for each period.

Net investment in lease receivables is assessed for impairment at each reporting date as financial assets in accordance with note 1.14.5.

Operating leases

Portions of owner-occupied properties and leased properties are leased or subleased out under operating leases. The owner-occupied properties are included in property, plant and equipment in the statement of financial position. Rental income in respect of operating leases with a fixed escalation clause is recognised on a straight-line basis over the lease term. Incentives received to enter into a lease agreement are released to the statement of comprehensive income as operating lease income over the lease term. All other rental income is recognised as it becomes due.

When an operating lease is terminated before the lease period has expired, any payment received from the lessee by way of penalty is recognised as income and any unamortised portion of the fixed escalation lease accrual is recognised in the statement of comprehensive income in the period in which termination takes place.

1.13 Sale and leaseback transactions

A sale and leaseback transaction is where the Group sells an asset and immediately reacquires the use of the asset by entering into a lease with the buyer. A sale occurs when control of the underlying asset passes to the buyer. This accounting policy thus applies in instances where the Group, as the seller-lessee, has transferred control of the asset to the buyer-lessor in terms of an IFRS 15 sale.

As the Group is the lessee in the subsequent arrangement, a lease liability is recognised, the associated property, plant and equipment asset is derecognised, and a right-of-use asset is recognised at the proportion of the previous carrying amount of the asset relating to the right-of-use retained. The gain (or loss) that the seller-lessee recognises is limited to the proportion of the total gain (or loss) that relates to the rights transferred to the buyer-lessor. Any difference between the sale consideration and the fair value of the asset is either a prepayment of lease payments (if the purchase price is below market terms) or an additional financing (if the purchase price is above market terms). Any gain or loss that relates to the rights transferred to the buyer-lessor is recorded within items of a capital nature.

In other instances, where there is no transfer of control, the transaction amounts to a collateralised borrowing, which is covered by the existing accounting policies pertaining to financial liabilities as described in note 1.14.

1.14 Other financial instruments

1.14.1 Initial recognition and measurement

In addition to lease liabilities, financial instruments recognised on the statement of financial position include investments at fair value through other comprehensive income (FVOCI), first-party insurance cell captive arrangements, government bonds and bills, loans receivable, trade and other receivables, restricted cash, cash and cash equivalents, borrowings, trade and other payables, bank overdrafts and other short-term facilities.

These financial instruments are recognised at trade date when the Group becomes a party to the contractual provisions of the instrument. Trade and other receivables with no significant financing component are initially measured at transaction price. Other financial instruments not measured at FVPL are initially recognised at fair value including directly attributable transaction costs. Transaction costs of financial instruments carried at FVPL are expensed in profit or loss.

1.14.2 Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Group has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is discharged, cancelled, expires or when a substantial modification of the terms occurs.

1 Accounting policies continued

1.14 Other financial instruments continued

1.14.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.14.4 Classification and subsequent measurement

Financial assets

The Group classifies financial assets according to the following categories:
- Financial assets at amortised cost
- Financial assets held at FVOCI
- Financial assets held at FVPL

Financial assets at amortised cost

The classification and subsequent measurement of debt investments depend on the Group's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost, using the effective interest rate method, less allowance made for impairment of these assets.

Interest income from these financial assets is calculated by applying the effective interest rate to the gross carrying amount, except for:
- Purchased or originated credit-impaired financial assets. For these financial assets the Group applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition; and
- Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For these financial assets, the Group applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Initiation fees, which are considered to be an integral part of the effective interest rate, are accounted for over the shorter of the original contractual term and the actual term of the loan or credit sale using the effective interest rate.

Any gain or loss arising on derecognition, modification or impairment is recognised directly in profit or loss.

The Group reclassifies debt investments when and only when its business model for managing those financial assets changes.

The following debt investments are measured at amortised cost in terms of the Group's business model of holding these financial assets to collect solely payments of principal and interest:

(a) **Government bonds and bills:** These financial assets are non-derivative financial assets with fixed or determinable principal and interest payments and fixed maturities for which the Group intends to hold them to maturity to collect contractual cash flows. Government bonds and bills are included under non-current assets unless it matures within 12 months after the reporting date. Interest on government bonds and bills is recognised in the statement of comprehensive income as interest revenue.

(b) **Loans receivable:** Loans receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. The Group holds the loans receivable with the objective to collect contractual cash flows and the contractual terms of the loans receivable are solely payments of principal and interest. These financial assets are included under current assets unless it matures later than 12 months after the reporting date. Interest on loans receivable is recognised in the statement of comprehensive income as interest revenue.

(c) **Trade and other receivables:** Trade receivables consist mainly of amounts receivable for the sale of merchandise to franchisees, medical aid schemes, pharmacies, doctors and buying aid societies. Furthermore, the Group has entered into various instalment sale agreements for household furniture. Other receivables consist of various operational debtors such as rental and municipal deposits refundable and insurance claims receivable. A finance sublease agreement was entered into previously and is included as a net investment in lease receivables. Trade and other receivables are held to collect contractual cash flows and the contractual terms of the trade and other receivables are solely payments of principal and interest. Interest on trade and other receivables is recognised in the statement of comprehensive income as interest revenue.

(d) **Restricted cash, cash and cash equivalents, bank overdrafts and other short-term facilities:** Cash comprises cash on hand and cash at banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Interest on cash and cash equivalents is recognised in the statement of comprehensive income as interest received from bank account balances. Restricted cash, bank overdrafts and other short-term facilities are disclosed separately on the face of the statement of financial position.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.14 Other financial instruments continued

1.14.4 Classification and subsequent measurement continued

Financial assets held at FVOCI

(e) **Investments at fair value through other comprehensive income:** Investments at fair value through other comprehensive income include equity shares of non-listed companies. The Group holds a non-controlling interest in these companies. At initial recognition, the Group has irrevocably elected to classify these strategic investments as financial assets held at FVOCI. At the reporting date the fair value is determined based on the net asset value of the companies.

Financial assets held at FVPL

The following financial assets are measured at FVPL as they do not meet the criteria for amortised cost or FVOCI:

(f) **First-party insurance cell captive arrangements:** The first-party insurance cell captive arrangements are measured at FVPL on initial recognition. At the reporting date the fair value is determined based on the net asset value of the underlying cell captive arrangements.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, using the effective interest rate method. The effective interest rate amortisation is recognised in the statement of comprehensive income as finance costs.

Financial liabilities, other than lease liabilities, measured at amortised cost on the statement of financial position include borrowings, trade and other payables, bank overdrafts and other short-term facilities:

(g) **Borrowings:** Borrowings are classified as current liabilities unless the Group has the unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Refer to note 1.21 for the Group's accounting policy with regards to the capitalisation of borrowing costs.

(h) **Trade and other payables:** Trade and other payables mainly comprise trade payables for the purchase of merchandise for resale and are short-term in nature.

Non-convertible, non-participating, non-transferable no par value deferred shares, which are mandatorily acquirable on a specific date, are classified as other payables.

1.14.5 Impairment

The Group assesses on a forward-looking basis the ECL associated for all debt instruments not held at FVPL and the Group recognises an allowance for ECL. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group has the following types of financial assets measured at amortised cost that are subject to impairment under the ECL models:

Financial asset	ECL model applied for impairment
Government bonds and bills	General impairment approach
Loans receivable	General impairment approach
Instalment sale receivables	Simplified approach
Trade receivables	Provision matrix
Other receivables	General impairment approach
Net investment in lease receivables	Simplified approach
Restricted cash	General impairment approach
Cash and cash equivalents	General impairment approach

(a) General impairment approach

The Group applies the general impairment approach to measure ECL for government bonds and bills, loans receivable, other receivables, restricted cash as well as cash and cash equivalents. The Group assesses at the end of each reporting period whether the credit risk on a financial instrument has increased significantly since initial recognition.

In the event of a significant increase in credit risk since initial recognition, the Group recognises an allowance (or provision) for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default, or otherwise credit-impaired, are in 'stage 3'.

The measurement of ECL under the general impairment approach reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the Group. The probability-weighted outcome incorporates the probability of default (PD), exposure at default (EAD), timing of when default is likely to occur and loss given default (LGD).

1 Accounting policies continued

1.14 Other financial instruments continued

1.14.5 Impairment continued

(b) Simplified approach

For instalment sale and net investment in lease receivables with a significant financing component, the Group has elected to measure the impairment allowance at an amount equal to the lifetime ECL. This policy will be applied to all instalment sale and net investment in lease receivables.

The measurement of ECL under the simplified impairment approach reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the Group.

(c) Provision matrix

For trade and other receivables without a significant financing component, the Group applies the simplified approach which recognises lifetime ECL. The Group has established a provision matrix that is based on historical payment profiles and credit loss experience, adjusted for forward-looking factors specific to such trade and other receivables and the economic environment.

The Group recognises in profit or loss, as an impairment loss or reversal, the amount of ECL (or reversal) that is required to adjust the loss allowance at the end of the reporting period. When a receivable is uncollectible, it is written off against the allowance for impairment for that receivable. Subsequent recoveries of amounts previously written off are recognised in the statement of comprehensive income.

Note 43.4.1 provides more detail on how the Group determines a significant increase in credit risk and how the expected credit loss allowance is measured.

1.15 Inventories

Trading inventories are initially measured at cost using the weighted average cost formula. Subsequent to initial recognition, inventories are measured at the lower of cost and net realisable value. The cost of merchandise is the net of: invoice price of merchandise; insurance; freight; customs duties; an appropriate allocation of distribution costs between distribution centres and stores; trade discounts; advertising and other rebates and settlement discounts. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated selling and distribution expenses. The carrying amount of inventories sold is recognised as an expense in the period in which the related revenue is recognised.

The carrying value of inventory comprises the stock on hand at the reporting date net of any provision raised for inventory write-downs and shrinkage.

As the functional currency of the Group's subsidiary in Ghana is the currency of a hyperinflationary economy, inventories relating to this subsidiary are measured at the lower of the restated cost and net realisable value (refer to note 1.5).

1.16 Stated capital

Ordinary shares, including incremental costs directly attributable to the issue of new shares, are both classified as equity.

Where entities controlled by the Group purchase the Company's shares, the consideration paid, including attributable transaction costs net of income taxes, is deducted from capital and reserves attributable to owners of the parent as treasury shares until they are sold. Where such shares are subsequently sold, any consideration received is included in capital and reserves attributable to owners of the parent. Dividends received on treasury shares are eliminated on consolidation.

1.17 Employee benefit and other provisions

Employee benefit and other provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate of the amount of the obligation can be made. The Group has discounted provisions to their present value where the effect of the time value of money is material. The notional interest charge representing the unwinding of the provision discounting is included in the statement of comprehensive income.

1.17.1 Long-term employee benefits

Long-term employee benefits are provided to employees who achieve certain predetermined milestones of service within the Group. The Group's obligation under these plans is valued by independent qualified actuaries at year-end and the corresponding liability is raised. Payments are set off against the liability. Movements in the liability, including notional interest, resulting from the valuation by the actuaries are charged against the statement of comprehensive income as employee benefits.

1.17.2 Reinstatement provision

Where it has a contractual obligation in respect of certain lease agreements, the Group provides the estimate of the cost of dismantling and removing an item of property, plant and equipment and restoring the site on which the item was located to its original condition at the expiry of the lease.

The Group also provides for the anticipated costs associated with the restoration of leasehold property to its original condition at inception of the lease, including removal of items included in property, plant and equipment or right-of-use assets that are erected on leased land.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.18 Employee benefits

1.18.1 Pension obligations

The Group operates various pension schemes. The schemes are funded through payments to trustee-administered funds in accordance with the plan terms.

Provident fund

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The Group's contributions to defined contribution plans, in respect of services rendered in a particular period, are recognised as an expense in that period. Additional contributions are recognised as an expense in the period during which the associated services are rendered by employees.

1.18.2 Post-employment medical benefits

The Group provides for post-employment medical benefits, where they exist. The expected costs of these benefits are accrued over the period of employment based on past services and charged to the statement of comprehensive income as employee benefits. This post-employment medical benefit obligation is measured at present value by discounting the estimated future cash outflows. Valuations of this obligation are carried out annually by independent qualified actuaries using the projected unit credit method. Actuarial gains or losses are recognised immediately in equity as other comprehensive income. Settlement premiums, when incurred, are recognised immediately in the statement of comprehensive income as employee benefits.

1.18.3 Equity-settled share-based payments

The Group operates an equity-settled share-based compensation plan under which it receives services from employees as consideration for equity instruments of the Company. The beneficiaries under the scheme are Executive Directors and management. The fair value of the employee services received in exchange for the grant of shares is recognised as an expense on a straight-line basis over the vesting period, with a corresponding adjustment to the share-based payment reserve.

The total amount to be expensed is determined by reference to the fair value of the shares granted, including any market performance conditions and excluding the impact of any non-market performance vesting conditions. Non-market performance vesting conditions are included in assumptions regarding the number of shares granted that are expected to vest. At the end of each reporting period, the Group revises its estimates of the number of shares granted that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the statement of comprehensive income, with a corresponding adjustment to equity.

Full share grants awarded may be settled by way of a purchase of shares in the market, use of treasury shares or issue of new shares. If new shares are issued to equity-settle full share grants, the proceeds received net of any directly attributable transaction costs are credited to share capital (nominal value) and share premium.

Where shares are held or acquired by subsidiary companies for equity compensation plans, they are treated as treasury shares. Any gains or losses on vesting of such shares are recognised directly in equity.

The effect of all full share grants issued under the share-based compensation plan is taken into account when calculating diluted earnings and diluted headline earnings per share.

1.18.4 Cash-settled share-based payments

The Group recognises a liability for cash-settled share-based payments calculated at the current fair value determined at each reporting date. The fair value is calculated using relevant pricing models. This amount is expensed through the statement of comprehensive income over the vesting periods.

1.18.5 Bonus plans

The Group recognises a liability and an expense for bonuses, based on formulas that take into consideration the Group's trading profit after certain adjustments or the Company's dividend forecasts, depending on the qualifying criteria. The accrual for this liability is made where a contractual or constructive obligation exists.

An accrual for employees who qualify but have not been in service for the required period is recognised as a long-term employee benefit.

1.19 Revenue from contracts with customers

Revenue from contracts with customers is recognised either over time or at a point in time, as or when the Group satisfies performance obligations and transfers control of goods or services to its customers at an amount that reflects the consideration the Group expects to be entitled to in exchange for these goods or services, allocated to each specific performance obligation. Revenue is measured at the fair value of the consideration received or receivable.

1 Accounting policies continued

1.19 Revenue from contracts with customers continued

1.19.1 Sale of merchandise

The Group operates a chain of retail stores and, to a small degree, franchise stores selling products such as food, clothing, general merchandise, cosmetics, pharmaceuticals and liquor. It also sells products to franchisees under drop-shipment arrangements and operates furniture stores retailing products such as furniture, household appliances and home entertainment systems.

Revenue for the sale of merchandise from ordinary Group-operating activities including through Sixty60, net of value added tax, rebates and discounts and after eliminating sales within the Group are recognised at a point in time, upon delivery of products and customer acceptance. The Group acquired the remaining 50% shareholding of its equity accounted joint venture Pingo Delivery (Pty) Ltd during the financial year.

This wholly owned subsidiary is the Group's last-mile logistics provider. This acquisition resulted in the Group's performance obligations for Sixty60 delivery recoveries changing to one obligation i.e., delivery of products and customer acceptance, accordingly this income is included as sale of merchandise subsequent to this acquisition.

The Group's Xtra Savings Rewards Programme offers immediate discount which is recognised as a reduction in revenue, since it does not create a separate performance obligation providing a material right to a future discount. Payment is usually received via cash, debit card or credit card. Related card transaction costs are recognised in the statement of comprehensive income as other expenses. When merchandise is sold under instalment sale agreements, the present value of the instalment sale payments is recognised as a receivable.

It is the Group's policy to sell goods with a right of return in terms of current consumer legislation. Such sales are cancelled where the right of return is exercised. A refund liability for the expected refunds to customers is recognised as an adjustment to revenue in trade and other payables. The accumulated experience of the Group's returns has been utilised to estimate such refund liability at the time of sale. Based on past experience it is estimated that goods returned in a saleable condition will be insignificant and therefore, the Group does not recognise an asset and a corresponding adjustment to cost of sales for its right to recover the product from the customer where the customer exercises his right of return. The validity of this assumption and the estimated amount of returns are reassessed at each reporting date.

1.19.2 Lay-by sales

Proceeds from lay-by sales are initially recognised as contract liabilities, deferring the revenue. Revenues are recognised when the customer takes possession or forfeits the merchandise.

1.19.3 Gift vouchers and saving stamps

Proceeds from the sale of gift vouchers and saving stamps are initially recognised as contract liabilities, deferring the revenue. Revenues are recognised as sale of merchandise when the gift vouchers or saving stamps are redeemed.

Proceeds from the sale of gift vouchers and saving stamps give customers the right to receive goods or services in the future. However, customers occasionally do not exercise all of their contractual rights. The Group recognises the expected breakage amount in such contract liabilities as revenue, in proportion to the pattern of rights exercised by its customers. The accumulated experience of the Group's breakage history is utilised to estimate when it expects to be entitled to a breakage amount. The validity of this assumption and the estimated amount of breakage are reassessed at each reporting date.

1.19.4 Commissions received

The Group acts as a payment office for the services and products provided by a variety of third parties to the Group's customers. The agent's commissions received by the Group from the third parties for the payment office service are recognised as alternative revenue. Commissions relating to third-party products are recognised when the underlying third-party payments take place. Commissions relating to third-party services are recognised based on the stage of completion by reference to services performed to date as a percentage of the total services to be performed.

1.19.5 Franchise fees received

Franchise fees received comprise fees received from franchisees and are recognised as alternative revenue when the underlying sales, which give rise to the income, occur.

1.19.6 Marketing and media revenue

Revenue from marketing and media comprises revenue from various channels, including virtual, digital as well as in-store printed advertising, and is recognised as alternative revenue over the period of the campaign or promotion.

1.19.7 Delivery recoveries

Revenue from delivery recoveries from Sixty60, prior to acquiring the remaining 50% shareholding of Pingo Delivery (Pty) Ltd as disclosed in note 38.5.2, and the furniture business is recognised as alternative revenue upon delivery of products to customers.

1.19.8 Financing components

Except when merchandise is sold under instalment sale agreements, the Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.20 Alternative revenue

Alternative revenue is recognised as follows:

1.20.1 Effective interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets except for financial assets that have subsequently become credit-impaired (or “stage 3”) for which interest revenue is calculated by applying the effective interest rate to their net carrying amount (i.e. gross carrying amount less impairment provision). The effective interest rate calculation does not consider ECL but includes initiation fees as they are integral to the effective interest rate.

1.20.2 Operating lease income

Rental income in respect of operating leases with a fixed escalation clause is recognised on a straight-line basis over the lease term. All other rental income is recognised as it becomes due. Refer to note 1.12.2.

1.20.3 Dividend income

Dividend income is recognised when the shareholders’ right to receive payment is established.

1.21 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for its intended use or sale, are capitalised to the cost of that qualifying asset. The Group considers a period longer than 12 months to be a substantial period of time.

General borrowing costs are capitalised by calculating the weighted average expenditure on the qualifying asset and applying a weighted average borrowing rate to the expenditure. Specific borrowing costs are capitalised according to the borrowing costs incurred on the specific borrowing, provided the borrowing facility is utilised specifically for the qualifying asset. All other borrowing costs incurred are recognised as an expense in the statement of comprehensive income and are accrued on a time basis by reference to the principal amounts outstanding and at the interest rate applicable.

1.22 Rebates from suppliers

Consistent with standard industry practice, the Group has agreements with suppliers whereby volume-related allowances, promotional and marketing allowances and various other fees and discounts are received in connection with the purchase of goods for resale from those suppliers. Most of the income received from suppliers relates to adjustments to a core cost price of a product, and as such is considered part of the purchase price for that product. Sometimes receipt of the income is conditional on the Group performing specified actions or satisfying certain performance conditions associated with the purchase of the product. These include achieving agreed purchases or sales volume targets and providing promotional or marketing materials and activities or promotional product positioning.

Rebates from suppliers are recognised when earned by the Group, which occurs when all obligations conditional for earning income have been discharged, and the income can be measured reliably based on the terms of the contract. The income is recognised as a credit within cost of sales. Where the income earned relates to inventories which are held by the Group at period ends, the income is included within the cost of those inventories, and recognised in cost of sales upon sale of those inventories.

Amounts due relating to rebates from suppliers are recognised within trade and other receivables, except in cases where the Group currently has a legally enforceable right of set-off and intends to offset amounts due from suppliers against amounts owed to those suppliers, in which case only the net amount receivable or payable is recognised. Accrued rebates are recognised within accrued income when rebates earned have not been invoiced at the reporting date.

1.23 Cost of sales

Cost of sales primarily comprises the cost of goods sold and services provided, including an allocation of direct overhead expenses, net of supplier rebates, and costs incurred that are necessary to acquire and store goods. Cost of sales also includes: the cost to distribute goods to customers where delivery is invoiced; inbound freight costs; internal transfer costs between distribution centres and stores; warehousing costs and the cost of other shipping and handling activities; and any write-downs and reversals of write-downs to inventory. Prior to acquiring the remaining 50% shareholding of Pingo Delivery (Pty) Ltd as disclosed in note 38.5.2, cost of sales did not include delivery fees from the Group’s Sixty60 on-demand business which was included in other operating expenses.

1.24 Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Income tax is recognised in the statement of comprehensive income, except to the extent that it relates to items recognised directly in equity, in which case it will also be recognised directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Deferred income tax is recognised, using the liability method, for calculated income tax losses and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

1 Accounting policies continued

1.24 Current and deferred income tax continued

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. Management applies judgement to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

Deferred income tax liabilities are recognised on taxable temporary differences arising from investments in subsidiaries, associates and joint arrangements, except where the timing of the reversal of the temporary difference can be controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future.

The Group is subject to taxes in numerous jurisdictions. Judgement is required to determine whether an obligation should be recognised as a liability or disclosed as a contingent liability (refer to note 39). There are many transactions and calculations during the ordinary course of business for which the ultimate tax determination can be uncertain for a considerable period of time, requiring management to estimate the related income tax positions. Significant judgement is therefore required in determining the worldwide accrual for income taxes. The Group recognises liabilities for anticipated uncertain income tax positions based on management’s best informed estimates, when it is probable that additional taxes will be due. To measure the liabilities for uncertain tax positions, management determines whether uncertainties need to be considered separately or together based on which approach better predicts the resolution of the uncertainty. Where the final income tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current income tax and deferred income tax assets and liabilities in the period in which such determination is made.

The Pillar Two rules were enacted in South Africa on 24 December 2024 and is retrospectively effective from 1 January 2024 for groups with fiscal years commencing on or after that date. The Group determined that the global minimum top-up tax would be an income tax within the scope of IAS12. The Group will be liable to pay a top-up tax for the difference between its effective tax rate per jurisdiction in terms of the Pillar Two rules and the 15% minimum rate.

The Group has elected to apply the temporary mandatory relief from deferred tax and therefore has not determined the impact of Pillar Two on deferred tax in accordance with the amendments to IAS12 issued in May 2023.

The Group has performed an assessment of its potential exposure in relation to the Pillar Two legislation for the 2025 financial year. Based on the outcome of the assessment, the Group does not anticipate being subject to a material top-up tax exposure in any of the jurisdiction in which it operates.

As the functional currency of the Group’s subsidiary in Ghana is a currency of a hyperinflationary economy, deferred income tax relating to this subsidiary is recognised using the liability method, providing for temporary differences arising between the tax bases of assets and liabilities and their restated carrying amounts (refer to note 1.5).

1.25 Earnings per share

Earnings and headline earnings per share are calculated by dividing the net profit attributable to owners of the parent and headline earnings respectively, by the weighted average number of ordinary shares in issue during the year, excluding the ordinary shares held by the Group as treasury shares.

For the diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all ordinary shares with dilutive potential. Full share grants have dilutive potential. The full share grants are assumed to have been converted into ordinary shares. It has no effect on net profit and therefore no adjustment is made to net profit for full share grants.

Headline earnings are calculated in accordance with Circular 1/2023 issued by SAICA as required by the JSE Limited Listings Requirements.

1.26 Dividends distributed to shareholders

Dividends are accounted for on the date they have been declared by the Company.

1.27 Basis of accounting for third-party cell captive contracts

1.27.1 Classification of contracts

Insurance risk is risk other than financial risk, transferred from the holder of a contract to the issuer. The Group has insurance risk through third-party cell captive contracts due to its obligation to recapitalise the cells and therefore IFRS 17 is applied in recognition of these contracts.

Contracts entered into by the Group that compensate another insurer for losses incurred on insurance contracts issued and fulfil the criteria for classification as insurance contracts, are designated as inwards reinsurance contracts issued. All references made to insurance contracts apply equally to reinsurance contracts entered into by the Group.

Contracts under which the Group accepts significant insurance risk from another party (the policyholder) by agreeing to compensate the policyholder or other beneficiary if a specified uncertain future event (the insured event) adversely affects the policyholder or other beneficiary, are classified as insurance contracts.

An insurance risk is deemed significant if, and only if, an insured event could cause an insurer to pay significant additional benefits in any scenario, excluding scenarios that lack commercial substance. If significant additional benefits would be payable in scenarios that have commercial substance, the condition in the previous sentence may be met even if the insured event is extremely unlikely or even if the expected (i.e. probability-weighted) present value of contingent cash flows is a small proportion of the expected present value of all the remaining contractual cash flows.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.27 Basis of accounting for third-party cell captive contracts continued

1.27.2 Recognition and measurement of contracts

(a) Recognition

The Group recognises insurance contracts it issues from the earliest of the beginning of the coverage period of the contracts; and the date when the first payment from a policyholder becomes due, or is received where there is no due date.

(b) Measurement

Included in the measurement of the Group's insurance contracts are all the future cash flows within the boundary of each contract. Cash flows within the boundary of an insurance contract refer to cash flows that arise from substantive rights and obligations that exist during the reporting period in which the policyholder is obligated by the Group to pay the premiums, or in which the Group has a substantive obligation to render insurance contract services to the policyholder.

The premium allocation approach is applied to all insurance contracts entered into by the Group. The asset for remaining coverage is measured as the difference between premiums received at initial recognition, and any insurance acquisition cash flows at the date of inception of the contract. Where the coverage period is one year or less the insurance acquisition cash flows are expensed. For contracts with a coverage period of more than one year the insurance acquisition cash flows are capitalised and then amortised. The carrying amount of the asset for remaining coverage is measured as:

- The sum of all capital contributions received;
- Less insurance acquisition expenses;
- Less dividends paid by the cell; and
- Plus insurance revenue recognised in respect of services provided during the reporting period.

The liabilities for incurred claims are estimated as the fulfilment cash flows related to incurred claims and incurred expenses. These cash flows consider all reasonable and supportable information available at a reasonable cost regarding the amount, timing, and uncertainty of future cash flows. The fulfilment cash flows represent the Group's current best estimates and include an explicit adjustment for non-financial risk, known as the risk adjustment. For the Group, as a reinsurer, a risk adjustment on the liabilities for incurred claims is not regarded as material. When assessing future cash flows, no adjustment is made for the time value of money and the impact of financial risk for incurred claims expected to be settled within one year of being incurred.

(c) Insurance revenue

Insurance revenue represents the anticipated premium receipts, excluding any investment component. The Group allocates the anticipated premium receipts over the coverage period of the insurance contract services.

(d) Insurance service expenses

Insurance service expenses originate from the selling, underwriting, and initiating of a set of insurance contracts, whether it is already issued or anticipated.

1.28 Related parties

Individuals, as well as their close family members, or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions or if the parties are jointly controlled in a joint venture. Key management personnel are defined as all Directors of Shoprite Holdings Ltd and the prescribed officers of the main trading subsidiary (Shoprite Checkers (Pty) Ltd) of the Group.

1.29 Operating segment information

An operating segment is a component of the Group that engages in business activities which may earn revenues and incur expenses and whose operating results are regularly reviewed by the Group's chief operating decision maker (this being the operational members of the Shoprite Checkers (Pty) Ltd Board of Directors), in order to allocate resources and assess performance and for which discrete financial information is available.

Operating segments, which display similar economic characteristics and have similar products, services, customers, methods of distribution and regulatory environments are aggregated for reporting purposes.

The Group has the following three reportable segments:

1. **Supermarkets RSA** – all retail operations under the Shoprite, Checkers, Checkers Hyper and Usave brands in South Africa, retailing products such as food, clothing, general merchandise, cosmetics and liquor.
2. **Supermarkets Non-RSA** – all retail operations under the Shoprite, Checkers and Usave brands outside of South Africa, retailing products such as food, clothing, general merchandise, cosmetics and liquor.
3. **Other operating segments** – all other operations not included in the above segments, trading in RSA and Non-RSA, including franchise operations and retail and wholesale of pharmaceutical products.

1 Accounting policies continued

1.29 Operating segment information continued

These segments were identified and grouped together using a combination of the products and services offered by the segments and the geographical areas in which they operate.

Information about the Group's discontinued segments is provided in note 35. The Group's furniture business and operations in Nigeria, Malawi, Ghana, Kenya, Uganda, Madagascar, and DRC are classified as discontinued operations.

The amounts reported to the chief operating decision maker excludes the impact of hyperinflation (refer to note 1.5) but are measured, in all other aspects, in a manner consistent with that in the statement of comprehensive income and statement of financial position.

The Group transacts with a wide spread of customers with no single customer exceeding 10% of the Group's revenue.

1.30 Standards, interpretations and amendments that are not yet effective as at 29 June 2025

The Group has considered the following new standards, interpretations and amendments to existing standards, which are relevant to the Group's operations and had been issued by the reporting date, but are not yet effective as at 29 June 2025:

Number	Title	Effective for the year ending
IFRS 18	Presentation and Disclosure in Financial Statements	2028
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	2027
Volume 11	Annual Improvements to IFRS Accounting Standards	2027
Amendments to IAS 21	Lack of Exchangeability	2026

The Group has not early adopted any of the above. The application thereof in future financial periods is not expected to have a significant impact on the Group's reported results, financial position and cash flows, except for the standards set out hereafter.

Title of standard	IFRS 18: Presentation and Disclosure in Financial Statements
Nature of change	IFRS 18 was issued as a replacement for IAS 1. The standard introduces categories and defined subtotals in the statement of comprehensive income with the purpose of providing additional relevant information and a structure that is more comparable between entities.
Impact	IFRS 18 will result in the Group's statement of comprehensive income being reclassified into categories namely, operating, investing, financing, income tax and discontinued operations. The disclosure of management-defined performance measures (MPM) will be introduced in the notes to the financial statements. MPM will constitute subtotals of income and expenses to communicate management's perspective of an aspect of the Group's performance. MPM will be disclosed in a single note which will describe why management believes it provides useful information on the Group's performance from their perspective. Furthermore, the note will describe how the MPM is calculated, considering the effect of tax and non-controlling interests where there are differences between the MPM and the most directly comparable subtotals and totals specified by IFRS Accounting Standards.
Mandatory application date/Date of adoption by the Group	IFRS 18 is mandatory for financial years commencing on or after 1 January 2027. At this stage, the Group does not intend to adopt the standard before its effective date.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

1 Accounting policies continued

1.31 New standards, interpretations and amendments effective for the year ended 29 June 2025

The following new standards, interpretations and amendments to existing standards are effective for the year ended 29 June 2025:

Number	Title
Amendments to IAS 1	Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants
Amendments to IFRS 16	Lease Liability in a Sale and Leaseback
Amendments to IAS 7 and IFRS 7	Disclosures: Supplier Finance Arrangements
Amendments to IAS 12	International Tax Reform, Pillar Two Model Rules

The amendments listed above had no significant effect on the Group's operations.

1.32 Comparative figures

Where necessary, comparative figures have been restated following the classification of the Group's furniture business, and operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45.

2 Operating segment information

2.1 Analysis per reportable segment

Continuing operations	Supermarkets RSA Rm	Supermarkets Non-RSA Rm	Other operating segments Rm	Total operating segments Rm	Hyperinflation effect and other reconciling items[6] Rm	Consolidated Rm
2025						
Sale of merchandise						
External	213 497	20 568	18 636	252 701	—	252 701
Inter-segment	7 483	50	28	7 561	—	7 561
	220 980	**20 618**	**18 664**	**260 262**	**—**	**260 262**
Trading profit/(loss)[6]	13 904	644	652	15 200	(249)	14 951
Interest revenue included in trading profit	93	63	62	218	—	218
Depreciation and amortisation[7]	8 156	755	133	9 044	23	9 067
Impairments/(impairment reversals)						
Property, plant and equipment	8	17	—	25	(47)	(22)
Investment properties	—	203	—	203	—	203
Right-of-use assets	107	6	—	113	(1)	112
Intangible assets	97	—	—	97	—	97
	212	**226**	**—**	**438**	**(48)**	**390**
Total assets[8]	99 765	11 037	7 264	118 066	583	118 649

6 Other reconciling items include the elimination of interdivisional transactions with the Group's discontinued operations to the amount of R226 million (2024: R133 million) in trading profit.
7 Represent gross depreciation and amortisation before appropriate allocations of distribution cost.
8 Total assets of consolidated continuing operations, together with discontinued operations' total assets, equal total assets as presented in the statement of financial position. Discontinued operations' total assets amounted to R6.2 billion (2024: R6.8 billion) at the reporting date.

2 Operating segment information continued

2.1 Analysis per reportable segment continued

Continuing operations	Supermarkets RSA Rm	Supermarkets Non-RSA Rm	Other operating segments Rm	Total operating segments Rm	Hyperinflation effect and other reconciling items[6] Rm	Consolidated Rm
Restated* 2024						
Sale of merchandise						
External	195 041	19 329	17 718	232 088	—	232 088
Inter-segment	6 279	46	35	6 360	—	6 360
	201 320	**19 375**	**17 753**	**238 448**	**—**	**238 448**
Trading profit/(loss)[6]	12 036	449	493	12 978	(160)	12 818
Interest revenue included in trading profit	102	138	73	313	—	313
Depreciation and amortisation[7]	6 876	669	105	7 650	27	7 677
Impairments/(impairment reversals)						
Property, plant and equipment	13	14	1	28	4	32
Investment properties	—	123	—	123	—	123
Right-of-use assets	58	(48)	—	10	1	11
Intangible assets	33	—	—	33	—	33
	104	**89**	**1**	**194**	**5**	**199**
Total assets[8]	88 444	10 947	5 865	104 806	610	105 416

Refer to note 35 for operating segment disclosures of discontinued operations.

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.
6 Other reconciling items include the elimination of interdivisional transactions with the Group's discontinued operations to the amount of R226 million (2024: R133 million) in trading profit.
7 Represent gross depreciation and amortisation before appropriate allocations of distribution cost.
8 Total assets of consolidated continuing operations, together with discontinued operations' total assets, equal total assets as presented in the statement of financial position. Discontinued operations' total assets amounted to R6.2 billion (2024: R6.8 billion) at the reporting date.

2.2 Geographical analysis

Continuing operations	South Africa Rm	Outside South Africa Rm	Total operating segments Rm	Hyperinflation effect Rm	Consolidated Rm
2025					
Sale of merchandise – external	229 657	23 044	252 701	—	252 701
Non-current assets[9]	59 712	4 744	64 456	583	65 039
Restated* 2024					
Sale of merchandise – external	210 523	21 565	232 088	—	232 088
Non-current assets[9]	49 202	4 129	53 331	610	53 941

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.
9 Non-current assets consist of property, plant and equipment, investment properties, right-of-use assets, intangible assets and non-financial trade and other receivables. Non-current assets of consolidated continuing operations, together with discontinued operations' non-current assets, equal non-current assets as presented in the statement of financial position. Discontinued operations' had non-current assets of R1.9 billion (2024: R1.8 billion) at 29 June 2025. The equivalent amount of R1.9 billion as at 29 June 2025 is included as assets classified as held for sale under current assets.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

3 Property, plant and equipment

3.1 Reconciliation of carrying amounts

	Land Rm	Buildings Rm	Machinery, equipment and vehicles[10] Rm	Leasehold improvements Rm	Total Rm
Carrying amount at 2 July 2023	812	2 162	11 687	1 940	16 601
Cost	812	2 573	21 550	3 392	28 327
Accumulated depreciation and impairment	—	(411)	(9 863)	(1 452)	(11 726)
Additions	23	110	6 022	604	6 759
Reclassification	2	(1)	(82)	81	—
Transfer to assets classified as held for sale (note 4)	(128)	(528)	(2)	—	(658)
Transfer from assets classified as held for sale (note 4)	129	693	3	30	855
Acquisition of operations	—	—	4	—	4
Disposal	—	(1)	(257)	(209)	(467)
Proceeds on disposal	—	—	(144)	(217)	(361)
(Loss)/profit on disposal and scrapping	—	(1)	(113)	8	(106)
Depreciation	—	(69)	(2 827)	(242)	(3 138)
Impairment reversal/(impairment) (note 8)	—	13	(28)	(21)	(36)
Foreign currency translation differences including hyperinflation effect	(4)	(12)	(100)	(132)	(248)
Carrying amount at 30 June 2024	**834**	**2 367**	**14 420**	**2 051**	**19 672**
Cost	834	2 877	24 712	3 633	32 056
Accumulated depreciation and impairment	—	(510)	(10 292)	(1 582)	(12 384)
Additions	7	79	6 644	594	7 324
Transfer to assets classified as held for sale (note 4)	(4)	(26)	(362)	(15)	(407)
Acquisition of Pingo Delivery (Pty) Ltd (note 38.5.2)	—	—	58	—	58
Acquisition of operations	—	—	35	—	35
Disposal	—	—	(265)	(138)	(403)
Proceeds on disposal	—	—	(154)	(149)	(303)
(Loss)/profit on disposal and scrapping	—	—	(111)	11	(100)
Depreciation	—	(63)	(3 353)	(253)	(3 669)
Impairment reversal/(impairment) (note 8)	—	12	(105)	67	(26)
Foreign currency translation differences including hyperinflation effect	(5)	(19)	30	(54)	(48)
Carrying amount at 29 June 2025	**832**	**2 350**	**17 102**	**2 252**	**22 536**
Cost	832	2 887	27 959	3 774	35 452
Accumulated depreciation and impairment	—	(537)	(10 857)	(1 522)	(12 916)

10 Includes aircraft with a carrying amount of R239 million (2024: R273 million) and vehicles with a carrying amount of R221 million (2024: R205 million). Aircraft with a carrying amount of R34 million was transferred to assets classified as held for sale (note 4).

3 Property, plant and equipment continued

3.2 Property, plant and equipment subject to an operating lease where the Group is the lessor

The reconciliation of carrying amounts of property, plant and equipment presented in note 3.1 includes the following relating to underlying assets that are subject to an operating lease:

	Land Rm	Buildings Rm	Machinery, equipment and vehicles Rm	Leasehold improvements Rm	Total Rm
Carrying amount at 2 July 2023	167	779	—	311	1 257
Cost	167	882	—	545	1 594
Accumulated depreciation and impairment	—	(103)	—	(234)	(337)
Additions	—	24	—	11	35
Transfer (to)/from assets classified as held for sale (note 4.2)	(18)	(7)	—	8	(17)
Assets no longer subject to an operating lease	(15)	(61)	—	(162)	(238)
Assets previously not subject to an operating lease	—	8	—	96	104
Depreciation	—	(18)	—	(10)	(28)
Reversal of impairment/(impairment)	—	3	—	(2)	1
Foreign currency translation differences	—	(1)	—	(21)	(22)
Carrying amount at 30 June 2024	**134**	**727**	**—**	**231**	**1 092**
Cost	134	854	—	370	1 358
Accumulated depreciation and impairment	—	(127)	—	(139)	(266)
Additions	—	13	57	7	77
Transfer to assets classified as held for sale (note 4.2)	—	(2)	—	(2)	(4)
Assets no longer subject to an operating lease	(16)	(167)	(9)	(23)	(215)
Assets previously not subject to an operating lease	5	49	6	22	82
Acquisition of subsidiaries (note 38.5)	—	—	48	—	48
Depreciation	—	(14)	(35)	(10)	(59)
Reversal of impairment	—	3	—	3	6
Foreign currency translation differences	—	(1)	—	(5)	(6)
Carrying amount at 29 June 2025	**123**	**608**	**67**	**223**	**1 021**
Cost	123	717	101	363	1 304
Accumulated depreciation and impairment	—	(109)	(34)	(140)	(283)

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

3 Property, plant and equipment continued

3.3 Property, plant and equipment not yet in use

Included in the gross amounts of land and buildings is R207 million (2024: R206 million) that relates to cost capitalised for assets not yet available for use. This relates mainly to land and buildings under construction. The gross amount of property, plant and equipment not yet in use was evaluated for impairment by the Directors at the reporting date.

Reconciliation of carrying amounts:	Land Rm	Buildings Rm	Total Rm
Carrying amount at 2 July 2023	59	6	65
Additions	136	5	141
Carrying amount at 30 June 2024	195	11	206
Additions	—	1	1
Carrying amount at 29 June 2025	**195**	**12**	**207**

4 Assets classified as held for sale

	2025 Rm	2024 Rm
Land and buildings	271	956
Aircraft	34	—
Total assets of discontinued disposal groups held for sale (note 35)	5 016	—
Total assets of other disposal groups held for sale	267	—
	5 588	**956**

4.1 Reconciliation of carrying amount

	Property, plant and equipment[11] Rm	Right-of-use assets Rm	Inventories Rm	Investment in insurance cell captive arrangements[12] Rm	Trade and other receivables Rm	Investment properties Rm	Other assets Rm	Total Rm
Carrying amount at 2 July 2023	1 389	—	—	—	—	—	—	1 389
Transfer to assets classified as held for sale	658	—	—	—	—	—	—	658
Transfer from assets classified as held for sale	(855)	—	—	—	—	—	—	(855)
Additions	32	—	—	—	—	—	—	32
Disposal of land and buildings	(252)	—	—	—	—	—	—	(252)
Proceeds on disposal	(310)	—	—	—	—	—	—	(310)
Profit on disposal and scrapping	58	—	—	—	—	—	—	58
Foreign currency translation differences	(16)	—	—	—	—	—	—	(16)
Carrying amount at 30 June 2024	**956**	**—**	**—**	**—**	**—**	**—**	**—**	**956**
Transfer to assets classified as held for sale	407	1 461	1 921	356	1 199	225	35	5 604
Additions	11	25	—	—	—	—	—	36
Remeasurements	—	146	—	—	—	—	—	146
Impairment	(6)	(32)	—	—	—	—	—	(38)
(Decrease)/increase in disposal group assets held for sale	—	—	(214)	(185)	46	—	1	(352)
Disposal of asset held for sale	(729)	—	—	—	—	—	—	(729)
Proceeds on disposal	(774)	—	—	—	—	—	—	(774)
Profit on disposal and scrapping	45	—	—	—	—	—	—	45
Derecognition	—	(38)	—	—	—	—	—	(38)
Foreign currency translation differences including hyperinflation effect	(2)	1	1	—	3	—	—	3
Carrying amount at 29 June 2025	**637**	**1 563**	**1 708**	**171**	**1 248**	**225**	**36**	**5 588**

11 Included in the transfer to assets classified as held for sale from property, plant and equipment during the year is an aircraft of R34 million.

12 Included in the movement of investment in insurance cell captive arrangements classified as held for sale are dividends declared of R256 million.

4 Assets classified as held for sale continued

4.2 Transfer to/(from) assets classified as held for sale

It is the Group's policy to invest in fixed property only when appropriate rental space is not available. Certain land and buildings in the Supermarkets RSA and Supermarkets Non-RSA operating segments have been reclassified as assets classified as held for sale as the Group periodically re-evaluates its fixed property holdings in line with this policy. The Group is currently in the process of actively seeking buyers for these properties.

On 2 September 2024 the Group signed an agreement to dispose of the furniture business including the OK Furniture and House and Home brands, excluding the Angola and Mozambique operations, which was subsequently classified as discontinued operations (refer to note 35). Accordingly, property, plant and equipment, right-of-use assets, inventories, trade and other receivables, investment in insurance cell captive arrangements and other assets associated with this disposal group have been transferred to assets classified as held for sale.

Due to the decision to dispose of the Group's furniture business, the Group elected to dispose of the Angola furniture business. An indicative binding agreement was received in June 2025 for the sale of the Angola furniture business which was subsequently classified as discontinued operations (refer to note 35). Accordingly, property, plant and equipment, right-of-use assets and inventories associated with the Angola furniture disposal group have been transferred to assets classified as held for sale.

Furthermore, the Group's operations in Ghana and Malawi were classified as discontinued operations as the Group agreed to dispose of these operations in June 2025 (refer to note 35). Accordingly, property, plant and equipment, right-of-use assets and inventories associated with these disposal groups have been transferred to assets classified as held for sale.

In June 2025 an offer was accepted to sell the Group's subsidiaries, Asaba Mall Development Company Ltd and Delta Mall Development Company Ltd that each own an investment property in Nigeria. Accordingly, investment property, trade and other receivables and other assets associated with the other disposal group have been transferred to assets classified as held for sale.

5 Investment properties

5.1 Reconciliation of carrying amount

	2025 Rm	2024 Rm
Carrying amount at the beginning of the year	617	—
Cost	753	—
Accumulated depreciation and impairment	(136)	—
Transfer to assets classified as held for sale (note 4)	(225)	—
Acquisition of subsidiaries (note 38.5)	—	849
Depreciation	(24)	(1)
Impairment (note 8)	(203)	(123)
Foreign currency translation differences	(37)	(108)
Carrying amount at the end of the year	128	617
Cost	182	753
Accumulated depreciation and impairment	(54)	(136)

At the end of March 2024, the Group acquired an additional 60.9% of the share capital of its associates Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd. These wholly owned subsidiaries are incorporated in South Africa and are involved in the investment and letting of properties in Nigeria. As a result of this acquisition, the Group acquired five Nigeria companies which own three malls namely Delta, Owerri and Asaba Mall.

In June 2025 an offer was accepted to sell the Group's subsidiaries, Asaba Mall Development Company Ltd and Delta Mall Development Company Ltd that owns the Asaba mall and Delta mall in Nigeria.

5.2 The statement of comprehensive income includes the following amounts relating to investment properties

	2025 Rm	2024 Rm
Rental income from investment properties (included in alternative revenue, note 26)	88	6
Operating expenses resulting from rental of investment properties	10	4

5.3 Fair value of investment properties held at cost

	2025 Rm	2024 Rm
The fair values of the investment properties were determined by an experienced professional independent valuer using cash flow projections based on projected net market-related rentals covering the next planning period, discounted at the market capitalisation rate. Due to the use of unobservable inputs for the investment properties, the fair value measurement is categorised at level 3.	156	618
A summary of the key unobservable inputs used in the fair value valuation		
Capitalisation rate	12.3%	10.5%
Exit capitalisation rate	12.8%	11.0%
Discount rate	17.3%	15.0%

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

6 Right-of-use assets
6.1 Reconciliation of carrying amounts

	Land Rm	Buildings Rm	Machinery, equipment and vehicles Rm	Total Rm
Carrying amount at 2 July 2023	235	25 466	1 080	26 781
Additions	—	3 304	804	4 108
Remeasurements	—	4 382	8	4 390
Derecognition	—	(181)	(13)	(194)
Depreciation	(6)	(3 953)	(428)	(4 387)
Impairment (note 8)	(3)	(299)	—	(302)
Reversal of impairment (note 8)	12	232	—	244
Foreign currency translation differences including hyperinflation effect	(15)	(156)	—	(171)
Carrying amount at 30 June 2024	**223**	**28 795**	**1 451**	**30 469**
Additions	—	5 568	1 302	6 870
Remeasurements	—	5 535	(49)	5 486
Acquisition of Pingo Delivery (Pty) Ltd (note 38.5.2)	—	5	—	5
Transfer to assets classified as held for sale (note 4)	(15)	(1 446)	—	(1 461)
Derecognition	—	(267)	(16)	(283)
Depreciation	(6)	(4 388)	(563)	(4 957)
Impairment (note 8)	(9)	(252)	—	(261)
Reversal of impairment (note 8)	13	77	—	90
Foreign currency translation differences including hyperinflation effect	(6)	137	1	132
Carrying amount at 29 June 2025	**200**	**33 764**	**2 126**	**36 090**

7 Intangible assets
7.1 Reconciliation of carrying amounts

	Goodwill Rm	Software Rm	Trademarks Rm	Customer relationships Rm	Total Rm
Carrying amount at 2 July 2023	290	3 668	257	10	4 225
Gross amount	426	5 436	325	10	6 197
Accumulated amortisation and impairment	(136)	(1 768)	(68)	—	(1 972)
Acquisition of operations	65	—	—	—	65
Additions	—	61	—	—	61
Internally generated	—	910	—	—	910
Borrowing costs capitalised (note 7.3)	—	141	—	—	141
Disposal and scrapping	—	(76)	—	—	(76)
Proceeds on disposal	—	(39)	—	—	(39)
Loss on disposal and scrapping	—	(37)	—	—	(37)
Amortisation	—	(578)	(16)	—	(594)
Impairment (note 8)	(20)	(13)	—	—	(33)
Foreign currency translation differences including hyperinflation effect	—	(4)	—	—	(4)
Carrying amount at 30 June 2024	**335**	**4 109**	**241**	**10**	**4 695**
Gross amount	436	6 320	325	10	7 091
Accumulated amortisation and impairment	(101)	(2 211)	(84)	—	(2 396)
Acquisition of Pingo Delivery (Pty) Ltd (note 38.5.2)	974	23	—	—	997
Acquisition of other subsidiaries and operations	91	—	—	—	91
Additions	—	45	—	—	45
Internally generated	—	630	—	—	630
Borrowing costs capitalised (note 7.3)	—	62	—	—	62
Disposal and scrapping	—	(20)	—	—	(20)
Amortisation	—	(689)	(16)	—	(705)
Impairment (note 8)	(47)	(52)	—	—	(99)
Foreign currency translation differences including hyperinflation effect	—	4	—	—	4
Carrying amount at 29 June 2025	**1 353**	**4 112**	**225**	**10**	**5 700**
Gross amount	1 501	6 886	325	10	8 722
Accumulated amortisation and impairment	(148)	(2 774)	(100)	—	(3 022)

7 Intangible assets continued
7.2 Goodwill

An analysis of goodwill per operating segment is presented in the following table:

	2025			2024		
	Gross amount Rm	Accumulated impairment Rm	Carrying amount Rm	Gross amount Rm	Accumulated impairment Rm	Carrying amount Rm
Supermarkets RSA	**1 369**	**(80)**	**1 289**	**307**	**(33)**	**274**
Supermarket stores	1 169	(60)	1 109	150	(13)	137
Liquor stores	180	—	180	137	—	137
Other	20	(20)	—	20	(20)	—
Supermarkets Non-RSA	**27**	**(8)**	**19**	**26**	**(8)**	**18**
Other operating segments	**105**	**(60)**	**45**	**103**	**(60)**	**43**
Computicket	27	(13)	14	27	(13)	14
Transpharm	76	(47)	29	76	(47)	29
Other	2	—	2	—	—	—
Total goodwill	**1 501**	**(148)**	**1 353**	**436**	**(101)**	**335**

The carrying amount of goodwill allocated to a CGU or group of units is not significant in comparison with the Group's total goodwill.

7.3 Borrowing costs capitalised

Borrowing costs were capitalised against qualifying items of software during the year under review. The weighted average borrowings rate was 9.4% (2024: 10.0%).

7.4 Software not yet in use

Included in the gross amount of software is R575 million (2024: R907 million) that relates to costs capitalised for software not yet available for use. The Group is committed to investing in the development of alternative revenue streams through its retail media business. The majority of the spend relates to the enhancement of our digital commerce platform and our data analytics capabilities, which will support our retail media business, together with the replacement of the point-of-sale applications in stores. The gross amount of software not yet in use was evaluated for impairment by the Directors at the reporting date.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

8 Impairment of non-financial assets

8.1 Impairments recognised/(reversed)

	Property, plant and equipment Rm	Investment properties Rm	Right-of-use assets Rm	Intangible assets Rm	Property, plant and equipment held for sale Rm	Right-of-use assets held for sale Rm	Total Rm
2025							
Supermarkets RSA	8	—	107	97	—	—	212
Supermarkets Non-RSA	17	203	6	—	—	—	226
Other operating segments	—	—	—	—	—	—	—
Total operating segments	25	203	113	97	—	—	438
Hyperinflation effect	(47)	—	(1)	—	—	—	(48)
Consolidated continuing operations	**(22)**	**203**	**112**	**97**	**—**	**—**	**390**
Discontinued operations	48	—	59	2	6	32	147
Restated* 2024							
Supermarkets RSA	13	—	58	33			104
Supermarkets Non-RSA	14	123	(48)	—			89
Other operating segments	1	—	—	—			1
Total operating segments	28	123	10	33			194
Hyperinflation effect	4	—	1	—			5
Consolidated continuing operations	**32**	**123**	**11**	**33**			**199**
Discontinued operations	4	—	47	—			51

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

The impairment charges largely resulted from a reduction in the cash flow projections of certain stores, the bulk of which is due to the challenging trading environment in key markets where the Group trades. In addition to the aforementioned, the higher commodity prices experienced in the commodity dependent regions also contributed to the impairment charges.

8.2 Impairment methodology

Cash-generating units

The Group treats each store as a separate CGU for impairment testing of property, plant and equipment, right-of-use assets and intangible assets, other than goodwill. Goodwill is allocated to the Group's CGUs, or a group of CGUs, to which the goodwill relates. Each investment property is treated as a separate CGU.

The recoverable amount of each CGU is the higher of its value-in-use and its fair value less costs of disposal. The recoverable amount of a CGU or group of CGUs, to which goodwill has been allocated, is determined based on value-in-use calculations.

Central corporate assets such as home office, regional offices and distribution centres, together with their associated income and costs are allocated to CGUs with reference to sales.

Each CGU is assessed at the reporting date to determine if any indicators of impairment have been identified.

8 Impairment of non-financial assets continued

8.2 Impairment methodology continued

Value-in-use

The cash flow projections used in value-in-use calculations are based on financial budgets, approved by management, covering five-year planning periods. Cash flow projections are derived from an analysis of historic performance and knowledge of the current market, together with the Group's views on the future achievable growth and the impact of committed initiatives, the results of which are reviewed by management. Cash flows beyond these planning periods are extrapolated into the future over the useful life of the CGU, using a steady long-term growth rate which is derived from inflation forecasts by recognised bodies and does not exceed the long-term average growth rate for the industry and country in which the CGUs operate.

In determining the value-in-use of each CGU, projected cash flows are discounted using the entity-specific pre-tax discount rate which includes an adjustment for risks, specific to the country in which a CGU operates.

Fair value less costs of disposal

In determining the fair value less costs of disposal of affected land, buildings and investment properties (level 3 within the fair value hierarchy), cash flow projections based on projected net market-related rentals covering the next planning period were used.

8.3 Key assumptions and sensitivity analyses

The key assumptions in the value-in-use calculations are the expected trading profit growth rates, long-term growth rates and the risk-adjusted pre-tax discount rates. The pre-tax discount rates are derived from the Group's weighted average cost of capital, taking into account the cost of capital, lease liabilities and borrowings, to which specific market-related premium adjustments are made for each country.

For fair value less costs of disposal calculations of land, buildings and investment properties the key assumption is the market capitalisation rate used.

The following table sets out the key assumptions applied in determining the recoverable amount of each CGU, summarised by geographical region:

	Discount rate		Trading profit growth rate		Long-term growth rate		Market capitalisation rate	
	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
South Africa	11.4	11.8	6.4	6.2	6.4	6.2	7.25 – 11.0	7.5 – 11.0
Angola	32.9	37.8	20.0	22.4	20.0	22.4	19.0	19.0
Botswana	11.0	9.9	7.6	8.4	7.6	8.4	—	—
Ghana	24.0	19.5	15.4	14.8	15.4	14.8	13.0	19.0
Malawi	33.5	39.2	15.6	15.2	15.6	15.2	13.0	19.0
Mozambique	26.2	26.4	10.0	12.0	10.0	12.0	19.0	19.0
Namibia	16.1	14.3	8.7	8.1	8.7	8.1	11.0	11.0
Swaziland	17.0	17.9	7.3	6.2	7.3	6.2	—	—
Zambia	23.2	22.6	12.6	12.4	12.6	12.4	13.0	13.0

The forecast trading profit growth rates, risk-adjusted pre-tax discount rates and long-term growth rates for CGUs and groups of CGUs to which goodwill has been allocated are as follows:

	Trading profit growth rate		Discount rate		Long-term growth rate	
	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
Supermarket operations	5.5 – 6.6	4.1 – 6.1	11.4 – 17.0	11.8 – 17.9	6.4 – 7.3	6.2
Other operations	5.1	9.2	11.4	11.8	6.4	6.2

Management has performed sensitivity analyses on the key assumptions in the impairment model using reasonable possible changes in these key assumptions based on recent market movements including discount rates, sales growth and long-term growth rates:

- An increase of one percentage point in the discount rates for each geographical region would increase the impairment by R32 million (2024: R131 million). The possible increase mainly relates to Angola (2025: R14 million; 2024: R16 million), Mozambique (2025: R6 million; 2024: R5 million), Namibia (2025: R7 million; 2024: R10 million), Zambia (2025: R2 million; 2024: R1 million) and South Africa (2025: R2 million; 2024: R65 million).
- A decrease of one percentage point in the long-term growth rate would increase the impairment by R17 million (2024: R98 million). The possible increase mainly relates to Angola (2025: R4 million; 2024: R15 million), Mozambique (2025: R5 million; 2024: R5 million), Namibia (2025: R5 million; 2024: R10 million) and South Africa (2025: R1 million; 2024: R58 million).

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Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

			2025 Rm	2024 Rm
9 Equity accounted investments				
Associates (note 9.1)			2 452	2 283
Joint ventures (note 9.2)			—	195
			2 452	**2 478**
9.1 Associates				
Carrying amount at the beginning of the year			2 283	2 123
Investment in ordinary shares acquired			111	119
Share of post-acquisition profits			237	213
Dividends received from associates			(166)	(156)
Disposal of investment in LBB Foods (Pty) Ltd			(8)	—
Impairment			—	(14)
Exchange rate differences			(5)	(2)
Carrying amount at the end of the year			**2 452**	**2 283**

The associates listed below have share capital consisting solely of ordinary shares, which are held directly by the Group. These are private companies and no quoted market prices are available for their shares.

	% Owned by the Group 2025	% Owned by the Group 2024	2025 Rm	2024 Rm
Retail Logistics Fund (RF) (Pty) Ltd (note 9.1.1)	49.9%	49.9%	2 219	2 147
W23 Global Fund LP	20.0%	20.0%	215	112
LBB Foods (Pty) Ltd	0.0%	51.0%	—	7
Red Baron Agri (Pty) Ltd	41.0%	41.0%	5	4
Trans Africa IT Solutions (Pty) Ltd	49.0%	49.0%	13	13
Zulzi On Demand (Pty) Ltd	26.0%	26.0%	—	—
			2 452	**2 283**

There are no contingent liabilities relating to the Group's interests in associates.

During the prior year the Group acquired additional shares in Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd. This acquisition resulted in these entities being accounted for as subsidiaries and no longer as associates.

The Directors consider Retail Logistics Fund (RF) (Pty) Ltd to be a material associate to the Group's consolidated financial statements. Retail Logistics Fund (RF) (Pty) Ltd is incorporated in South Africa and is involved in the investment and letting of commercial properties in South Africa. Retail Logistics Fund (RF) (Pty) Ltd is considered to be a strategic partner as it leases five distribution centres to the Group.

The Group's investment in Retail Logistics Fund (RF) (Pty) Ltd is measured using the equity method, which was also used in measuring the Group's investment in Resilient Africa (Pty) Ltd up until the end of March 2024. Resilient Africa (Pty) Ltd is incorporated in South Africa and is involved in the investment and letting of properties in Nigeria.

During May 2024, the Group acquired a shareholding in W23 Global Fund LP, a venture which will be investing in innovative start-ups and scale-ups within the retail industry that deploy technology to enhance customer experiences, transform the grocery value chain and address sustainability challenges. As a investor in W23 Global Fund LP, the Group is required to commit a further investment of the South Africa rand equivalent of $5 million within the next reporting period, along with working capital advancements to the value of the South Africa rand equivalent of $1 million.

At the end of November 2024, the Group disposed of its 51% shareholding in its associate, LBB Foods (Pty) Ltd, which had no material impact on the Group's financial results.

All other associates' financial results, including W23 Global Fund LP, are not material to the Group's consolidated financial statements and therefore no summary financial information is presented for these associates.

	2025 Rm	2024 Rm
9 Equity accounted investments continued		
9.1 Associates continued		
9.1.1 Summary financial information of Retail Logistics Fund (RF) (Pty) Ltd		
Statement of financial position		
Total assets	6 382	6 002
Non-current assets	6 301	5 863
Current assets	81	139
Total liabilities	1 640	1 406
Non-current liabilities	1 547	1 199
Current liabilities	93	207
Net assets	4 742	4 596
Attributable to other owners of Retail Logistics Fund (RF) (Pty) Ltd	2 376	2 303
Attributable to the Shoprite Holdings Ltd Group	2 366	2 293
Statement of comprehensive income		
Revenue	854	707
Profit for the year	478	430
Attributable to other owners of Retail Logistics Fund (RF) (Pty) Ltd	240	215
Attributable to the Shoprite Holdings Ltd Group	238	215
Total comprehensive income for the year	478	430
Attributable to other owners of Retail Logistics Fund (RF) (Pty) Ltd	240	215
Attributable to the Shoprite Holdings Ltd Group	238	215

The information disclosed reflects the amounts presented in the consolidated management accounts of Retail Logistics Fund (RF) (Pty) Ltd and not the Group's share of those amounts. The information has been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

	2025 Rm	2024 Rm
Reconciliation to carrying amount:		
Net assets attributable to the Group at the beginning of the year	2 147	2 089
Profit for the year attributable to the Group	238	215
Dividends received by the Group	(166)	(157)
Carrying amount at the end of the year	**2 219**	**2 147**

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9 Equity accounted investments continued

9.1 Associates continued

9.1.2 Summary financial information of Resilient Africa (Pty) Ltd

	2025 Rm	2024 Rm
Statement of financial position		
Total assets	–	498
Non-current assets	–	473
Current assets	–	25
Total liabilities	–	2 522
Non-current liabilities	–	2 473
Current liabilities	–	49
Net liabilities	–	(2 024)
Attributable to other owners of Resilient Africa (Pty) Ltd	–	(1 247)
Attributable to the Shoprite Holdings Ltd Group	–	(800)
Non-controlling interest	–	23
Statement of comprehensive income		
Revenue	–	92
Loss for the period	–	(624)
Attributable to other owners of Resilient Africa (Pty) Ltd	–	(320)
Attributable to the Shoprite Holdings Ltd Group	–	(205)
Non-controlling interest	–	(99)
Other comprehensive loss for the period	–	(104)
Attributable to other owners of Resilient Africa (Pty) Ltd	–	(23)
Attributable to the Shoprite Holdings Ltd Group	–	(15)
Non-controlling interest	–	(66)
Total comprehensive loss for the period	–	(728)
Attributable to other owners of Resilient Africa (Pty) Ltd	–	(343)
Attributable to the Shoprite Holdings Ltd Group	–	(220)
Non-controlling interest	–	(165)

The information disclosed reflects the amounts presented in the consolidated management accounts of Resilient Africa (Pty) Ltd up to the end of March 2024 and not the Group's share of those amounts. The information has been amended to reflect adjustments made by the Group when using the equity method, including fair value adjustments made at the time of acquisition and modifications for differences in accounting policies.

	2025 Rm	2024 Rm
Reconciliation to carrying amount:		
Net liabilities attributable to the Group at the beginning of the year	–	(608)
Loss for the period attributable to the Group	–	(205)
Other comprehensive loss for the period attributable to the Group	–	(15)
Net liabilities attributable to the Group at the end of the period	–	(828)
Unrecognised share of losses at the end of the period	–	–
Derecognition of net liabilities attributable to the Group with deemed disposal of associate	–	828
Carrying amount at the end of the period	**–**	**–**
Unrecognised share of losses:		
Unrecognised share of losses at the beginning of the period	–	608
Unrecognised share of losses for the period	–	205
Unrecognised share of losses at the end of the period	**–**	**813**
Unrecognised share of other comprehensive loss:		
Unrecognised share of other comprehensive loss at the beginning of the period	–	–
Increase/(decrease) in unrecognised share of other comprehensive loss for the period	–	15
Unrecognised share of other comprehensive loss at the end of the period	**–**	**15**

9 Equity accounted investments continued

9.2 Joint ventures

	2025 Rm	2024 Rm
Equity accounted investment in Pingo Delivery (Pty) Ltd		
Carrying amount at the beginning of the year	195	189
Share of post-acquisition profits	13	55
Dividends received from joint ventures	–	(49)
Remeasurement of investment in joint venture to fair value on deemed disposal of Pingo Delivery (Pty) Ltd	341	–
Derecognition resulting from obtaining full control of Pingo Delivery (Pty) Ltd	(549)	–
Carrying amount at the end of the year	**–**	**195**

The share capital of Pingo Delivery (Pty) Ltd consists solely of ordinary shares, of which 50% were held directly by the Group at the end of the previous reporting period. On 25 October 2024 the Group acquired the remaining 50% shareholding. From the acquisition date, Pingo Delivery (Pty) Ltd is consolidated and the equity accounted investment derecognised as the Group now controls this wholly owned subsidiary (refer to note 38.5.2)

There are no contingent liabilities relating to the Group's interests in Pingo Delivery (Pty) Ltd.

	25 October 2024 Rm	30 June 2024 Rm
Summary financial information of Pingo Delivery (Pty) Ltd		
Statement of financial position		
Non-current assets	425	399
Current assets	135	144
Cash and cash equivalents	39	47
Other current assets	96	97
Total assets	**560**	**543**
Non-current liabilities	15	16
Current liabilities	130	137
Financial liabilities (excluding trade payables)	8	16
Other current liabilities	122	121
Total liabilities	**145**	**153**
Net assets	415	390
Attributable to other owners of Pingo Delivery (Pty) Ltd	208	195
Attributable to the Shoprite Holdings Ltd Group	207	195

	1 July to 25 October 2024 Rm	3 July to 30 June 2024 Rm
Statement of comprehensive income		
Revenue	322	1 517
Gross profit	77	355
Depreciation and amortisation	(11)	(48)
Other operating expenses	(31)	(164)
Interest received from bank account balances	–	5
Profit before income tax	35	148
Income tax expense	(8)	(37)
Profit for the period	**27**	**111**
Other comprehensive income for the period	–	–
Total comprehensive income for the period	27	111
Attributable to other owners of Pingo Delivery (Pty) Ltd	14	56
Attributable to the Shoprite Holdings Ltd Group	13	55

The information disclosed reflects the amounts presented in the consolidated management accounts of Pingo Delivery (Pty) Ltd and not the Group's share of those amounts. The information has been amended to reflect adjustments made by the Group when using the equity method and modifications for differences in accounting policies.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

	2025 Rm	2024 Rm
10 Investments at fair value through other comprehensive income		
Recognised at fair value through other comprehensive income at initial recognition		
Omnisient International Ltd	45	27
Omnisient (RF) (Pty) Ltd	29	40
	74	**67**
11 Investment in insurance cell captive arrangements		
Third-party cell captive contracts (note 11.1)	–	350
First-party cell captive contracts (note 11.2)	131	181
	131	**531**
Analysis of investment in insurance cell captive arrangements:		
Non-current	39	129
Current	92	402
	131	**531**

11.1 Third-party cell captive contracts

The investments listed below relate to third-party insurance cells and have share capital consisting of variable rate preference shares and share premium, which are held by the Group.

	% Owned by the Group 2025	% Owned by the Group 2024	2025 Rm	2024 Rm
Old Mutual Life Insurance Company (Namibia) Ltd	100%	100%	–	21
Centriq Insurance Company Ltd	100%	100%	–	329
			–	**350**

	2025			2024		
	Assets for remaining coverage Rm	Liabilities for incurred claims Rm	Total Rm	Assets for remaining coverage Rm	Liabilities for incurred claims Rm	Total Rm
Reconciliation of carrying amount:						
Carrying amount at the beginning of the year	350	–	350	291	–	291
Insurance result	214	(100)	114	214	(94)	120
Insurance revenue	309	–	309	298	–	298
Insurance service expenses	(95)	(100)	(195)	(84)	(94)	(178)
Incurred claims (excluding investment components)	–	(49)	(49)	–	(37)	(37)
Insurance acquisition expenses	(95)	(51)	(146)	(84)	(57)	(141)
Net insurance finance income	52	–	52	56	–	56
Dividends paid	(345)	–	(345)	(117)	–	(117)
Investment components	(100)	100	–	(94)	94	–
Carrying amount at the end of the year	**171**	**–**	**171**	**350**	**–**	**350**
Classification of carrying amount:						
Investment in insurance cell captive arrangements	–	–	–	350	–	350
Assets classified as held for sale (note 4)	171	–	171	–	–	–
	171	**–**	**171**	**350**	**–**	**350**

	2025 Rm	2024 Rm
11 Investment in insurance cell captive arrangements continued		
11.2 First-party cell captive contracts		
Reconciliation to carrying amount:		
Carrying amount at the beginning of the year	181	220
Investment in preference shares acquired	10	–
Fair value adjustment (included in other operating expenses)	(60)	(39)
Carrying amount at the end of the year	**131**	**181**
12 Government bonds and bills		
AOA, USD Index Linked, Angola Government Bonds (note 12.1)	539	515
AOA, Angola Government Bonds (note 12.2)	33	288
Angola Treasury Bills (note 12.3)	–	66
Nigeria Treasury Bills (note 12.4)	–	17
	572	**886**
Analysis of total government bonds and bills:		
Non-current	539	–
Current	33	886
	572	**886**
Reconciliation of movement in government bonds and bills:		
Carrying amount at the beginning of the year	886	1 137
Increase in loss allowance recognised in profit or loss during the year	(14)	(5)
Unused loss allowance reversed	28	10
Additional investments	791	339
Investments matured and sold	(1 061)	(523)
Interest income (note 26.4)	62	90
Interest received	(88)	(114)
Exchange rate differences	40	6
Foreign currency translation differences	(72)	(54)
Carrying amount at the end of the year	**572**	**886**
12.1 AOA, USD Index Linked, Angola Government Bonds	539	515
Gross amount	551	527
Provision for impairment	(12)	(12)

The AOA, USD Index Linked, Angola Government Bonds are to be settled in Angola kwanza, earn interest at an average rate of 7.0% (2024: 6.9%) p.a. and mature 68 months from the reporting date. Accrued interest is payable bi-annually.

	2025 Rm	2024 Rm
12.2 AOA, Angola Government Bonds	33	288
Gross amount	34	303
Provision for impairment	(1)	(15)

The AOA, Angola Government Bonds are denominated in Angola kwanza, earn interest at an average rate of 18.5% (2024: 16.5%) p.a. and mature eight months from the reporting date. Accrued interest is payable bi-annually.

	2025 Rm	2024 Rm
12.3 Angola Treasury Bills	–	66
Gross amount	–	67
Provision for impairment	–	(1)

The Angola Treasury Bills were denominated in Angola kwanza, earned interest at an average rate of 16.9% (2024: 11.1%) p.a. and matured during the reporting period. Accrued interest was paid at maturity.

	2025 Rm	2024 Rm
12.4 Nigeria Treasury Bills	–	17
Gross amount	–	18
Provision for impairment	–	(1)

The Nigeria Treasury Bills were denominated in Nigeria naira, earned interest at an average rate of 10.3% (2024: 10.3%) p.a. and matured during the reporting period. Accrued interest was paid at maturity.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

		2025 Rm	2024 Rm
13	**Loans receivable**		
	Amounts receivable from franchisees (note 13.1)	767	741
	Amounts receivable from Kin Oasis Investments Ltd (note 13.2)	118	147
	Amounts receivable from supplier financing arrangements (note 13.3)	584	180
	Other	27	41
		1 496	**1 109**
	Analysis of total loans receivable:		
	Non-current	487	429
	Current	1 009	680
		1 496	**1 109**
13.1	**Amounts receivable from franchisees**	767	741
	Gross amount	901	842
	Provision for impairment	(134)	(101)

The amounts are mainly denominated in South Africa rand, earn weighted average variable returns (being interest rate linked to the South African prime rate or Shariah-compliant returns) of 11.0% (2024: 12.2%) p.a. and are repayable between one and five years from the reporting date.

		2025 Rm	2024 Rm
13.2	**Amounts receivable from Kin Oasis Investments Ltd**	118	147
	Gross amount	120	150
	Provision for impairment	(2)	(3)

The amount owing by Kin Oasis Investments Ltd is denominated in US dollar, earns interest at an average rate of 3.0% (2024: 3.0%) p.a. and is repayable four years from the reporting date.

		2025 Rm	2024 Rm
13.3	**Amounts receivable from supplier financing arrangements**		
	Supplier loans receivable from working capital advances (note 13.3.1)	470	105
	Other loan amounts receivable from suppliers (note 13.3.2)	114	75
		584	**180**
13.3.1	**Supplier loans receivable from working capital advances**	470	105
	Gross amount	470	105
	Provision for impairment	—	—

The supplier loans from working capital advances are denominated in South Africa rand and linked to the South African prime rate. The loans earn interest at a weighted average rate of 10.4% (2024: 12.0%) p.a. and are repayable between one and three months from the reporting date, subject to certain conditions.

		2025 Rm	2024 Rm
13.3.2	**Other loan amounts receivable from suppliers**	114	75
	Gross amount	123	81
	Provision for impairment	(9)	(6)

The other supplier loans are denominated in South Africa rand and linked to the South African prime rate. The loans earn interest at a weighted average rate of 12.5% (2024: 12.5%) p.a. and are repayable between three and 60 months from the reporting date, subject to certain conditions.

		2025 Rm	2024 Rm
14	**Deferred income tax**		
	Deferred income tax assets (note 14.1)	3 447	3 297
	Deferred income tax liabilities (note 14.2)	(8)	(8)
	Net deferred income tax assets	**3 439**	**3 289**
	The movement in the net deferred income tax assets is as follows:		
	Carrying amount at the beginning of the year	3 289	2 865
	Charge to profit for the year	154	407
	Provisions and accruals	(193)	(5)
	Allowances on property, plant and equipment	(121)	(34)
	Leases	338	292
	Allowances on intangible assets	86	59
	Unrealised exchange rate differences	(2)	(70)
	Deferred employee costs	(24)	(22)
	Tax losses	107	182
	Tax rate change	(1)	(4)
	Discontinued operations charge to profit for the year (note 35)	(36)	9
	Charged to other comprehensive income	(16)	78
	Acquisition of Pingo Delivery (Pty) Ltd (note 38.5.2)	9	—
	Foreign currency translation differences including hyperinflation effect	3	(61)
	Carrying amount at the end of the year	**3 439**	**3 289**
14.1	**Deferred income tax assets**		
	Provisions and accruals	1 403	1 556
	Allowances on property, plant and equipment	(872)	(761)
	Leases	2 887	2 594
	Allowances on intangible assets	(238)	(324)
	Investment in associates	(269)	(269)
	Unrealised exchange rate differences	—	2
	Deferred employee costs	168	192
	Tax losses	368	307
		3 447	**3 297**
	Net deductible temporary differences to be recovered after more than 12 months	585	653
	Net deductible temporary differences to be recovered within 12 months	2 862	2 644
		3 447	**3 297**
14.2	**Deferred income tax liabilities**		
	Provisions and accruals	(1)	1
	Allowances on property, plant and equipment	7	6
	Unrealised exchange rate differences	2	1
		8	**8**
	Net taxable temporary differences to be settled after more than 12 months	9	7
	Net taxable temporary differences to be settled within 12 months	(1)	1
		8	**8**

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

		2025 Rm	2024 Rm
14	**Deferred income tax** continued		
14.3	**Net calculated income tax losses and net deductible temporary differences**		
	Calculated income tax losses and net deductible temporary differences at year-end	20 502	20 496
	Applied in the provision for deferred income tax	(12 770)	(12 260)
		7 732	**8 236**
	The utilisation of the income tax relief on net calculated income tax losses, to the value of R1.4 billion (2024: R2.1 billion), is dependent on sufficient future taxable income in the companies concerned. The income tax relief is calculated at current income tax rates and translated at closing rates.		
	The carry forward of all gross calculated income tax losses is indefinite, except for certain African countries, as set out below:		
	Expiry date of income tax relief		
	2025 Financial year-end	–	22
	2026 Financial year-end	467	514
	2027 Financial year-end	132	178
	2028 Financial year-end	180	169
	2029 Financial year-end	57	88
	2030 Financial year-end	276	–
	2031 Financial year-end	4	–
		1 116	**971**
	Calculated temporary differences on consolidation associated with investments in subsidiaries for which deferred income tax liabilities have not been created.	476	419
15	**Trade and other receivables**		
	Trade receivables from contracts with customers (note 15.1)	3 506	3 220
	Instalment sale receivables from contracts with customers (note 15.2)	36	1 287
	Other receivables (note 15.3)	1 425	1 087
	Net investment in lease receivables (note 15.4)	271	302
	Prepayments and indirect taxes receivable	1 015	780
	Fixed escalation operating lease accruals	38	38
		6 291	**6 714**
	Analysis of trade and other receivables:		
	Non-current	585	416
	Current	5 706	6 298
		6 291	**6 714**
15.1	**Trade receivables from contracts with customers**	3 506	3 220
	Gross amount	3 616	3 352
	Provision for impairment (note 43.4.1(c))	(110)	(132)
	Analysis of total trade receivables:		
	Receivables from franchisees	2 532	2 113
	Gross amount	2 576	2 134
	Provision for impairment (note 43.4.1(c))	(44)	(21)
	Receivables from medical aid schemes, pharmacies and doctors	451	512
	Gross amount	488	539
	Provision for impairment (note 43.4.1(c))	(37)	(27)
	Buying aid societies and other receivables	523	595
	Gross amount	552	679
	Provision for impairment (note 43.4.1(c))	(29)	(84)

Trade receivables from contracts with customers consist mainly of amounts receivable for the sale of merchandise to franchisees, medical aid schemes, pharmacies, doctors and buying aid societies. These amounts are mainly denominated in South Africa rand.

		2025 Rm	2024 Rm
15	**Trade and other receivables** continued		
15.2	**Instalment sale receivables from contracts with customers**	36	1 287
	Gross amount	120	2 156
	Provision for impairment (note 43.4.1(c))	(84)	(869)
	Instalment sale receivables from contracts with customers expected to be recovered		
	– Not later than one year	14	902
	– Later than one year	22	385
		36	**1 287**
	These amounts are reflected as current as they form part of the normal operating cycle.		
	The Group has entered into various instalment sale agreements for household furniture. The periods of these contracts range between six and 36 months and the weighted average interest rate on these receivables is 7.4% (2024: 23.4%) p.a. These amounts are mainly denominated in Namibian dollar (2024: South Africa rand). During the financial year instalment sales receivables related to the Group's furniture business (except for Namibia and Mozambique) were classified as assets held for sale (refer to note 35). The periods of the contracts classified as assets held for sale range between six and 36 months and the weighted average interest rate on these receivables is 22.2%. These amounts are mainly denominated in South Africa rand.		
	Instalment sale receivables from contracts with customers classified as assets held for sale (note 4)	1 243	–
	Gross amount	1 813	–
	Provision for impairment (note 43.4.1(c))	(570)	–
	Instalment sale receivables from contracts with customers classified as assets held for sale expected to be recovered		
	– Not later than one year	798	–
	– Later than one year	445	–
		1 243	**–**
15.3	**Other receivables**	1 425	1 087
	Gross amount	1 499	1 143
	Provision for impairment (note 43.4.1(c))	(74)	(56)
	Other receivables consist of various operational debtors such as municipal deposits refundable, insurance claims receivable and staff debtors and bursaries. The amounts are mainly denominated in South Africa rand.		
15.4	**Net investment in lease receivables**		
15.4.1	**Reconciliation of net investment in the lease receivables:**		
	Balance at the beginning of the year	302	312
	New leases and lease liability remeasurements	(5)	9
	Lease receipts	(48)	(46)
	Principal lease receipts	(26)	(21)
	Interest received	(22)	(25)
	Finance income	22	25
	Foreign currency translation differences	–	2
	Balance at the end of the year	**271**	**302**
15.4.2	**Maturity analysis**		
	The undiscounted contractual lease payments to be received are as follows:		
	– Not later than one year	49	49
	– Later than one year, not later than two years	53	51
	– Later than two years, not later than three years	51	55
	– Later than three years, not later than four years	54	53
	– Later than four years, not later than five years	52	54
	– Later than five years	89	140
	Total undiscounted lease receivables	348	402
	Unearned finance income	(77)	(100)
	Net investment in lease receivables	**271**	**302**

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

		2025 Rm	2024 Rm
16	**Inventories**		
16.1	Gross inventories	30 555	29 424
	Provision for inventory shrinkage and obsolescence	(807)	(1 058)
	Trading goods	**29 748**	**28 366**
16.2	Amount of write-down to net realisable value recognised in cost of sales during the year (Write-downs as a percentage to sale of merchandise for the period under review 0.4% (2024: 0.4%))	933	975
16.3	Value of inventory expensed to the consolidated statement of comprehensive income	191 259	176 549
17	**Stated capital and treasury shares**		
17.1	**Stated capital**	7 516	7 516

Authorised:
1 300 000 000 (2024: 1 300 000 000) no par value ordinary shares

Issued:
591 338 502 (2024: 591 338 502) no par value ordinary shares

Details of the beneficial shareholders holding 5.0% or more of the total issued shares are disclosed in Annexure B.

Treasury shares held by Shoprite Checkers (Pty) Ltd are netted off against share capital on consolidation. The net number of ordinary shares in issue for the Group are:

	Number of shares 2025	Number of shares 2024
Issued ordinary share capital	591 338 502	591 338 502
Treasury shares (note 17.2)	(50 815 151)	(47 489 379)
	540 523 351	**543 849 123**

The unissued ordinary shares are under the control of the Directors who may issue them on such terms and conditions as they deem fit until the Company's next Annual General Meeting.

All shares are fully paid up.

Details of special resolutions passed by the Company and its subsidiaries during the reporting period are provided in the Directors' report.

		2025 Rm	2024 Rm
17	**Stated capital and treasury shares** continued		
17.2	**Treasury shares**		
	50 815 151 (2024: 47 489 379) ordinary shares	3 756	2 616

Reconciliation of movement in number of treasury shares for the Group:	Number of shares 2025	Number of shares 2024
Balance at the beginning of the year	47 489 379	48 275 448
Shares purchased during the year under the authorised share buy-back programme[13]	3 447 470	215 172
Shares purchased during the year for equity-settled share-based payments[14]	1 422 128	749 454
Shares disposed during the year	(130 953)	(45 866)
Shares utilised for settlement of equity-settled share-based payment arrangements	(1 412 873)	(1 704 829)
Balance at the end of the year	**50 815 151**	**47 489 379**
Consisting of:		
Shares owned by Shoprite Checkers (Pty) Ltd	47 520 643	44 073 173
Shares held by Shoprite Checkers (Pty) Ltd for the benefit of participants to equity-settled share-based payment arrangements (refer to note 18.1)	3 294 508	3 416 206
	50 815 151	**47 489 379**

13 The average price per share purchased under the authorised share buy-back programme during the year was R289.29 (2024: R229.93).
14 The average market price of the shares purchased for equity-settled share-based payments was R302.89 (2024: R252.69) per share.

18 Share-based compensation plans

The Group's remuneration policy provides for both short-term and long-term incentives as part of its organisation wide elements of remuneration. These incentives support business as usual delivery against annual and three-year performance targets.

18.1 Equity-settled share-based payments

The Group offers long-term incentives in the form of rights to ordinary shares of Shoprite Holdings Ltd through participation in the Shoprite Holdings Ltd Executive Share Plan (ESP) (previously virtual option bonus plan), executive deferred incentive (EDI) and the deferred short-term incentive plan (DSTI) (previously long-term incentive bonus plan).

Shares granted in terms of the ESP, EDI and DSTI, as well as the previous virtual option bonus and long-term incentive bonus plans, meet the definition of equity-settled share-based payments. The rights to the shares granted entitle the participants to receive Shoprite Holdings Ltd ordinary shares on vesting at an exercise price of nil. The shares are acquired in the market at the grant date and are held as treasury shares until they are vested. The Company's main trading subsidiary, Shoprite Checkers (Pty) Ltd, purchased 1 422 128, (2024: 749 454) Shoprite Holdings Ltd ordinary shares in relation to shares granted during the year. The ownership of these shares vests with Shoprite Checkers (Pty) Ltd until vesting conditions are met by the participants. The participants are entitled to the dividends and voting rights in relation to the shares granted during the vesting period. The vesting conditions are set out hereafter.

Refer to note 28.1 for the expense recognised in the statement of comprehensive income as employee benefits. The reconciliation of amounts recorded in the share-based payment reserve is presented in note 19.1.1.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

18 Share-based compensation plans continued

18.1 Equity-settled share-based payments continued

ESP

Employees that participate in the ESP may be eligible for performance shares, retention shares and/or co-investment shares. These shares vest three years from the grant date if the vesting conditions (subject to certain special circumstances) are met. If the employee does not fulfil the vesting conditions, other than in certain limited circumstances, the award will lapse and the employee will lose all rights in respect of the ESP shares.

ESP performance shares: Performance conditions, as determined by the Remuneration Committee, are attached to these shares. Vesting is dependent on the achievement of the performance criteria by the vesting date and the employee meeting the service requirement of remaining employed by the Group throughout the vesting period.

ESP co-investment shares: There are no performance conditions attached to these shares. Vesting is dependent on the employee meeting the service requirement of remaining employed by the Group throughout the vesting period. As an additional vesting condition, the employee is required to acquire and hold Shoprite Holdings Ltd ordinary shares, without any encumbrance, for the entire vesting period. During the prior financial year, the Group decided to no longer grant these co-investment shares.

ESP retention shares: There are no performance conditions attached to these shares. Vesting is only dependent on the employee meeting the service requirement of remaining employed by the Group throughout the vesting period.

EDI

SHL ordinary shares are awarded to senior management under the Employee Deferred Incentive (EDI) scheme in exchange for services received from employees, based on the achievement of short-term incentive criteria. Performance is evaluated at the end of the first year to determine the quantum of shares to be awarded, contingent upon meeting the established performance targets. Vesting of EDI is then deferred for a further two years. If the employees do not fulfil the vesting conditions, other than in certain limited circumstances, the award will lapse and the employee will lose all rights in respect of those shares.

DSTI

Under the Group's deferred short-term incentive plan, employees may be eligible for shares, based on the achievement of short-term incentive criteria for the reporting period. The rights are granted at the end of September of the following financial year. There are no performance conditions attached to these shares. Vesting is only dependent on the employee meeting the service requirement of remaining employed by the Group throughout the vesting period. These shares vest three years from the grant date if the vesting conditions (subject to certain special circumstances) are met. If the employee does not fulfil the vesting conditions, other than in certain limited circumstances, the award will lapse and the employee will lose all rights in respect of these shares.

At the grant date, employees may elect to settle their unvested benefits earned in respect of the previous year in shares. The Group therefore grants shares to management in the form of forfeitable retention share awards, resulting in a modification of a cash bonus arrangement to a share-based payment arrangement, as a portion of incentive bonuses previously allocated to management in terms of the deferred short-term incentive plan is converted to shares in Shoprite Holdings Ltd. The Group recognises a modification of a cash bonus arrangement in respect of these deferred short-term incentives and transfers the liability as at the modification date from provisions to the share-based payment reserve within equity. The vesting conditions and vesting periods are not affected by this modification.

Virtual option bonus and long-term incentive bonus plans

The virtual option bonus and long-term incentive bonus plans have been replaced by the ESP and deferred short-term incentive plan respectively during the year ended 28 June 2020. The previous virtual option bonus and long-term incentive bonus plans operated in the same manner as the new deferred short-term incentive plan, with the exception of different vesting periods as determined under the virtual option bonus and long-term incentive bonus plans. These shares vest in equal thirds over a three-, four- and five-year period from the grant date, if vesting conditions (subject to certain special circumstances) are met. If the employee does not fulfil the vesting conditions, other than in certain limited circumstances, the award will lapse and the employee will lose all rights in respect of these shares.

18 Share-based compensation plans continued

18.1 Equity-settled share-based payments continued

18.1.1 ESP performance shares

Reconciliation of movement in number of performance shares granted by the Group:

	Weighted average price per share on date of the grant		Number of shares	
	2025	2024	2025	2024
Balance at the beginning of the year	R213.58	R183.75	1 491 485	1 828 276
Shares granted during the year	R297.94	R249.34	275 499	334 594
Shares vested during the year	R179.16	R149.60	(484 164)	(663 802)
Shares forfeited during the year	R227.42	R200.17	(65 183)	(7 583)
Balance at the end of the year	**R245.61**	**R213.58**	**1 217 637**	**1 491 485**
Vesting dates of performance shares outstanding at the end of the year:				
10 September 2024	—	R179.16	—	489 062
23 September 2025	R221.97	R221.98	648 375	687 650
15 September 2026	R248.71	R248.70	293 763	314 773
16 September 2027	R297.94	—	275 499	—
	R245.61	**R213.58**	**1 217 637**	**1 491 485**

The market price of performance shares vested during the year was R299.41 (2024: R252.50) per share.

The fair value of performance shares awarded in terms of the ESP during the year was based on the closing share price of a Shoprite Holdings Ltd ordinary share as quoted on the JSE on the date of the grant and determined at R297.94 per share. The following assumptions were used in calculating the fair value:

	2025
Total number of performance shares awarded	275 499
Grant date	16 September 2024
Vesting date	16 September 2027
Share price on grant date	R297.94
Exercise price	R0.00
Forfeiture rate	3.0%

18.1.2 ESP co-investment shares

Reconciliation of movement in number of co-investment shares granted by the Group:

	Weighted average price per share on date of the grant		Number of shares	
	2025	2024	2025	2024
Balance at the beginning of the year	R201.46	R183.53	267 887	413 820
Shares vested during the year	R181.91	R150.30	(133 343)	(144 947)
Shares forfeited during the year	R219.37	R197.06	(3 646)	(986)
Balance at the end of the year	**R220.88**	**R201.46**	**130 898**	**267 887**
Vesting dates of co-investment shares outstanding at the end of the year:				
10 September 2024	—	R179.16	—	124 679
23 September 2025	R220.88	R220.88	130 898	143 208
	R220.88	**R201.46**	**130 898**	**267 887**

The market price of co-investment shares vested during the year was R297.93 (2024: R252.53) per share.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

18 Share-based compensation plans continued
18.1 Equity-settled share-based payments continued
18.1.3 ESP retention shares

Reconciliation of movement in number of retention shares granted by the Group:

	Weighted average price per share on date of the grant		Number of shares	
	2025	2024	2025	2024
Balance at the beginning of the year	R202.49	R185.68	556 366	762 543
Shares granted during the year	R297.94	R250.81	52 496	28 708
Shares vested during the year	R181.60	R152.31	(276 165)	(227 448)
Shares forfeited during the year	R271.60	R200.72	(25 141)	(7 437)
Balance at the end of the year	**R231.88**	**R202.49**	**307 556**	**556 366**
Vesting dates of retention shares outstanding at the end of the year:				
10 September 2024	–	R179.16	–	263 543
23 September 2025	R220.91	R221.23	248 930	269 083
15 September 2026	R248.88	R248.99	23 260	23 740
16 September 2027	R297.94	–	35 366	–
	R231.88	**R202.49**	**307 556**	**556 366**

The market price of retention shares vested during the year was R298.83 (2024: R252.79) per share.

The fair value of retention shares awarded in terms of the ESP during the year was based on the closing share price of a Shoprite Holdings Ltd ordinary share as quoted on the JSE on the date of the grant and determined at R297.94 per share. The following assumptions were used in calculating the fair value:

	2025
Total number of retention shares awarded	52 496
Grant date	16 September 2024
Vesting date	16 September 2027
Share price on grant date	R297.94
Exercise price	R0.00
Forfeiture rate	35.0%

18.1.4 EDI shares

Reconciliation of movement in number of EDI shares granted by the Group:

	Weighted average price per share on date of the grant		Number of shares	
	2025	2024	2025	2024
Balance at the beginning of the year	–	–	–	–
Shares granted during the year	R297.94	–	741 719	–
Shares vested during the year	R297.94	–	(32 003)	–
Shares forfeited during the year	R297.94	–	(9 638)	–
Balance at the end of the year	**R297.94**	–	**700 078**	–
Vesting dates of retention shares outstanding at the end of the year:				
16 September 2026	**R297.94**	**–**	**700 078**	**–**

18 Share-based compensation plans continued
18.1 Equity-settled share-based payments continued
18.1.4 EDI shares continued

The market price of EDI shares vested during the year was R271.16 per share.

The fair value of EDI shares awarded in terms of the EDI during the year was based on the closing share price of a Shoprite Holdings Ltd ordinary share as quoted on the JSE on the date of the grant and determined at R297.94 per share. The following assumptions were used in calculating the fair value:

	2025
Total number of retention shares awarded	741 719
Grant date	16 September 2024
Vesting date	16 September 2026
Share price on grant date	R297.94
Exercise price	R0.00
Forfeiture rate	5.0%

18.1.5 Shares awarded under the deferred short-term incentive, virtual option bonus and long-term incentive bonus plans

Reconciliation of movement in number of shares granted by the Group:

	Weighted average price per share on date of the grant		Number of shares	
	2025	2024	2025	2024
Balance at the beginning of the year	R205.90	R166.22	1 100 468	1 412 808
Shares granted during the year	R304.19	R239.58	352 414	386 152
Shares vested during the year	R167.68	R141.72	(487 198)	(668 632)
Shares forfeited during the year	R246.34	R201.40	(27 345)	(29 860)
Balance at the end of the year	**R261.48**	**R205.90**	**938 339**	**1 100 468**
Vesting dates of shares outstanding under the deferred short-term incentive, virtual option bonus and long-term incentive bonus plans at the end of the year:				
30 September 2024	R163.97	R163.97	–	469 263
30 September 2025	R232.24	R232.24	242 759	260 040
30 September 2026	R239.58	R239.58	349 988	371 165
30 September 2027	R304.19	–	345 592	–
	R261.48	**R205.90**	**938 339**	**1 100 468**

The market price of share grants vested during the year was R299.52 (2024: R252.59) per share.

The fair value of shares awarded under the deferred short-term incentive, virtual option bonus and long-term incentive bonus plans during the year was based on the closing share price of a Shoprite Holdings Ltd ordinary share as quoted on the JSE on the date of the grant and determined at R304.19 per share. The following assumptions were used in calculating the fair value:

	2025
Total number of full share grants awarded	352 414
Grant date	1 November 2024
Vesting date	30 September 2027
Share price on grant date	R304.19
Exercise price	R0.00
Forfeiture rate	8.0%

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

18 Share-based compensation plans continued

18.1 Equity-settled share-based payments continued

18.1.6 Share awards held by Executive Directors

Award granted	Grant date	Award grant price	Vesting date	2025 Number of shares At the beginning of the year	Granted during the year	Vested during the year	Conditional forfeitures	At the end of the year
PC Engelbrecht								
ESP performance shares	10/09/2021	R0.00	10/09/2024	80 894	—	(80 166)	(728)	—
ESP co-investment shares	10/09/2021	R0.00	10/09/2024	16 179	—	(16 179)	—	—
ESP retention shares	10/09/2021	R0.00	10/09/2024	10 786	—	(10 786)	—	—
ESP performance shares	23/09/2022	R0.00	23/09/2025	92 862	—	—	—	92 862
ESP co-investment shares	23/09/2022	R0.00	23/09/2025	16 387	—	—	—	16 387
ESP performance shares	15/09/2023	R0.00	15/09/2026	62 251	—	—	—	62 251
ESP performance shares	16/09/2024	R0.00	16/09/2027	—	56 147	—	—	56 147
EDI	16/09/2024	R0.00	16/09/2026	—	49 238	—	—	49 238
Total				**279 359**	**105 385**	**(107 131)**	**(728)**	**276 885**
A de Bruyn								
Virtual option bonus shares	30/10/2019	R0.00	30/09/2024	4 666	—	(4 666)	—	—
ESP performance shares	10/09/2021	R0.00	10/09/2024	27 476	—	(27 229)	(247)	—
ESP co-investment shares	10/09/2021	R0.00	10/09/2024	5 888	—	(5 888)	—	—
ESP retention shares	10/09/2021	R0.00	10/09/2024	5 888	—	(5 888)	—	—
ESP performance shares	23/09/2022	R0.00	23/09/2025	35 155	—	—	—	35 155
ESP co-investment shares	23/09/2022	R0.00	23/09/2025	6 204	—	—	—	6 204
ESP performance shares	15/09/2023	R0.00	15/09/2026	25 669	—	—	—	25 669
ESP performance shares	16/09/2024	R0.00	16/09/2027	—	23 370	—	—	23 370
EDI	16/09/2024	R0.00	16/09/2026	—	20 303	—	—	20 303
Total				**110 946**	**43 673**	**(43 671)**	**(247)**	**110 701**

Award granted	Grant date	Award grant price	Vesting date	2024 Number of shares At the beginning of the year	Granted during the year	Vested during the year	At the end of the year
PC Engelbrecht							
ESP performance shares	11/09/2020	R0.00	11/09/2023	94 757	—	(94 757)	—
ESP co-investment shares	11/09/2020	R0.00	11/09/2023	18 956	—	(18 956)	—
ESP retention shares	11/09/2020	R0.00	11/09/2023	12 635	—	(12 635)	—
ESP performance shares	10/09/2021	R0.00	10/09/2024	80 894	—	—	80 894
ESP co-investment shares	10/09/2021	R0.00	10/09/2024	16 179	—	—	16 179
ESP retention shares	10/09/2021	R0.00	10/09/2024	10 786	—	—	10 786
ESP performance shares	23/09/2022	R0.00	23/09/2025	92 862	—	—	92 862
ESP co-investment shares	23/09/2022	R0.00	23/09/2025	16 387	—	—	16 387
ESP performance shares	15/09/2023	R0.00	15/09/2026	—	62 251	—	62 251
Total				**343 456**	**62 251**	**(126 348)**	**279 359**
A de Bruyn							
Virtual option bonus shares	30/10/2018	R0.00	30/09/2023	2 291	—	(2 291)	—
Virtual option bonus shares	30/10/2019	R0.00	30/09/2023	4 662	—	(4 662)	—
Virtual option bonus shares	30/10/2019	R0.00	30/09/2024	4 666	—	—	4 666
ESP performance shares	11/09/2020	R0.00	11/09/2023	21 121	—	(21 121)	—
ESP co-investment shares	11/09/2020	R0.00	11/09/2023	4 526	—	(4 526)	—
ESP retention shares	11/09/2020	R0.00	11/09/2023	4 526	—	(4 526)	—
ESP performance shares	10/09/2021	R0.00	10/09/2024	27 476	—	—	27 476
ESP co-investment shares	10/09/2021	R0.00	10/09/2024	5 888	—	—	5 888
ESP retention shares	10/09/2021	R0.00	10/09/2024	5 888	—	—	5 888
ESP performance shares	23/09/2022	R0.00	23/09/2025	35 155	—	—	35 155
ESP co-investment shares	23/09/2022	R0.00	23/09/2025	6 204	—	—	6 204
ESP performance shares	15/09/2023	R0.00	15/09/2026	—	25 669	—	25 669
Total				**122 403**	**25 669**	**(37 126)**	**110 946**

18 Share-based compensation plans continued

18.2 Cash-settled share-based payments

Executive Super Stretch Incentive (ESSI) scheme

Through participation in the ESSI scheme, the Group awarded share appreciation rights (SAR units) to Directors and senior management on 17 October 2023 as a single reward for delivery of Group strategic drivers of growth.

SAR units awarded in terms of the ESSI scheme meet the definition of cash-settled share-based payments. The awards granted entitle the participants the right to receive cash settlement of the reward amount, equal to the appreciation in the share price of a Shoprite Holdings Ltd ordinary share on the first vesting date (19 October 2026) above the strike price of R235.63 on the date of the grant (17 October 2023), net of any applicable taxes and/or statutory deductions. The reward amount will be zero if the share price on the first vesting date is not greater than the strike price on the date of the grant.

Performance conditions, as determined by the Remuneration Committee, are attached to these awards. Vesting is dependent on the achievement of the performance criteria in June 2026, at the end of a three-year performance measurement period, and the employee meeting the service requirement of remaining employed by the Group throughout the vesting period. If the performance targets are achieved, the qualifying reward amount will be calculated on 19 October 2026 as a share appreciation right. One third of the reward amount will vest immediately and vesting of the remaining two thirds will be deferred in two equal annual tranches on 18 October 2027 and 17 October 2028.

The Group has recognised the liability in respect of the cash-settled share-based payments and included it in employee benefit and other provisions (refer to note 22). Refer to note 28.1 for the expense recognised in the statement of comprehensive income as employee benefits.

Reconciliation of movement in rights to cash-settled share-based payments granted by the Group:

	Strike price per SAR unit 2025	Strike price per SAR unit 2024	Number of SAR units on which rights are based 2025	Number of SAR units on which rights are based 2024
Balance at the beginning of the year	R235.63	—	2 600 000	—
SAR units awarded on 17 October 2023	—	R235.63	—	2 600 000
Forfeited during the year	—	—	(60 000)	—
Balance at the end of the year	**R235.63**	**R235.63**	**2 540 000**	**2 600 000**
Rights to cash-settled share-based payments outstanding at year-end are conditional on the following dates:				
19 October 2026	R235.63	R235.63	846 666	866 666
18 October 2027	R235.63	R235.63	846 667	866 667
17 October 2028	R235.63	R235.63	846 667	866 667
	R235.63	**R235.63**	**2 540 000**	**2 600 000**

18.2.1 Cash-settled share-based payments awarded to Directors

Expiry date	Exercise date	Strike price per SAR unit	Number of SAR units on which rights are based 2025	Number of SAR units on which rights are based 2024
PC Engelbrecht				
19 October 2026	19 October 2026	235.63	213 333	213 333
18 October 2027	18 October 2027	235.63	213 333	213 333
17 October 2028	17 October 2028	235.63	213 334	213 334
			640 000	**640 000**
A de Bruyn				
19 October 2026	19 October 2026	235.63	83 333	83 333
18 October 2027	18 October 2027	235.63	83 333	83 333
17 October 2028	17 October 2028	235.63	83 334	83 334
			250 000	**250 000**

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

		2025 Rm	2024 Rm
19	**Reserves**		
	Retained earnings	34 779	31 172
	Other reserves (note 19.1)	(8 345)	(8 281)
		26 434	**22 891**
19.1	**Other reserves**		
	Share-based payments reserve (note 19.1.1)	514	441
	Foreign currency translation reserve (note 19.1.2)	(8 895)	(8 749)
	Fair value reserve (note 19.1.3)	36	27
		(8 345)	**(8 281)**
19.1.1	**Share-based payments reserve**		
	Reconciliation of carrying amount:		
	Carrying amount at the beginning of the year	441	456
	Share-based payments – value of employee services	268	218
	Modification of cash bonus arrangement transferred from employee benefit provisions	58	17
	Realisation of share-based payment reserve	(253)	(250)
	Carrying amount at the end of the year	**514**	**441**
19.1.2	**Foreign currency translation reserve**		
	Reconciliation of carrying amount:		
	Carrying amount at the beginning of the year	(8 749)	(7 854)
	Foreign currency translation differences including hyperinflation effect, net of income tax	(290)	(615)
	Group	(294)	(544)
	Income tax effect of foreign currency translation differences including hyperinflation effect	4	(38)
	Release of foreign currency translation reserve on deemed disposal of associates	—	(33)
	Gain/(loss) on effective net investment hedge, net of income tax	144	(280)
	Gain/(loss) on effective net investment hedge	164	(396)
	Income tax effect of effective net investment hedge	(20)	116
	Carrying amount at the end of the year	**(8 895)**	**(8 749)**
19.1.3	**Fair value reserve**		
	Reconciliation of carrying amount:		
	Carrying value at the beginning of the year	27	—
	Fair value adjustments	9	27
	Carrying value at the end of the year	**36**	**27**
20	**Lease liabilities**		
	Reconciliation of carrying amounts:		
	Balance at the beginning of the year	40 477	35 582
	New leases	6 847	4 117
	Remeasurements	5 481	4 413
	Acquisition of Pingo Delivery (Pty) Ltd (note 38.5.2)	6	—
	Lease terminations	(383)	(295)
	Transfer to other financial payables	—	—
	Lease payments	(7 853)	(6 839)
	Principal lease liability payments	(3 709)	(3 386)
	Interest paid	(4 144)	(3 453)
	Interest accruals	4 261	3 602
	Exchange rate differences	(164)	396
	Transfer to liabilities directly associated with assets classified as held for sale (note 25)	(1 789)	—
	Foreign currency translation differences	137	(499)
	Balance at the end of the year	**47 020**	**40 477**
	Analysis of total lease liabilities:		
	Non-current	43 116	36 702
	Current	3 904	3 775
		47 020	**40 477**

20 Lease liabilities continued

The Group's leasing activities and how they are accounted for are disclosed in note 1.12.1.

Material concentrations of currency risk within the Group's lease liabilities are presented in note 43.4.2(a). Refer to note 43.4.3 for a maturity analysis of contractual undiscounted future lease payments, including renewal options reasonably assured.

	2025 Rm	2024 Rm
The Group is exposed to the following potential future undiscounted cash outflows which are not included in the measurement of lease liabilities:		
Extension and termination options not reasonably assured	174 033	147 089
Leases not yet commenced to which the Group is committed	9 702	16 516

Right-of-use assets recognised in the statement of financial position in relation to the Group's lease liabilities are disclosed in note 6.

	2025 Rm	2024 Rm
The statement of comprehensive income includes the following amounts relating to leases:		
Depreciation charge of right-of-use assets (note 27)	4 723	4 032
Depreciation charge of right-of-use assets classified as discontinued operations	234	355
Impairment of right-of-use assets (included in items of a capital nature, note 31)	112	11
Impairment of right-of-use assets classified as discontinued operations	91	47
Interest expense (included in finance costs, note 33)	4 171	3 455
Interest expense (included in finance costs from discontinued operations)	162	147
Expense relating to short-term leases (included in other operating expenses, note 30)	318	258
Expense relating to short-term leases from discontinued operations	79	51
Expense relating to leases of low-value assets that are not shown above as short-term leases (included in other operating expenses, note 30)	6	4
Expense relating to variable lease payments not included in lease liabilities (included in other operating expenses, note 30)	616	541
Expense relating to variable lease payments not included in lease liabilities from discontinued operations	37	39

Total cash outflows for leases amounted to R9 billion (2024: R7.7 billion) for total operations during the reporting period.

Sale and leaseback transactions:

Sale and leaseback transactions relating to the Group's property, plant and equipment may become more prevalent as and when the opportunity arises. The Group secured long-term financing during the reporting period by entering into a sale and leaseback transaction on three of its malls, Drakenstein Mall and Sandown Mall to FPG Holdings (Pty) Ltd and Brookside Mall to Shanbar Property Development CC. In the previous financial year, the Group entered into a sale and leaseback transaction with Heriot REIT Ltd on Sun Valley Mall and Brickhill Road Mall.

	2025 Rm	2024 Rm
The impact of the Group's sale and leaseback transactions as well as its key terms and conditions are disclosed below:		
Cash proceeds received	772	338
Carrying amount at disposal date	(719)	(231)
Right-of-use assets recognised	264	100
Lease liabilities recognised	(284)	(158)
Profit on sale and leaseback transactions	**33**	**49**
Interest rate implicit to the leases	8.8%	9.6% – 10.4%
Average lease term (years)	3 to 15	5 to 12

The age and the minimum estimated useful life of the malls were used to determine a fair lease period and rental based on market values.

Payments not included in the measurement of the lease liabilities relating to the malls include any operational costs, security and insurance costs, administration and maintenance costs, rates and taxes and any other municipal costs for water, electricity, sewerage and refuse. Only the rental portion, directly related to the market value of the properties, is included in the measurement of the lease liabilities. Normal maintenance charges are also not included to ensure that only the rental portion, directly related to the cost price, is included in the measurement of the lease liabilities.

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Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

		2025 Rm	2024 Rm
21	**Borrowings**		
	Consisting of:		
	ABSA Bank Ltd (note 21.2)	2 165	2 151
	FirstRand Bank Ltd (note 21.3)	1 502	1 502
	Standard Bank South Africa Ltd (note 21.4)	2 043	2 004
	Stanbic Bank Botswana Ltd (note 21.5)	114	290
	Investec Bank Ltd (note 21.6)	1 022	—
	Standard Bank Angola Ltd (note 21.7)	117	—
	Other	30	46
		6 993	**5 993**
	Analysis of total borrowings:		
	Non-current	6 504	5 788
	Current	489	205
		6 993	**5 993**
21.1	**Reconciliation of movement in liabilities arising from financing activities:**		
	Carrying amount at the beginning of the year	5 993	6 368
	Borrowings raised	2 049	1 316
	Repayment of borrowings	(1 083)	(1 714)
	Interest paid	(490)	(588)
	Accrued interest	547	577
	Acquisition of subsidiaries (note 38.5)	9	47
	Transfer to liabilities directly associated with assets classified as held for sale (note 25)	(21)	—
	Foreign currency translation differences	(11)	(13)
	Carrying amount at the end of the year	**6 993**	**5 993**

21.2 ABSA Bank Ltd

The South Africa rand denominated borrowings, amounting to R2.0 billion (2024: R2.0 billion) at the reporting date, were extended during the year and are linked to JIBAR. This loan is unsecured, payable after 30 months from the reporting date and bears interest at an average rate of 9.1% (2024: 9.6%) p.a.

The US dollar denominated borrowings amount to R121 million (2024: R104 million) at the reporting date and are linked to Secured Overnight Financing Rate. This loan is unsecured, payable after one to three months from the reporting date and bears interest at an average rate of 6.3% (2024: 7.3%) p.a.

21.3 FirstRand Bank Ltd

During the current year the loan was terminated and a new facility was acquired. The loan is denominated in South Africa rand and unsecured, payable after 54 months from the reporting date and bears interest at an average rate of 9.2% (2024: 9.5%) p.a linked to JIBAR.

21.4 Standard Bank South Africa Ltd

During the current year the loan was terminated and a new facility was acquired. This loan is denominated in South Africa rand and unsecured, payable after 18 months from the reporting date and bears interest at an average rate of 9.1% (2024: 9.6%) p.a linked to JIBAR.

21.5 Stanbic Bank Botswana Ltd

This loan is denominated in Botswana pula, unsecured, payable after eight months from the reporting date and bears interest at an average rate of 7.0% (2024: 7.7%) p.a linked to the Botswana prime rate.

21.6 Investec Bank Ltd

This loan was acquired during the current year, is denominated in South Africa rand and unsecured, payable after 33 months from the reporting date and bears interest at an average rate of 8.7% p.a linked to JIBAR.

21.7 Standard Bank Angola Ltd

This loan was acquired during the current year, is denominated in Angola kwanza and unsecured, payable after 12 months from the reporting date and bears interest at an average rate of 22.9% p.a linked to LUIBOR.

		2025 Rm	2024 Rm
22	**Employee benefit and other provisions**		
	Provision for post-employment medical benefits	15	14
	Provision for long-term employee benefits	453	436
	Provision for cash-settled share-based payments	62	31
	Reinstatement provision	210	203
		740	**684**

Reconciliation of carrying amounts:	Post-employment medical benefits Rm	Long-term employee benefits Rm	Cash-settled share-based payments Rm	Reinstatement provision Rm	Total Rm
Balance at 2 July 2023	16	410	—	198	624
Additional provisions	—	214	31	19	264
Additions against right-of-use assets	—	—	—	15	15
Unused amounts reversed	—	—	—	(6)	(6)
Re-measurements recognised directly in other comprehensive income	(2)	—	—	—	(2)
Utilised during the year	(2)	(171)	—	(27)	(200)
Accretion of discount	2	—	—	7	9
Modification of cash bonus arrangement transferred to share-based payments reserve	—	(17)	—	—	(17)
Foreign currency translation differences	—	—	—	(3)	(3)
Balance at 30 June 2024	**14**	**436**	**31**	**203**	**684**
Additional provisions	—	249	31	4	284
Additions against right-of-use assets	—	—	—	42	42
Unused amounts reversed	—	(1)	—	(7)	(8)
Re-measurements recognised directly in other comprehensive income	—	—	—	—	—
Utilised during the year	(1)	(161)	—	(7)	(169)
Accretion of discount	2	—	—	7	9
Modification of cash bonus arrangement transferred to share-based payments reserve	—	(58)	—	—	(58)
Transfer to liabilities directly associated with assets classified as held for sale (note 25)	—	(12)	—	(32)	(44)
Foreign currency translation differences	—	—	—	—	—
Balance at 29 June 2025	**15**	**453**	**62**	**210**	**740**
Analysis of total provisions:					
2024					
Non-current	13	290	31	148	482
Current	1	146	—	55	202
	14	**436**	**31**	**203**	**684**
2025					
Non-current	14	329	62	177	582
Current	1	124	—	33	158
	15	**453**	**62**	**210**	**740**
Discount rates used					
2024	12.5%	9.3%	9.2%	11.8%	
2025	10.8%	7.3%	9.2%	11.4%	

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

	2025 Rm	2024 Rm
23 Trade and other payables		
Trade payables	24 474	22 949
Other payables and accruals (note 23.1)	5 619	5 781
Deposits and third-party payments liability	527	640
Employee benefit accruals	2 625	2 552
Indirect taxes payable	826	547
Refund liability	89	75
	34 160	**32 544**
Analysis of trade and other payables:		
Non-current	76	86
Current	34 084	32 458
	34 160	**32 544**

23.1 Deferred shares

	2025 Rm	2024 Rm
Authorised:		
720 000 000 (2024: 720 000 000) non-convertible, non-participating, non-transferable no par value deferred shares		
Issued:		
305 621 601 (2024: 305 621 601) non-convertible, non-participating, non-transferable no par value deferred shares	–	–

The deferred share liability of R0.3 million (2024: R0.3 million) is included in other payables at the reporting date.

All shares are fully paid up.

In terms of the transaction agreement concluded between the Company, Thibault Square Financial Services (Pty) Ltd and Titan Premier Investments (Pty) Ltd on 18 April 2019, the voting rights attached to 40 652 489 deferred shares held by Thibault Square Financial Services (Pty) Ltd will remain restricted until the required shareholder approvals are obtained to acquire these deferred shares as required in terms of the relevant provisions in the Memorandum of Incorporation (MOI) of the Company. All other deferred shares carry the same voting rights as the ordinary shares.

The deferred shares are not convertible into shares of any other class, are not entitled to participate in any profits of the Company and no dividends may be declared or paid in respect of these shares. The holder of these shares is entitled to be present at any meeting of the Company and is entitled on a poll to one vote in respect of every share held.

The Company shall proportionally acquire deferred shares in relation to the extent to which the shareholder disposes of its interest in ordinary shares in the Company. The Company shall acquire all issued deferred shares, should the shareholder's interest in ordinary shares become less than 10%. These shares are not listed on any stock exchange.

Subject to certain limitations, the unissued deferred share capital is under the control of the Directors, who may issue it under predetermined circumstances at the nominal value as set out in the MOI of Shoprite Holdings Ltd.

	2025 Rm	2024 Rm
24 Contract liabilities		
Gift vouchers, saving stamps and lay-by sales	1 064	1 219
Reconciliation of contract liabilities:		
Balance at the beginning of the year	1 219	1 023
Prepayments received during the year	9 202	5 957
Revenue recognised upon redemption	(9 029)	(5 690)
Prepayments included in opening balance	(956)	(899)
Prepayments received during the year	(8 073)	(4 791)
Revenue recognised upon expiry date	(71)	(37)
Breakage amount recognised as revenue during the year	(32)	(25)
Transfer to liabilities directly associated with assets classified as held for sale (note 25)	(226)	–
Foreign currency translation differences	1	(9)
Balance at the end of the year	**1 064**	**1 219**
25 Liabilities directly associated with assets classified as held for sale		
Total liabilities of discontinued disposal groups held for sale (note 35)	2 260	–
Total liabilities of other disposal groups held for sale	42	–
	2 302	**–**

25.1 Reconciliation of carrying amount

	Lease liabilities Rm	Borrowings Rm	Employee benefit and other provisions Rm	Trade and other payables Rm	Contract liabilities Rm	Total Rm
Carrying amount at 30 June 2024	–	–	–	–	–	–
Transfer to liabilities directly associated with assets held for sale	1 789	21	44	263	226	2 343
Increase/(decrease) in liabilities directly associated with assets held for sale	(29)	–	1	(2)	(10)	(40)
Foreign currency translation differences including hyperinflation effect	–	–	–	(1)	–	(1)
Carrying amount at 29 June 2025	**1 760**	**21**	**45**	**260**	**216**	**2 302**

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

		2025 Rm	Restated* 2024 Rm
26	**Revenue**		
	Revenue from contracts with customers	255 625	235 276
	Sale of merchandise (note 26.1)	252 701	232 088
	Commissions received (note 26.2)	1 254	1 166
	Franchise fees received	192	183
	Marketing and media revenue	647	473
	Delivery recoveries[15]	132	667
	Other revenue from contracts with customers	699	699
	Operating lease income (note 26.3)	596	455
	Dividends received from unlisted share investments and insurance claims	243	284
	Interest revenue (note 26.4)	218	313
		256 682	**236 328**
	Consisting of:		
	Sale of merchandise[15]	252 701	232 088
	Alternative revenue[15]	3 763	3 927
	Interest revenue	218	313
		256 682	**236 328**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

15 Sale of merchandise for the year under review includes Sixty60 delivery recoveries and Xtra Savings Plus subscription income earned after the acquisition of Pingo Delivery (Pty) Ltd (refer to note 1 and note 38.5.2). Up until the acquisition of Pingo Delivery (Pty) Ltd, Sixty60 delivery recoveries were included in alternative revenue and amounted to R113 million.

26.1 Sale of merchandise has been disaggregated as follows:

	2025 Rm	Restated* 2024 Rm
Supermarkets RSA[16]	**213 497**	**195 041**
Total Shoprite and Usave	116 621	110 135
Shoprite and Usave supermarkets	104 914	99 634
Shoprite LiquorShop	11 707	10 501
Total Checkers and Checkers Hyper	95 712	84 069
Checkers and Checkers Hyper supermarkets	88 435	77 852
Checkers LiquorShop	7 277	6 217
Adjacent businesses	1 164	837

16 Sale of merchandise for Supermarkets RSA for the year under review includes sales through the Sixty60 platform which amounted to R18.9 billion (2024: R12.8 billion).

	2025 Rm	Restated* 2024 Rm
Supermarkets Non-RSA	**20 568**	**19 329**
Total Shoprite and Usave	18 613	17 694
Shoprite and Usave supermarkets	18 189	17 427
Shoprite LiquorShop	424	267
Total Checkers and Checkers Hyper	1 953	1 630
Checkers and Checkers Hyper supermarkets	1 851	1 542
Checkers LiquorShop	102	88
Adjacent businesses	2	5
Supermarkets RSA and Non-RSA	**234 065**	**214 370**
Other operating segments	18 636	17 718
Drop-shipment sales to franchisees	9 563	9 430
Other sales	9 073	8 288
Total operating segments	252 701	232 088
Consolidated sale of merchandise	**252 701**	**232 088**

		2025 Rm	Restated* 2024 Rm
26	**Revenue** continued		
26.2	**Commissions received**		
	Commission on Computicket ticket sales	176	172
	Commission on money transfers	290	258
	Commission on third-party account and insurance payments	196	177
	Commission on third-party products	271	287
	Other commissions received	321	272
		1 254	**1 166**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

		2025 Rm	Restated* 2024 Rm
26.3	**Operating lease income**		
	Rental income from properties	447	449
	Rental income from investment properties	88	6
	Rental income from vehicles	61	–
		596	**455**

The Group has entered into various operating lease agreements as the lessor of property and vehicles.

Leases on properties and investment properties are contracted for periods of between one and 11 years (2024: one and 11 years). Rental comprises mainly minimum monthly payments. Rental escalations vary, but average at a rate of 7.5% (2024: 6.4%) p.a for properties and 15% (2024: 18.7%) for investment properties.

Leases on vehicles are contracted for periods of between 15 and 36 months and rental comprises mainly of minimum monthly payments.

		2025 Rm	Restated* 2024 Rm
26.4	**Interest revenue**		
	Finance income earned from instalment sale receivables	66	52
	Interest received from government bonds and bills (note 12)	62	90
	Interest received from associates	–	76
	Interest received other	90	95
		218	**313**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

		2025 Rm	Restated* 2024 Rm
27	**Depreciation and amortisation**		
	Property, plant and equipment	3 617	3 052
	Investment properties	24	1
	Right-of-use assets	4 723	4 032
	Intangible assets	703	592
		9 067	7 677
	Disclosed as cost of sales	(1 055)	(832)
		8 012	**6 845**

Depreciation and amortisation for the period is impacted by a change in accounting estimate. This is due to an increase in the estimated useful life of property, plant and equipment and intangible assets. Refer to note 46 for details of the change in estimate.

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

	2025 Rm	Restated* 2024 Rm
28 Employee benefits		
Wages, salaries and other staff benefits	21 128	19 008
Share-based payment arrangements (note 28.1)	299	249
Post-employment medical benefits	2	2
Retirement benefit contributions (note 42)	883	771
	22 312	20 030
Disclosed as cost of sales	(2 044)	(1 741)
	20 268	**18 289**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

28.1 Share-based payment arrangements

	2025 Rm	2024 Rm
Equity-settled share-based payments (note 18.1)	268	218
Cash-settled share-based payments (note 18.2)	31	31
	299	**249**

28.2 Learnership allowances

The Group has, during the year under review, received certain learnership allowances.

Sector Educational Training Authorities (SETA) grants

In terms of the SETA grant in South Africa, the Group can recoup Skills Development Levies (SDLs) to the extent that training, as prescribed by SETA, is provided to its employees. The resulting reduction in SDLs is set out below. The net amount is taxed at 27%.

	2025 Rm	2024 Rm
Mandatory grants received	38	30
Discretionary grants received	26	12
	64	**42**

28.3 Employment tax incentive (ETI)

The Group has, during the year under review, received an ETI allowance.

Employment tax incentive rebates

In terms of the Employment Tax Incentive Act of 2013, the Group can recoup rebates for hiring young work seekers in South Africa. The ETI rebate allowance promulgation was extended and will apply up until 28 February 2029. The resulting reduction in employee benefit expenses amounted to R261 million (2024: R258 million).

29 Directors' remuneration

	2025 Rm	2024 Rm
Executive Directors	99	72
Non-executive Directors	15	13
	114	**85**

29 Directors' remuneration continued

The prescribed officers of the Group are listed below.

For details of cash and equity-settled share-based payment instruments issued to Directors refer to note 18.

R'000	Remuneration	Short-term performance bonus	Long-term incentive bonus[17]	Retirement and medical benefits	Other benefits	Total
2025						
Executive Directors and Alternates						
PC Engelbrecht	20 019	18 088	31 398	500	452	70 457
A de Bruyn	8 345	6 105	13 012	398	299	28 159
	28 364	**24 193**	**44 410**	**898**	**751**	**98 616**
2024						
Executive Directors and Alternates						
PC Engelbrecht	18 863	17 082	14 703	503	919	52 070
A de Bruyn	7 765	5 694	6 063	393	341	20 256
	26 628	**22 776**	**20 766**	**896**	**1 260**	**72 326**

	2025			2024		
R'000	Board fees paid	Committee fees paid	Total	Board fees paid	Committee fees paid	Total
Non-executive Directors[18]						
WE Lucas-Bull	4 007	—	4 007	3 775	—	3 775
P Cooper	583	628	1 211	549	592	1 141
L de Beer	583	748	1 331	549	616	1 165
GW Dempster	583	413	996	549	389	938
NN Gobodo	844	672	1 516	947	633	1 580
MLD Marole	583	146	729	549	138	687
SN Maseko	583	332	915	520	127	647
H Mathebula	583	255	838	520	115	635
PD Norman	583	307	890	549	289	838
CH Wiese[19]	583	628	1 211	549	591	1 140
EA Wilton	583	399	982	549	375	924
	10 098	**4 528**	**14 626**	**9 605**	**3 865**	**13 470**

17 Long-term incentive bonuses include the grant date fair value of shares granted in terms of the ESP without spreading the expense over the vesting period. Refer to note 18.1 for further details. Share appreciation rights with no intrinsic value were granted during the year. Refer to note 18.2.
18 Non-executive Directors' remuneration reflects approved fees accrued, excluding VAT to the extent that VAT is apportioned to the taxable supplies of the Company.
19 Paid to Titan Financial Services (Pty) Ltd.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

		2025 Rm	Restated* 2024 Rm
30	**Other operating expenses***		
	Advertising	4 122	3 889
	Cleaning	1 365	1 211
	Commission paid	1 664	1 422
	Delivery expenses	308	1 461
	Electricity and water	5 528	5 058
	Fees for professional services	783	728
	Motor vehicle expenses	1 738	1 717
	Lease expenses (note 20)	940	803
	Repairs and maintenance	2 433	2 639
	Security services	2 684	2 399
	Other expenses	3 924	3 260
		25 489	24 587
	Disclosed as cost of sales	(3 123)	(2 671)
		22 366	**21 916**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

		2025 Rm	Restated* 2024 Rm
31	**Items of a capital nature***		
	Profit on disposal of assets classified as held for sale (note 4)	45	9
	Profit on sale and leaseback transaction (note 20)	33	49
	Loss on disposal and scrapping of property, plant and equipment and intangible assets (note 3 and note 7)	(162)	(138)
	Reversal of impairment/(impairment) of property, plant and equipment (note 3)	22	(32)
	Impairment of investment properties (note 5)	(203)	(123)
	Impairment of right-of-use assets (note 6)	(112)	(11)
	Impairment of intangible assets (note 7)	(97)	(33)
	Impairment of investment in associate (note 9)	—	(14)
	Insurance claims receivable	39	40
	Loss on disposal of subsidiary	—	(27)
	Remeasurement of investment in joint venture to fair value on deemed disposal of Pingo Delivery (Pty) Ltd	341	—
	(Loss)/profit on other investing activities	(6)	1
		(100)	**(279)**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

		2025 Rm	Restated* 2024 Rm
32	**Operating profit**		
	Determined after taking into account the following:		
	Auditors' remuneration (note 32.1)	82	71
	Fair value losses on financial instruments	60	19

32.1 Auditors' remuneration

	Ernst & Young Inc.	Other	Total
2025			
Audit services	40	32	72
Audit-related assurance services	2	—	2
Tax advisory and compliance services	—	6	6
Other non-audit services	—	2	2
	42	**40**	**82**
2024			
Audit services	38	22	60
Audit-related assurance services	2	—	2
Tax advisory and compliance services	—	7	7
Other non-audit services	—	2	2
	40	**31**	**71**

		2025 Rm	Restated* 2024 Rm
33	**Finance costs***		
	Lease liabilities finance charges	4 171	3 455
	Borrowings and other finance charges	1 006	839
		5 177	4 294
	Borrowing costs capitalised	(62)	(141)
		5 115	**4 153**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

		2025 Rm	Restated* 2024 Rm
34	**Income tax expense***		
34.1	**Classification**		
	South African income tax	2 477	2 515
	Foreign income tax	316	290
		2 793	**2 805**
34.2	**Consisting of:**		
	Current income tax	2 871	3 130
	Prior year income tax	42	(20)
	Withholding income tax	70	93
		2 983	3 203
	Deferred income tax	(190)	(398)
		2 793	**2 805**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

	2025 %	Restated* 2024 %
34 Income tax expense* continued		
34.3 Reconciliation of the effective tax rate		
South African current income tax at 27%	27.0	27.0
Net adjustments	0.4	4.1
Dividend income	(0.6)	(0.9)
Exempt income[20]	(3.4)	(1.8)
Non-deductible expenses[21]	2.6	3.2
Income tax allowances	(0.2)	(0.1)
Deferred income tax asset previously not recognised	(0.5)	0.7
Prior year income tax	0.4	(0.2)
Effect of foreign income tax rates	0.7	(0.1)
Withholding income tax	0.7	1.0
Deferred income tax asset not recognised[22]	0.7	2.3
Effective tax rate	**27.4**	**31.1**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

20 The majority of exempt income relates to interest and real estate income, which is ring-fenced from corporate income tax in certain countries, as well as employment tax incentives, dividends received from cell captive arrangements, fair value adjustments (including fair value adjustments on the Group's cell captive arrangements) and hyperinflation adjustments not subject to corporate income tax.

21 Non-deductible expenses mainly comprise distributions by the employee share trust, unrealised foreign exchange on long-term loans, impairment of investments and loans, expenses incurred on exempt income, costs incurred relating to foreign management fee not invoiced, interest disallowed due to thin capitalisation tax rules, amortisation of refurbishments, corporate social investment donations, professional fees and bad debt written off.

22 Deferred income tax assets not recognised mainly relates to countries which have assessed losses, where it is not considered probable that taxable profit will be available in the future against which the unused tax losses can be utilised.

35 Discontinued operations

The Group's discontinued operations are detailed in this note.

Retail Supermarkets Nigeria Ltd

In December 2020 the sale agreement to dispose of the Group's Nigerian subsidiary, Retail Supermarkets Nigeria Ltd, was concluded with the conditions precedent met in May 2021. The statement of comprehensive income includes bad debts, professional fees and tax fines.

Furniture business

On 2 September 2024 the Group signed an agreement to dispose of the furniture business including the OK Furniture and House and Home brands, excluding the Angola and Mozambique operations to Pepkor Holdings Ltd. The agreement is pending the fulfilment of conditions precedent which includes South African Competition Commission approval. The purchase consideration will be determined at the closing date of the transaction.

Due to the Group's decision to dispose of the majority of the furniture business, a strategic decision was made to abandon the furniture Mozambique operations as the region was excluded from the scope of the sale transaction. Furniture stores in Mozambique ceased trading at the end of April 2025 and the business has therefore been classified as discontinued operations due to abandonment in terms of IFRS 5. Furthermore, the Group received an indicative binding offer in June 2025 to dispose of the Angola furniture business, the sale is deemed highly probable and has therefore been classified as discontinued operations in terms of IFRS 5. The purchase consideration will be determined at the closing date of the transaction.

Shoprite Trading Ltd

On 6 June 2025 the Group signed an agreement to dispose of the assets in relation to the operations in Malawi that consist of five trading stores. The agreement is pending the fulfilment of conditions precedent which includes Competition and Fair Trading commission and Reserve Bank Malawi approval. The full purchase consideration will be determined at the closing date of the transaction.

Shoprite Ghana Ltd

In June 2025 the Group received an binding offer to dispose of the assets and liabilities in relation to the operations in Ghana, which consists of seven trading stores and one warehouse. The sale is deemed highly probable and has therefore been classified as discontinued in terms of IFRS 5. The full purchase consideration will be determined at the closing date of the transaction.

Other discontinued operations

Shoprite Checkers Kenya Ltd, Shoprite Checkers Uganda Ltd, Shoprite RDC SARL and Shoprite Madagascar S.A. were classified as discontinued operations in prior financial years. The entities' results are not considered material to the Group's consolidated financial statements and are included in other discontinued operations.

35 Discontinued operations continued

35.1 Financial performance and cash flow information

	Retail Supermarkets Nigeria Ltd Rm	Furniture Rm	Shoprite Trading Ltd Rm	Shoprite Ghana Ltd Rm	Other Rm	Total Rm
2025						
(Loss)/profit from discontinued operations						
Sale of merchandise	—	7 531	795	1 243	—	9 569
Gross profit	—	1 794	133	330	—	2 257
Alternative revenue	—	375	9	4	—	388
Interest revenue	—	309	—	1	—	310
Insurance revenue	—	309	—	—	—	309
Insurance service expense	—	(195)	—	—	—	(195)
Depreciation and amortisation	—	(172)	(3)	(89)	—	(264)
Employee benefits	—	(928)	(30)	(63)	(1)	(1 022)
Credit impairment gains	—	9	—	—	—	9
Other operating expenses	(21)	(919)	(80)	(181)	(10)	(1 211)
Net monetary gain	—	—	—	2	—	2
Trading (loss)/profit	(21)	582	29	4	(11)	583
Exchange rate (losses)/gains	(2)	—	1	(1)	—	(2)
Profit on lease modifications and terminations	—	6	—	—	—	6
Items of a capital nature	—	(52)	(32)	(66)	—	(150)
Operating (loss)/profit	(23)	536	(2)	(63)	(11)	437
Interest received from bank account balances	—	6	4	1	—	11
Finance costs	—	(151)	—	(17)	—	(168)
(Loss)/profit before income tax	(23)	391	2	(79)	(11)	280
Income tax expense	(2)	(63)	7	(31)	—	(89)
(Loss)/profit after income tax	**(25)**	**328**	**9**	**(110)**	**(11)**	**191**
Other comprehensive (loss)/income from discontinued operations						
Foreign currency translation differences from discontinued operations	—	(16)	(7)	33	—	10
Gain on effective net investment hedge, net of income tax from discontinued operations	—	—	—	101	—	101
Cumulative foreign currency translation losses recognised in other comprehensive income	—	(138)	(190)	121	(111)	(318)
Net cash inflows/(outflows) attributable to discontinued operations						
Operating activities	(25)	(46)	49	(75)	(7)	(104)
Investing activities	—	(29)	(3)	(6)	—	(38)
Financing activities	—	(327)	—	(94)	—	(421)
Net increase/(decrease) in cash generated by discontinued operations	**(25)**	**(402)**	**46**	**(175)**	**(7)**	**(563)**

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

35 Discontinued operations continued
35.1 Financial performance and cash flow information continued

	Retail Super-markets Nigeria Ltd Rm	Furniture Rm	Shoprite Trading Ltd Rm	Shoprite Ghana Ltd Rm	Other Rm	Total Rm
Restated* 2024						
(Loss)/profit from discontinued operations						
Sale of merchandise	—	7 229	635	766	—	8 630
Gross profit	—	1 789	171	251	—	2 211
Alternative revenue	—	372	6	2	1	381
Interest revenue	2	446	—	—	2	450
Insurance revenue	—	298	—	—	—	298
Insurance service expense	—	(178)	—	—	—	(178)
Depreciation and amortisation	—	(340)	(6)	(73)	—	(419)
Employee benefits	—	(897)	(21)	(35)	—	(953)
Credit impairment losses	—	(202)	—	—	—	(202)
Other operating expenses	(130)	(949)	(76)	(112)	—	(1 267)
Net monetary gain	—	—	—	135	—	135
Trading (loss)/profit	(128)	339	74	168	3	456
Exchange rate (losses)/gains	(203)	(3)	(41)	3	—	(244)
Profit on lease modifications and terminations	—	5	—	—	—	5
Items of a capital nature	—	1	—	(52)	—	(51)
Operating (loss)/profit	(331)	342	33	119	3	166
Interest received from bank account balances	6	6	5	1	—	18
Net finance costs	—	(139)	(1)	(13)	—	(153)
(Loss)/profit before income tax	(325)	209	37	107	3	31
Income tax expense	—	8	(16)	(23)	—	(31)
(Loss)/profit after income tax	**(325)**	**217**	**21**	**84**	**3**	**—**
Other comprehensive (loss)/income from discontinued operations						
Foreign currency translation differences from discontinued operations	—	—	(66)	106	—	41
Gain/(loss) on effective net investment hedge, net of income tax from discontinued operations	—	(1)	—	(53)	1	(53)
Cumulative foreign currency translation losses recognised in other comprehensive income	—	(121)	(183)	74	(111)	(341)
Net cash inflows/(outflows) attributable to discontinued operations						
Operating activities	—	867	44	181	6	1 098
Investing activities	21	(102)	(2)	(5)	18	(70)
Financing activities	—	(279)	—	(68)	—	(347)
Net increase/(decrease) in cash generated by discontinued operations	**21**	**486**	**42**	**108**	**24**	**681**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

35 Discontinued operations continued
35.2 Details of the disposal of discontinued operations

	Retail Super-markets Nigeria Ltd Rm	Furniture Rm	Shoprite Trading Ltd Rm	Shoprite Ghana Ltd Rm	Other Rm	Total Rm
2025						
Cash received from outstanding debtor from sale of discontinued operations	9	—	—	—	—	9
2024						
Cash received from outstanding debtor from sale of discontinued operations	21	—	—	—	18	39

35.3 Assets and liabilities of disposal group classified as held for sale

The following assets and liabilities were reclassified as held for sale in relation to the discontinued operation:

	Retail Super-markets Nigeria Ltd Rm	Furniture Rm	Shoprite Trading Ltd Rm	Shoprite Ghana Ltd Rm	Other Rm	Total Rm
2025						
Property, plant and equipment	—	283	—	49	—	332
Right-of-use assets	—	1 370	—	193	—	1 563
Investment in insurance cell captive arrangements	—	171	—	—	—	171
Inventories	—	1 473	70	165	—	1 708
Trade and other receivables	—	1 242	—	—	—	1 242
Total assets of disposal group classified as held for sale	**—**	**4 539**	**70**	**407**	**—**	**5 016**
Lease liabilities	—	(1 547)	—	(213)	—	(1 760)
Trade and other payables	—	(158)	—	(81)	—	(239)
Contract liabilities	—	(205)	—	(11)	—	(216)
Employee benefit and other provisions	—	(45)	—	—	—	(45)
Total liabilities of disposal group directly associated with assets classified as held for sale	**—**	**(1 955)**	**—**	**(305)**	**—**	**(2 260)**

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

36 Earnings/(loss) per share

	Gross Rm	Income tax effect Rm	Net Rm
2025			
Net profit attributable to owners of the parent			7 585
Profit from discontinued operations			(184)
Earnings from continuing operations			7 401
Profit on disposal of assets classified as held for sale (note 4)	(45)	–	(45)
Profit on sale and leaseback transaction (note 20)	(33)	7	(26)
Loss on disposal and scrapping of property, plant and equipment and intangible assets (note 3 and note 7)	162	(32)	130
Reversal of impairment of property, plant and equipment (note 3)	(22)	(6)	(28)
Impairment of investment properties (note 5)	203	–	203
Impairment of right-of-use assets (note 6)	112	(35)	77
Impairment of intangible assets (note 7)	97	(13)	84
Insurance claims receivable	(39)	9	(30)
Remeasurement of investment in joint venture to fair value on deemed disposal of Pingo Delivery (Pty) Ltd	(341)	–	(341)
Loss on other investing activities	6	–	6
Re-measurements attributable to non-controlling interest	(3)	–	(3)
Headline earnings from continuing operations	**97**	**(70)**	**7 428**
Profit from discontinued operations			184
Items of a capital nature from discontinued operations	150	(12)	138
Headline earnings	**247**	**(82)**	**7 750**
Restated 2024*			
Net profit attributable to owners of the parent			6 248
Loss from discontinued operations			5
Earnings from continuing operations			6 253
Profit on disposal of assets classified as held for sale (note 4)	(9)	–	(9)
Profit on sale and leaseback transaction (note 20)	(49)	17	(32)
Loss on disposal and scrapping of property, plant and equipment and intangible assets (note 3 and note 7)	138	(37)	101
Impairment of property, plant and equipment (note 3)	32	(4)	28
Impairment of investment properties (note 5)	123	–	123
Impairment of right-of-use assets (note 6)	11	(11)	–
Impairment of intangible assets (note 7)	33	(3)	30
Impairment of investment in associate	14	–	14
Insurance claims receivable	(40)	12	(28)
Loss on disposal of subsidiary	27	–	27
Profit on other investing activities	(1)	–	(1)
Re-measurements attributable to non-controlling interest	(58)	–	(58)
Headline earnings from continuing operations	**221**	**(26)**	**6 448**
Loss from discontinued operations			(5)
Items of a capital nature from discontinued operations	51	(12)	39
Headline earnings	**272**	**(38)**	**6 482**

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

36 Earnings/(loss) per share continued

Number of ordinary shares (net of treasury shares)	2025 '000	2024 '000
– In issue	540 523	543 849
– Weighted average	541 440	543 866
– Weighted average adjusted for dilution	543 396	546 172
Reconciliation of weighted average number of ordinary shares in issue during the year:		
Weighted average number of ordinary shares	541 440	543 866
Adjustments for dilutive potential of full share grants	1 956	2 306
Weighted average number of ordinary shares for diluted earnings per share	**543 396**	**546 172**

	2025			2024*		
Earnings/(loss) per share (cents)	Continuing operations	Discontinued operations	Total	Continuing operations	Discontinued operations	Total
– Basic earnings	1 367.2	34.0	1 401.2	1 149.5	(0.9)	1 148.6
– Diluted earnings	1 362.3	33.9	1 396.2	1 144.7	(1.0)	1 143.7
– Headline earnings	1 372.1	59.5	1 431.6	1 185.3	6.1	1 191.4
– Diluted headline earnings	1 367.2	59.3	1 426.5	1 180.2	6.1	1 186.3

* Restated for the classification of the Group's newly classified discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations. Refer to note 45 for details of the adjustments recognised for each individual line item.

37 Dividends per share

	2025 cents	2024 cents
37.1 Dividends per share paid		
No. 151 paid 30 September 2024 (2024: No. 149 paid 2 October 2023)	445.0	415.0
No. 152 paid 31 March 2025 (2024: No. 150 paid 2 April 2024)	285.0	267.0
	730.0	**682.0**
37.2 Dividends per share declared		
No. 153 payable 29 September 2025 (2024: No. 151 payable 30 September 2024)	496.0	445.0

The final dividend payable on 29 September 2025 (2024: 30 September 2024) will amount to R2.7 billion (2024: R2.4 billion) (excluding treasury shares).

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

38 Cash flow information

38.1 Non-cash items

	2025 Rm	2024 Rm
Depreciation of property, plant and equipment and investment properties	3 693	3 139
Depreciation of right-of-use assets	4 957	4 387
Amortisation of intangible assets	705	594
Share of profit of equity accounted investments	(250)	(268)
Credit impairment losses on loans receivable and government bonds and bills	21	150
Net fair value losses on financial instruments	60	32
Remeasurement of investment in joint venture to fair value on deemed disposal of Pingo Delivery (Pty) Ltd	(341)	–
Movement in third-party cell captive contracts	(114)	(120)
Net monetary gain	(48)	(135)
Exchange rate losses	5	217
Profit on lease modifications and terminations	(101)	(101)
Profit on disposal of assets classified as held for sale	(45)	(9)
Profit on sale and leaseback transaction	(33)	(49)
Loss on disposal and scrapping of property, plant and equipment and intangible assets	153	143
Impairment of property, plant and equipment (including classified as held for sale)	32	36
Impairment of investment properties	203	123
Impairment of right-of-use assets (including classified as held for sale)	203	58
Impairment of intangible assets	97	33
Impairment of investment in associate	–	14
Loss on disposal of associate	7	–
Loss on disposal of subsidiary	–	27
Movement in employee benefit and other provisions	117	67
Movement in share-based payment reserve	268	218
Movement in fixed escalation operating lease accruals	–	1
	9 589	**8 557**

38.2 Changes in working capital

	2025 Rm	2024 Rm
Inventories	(2 957)	(3 637)
Trade and other receivables	(579)	(1 046)
Short-term supplier financing arrangements	(365)	9
Trade and other payables	1 529	7 721
Contract liabilities	60	205
	(2 312)	**3 252**

38.3 Dividends paid

	2025 Rm	2024 Rm
Shareholders for dividends at the beginning of the year	(11)	(16)
Dividends distributed to equity holders	(3 977)	(3 728)
Dividends distributed to non-controlling interest	(9)	(10)
Shareholders for dividends at the end of the year	12	11
	(3 985)	**(3 743)**

38.4 Income tax paid

	2025 Rm	2024 Rm
Payable at the beginning of the year	(48)	(345)
Per statement of comprehensive income	(2 983)	(3 203)
Income tax expense from discontinued operations	(54)	(40)
Transfer to assets classified as held for sale (note 4)	(1)	–
Deposit reclassified to trade and other receivables	(204)	–
Foreign currency translation differences including hyperinflation effect	(6)	12
Acquisition of subsidiaries	(6)	–
Disposal of investment in subsidiary	–	9
(Prepaid)/payable at the end of the year	(64)	48
	(3 366)	**(3 519)**

38 Cash flow information continued

38.5 Acquisition of subsidiaries

38.5.1 Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd

At the end of March 2024, the Group acquired an additional 60.9% of the share capital of its associates Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd, for a cash consideration of R1. The agreement was entered into with Resilient Properties (Pty) Ltd which involved the simultaneous settlement of the loan receivable by the Group of R959 million with the acquisition of subsidiaries. These wholly owned subsidiaries are incorporated in South Africa and are involved in the investment and letting of properties in Nigeria. As a result of this acquisition, the Group acquired five Nigeria companies which own three malls namely Delta, Owerri and Asaba Mall.

The assets and liabilities arising from this acquisition were as follows:

	2025 Rm	2024 Rm
Investment properties (note 5)	–	849
Cash and cash equivalents	–	25
Borrowings (note 21)	–	(47)
Previously held loans to subsidiary	–	(959)
Trade and other payables	–	(49)
Net identifiable liabilities acquired	–	(181)
Less: Non-controlling interest	–	158
Less: Previously held interest	–	23
Purchase consideration	–	–
Less: Bank balance acquired on acquisition	–	25
Net inflow of cash on acquisition of subsidiaries	**–**	**25**

38.5.2 Pingo Delivery (Pty) Ltd

On 25 October 2024 the Group acquired an additional 50% of the share capital of its equity accounted joint venture Pingo Delivery (Pty) Ltd (refer to note 9.2). This wholly owned subsidiary is incorporated in South Africa and is the Group's last-mile logistics provider. This business combination ensure that the Group improve and secure the on-demand capabilities of its Sixty60 grocery delivery offering.

The goodwill arising from this acquisition is mainly attributable to intangible assets that do not qualify for separate recognition. Goodwill is not income tax deductible.

The assets and liabilities arising from this acquisition were as follows:

	2025 Rm	2024 Rm
Property, plant and equipment (note 3)	58	–
Right-of-use assets (note 6)	5	–
Software (note 7)	23	–
Deferred income tax asset (note 14)	9	–
Trade and other receivables	58	–
Cash and cash equivalents	39	–
Lease liabilities (note 20)	(6)	–
Borrowings (note 21)	(9)	–
Trade and other payables	(85)	–
Current income tax	(6)	–
Net identifiable assets acquired	86	–
Less: Previously held interest	(549)	–
Carrying value of investment in joint venture	(208)	–
Fair value adjustment	(341)	–
Goodwill at acquisition	974	–
Purchase consideration	511	–
Less: Bank balance acquired on acquisition	(39)	–
Net outflow of cash on acquisition of subsidiaries	**472**	**–**

Pingo Delivery (Pty) Ltd contributed revenue of R903 million and a profit for the period of R121 million to the consolidated statement of comprehensive income for the year under review, since the acquisition date.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

38 Cash flow information continued

38.6 Cash outflow on disposal of investment in subsidiary

On 5 October 2023, the Group completed the sale of its investment in Thuthuka Nathi Ventures (Pty) Ltd, a subsidiary operating in the venture capital industry in South Africa. The Group received cash proceeds of R89 million as consideration for disposal of its 68.4% shareholding in the subsidiary and recognised a loss on disposal of R27 million within items of a capital nature. The net assets of Thuthuka Nathi Ventures (Pty) Ltd at the disposal date are presented in the following table.

	2025 Rm	2024 Rm
Current income tax liabilities	–	(9)
Cash and cash equivalents	–	140
Net identifiable assets disposed	–	131
Non-controlling interest	–	(15)
Proceeds on disposal	–	(89)
Loss on disposal of subsidiary	**–**	**27**
Net outflow of cash on disposal of investment in subsidiary comprise of the following:		
Cash proceeds on disposal	–	89
Cash and cash equivalents disposed	–	(140)
Cash outflow on disposal of investment in subsidiary	**–**	**(51)**

39 Contingent liabilities

	2025 Rm	2024 Rm
39.1 Amounts arising in the ordinary course of business relating to property transactions, uncertain tax positions and other transactions from which it is anticipated that no material liabilities will arise.	2 125	2 630

Contingent liabilities mainly comprise of tax assessments received, from certain tax authorities where the Group traded. This includes income tax, VAT, employee tax and other types of taxes. The tax-related contingent liabilities are calculated as the remaining balance after deducting the best estimates provided from the total tax assessments under dispute, for tax disputes where the Group thinks it is possible that further cash outflows may be required. The majority of tax-related contingent liabilities concern VAT assessments relating to entities outside of South Africa, for which the Group has submitted objections to the possible tax exposures. Management has assessed the merits of each of these cases in close collaboration with the Group's external advisors and remain confident that those assessments leading to probable additional payments have been adequately provided for. For tax disputes where assessments have been received, the Group generally considers the potential payment of these amounts still to be possible and as such discloses the remaining exposure, which has not been provided for, as contingent liabilities. The general assumptions and estimates used in the recognition of the Group's liabilities for uncertain tax positions are disclosed in note 1.1.1.2(d).

39.2 In 2011, AIC Ltd (the Claimant), a company registered in the Federal Republic of Nigeria issued a summons against Shoprite Checkers (Pty) Ltd and Retail Supermarkets Nigeria Ltd in the Federal High Court of Nigeria for breach of a joint venture agreement (the JV Agreement) allegedly concluded during 1998. In its judgement, on 30 November 2017, damages in the sum of US$10 million plus interest at a rate of 10% per annum effective from the date of judgement until final liquidation of the entire sum were awarded. An appeal against the judgement was heard by the Court of Appeal which, in its judgement dated 21 May 2020, allowed the appeal by Retail Supermarkets Nigeria Ltd but dismissed the appeal by Shoprite Checkers (Pty) Ltd. Based on legal advice, a Notice of Appeal has been filed against the judgement to the Supreme Court of Appeal.

The Group considers it to be probable that the judgement will be in its favour, based on legal advice, and has therefore not recognised a provision in relation to this claim.

40 Commitments

40.1 Capital commitments

	2025 Rm	2024 Rm
Contracted for property, plant and equipment	2 089	2 460
Contracted for intangible assets	18	70
Authorised by Directors, but not contracted for	5 440	5 559
Total capital commitments	**7 547**	**8 089**

Funds to meet this expenditure will be provided from the Group's own resources and borrowings.

40.2 Operating lease receivables

Future minimum lease payments receivable under non-cancellable operating leases:

	2025 Rm	2024 Rm
– Not later than one year	373	366
– Later than one year, not later than two years	278	257
– Later than two years, not later than three years	196	154
– Later than three years, not later than four years	133	80
– Later than four years, not later than five years	49	39
– Later than five years	79	34
	1 108	930
Less: fixed escalation operating lease accruals	(38)	(38)
	1 070	**892**

41 Borrowing powers

In terms of the Memorandum of Incorporation of the Company, the borrowing powers of Shoprite Holdings Ltd are unlimited.

42 Post-employment benefits

Group companies provide post-employment benefits in accordance with the local conditions and practices in the countries in which they operate.

The Group provides retirement benefits to 76.7% (2024: 77.7%) of employees and 6.3% (2024: 5.6%) of the employees belong to national retirement plans. The monthly contributions are charged to the statement of comprehensive income.

All company funds are defined contribution funds. All South African funds are subject to the Pension Fund Act of 1956.

	2025 Rm	2024 Rm
During the year under review contributions to retirement funding for total operations have been calculated as:	938	823

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure

The Board is accountable for the process of risk management, establishing appropriate risk and control policies, and communicating these throughout the Group. The Group's risk management policies are designed to identify risks faced by the Group and establish appropriate controls and limits to mitigate the risk to acceptable levels. The Audit and Risk Committee oversees how management monitors compliance with these risk and control policies.

This note discloses information about the Group's capital risk management and exposure to risks from its use of financial instruments. It also discloses information about the Group's exposure to insurance risk and how it is mitigated.

43.1 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Total capital is considered to be equity as shown in the statement of financial position.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The gearing ratio is calculated as interest-bearing borrowings and lease liabilities divided by equity and was 179.3% (2024: 167.6%) at the reporting date.

The Group is currently maintaining a 1.75 times (2024: 1.75 times) dividend cover based on diluted headline earnings per share from continuing operations.

43.2 Fair value of financial instruments

All financial instruments measured at fair value are classified using a three-tiered fair value hierarchy that reflects the significance of the inputs used in determining the measurement. The hierarchy is as follows:
Level 1: Measurements in whole or in part are done by reference to unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.
Level 2: Measurements are done by reference to inputs other than quoted prices that are included in level 1. These inputs are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. from derived prices).
Level 3: Measurements are done by reference to inputs that are not based on observable market data.

The Group's investments at fair value through other comprehensive income (note 10) and Centriq Insurance Company Ltd first-party cell captive insurance arrangements (note 11.2) are measured at fair value and classified at level 3. The fair value is based on the net asset value at the statement of financial position date. There were no transfers between levels 1 and 2 during the year.

All other financial instruments held by the Group are measured at amortised cost. The fair value of these financial instruments is calculated using cash flows discounted at a rate based on the market related borrowings rate as indicated.

The following tables reflect the carrying amounts and fair values of financial instruments, including their levels in the fair value hierarchy, at the reporting date. It does not include inputs used to determine the fair value of financial assets and financial liabilities not measured at fair value of financial instruments classified at level 3 where the carrying amount approximates fair value due to the short-term nature of these current receivables. Fair value disclosures are not presented for lease liabilities, as this is not a requirement in terms of IFRS 7: Financial Instruments: Disclosures.

43 Risk management and financial instrument disclosure continued

43.2 Fair value of financial instruments continued

		Carrying amount				Fair value			
Financial assets	**Notes**	**Financial assets at amortised cost Rm**	**Financial assets at fair value through profit or loss Rm**	**Financial assets at fair value through other comprehensive income Rm**	**Total Rm**	**Level 2 Rm**	**Level 3 Rm**	**Total Rm**	**Borrowing rate used**
2025									
Financial assets measured at fair value									
Investments at fair value through other comprehensive income	10	—	—	74	74	—	74	74	
First-party cell captive contracts	11.2	—	131	—	131	—	131	131	
		—	**131**	**74**	**205**	**—**	**205**	**205**	
Financial assets not measured at fair value									
Government bonds and bills		572	—	—	572	582	—	582	
AOA, USD Index Linked, Angola Government Bonds	12.1	539	—	—	539	548	—	548	7.0%
AOA, Angola Government Bonds	12.2	33	—	—	33	34	—	34	14.4%
Loans receivable		1 496	—	—	1 496	—	1 491	1 491	
Amounts receivable from franchisees	13.1	767	—	—	767	—	767	767	11.1%
Amounts receivable from Kin Oasis Investments Ltd	13.2	118	—	—	118	—	113	113	6.6%
Supplier loans receivable from working capital advances	13.3.1	470	—	—	470	—	470	470	10.4%
Other loan amounts receivable from suppliers	13.3.2	114	—	—	114	—	114	114	12.5%
Other		27	—	—	27	—	27	27	
Instalment sale receivables		36	—	—	36	—	39	39	13.0%
Instalment sale receivables included in disposal group held for sale		1 243	—	—	1 243	—	1 418	1 418	13.0%
Trade receivables from contracts with customers[23]		3 506	—	—	3 506	—	3 506	3 506	
Other receivables excluding prepayments and taxes receivable[23]		1 425	—	—	1 425	—	1 425	1 425	
Trade receivables and other receivables included in disposal group held for sale[23]		5	—	—	5	—	5	5	
Net investment in lease receivables[23]		271	—	—	271	—	271	271	
Restricted cash[23]		5	—	—	5	—	5	5	
Cash and cash equivalents[23]		9 946	—	—	9 946	—	9 946	9 946	
Total financial assets		**18 505**	**131**	**74**	**18 710**	**582**	**18 311**	**18 893**	

23 The maximum exposure to credit risk at the reporting date is the carrying amount which approximates fair value due to the short-term nature of these current receivables.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued

43.2 Fair value of financial instruments continued

Financial liabilities	Notes	Carrying amount: Financial liabilities at amortised cost Rm	Carrying amount: Total Rm	Fair value: Level 2 Rm	Fair value: Level 3 Rm	Fair value: Total Rm	Borrowing rate used
2025							
Financial liabilities not measured at fair value							
Borrowings		6 993	6 993	7 010	—	7 010	
ABSA Bank Ltd							
South Africa rand	21.2	2 044	2 044	2 044	—	2 044	8.2%
US dollar	21.2	121	121	121	—	121	6.3%
FirstRand Bank Ltd	21.3	1 502	1 502	1 499	—	1 499	8.4%
Standard Bank South Africa Ltd	21.4	2 043	2 043	2 044	—	2 044	8.2%
Stanbic Bank Botswana Ltd	21.5	114	114	110	—	110	13.5%
Investec Bank Ltd	21.6	1 022	1 022	1 022	—	1 022	8.2%
Standard Bank Angola Ltd	21.7	117	117	140	—	140	19.5%
Other		30	30	30	—	30	
Borrowings included in disposal group directly associated with assets classified as held for sale		21	21	21	—	21	
Trade payables[24]		24 228	24 228	—	24 228	24 228	
Trade payables included in disposal group directly associated with assets classified as held for sale[24]		260	260	—	260	260	
Other payables and accruals excluding taxes payable and employee benefit accruals[24]		5 518	5 518	—	5 518	5 518	
Deposits and third-party payments liability[24]		527	527	—	527	527	
Refund liability[24]		89	89	—	89	89	
Bank overdrafts and other short-term facilities[24]		1 863	1 863	—	1 863	1 863	
Total financial liabilities excluding lease liabilities		39 499	39 499	7 031	32 485	39 516	
Lease liabilities	20	47 020	47 020				
Lease liabilities included in disposal group directly associated with assets classified as held for sale	25	1 760	1 760				
Total financial liabilities		**88 279**	**88 279**				

24 The carrying amount approximates fair value due to the short-term nature of these current payables.

43 Risk management and financial instrument disclosure continued

43.2 Fair value of financial instruments continued

Financial assets	Notes	Carrying amount: Financial assets at amortised cost Rm	Carrying amount: Financial assets at fair value through profit or loss Rm	Carrying amount: Financial assets at fair value through other comprehensive income Rm	Carrying amount: Total Rm	Fair value: Level 2 Rm	Fair value: Level 3 Rm	Fair value: Total Rm	Borrowing rate used
2024									
Financial assets measured at fair value									
Investments at fair value through other comprehensive income	10	—	—	67	67	—	67	67	
First-party cell captive contracts	11.2	—	181	—	181	—	181	181	
		—	**181**	67	**248**	**—**	**248**	**248**	
Financial assets not measured at fair value									
Government bonds and bills		886	—	—	886	915	—	915	
AOA, USD Index Linked, Angola Government Bonds	12.1	515	—	—	515	525	—	525	4.5%
AOA, Angola Government Bonds	12.2	288	—	—	288	305	—	305	13.1%
Angola Treasury Bills	12.3	66	—	—	66	67	—	67	5.9%
Nigeria Treasury Bills	12.4	17	—	—	17	18	—	18	19.8%
Loans receivable		1 109	—	—	1 109	—	1 097	1 097	
Amounts receivable from franchisees	13.1	741	—	—	741	—	741	741	11.9%
Amounts receivable from Kin Oasis Investments Ltd	13.2	147	—	—	147	—	135	135	7.6%
Supplier loans receivable from working capital advances	13.3.1	105	—	—	105	—	105	105	12.0%
Other loan amounts receivable from suppliers	13.3.2	75	—	—	75	—	75	75	12.4%
Other		41	—	—	41	—	41	41	
Instalment sale receivables[25]		1 287	—	—	1 287	—	1 419	1 419	13.7%
Trade receivables from contracts with customers[25]		3 220	—	—	3 220	—	3 220	3 220	
Other receivables excluding prepayments and taxes receivable[25]		1 087	—	—	1 087	—	1 087	1 087	
Net investment in lease receivables[25]		302	—	—	302	—	302	302	
Restricted cash[25]		3	—	—	3	—	3	3	
Cash and cash equivalents[25]		11 732	—	—	11 732	—	11 732	11 732	
Total financial assets		**19 626**	**181**	67	**19 874**	**915**	**19 108**	**20 023**	

25 The maximum exposure to credit risk at the reporting date is the carrying amount which approximates fair value due to the short-term nature of these current receivables.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued

43.2 Fair value of financial instruments continued

Financial liabilities	Notes	Carrying amount: Financial liabilities at amortised cost Rm	Carrying amount: Total Rm	Fair value: Level 2 Rm	Fair value: Level 3 Rm	Fair value: Total Rm	Fair value: Borrowing rate used
2024							
Financial liabilities not measured at fair value							
Borrowings		5 993	5 993	5 957	–	5 957	
ABSA Bank Ltd							
South Africa rand	21.2	2 047	2 047	2 049	–	2 049	9.1%
US dollar	21.2	104	104	104	–	104	7.3%
FirstRand Bank Ltd	21.3	1 502	1 502	1 493	–	1 493	9.0%
Standard Bank Ltd	21.4	2 004	2 004	1 977	–	1 977	9.1%
Stanbic Bank Botswana Ltd	21.5	290	290	288	–	288	8.0%
Other		46	46	46	–	46	
Trade payables[26]		22 757	22 757	–	22 757	22 757	
Other payables and accruals excluding taxes payable and employee benefit accruals[26]		5 629	5 629	–	5 629	5 629	
Deposits and third-party payments liability[26]		640	640	–	640	640	
Refund liability[26]		75	75	–	75	75	
Bank overdrafts and other short-term facilities[26]		2 895	2 895	–	2 895	2 895	
Total financial liabilities excluding lease liabilities		37 989	37 989	5 957	31 996	37 953	
Lease liabilities	20	40 477	40 477				
Total financial liabilities		**78 466**	**78 466**				

26 The carrying amount approximates fair value due to the short-term nature of these current payables.

43 Risk management and financial instrument disclosure continued

43.3 Offsetting of financial assets and liabilities

The table below reflects those financial assets and liabilities subject to offsetting, enforceable master netting arrangements and similar agreements.

	Financial assets: Trade receivables Rm	Financial assets: Cash and cash equivalents Rm	Financial assets: Total assets Rm	Financial liabilities: Trade payables Rm	Financial liabilities: Bank overdrafts Rm	Financial liabilities: Total liabilities Rm
2025						
Gross amounts of recognised financial assets/(liabilities)	4 237	10 342	14 579	(24 959)	(2 259)	(27 218)
Gross amounts of recognised financial assets/(liabilities) offset in the statement of financial position	(731)	(396)	(1 127)	731	396	1 127
Net amounts of financial assets/(liabilities) presented in the statement of financial position	3 506	9 946	13 452	(24 228)	(1 863)	(26 091)
Related amounts not offset in the statement of financial position[27]						
Financial instruments	(80)	–	(80)	80	–	80
Net amounts	**3 426**	**9 946**	**13 372**	**(24 148)**	**(1 863)**	**(26 011)**
2024						
Gross amounts of recognised financial assets/(liabilities)	3 953	12 581	16 534	(23 490)	(3 744)	(27 234)
Gross amounts of recognised financial assets/(liabilities) offset in the statement of financial position	(733)	(849)	(1 582)	733	849	1 582
Net amounts of financial assets/(liabilities) presented in the statement of financial position	3 220	11 732	14 952	(22 757)	(2 895)	(25 652)
Related amounts not offset in the statement of financial position[27]						
Financial instruments	(105)	–	(105)	105	–	105
Net amounts	**3 115**	**11 732**	**14 847**	**(22 652)**	**(2 895)**	**(25 547)**

27 For the financial assets and liabilities subject to enforceable master netting arrangements or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when the counterparty fails to timeously comply with its obligations.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued

43.4 Financial risk management

The Group's activities expose it to a variety of financial risks, including the effects of changes in debt, foreign currency exchange rates and interest rates. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Group. The Group uses derivative financial instruments such as foreign exchange rate contracts and price swap contracts as economic hedges, to hedge certain exposures. Where all relevant criteria are met, hedge accounting is applied, using non-derivative financial instruments, to remove the accounting mismatch between the hedging instrument and the hedged item.

Financial risk management is carried out by a central treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange rate risk, interest rate risk, credit risk, use of derivative financial instruments and investing excess liquidity.

43.4.1 Credit risk

Credit risk is managed on a Group basis. Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Potential concentration of credit risk consists primarily of investment in insurance cell captive arrangements, government bonds and bills, loans receivable, trade and other receivables, restricted cash as well as cash and cash equivalents.

The following impairment losses, including reversals of impairment losses, in relation to financial assets are presented as credit impairment losses in the statement of comprehensive income:

	2025 Rm	2024 Rm
Instalment sale receivables from contracts with customers (note 15.2)	(9)	202
Trade receivables from contracts with customers (note 15.1)	34	30
Government bonds and bills (note 12)	(14)	(5)
Loans receivable (note 13)	35	155
Other receivables (note 15.3)	21	(1)
Net impairment losses on financial assets in relation to financial assets	**67**	**381**
Credit impairment losses/(reversal of impairment losses) classified as:		
Continuing operations	76	179
Discontinued operations	(9)	202
	67	**381**

The Group's financial assets measured at amortised cost are subject to impairment under the ECL model. The inputs, assumptions and estimation techniques used in measuring ECL are explained below.

Measurement of ECL in terms of the general model for impairment

ECL are measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk (SICR) has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the probability of default (PD) and exposure at default (EAD).

- The PD represents the likelihood of a counterparty defaulting on its financial obligation, either over 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- The EAD is based on the amounts the Group expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD).
- The Group calculates loss given default (LGD) as discounted EAD.

These three components are multiplied together. This effectively calculates the ECL which is then discounted back to the reporting date, using the original effective interest rate, and aggregated. ECL is a probability-weighted outcome.

The 12-month and lifetime EADs are determined based on the PD, which varies by type of financial asset.

43 Risk management and financial instrument disclosure continued

43.4 Financial risk management continued

43.4.1 Credit risk continued

SICR in terms of the general model for impairment

The Group considers financial assets subject to assessment for ECL in terms of the general model for impairment, to have experienced a SICR since the time of initial recognition, when one or more of the following quantitative, qualitative or backstop criteria have been met. The SICR assessment happens on a bi-annual basis per financial asset class, at a portfolio level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the credit risk team.

Quantitative criteria

Where the counterparty has not met its minimum contractual obligations for at least one month.

Qualitative criteria

The Group considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Internal and external credit ratings;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- Changes in general economic and/or market conditions;
- Changes in the amount of financial support available to the counterparty;
- Expected or potential breaches of covenants; and
- Expected delay in payment.

A backstop is applied if the borrower is more than 30 days past due on its contractual payments.

Measurement of ECL in terms of the simplified model

The Group has elected to apply the simplified model and measures the impairment allowance at an amount equal to lifetime ECL. This policy has been applied to all instalment sale and net investment in lease receivables. Lifetime ECL are assessed by determining cash flows on a probability-weighted basis and discounting these at the effective interest rate including initiation fees.

The probability-weighted cash flows are calculated using the following:

- Transition matrix and conditional probabilities; and
- Payment performance for each payment state.

Measurement of ECL in terms of the provision matrix

For short-term trade receivables, e.g. trade receivables without a significant financing component, the determination of forward-looking economic scenarios may be less significant given that over the credit risk exposure period a significant change in economic conditions may be unlikely, and historical loss rates might be an appropriate basis for the estimate of expected future losses. The Group has elected to apply the provision matrix for trade receivables without a significant financing component and measures the impairment allowance at an amount equal to lifetime ECL. Lifetime ECL are assessed by applying the relevant loss rates to the trade receivable balances outstanding (i.e. a trade receivable age analysis). Due to the diversity of the Group's customer base, the Group used appropriate groupings if the historical credit loss experience showed significantly different loss patterns for different customer segments.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
Definition of default and credit-impaired assets

The Group defines a financial instrument as in default when the counterparty fails to make contractual payments within 90 days of when they fall due. This is fully aligned with the definition of credit-impaired assets.

With regard to credit-impaired accounts, interest income is recognised by applying the effective interest rate to the amortised cost, i.e. gross carrying amount less impairment provision, resulting in lower interest revenue.

The criteria for credit-impaired accounts (i.e. when the account moves to stage 3 as a result of loss events that have occurred after initial recognition) are as follows:

Receivables arising from contracts with customers:
- *In duplum* (the National Credit Act section providing that all charges ceases to accrue once the sum of the charges equals the amount of capital outstanding at the time);
- Debt counselling accounts (as governed by the National Credit Act);
- Non-performing accounts; and
- As a backstop, accounts not included in the above categories, where no payment has been received over the last three consecutive months.

Government bonds and bills and loans receivable:
- Significant financial difficulty of the counterparty;
- Where a counterparty has not met their minimum contractual obligations; and
- The disappearance of an active market for that financial asset because of financial difficulties.

Other receivables:
Where a counterparty has not met their minimum contractual obligations for three consecutive months.

Curing

A credit-impaired account will cure when the customer does not meet the criteria for being a credit-impaired account. For a customer to cure, a significant improvement in the customer's payment behaviour is required. Curing occurs in the following instances:

Government bonds and bills:
When the outlook on the Angolan and Nigeria economy, according to major rating agencies, improves from negative to being stable or positive. This typically happens when the external credit rating improves from initial recognition or the previous reporting period from a rating below BBB- to a rating between AAA and BBB-.

Loans receivable:
Where no payment has been received in the last three consecutive months, it will cure once in receipt of a contractual repayment. If a loan receivable was determined to be credit-impaired, based on the significant difficulty of the counterparty, it will cure once there is clear evidence of financial stability from the counterparty.

Instalment sale receivables:
- Where no payment has been received in the last three consecutive months, it will cure once in receipt of a monthly instalment.
- Accounts in debt counselling will cure when the customer is no longer in debt counselling in terms of the requirements of the National Credit Act.
- Non-performing accounts will only cure when their lifetime payment rating improves to the extent that the customer has paid 55% or more of the amounts due over the contract period. Generally, this will require a significant improvement in the customer's payment behaviour.

Trade receivables:
- *In duplum* accounts will cure when they no longer meet the requirements of the National Credit Act for being defined as an *in duplum* account.
- Where no payment has been received in the last three consecutive months, it will cure once in receipt of a payment.

Other receivables:
Where no payment has been received in the last three consecutive months, it will cure once in receipt of a payment.

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. This is usually the case when the Group's in-house collection department and external collection companies which supplement the Group's collection activities are unable to recover outstanding balances. Where instalment sale receivables have been written off, the Group may continue to attempt to recover the outstanding amount due.

(a) Government bonds and bills (note 12)

The Group invests in Angola government bonds and treasury bills as well as Nigeria treasury bills. The investment in Angola government bonds and treasury bills form part of its hedging strategy against a future foreign exchange devaluation in Angola. The majority of the Angola government bonds are linked to the US dollar, which provides a natural hedge against US dollar short-term intergroup loans payable by the Group's subsidiaries in Angola, while the remaining government bonds and bills provide high returns.

None of the government bonds and bills are past due. The Group does not hold any collateral as security.

The table below reflects the maximum exposure to credit risk on government bonds and bills at the reporting date.

			2025				2024			
Internal credit rating category	Basis for recognition of ECL allowance	Financial instrument class	ECL rate	Gross amount Rm	ECL allowance Rm	Carrying amount Rm	ECL rate	Gross amount Rm	ECL allowance Rm	Carrying amount Rm
Under-performing (stage 2)	Lifetime ECL	AOA, USD Index Linked, Angola Government Bonds	2.2%	551	(12)	539	2.3%	527	(12)	515
		AOA, Angola Government Bonds	2.9%	34	(1)	33	5.0%	303	(15)	288
		Angola Treasury Bills	0.0%	–	–	–	1.5%	67	(1)	66
		Nigeria Treasury Bills	0.0%	–	–	–	5.6%	18	(1)	17
Total government bonds and bills				**585**	**(13)**	**572**		**915**	**(29)**	**886**

Internal credit rating categories are defined as follows with reference to external credit ratings published by Moody's for Angola and Nigeria:
- **Performing (stage 1):** Counterparty has a low risk of default and a strong capacity to meet contractual cash flows based on external credit ratings ranging between AAA and A+.
- **Underperforming (stage 2):** Investments for which there is a SICR. External credit ratings deteriorated from being internally classified as performing to between A and BBB-.
- **Non-performing (stage 3):** Interest and/or principal repayments are 90 days past due.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued

43.4 Financial risk management continued

43.4.1 Credit risk continued

(a) **Government bonds and bills** (note 12) continued

Reconciliation of loss allowance for government bonds and bills:

	2025 Under-performing (stage 2) Rm	2024 Under-performing (stage 2) Rm
Balance at the beginning of the year	29	36
New financial assets originated or purchased during the year	14	5
Unused amounts reversed	(28)	(10)
Foreign currency translation differences	(2)	(2)
Balance at the end of the year	**13**	**29**

Specific assumptions and judgements applied in the calculation of ECL of government bonds and bills in terms of the general model for impairment are detailed below.

The PD represents the likelihood of the Angola or Nigeria Government defaulting on its financial obligation, either over 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation. The underlying PD (including their term structure) used to construct the estimates of PD are sourced from Moody's publications of historical default ratings for sovereign debt and no adjustments are made to these historical PD.

It is assumed that Angola and Nigeria will have through-the-cycle (TTC) performance and therefore the Group made no macroeconomic adjustment to the ECL allowance for government bonds and bills. A flat LGD assumption of 40% was applied across all bonds and time periods. This is in line with historical statistics that are available from Moody's publications for comparable instruments. The PD curves are built on the credit ratings published by Moody's for Angola and Nigeria.

(b) **Loans receivable** (note 13)

The Group provides financing to trading partners, such as franchisees, suppliers and certain landlords. Collateral held by the Group as security for these loans receivable is disclosed below.

Kin Oasis Investments Ltd's holding company, Kinois Investments Ltd, provided a guarantee and indemnity for 100% of all present and future payment obligations and liabilities which is in turn secured by a pledge of 60% of the shareholding in Kin Oasis Investments Ltd to the Group (refer to note 13.2).

Suppliers of the Group can obtain funding in the form of secured or unsecured loans. Security for these loans include cession over future payments from the Group, mortgages, notarial bonds over stock or equipment and cession over future rental payments to landlords (refer to note 13.3).

Amounts receivable from franchisees relate to a wide-spread number of franchisees which are individually insignificant. The credit history of all franchisees are verified with an external credit bureau. Notarial and mortgage bonds and bank guarantees to the value of R928 million (2024: R575 million) are held as collateral for these amounts. Amounts are due within 30 days of statement date and the age analysis of these amounts are reviewed on a monthly basis.

43 Risk management and financial instrument disclosure continued

43.4 Financial risk management continued

43.4.1 Credit risk continued

(b) **Loans receivable** (note 13) continued

The table below reflects the maximum exposure to credit risk on loans receivable at the reporting date.

			2025				2024			
Internal credit rating category	Basis for recognition of ECL allowance	Financial instrument class	ECL rate	Gross amount Rm	ECL allowance Rm	Carrying amount Rm	ECL rate	Gross amount Rm	ECL allowance Rm	Carrying amount Rm
Performing (stage 1)	12-month ECL	Amounts receivable from franchisees	0.0%	376	–	376	3.2%	374	(12)	362
		Amounts receivable from Kin Oasis Investments Ltd	1.7%	120	(2)	118	2.0%	150	(3)	147
		Amounts receivable from supplier loans for working capital advances	0.0%	470	–	470	0.0%	105	–	105
		Amounts receivable from suppliers for other loans	4.2%	119	(5)	114	2.6%	76	(2)	74
		Other	0.0%	17	–	17	0.0%	36	–	36
Under-performing (stage 2)	Lifetime ECL	Amounts receivable from franchisees	1.3%	155	(2)	153	0.0%	164	–	164
		Other	0.0%	2	–	2	0.0%	5	–	5
Non-performing (stage 3)	Lifetime ECL	Amounts receivable from franchisees	35.7%	370	(132)	238	29.3%	304	(89)	215
		Amounts receivable from suppliers for other loans	100.0%	4	(4)	–	80.0%	5	(4)	1
		Other	0.0%	8	–	8	0.0%	–	–	–
Total loans receivable				**1 641**	**(145)**	**1 496**		**1 219**	**(110)**	**1 109**

Internal credit rating categories are defined as follows:

- **Performing (stage 1):** Counterparty has a low risk of default and a strong capacity to meet contractual cash flows.
- **Underperforming (stage 2):** Loans for which there is a SICR. A SICR is presumed if interest and/or principal repayments are 30 days past due.
- **Non-performing (stage 3):** Interest and/or principal repayments are 90 days past due.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued

(b) Loans receivable (note 13) continued

Reconciliation of loss allowance for loans receivable:

	2025				2024			
	Performing (stage 1) Rm	Under-performing (stage 2) Rm	Non-performing (stage 3) Rm	Total loans receivable Rm	Performing (stage 1) Rm	Under-performing (stage 2) Rm	Non-performing (stage 3) Rm	Total loans receivable Rm
Balance at the beginning of the year	17	—	93	110	42	413	32	487
New financial assets originated or purchased during the year	8	2	43	53	13	4	16	33
Individual financial assets transferred to underperforming (lifetime ECL)	—	—	—	—	(3)	(4)	15	8
Individual financial assets transferred to performing (12-month ECL)	—	—	—	—	(15)	3	4	(8)
Changes in risk parameters[28]	—	—	—	—	(19)	111	90	182
Amounts written off during the year as uncollectible	—	—	—	—	—	—	(13)	(13)
Unused amounts reversed	(18)	—	—	(18)	(1)	(8)	(51)	(60)
Acquisition of subsidiaries (note 38.5)[28]	—	—	—	—	—	(519)	—	(519)
Balance at the end of the year	**7**	**2**	**136**	**145**	**17**	**—**	**93**	**110**

28 The decrease in loss allowance is mainly due to the acquisition of subsidiaries which is offset by an increase in loss allowance due to an increase in the PD used to calculate the 12-month and lifetime ECL for the underperforming and non-performing loans receivable.

Specific assumptions and judgements applied in the calculation of ECL of loans receivable in terms of the general model for impairment are detailed below.

The PD represents the likelihood of the counterparty defaulting on its financial obligation, either over 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation. Default, Transition, and Recovery: 2024 Annual Global Corporate Default And Rating Transition Study (1981 – 2024) (%) as published on 27 March 2025 by Standard and Poor's for corporate exposures are used as input to these calculations. The rating is then adjusted to represent the appropriate risk appetite for a specific instrument.

The Group has performed historical analyses and identified certain macroeconomic variables correlating with credit losses. Macroeconomic variables used for financial assets at amortised cost include G7 real GDP growth, total unemployment rate (both formal and informal), prime overdraft rate, US$/ZAR exchange rate and inflation rate.

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued

(c) Trade and other receivables

Instalment sale receivables from contracts with customers (note 15.2)

Instalment sale receivables comprise a wide-spread client base and external credit checks are made to ensure that all instalment sale clients have an appropriate credit history.

The Group's instalment sale receivables are amounts due from customers for merchandise sold or services performed in the ordinary course of business. These receivables contain a significant financing component with terms of business varying from six to 36 months. The Group has developed advanced credit-granting systems to properly assess the creditworthiness of its customers.

Credit granting:

The credit underwriting process flows through the following stages:

(i) **Credit scoring:** This involves the gathering of appropriate information from the client, use of credit bureaus and third parties such as employers. These input variables are run through the various credit scorecards. In assessing applications for credit, strict affordability criteria are applied together with in-house developed scorecards based on credit bureau data. Industry-wide fraud detection tools are used to identify potentially fraudulent applications. The Group deals with its new customers and existing customers differently when credit scoring takes place.

Customer acquisition takes into account the risk level, repurchase propensity and profitability of new customers. Behaviour scorecards are used to determine credit extension to customers in good standing, to drive repurchase rates and repeat loans, and reduce average bad debt. These scorecards are regularly reviewed and upgraded to ensure the Group's credit policy remains in line with an acceptable level of risk for repeat business.

(ii) **Assessing client affordability:** This process involves collecting information regarding the customer's income levels, expenses and current debt obligations. The Group has its own priority expense model based on surveys conducted with customers in addition to the National Credit Regulator's expense table. The following factors are then taken into consideration to conclude on the affordability of each customer:

- Assessing existing financial means and prospects;
- Assessing existing financial obligations;
- Assessing debt repayment history; and
- Ignoring credit agreements that will be substituted.

The total cost of credit is disclosed to the consumer.

(iii) **Determining the credit limit for the customer:** The customer's risk score determined by the scorecard together with the expense assessment and outstanding obligations are used to calculate a credit limit within the customer's affordability level.

The credit granting systems enable the Group to determine its appetite for risk. In determining the acceptable level of risk, the potential loss is weighed up against the revenue potential using the predictive behavioural models inherent in the credit-granting system. The Group monitors any variances from the level of risk that has been adopted and adjusts the credit-granting process on a regular basis.

The Group manages its risk effectively by assessing the customer's ability to service the proposed monthly instalment.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(c) **Trade and other receivables** continued

Instalment sale receivables from contracts with customers (note 15.2) continued

Contractual arrears:

Contractual arrears are calculated by reference to the actual arrears in terms of the original signed agreement. The key aspect of the arrear calculation is the Group's policy not to reschedule arrears nor to amend the terms of the original contract.

From the onset of the agreement, contractual arrears are calculated by comparing payments made life to date with the originally calculated instalments due life to date, causing a customer who is paying less than the required contracted instalment to immediately fall into arrears. Once the customer exceeds the term of the agreement by paying less than the required contracted instalments, the full balance owing will be in arrears. The Group does not consider arrears the leading indicator, but rather payment ratings for the reasons mentioned above.

The tables below reflect the maximum exposure to credit risk on instalment sale receivables as well as the ECL allowance and contractual arrears per customer grouping at the reporting date. Customer groupings are determined as follows:
- **Satisfactory paid:** Customers who have paid 70% or more of amounts due over the contract period.
- **Slow payers:** Customers who have paid 55% to 69% of amounts due over the contract period.
- **Non-performing accounts:** Customers who have paid less than 55% of amounts due over the contract period.

Analysis of instalment sale receivables at 29 June 2025

						Number of instalments in arrears		
Customer grouping	**Total number of customers**	**Gross carrying amount Rm**	**ECL allowance Rm**	**ECL allowance %**	**Total arrears Rm**	**1 instalment Rm**	**2 instalments Rm**	**>2 instalments Rm**
Satisfactory paid	176 681 67.1%	1 114 57.6%	213 32.6%	19.1%	73	32	19	22
Slow payers	29 367 11.2%	254 13.1%	110 16.8%	43.3%	66	14	13	39
Non-performing accounts	57 104 21.7%	565 29.2%	331 50.6%	58.6%	198	12	13	173
Total instalment sale receivables	**263 152**	**1 933**	**654**	**33.8%**	**337**	**58**	**45**	**234**
Classified as								
Instalment sale receivables	18 880	120	84	70.0%	58	10	9	39
Assets classified as held for sale (note 4)	244 272	1 813	570	31.4%	279	48	36	195
	263 152	**1 933**	**654**	**33.8%**	**337**	**58**	**45**	**234**

Analysis of credit-impaired instalment sale receivables at 29 June 2025 included in the table above

		In duplum		Debt counselling		No payment in 3 consecutive months		
Credit-impaired categories	**Non-performing accounts Rm**	**Satisfactory paid Rm**	**Slow payers Rm**	**Satisfactory paid Rm**	**Slow payers Rm**	**Satisfactory paid Rm**	**Slow payers Rm**	**Total Rm**
Gross carrying amount	565	4	20	43	24	25	52	733
ECL allowance	(331)	(1)	(9)	(9)	(12)	(12)	(13)	(387)
Amortised cost	**234**	**3**	**11**	**34**	**12**	**13**	**39**	**346**

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(c) **Trade and other receivables** continued

Instalment sale receivables from contracts with customers (note 15.2) continued

Analysis of instalment sale receivables at 30 June 2024

						Number of instalments in arrears		
Customer grouping	**Total number of customers**	**Gross carrying amount Rm**	**ECL allowance Rm**	**ECL allowance %**	**Total arrears Rm**	**1 instalment Rm**	**2 instalments Rm**	**>2 instalments Rm**
Satisfactory paid	170 311 60.1%	1 067 49.5%	214 24.6%	20.1%	80	37	22	21
Slow payers	31 982 11.3%	276 12.8%	113 13.0%	40.9%	79	17	17	45
Non-performing accounts	81 259 28.7%	813 37.7%	542 62.4%	66.7%	370	18	19	333
Total instalment sale receivables	**283 552**	**2 156**	**869**	**40.3%**	**529**	**72**	**58**	**399**

Analysis of credit-impaired instalment sale receivables at 30 June 2024 included in the table above

		In duplum		Debt counselling		No payment in 3 consecutive months		
Credit-impaired categories	**Non-performing accounts Rm**	**Satisfactory paid Rm**	**Slow payers Rm**	**Satisfactory paid Rm**	**Slow payers Rm**	**Satisfactory paid Rm**	**Slow payers Rm**	**Total Rm**
Gross carrying amount	813	11	130	44	28	23	48	1 097
ECL allowance	(542)	(3)	(59)	(9)	(14)	(7)	(8)	(642)
Amortised cost	**271**	**8**	**71**	**35**	**14**	**16**	**40**	**455**

Reconciliation of loss allowance for instalment sale receivables:

	2025			2024		
	Accounts not credit-impaired Rm	**Credit-impaired accounts Rm**	**Total instalment sale receivables Rm**	**Accounts not credit-impaired Rm**	**Credit-impaired accounts Rm**	**Total instalment sale receivables Rm**
Balance at the beginning of the year	227	642	869	226	581	807
New financial assets originated or purchased during the year	141	43	184	150	62	212
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(71)	71	—	(134)	134	—
Amounts recovered during the year	—	(3)	(3)	—	(4)	(4)
Changes in risk parameters	(29)	(161)	(190)	(12)	6	(6)
Amounts written off during the year as uncollectible	—	(203)	(203)	—	(129)	(129)
Foreign currency translation differences	(1)	(2)	(3)	(3)	(8)	(11)
Balance at the end of the year	**267**	**387**	**654**	**227**	**642**	**869**
Classified as						
Instalment sale receivables	36	48	84	227	642	869
Assets classified as held for sale (note 4)	231	339	570	—	—	—
	267	**387**	**654**	**227**	**642**	**869**

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(c) **Trade and other receivables** continued

Instalment sale receivables from contracts with customers (note 15.2) continued

Specific assumptions and judgements applied in the calculation of ECL of instalment sale receivables in terms of the simplified approach for impairment are detailed below.

Probability-weighted cash flows:
The expected credit loss is a probability-weighted estimate and represents the difference between the cash flows that are due to the Group in accordance with the contract and the cash flows the Group expects to receive, discounted at the original effective interest rate including initiation fees.

The probability-weighted cash flows are calculated using the debtor book population's payment behaviour in combination with a transition matrix. The transition matrix and payment performance for each payment state has been developed utilising customer payment history. The transition matrix predicts the population's payment behaviour and probability of the account being in a particular payment state and transitioning into future payment states. The key states in the transitional matrix are the customer's lifetime payment rating, age of the account and contractual term. The lifetime payment rating measures the customer's actual payments received over the lifetime of the account relative to the contractual instalments due.

For modelling purposes, cash flows are forecast on an individual customer level and aggregated over all the customer's sub-accounts until the account is settled or written off. For each contractual term, lifetime payment rating and age, the transitional matrix maps the probability of an account transitioning into future lifetime payment ratings for the remaining months on book.

The payment performance for each payment state is calculated using the actual payment history for each payment rating over the last five years to ensure the recency of the impairment model as required by IFRS 9.

Economic overlay:
An economic overlay has been developed by performing a regression analysis between key economic variables with reference to the payment yields over a ten-year period. The model considers a number of macroeconomic variables including gross domestic product (GDP). The consumer price index and prime overdraft rate were also considered as variables during the previous financial year.

The Group makes use of a cash flow model adjusted for coverage percentages unique to each country and each state. The process of determining adjusted coverage percentages involved applying an adjustment to the PDs. The scalar was based on country-specific GDP forecasts.

The GDP forecasts used for South Africa are listed below. The IMF GDP forecasts were used for the other African countries.

	Calendar year		
GDP forecast	**2025**	**2026**	**2027**
Base	1.0%	1.3%	1.8%

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(c) **Trade and other receivables** continued

Upside and downside scenarios using the economic base variables above are determined and a weighted average scenario is prepared. This is compared to the base position and an appropriate adjustment is made to the whole trade receivables book.

The three scenarios project the future impact of the economic variables on the impairment provision. Management has assigned a probability of 40.0% (2024: 30.0%) to the upside scenario, 50.0% (2024: 50.0%) to the base scenario and 10.0% (2024: 20.0%) to the downside scenario for the 12-month forecast for South Africa.

	South Africa			
	2025		**2024**	
Impact of forward-looking information on ECL:	**Rm**	**% change**	**Rm**	**% change**
Probability-weighted impact of all three scenarios	445		616	
100% upside scenario	443	(0.2)	610	(0.9)
100% base scenario	444	(0.1)	614	(0.3)
100% downside scenario	445	0.2	623	1.2

Trade receivables from contracts with customers (note 15.1)

Sales to retail customers are settled in cash or using debit and credit cards. Except for the total exposure represented by the respective statement of financial position items, the Group has no other significant concentration of credit risk.

The Group has policies in place to ensure that all sales of goods and services on credit are made to customers with an appropriate credit history. Balances are due within 30 days of statement date and the age analysis of these amounts are reviewed on a monthly basis. Franchisees comprise a wide-spread client base and the credit history of all franchisees are verified with an external credit bureau. Notarial and mortgage bonds and bank guarantees to the value of R3 billion (2024: R1.2 billion) are held as collateral for these amounts. Long standing trading relationships exist with the buying aid societies and the Group reviews the credit history of these societies, based on its own records as well as information from an external credit bureau, on a cyclical basis. Based on this, the Group considers the credit quality of all fully performing amounts as satisfactory.

The Group applies a simplified approach to measure the loss allowance for trade receivables classified at amortised cost, using the lifetime ECL. The ECL on trade receivables are estimated using a provision matrix. The behavioural matrix looks at how defaults develop on a portfolio from the point of initial recognition throughout the lifetime of the contracts. The behavioural matrix is based on historically observed data and is assumed to be the same across all assets within a portfolio and credit band. This is supported by historical analysis. The following table details the risk profile of trade receivables at the reporting date, based on the Group's provision matrix.

		Trade receivables – days past due				
	Current Rm	**31 – 60 days past due Rm**	**61 – 90 days past due Rm**	**91- 120 days past due Rm**	**More than 120 days past due Rm**	**Total Rm**
As at 29 June 2025						
Gross carrying amount	2 771	556	82	66	141	3 616
Lifetime ECL	(22)	(20)	(5)	(12)	(51)	(110)
Net carrying amount	**2 749**	**536**	**77**	**54**	**90**	**3 506**
Expected credit loss rate	0.8%	3.6%	6.1%	18.2%	36.2%	3.0%
As at 30 June 2024						
Gross carrying amount	2 562	438	111	44	197	3 352
Lifetime ECL	(19)	(20)	(7)	(3)	(83)	(132)
Net carrying amount	**2 543**	**418**	**104**	**41**	**114**	**3 220**
Expected credit loss rate	0.7%	4.6%	6.3%	6.8%	42.1%	3.9%

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(c) Trade and other receivables continued

Trade receivables from contracts with customers (note 15.1) continued

Reconciliation of loss allowance for trade receivables:

Rm	Accounts not credit-impaired: Receivables from franchisees	Accounts not credit-impaired: Buying aid societies and other receivables	Accounts not credit-impaired: Total trade receivables not credit-impaired	Credit-impaired accounts: Receivables from franchisees	Credit-impaired accounts: Receivables from medical aid schemes, pharmacies and doctors	Credit-impaired accounts: Buying aid societies and other receivables	Credit-impaired accounts: Total credit-impaired trade receivables	Total trade receivables
2025								
Balance at the beginning of the year	15	53	68	6	27	31	64	132
New financial assets originated or purchased during the year	16	10	26	—	13	8	21	47
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(15)	—	(15)	15	—	—	15	—
Amounts recovered during the year	—	(13)	(13)	—	—	(1)	(1)	(14)
Changes in risk parameters	—	—	—	7	—	6	13	13
Amounts written off during the year as uncollectible	—	(38)	(38)	—	(3)	(14)	(17)	(55)
Unused amounts reversed	—	—	—	—	—	(3)	(3)	(3)
Transfer to assets classified as held for sale	—	—	—	—	—	(9)	(9)	(9)
Foreign currency translation differences	—	—	—	—	—	(1)	(1)	(1)
Balance at the end of the year	**16**	**12**	**28**	**28**	**37**	**17**	**82**	**110**
2024								
Balance at the beginning of the year	—	54	54	7	47	22	76	130
New financial assets originated or purchased during the year	—	15	15	—	9	4	13	28
Individual financial assets transferred to non-performing (credit-impaired financial assets)	3	—	3	(3)	—	—	(3)	—
Amounts recovered during the year	—	(11)	(11)	—	—	(1)	(1)	(12)
Changes in risk parameters	12	—	12	2	—	1	3	15
Amounts written off during the year as uncollectible	—	(5)	(5)	—	(29)	(8)	(37)	(42)
Unused amounts reversed	—	—	—	—	—	(1)	(1)	(1)
Acquisition of subsidiaries (note 38.5)	—	—	—	—	—	20	20	20
Foreign currency translation differences	—	—	—	—	—	(6)	(6)	(6)
Balance at the end of the year	**15**	**53**	**68**	**6**	**27**	**31**	**64**	**132**

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(c) Trade and other receivables continued

Trade receivables from contracts with customers (note 15.1) continued

Assumptions and judgements applied in the calculation of ECL of trade receivables in terms of the simplified approach for measuring impairment are detailed below.

To measure ECL, trade receivables have been grouped by shared credit risk characteristics by considering the different revenue streams within each operating segment such as franchise, retail and wholesale of pharmaceutical products, furniture, travel packages and ticket sales through Computicket as well as by geographical location and days past due.

ECL are calculated by applying a loss ratio to the aged balance of trade receivables at each reporting date. The loss ratio is calculated according to the ageing/payment profile of sales by applying historic/proxy write-offs to the payment profile of the sales population. In instances where there was no evidence of historical write-offs, management used a proxy write-off. Trade receivable balances have been grouped so that the ECL calculation is performed on groups of receivables with similar risk characteristics and ability to pay. Similarly, the sales population selected to determine the ageing/payment profile of the sales is representative of the entire population and in line with future payment expectations.

For receivables from franchisees, the expected loss ratios are based on the payment profiles of sales during the last 36 months before each reporting period. The expected loss ratios of other trade receivables are based on the payment profiles of sales during the last 12 months before each reporting period.

The historic loss ratio is then adjusted for forward-looking information to determine the ECL for the portfolio of trade receivables at the reporting date to the extent that there is a strong correlation between the forward-looking information and the ECL. The Group has performed historical analyses and identified certain macroeconomic variables correlating with credit losses.

Macroeconomic variables used for financial assets at amortised cost include G7 real GDP growth, total unemployment rate (both formal and informal), prime overdraft rate, US$/ZAR exchange rate and inflation rates. The selected macroeconomic variables are appropriate drivers of default rates.

Due to the relative short-term nature of the book and constantly evolving credit criteria being applied, the impact of extrapolating the forward-looking information against credit variables was not material. It will, however, continue to be monitored and will be reassessed at each reporting date.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(c) Trade and other receivables continued

Other receivables (note 15.3)

Other receivables consist of various operational debtors such as municipal deposits refundable, insurance claims receivable and staff debtors and bursaries. The age analysis of these amounts are reviewed on a monthly basis and creditworthiness assessed. If the credit risk of any individual receivable is deemed to be material, the credit history of the relevant client will be verified with an external credit bureau. No security is held for these balances.

The table below reflects the maximum exposure to credit risk on other receivables at the reporting date.

			2025				2024			
Internal credit rating category	Basis for recognition of ECL allowance	Financial instrument class	ECL rate	Gross amount Rm	ECL allowance Rm	Carrying amount Rm	ECL rate	Gross amount Rm	ECL allowance Rm	Carrying amount Rm
Performing (stage 1)	12-month ECL	Insurance claims receivable	0.0%	79	—	79	0.0%	112	—	112
		Staff debtors and bursaries	0.0%	28	—	28	0.0%	30	—	30
		Various other receivables	1.1%	1 319	(15)	1 304	2.7%	881	(24)	857
Under-performing (stage 2)	Lifetime ECL	Staff debtors and bursaries	0.0%	—	—	—	0.0%	1	—	1
Non-performing (stage 3)	Lifetime ECL	Staff debtors and bursaries	100.0%	32	(32)	—	100.0%	31	(31)	—
		Various other receivables	65.9%	41	(27)	14	1.1%	88	(1)	87
Total other receivables				**1 499**	**(74)**	**1 425**		**1 143**	**(56)**	**1 087**

Internal credit rating categories are defined as follows:
- **Performing (stage 1):** Counterparty has a low risk of default and a strong capacity to meet contractual cash flows.
- **Underperforming (stage 2):** Receivables for which there is a SICR. A SICR is presumed if interest and/or principal repayments are 30 days past due.
- **Non-performing (stage 3):** Interest and/or principal repayments are 90 days past due.

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(c) Trade and other receivables continued

Other receivables (note 15.3) continued

Reconciliation of loss allowance for other receivables:

	2025			2024		
	Performing (stage 1) Rm	Non-performing (stage 3) Rm	Total other receivables Rm	Performing (stage 1) Rm	Non-performing (stage 3) Rm	Total other receivables Rm
Balance at the beginning of the year	24	32	56	26	152	178
New financial assets originated or purchased during the year	12	19	31	—	1	1
Individual financial assets transferred to non-performing (credit-impaired financial assets)	(18)	18	—	—	—	—
Amounts recovered during the year	(1)	(7)	(8)	—	—	—
Changes in risk parameters	—	10	10	(2)	—	(2)
Amounts written off during the year as uncollectible	(2)	—	(2)	—	—	—
Unused amounts reversed	—	(12)	(12)	—	(121)	(121)
Foreign currency translation differences including hyperinflation effect	—	(1)	(1)	—	—	—
Balance at the end of the year	**15**	**59**	**74**	**24**	**32**	**56**

Specific assumptions and judgements applied in the calculation of ECL of other receivables in terms of the general model for impairment are detailed below.

To measure ECL, other receivables have been grouped by shared credit risk characteristics and days past due. Other receivables include significant amounts of insurance claims receivable and staff debtors and bursaries. The remaining balance comprises of various other receivables which are individually insignificant.

The PD represents the likelihood of the counterparty defaulting on its financial obligation, either over 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation. The rating is then adjusted to represent the appropriate risk appetite for a specific instrument.

Macroeconomic variables used for financial assets at amortised cost include G7 real GDP growth, total unemployment rate (both formal and informal), prime overdraft rate, US$/ZAR exchange rate and inflation rates. The selected macroeconomic variables are appropriate drivers of default rates.

Due to the relative short-term nature of other receivables and constantly evolving credit criteria being applied, the impact of extrapolating the forward-looking information against credit variables was not material. It will, however, continue to be monitored and will be reassessed at each reporting date.

(d) Restricted cash

In the prior year the Group classified ring-fenced guarantees reserved in Angola on behalf of the Angola General Tax Administration for objections to tax assessments as restricted cash. During the current financial year, most of the tax assessments were finalised and the related ring-fenced guaranteed amounts were released. Restricted cash for the year reported consists of a bank deposit which is subject to regulatory restrictions by the South African Reserve Bank in relation to a foreign exchange trading license granted. These restricted cash balances held by the Group are not available for general use by the holding company or other subsidiaries in the Group.

The Group applies the general model to measure the loss allowance for restricted cash. All the restricted cash was determined to be in stage 1 as the counterparties have low risk of default and a strong capacity to meet contractual cash flows. There was no SICR of the Group's restricted cash. ECL were therefore limited to 12-month expected losses.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.1 Credit risk continued
(d) Restricted cash continued

	2025 Rm	2024 Rm
Analysis of total restricted cash:		
Ring-fenced Angola tax guarantees	–	3
Deposits held by the South African Reserve Bank	5	–
Gross restricted cash	5	3
Provision for impairment	–	–
Carrying amount included in statement of financial position	**5**	**3**
Reconciliation of restricted cash included in statement of cash flows:		
Carrying amount included in statement of financial position	5	3
Less ring-fenced Angola tax guarantees not available for use by the Group	–	(3)
Restricted cash included in statement of cash flows	**5**	**–**

(e) Cash and cash equivalents

The Group uses subsidiaries of rated South African and/or international financial institutions as its bankers. However, due to the Group's international operational requirements it is forced to transact with financial institutions in certain countries where independent internationally accredited credit ratings are not available. In these instances the Group's exposure to credit risk at each of these financial institutions is evaluated by management on a case by case basis. Cash balances deposited with these financial institutions are kept to an operational minimum and are transferred, subject to exchange control regulations and available suitable foreign currency, to financial institutions with acceptable credit ratings. The Group has policies that limit the amount of credit exposure to any one financial institution.

ECL of cash and cash equivalents are calculated in terms of the general model for impairment. All cash and cash equivalents were determined to be in stage 1 as the counterparties have low risk of default and a strong capacity to meet contractual cash flows. There was no SICR of the Group's cash and cash equivalents. ECL were therefore limited to 12-month expected losses and the identified impairment loss was considered immaterial.

The table below shows the cash invested at the reporting date at financial institutions grouped per Moody's short-term credit rating of the financial institutions.

	National scale	Global scale	2025 Rm	2024 Rm
Standard Chartered Bank		P-1	741	758
Citibank		P-1	11	208
Barclays Bank		P-1	128	117
Standard Bank	P-1.za	P-3	2 090	3 129
ABSA	P-1.za	P-3	2 627	3 224
Nedbank	P-1.za	P-3	1 801	1 970
FirstRand	P-1.za	P-3	1 337	924
Other banks			298	285
Cash on hand and in transit			913	1 117
Total cash and cash equivalents			**9 946**	**11 732**

Local currency cash and short-term deposits of R714 million (2024: R489 million) are held in Angola, Nigeria and Malawi (2024: Angola, Nigeria and Malawi) and are subject to onerous local exchange control regulations. These local exchange control regulations impose restrictions on exporting capital from the country, other than through normal dividends. These cash balances held by the respective subsidiaries are not available for general use by the holding company or other subsidiaries in the Group.

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.2 Market risk
(a) Currency risk

The Group operates internationally and is exposed to currency risk arising from various currency exposures. The treasury department hedges the Group's net position in each foreign currency by using call deposits in foreign currencies and derivative financial instruments in the form of forward foreign exchange rate contracts for all cumulative foreign commitments of three months or more. Forward foreign exchange rate contracts are not used for speculative purposes. These instruments are not designated as hedging instruments for purposes of accounting. No forward foreign exchange rate contracts were entered into during the current year.

Currency exposure arising from the net monetary assets in individual countries, held in currencies other than the functional currency of the Group, are managed primarily through converting cash and cash equivalents not required for operational cash flows to US dollar, subject to exchange control regulations. The US dollar is the preferred currency due to its history of stability, liquidity and availability in most markets.

Short-term loans between subsidiaries of the Group expose the Group to currency risk resulting from fluctuations in local currency exchange rates to the US dollar (2025: R313 million liability; 2024: R559 million liability) and South Africa rand (2025: R170 million asset; 2024: R852 million liability). This US dollar currency risk is mitigated by the investment in AOA, USD Index Linked, Angola Government Bonds (2025: R539 million asset; 2024: R515 million asset) (refer to note 12.1) which serves as a natural hedge against the Group's currency risk on short-term US dollar loans between Group subsidiaries.

Material concentrations of currency risk also exist within the Group's lease liabilities and net cash and cash equivalents (including restricted cash) as follows:

	Lease liabilities		Net cash and cash equivalents	
Foreign currency	2025 Rm	2024 Rm	2025 Rm	2024 Rm
South Africa rand	–	–	1	27
United States dollar	1 020	1 417	90	264
Nigeria naira	–	–	–	5
Euro	–	–	–	2
Other currencies	–	1	–	1
	1 020	**1 418**	**91**	**299**

The Group does not have significant foreign creditors as most inventory imports are prepaid.

Hedge of net investment in foreign operation

The Group hedges a designated portion of its US dollar net assets in Shoprite International Ltd for foreign currency exposure arising between the US dollar and South Africa rand as part of the Group's risk management objectives. Shoprite International Ltd has a US dollar functional currency. Shoprite Holdings Ltd's net investment in Shoprite International Ltd is therefore exposed to fluctuations in the US$/ZAR spot exchange rate. Shoprite International Ltd uses these dollars in order to fund the operations in the various countries outside of South Africa, which also have liabilities denominated in US dollar. As a result of this exposure, the Group designates external lease liabilities denominated in US dollar as hedging instruments. Foreign exchange movements on translation of these hedging instruments are recognised in other comprehensive income and accumulated in the FCTR within shareholders' equity for the duration of the hedging relationship, offsetting the exchange rate differences recognised in other comprehensive income, arising on translation of the designated US dollar net assets of Shoprite International Ltd to South Africa rand. The cumulative foreign exchange movement recognised in other comprehensive income will only be reclassified to profit or loss upon loss of control, joint control or significant influence due to the disposal or abandonment of Shoprite International Ltd. The hedging relationship is reset on a monthly basis, whereby the designated portion of the net investment is adjusted to equal the value of the hedging instruments.

Hedge effectiveness is determined at the inception of the hedging relationship and through periodic prospective effectiveness assessments, by comparing the changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the net assets designated in Shoprite International Ltd. Hedge ineffectiveness could arise due to a decrease in the net investment in a foreign operation to a level below that of the designated lease liabilities. No hedge ineffectiveness was recognised in the statement of comprehensive income.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.2 Market risk continued
(a) **Currency risk** continued

The effects of the foreign currency-related hedging instruments on the Group's financial position and performance are as follows:

	2025 US$m	2024 US$m
Nominal amount of US dollar denominated lease liabilities (non-current liabilities)	57	77
	Rm	**Rm**
Carrying amount of US dollar denominated lease liabilities (non-current liabilities)	1 020	1 417
Total carrying amount of US dollar denominated lease liabilities	1 020	1 417
Change in carrying amount of designated lease liabilities as a result of foreign currency losses	164	(396)
Change in value of hedged item used to determine hedge effectiveness	(164)	396
Hedge ratio	100%	100%
Reconciliation of amounts accumulated in the FCTR relating to hedges of net investments in foreign operations:		
Balance at the beginning of the year	(808)	(528)
Change in carrying amount of hedging instruments as a result of foreign currency losses recognised in other comprehensive income, net of income tax (note 19.1.2)	144	(280)
Balance at the end of the year	**(664)**	**(808)**

Sensitivity analysis of material concentrations of currency risk

Where material concentrations of currency risk exist within the Group, a sensitivity analysis was performed to calculate what the increase/decrease in profit for the year would have been if the various individual currencies strengthened or weakened against the South Africa rand and the US dollar. At 29 June 2025, the total possible decrease in Group post-tax profit, calculated for all estimated currency movements, was R103 million. This amount considers movement in the Nigeria naira (R9 million decrease) and South Africa rand (R5 million increase) exchange rates to the US dollar (with an expected weakening of 15.5% and 2.2% respectively). Furthermore, the US dollar exchange rate to the South Africa rand (with an expected strengthening of 2.2%) contributes a R0.2 million decrease to this amount. At 30 June 2024, the total possible decrease in Group post-tax profit, calculated for all estimated currency movements, was R3 million. This amount considers movement in the Nigeria naira (R27 million increase) and South Africa rand (R42 million decrease) exchange rates to the US dollar (with an expected strengthening of 2.3% and 3.3% respectively). Furthermore, the US dollar exchange rate to the South Africa rand (with an expected weakening of 3.4%) contributes a R24 million increase to this amount.

The amounts were calculated with reference to the financial instruments, exposed to currency risk at the reporting date and do not reflect the Group's exposure throughout the reporting period, as these balances may vary significantly due to the self-funding nature of the Group's required working capital and cyclical nature of cash received from the sale of merchandise and payments to trade and other payables. The possible currency movements were determined based on management's best estimates taking into account prevailing economic and market conditions and future expectations.

The Group has a number of investments in foreign subsidiaries, whose net assets are exposed to foreign currency translation risk. Although not subject to market risk, the following constituted significant concentrations of net monetary assets/(liabilities), including short-term surplus funds, in currencies other than the reporting currency as at the reporting date, subject to translation risk.

Foreign currency	2025 Rm	2024 Rm
Angola kwanza	(780)	343
Botswana pula	(507)	(570)
United States dollar	1 640	1 352
Zambia kwacha	(645)	(319)

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.2 Market risk continued
(b) **Cash flow and fair value interest rate risk**

The Group's interest rate risk arises mainly from daily call accounts, bank overdrafts and borrowings. The Group does not account for any fixed rate financial assets or liabilities at fair value through profit and loss and therefore a change in interest rates at the reporting date would not affect profit or loss. Fixed rate financial instruments include government bonds and bills (refer to note 12), loans receivable (refer to note 13) and instalment sale receivables (refer to note 15.2).

Daily call accounts and bank overdrafts carry interest at rates fixed on a daily basis and expose the Group to cash flow interest rate risk. The Group analyses this interest rate exposure on a dynamic basis. Daily cash flow forecasts are done and combined with interest rates quoted on a daily basis. This information is then taken into consideration when reviewing refinancing/reinvesting and/or renewal/cancellation of existing positions and alternative financing/investing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for cash/borrowings that represent the major interest-bearing positions. The weighted average effective interest rate on call accounts was 8.6% (2024: 9.0%).

As part of the process of managing floating rate interest-bearing debt, the interest rate characteristics of borrowings (refer to note 21) are positioned according to the expected movements in interest rates. Interest rate profiles are analysed by the changes in borrowing levels and the interest rates applicable to the facilities available to the Group. The Chief Financial Officer has the mandate to approve the use of fixed interest debt and interest rate swaps as circumstances dictate. No interest rate swaps were entered into during the current year.

Exposure to interest rate risk on other monetary items consists of amounts receivable from franchisees (note 13.1).

Sensitivity analysis of material concentrations of interest rate risk

Where material concentrations of interest rate risk exists within the Group, a sensitivity analysis was performed to calculate what the increase/decrease in profit for the year would have been if the various individual interest rates the Group's financial instruments are subject to strengthened or weakened. At 29 June 2025, the total possible decrease in Group post-tax profit, calculated for all estimated interest rate movements, was R3 million. The estimated decrease of 25 basis points in the South African prime rate would have resulted in a possible increase in Group post-tax profit of R1 million. At 30 June 2024, the total possible decrease in Group post-tax profit, calculated for all estimated interest rate movements, was R66 million. The estimated increase of 75 basis points in the South African prime rate would have resulted in a possible decrease in Group post-tax profit of R56 million.

The amounts were calculated with reference to the financial instruments exposed to interest rate risk at the reporting date and do not reflect the Group's exposure throughout the reporting period, as these balances may vary significantly due to the self-funding nature of the Group's required working capital and cyclical nature of cash received from the sale of merchandise and payments to trade and other payables. The possible interest rate movements were determined based on management's best estimates taking into account prevailing economic and market conditions and future expectations.

Interest rate reform risk management

In May 2024, the South African Reserve Bank (SARB) released a publication prepared by the Market Practitioners Group (MPG) providing an update on the Johannesburg Interbank Average Rate (JIBAR) transition plan with expected timelines. JIBAR is expected to cease before the end of 2026. The MPG has designated the South African Overnight Index Rate (ZARONIA) as the rate that will replace JIBAR. The Group is exposed to interest rate risk, partly due to its borrowings (note 21) that are linked to JIBAR. All existing borrowing agreements have a maturity period of more than 12 months and include clauses pertaining to the interest rate reform, which will be subject to renegotiation. The Group will monitor the potential impact of the transition to ZARONIA and is of the opinion that the impact of the anticipated changes will not be significant.

43.4.3 Liquidity risk

The risk of illiquidity is managed by using cash flow forecasts, maintaining adequate unutilised banking facilities (2025: R11.6 billion; 2024: R9.0 billion) and unlimited borrowing powers. All unutilised facilities are controlled by the Group's treasury department in accordance with a treasury mandate as approved by the Board of Directors.

Under the terms of the major borrowing facilities, the Group is required to comply bi-annually with the following financial covenants, calculated on the basis that IAS 17: Leases is still applied:

- The leverage ratio (net debt to earnings before interest, income tax, depreciation and amortisation (EBITDA)) must not exceed 2.75 times; and
- The finance costs cover ratio (EBITDA divided by finance costs) must be a minimum of 3.5 times.

The fair value of the major borrowing facilities required to comply with the financial covenants are disclosed in note 43.2.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

43 Risk management and financial instrument disclosure continued
43.4 Financial risk management continued
43.4.3 Liquidity risk continued

The Group has complied with these covenants throughout the reporting period and do not foresee any constraints in complying with these covenants. As at the reporting date, these ratio's measured as follows:

	2025 times	2024 times
– Leverage	(0.07)	0.31
– Net finance costs cover	n/a	52.79
– Finance costs cover	17.25	13.20

The following table analyses the Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period, at the reporting date, to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows based on the earliest date on which the Group can be required to pay and include both interest and principal cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

Non-derivative financial liabilities	Book value Rm	Total Rm	Not later than one year Rm	Between one and two years Rm	Between two and five years Rm	Between five and ten years Rm	After ten years Rm
2025							
Lease liabilities[29]	47 020	76 878	8 037	8 520	21 121	26 438	12 762
Lease liabilities included in disposal group directly associated with assets classified as held for sale[29]	1 760	2 218	499	498	767	417	37
Borrowings	6 993	8 623	899	532	7 192	—	—
Borrowings included in disposal group directly associated with assets classified as held for sale	21	21	21	—	—	—	—
Trade payables	24 228	24 228	24 228	—	—	—	—
Trade payables included in disposal group directly associated with assets classified as held for sale	260	260	260	—	—	—	—
Other payables and accruals excluding taxes payable and employee benefit accruals	5 518	5 518	5 518	—	—	—	—
Deposits and third-party payments liability	527	527	527	—	—	—	—
Refund liability	89	89	89	—	—	—	—
Bank overdrafts and other short-term facilities	1 863	1 863	1 863	—	—	—	—
	88 279	**120 225**	**41 941**	**9 550**	**29 080**	**26 855**	**12 799**
2024							
Lease liabilities[29]	40 477	65 743	7 217	6 855	19 031	21 771	10 869
Borrowings	5 993	6 614	679	5 935	—	—	—
Trade payables	22 757	22 757	22 757	—	—	—	—
Other payables and accruals excluding taxes payable and employee benefit accruals	5 629	5 629	5 629	—	—	—	—
Deposits and third-party payments liability	640	640	640	—	—	—	—
Refund liability	75	75	75	—	—	—	—
Bank overdrafts and other short-term facilities	2 895	2 895	2 895	—	—	—	—
	78 466	**104 353**	**39 892**	**12 790**	**19 031**	**21 771**	**10 869**

29 The maturity analysis of contractual undiscounted future lease payments includes renewal options reasonably assured.

43 Risk management and financial instrument disclosure continued
43.5 Insurance risk

The Group provides insurance products through its investment in insurance cell captive arrangements with the following terms and conditions:

- Credit protection which covers the risk of the customer being unable to settle the terms of the Credit agreement as a result of death, disability or qualifying retrenchment.
- All risk cover, which covers the repair or replacement of the product due to accidental loss or damage within the terms and conditions of the policy, and extended guarantees which covers the repair or replacement of faulty products as an extension of the suppliers' guarantees.

The Group is exposed to insurance risk through its investment in insurance cell captive arrangements. The insurance risk relates to the risk that there will be insufficient capital available to honour the claims made by the policyholders in the insurance cell captive arrangements.

The risk under any one insurance contract is the possibility that an insured event occurs as well as the uncertainty of the amount of the resulting claim. By the very nature of an insurance contract, this risk is random and unpredictable.

Key assumptions and estimates

The asset for remaining coverage includes insurance acquisition cash flows incurred before the related group of insurance contracts has been recognised. The Group does not adjust the asset for remaining coverage for the time value of money as the receipt of premiums occur within less than one year from the provision of coverage.

The liabilities for incurred claims are estimated as the ultimate cost of outstanding claims by using a range of standard actuarial claims projection techniques, such as Chain Ladder and Bornheutter-Ferguson methods. These techniques rely on the premise that the Group's historical claims development can forecast future claims progression and, consequently, ultimate claims expenses. Past data is utilised to extrapolate the development of paid and incurred losses, average costs per claim (inclusive of claims handling expenses), and claim counts based on previous years' trends and expected loss ratios. Analysis of historical claims development primarily focuses on accident years, but can also delve into geographical regions, significant business segments, and types of claims.

Future rates of claims inflation or loss ratios are usually not explicitly assumed; instead, implicit assumptions from historical data guide the projections. Furthermore, qualitative judgement is applied to evaluate the extent to which past trends may not apply in the future, considering factors such as one-off events, shifts in external or market conditions (for example public attitudes towards claiming, economic circumstances, inflation levels, legal decisions and regulations), as well as internal factors such as portfolio composition, policy characteristics, and claims handling methods. This assessment aims to determine the estimated ultimate claims cost, accounting for all uncertainties by presenting the probability-weighted expected value outcome from a range of potential scenarios.

The reliability of the assumptions is further affected by variation in interest rates, delays in settlement and changes in foreign currency exchange rates.

The risk adjustment for non-financial risk represents compensation required by the Group for bearing the uncertainty surrounding the amount and timing of the cash flows of insurance contracts.

The Group has estimated the risk adjustment using a confidence level approach. For insurance cell captive arrangements with Old Mutual Life Insurance Company (Namibia) Ltd, the probability distribution of the expected present value of the future cash flows from insurance contracts is estimated at each reporting date and it calculates the risk adjustment as the excess of the value at risk at the 75th percentile over the expected present value of the future cash flows.

For insurance cell captive arrangements with Centriq Insurance Company Ltd, the risk adjustment is calculated as a best estimate reserve where there is an equal probability of the actual future claims' payment being higher or lower than the best estimate. The risk adjustment is estimated for the technical reserves to fall within the 75th and 95th percentile of the net ultimate loss distribution.

Within the insurance process, concentration risk may arise where a particular event or series of events could impact heavily on the Group's resources. The Group has not formally monitored the concentration risk; however, it has mitigated against concentration risk by structuring event limits in every policy to ensure that the probability is minimised. Therefore, the Group does not consider its concentration risk to be high.

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

44 Related party information

Related party relationships exist between the Company, subsidiaries, Directors, as well as their close family members, and key management of the Company.

During the year under review, in the ordinary course of business, certain companies within the Group entered into transactions with each other. All these intergroup transactions have been eliminated in the consolidated annual financial statements on consolidation.

44.1 Key management personnel compensation

Details of the remuneration of Directors and share-based payment instruments issued to Directors, are disclosed in notes 18 and 29.

Details of the Directors' interests in ordinary and non-convertible, non-participating, non-transferable no par value deferred shares of the Company are provided in the Directors' report.

Key management personnel compensation	2025 Rm	2024 Rm
Short-term employee benefits	150	142
Post-employment benefits	4	5
Long-term incentive bonuses including share-based payments	119	92
Directors' fees	15	13
	288	**252**

During the year, key management have purchased goods at the Group's usual prices less a 15% discount. Discount ranging from 5% to 15% is available to all qualifying permanent full-time and part-time employees.

During the financial year under review, in the ordinary course of business, certain companies in the Group entered into transactions on commercial terms with certain entities in which Director CH Wiese, or his close family members, have a significant influence.

These transactions and related balances were as follows:	2025 Rm	2024 Rm
Purchase of merchandise[30]	2 471	2 494
Rent paid	60	59
Year-end balances owed by the Group[30]	266	318

30 Transactions and related balances as previously reported were amended to include an additional R824 million of merchandise purchased and an additional R95 million payable in 2024 related to an entity not previously identified. The change had no other impact on previously reported results.

44 Related party information continued

44.2 Equity accounted investments

Previously, the Group held a 39.1% equity interest in Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd, classified as equity accounted investments in associates (refer to note 9). During the prior year the Group entered into an agreement with Resilient Properties (Pty) Ltd, being the owner of the remaining 60.9% shareholding, and acquired their equity interest, with suspensive conditions met, the Group increased its ownership percentage to 100%.

The following transactions took place between the Resilient Africa associates and the Group up to March 2024:

	2025 Rm	2024 Rm
Interest received by the Group	–	76
The Group has a 49.9% interest in Retail Logistics Fund (RF) (Pty) Ltd (refer to note 9).		
The following transactions took place between Retail Logistics Fund (RF) (Pty) Ltd and the Group during the year under review:		
Rent paid to associate	426	322
Year-end balances owed by the Group	–	(6)
The Group has an interest in Red Baron Agri (Pty) Ltd (41.0%), Trans Africa IT Solutions (Pty) Ltd (49.0%) and Zulzi On Demand (Pty) Ltd (26.0%) (refer to note 9). At the end of November 2024, the Group disposed of its 51% shareholding in associate LBB Foods (Pty) Ltd.		
The following transactions took place between associates LBB Foods (Pty) Ltd, Red Baron Agri (Pty) Ltd, Trans Africa IT Solutions (Pty) Ltd, Zulzi On Demand (Pty) Ltd and the Group during the year under review:		
Purchase of merchandise	66	109
Services rendered by the associates	95	96
Year-end balances owed by the Group	(1)	(2)
Transactions between LBB Foods (Pty) Ltd and the Group have been included up to November 2024 on which date the Group has disposed of its shareholding in LBB Foods (Pty) Ltd.		
The Group acquired an additional 50% of the share capital of its equity accounted joint venture Pingo Delivery (Pty) Ltd during the financial year (refer to note 9).		
The following transactions took place between Pingo Delivery (Pty) Ltd and the Group during the year under review up until the acquisition of the remaining 50% shareholding:		
Delivery fees paid to joint venture	457	1 448

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

45 Comparative figures

Discontinued operations

Following the classification of the Group's furniture business and operations in Ghana and Malawi as discontinued operations in accordance with IFRS 5: Non-current Assets Held for Sale and Discontinued Operations (refer to note 35), the comparative statement of comprehensive income figures have been restated. In terms of IFRS 5: Non-current Assets Held for Sale and Discontinued Operations the comparative statement of financial position has not been restated. The adjustments recognised for each individual line item affected in the Group's consolidated statement of comprehensive income and the operating segmental information from continuing operations for the 52 weeks ended 30 June 2024 are detailed below.

45.1 Impact on condensed consolidated statement of comprehensive income

	Previously reported 52 weeks 30 Jun '24 Rm	Discontinued operations restatement 52 weeks 30 Jun '24 Rm	Restated audited 52 weeks 30 Jun '24 Rm
Revenue	246 082	(9 754)	236 328
Sale of merchandise	240 718	(8 630)	232 088
Cost of sales	(182 968)	6 419	(176 549)
Gross profit	57 750	(2 211)	55 539
Alternative revenue	4 307	(380)	3 927
Interest revenue	759	(446)	313
Share of profit of equity accounted investments	268	—	268
Insurance revenue	298	(298)	—
Insurance service expense	(178)	178	—
Depreciation and amortisation	(7 264)	419	(6 845)
Employee benefits	(19 242)	953	(18 289)
Credit impairment losses	(381)	202	(179)
Other operating expenses	(23 053)	1 137	(21 916)
Net monetary gain	135	(135)	—
Trading profit	13 399	(581)	12 818
Exchange rate (losses)/gains	(14)	41	27
Profit on lease modifications and terminations	101	(5)	96
Items of a capital nature	(330)	51	(279)
Operating profit	13 156	(494)	12 662
Interest received from bank account balances	529	(12)	517
Finance costs	(4 306)	153	(4 153)
Profit before income tax	9 379	(353)	9 026
Income tax expense	(2 836)	31	(2 805)
Profit from continuing operations	6 543	(322)	6 221
Loss from discontinued operations	(322)	322	—
Profit for the year	**6 221**	**—**	**6 221**
Other comprehensive loss, net of income tax	(871)	—	(871)
Items that will not be reclassified to profit or loss			
Re-measurements of post-employment medical benefit obligations	2	—	2
Items that may subsequently be reclassified to profit or loss			
Foreign currency translation differences including hyperinflation from continuing operations	(588)	(40)	(628)
Foreign currency translation differences including hyperinflation from discontinued operations	1	40	41
Release of foreign currency translation reserve on deemed disposal of associates	(33)	—	(33)
Changes in the fair value of investments at fair value through other comprehensive income	27	—	27
Loss on effective net investment hedge, net of income tax from continuing operations	(280)	53	(227)
Loss on effective net investment hedge, net of income tax from discontinued operations	—	(53)	(53)
Total comprehensive income for the year	**5 350**	**—**	**5 350**

45 Comparative figures continued

45.1 Impact on condensed consolidated statement of comprehensive income continued

	Previously reported 52 weeks 30 Jun '24 Rm	Discontinued operations restatement 52 weeks 30 Jun '24 Rm	Restated audited 52 weeks 30 Jun '24 Rm
Profit/(loss) attributable to:	6 221	—	6 221
Owners of the parent	6 248	—	6 248
Non-controlling interest	(27)	—	(27)
Total comprehensive income/(loss) attributable to:	5 350	—	5 350
Owners of the parent	5 382	—	5 382
Non-controlling interest	(32)	—	(32)
Total comprehensive income/(loss) attributable to owners of the parent arises from:	5 382	—	5 382
Continuing operations	5 703	(304)	5 399
Discontinued operations	(321)	304	(17)
Earnings per share for profit from continuing operations attributable to owners of the parent:			
Basic earnings per share from continuing operations (cents)	1 207.7	(58.2)	1 149.5
Diluted earnings per share from continuing operations (cents)	1 202.6	(57.9)	1 144.7
Headline earnings per share from continuing operations (cents)	1 250.5	(65.2)	1 185.3
Diluted headline earnings per share from continuing operations (cents)	1 245.2	(65.0)	1 180.2
Earnings per share for profit attributable to owners of the parent:			
Basic earnings per share (cents)	1 148.6	—	1 148.6
Diluted earnings per share (cents)	1 143.7	—	1 143.7
Headline earnings per share (cents)	1 191.4	—	1 191.4
Diluted headline earnings per share (cents)	1 186.3	—	1 186.3

45.2 Impact on condensed operating segmental information from continuing operations

45.2.1 Analysis per reportable segment note 2.1

	Supermarkets RSA segment			Supermarkets Non-RSA segment		
2024	**Previously reported Rm**	**Other reconciling items Rm**	**Restated Rm**	**Previously reported Rm**	**Discontinued operations restatement Rm**	**Restated Rm**
Sale of merchandise						
External	195 041	—	195 041	20 822	(1 493)	19 329
Inter-segment	6 392	(113)	6 279	46	—	46
	201 433	**(113)**	**201 320**	**20 868**	**(1 493)**	**19 375**
Trading profit	12 036	—	12 036	631	(182)	449
Interest revenue included in trading profit	102	—	102	138	—	138
Depreciation and amortisation	6 876	—	6 876	703	(34)	669
Impairments/(impairment reversals)						
Property, plant and equipment	13	—	13	14	—	14
Investment properties	—	—	—	123	—	123
Right-of-use assets	58	—	58	(48)	—	(48)
Intangible assets	33	—	33	—	—	—
	104	**—**	**104**	**89**	**—**	**89**
Total assets	88 444	—	88 444	11 239	(742)	10 497

Notes to the consolidated annual financial statements continued

Shoprite Holdings Ltd and its subsidiaries for the year ended 29 June 2025

45 Comparative figures continued

45.2 Impact on condensed operating segmental information from continuing operations continued

45.2.1 Analysis per reportable segment note 2.1 continued

2024	Furniture operating segment					Other operating segments		
	Previously reported Rm	Discontinued operations restatement Rm	Other reconciling items[31] Rm	Re-classification to Other operating segments Rm	Restated Rm	Previously reported Rm	Re-classification from Furniture operating segment Rm	Restated Rm
Sale of merchandise								
External	7 230	(7 230)	—	—	—	17 718	—	17 718
Inter-segment	—	—	—	—	—	35	—	35
	7 230	**(7 230)**	**—**	**—**	**—**	**17 753**	**—**	**17 753**
Trading profit[31]	195	(339)	133	11	—	506	(11)	495
Interest revenue included in trading profit	445	(445)	—	—	—	74	—	74
Depreciation and amortisation	365	365	—	—	—	104	—	104
Impairments/(impairment reversals)								
Property, plant and equipment	1	(1)	—	—	—	—	—	—
Right-of-use assets	(1)	1	—	—	—	—	—	—
Intangible assets	—	—	—	—	—	—	—	—
	—	**—**	**—**	**—**	**—**	**—**	**—**	**—**
Total assets	6 063	(6 063)	—	—	—	5 865	—	5 865

31 Other reconciling items include the elimination of interdivisional transactions with the Group's discontinued operations in trading profit.

45.2.2 Geographical analysis note 2.2

Audited 30 June 2024	South Africa			Outside South Africa		
	Previously reported Rm	Discontinued operations restatement Rm	Restated Rm	Previously reported Rm	Discontinued operations restatement Rm	Restated Rm
Sale of merchandise – external	215 937	(5 414)	210 523	24 874	(3 309)	21 565
Non-current assets	50 439	(1 237)	49 202	4 686	(557)	4 129

46 Change in accounting estimate

During the year under review, the Group reassessed the estimated useful lives of certain assets based on updated operational data and asset performance reviews. The useful lives for racking and shelving were increased due to improved expected durability and lower maintenance needs than previously anticipated, for software this reflects increased and improved ongoing support, updates, durability, integration and adaptability.

The Group has identified assets with useful lives that will be used for a longer period than the Group's average range of useful lives. The deviation from the useful life ascribed to the following asset classes is accounted for as a change in accounting estimate.

Asset class impacted	Previous useful life	Reassessed useful life
Racking	15 years	20 years
Shelving	6 years	10 years
Software	1 to 10 years	1 to 20 years

	2025* Rm	2026** Rm
The impact of the change in the useful lives		
Decrease in depreciation	26	139
Decrease in amortisation	44	87

* The impact for the 2025 reporting period includes depreciation calculated for the two months from 28 April 2025 to 29 June 2025, and amortisation calculated for the six months from 30 December 2024 to 29 June 2025.

** The impact for the 2026 reporting period is calculated for the 12 months from 30 June 2025 up until 28 June 2026.

The effect of the change in accounting estimate may impact future periods after the 2026 reporting period. The effect of this change is not disclosed as the estimation of the future impact after the 2026 reporting period is considered impracticable.

47 Events after the reporting date

47.1 Furniture business disposal

The proposed transaction was approved by all relevant authorities in the applicable non-South African territories and the sale agreements have been amended after the reporting date to dispose of the non-South African furniture businesses (excluding Angola and Mozambique) effective 1 October 2025. A positive recommendation was made by the South African Competition Commission to the South African Competition Tribunal. Lewis Stores (Pty) Ltd was subsequently granted the rights to intervene which has resulted in a delay of the proposed South African transaction. Pepkor Holdings Ltd and Shoprite Holdings Ltd appealed this decision to the Competition Appeal Court. The Group considers it highly probable that these operations will be disposed of and therefore they remain classified as discontinued operations in accordance with IFRS 5.

Shoprite Ghana Ltd disposal

After the reporting date the sale agreement to dispose of Shoprite Ghana Ltd was signed. The effective date of the transaction is still to be determined.

48 Going concern

The Board of Directors evaluated the going concern assumption as at 29 June 2025, taking into account the current financial position and their best estimate of the cash flow forecasts and considered it to be appropriate in the presentation of these consolidated annual financial statements.

The Board has reviewed the cash flow forecast for the next 12 months and is of the opinion that the Group has more than sufficient liquidity to adequately support its working capital requirements and consequently, is satisfied with the Group's ability to continue as a going concern for the foreseeable future.

Financial covenants:

As at the reporting date, the Group had unutilised banking facilities of R11.6 billion and is well within the financial covenants with its various financiers. Refer to note 43.4.3.

03

COMPANY ANNUAL FINANCIAL STATEMENTS

Separate statement of financial position

Shoprite Holdings Ltd as at 29 June 2025

	Notes	2025 Rm	2024 Rm
Assets			
Non-current assets		8 123	9 671
Investment in subsidiaries	2	8 122	9 670
Deferred income tax asset	3	1	1
Current assets		446	1 048
Amounts receivable from subsidiaries	2	364	10
Trade and other receivables	4	–	4
Current income tax asset		6	–
Cash and cash equivalents		76	1 034
Total assets		**8 569**	**10 719**
Equity			
Capital and reserves attributable to owners of the parent			
Stated capital	5	7 516	7 516
Retained earnings		1 041	3 162
Total equity		**8 557**	**10 678**
Liabilities			
Current liabilities		12	41
Trade and other payables	6	12	12
Current income tax liability		–	29
Total liabilities		**12**	**41**
Total equity and liabilities		**8 569**	**10 719**

Separate statement of comprehensive income

Shoprite Holdings Ltd for the year ended 29 June 2025

	Notes	52 weeks 2025 Rm	52 weeks 2024 Rm
Dividend income from subsidiaries		3 419	2 602
Guarantee fees		2	3
Other revenue		66	12
Revenue		3 487	2 617
Expenses	8	(36)	(26)
Items of a capital nature	9	(1 275)	(1 143)
Profit before interest received from bank account balances		2 176	1 448
Interest received from bank account balances		42	68
Profit before income tax		2 218	1 516
Income tax expense	10	(24)	(102)
Profit for the year		2 194	1 414
Total comprehensive income for the year		**2 194**	**1 414**

Separate statement of changes in equity

Shoprite Holdings Ltd for the year ended 29 June 2025

Rm	Total equity	Stated capital	Retained earnings
Balance at 2 July 2023	**13 297**	**7 516**	**5 781**
Total comprehensive income for the year			
Profit for the year	1 414	—	1 414
Dividends distributed to shareholders	(4 033)	—	(4 033)
Balance at 30 June 2024	**10 678**	**7 516**	**3 162**
Total comprehensive income for the year			
Profit for the year	2 194	—	2 194
Dividends distributed to shareholders	(4 315)	—	(4 315)
Balance at 29 June 2025	**8 557**	**7 516**	**1 041**

Separate statement of cash flows

Shoprite Holdings Ltd for the year ended 29 June 2025

	Notes	2025 Rm	2024 Rm
Cash flows utilised by operating activities		(890)	(1 368)
Profit before interest received from bank account balances		2 176	1 448
Less: investment income and interest revenue earned		(3 419)	(2 602)
Non-cash items	12.1	1 215	1 142
Changes in working capital	12.2	47	72
Cash generated from operations		19	60
Interest received		46	76
Dividends received		3 419	2 602
Dividends paid	12.3	(4 315)	(4 037)
Income tax paid	12.4	(59)	(69)
Cash flows utilised by investing activities		(68)	(22)
Amounts paid to subsidiaries		(5 745)	(1 620)
Amounts received from subsidiaries		5 404	1 598
Cash outflow from additional investment in subsidiary		(793)	—
Cash inflow from capital reduction of subsidiary		1 066	—
Net movement in cash and cash equivalents		(958)	(1 390)
Cash and cash equivalents at the beginning of the year		1 034	2 424
Cash and cash equivalents at the end of the year	14.3.1(b)	**76**	**1 034**

Notes to the separate annual financial statements

Shoprite Holdings Ltd for the year ended 29 June 2025

1 Accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below and are consistent with those applied in the previous year, except where the Company has applied new accounting policies or adopted new accounting standards effective for year-ends starting on or after 1 January 2024.

The Company's separate financial statements were authorised for issue by the Board of Directors on 1 October 2025. Other than the matters disclosed in these financial statements, there have been no material events occurring between 29 June 2025 and the date of authorisation of these financial statements on 1 October 2025, which would require adjustment to or disclosure in the financial statements.

1.1 Basis of preparation

The Company reports on the retail calendar of trading weeks which treats each financial year as an exact 52-week period, incorporating trade from Monday to Sunday each week. This treatment effectively results in the loss of a day (or two in a leap year) per calendar year. These days are brought to account approximately every six years by including a 53rd week. Accordingly, the results for the financial year under review are for a 52-week period, ended 29 June 2025, compared to 52 weeks in the previous financial year.

The financial statements have been prepared in accordance with International Financial Reporting Standards Accounting Standards (IFRS® Accounting Standards) as issued by the International Accounting Standards Board (IASB) and Interpretations as issued by the IFRS Interpretations Committee (IFRIC), and comply with the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, Financial Reporting Pronouncements as issued by the Financial Reporting Standards Council (FRSC) and the requirements of the South African Companies Act, 71 of 2008. The financial statements are prepared under the historical cost convention. The financial statements are prepared on a going concern basis.

1.1.1 Use of judgements, assumptions and estimates

1.1.1.1 Judgements

The preparation of the financial statements in accordance with IFRS Accounting Standards requires management to exercise its judgement in the process of applying the Company's accounting policies.

(a) **Date of acquisition of Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd:** During the previous financial year, the Company acquired the remaining shareholding in Resilient Africa (Pty) Ltd and Resilient Africa Managers (Pty) Ltd. Significant judgement was required in determining the acquisition date on which the Company obtained control of the entities. The date of acquisition was determined to be the date when the Company assumed the risks and rewards associated with the acquisition, being end of March 2024, when the share purchase agreements were signed and both parties unconditionally committed to the transaction.

(b) **Determination of cash-generating units:** The Company has determined that each country in which Shoprite Holdings Ltd has an indirect investment in, is a separate cash generating unit (GCU).

1.1.1.2 Assumptions and estimates

The preparation of the financial statements in accordance with IFRS Accounting Standards requires the use of certain critical accounting estimates and assumptions. The most significant assumptions and estimates used in applying the Company's accounting policies relate to the following:

(a) **Allowance for expected credit losses (ECL) on financial assets:** The Company assesses on a forward-looking basis the ECL associated for all debt instruments not held at fair value through profit or loss (FVPL) and the Company recognises an allowance for ECL on these financial assets. The measurement of the ECL allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour. The ECL allowances on financial assets are based on assumptions about risk of default and expected loss rates. The Company uses its judgement in making these assumptions and selecting the inputs to the impairment calculations, based on the Company's history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in note 14.3.1.

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities in a subsequent year relate to expected credit losses.

All estimates and underlying assumptions are based on historical experience and various other factors that management believes are reasonable under the circumstances. The results of these estimates form the basis of judgements about the carrying amount of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and any affected future periods.

1.1.2 Use of adjusted measures

The measure listed below is presented as management believes it to be relevant to the understanding of the Company's financial performance. This measure is used for internal performance analysis and provides additional useful information on underlying trends to equity holders. This measure is not a defined terms under IFRS Accounting Standards and may therefore not be comparable with similarly titled measures reported by other entities. It is not intended to be a substitute for, or superior to, measures as required by IFRS Accounting Standards.

(a) Interest received on the face of the statement of comprehensive income, being only interest received on call and operating bank account balances.

1 Accounting policies continued

1.2 Investment in subsidiaries

Subsidiaries are entities (including structured entities) which are, directly or indirectly, controlled by the Company. Control is established where the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The nature and effect of existing rights that give the Company the current ability to direct the relevant activities of the entity are considered when assessing whether the Company controls another entity.

The Company's investments in the ordinary shares of its subsidiaries are carried at cost less impairment losses and, if denominated in foreign currencies, are translated at historical rates. Purchases and sales of these investments are recognised on the trade date at cost, including transaction costs.

1.3 Financial instruments

1.3.1 Initial recognition and measurement

Financial instruments recognised on the statement of financial position include trade and other receivables, amounts receivables from subsidiaries, cash and cash equivalents and trade and other payables.

These financial instruments are recognised at trade date when the Company becomes a party to the contractual provisions of the instrument. Trade and other receivables with no significant financing component are initially measured at transaction price. Other financial instruments not measured at FVPL are initially recognised at fair value including directly attributable transaction costs. Transaction costs of financial instruments carried at FVPL are expensed in profit or loss.

1.3.2 Derecognition

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial liabilities are derecognised when they are extinguished, i.e. when the contractual obligation is discharged, cancelled, expires or when a substantial modification of the terms occurs.

1.3.3 Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

1.3.4 Classification and subsequent measurement

Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost.

Financial assets at amortised cost

The classification and subsequent measurement of debt investments depend on the Company's business model for managing the financial assets and the contractual terms of the cash flows. Financial assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost, using the effective interest rate method, less allowance made for impairment of these assets.

Interest income from these financial assets is calculated by applying the effective interest rate to the gross carrying amount, except for:

- Purchased or originated credit-impaired financial assets. For these financial assets the Company applies the credit-adjusted effective interest rate to the amortised cost of the financial asset from initial recognition; and
- Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For these financial assets, the Company applies the effective interest rate to the amortised cost of the financial asset in subsequent reporting periods.

Any gain or loss arising on derecognition, modification or impairment is recognised directly in profit or loss.

The Company reclassifies debt investments when and only when its business model for managing those financial assets changes.

The following debt investments are measured at amortised cost in terms of the Company's business model of holding these financial assets to collect solely payments of principal and interest:

(a) **Trade and other receivables:** Trade and other receivables consist mainly of interest accrued.

(b) **Amounts receivable from subsidiaries:** Amounts receivable are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money or services directly to a subsidiary with no intention of trading the receivable. The Company holds the amounts receivable with the objective to collect contractual cash flows and the contractual terms of the amounts receivable are solely payments of principal and interest. These financial assets are included under current assets unless they mature later than 12 months after the reporting date.

Notes to the separate annual financial statements continued

Shoprite Holdings Ltd for the year ended 29 June 2025

1 Accounting policies continued

1.3 Financial instruments continued

1.3.4 Classification and subsequent measurement continued

Financial assets continued

Financial assets at amortised cost continued

(c) **Cash and cash equivalents:** Cash comprises cash at banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of change in value. Interest on cash and cash equivalents is recognised in the statement of comprehensive income as interest received from bank account balances.

Financial liabilities

Financial liabilities are classified as subsequently measured at amortised cost, using the effective interest rate method.

Financial liabilities measured at amortised cost on the statement of financial position includes trade and other payables.

(d) **Trade and other payables:** Trade and other payables mainly comprise of other payables and accruals and are short-term in nature.

Non-convertible, non-participating, non-transferable no par value deferred shares, which are mandatorily acquirable on a specific date, are classified as other payables.

Financial guarantee contracts

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

(a) The amount determined in accordance with the expected credit loss model under IFRS 9: Financial Instruments; and

(b) The amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15: Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third-party for assuming the obligations.

1.3.5 Impairment

The Company assesses on a forward-looking basis the ECL associated for all debt instruments not held at FVPL and the Company recognises an allowance for ECL. ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Company has the following types of financial assets measured at amortised cost that are subject to impairment under the general impairment approach:

- Amounts receivable from subsidiaries
- Other receivables
- Cash and cash equivalents

(a) **General impairment approach**

The Company applies the general impairment approach to measure ECL for amounts receivable from subsidiaries, other receivables, and cash and cash equivalents. The Company assesses at the end of each reporting period whether the credit risk on a financial instrument has increased significantly since initial recognition.

In the event of a significant increase in credit risk since initial recognition, the Company recognises an allowance (or provision) for ECL resulting from all possible default events over the expected life of the financial instrument (lifetime ECL). Financial assets where 12-month ECL is recognised are considered to be 'stage 1'; financial assets which are considered to have experienced a significant increase in credit risk are in 'stage 2'; and financial assets for which there is objective evidence of impairment are considered to be in default, or otherwise credit-impaired, are in 'stage 3'.

The measurement of ECL under the general impairment approach reflects a probability-weighted outcome, the time value of money and the best forward-looking information available to the Company. The probability-weighted outcome incorporates the probability of default (PD), exposure at default (EAD), timing of when default is likely to occur and loss given default (LGD).

The Company recognises in profit or loss, as an impairment loss or reversal, the amount of ECL (or reversal) that is required to adjust the loss allowance at the end of the reporting period. When a receivable is uncollectible, it is written off against the allowance for impairment for that receivable. Subsequent recoveries of amounts previously written off are recognised in the statement of comprehensive income.

Note 14.3.1 provides more detail on how the Company determines a significant increase in credit risk and how the expected credit loss allowance is measured.

1 Accounting policies continued

1.4 Stated capital

Ordinary shares, including incremental costs directly attributable to the issue of new shares, are both classified as equity.

1.5 Revenue

Revenue is recognised as follows:

1.5.1 Dividend income from subsidiaries

Dividend income from subsidiaries is recognised when the shareholders' right to receive payment is established.

1.5.2 Guarantee fees

Guarantee fees are recognised over the period of the financial guarantee contract at a percentage of the amount guaranteed.

1.5.3 Effective interest income

Interest income is calculated by applying the effective interest rate to the gross carrying amount of financial assets except for financial assets that have subsequently become credit-impaired (or "stage 3") for which interest revenue is calculated by applying the effective interest rate to their net carrying amount (i.e. gross carrying amount less impairment provision).

1.6 Current and deferred income tax

The income tax expense for the period comprises current and deferred income tax. Income tax is recognised in the statement of comprehensive income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the reporting date.

Deferred income tax is recognised, using the liability method, for calculated income tax losses and temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates and laws that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which temporary differences can be utilised. Management applies judgement to determine whether sufficient future taxable profit will be available after considering, amongst others, factors such as profit histories, forecasted cash flows and budgets.

Deferred income tax liabilities are recognised on taxable temporary differences arising from investment in subsidiaries, except where the timing of the reversal of the temporary difference can be controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

1.7 Dividends distributed to shareholders

Dividends are accounted for on the date they have been declared by the Company.

1.8 Related parties

Individuals, as well as their close family members, or entities are related parties if one party has the ability, directly or indirectly, to control or jointly control the other party or exercise significant influence over the other party in making financial and/or operating decisions or if the parties are jointly controlled in a joint venture. Key management personnel are defined as all Directors of Shoprite Holdings Ltd.

Notes to the separate annual financial statements continued

Shoprite Holdings Ltd for the year ended 29 June 2025

1 Accounting policies continued

1.9 Standards, interpretations and amendments that are not yet effective as at 29 June 2025

The Company has considered the following new standards, interpretations and amendments to existing standards, which are relevant to the Company's operations and had been issued by the reporting date, but are not yet effective as at 29 June 2025:

Number	Title	Effective for the year ending
IFRS 18	Presentation and Disclosure in Financial Statements	2028
Amendments to IFRS 9 and IFRS 7	Classification and Measurement of Financial Instruments	2027
Volume 11	Annual Improvements to IFRS Accounting Standards	2027
Amendments to IAS 21	Lack of Exchangeability	2026

The Company has not early adopted any of the above. The application thereof in future financial periods is not expected to have a significant impact on the Company's reported results, financial position and cash flows, except for the standard set out hereafter.

Title of standard	IFRS 18: Presentation and Disclosure in Financial Statements
Nature of change	IFRS 18 was issued as a replacement for IAS 1. The standard introduces categories and defined subtotals in the statement of comprehensive income with the purpose of providing additional relevant information and a structure that is more comparable between entities.
Impact	IFRS 18 will result in the Company's statement of comprehensive income being reclassified into categories namely, operating, investing, financing, income tax and discontinued operations. The disclosure of management-defined performance measures (MPM) will be introduced in the notes to the financial statements. MPM will constitute subtotals of income and expenses to communicate management's perspective of an aspect of the Company's performance. MPM will be disclosed in a single note which will describe why management believes it provides useful information on the Company's performance from their perspective. Furthermore, the note will describe how the MPM is calculated, considering the effect of tax and non-controlling interests where there are differences between the MPM and the most directly comparable subtotals and totals specified by IFRS Accounting Standards.
Mandatory application date/ Date of adoption by the Company	IFRS 18 is mandatory for financial years commencing on or after 1 January 2027. At this stage, the Company does not intend to adopt the standard before its effective date.

1.10 New standards, interpretations and amendments effective for the year ended 29 June 2025

The following new standards, interpretations and amendments to existing standards are effective for the year ended 29 June 2025:

Number	Title
Amendments to IAS 1	Classification of Liabilities as Current or Non-current, Non-current Liabilities with Covenants
Amendments to IAS 12	International Tax Reform, Pillar Two Model Rules

The other amendments listed above had no significant effect on the Company's operations.

2 Interest in and amounts receivable from subsidiaries

	2025 Rm	2024 Rm
Investment in subsidiaries (note 2.1)	8 122	9 670
Amounts receivable from subsidiaries (note 2.2)	364	10
	8 486	**9 680**
Analysis of total interest in subsidiaries:		
Non-current	8 122	9 670
Current	364	10
	8 486	**9 680**

Details of interest in subsidiaries are disclosed in Annexure A.

2.1 Investment in subsidiaries

	2025 Rm	2024 Rm
Gross amount	17 525	17 798
Provision for impairment	(9 403)	(8 128)
	8 122	**9 670**
Reconciliation of investment in subsidiaries:		
Balance at the beginning of the year	9 670	10 813
Decrease in investment in subsidiaries	(1 066)	(1)
Increase in investment in subsidiaries	793	–
Impairment of investment in subsidiaries	(1 275)	(1 142)
Balance at the end of the year	**8 122**	**9 670**

The decrease in investment in subsidiaries relates to a capital reduction in the investment of Shoprite International Ltd. An additional investment was made in Resilient Africa Managers (Pty) Ltd that was fully impaired during the current financial year. Refer to Annexure A.

During the current and prior financial years the Company's investment in Shoprite International Ltd was assessed and deemed to be impaired. The recoverable amount of R6.4 billion (2024: R7.9 billion) was determined by reference to the investment's fair value less costs of disposal (level 3 within the fair value hierarchy). The impairment was due to constrained future growth expectations in the countries where Shoprite International Ltd's subsidiaries trade. Furthermore, the majority of the countries' local currencies depreciated against the US dollar from the end of the 2022 financial year to the end of the current financial year, decreasing the US dollar value of the underlying subsidiaries. The remaining reduction in the recoverable amount is due to the capital reduction noted above of R1 066 million.

The Company's investment in Resilient Africa (Pty) Ltd of R799 million was assessed for impairment and fully impaired at the end of the financial year after considering the subsidiary's underlying net asset value. Resilient Africa (Pty) Ltd has a net asset deficit and, therefore, the recoverable amount is assumed to be zero.

Impairment methodology

The Company considers its investment in subsidiaries for impairment at each reporting date. The investments' carrying amounts are written down to their recoverable amount if the investments' carrying amounts are greater than their estimated recoverable amounts. Shoprite International Ltd is the holding company of the majority of the Company's retail and property investments outside of South Africa. Shoprite International Ltd's investment in each country is seen as a separate CGU.

The recoverable amount of each CGU is the higher of its value-in-use and its fair value less costs of disposal.

Each CGU is assessed at the reporting date to determine if any indicators of impairment have been identified.

Value-in-use

The cash flow projections used in value-in-use calculations are based on financial budgets, approved by management, covering five-year planning periods. Cash flow projections are derived from an analysis of historic performance and knowledge of the current market, together with the Company's views on the future achievable growth and the impact of committed initiatives, the results of which are reviewed by management. Cash flows beyond these planning periods are extrapolated into the future over the useful life of the CGU, using a steady long-term growth rate which is derived from inflation and GDP growth forecasts by recognised bodies and does not exceed the long-term average growth rate for the industry and country in which the CGUs operate.

In determining the value-in-use of each CGU, projected cash flows are discounted using the entity-specific pre-tax discount rate which includes an adjustment for risks, specific to the country in which a CGU operates. The value of properties is determined by using the capitalisation rate per country.

Fair value less costs of disposal

In determining the fair value less costs of disposal, the net asset value along with fair value excess of land and buildings of the CGU is considered.

Notes to the separate annual financial statements continued

Shoprite Holdings Ltd for the year ended 29 June 2025

2 Interest in and amounts receivable from subsidiaries continued

2.1 Investment in subsidiaries continued

Key assumptions

The key assumptions in the value-in-use calculations are the expected trading profit growth rates, long-term growth rates and the risk-adjusted pre-tax discount rate. The pre-tax discount rates are derived from the country's weighted average cost of capital. The rates are calculated by taking into account the cost of equity and borrowings, excluding the cost of leasing, to which specific market-related premium adjustments are made for each country.

For fair value less costs of disposal calculations of land and buildings, the key assumption is the market capitalisation rate used.

The following table sets out the key assumptions applied in determining the recoverable amount of each CGU, summarised by geographical region:

	Discount rate		Trading profit growth rate		Long-term growth rate		Market capitalisation rate	
	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %	2025 %	2024 %
Angola	34.8	38.1	20.0	22.4	20.0	22.4	19.0	19.0
Botswana	14.2	12.8	7.6	8.4	7.6	8.4	—	—
Mozambique	28.0	31.6	10.0	12.0	10.0	12.0	19.0	19.0
Zambia	30.6	35.8	12.6	12.4	12.6	12.4	13.0	13.0

	2025 Rm	2024 Rm
2.2 Amounts receivable from subsidiaries		
Gross amount	364	10

Amounts receivable from subsidiaries of the Company are unsecured and payable on demand and are interest-free.

Amounts receivable from subsidiaries of the Company are considered to have low credit risk where they have a low risk of default and the subsidiary has a strong capacity to meet its contractual cash flow obligations in the near term. The majority of amounts receivable from subsidiaries is receivable from Resilient Africa (Pty) Ltd (2024: the Company's main trading subsidiary, Shoprite Checkers (Pty) Ltd).

The maximum exposure to credit risk at the reporting date is the carrying amount.

During the reporting period, the Company purchased a loan receivable from Resilient Africa (Pty) Ltd. The loan receivable was designated as credit impaired at initial recognition as it was acquired at a deep discount reflecting the incurred credit losses.

At the reporting date, the loan was assessed for changes in the lifetime expected credit losses. Based on the assessment performed, the gross amount receivable from Resilient Africa (Pty) Ltd had increased from R240 million to R300 million when considering binding purchase agreements and offers received for entities owned and controlled by Resilient (Pty) Ltd. The expected proceeds receivable upon conclusion of the previously-mentioned transactions will be utilised to settle a portion of the outstanding loan payable to the Company, and is used as evidence to support the recoverable amount of the loan.

		2025 Rm	2024 Rm
3	**Deferred income tax asset**		
	Provisions and accruals	1	1
	Net deductible temporary differences to be recovered within 12 months	1	1
4	**Trade and other receivables**		
	Interest accrued	—	4
5	**Stated capital**		
	Stated capital	7 516	7 516

Authorised:
1 300 000 000 (2024: 1 300 000 000) no par value ordinary shares

Issued:
591 338 502 (2024: 591 338 502) no par value ordinary shares

Details of the beneficial shareholders holding 5.0% or more of the total issued shares are disclosed in Annexure B.

The unissued ordinary shares are under the control of the Directors who may issue them on such terms and conditions as they deem fit until the Company's next Annual General Meeting.

All shares are fully paid up.

Details of special resolutions passed by the Company during the reporting period are provided in the Directors' report.

		2025 Rm	2024 Rm
6	**Trade and other payables**		
	Other payables and accruals	12	12

6.1 Deferred shares

Authorised:
720 000 000 (2024: 720 000 000) non-convertible, non-participating, non-transferable no par value deferred shares

Issued:
305 621 601 (2024: 305 621 601) non-convertible, non-participating, non-transferable no par value deferred shares

The deferred share liability of R0.3 million (2024: R0.3 million) is included in other payables at the reporting date.

All shares are fully paid up.

In terms of the transaction agreement concluded between the Company, Thibault Square Financial Services (Pty) Ltd and Titan Premier Investments (Pty) Ltd on 18 April 2019, the voting rights attached to 40 652 489 deferred shares held by Thibault Square Financial Services (Pty) Ltd will remain restricted whilst all the required approvals are obtained to enable the acquisition of these deferred shares as required in the Memorandum of Incorporation (MOI) of the Company. All other deferred shares carry the same voting rights as the ordinary shares.

The deferred shares are not convertible into shares of any other class, are not entitled to participate in any profits of the Company and no dividends may be declared or paid in respect of these shares. The holder of these shares is entitled to be present at any meeting of the Company and is entitled on a poll to one vote in respect of every share held.

The Company shall proportionally acquire deferred shares in relation to the extent to which the shareholder disposes of his interest in ordinary shares in the Company. The Company shall acquire all issued deferred shares, should the shareholder's interest in ordinary shares become less than 10%. These shares are not listed on any stock exchange.

Subject to certain limitations, the unissued deferred share capital is under the control of the Directors, who may issue it under predetermined circumstances as set out in the MOI of Shoprite Holdings Ltd.

Notes to the separate annual financial statements continued

Shoprite Holdings Ltd for the year ended 29 June 2025

	2025 Rm	2024 Rm
7 Directors' remuneration		
Executive Directors	99	72
Non-executive Directors	15	13
	114	85
Less: Paid by subsidiaries	(99)	(72)
	15	**13**

Refer to notes 18 and 29 of the consolidated annual financial statements for details of share-based payment instruments issued to Directors' and Directors' remuneration.

	2025 Rm	2024 Rm
8 Expenses		
Fees for professional services	4	2
Other expenses	32	24
	36	**26**
9 Items of a capital nature		
Loss on disposal of investment in subsidiary	—	1
Impairment losses of investment in subsidiaries (note 2)	1 275	1 142
	1 275	**1 143**
10 Income tax expense		
10.1 Consisting of:		
Current income tax	25	98
Prior year income tax	(1)	4
	24	**102**

	%	%
10.2 Reconciliation of effective tax rate		
South Africa current income tax at 27% (2024: 27%)	27.0	27.0
Net adjustments	(25.9)	(20.3)
Dividend income	(42.7)	(46.4)
Non-deductible expenses[1]	16.1	26.1
Deemed republic source income	0.8	—
Prior year income tax	(0.1)	—
Effective tax rate	**1.1**	**6.7**

1 Non-deductible expenses mainly comprise of the impairment of subsidiary investments.

	cents	cents
11 Dividends per share		
11.1 Dividends per share paid		
No. 151 paid 30 September 2024 (2024: No. 149 paid 2 October 2023)	445.0	415.0
No. 152 paid 31 March 2025 (2024: No. 150 paid 2 April 2024)	285.0	267.0
	730.0	**682.0**
11.2 Dividends per share declared		
No. 153 payable 29 September 2025 (2024: No. 151 paid 30 September 2024)	496.0	445.0

The final dividend payable on 29 September 2025 (2024: 30 September 2024) will amount to R2.9 billion (2024: R2.6 billion).

	2025 Rm	2024 Rm
12 Cash flow information		
12.1 Non-cash items		
Gain on purchase of credit impaired loan	(60)	—
Credit impairment losses on investment in subsidiaries	1 275	1 142
	1 215	**1 142**
12.2 Changes in working capital		
Trade and other receivables	—	2
Trade and other payables	47	70
	47	**72**
12.3 Dividends paid		
Shareholders for dividends at the beginning of the year	(9)	(13)
Dividends distributed to equity holders	(4 315)	(4 033)
Shareholders for dividends at the end of the year	9	9
	(4 315)	**(4 037)**
12.4 Income tax paid		
(Payable)/prepaid at the beginning of the year	(29)	4
Per statement of comprehensive income	(24)	(102)
(Prepaid)/payable at the end of the year	(6)	29
	(59)	**(69)**

13 Borrowing powers

In terms of the Memorandum of Incorporation of the Company the borrowing powers of Shoprite Holdings Ltd are unlimited.

14 Risk management and financial instrument disclosure

The Board is accountable for the process of risk management, establishing appropriate risk and control policies, and communicating these throughout the Company. The Company follows the Shoprite Holdings Ltd Group's risk management policies which are designed to identify risks faced by the Company and establish appropriate controls and limits to mitigate the risk to acceptable levels. The Audit and Risk Committee of the Group oversees how management monitors compliance with these risk and control policies.

This note discloses information about the Company's capital risk management and exposure to risks from its use of financial instruments.

14.1 Capital risk management

The Company's objectives when managing capital are to safeguard its ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. Total capital is considered to be equity as shown in the statement of financial position.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders or issue new shares.

14.2 Fair value of financial instruments

All financial instruments measured at fair value are classified using a three-tiered fair value hierarchy that reflects the significance of the inputs used in determining the measurement. The hierarchy is as follows:

- **Level 1:** Measurements in whole or in part are done by reference to unadjusted, quoted prices in an active market for identical assets and liabilities. Quoted prices are readily available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm's length basis.
- **Level 2:** Measurements are done by reference to inputs other than quoted prices that are included in level 1. These inputs are observable for the financial instrument, either directly (i.e. as prices) or indirectly (i.e. from derived prices).
- **Level 3:** Measurements are done by reference to inputs that are not based on observable market data.

All financial instruments held by the Company are measured at amortised cost.

The book values of all financial assets and liabilities approximates the fair values thereof, and are classified within level 3 of the fair value hierarchy.

Notes to the separate annual financial statements continued

Shoprite Holdings Ltd for the year ended 29 June 2025

14 Risk management and financial instrument disclosure continued

14.3 Financial risk management

The Company's activities expose it to a variety of financial risks which include the effects of changes in debt and interest rates. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Financial risk management is carried out by a central treasury department under policies approved by the Board of Directors. The treasury department identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as interest rate risk, credit risk and investing excess liquidity.

14.3.1 Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Company. The Company's exposure to credit risk is influenced mainly by the individual characteristics of each counterparty. Potential concentration of credit risk consists primarily of amounts receivable from subsidiaries, cash and cash equivalents and financial guarantee contracts.

The Company's financial assets measured at amortised cost are subject to impairment under the ECL model. The inputs, assumptions and estimation techniques used in measuring ECL are explained below.

Measurement of ECL in terms of the general model for impairment

ECL are measured on either a 12-month or lifetime basis depending on whether a significant increase in credit risk (SICR) has occurred since initial recognition or whether an asset is considered to be credit-impaired. ECL are the discounted product of the probability of default (PD) and exposure at default (EAD).

- The PD represents the likelihood of a counterparty defaulting on its financial obligation, either over 12 months (12-month PD) or over the remaining lifetime (lifetime PD) of the obligation.
- The EAD is based on the amounts the Company expects to be owed at the time of default over the next 12 months (12-month EAD) or over the remaining lifetime (lifetime EAD).
- The Company calculates loss given default (LGD) as discounted EAD.

These three components are multiplied together. This effectively calculates the ECL which is then discounted back to the reporting date, using the original effective interest rate, and aggregated. ECL is a probability-weighted outcome.

The 12-month and lifetime EADs are determined based on the PD, which varies by type of financial asset.

SICR in terms of the general model for impairment

The Company considers financial assets subject to assessment for ECL in terms of the general model for impairment, to have experienced a SICR since the time of initial recognition, when one or more of the following quantitative, qualitative or backstop criteria have been met. The SICR assessment happens on a bi-annual basis per financial asset class, at a portfolio level. The criteria used to identify SICR are monitored and reviewed periodically for appropriateness by the credit risk team.

Quantitative criteria

Where the counterparty has not met its minimum contractual obligations for at least one month.

Qualitative criteria

The Company considers available reasonable and supportive forward-looking information. Especially the following indicators are incorporated:

- Internal and external credit ratings;
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the counterparty's ability to meet its obligations;
- Changes in general economic and/or market conditions;
- Changes in the amount of financial support available to the counterparty;
- Expected or potential breaches of covenants; and
- Expected delay in payment.

A backstop is applied if the borrower is more than 30 days past due on its contractual payments.

14 Risk management and financial instrument disclosure continued

14.3 Financial risk management continued

14.3.1 Credit risk continued

Definition of default and credit-impaired assets

The Company defines a financial instrument as in default when the counterparty fails to make contractual payments within 90 days of when they fall due. This is fully aligned with the definition of credit-impaired assets.

With regard to credit-impaired accounts, interest income is recognised by applying the effective interest rate to the amortised cost, i.e. gross carrying amount less impairment provision, resulting in lower interest revenue.

The criteria for credit-impaired accounts (i.e. when the account moves to stage 3 as a result of loss events that have occurred after initial recognition) are as follows:

Amounts receivable from subsidiaries:

- Significant financial difficulty of the counterparty;
- Where a counterparty has not met their minimum contractual obligations; and
- The disappearance of an active market for that financial asset because of financial difficulties.

Other receivables:

Where a counterparty has not met their minimum contractual obligations for three consecutive months.

Curing

A credit-impaired account will cure when the customer does not meet the criteria for being a credit-impaired account. For a customer to cure, a significant improvement in the customer's payment behaviour is required. Curing occurs in the following instances:

Amounts receivable from subsidiaries:

Where no payment has been received in the last three consecutive months, it will cure once in receipt of a contractual repayment. If a loan receivable was determined to be credit-impaired, based on the significant difficulty of the counterparty, it will cure once there is clear evidence of financial stability from the counterparty.

Trade receivables:

- *In duplum* accounts will cure when they no longer meet the requirements of the National Credit Act for being defined as an *in duplum* account.
- Where no payment has been received in the last three consecutive months, it will cure once in receipt of a payment.

Other receivables:

Where no payment has been received in the last three consecutive months, it will cure once in receipt of a payment.

Write-off policy

The Group writes off financial assets, in whole or in part, when it has exhausted all practical recovery efforts and has concluded that there is no reasonable expectation of recovery. This is usually the case when the Company's in-house collection department and external collection companies which supplement the Group's collection activities are unable to recover outstanding balances.

(a) Amounts receivable from subsidiaries

The following table reflects the maximum exposure to credit risk on amounts receivable from subsidiaries at the reporting date:

Internal credit rating category	Basis of recognition of ECL allowance	ECL rate	Gross amount Rm	ECL allowance Rm	Carrying amount Rm
2025					
Stage 1	12-month ECL	0.00%	364	–	364
2024					
Stage 1	12-month ECL	0.00%	10	–	10

Internal credit rating categories are determined as follows:

- **Performing (stage 1):** Counterparty has a low risk of default and a strong capacity to meet contractual cash flows.
- **Underperforming (stage 2):** Receivables for which there is a SICR. A SICR is presumed if interest and/or principle repayments are 30 days past due.
- **Non-performing (stage 3):** Interest and/or principal repayments are 90 days past due.

Notes to the separate annual financial statements continued

Shoprite Holdings Ltd for the year ended 29 June 2025

14 Risk management and financial instrument disclosure continued
14.3 Financial risk management continued
14.3.1 Credit risk continued
Write-off policy continued

(b) Cash and cash equivalents

The Company uses rated South African financial institutions as its bankers. The Company has policies that limit the amount of credit exposure to any one financial institution.

ECL of cash and cash equivalents are calculated in terms of the general model for impairment. All cash and cash equivalents were determined to be in stage 1 as the counterparty has low risk of default and a strong capacity to meet contractual cash flows. There was no SICR of the Company's cash and cash equivalents. ECL were therefore limited to 12-month expected losses and the identified impairment loss was immaterial.

The table below shows the cash invested at the reporting date at financial institutions grouped per Moody's short-term credit rating of the financial institutions.

	National scale	Global scale	2025 Rm	2024 Rm
Standard Bank	P-1.za	P-3	76	1 034

(c) Financial guarantee contracts

The Company has guaranteed various revolving credit facilities of R25.3 billion (2024: R24.2 billion) in favour of its subsidiaries. The guarantees have been disclosed as part of the Company's liquidity risk hereafter. Financial guarantees are kept to an operational minimum and reassessed regularly. The maximum potential exposure to credit risk under financial guarantee contracts amounts to R25.3 billion (2024: R24.2 billion).

14.3.2 Market risk
Cash flow and fair value interest rate risk

The Company's interest rate risk arises mainly from daily call accounts. The Company does not account for any fixed rate financial assets or liabilities at FVPL and therefore a change in interest rates at the reporting date would not affect profit or loss.

Daily call accounts and bank overdrafts carry interest at rates fixed on a daily basis and expose the Company to cash flow interest rate risk. The Company analyses this interest rate exposure on a dynamic basis. Daily cash flow forecasts are done and combined with interest rates quoted on a daily basis. This information is then taken into consideration when reviewing, reinvesting and/or renewal/cancellation of existing positions and alternative investing. Based on these scenarios, the Company calculates the impact on profit and loss of a defined interest rate shift. The scenarios are run only for cash that represent the major interest-bearing positions. The weighted average effective interest rate on call accounts was 8.6% (2024: 9.0%).

14 Risk management and financial instrument disclosure continued
14.3 Financial risk management continued
14.3.3 Liquidity risk

The risk of illiquidity is managed by using cash flow forecasts, maintaining adequate unutilised banking facilities and unlimited borrowing powers. The adequate unutilised banking facilities are controlled by the Company's treasury department in accordance with a treasury mandate as approved by the Board of Directors of the Group.

The following table analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows based on the earliest date on which the Company can be required to pay and include both interest and principal cash flows. All the balances are due within 12 months and equal their carrying balances as the impact of discounting is not significant.

Non-derivative financial liabilities	Book value Rm	Not later than one year Rm
2025		
Other payables and accruals excluding taxes payable and employee benefit accruals	12	12
Financial guarantees	—	25 342
	12	**25 354**
2024		
Other payables and accruals excluding taxes payable and employee benefit accruals	12	12
Financial guarantees	—	24 172
	12	**24 184**

15 Related party information

Related party relationships exist between the Company, subsidiaries, Directors, as well as their close family members, and key management of the Company.

Details of the remuneration of Directors are disclosed in note 7.

Details of the Directors' interests in ordinary and non-convertible, non-participating, non-transferable no par value deferred shares of the Company are provided in the Directors' report.

Details of the Company's interests in subsidiaries are provided in note 2 and Annexure A.

The Company paid dividends of R 337 million (2024: R305 million) to Shoprite Checkers (Pty) Ltd during the year under review.

The Company received the following from its subsidiaries:	2025 Rm	2024 Rm
Annual administration fee received from Shoprite Checkers (Pty) Ltd	3	3
Dividends received from Shoprite Checkers (Pty) Ltd	3 419	2 602
Guarantee fee received from Shoprite International Ltd	1	2
Guarantee fee received from Retail Holdings Botswana (Pty) Ltd	1	2

04

ANNEXURES

Annexure A – Interests in subsidiaries

Shoprite Holdings Ltd as at 29 June 2025

	Country of incorporation and place of business	Issued ordinary and preference share capital and premium Rm	Percentage shares held by Group %	Investment in shares 2025 Rm	Investment in shares 2024 Rm	Amount owing by 2025 Rm	Amount owing by 2024 Rm
Direct subsidiaries							
Resilient Africa (Pty) Ltd	South Africa	793	100	—	—	300	—
Resilient Africa Managers (Pty) Ltd	South Africa	—	100	—	—	—	—
Shoprite Checkers (Pty) Ltd	South Africa	2 017	100	174	174	62	7
Shoprite DTMC (Pty) Ltd	South Africa*	1 187	100	1 187	1 187	—	—
Shoprite Financial Services Ltd	South Africa	400	100	400	400	—	—
Shoprite International Ltd	Mauritius*	14 964	100	6 361	7 909	1	2
				8 122	**9 670**	**363**	**9**
Indirect subsidiaries							
Africa Supermarkets Ltd	Zambia*	657	100				
Checkers (Chatsworth) Ltd**	South Africa	2	48				
Computicket (Pty) Ltd	South Africa	69	100				
Mercado Fresco de Angola, Lda	Angola*	801	100				
OK Bazaars (Lesotho) (Pty) Ltd**	Lesotho*	—	50				
OK Bazaars (Namibia) Ltd	Namibia*	1	100				
OK Bazaars (Swaziland) (Pty) Ltd	Eswatini*	—	100				
OK Bazaars (Venda) Ltd**	South Africa	2	50				
Pingo Delivery (Pty) Ltd	South Africa	350	100				
President Hyper SA Rustenburg (Pty) Ltd	South Africa	103	100				
Rainmaker Services (Pty) Ltd	South Africa	1 311	100				
Retail Holdings Botswana (Pty) Ltd	Botswana*	735	100			1	1
SC Property Management (Pty) Ltd	South Africa	1	100				
Shoprite Angola Imobiliária, Lda	Angola*	1 971	100				
Shoprite Delta Capital (Pty) Ltd	South Africa	30	100				
Shoprite Ghana (Pty) Ltd	Ghana*	259	100				
Shoprite Lesotho (Pty) Ltd	Lesotho*	—	100				
Shoprite Mozambique, Lda	Mozambique*	149	100				
Shoprite Namibia (Pty) Ltd	Namibia*	970	100				
Shoprite Supermarkets (Pty) Ltd	South Africa	646	100				
Shoprite Supermercados, Lda	Angola*	1 262	100				
Shoprite Trading Ltd	Malawi*	445	100				
				8 122	**9 670**	**364**	**10**

* Investments in subsidiaries with functional currencies other than South Africa rand are converted at historical exchange rates.
** Non-controlling interests in respect of these subsidiaries are not material.

Note:
General information in respect of subsidiaries is set out in respect of only those subsidiaries of which the financial position or results are material for a proper appreciation of the affairs of the Group. A full list of subsidiaries is available on request.

Annexure B – Shareholder analysis

Shoprite Holdings Ltd as at 29 June 2025

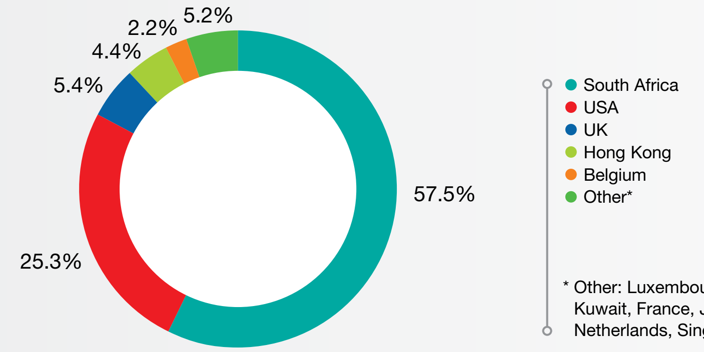
Shareholder spread	No of Shareholdings	%	No of Shares	%
1 – 1 000 shares	61 216	89.46	9 622 551	1.63
1 001 – 10 000 shares	5 657	8.27	15 671 488	2.65
10 001 – 100 000 shares	1 124	1.64	35 439 739	5.99
100 001 – 1 000 000 shares	356	0.52	104 619 993	17.69
1 000 001 – 10 000 000 shares	70	0.10	200 207 358	33.86
10 000 001 shares and over	7	0.01	225 777 373	38.18
Totals	**68 430**	**100.00**	**591 338 502**	**100.00**
Distribution of shareholders				
Banks/brokers	253	0.37	135 405 016	22.90
Close corporations	286	0.42	1 085 802	0.18
Endowment funds	304	0.44	2 343 950	0.40
Individuals	58 005	84.77	20 584 944	3.48
Insurance companies	256	0.37	10 452 392	1.77
Investment companies	11	0.02	713 926	0.12
Medical schemes	48	0.07	1 510 659	0.26
Mutual funds	709	1.04	111 885 832	18.92
Other corporations	364	0.53	241 956	0.04
Private companies	1 437	2.10	83 950 149	14.20
Public companies	14	0.02	140 436	0.02
Retirement funds	863	1.26	151 626 364	25.64
Sovereign wealth funds	16	0.02	11 006 958	1.86
Treasury shares	7	0.01	50 943 009	8.61
Trusts	5 857	8.56	9 447 109	1.60
Totals	**68 430**	**100.00**	**591 338 502**	**100.00**
Public/non-public shareholders				
Non-public shareholders	20	0.03	115 378 705	19.51
Directors of the Company	4	0.01	63 997 846	10.82
Subsidiary directors & management	9	0.01	565 708	0.10
Shares held for benefit of participants to equity settled share based payments arrangements	1	0.00	3 294 508	0.56
Treasury shares*	6	0.01	47 520 643	8.04
Public shareholders	68 410	99.97	475 959 797	80.49
Totals	**68 430**	**100.00**	**591 338 502**	**100.00**

* Excludes shares held by directors in Shoprite Holdings Ltd Executive Share Plan.

Beneficial shareholders holding 1% or more	No of Shares	%
Government Employees Pension Fund	105 905 436	17.91
CH Wiese	60 247 146	10.19
Shoprite Checkers (Pty) Ltd	52 599 304	8.89
Vanguard	20 487 387	3.46
Fidelity	18 750 400	3.17
GIC Private Limited	17 913 478	3.03
Coronation Fund Managers	14 342 772	2.43
BlackRock	11 819 737	2.00
Old Mutual	11 750 298	1.99
Ninety One	10 556 186	1.79
JF Le Roux	9 513 037	1.61
Capital Group	8 534 710	1.44
Sanlam	8 215 645	1.39
Government Pension Fund – Norway	7 404 057	1.25
People's Bank of China	6 473 752	1.09
Totals	**364 513 345**	**61.64**

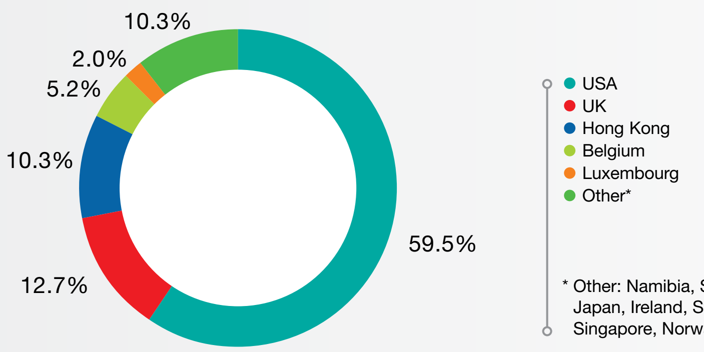
Shareholders' country classification

Fund managers



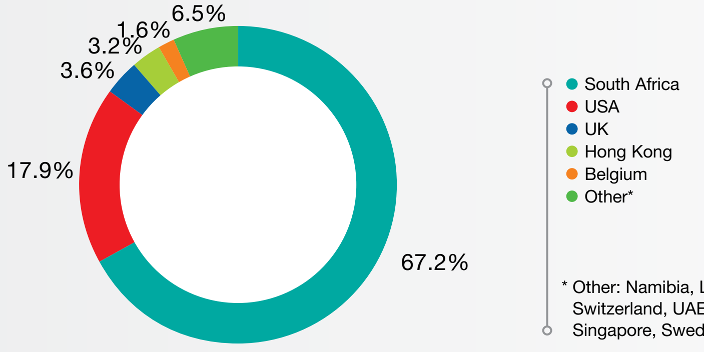
* Other: Luxembourg, Namibia, Saudi Arabia, Switzerland, UAE, Kuwait, France, Japan, Ireland, Sweden, Australia, Germany, Netherlands, Singapore, Norway, Canada, Denmark, Hungary

Foreign fund managers



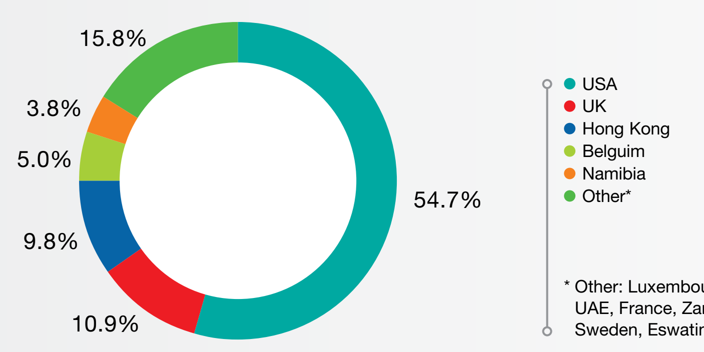
* Other: Namibia, Saudi Arabia, Switzerland, UAE, Kuwait, France, Japan, Ireland, Sweden, Australia, Germany, Netherlands, Singapore, Norway, Canada, Denmark, Hungary

Beneficial shareholders



* Other: Namibia, Luxembourg, Saudi Arabia, Netherlands, Switzerland, UAE, France, Zambia, Ireland, Kuwait, Japan, Singapore, Sweden, Eswatini, Australia, Cayman Islands

Foreign beneficial shareholders



* Other: Luxembourg, Saudi Arabia, Netherlands, Switzerland, UAE, France, Zambia, Ireland, Kuwait, Japan, Singapore, Sweden, Eswatini, Australia, Cayman Islands, Germany

Administration

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- Citibank N.A.
- FirstRand Ltd
- Investec Bank Ltd
- Nedbank Ltd
- The Standard Bank of South Africa Ltd

Shareholders' diary

June
Financial year-end

August
Reviewed results

September
Full year financial results announcement and presentation

October
Payment of final ordinary dividend

Publication of Integrated report and notice of Annual General Meeting

November
Annual General Meeting

December
End of financial half-year

March
Interim results announcement and presentation

April
Payment of interim ordinary dividend

Please consult our website www.shopriteholdings.co.za for the latest published diary dates.

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