

Dis-Chem+

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Group and company audited annual financial statements

for the financial year ended 28 February 2026



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

The directors are responsible for the preparation and fair presentation of the Group and company's audited annual financial statements of Dis-Chem Pharmacies Limited, comprising the statements of financial position at 28 February 2026, and the statements of comprehensive income, changes in equity and statements of cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, prepared in accordance with IFRS® Accounting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB), its IFRIC® interpretations issued by the IFRS Interpretations Committee and SA Financial Reporting Requirements, the JSE Listings Requirements and the Companies Act of South Africa. The annual financial statements are therefore based upon appropriate accounting policies that present fairly the financial position, financial performance and cash flows of the Group and company, consistently applied and supported by reasonable and prudent judgements and estimates.

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

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

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

The directors have reviewed the Group and company's cash flow forecast for the year to 28 February 2027 and beyond, and other appropriate information. The directors have also considered forecasts and budgets for a 12-month period from the approval of these financial statements. In the light of this review and the current financial position, they are satisfied that the Group and company have access to adequate resources to continue in operational existence for the foreseeable future, and have thus considered it to be a going-concern. The external auditors are responsible for independently auditing and reporting on the Group and company annual financial statements. The Group and company annual financial statements have been audited by the company's external auditors and their report is presented on pages 8 to 11.

CEO and CFO certification

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

- the annual financial statements set out on pages 2 to 82, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS Accounting Standards;
- 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;
- 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;
- 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;
- where we are not satisfied, we have disclosed to the audit committee and the auditors the deficiencies in design and operational effectiveness of the internal financial controls and have taken the necessary steps to remedy the deficiencies; and
- we are not aware of any fraud involving directors.

The annual financial statements set out on pages 2 to 82, were approved by the Board of Directors on 28 May 2026 and were signed on its behalf by:



Rui Manuel Morais
Chief Executive Officer



Julia Denise Pope
Chief Financial Officer

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

COMPANY SECRETARY CERTIFICATION

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



Nikki Lumley
Company Secretary

Date: 28 May 2026

REPORT OF THE DIRECTORS

for the year ended 28 February 2026

Review of activities

Main business and operations

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

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

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

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

Going concern

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

Authorised and issued share capital

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

Refer to note 19 for the share capital analysis.

Dividends

In the current year, an interim dividend of 29.41734 cents per share or R254 million was declared on 29 October 2025 and paid on 24 November 2025. A final dividend of 15.91872 cents per share or R137 million was approved by the directors on 28 May 2026. The dividend will be subject to the South African dividend withholding tax ("DWT") rate of 20% which will result in a net dividend of 12.73497 cents per share to those shareholders who are not exempt from paying dividend tax.

In the prior year, an interim dividend of 26.98195 cents per shares or R232 million was declared on 24 October 2024 and paid on 25 November 2024. A final dividend of 27.85196 cents per share or R240 million was approved by the directors on 29 May 2025.

Refer to note 21 for the dividend per share analysis.

External auditors

Forvis Mazars, with Danielle Keeve as the signing partner, was re-appointed as the external auditor at the Annual General Meeting on 31 July 2025.

Events after reporting period

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

Special resolutions

Special resolutions passed during the current year:

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

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

Special resolutions passed during the prior year:

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

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

Borrowing limitations

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

Subsidiary companies/Group structure

Refer to note 4 in the annual financial statements.

Directors

Non-executive directors

LM Nestadt (Independent)	(South African)
A Coovadia (Independent)	(South African)
JS Mthimunye (Independent)	(South African)
A Sithebe (Independent)	(South African)
KKD Kobue	(South African)
H Masondo (Independent)	(South African)
SE Saltzman (Appointed 27 February 2026)	(South African)

Executive directors

IL Saltzman (To retire 30 June 2026)	(South African)
RM Morais	(South African)
JD Pope	(British)
SE Saltzman (Resigned 27 February 2026)	(South African)
SRN Goetsch (To retire 30 June 2026)	(South African)

REPORT OF THE DIRECTORS continued

for the year ended 28 February 2026

Directors' and prescribed officers' interest in shares and contracts

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

	2026		2025	
	Direct interest	Indirect interest	Direct interest	Indirect interest
LM Nestadt	-	500 000	-	500 000
A Coovadia	-	162 162	-	162 162
JS Mthimunye	-	119 662	-	81 162
IL Saltzman and LF Saltzman	-	34 940 933	-	252 066 319
RM Morais (1)	-	-	-	-
SE Saltzman	-	348 591	5	697 181
SRN Goetsch	3 190	27 636 525	3190	29 904 885
CJ Williams	-	10 190 212	-	11 190 212

⁽¹⁾ Melnique Proprietary Limited holds 3 408 556 shares (2025:3 408 556) which are held by the Morais family. RM Morais is not currently a director or controls the company.

⁽²⁾ CR Fairweather, CA Swanepoel and Z Dindar are no longer included in the above table as due to the new delegation of authorities they no longer meet the definition of a prescribed officer.

During the current year, SRN Goetsch sold 294 231 shares for R11 181 013 on 20 February 2026, 974 129 shares for R35 398 656 on 22 January 2026 and 1 000 000 shares for R36 000 000 on 16 January 2026; SE Saltzman sold 5 shares for R161 on 2 July 2025 and 348 590 shares for R12 688 676 on 30 January 2026; CJ Williams sold 1 000 000 shares for R35 124 202 on 10 December 2025 and JS Mthimunye purchased 15 000 shares for R560 481 on 23 February 2026 and 23 500 shares for R891 336 on 20 February 2026.

IL Saltzman and LF Saltzman restructured their interest in their Dis-Chem share portfolio held through Ivlyn Local Investment Holdings Proprietary Limited on 20 June 2025. The restructuring involved the distribution of 217 125 386 ordinary shares for R6 802 538 343.

JD Pope sold 14 667 shares for R475 654; SRN Goetsch sold 38 565 shares for R1 250 671; IL Saltzman sold 123 041 for R3 990 244; SE Saltzman sold 37 171 shares for R1 205 463; CJ Williams sold 51 420 shares for R1 667 561; LF Saltzman sold 100 840 shares for R3 270 261 on 30 June 2025 in regard to the forfeitable share plan.

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

JD Pope sold 14 057 shares for R478 581; TJ Ponter sold 25 064 shares for R853 930; R Govender sold 3 884 shares for R132 328; and Z Dindar sold 25 064 shares for R853 930 on 30 June 2024 in regard to the forfeitable share plan. SRN Goetsch sold 9 446 shares for R325 320 on 16 June 2024 in regard to the share appreciation rights scheme. K Sterling sold 12 397 shares for R441 333 on 26 July 2024 in regard to the share appreciation rights scheme.

There have been no other changes to the directors' interests between the end of the 2026 financial year and the date of approval of the annual financial statements.

Secretary

N Lumley

Registered office

23 Stag Road
Midrand
1685

AUDIT AND RISK COMMITTEE REPORT

for the year ended 28 February 2026

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

Composition

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

- JS Mthimunye (Chairman)
- A Coovadia
- A Sithebe
- H Masondo

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

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

Role and responsibilities of the committee

The committee has the following specific responsibilities:

Integrated reporting

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

- have regard to all factors and risks that may impact on the integrity of the integrated report;
- review the annual financial statements, interim reports, condensed or summarised result announcements, summarised integrated information, any other intended release of price-sensitive information, circulars and prospectuses, trading statements and similar documents;
- comment in the annual financial statements on the financial statements, the accounting practices and the effectiveness of the internal financial controls of the company;
- consider the frequency for issuing interim results and whether the external auditors should perform assurance procedures on the interim results;

- review the disclosure of sustainability issues in the integrated report to ensure that it is reliable and does not conflict with the financial information;
- recommend to the Board the engagement of an external assurance provider on material sustainability issues;
- recommend the integrated report for approval by the Board; and
- consider the latest JSE proactive monitoring report.

Combined assurance

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

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

Finance function and chief financial officer

The committee:

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

External audit

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

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

AUDIT AND RISK COMMITTEE REPORT continued

Internal audit

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

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

Risk management

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

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

Financial reporting and financial control

The committee:

- evaluates the adequacy and effectiveness of the accounting policies adopted by the company in terms of IFRS

Accounting Standards, JSE Listings Requirements and other legal requirements;

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

Evaluation of Chief Financial Officer and finance function

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

Independence and evaluation of external auditors

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

The committee confirmed its satisfaction with the independence and level of service rendered by the external auditor, Forvis Mazars, for the 2026 financial year. The external auditors and the audit partner, Danielle Keeve, have been the auditors of the Group for five years. The rotation of the partner will occur at least every five years.

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

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

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

Policy on non-audit services

The committee has formulated a policy to manage and approve non-audit services. Non-audit services provided by the external auditors (Forvis Mazars) in the current financial year amounted to R230,000 (2025: R238,400). These fees related to agreed-upon procedures for turnover certificates.

Internal financial controls

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

Internal audit and combined assurance

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

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

Execution of functions of the Audit and Risk Committee

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



J Mthimunye
Audit and Risk Committee Chairman

28 May 2026

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Dis-Chem Pharmacies Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Dis-Chem Pharmacies Limited and its subsidiaries (the group and company) set out on pages 12 to 82, which comprise the consolidated and separate statements of financial position as at 28 February 2026, and the consolidated and separate statements of comprehensive income, consolidated and separate statements of changes in equity and consolidated and separate statements of cash flows for the year then ended, and notes to the consolidated and separate financial statements, including material accounting policy information.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Dis-Chem Pharmacies Limited and its subsidiaries as at 28 February 2026, and the consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and the requirements of the Companies Act of South Africa.







Basis for Opinion

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

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

Final Materiality

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

Consolidated financial statements	
 <p>Materiality</p>	R111 572 000
 <p>Basis for determining materiality</p>	8% of profit before tax has been used as the basis for determining materiality.
 <p>Rational for the benchmark applied</p>	We have determined that profit before tax is an appropriate quantitative indicator of materiality as profit before tax best reflects the financial performance of the group. We have also considered misstatements and/or possible misstatements that in our opinion are material for the users of the consolidated financial statements for qualitative reasons.
Separate financial statements	
 <p>Materiality</p>	R54 747 000
 <p>Basis for determining materiality</p>	8% of profit before tax has been used as the basis for determining materiality.
 <p>Rational for the benchmark applied</p>	We have determined that profit before tax is an appropriate quantitative indicator of materiality as profit before tax best reflects the financial performance of the company. We have also considered misstatements and/or possible misstatements that in our opinion are material for the users of separate financial statements for qualitative reasons.

Group Audit Scope

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

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

We identified 66 components of which 40 were subjected to full scope audits conducted by the group engagement team. We identified 7 components where audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatement at group level. Based on our risk assessment procedures, we have determined that there is a less than reasonable possibility of a material misstatement in the remaining financial information not subject to further audit procedures. The remaining 19 components were classified as out of scope components.

The group engagement team through the full scope audits of the 40 components and the audit work on one or more classes of transactions, accounted balances or disclosures of the 7 components audited:

- 99% of Revenue,
- 96% of Profit Before Tax, and
- 99% of Total Assets.

We sent detailed audit instructions to the 7 in scope component auditors where audit procedures were performed on one or more classes of transaction, account balances or disclosures, covering the significant areas and the information required to be reported to us. Based on our risk assessment, we determined the level of involvement in component audits. We reviewed key working papers and conclusions. We communicated regularly with the component auditors during various stages of the audit.

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.

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.

Rebates and advertising agreements (accounting policy note 3.6 and disclosure notes 8 and 16)

Description of the key audit matter

As described in Significant accounting estimates, judgements, and assumptions – Advertising agreements in accounting policy note 3.6, and as disclosed in notes 8 and 16, the group and company recognise a reduction in the cost of inventories sold and held at year end or include as other income amounts from suppliers with regards to rebate and advertising agreements.

The calculations of the rebate and advertising agreements' accounting adjustments are, with exception of conditional contracts, not automated and are managed centrally. Due to the large volume and variety of rebate and advertising agreements, we considered that the completeness, occurrence and accuracy of the rebate and advertising agreements and their resulting accounting adjustments required significant audit attention.

The rebate agreements primarily comprise of contributions received in relation to:

- Retail business promotions
- Annual volume-based rebates
- Wholesale logistic rebates
- Other general rebates.

INDEPENDENT AUDITOR'S REPORT continued

Rebates and advertising agreements (accounting policy note 3.6 and disclosure notes 8 and 16)

How we addressed the key audit matter	<p>Our audit procedures included, amongst others, the following:</p> <p>Gained an understanding of</p> <ul style="list-style-type: none">• the rebate and advertising agreements and the impact of the accounting adjustments on the valuation of cost of inventories sold and held at year end and other income and• the system and controls for recording rebate and advertising agreements accounting adjustments. <p>Evaluated the completeness of the rebate and advertising agreements and the accounting adjustments by performing the following procedures:</p> <ul style="list-style-type: none">• Compared the current year rebate and advertising agreements to the supplier listing to assess completeness and inspected evidence for missing suppliers, new suppliers, active and inactive suppliers.• Evaluated the manually prepared reconciliation and obtained supporting documentation for any reconciliation differences on the recording of rebate and advertising agreements accounting adjustments in the general ledger. <p>Evaluated the accuracy and occurrence of the rebate and advertising agreements accounting adjustments by performing the following procedures on manually calculated transactions:</p> <ul style="list-style-type: none">• Traced a sample of transactions through to signed supplier agreements, related invoices, and proof of settlement to establish the occurrence of the transactions.• Re-performed the calculations obtained from management with reference to the underlying data, and the contractual performance obligations to assess the accuracy of the transactions. <p>We further confirmed with reference to the agreements whether the rebate and advertising agreements accounting adjustments were accounted for accurately and completely in the current financial period.</p> <p>In relation to the automated conditional contracts:</p> <ul style="list-style-type: none">• A sample of conditional contracts was selected to corroborate that the contract term's manual inputs for automation are valid and that the terms uploaded into the system are accurate. <p>Assessed the reasonability of the accounting adjustment related to rebates on the valuation of unsold inventory at year end.</p> <p>Assessed the reasonability of the rebate and advertising agreement accounting adjustments as either other income in terms of IFRS 15 Revenue or as a reduction in cost of inventories sold and held at year end in terms of the requirements of IAS 2 Inventories.</p> <p>Based on the procedures performed as detailed above, we did not raise any material exceptions with respect to our audit of completeness, occurrence and accuracy of rebates and advertising agreements.</p>
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Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Dis-Chem Group and company audited annual financial statements for the financial year ended 28 February 2026", which includes the Report of the Directors, the Audit and Risk Committee Report and the Company Secretary Certification as required by the Companies Act of South Africa. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

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

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

Responsibilities of the Directors for the Consolidated and Separate Financial Statements

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

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's 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/or company or to cease operations, or have no realistic alternative but to do so.

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

Audit Tenure

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

Forvis Mazars

Forvis Mazars
Registered Auditors

Partner: Danielle Keeve
Registered Auditor

Date: 28 May 2026
Johannesburg

GROUP AND COMPANY STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 28 February 2026

	Notes	Group		Company	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
Revenue from contracts with customers	7	42 825 777	39 172 347	27 589 410	25 426 048
Cost of sales	16	(33 416 598)	(30 371 972)	(21 387 645)	(19 754 676)
Gross profit		9 409 179	8 800 375	6 201 765	5 671 372
Other income	8	3 797 149	3 347 467	3 075 646	2 609 347
Total income		13 206 328	12 147 842	9 277 411	8 280 719
Other expenses	8	(11 353 214)	(10 043 744)	(8 183 842)	(6 970 740)
Operating profit before interest and equity accounted earnings		1 853 114	2 104 098	1 093 569	1 309 979
Net financing costs	9	(506 568)	(490 605)	(409 226)	(364 317)
- Finance income		47 498	30 400	71 376	64 154
- Finance costs		(554 066)	(521 005)	(480 602)	(428 471)
Profit from associates and joint ventures	4	48 179	20 207	-	-
Profit before taxation		1 394 725	1 633 700	684 343	945 662
Taxation	10	(359 107)	(414 462)	(142 508)	(193 218)
Total profit for the year, net of taxation		1 035 618	1 219 238	541 835	752 444
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss					
- Exchange differences on translating foreign subsidiaries		963	(106)	-	-
Other comprehensive income for the year, net of taxation		963	(106)	-	-
Total comprehensive income for the year		1 036 581	1 219 132	541 835	752 444
Total profit attributable to:					
- Equity holders of the parent		978 894	1 179 809		
- Non-controlling interests		56 724	39 429		
Total comprehensive income attributable to:					
- Equity holders of the parent		979 857	1 179 703		
- Non-controlling interests		56 724	39 429		
Earnings per share (cents)	11				
- Basic		114.2	137.6		
- Diluted		114.1	137.5		

GROUP AND COMPANY STATEMENTS OF FINANCIAL POSITION

at 28 February 2026

	Notes	Group		Company	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
ASSETS					
Non-current assets		8 396 806	7 312 028	7 380 215	6 343 916
Property, plant and equipment (including right-of-use assets)	12	5 826 232	5 297 400	3 105 595	2 600 272
Intangible assets	13	1 740 823	1 448 057	626 708	373 914
Investments	4/15	564 093	356 267	2 956 583	2 702 049
Loans receivable	18	117 275	72 804	626 407	600 403
Deferred taxation	14	148 383	137 500	64 922	67 278
Current assets		12 341 477	11 944 913	5 660 818	5 408 783
Inventories	16	7 908 461	7 905 213	3 480 993	2 954 388
Trade and other receivables	17	3 808 486	3 312 834	1 708 882	1 742 408
Loans receivable	18	78 395	115 169	353 821	305 888
Taxation receivable	27.3	46 379	26 343	17 256	9 970
Cash and cash equivalents	27.5	499 756	585 354	99 866	396 129
Total assets		20 738 283	19 256 941	13 041 033	11 752 699
EQUITY AND LIABILITIES					
Equity and reserves		5 644 770	5 218 221	3 969 066	3 946 144
Share capital	19	6 155 554	6 155 554	6 155 554	6 155 554
Retained earnings		4 179 169	3 722 968	1 845 414	1 791 877
Other reserves	20	(4 689 953)	(4 660 301)	(4 031 902)	(4 001 287)
Non-controlling interest		49 455	10 750	-	-
Total equity		5 694 225	5 228 971	3 969 066	3 946 144
Non-current liabilities		3 881 007	3 850 147	2 475 869	2 323 296
Lease liability	22	2 248 024	2 045 998	1 833 779	1 601 206
Loans payable	23	1 509 942	1 678 735	642 090	722 090
Deferred taxation	14	123 041	125 414	-	-
Current liabilities		11 163 051	10 177 823	6 596 098	5 483 259
Trade and other payables	24	7 910 598	7 246 228	3 079 900	2 556 680
Lease liability	22	695 209	617 851	515 923	432 488
Loans payable	23	517 636	575 124	1 071 529	865 799
Employee-related obligations	25	328 271	314 198	239 730	231 606
Deferred revenue (contract liability)	26	34 242	86 912	22 296	79 017
Taxation payable	27.3	10 375	19 873	-	-
Bank overdraft	27.5	1 666 720	1 317 637	1 666 720	1 317 669
Total equity and liabilities		20 738 283	19 256 941	13 041 033	11 752 699

GROUP STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2026

	Share capital R'000	Retained earnings R'000	Other reserves		Non-controlling interest R'000	Total R'000
			Treasury shares R'000	Other reserves R'000		
Balance at 29 February 2024	6 155 554	2 965 235	(70 084)	(4 578 581)	2 817	4 474 941
Total comprehensive income for the year	-	1 179 809	-	(106)	39 429	1 219 132
Profit for the year, net of taxation	-	1 179 809	-	-	39 429	1 219 238
Other comprehensive income for the year, net of taxation	-	-	-	(106)	-	(106)
Change in ownership interest in subsidiary and acquisitions	-	(4 572)	-	-	15 318	10 746
Treasury shares acquired	-	-	(32 604)	-	-	(32 604)
Share-based payment expense	-	-	-	29 628	-	29 628
Exercise of share-based payment	-	7 671	14 056	(22 610)	-	(883)
Dividends paid (note 21)	-	(425 175)	-	-	(46 814)	(471 989)
Balance at 28 February 2025	6 155 554	3 722 968	(88 632)	(4 571 669)	10 750	5 228 971
Total comprehensive income for the year	-	978 894	-	963	56 724	1 036 581
Profit for the year, net of taxation	-	978 894	-	-	56 724	1 035 618
Other comprehensive income for the year, net of taxation	-	-	-	963	-	963
Change in ownership interest in subsidiary	-	(34 395)	-	-	12 384	(22 011)
Treasury shares acquired	-	-	(60 432)	-	-	(60 432)
Share-based payment expense	-	-	-	35 337	-	35 337
Exercise of share-based payment	-	5 520	25 827	(31 347)	-	-
Dividends paid (note 21)	-	(493 818)	-	-	(30 403)	(524 221)
Balance at 28 February 2026	6 155 554	4 179 169	(123 237)	(4 566 716)	49 455	5 694 225

(Note 19)

(Note 20)

COMPANY STATEMENT OF CHANGES IN EQUITY

for the year ended 28 February 2026

	Share capital R'000	Retained earnings R'000	Other reserves		Total R'000
			Treasury shares R'000	Other reserves R'000	
Balance at 29 February 2024	6 155 554	1 456 937	(70 084)	(3 917 019)	3 625 388
Profit/ Total comprehensive income for the year	-	752 444	-	-	752 444
Common control adjustment	-	-	-	(2 654)	(2 654)
Treasury shares acquired	-	-	(32 604)	-	(32 604)
Share-based payment expense	-	-	-	29 628	29 628
Exercise of share-based payment	-	7 671	14 056	(22 610)	(883)
Dividends paid (note 21)	-	(425 175)	-	-	(425 175)
Balance at 28 February 2025	6 155 554	1 791 877	(88 632)	(3 912 655)	3 946 144
Profit/ Total comprehensive income for the year	-	541 835	-	-	541 835
Treasury shares acquired	-	-	(60 432)	-	(60 432)
Share-based payment expense	-	-	-	35 337	35 337
Exercise of share-based payment	-	5 520	25 827	(31 347)	-
Dividends paid (note 21)	-	(493 818)	-	-	(493 818)
Balance at 28 February 2026	6 155 554	1 845 414	(123 237)	(3 908 665)	3 969 066

(Note 19)

(Note 20)

GROUP AND COMPANY STATEMENTS OF CASH FLOWS

for the year ended 28 February 2026

	Notes	Group		Company	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
Cash flow from operating activities		1 792 711	904 696	1 031 520	578 924
Cash inflow from trading operations	27.1	3 124 134	3 222 535	1 812 976	2 011 325
Movement in working capital	27.2	125 820	(923 746)	154 248	(516 042)
Finance income received		28 492	24 060	53 688	57 754
Finance costs paid		(559 644)	(515 516)	(484 023)	(431 393)
Taxation paid	27.3	(401 870)	(430 648)	(147 438)	(220 985)
Dividends paid	21	(524 221)	(471 989)	(493 818)	(425 175)
Dividends received	8	-	-	135 887	103 440
Cash flow from investing activities		(1 227 355)	(1 497 011)	(1 039 909)	(725 551)
Additions to property, plant and equipment and intangible assets					
- To maintain operations	12/13	(373 968)	(941 548)	(199 891)	(323 770)
- To expand operations	12/13	(729 620)	(460 596)	(623 683)	(223 601)
Proceeds on disposal of property, plant and equipment and intangible assets		14 883	37 173	12 195	18 586
Increase in investments	15	-	-	(254 534)	(172 540)
Acquisition in business combination and subsidiaries, net of cash acquired	5	(23 475)	-	-	-
Acquisition of joint venture	4	(189 000)	(155 940)	-	-
Proceeds from joint ventures and associates		29 353	28 101	-	-
Advances paid on loans receivable		(7 076)	(4 201)	(4 866)	(24 226)
Receipt from loans receivable		51 548	-	30 870	-
Cash flow from financing activities		(994 577)	(174 637)	(636 925)	(590 717)
Bank loans repaid	27.6	(849 037)	(883 962)	(80 000)	(99 847)
Receipt of bank loans	27.6	628 895	1 372 355	-	-
Lease liability repayment	27.6	(691 992)	(641 172)	(496 493)	(458 266)
Purchase of treasury shares	19	(60 432)	(32 604)	(60 432)	(32 604)
Proceeds from non-controlling interest	27.4	-	15 000	-	-
Change in ownership interest in subsidiary	27.4	(22 011)	(4 254)	-	-
Net (decrease)/increase in cash and cash equivalents		(429 221)	(766 952)	(645 314)	(737 344)
Foreign currency implications on cash and cash equivalents		(5 460)	1 441	-	-
Cash and cash equivalents at beginning of year		(732 283)	33 228	(921 540)	(184 196)
Cash and cash equivalents at end of year	27.5	(1 166 964)	(732 283)	(1 566 854)	(921 540)

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2026

1. Corporate information

Dis-Chem Pharmacies Limited is incorporated in South Africa. The Group annual financial statements as at 28 February 2026 comprise the company and its subsidiaries (collectively referred to as “the Group”).

2. Basis of preparation

The Group and company annual financial statements set out on pages 2 to 82 are prepared on the historical cost basis as modified by fair value adjustments, and incorporate the following principal accounting policies, which conform with IFRS Accounting Standards as issued by the IASB, its IFRIC interpretations and SA Financial Reporting Requirements, the JSE Listings Requirements and the Companies Act of South Africa.

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

3. Summary of material accounting policies

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

3.1 Basis of consolidation

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated annual financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

3.2 Business combinations and goodwill

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

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

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

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2026

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

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

3.3 Impairment of non-financial assets

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

The recoverable amount is the higher of fair value less costs of disposal and value-in-use. In assessing value-in-use, the estimated future cash flows per the management accounts for the next five years are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

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

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

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

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

3.4 Common control reserve

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

3.5 Other reserves

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

3.6 Significant accounting estimates, judgements and assumptions

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

Advertising agreements

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

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

Ownership of Dis-Chem Oncology

The group owns 50% of the share capital of Dis-Chem Oncology Proprietary Limited (which owns 100% of Eton Road Proprietary Limited) but due to the ability to appoint the majority of directors and control the operations of Oncology, the company is consolidated by the Group.

Deferred tax assets - assessed losses

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

3.7 New and amended standards and interpretations effective for the period ended 28 February 2026

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

- Illustrative Examples on IFRS 7, IFRS 18, IAS 1, IAS 8, IAS 36 and IAS 37. This had no impact on the group or company. The group and company does not operate in a high-risk industry from a climate transition perspective and it is unlikely that renewable energy technology advancements, climate-related consumer preferences, climate-related legislation, or reputational damage will impact the group or company. The group and company is not a high greenhouse gases emitter or fossil fuel producer, nor does the group or company provide extensive credit to customers that could be subject to climate change risk of non-payment. Furthermore, the group and company has not suffered significant physical climate change-related losses in recent years (i.e. those caused by floods, bush fires, drought etc.). This means that future projected cashflows used in cash generating unit value-in-use impairment assessments is unlikely to require climate-related considerations in their quantification.

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2026

3.8 New and amended standards and interpretations not yet effective

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

Standard	Scope	Effective Date
IFRS 9 Financial Instruments	Amendment: Derecognition of financial liabilities: - Clarify that financial liabilities are derecognised on the settlement date.	1 January 2026
IFRS 7 Financial Instruments: Disclosures	- Inclusion of accounting policy choice to derecognise financial liabilities settled using an electronic payment system before the settlement date if certain criteria are met. Amendment: Classification of financial assets: - Clarify the assessment of contractual cash flow characteristics for financial assets with environmental, social and governance ('ESG') and similar contingent features. - Clarifications relating to financial assets with non-recourse features and contractually linked financial assets. Amendment: Additional disclosures: - Equity instruments measured at fair value through equity; and - Financial instruments with contingent payment features. The impact of the amendment is expected to result in updated disclosure in the accounting policy note.	
IFRS 9 Financial Instruments	Amendment: Lease derecognition of lease liabilities: - Clarifies that the gain or loss recognised by a lessee on derecognition of a lease liability must be recognised in profit or loss. This amendment is not expected to materially impact the Group or company as the policies are already being applied.	1 January 2026
IFRS 9 Financial Instruments	Amendment: Transaction price: - Reference to transaction price deleted and required wording around it providing reference to IFRS 15. The impact of the amendment has been assessed as none - wording and referencing in the standard amended with no changes to accounting principles.	1 January 2026
IFRS 7 Financial Instruments: Disclosure	Amendment: Gain or loss on derecognition: - Changes in wording and references to IFRS 13 included. Implementation Guidance: Introduction and Credit risk disclosures: - Clarifying that the implementation guidance does not illustrate all requirements of the related paragraphs in IFRS 7. - Simplifying some explanations. The impact of the amendment has been assessed as none - wording, referencing and clarification provided in the standard amended with no changes to accounting principles.	1 January 2026
IAS 7 Statement of Cash Flows	Amendment: Cost method: - Wording change - replaces 'cost method' with 'at cost'. The impact of the amendment has been assessed as none - wording in the standard amended with no changes to accounting principles.	1 January 2026

Standard	Scope	Effective Date
IFRS 18 Presentation and Disclosure in Financial Statements	<p>New standard: presentation and disclosure of information in general purpose financial statements. Requirements include:</p> <ul style="list-style-type: none"> - New mandatory totals or subtotals within the statement of financial performance; - Disclosure regarding management-defined performance measures; - Aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes; - Operating profit must be the starting point for indirect method cash flows; and - Consequential amendments to other accounting standards. <p>This standard will change the disclosure and layout of some statements, management is still assessing the expected impact of adoption.</p>	1 January 2027 (No requirement to present quantitative information per IAS 8.28(f))
IFRS 18 consequential amendments to other standards		
IAS 7 Statement of Cash Flows	<p>Amendments: classification of cash flows:</p> <ul style="list-style-type: none"> - Dividends paid - financing activities - Interest paid - financing activity - Interest received - investing activity - Dividends received - investing activities - Dividends received, interest received and interest paid - classification to align with incomes and expenses in applying IFRS 18 for an entity that invests in assets or provides financing to customers as a main business activity. <p>An entity must classify the total of each of these in a single category in the statement.</p>	1 January 2027 (On application of IFRS 18)
IAS 8 Basis of Preparation of Financial Statements	<p>Amendments:</p> <ul style="list-style-type: none"> - Standard renamed to reflect its expanded role. - Disclosures transferred from IAS 1: <ul style="list-style-type: none"> Basis of preparation Significant judgements Key sources of estimation uncertainty <p>The impact of the amendment is still being assessed.</p>	1 January 2027 (On application of IFRS 18)
IAS 33 Earnings per Share	<p>Amendment:</p> <ul style="list-style-type: none"> - An entity is only permitted to disclose in the notes additional amounts per share using a measure of performance as a numerator different from earnings per IAS 33 only if it is a total or subtotal profit per IFRS 18 or a management-defined performance measure (i.e. Headline earnings per share is only permitted if headline earnings is considered a management-defined performance measure). <p>The impact of the amendment is still being assessed.</p>	1 January 2027 (On application of IFRS 18)
IAS 34 Interim Financial Reporting (Amendment included for completeness purposes and not expected to be referenced as to be adopted and applied in the annual financial statements.)	<p>Amendment:</p> <ul style="list-style-type: none"> - Disclosures about management-defined performance measures required. <p>The impact of the amendment is still being assessed.</p>	1 January 2027 (On application of IFRS 18)

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4. Group information

Subsidiaries

The consolidated financial statements of the Group include:

(All companies are incorporated in South Africa except for Dis-Chem Swakopmund Proprietary Limited, Dis-Chem Walvis Bay Proprietary Limited and Dis-Chem Wernhill Proprietary Limited that are incorporated in Namibia and Dis-Chem Airport Junction Proprietary Limited, Dis-Chem Gallo Shopping Centre Francistown Proprietary Limited, Dis-Chem The Fields Proprietary Limited and Dis-Chem Game City Proprietary Limited that are incorporated in Botswana).

	% equity interest	
	2026	2025
Retailer of pharmaceutical and other products and services		
Dis-Chem Ballito Junction Proprietary Limited	75.0	75.0
Dis-Chem Krugersdorp Proprietary Limited	51.0	51.0
Dis-Chem Three Rivers Proprietary Limited	75.0	75.0
Dis-Chem The Galleria Amanzimtoti Proprietary Limited	85.0	85.0
Dis-Chem Glen Fair Proprietary Limited	100.0	100.0
Dis-Chem Flamwood Value Centre Proprietary Limited	66.7	66.7
Dis-Chem Festival Mall Proprietary Limited (3)	n/a	100.0
Dis-Chem Worcester Proprietary Limited	95.0	95.0
The Local Choice Proprietary Limited	100.0	100.0
Pharma-Logistical Solutions Proprietary Limited	100.0	100.0
Dis-Chem Oncology Proprietary Limited	50.0	50.0
Dis-Chem Rynfield Terrace Pharmacy Proprietary Limited (3)	n/a	100.0
Dis-Chem Swakopmund Proprietary Limited	100.0	100.0
Dis-Chem Walvis Bay Proprietary Limited	100.0	100.0
Dis-Chem Maponya Mall Pharmacy Proprietary Limited (3)	n/a	100.0
Dis-Chem Jubilee Mall Pharmacy Proprietary Limited	90.0	90.0
Dis-Chem Mega City Pharmacy Proprietary Limited	100.0	100.0
Dis-Chem Goodwood Pharmacy Proprietary Limited	85.0	85.0
Dis-Chem Mams Mall Pharmacy Proprietary Limited	100.0	100.0
Dis-Chem TLC De Wiekus Proprietary Limited	70.0	70.0
Dis-Chem York Street Pharmacy Proprietary Limited (3)	n/a	100.0
Dis-Chem Airport Junction Proprietary Limited (2)	90.0	80.0
Dis-Chem Gallo Shopping Centre Francistown Proprietary Limited (2)	85.0	80.0
Dis-Chem Wernhill Proprietary Limited	85.0	85.0
Dis-Chem Ferndale Mall Pharmacy Proprietary Limited (3)	n/a	100.0
Mundel Gien Proprietary Limited (trading as Springbok Pharmacy)	99.0	99.0
AT Gouws Proprietary Limited	100.0	100.0
The Local Choice Scott Street Proprietary Limited (3)	n/a	100.0
Dis-Chem Castle Gate Pharmacy Proprietary Limited	51.0	51.0
Dis-Chem Thavhani Mall Proprietary Limited	65.0	65.0
Fairy Tales Boutiques Proprietary Limited	100.0	100.0

	% equity interest	
	2026	2025
Healthforce Proprietary Limited (2)	100.0	87.5
Dis-Chem Howick Mall Pharmacy Proprietary Limited	100.0	100.0
Pure Pharmacy Holdings Proprietary Limited	100.0	100.0
Pure Pharmacy Retail Proprietary Limited	100.0	100.0
LJ Farrel and Sons Proprietary Limited (3)	n/a	100.0
Dis-Chem KG Proprietary Limited	100.0	100.0
Botha-Schneider Proprietary Limited	100.0	100.0
Dis-Chem Northlands Pharmacy Proprietary Limited	72.0	72.0
Pure MD Services Proprietary Limited (3)	n/a	100.0
Dis-Chem Foundation NPC (1)	n/a	n/a
Dis-Chem Westville Junction Pharmacy Proprietary Limited	71.0	71.0
Superstrike Investment 56 Proprietary Limited (3)	n/a	100.0
Dis-Chem The Fields Proprietary Limited (2)	85.0	80.0
Dis-Chem Media Proprietary Limited	100.0	100.0
Serveco Distribution Proprietary Limited	62.5	62.5
Delta Blue Trading 371 Proprietary Limited	100.0	100.0
B Anderson Proprietary Limited	100.0	100.0
Dis-Chem Game City Proprietary Limited	85.0	n/a
I Watson Proprietary Limited (note 5)	100.0	n/a
Smart Cart Proprietary Limited	100.0	n/a
Eton Road Proprietary Limited	50.0	n/a
Wholesaler of pharmaceutical products and supporting services		
Dis-Chem Distribution Proprietary Limited	100.0	100.0
CJ Pharmaceutical Enterprises Limited	100.0	100.0
Evening Star Trading 204 Proprietary Limited (t/a Nelspruit Pharmaceutical Wholesaler)	100.0	100.0
CJ Marketing Proprietary Limited	100.0	100.0
The Pharmacy Development Academy Proprietary Limited (2)	100.0	70.0
Bemax International Proprietary Limited	100.0	100.0
Brandwacht Marketing Proprietary Limited	100.0	100.0
Finamics Accounting Services Proprietary Limited	100.0	100.0
Eleadora Proprietary Limited	100.0	100.0
CT Distribution Centre Proprietary Limited	100.0	100.0
KZN Warehouse Proprietary Limited	100.0	100.0
Columbia Falls Properties 7 Proprietary Limited	100.0	100.0

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

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

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

(3) During the period, these companies were deregistered.

There were no material non-controlling interests identified within the Group in the current and prior financial period.

The Group assesses the share of non-controlling interest in profit after tax to be material if the interest is higher than 10% (2025: 10%) of consolidated profit after tax.

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Associates and joint ventures

The Group's investment in its associates and joint ventures is accounted for using the equity method.

(All companies are incorporated in South Africa)

	% equity interest	
	2026	2025
Associates		
Bothomed Dis-Chem Pharmacies Joint Venture Proprietary Limited	20.0	20.0
Vexall Proprietary Limited	36.6	36.6
BEESECDP Proprietary Limited	48.0	48.0
Kaelo Holdings Proprietary Limited	25.0	25.0
Kena Health Proprietary Limited	n/a	30.0
Differenza Proprietary Limited	45.6	45.6
Tony Ferguson Weightloss SA Proprietary Limited	25.0	25.0
Stability Analytical And Biological Laboratory Enterprises Proprietary Limited (Sable)	22.0	22.0
Nexuz Proprietary Limited	40.0	40.0
Joint ventures		
Geniob Group Proprietary Limited (which owns 100% of Origin Brands Proprietary Limited)	50.0	50.0
Health Window Proprietary Limited	50.0	50.0
Dis-Chem Life Proprietary Limited	50.0	50.0
	R'000	R'000
Kaelo Holdings Proprietary Limited	235 746	208 576
Dis-Chem Life Proprietary Limited	265 323	126 508
Other	63 024	21 183
	564 093	356 267

On 1 August 2024, the Group acquired a 50% interest in the ordinary share capital of Dis-Chem Life Proprietary Limited for a consideration of R155.9 million. Dis-Chem Life is at the forefront of life insurance innovation and utilizing advanced AI, and proprietary technology, and has created a revolutionary offering that transforms the traditional insurance experience. The company's principal place of business is in South Africa. In the current financial period an additional R189 million was acquired in preference shares.

The Group assesses the share of associates and joint ventures to be material if the net carrying value of the company is higher than 10% (2025: 10%) of consolidated profit before tax.

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

	2026	2025
	R'000	R'000
Summarised financial information of Kaelo Holdings:		
Non-current assets	486 105	340 989
Current assets	236 736	279 894
Non-current liabilities	101 598	124 818
Current liabilities	152 821	250 213
Revenue	1 383 142	1 181 424
Profit/Total comprehensive income	108 676	54 124
Group's share of profit for the year	27 169	13 531
Dividend received	-	-

	2026 R'000	2025 R'000
Summarised financial information of Dis-Chem Life Proprietary Limited:		
Non-current assets	147 440	82 060
Current assets	26 754	18 552
Non-current liabilities	26 494	17 321
Current liabilities	36 079	23 217
Revenue	85 338	28 789
Profit/Total comprehensive income	(100 372)	(115 609)
Group's share of loss for the year	(50 186)	(29 432)
Dividend received	-	-

The Group's share of profit/total comprehensive profit of associates (excluding Kaelo) is R31.8 million (2025: loss of R3.9 million) and profit of joint ventures (excluding Dis-Chem Life) is R39.4 million (2025: R40 million).

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5. Acquisitions

Acquisitions in 2026	Principal activity	Date of acquisition
I Watson Proprietary Limited	Retail Pharmacy	1 August 2025

During the current year the Group acquired the following company in order to further increase store footprint:

- The acquisition of 100% of the shares of I Watson Proprietary Limited, on 1 August 2025.

Acquisition related costs were expensed in the period.

Assets acquired and liabilities assumed:

The fair values of the identifiable assets and liabilities of the companies as at the date of acquisition were:

	R'000	Total R'000
ASSETS		
Property, plant and equipment (including right-of-use asset)	118	118
Cash and cash equivalents	5 642	5 642
Trade and other receivables ⁽¹⁾	396	396
Inventories	1 976	1 976
Taxation	36	36
LIABILITIES		
Trade and other payables	(1 441)	(1 441)
Deferred taxation	(9)	(9)
Total identifiable net assets at fair value	6 718	6 718
Non-controlling interest at proportionate interest	-	-
Goodwill arising on acquisition (note 13)	22 399	22 399
Purchase consideration transferred	29 117	29 117

(1) The carrying amount reflects the gross contractual amounts receivable and we expected to receive the full amount at date of acquisition.

The goodwill comprises the value of expected synergies arising from the acquisition which is not separately recognised. These synergies include expansion of product and clinic offerings, trade term agreements and overall availability of resources.

	R'000	Total R'000
Net cash acquired with the subsidiary	5 642	5 642
Cash paid	(29 117)	(29 117)
Net cash flow on acquisition	(23 475)	(23 475)

From the date of acquisition, the following revenue and profit before tax was contributed to the Group:

	R'000	Total R'000
Revenue	26 219	26 219
Profit before tax	342	342

If the acquisitions had taken place at the beginning of the year, the following revenue and profit before tax would have been contributed to the Group:

	R'000	Total R'000
Revenue	46 250	46 250
Profit before tax	536	536

6. Segmental information

An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses whose operating results are regularly reviewed by the entity's chief operating decision-maker, being the executive directors, in order to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

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

Retail

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

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

Wholesale

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

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

Geographic information

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

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	Retail R'000	Wholesale R'000	Intergroup/ consolidation R'000	Total R'000
2026				
External customers	36 592 332	6 233 445	-	42 825 777
Inter-segment	-	27 810 864	(27 810 864)	-
Revenue from contracts with customers	36 592 332	34 044 309	(27 810 864)	42 825 777
Cost of sales	(28 559 920)	(32 058 804)	27 202 126	(33 416 598)
Gross profit	8 032 412	1 985 505	(608 738)	9 409 179
Other income	3 357 357	469 802	(30 010)	3 797 149
Total income	11 389 769	2 455 307	(638 748)	13 206 328
Other expenses (excluding depreciation and amortisation)	(8 773 680)	(1 984 149)	664 301	(10 093 528)
Depreciation and amortisation	(1 150 250)	(109 436)	-	(1 259 686)
Operating profit before interest and equity accounted earnings	1 465 839	361 722	25 553	1 853 114
Net finance costs	(392 488)	(114 080)	-	(506 568)
Share of profit from associate and joint ventures	48 179	-	-	48 179
Profit before taxation	1 121 530	247 642	25 553	1 394 725
Earnings before interest, tax, depreciation and amortisation (EBITDA)	2 664 268	471 158	25 553	3 160 979
Capital expenditure	(1 020 371)	(83 217)	-	(1 103 588)
Total assets	13 949 988	11 670 431	(4 882 136)	20 738 283
Total liabilities	9 462 296	8 422 259	(2 840 497)	15 044 058
Total income margin	31.1%	7.2%		30.8%
EBITDA margin	7.3%	1.4%		7.4%
Operating margin	4.0%	1.1%		4.3%

	Retail R'000	Wholesale R'000
Material items included in other income and expenses ⁽¹⁾:		
Other income		
Advertising and marketing income	1 475 752	
Data and administration fees	1 641 410	376 250
Other expenses		
Computer expenses	608 308	
Advertising expenses	704 591	
Consulting fees	276 207	
Commission	210 520	
Courier	181 513	237 064
Occupancy costs	688 420	
Employee benefits	5 221 286	798 897
Security	156 947	
Service fee paid		642 104

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

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

	Retail R'000	Wholesale R'000
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Material items included in other income and expenses ⁽¹⁾:

Other income

Advertising and marketing income	1 234 109	
Data and administration fees	1 405 311	322 428
Profit on IFRS 16 release on purchase of leased properties		103 692

Other expenses

Computer expenses	497 720	
Advertising expenses	541 851	
Commission	197 031	
Courier	142 426	183 367
Occupancy costs	625 896	
Employee benefits	4 681 383	721 778
Security	164 839	
Service fee paid		566 899

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

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7. Revenue from contracts with customers

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

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

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

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

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Revenue from contracts with customers	42 825 777	39 172 347	27 589 410	25 426 048

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

	Group		Company	
	2026	2025	2026	2025
	%	%	%	%
Dispensary	38	36	38	36
Personal care and beauty	26	28	26	28
Healthcare and nutrition	23	22	23	22
Baby care	7	8	7	8
Other	6	6	6	6
	100	100	100	100

External wholesale revenue can be further disaggregated between:

	Group	
	2026	2025
	%	%
Independents	54	56
TLC	46	44
	100	100

8. Profit before taxation

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

Commission income is recognised on a monthly basis as earned.

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

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

	Notes	Group		Company	
		2026 R'000	2025 R'000	2026 R'000	2025 R'000
Other income					
Advertising and marketing income		1 481 671	1 241 161	1 244 362	1 026 546
Data and administration fees		2 017 660	1 727 738	1 459 164	1 116 587
Commission income		81 200	69 383	62 305	63 584
Franchise income		65 915	59 284	61 572	57 385
Dividend income		-	-	135 887	103 440
Profit on IFRS 16 release on purchase of leased properties		-	103 692	-	-
Other expenses					
Depreciation of tangible assets	12	1 135 927	1 060 384	794 121	690 857
Amortisation of intangible assets	13	123 759	84 845	64 052	39 800
Computer expenses		632 082	524 967	551 115	446 360
Advertising expenses		708 078	632 603	686 610	514 997
Consulting fees		299 696	109 071	244 999	75 769
Commission		210 525	197 038	169 130	158 054
Bank charges		141 609	126 569	111 473	98 062
Security		173 698	191 967	135 735	146 262
Motor vehicle expenses		141 631	133 457	32 177	29 639
Courier		418 577	325 793	129 799	99 878
External audit fees		15 484	13 617	10 058	11 375
External non-audit fees		315	238	230	238
Occupancy costs		738 942	674 634	475 774	419 765
- Lease payments (1)		167 970	88 933	66 555	57 776
- Other (including electricity and rates)		570 972	585 701	409 219	361 989
<i>(1) Lease payments relate to variable lease payments of R4.7 million (2025: R2.6 million) in the Group and R0.8 million (2025: R0.7 million) in the company not included in the measurement of lease liabilities (for example, turnover based rental) and R163 million (2025: R86 million) in Group and R65.6 million (2025: R57.1 million) in company relating to short-term leases. There was no expense in the current or prior period relating to low-value assets.</i>					
Employee benefits		6 020 184	5 403 161	4 294 290	3 841 185
- Salaries and wages		4 825 524	4 351 074	3 449 186	3 104 516
- Provident costs (defined contribution plan)		221 851	196 872	171 594	151 423
- Medical aid		149 122	135 144	114 582	103 621
- Leave pay		(2 472)	(6 498)	2 872	(6 847)
- Share-based payment (note 20)		35 337	29 628	35 337	29 628
- Bonuses		469 971	418 439	324 254	287 481
- Other (including UIF and SDL)		320 851	278 502	196 465	171 363

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

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9. Net financing costs

Finance income

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

Finance costs

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

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
- Bank accounts	23 553	19 121	5 226	6 955
- Loans and debtors	22 686	10 276	66 150	56 551
- Other	1 259	1 003	-	648
Finance income	47 498	30 400	71 376	64 154
- Bank overdraft	145 714	119 337	128 982	101 354
- Bank loans	155 848	146 767	65 596	86 372
- Lease liability	252 413	253 250	200 521	161 344
- Related party loans	-	-	85 503	79 401
- Other	91	1 651	-	-
Finance costs	554 066	521 005	480 602	428 471
Net financing costs	506 568	490 605	409 226	364 317

10. Taxation

Current tax

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

Deferred tax

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

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

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

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

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	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
South African normal tax				
Current income tax				
- Current year	365 332	404 959	133 967	200 950
- Prior year over provision	7 040	(10 654)	6 185	(11 855)
Deferred tax				
- Attributable to temporary differences	(12 599)	20 157	3 022	4 123
- Prior year over provision	(666)	-	(666)	-
	359 107	414 462	142 508	193 218
Reconciliation of tax rate	%	%	%	%
Standard tax rate	27.00	27.00	27.00	27.00
Prior year net over provision	0.46	(0.65)	0.81	(1.25)
Adjusted for permanent differences:				
Non-taxable:				
ETI and leadership	(0.62)	(0.50)	(1.17)	(0.82)
Tenant allowance	(0.38)	(0.03)	(0.57)	(0.06)
Share-based payments	0.01	0.01	0.03	0.01
Research and development	(0.15)	(0.41)	(0.31)	(0.70)
Dividends income	-	-	(5.36)	(3.64)
Non-deductible:				
Legal fees	0.04	0.17	0.04	0.16
Investment in associates and joint ventures	(0.93)	(0.33)	-	-
Other*	0.32	0.11	0.35	(0.27)
Effective tax rate	25.75	25.37	20.82	20.43

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

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

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

11. Earnings per share

Earnings per share

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

Headline earnings per share

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

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

The calculation is reconciled as follows:

	Group	
	2026	2025
	R'000	R'000
Profit attributable to equity holders of the parent	978 894	1 179 809
Net (profit)/loss on disposal of property, plant and equipment and intangible assets	(294)	3 110
Impairment on intangible asset in joint venture	18	324
Compensation from third parties for items of property, plant and equipment and intangible assets	(5 283)	(4 735)
Taxation	1 486	537
Headline earnings	974 821	1 179 045
Earnings per share (cents)		
- Basic	114.2	137.6
- Diluted	114.1	137.5
Headline earnings per share (cents)		
- Basic	113.7	137.5
- Diluted	113.6	137.4
	Group	
	2026	2025
Reconciliation of shares in issue to weighted average number of shares in issue		
Total number of shares in issue at beginning of the period	860 084 483	860 084 483
Total number of treasury shares in issue at the beginning of the period	(3 115 446)	(2 734 980)
Total number of shares outstanding at the beginning of the period	856 969 037	857 349 503
Treasury shares exercised and issued under the share scheme	606 869	2 397 586
Treasury shares acquired	(569 379)	(2 390 752)
Total weighted number of shares in issue at the end of the period	857 006 527	857 356 337
Share options	811 223	699 577
Total diluted weighted number of shares in issue at the end of the period	857 817 750	858 055 914

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12. Property, plant and equipment

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

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

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

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

The estimated useful lives are as follows:

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

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

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

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

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

Group	OWNED					RIGHT-OF-USE				Total R'000
	Land and buildings R'000	Computer hardware R'000	Office and other equipment* R'000	Leasehold improvements R'000	Furniture and fixtures# R'000	Motor vehicles R'000	Land and buildings R'000	Motor vehicles R'000	Equipment R'000	
2026										
Cost	1 779 012	765 240	331 556	367 427	1 469 523	9 709	7 243 895	174 050	80 288	12 220 700
Opening balance	1 749 292	680 526	295 731	361 513	1 282 679	10 253	6 323 689	137 281	74 349	10 915 313
Additions	29 720	178 949	81 973	63 520	344 866	8 565	953 769	41 796	5 939	1 709 097
Acquisitions	-	-	-	-	118	-	-	-	-	118
Disposals/ scrapping	-	(93 548)	(45 869)	(56 940)	(155 745)	(9 075)	(4 305)	(5 027)	-	(370 509)
Modification to lease terms	-	-	-	-	-	-	(24 243)	-	-	(24 243)
Foreign exchange	-	(687)	(279)	(666)	(2 395)	(34)	(5 015)	-	-	(9 076)
Accumulated depreciation	(57 610)	(351 787)	(151 949)	(187 699)	(551 320)	(2 682)	(4 944 335)	(104 972)	(42 114)	(6 394 468)
Opening balance	(57 824)	(299 051)	(149 296)	(207 365)	(512 869)	(5 228)	(4 278 554)	(81 381)	(26 345)	(5 617 913)
Current charge	214	(143 465)	(47 967)	(36 763)	(188 379)	(5 580)	(669 752)	(28 466)	(15 769)	(1 135 927)
Disposals/ scrapping	-	90 393	45 195	56 151	149 114	8 101	1 836	4 875	-	355 665
Foreign exchange	-	336	119	278	814	25	2 135	-	-	3 707
Net carrying amount	1 721 402	413 453	179 607	179 728	918 203	7 027	2 299 560	69 078	38 174	5 826 232

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

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

Includes salon equipment, fixtures and fittings, shop equipment, signs and furniture.

Included in additions in 2025 is the asset acquisition of the Midrand warehouse.

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

Company	OWNED						RIGHT-OF-USE		Total R'000
	Buildings R'000	Computer hardware R'000	Office and other equipment* R'000	Leasehold improve- ments R'000	Furniture and fixtures# R'000	Motor vehicles R'000	Buildings R'000	Motor vehicles R'000	
2026									
Cost	33 500	544 356	150 008	266 343	1 010 891	16 069	5 634 258	30 381	7 685 806
Opening balance	33 500	477 807	132 522	281 143	862 740	11 114	4 828 528	30 673	6 658 027
Additions	-	143 433	47 175	35 375	271 129	7 897	817 865	-	1 322 874
Modification to lease terms	-	-	-	-	-	-	(12 135)	-	(12 135)
Disposals/ scrapping	-	(76 884)	(29 689)	(50 175)	(122 978)	(2 942)	-	(292)	(282 960)
Accumulated depreciation	(1 898)	(229 570)	(63 104)	(153 258)	(365 969)	(6 600)	(3 731 449)	(28 363)	(4 580 211)
Opening balance	(2 134)	(202 604)	(66 845)	(176 709)	(360 703)	(6 198)	(3 214 224)	(28 338)	(4 057 755)
Current charge	236	(99 603)	(24 651)	(26 724)	(122 531)	(3 306)	(517 225)	(317)	(794 121)
Disposals/ scrapping	-	72 637	28 392	50 175	117 265	2 904	-	292	271 665
Net carrying amount	31 602	314 786	86 904	113 085	644 922	9 469	1 902 809	2 018	3 105 595

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

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

Includes salon equipment, fixtures and fittings, shop equipment, signs and furniture.

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

13. Intangible assets

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

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

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

Intangible assets with indefinite useful lives (goodwill) are not amortised, but are tested for impairment annually, at the CGU level. Impairment losses on goodwill are never reversed.

The estimated useful lives are as follows:

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

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

Group	Computer software	Licences	Goodwill	Customer list	Distribution right	Brand value	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
2026							
Cost	871 530	5 181	948 385	33 364	120 759	136 235	2 115 454
Opening balance	616 618	5 181	925 986	46 340	120 759	136 235	1 851 119
Additions	395 995	-	-	-	-	-	395 995
Acquisitions (note 5)	-	-	22 399	-	-	-	22 399
Disposals/scrapping	(141 098)	-	-	(12 976)	-	-	(154 074)
Foreign exchange	15	-	-	-	-	-	15
Accumulated amortisation	(238 578)	(2 495)	-	(30 370)	(76 771)	(26 417)	(374 631)
Opening balance	(271 736)	(1 937)	-	(40 570)	(67 800)	(21 019)	(403 062)
Current charge	(106 056)	(558)	-	(2 776)	(8 971)	(5 398)	(123 759)
Disposals/scrapping	139 221	-	-	12 976	-	-	152 197
Foreign exchange	(7)	-	-	-	-	-	(7)
Net carrying amount	632 952	2 686	948 385	2 994	43 988	109 818	1 740 823

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Group	Computer			Customer	Distri-	Brand	Total
	software	Licences	Goodwill	list	bution	value	
	R'000	R'000	R'000	R'000	right	R'000	R'000
2025							
Cost	616 618	5 181	925 986	46 340	120 759	136 235	1 851 119
Opening balance	423 701	5 231	929 705	46 340	120 759	136 235	1 661 971
Additions	204 088	-	-	-	-	-	204 088
Disposals/scraping	(11 180)	(50)	(3 719)	-	-	-	(14 949)
Foreign exchange	9	-	-	-	-	-	9
Accumulated amortisation	(271 736)	(1 937)	-	(40 570)	(67 800)	(21 019)	(403 062)
Opening balance	(213 658)	(1 429)	-	(37 300)	(58 829)	(15 621)	(326 837)
Current charge	(66 648)	(558)	-	(3 270)	(8 971)	(5 398)	(84 845)
Disposals/scraping	8 573	50	-	-	-	-	8 623
Foreign exchange	(3)	-	-	-	-	-	(3)
Net carrying amount	344 882	3 244	925 986	5 770	52 959	115 216	1 448 057
Company	Computer			Customer			Total
	software	Licences	Goodwill	List			R'000
	R'000	R'000	R'000	R'000			R'000
2026							
Cost	620 182	5 181	121 057	28 136			774 556
Opening balance	441 584	5 181	121 057	28 136			595 958
Additions	318 565	-	-	-			318 565
Disposals/scraping	(139 967)	-	-	-			(139 967)
Accumulated amortisation	(120 008)	(2 495)	-	(25 345)			(147 848)
Opening balance	(195 432)	(1 937)	-	(24 675)			(222 044)
Current charge	(62 824)	(558)	-	(670)			(64 052)
Disposals/scraping	138 248	-	-	-			138 248
Net carrying amount	500 174	2 686	121 057	2 791			626 708
2025							
Cost	441 584	5 181	121 057	28 136			595 958
Opening balance	283 867	5 231	121 057	28 136			438 291
Additions	166 044	-	-	-			166 044
Disposals/scraping	(8 327)	(50)	-	-			(8 377)
Accumulated amortisation	(195 432)	(1 937)	-	(24 675)			(222 044)
Opening balance	(162 771)	(1 429)	-	(24 005)			(188 205)
Current charge	(38 572)	(558)	-	(670)			(39 800)
Disposals/scraping	5 911	50	-	-			5 961
Net carrying amount	246 152	3 244	121 057	3 461			373 914

	Group		Company	
	2026	2025	2026	2025
Goodwill	R'000	R'000	R'000	R'000
Wholesale				
CJ Pharmaceutical Enterprises	19 327	19 327	-	-
CJ Marketing	1 087	1 087	-	-
Evening Star Trading	274	274	-	-
The Pharmacy Development Academy	565	565	-	-
Bemax	37 370	37 370	-	-
Quenets	15 206	15 206	-	-
Retail				
Platinum Park	7 670	7 670	7 670	7 670
Market Street	3 670	3 670	3 670	3 670
Heidelberg	2 750	2 750	-	-
Logistical Services	92 961	92 961	83 295	83 295
Dis-Chem York Street	21 500	21 500	-	-
Dis-Chem TLC De Wiekus	1 023	1 023	-	-
Mundel Gien	17 491	17 491	-	-
Culemborg	968	968	-	-
TLC Medipark	4 201	4 201	-	-
Baby	343 957	343 957	-	-
Scott Street	6 067	6 067	6 067	6 067
Ferngate	20 355	20 355	20 355	20 355
Dis-Chem Northlands Pharmacy	856	856	-	-
Healthforce	10 960	10 960	-	-
Dis-Chem Howick Mall Pharmacy	5 009	5 009	-	-
Pure Pharmacy Holdings	255 890	255 890	-	-
Serveco	240	240	-	-
Westville Junction	603	603	-	-
B Anderson	55 986	55 986	-	-
I Watson (note 5)	22 399	-	-	-
	948 385	925 986	121 057	121 057

The CGUs are based on the relevant statutory entities or underlying cost centres. The recoverable amount of the above CGUs as at the reporting date, has been determined based on a value-in-use calculation using cash flow projections from financial budgets approved by senior management covering a five-year period. The pre-tax discount rate applied to cash flow projections is 14.02% (2025: 15.7%) for wholesale companies and a range of 12.02% to 14.42% (2024:13.7% to 16.1%) for the retail companies. Cash flows beyond the five-year period are extrapolated using a 4% (2025: 4%) growth rate. As a result of the analysis, management did not identify an impairment in the current or prior financial period. Key assumptions are determined by management in regards to past experience.

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

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14. Deferred tax

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

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

Also refer to accounting policy under note 10.

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Deferred taxation				
Balance at the beginning of the year	12 086	92 036	67 278	71 401
Movements during the year				
- Charge to profit or loss (note 10)	13 265	(20 157)	(2 356)	(4 123)
- Acquisition and take on (note 5)	(9)	(59 793)	-	-
Balance at the end of the year	25 342	12 086	64 922	67 278
Representing:				
- Deferred tax asset	148 383	137 500	64 922	67 278
- Deferred tax liability	(123 041)	(125 414)	-	-
	25 342	12 086	64 922	67 278
The deferred tax balance is made up as follows:				
Employee-related obligations	74 286	65 774	52 679	47 826
Deferred revenue and S24C allowance	4 554	20 183	-	14 179
Lease liability	143 619	134 665	122 538	119 890
Prepayment	(5 854)	(8 912)	(4 940)	(8 063)
Tax losses	69 290	79 787	-	-
Property, plant and equipment	(191 011)	(199 095)	(80 071)	(88 104)
Intangible assets	(75 679)	(85 387)	(25 094)	(20 572)
Other*	6 137	5 071	(190)	2 122
	25 342	12 086	64 922	67 278

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

As at 28 February 2026, deferred tax assets raised for the Group's estimated tax losses were R69 million (2025: R80 million). The tax losses are available to be offset against future taxable income. For tax years ending on or after 31 March 2023, companies with assessed losses will be entitled to set off a maximum of 80% of their assessed losses (subject to a R1 million minimum) against taxable income in a specific year. The directors consider that sufficient future taxable income will be generated by the relevant companies to utilise the deferred tax asset recognised.

As at 28 February 2026, the rand value of assessed losses amounted to R457 million (2025: R384 million) of which R202 million (2025: R88 million) has not been recognised.

15. Investments

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

	Company	
	2026	2025
	R'000	R'000
Investment in associates and joint ventures		
(Proprietary Limited unless stated otherwise)		
Dis-Chem Life	344 940	155 940
Kaelo Holdings	170 411	170 411
Health Window	16 000	16 000
Differenza	1 530	1 530
	532 881	343 881

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

	Company	
	2026	2025
	R'000	R'000
Investment in subsidiaries		
(Proprietary Limited unless stated otherwise)		
Dis-Chem Distribution	1 152 972	1 152 972
CJ Pharmaceutical Enterprises	411 612	411 612
CJ Marketing	5 104	5 104
Evening Star Trading 204	6 416	6 416
Fairy Tales Boutique	422 425	422 425
Pure Pharmacy Holdings	177 865	177 865
Bemax International	69 350	69 350
Mundel Gien (trading as Springbok Pharmacy)	37 659	37 659
Greenfields	29 050	-
Superstrike Investments 56	18 000	18 000
Serveco Distribution	15 000	15 000
Dis-Chem Game City	14 472	-
Dis-Chem Ballito Junction	11 540	11 540
Dis-Chem Castle Gate Pharmacy	11 683	11 683
AT Gouws	9 500	9 500
Dis-Chem Airport Junction	8 593	-
Dis-Chem Howick Mall Pharmacy	4 000	4 000
Dis-Chem The Fields	3 265	-
Dis-Chem The Galleria Amanzimtoti	2 542	2 542
Dis-Chem TLC De Wiekus	1 500	1 500
Healthforce	9 800	-
Culemborg	1 000	1 000
Dis-Chem Gallo Shopping Centre	354	-
	2 423 702	2 358 168

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

Total investment in subsidiaries, associates and joint ventures	2 956 583	2 702 049
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NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2026

16. Inventories

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

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

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Finished goods	7 908 461	7 905 213	3 480 993	2 954 388
Cost of inventories recognised as cost of sales	33 416 598	30 371 972	21 387 645	19 754 676

Provision for obsolete inventory amounts to R3 million (2025:R4.0 million) in the Group and Rnil million (2025: Rnil million) in the company.

Write off's during the year amounted to R15 million (2025: R49 million) in the Group and R6.5 million (2025: R13.5 million) in the company. There were no reversals of write off's in the current or prior year.

17. Trade and other receivables

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

Expenses and assets are recognised net of VAT, except:

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

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Trade receivables	1 897 879	1 602 861	375 138	335 290
Allowance for expected credit loss	(22 380)	(18 840)	(7 380)	(5 600)
Net trade receivables	1 875 499	1 584 021	367 758	329 690
Other receivables	1 563 715	1 405 195	767 012	767 114
Accrued income	155 594	101 022	154 808	98 722
Prepayments	188 735	198 114	167 526	170 087
VAT	6 136	3 250	-	-
Related parties (note 28)	10 699	8 553	245 172	366 492
Right of return asset	8 108	12 679	6 606	10 303
	3 808 486	3 312 834	1 708 882	1 742 408
Allowance for expected credit loss				
Opening balance	(18 840)	(13 261)	(5 600)	-
Allowance utilised	5 600	5 665	-	-
Allowance raised	(9 140)	(11 244)	(1 780)	(5 600)
Closing balance	(22 380)	(18 840)	(7 380)	(5 600)

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

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

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

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

			Days past due				
	Total	Current	<30	30 to 60	60 to 90	90 to 120	>120
Group	R'000	R'000	days	days	days	days	days
2026							
Expected credit loss rate	1.2%	0.0%	0.0%	0.0%	1.7%	6.4%	18.7%
Estimated gross carrying amount at default	1 897 879	806 902	434 946	395 167	128 442	37 829	94 593
Expected credit loss	22 380	-	-	-	2 245	2 437	17 698
2025							
Expected credit loss rate	1.2%	0.0%	0.0%	0.0%	6.2%	4.3%	17.7%
Estimated gross carrying amount at default	1 602 861	877 553	440 442	131 599	49 315	19 652	84 300
Expected credit loss	18 840	-	-	-	3 033	852	14 955
			Days past due				
	Total	Current	<30	30 to 60	60 to 90	90 to 120	>120
Company	R'000	R'000	days	days	days	days	days
2026							
Expected credit loss rate	2.0%	0.0%	0.0%	0.0%	0.0%	0.0%	92.9%
Estimated gross carrying amount at default	375 138	358 750	6 165	1 861	198	222	7 942
Expected credit loss	7 380	-	-	-	-	-	7 380
2025							
Expected credit loss rate	1.7%	0.0%	0.0%	0.0%	0.0%	0.0%	53.3%
Estimated gross carrying amount at default	335 290	299 360	11 989	4 083	8 656	690	10 512
Expected credit loss	5 600	-	-	-	-	-	5 600

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

Trade and other receivables relating to CJ Pharmaceutical Enterprises Limited amounting to R400 million (2025: R400 million) were pledged as security for the revolving overdraft facilities with Standard Bank. Under the pledge the bank can claim debtors' receipts if CJ defaults on the bank overdraft. There are no other special terms relating to the pledge.

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

18. Loans receivable

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

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
NCI shareholders loans	5 162	5 843	-	-
Related parties (note 28)	111 510	95 478	949 376	861 985
TLC loans	43 029	9 589	-	-
Other loans	35 969	77 063	30 852	44 306
	195 670	187 973	980 228	906 291
Non-current assets	117 275	72 804	626 407	600 403
Current assets	78 395	115 169	353 821	305 888
	195 670	187 973	980 228	906 291

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

Related party loans in the Group relate to loans given to BEESECDP, Tony Ferguson, Sable and Dis-Chem Life (2025: including Nexus). The Tony Ferguson loan earns interest at prime, Sable at prime plus 0.5% and Dis-Chem Life at the average bank overdraft rate (2025: Nexus at prime). BEESECDP is interest free. These loans are unsecured and are repayable on demand.

TLC loans relate to loans given to TLC franchise stores and earn interest linked to prime. They are secured by the inventory held in the store and the operating licence and are repayable in 5 years.

Other loans in the Group mainly relate to loans given to Uphawu and The Tailor that are in the cut and trim industry as well as loans given to The Leasing Specialists and Dunes Pharmacy (2025: including ASU, USN, Stem Cell and Phyto Health which were repaid in the current year). These loans are unsecured and repayable on demand. The USN loan earned interest at prime less 1%. The ASU, Stem Cell, Phyto Health, Uphawu, The Tailor, The Leasing Specialists and Dunes Pharmacy loans are interest free. Other loans in the company mainly relate to Uphawu, The Tailor and The Leasing Specialists (2025: including ASU).

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

The South African Reserve Bank has confirmed that JIBAR will cease on 31 December 2026, after which South Africa will transition to alternative reference rates. JIBAR is expected to be replaced by ZARONIA, a near risk free rate administered under the oversight of the South African Reserve Bank. Any margin adjustments required as part of the transition will be calibrated to replicate the equivalent JIBAR based pricing, such that there is no material impact on the overall interest rates agreed. The majority of the loan agreements already provide for the JIBAR rates to transition to ZARONIA, the remaining loan agreements will be amended before JIBAR ceases on 31 December 2026.

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

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

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19. Share capital

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

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Authorised				
1 500 000 000 (2025: 1 500 000 000) ordinary no par value				
Issued and fully paid				
860 084 483 (2025: 860 084 483) ordinary no par value shares	6 155 554	6 155 554	6 155 554	6 155 554
Reconciliation of shares issued				
Opening and closing balance	6 155 554	6 155 554	6 155 554	6 155 554
Treasury shares				
Treasury shares are held for the forfeitable share plan and measured at the cost value of the shares.				
Opening balance	88 632	70 084	88 632	70 084
Treasury shares acquired	60 432	32 604	60 432	32 604
Treasury shares issued under share scheme	(25 827)	(14 056)	(25 827)	(14 056)
Closing balance	123 237	88 632	123 237	88 632

No shares have been reverted to authorised but unissued equity securities in the current or prior year.

In 2026 the following treasury shares were bought:

- 6 245 treasury shares were bought in June 2025 for R0.2 million at an average price of R32.74 per share.
- 1 761 003 treasury shares were bought in November 2025 for R60 million at an average price of R34.20 per share.

In 2025 the following treasury shares were bought:

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

At 28 February 2026, the Group held 3 974 878 treasury shares (2025: 3 115 446).

20. Other reserves

Other reserves is made up as follows:

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Treasury shares (note 19)	123 237	88 632	123 237	88 632
Share-based payments	(54 308)	(50 318)	(54 308)	(50 318)
Common control	990 991	990 991	331 921	331 921
Shares repurchased (1)	3 631 052	3 631 052	3 631 052	3 631 052
Foreign currency translation reserve	(1 019)	(56)	-	-
	4 689 953	4 660 301	4 031 902	4 001 287

(1) Relates to shares repurchased on listing

Share-based payments

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

Equity-settled transactions

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

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

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

Forfeitable Share Plan (FSP) - bonus shares

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

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

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

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for the year ended 28 February 2026

Options/shares not yet exercised by 28 February 2026:

FSP

Offer date	Expiry date	Number of shares Feb 2025	Number of shares forfeited	Number of shares granted	Number of shares exercised	Number of shares Feb 2026
30 August 2022	30 June 2025	907 816	-	-	907 816	-
1 August 2023	30 June 2026	1 218 344	82 936	-	-	1 135 408
1 August 2024	30 June 2027	995 532	59 505	-	-	936 027
31 August 2025	30 June 2028	-	70 696	1 757 950	-	1 687 254

Options/shares not yet exercised by 28 February 2025:

FSP

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

SAR

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

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

Group and company	2026 R'000	2025 R'000
Expense arising from FSP	35 337	29 628

There were no modifications to the grants in 2026 or 2025.

21. Dividends to shareholders

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
June 2025	239 550	-	239 550	-
November 2025	254 268	-	254 268	-
June 2024	-	193 459	-	193 459
November 2024	-	231 716	-	231 716
	493 818	425 175	493 818	425 175
Minority interest dividend	30 403	46 814	-	-
	524 221	471 989	493 818	425 175

	Cents		Cents	
	2026	2025	2026	2025
Dividends per share				
Interim paid	29.4	27.0	29.4	27.0
Final declared/paid ⁽¹⁾	15.9	27.9	15.9	27.9

(1) Declared subsequent to year-end on 28 May 2026 (2025: 29 May 2025).

A final dividend of 15.92 cents per share was approved by the directors on 28 May 2026. The dividend will be subject to the South African dividend withholding tax ("DWT") rate of 20% which will result in a net dividend of 12.73 cents per share to those shareholders who are not exempt from paying dividend tax.

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

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22. Lease liability

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

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

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Minimum payments due				
- Within one year	910 197	813 222	690 103	577 185
- Within five years	2 277 389	2 022 128	1 844 165	1 569 681
- Over five years	394 800	409 485	347 519	345 051
	3 582 386	3 244 835	2 881 787	2 491 917
Less: future finance charges	(639 153)	(580 986)	(532 085)	(458 223)
Present value of minimum payments	2 943 233	2 663 849	2 349 702	2 033 694
Present value of minimum payment due:				
- Within one year	695 209	617 851	515 923	432 488
- Within five years	1 900 843	1 681 784	1 529 230	1 295 476
- Over five years	347 181	364 214	304 549	305 730
	2 943 233	2 663 849	2 349 702	2 033 694
Non-current liabilities	2 248 024	2 045 998	1 833 779	1 601 206
Current liabilities	695 209	617 851	515 923	432 488
	2 943 233	2 663 849	2 349 702	2 033 694

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

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

Future cash flow in the 2027 financial year relating to variable lease payments is expected to be approximately R2.7 million for the Group and Rnil for the company (2025 financial year: R2.2 million for the Group and Rnil for the company).

23. Loans payable

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

	Group		Company	
	2026 R'000	2025 R'000	2026 R'000	2025 R'000
Non-current loans				
Absa Bank	642 090	722 090	642 090	722 090
Standard Bank	846 812	942 045	-	-
FNB Bank	15 757	-	-	-
Investec Bank	5 283	14 600	-	-
	1 509 942	1 678 735	642 090	722 090
Current loans				
Absa Bank	80 000	80 000	80 000	80 000
Standard Bank	139 000	130 000	-	-
FNB Bank	7 759	-	-	-
Investec Bank	8 576	6 889	-	-
Supply Chain Finance	239 128	308 923	-	-
NCI shareholders loans	5 656	10 005	-	-
Related parties (note 28)	37 517	39 307	991 529	785 799
	517 636	575 124	1 071 529	865 799

The Absa loan consists of two parts:

- R400 million unsecured loan is repayable over a period of five years (31 July 2028) in quarterly instalments at a three-month JIBAR plus 1.4%.
- A bullet loan taken out in the 2024 financial year of R502 million repayable in three years with a 2 year optional extension at a three-month JIBAR plus 1.3%. The loan is secured by the underlying warehouse in Longmeadow with a cost of R502 million.

The Standard Bank loan consists of three parts:

- A bullet facility with a maturity date of five years (31 May 2027) and earns interest at the three-month JIBAR plus 1.44%. The loan is secured by the underlying properties with a cost of R421 million.
- A loan of R650 million repayable over a five year period in quarterly instalments at a three-month JIBAR plus 1.27%. The loan is secured by the underlying warehouse in Midrand.
- A revolving credit facility of R44 million at a one-month JIBAR plus 1.35%.

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

- R24 million facility with a maturity date of five years (31 August 2027) and earns interest at Investec prime rate less 0.25%. This loan is secured by the underlying property with a cost of R36.3 million.
- R12 million facility with a maturity date of five years (31 August 2027) and earns interest at Investec prime rate less 0.25%. This loan is secured by the underlying property with a cost of R12.5 million.

R29.5 million FNB loan with a maturity date of 5 years and earns interest at prime minus 40 basis points. The loan is secured by the underlying property in Eton Road of R45 million.

The import supply chain finance programme allows Dis-Chem to make payments to foreign suppliers through a funding institution using a cloud-based system. Dis-Chem then receives extended terms of up to 150 days in which to make payment to said financial institution instead of prepaying the suppliers. As at 28 February 2026, R239 million (2025: R309 million) of the suppliers have already received payment from the financial institution. Dis-Chem is charged an interest rate in line with SONIA or a similar reference rate.

The South African Reserve Bank has confirmed that JIBAR will cease on 31 December 2026, after which South Africa will transition to alternative reference rates. JIBAR is expected to be replaced by ZARONIA, a near risk free rate administered under the oversight of the South African Reserve Bank. Any margin adjustments required as part of the transition will be calibrated to replicate the equivalent JIBAR based pricing, such that there is no material impact on the overall interest rates agreed. The majority of the loan agreements already provide for the JIBAR rates to transition to ZARONIA, the remaining loan agreements will be amended before JIBAR ceases on 31 December 2026.

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

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24. Trade and other payables

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

Expenses and assets are recognised net of VAT, except:

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

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Trade payables	6 983 214	6 493 968	936 436	967 156
Other payables	593 733	457 585	202 007	294 174
VAT	230 717	230 633	45 027	88 012
Related parties (note 28)	92 148	47 568	1 887 592	1 193 883
Right of return liability	10 786	16 474	8 838	13 455
	7 910 598	7 246 228	3 079 900	2 556 680

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

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

Trade payables includes R965 million (2025: R784 million) (Company R100 million and R155 million in 2025) due to suppliers that have signed up to a supply chain financing programme, under which the suppliers can elect on an invoice-by-invoice basis to receive a discounted early payment from the partner bank rather than being paid in line with the agreed payment terms. If the option is taken the Group's liability is assigned to be due to the partner bank rather than the supplier. The value and terms of the liability payable by the Group remains unchanged. The Group assesses the arrangement against indicators to assess if debts which vendors have sold to the funder under the supplier financing scheme continues to meet the definition of trade payables or should be classified as borrowings. At 28 February, the payables met the criteria of trade payables as the value and terms of the liability payable has not changed and the Group has not given any security or incurred any additional costs.

Refer to note 29 on liquidity risk management.

25. Employee-related obligations

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

The expected cost of short-term employee benefits are recognised in the form of paid absences as follows:

- in the case of accumulating paid absences, when the employees render service that increases their entitlement to future paid absences; and
- in the case of non-accumulating paid absences, when the absences occur.

The expected cost of bonus payments are recognised when, and only when:

- there is a present legal or constructive obligation to make such payments as a result of past events; and
- a reliable estimate of the obligation can be made.

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

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

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Leave pay	168 875	171 538	132 058	132 236
Bonus	159 396	142 660	107 672	99 370
	328 271	314 198	239 730	231 606

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

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26. Deferred revenue (contract liability)

Deferred revenue liability is recognised for expected loyalty benefit points and gift vouchers redeemed by customers for purchases made by participating customers for the loyalty points and gift vouchers purchased for cash during the last three years, based on past experience of the level of redemptions. It is expected that a majority of these will be redeemed in the next financial year and all will have been redeemed within two years of the reporting date. Assumptions used to calculate the liability are based on current redemption rates at existing stores which are between 90% and 100% (2025: 90% and 100%).

Loyalty benefit point scheme

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

Gift vouchers

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

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Loyalty benefit points scheme	3 053	45 625	-	52 516
Gift vouchers	22 296	31 646	22 296	26 501
Other contracts	8 893	9 641	-	-
	34 242	86 912	22 296	79 017
Loyalty points				
Opening balance	45 625	42 128	52 516	45 007
Points issued	196 770	279 042	240 198	243 115
Revenue recognised*	(239 342)	(275 545)	(292 714)	(235 606)
Closing balance	3 053	45 625	-	52 516
Gift vouchers				
Opening balance	31 646	31 934	26 501	27 014
Vouchers issued	216 897	229 016	141 962	152 969
Revenue recognised*	(226 247)	(229 304)	(146 167)	(153 482)
Closing balance	22 296	31 646	22 296	26 501
Other contracts				
Opening balance	9 641	9 835	-	-
Contract issued	24 617	23 665	-	-
Revenue recognised	(25 365)	(23 859)	-	-
Closing balance	8 893	9 641	-	-

* Approximately 100% (2025: 100%) of the opening balance has been recognised as revenue in the current year.

27. Notes to the statement of cash flows

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

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

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
27.1 Cash generated by operations				
Profit before tax	1 394 725	1 633 700	684 343	945 662
Adjustments for:				
- Depreciation and amortisation	1 259 686	1 145 229	858 173	730 657
- Finance costs	554 066	521 005	480 602	428 471
- Finance income	(47 498)	(30 400)	(71 376)	(64 154)
- Increase in employee obligations	14 073	48 957	8 124	21 505
- (Decrease)/ Increase in deferred revenue	(52 670)	3 015	(56 721)	6 996
- Increase/ (Decrease) in net returns provision	1 117	(1 127)	920	(992)
- Dividend income	-	-	(135 887)	(103 440)
- (Profit)/ loss on sale and scrapping of tangible and intangible assets	(347)	2 159	819	2 576
- Increase in allowance for expected credit loss	3 540	5 579	1 780	5 600
- Share scheme expense	35 337	28 745	35 337	28 745
- Unrealised foreign exchange loss/ (profit)	5 589	(18 429)	91	-
- Loss on lease liability	4 695	8 001	6 771	9 699
- Profit on IFRS 16 release on purchase of leased properties	-	(103 692)	-	-
- Profit from associates and joint ventures	(48 179)	(20 207)	-	-
	3 124 134	3 222 535	1 812 976	2 011 325
27.2 Movement in working capital				
Movement in loans receivable	(33 163)	17 252	(80 935)	70 985
Movement in loans payable	(6 139)	(5 212)	205 730	13 809
Movement in inventories	(1 341)	(742 624)	(526 605)	(144 890)
Movement in trade and other receivables	(497 455)	(590 408)	35 443	(363 065)
Movement in trade and other payables	663 918	397 246	520 615	(92 881)
	125 820	(923 746)	154 248	(516 042)
27.3 Taxation paid				
Net amount payable at beginning of the year	6 470	(30 585)	9 970	(21 920)
Amount charged excluding deferred tax (note 10)	(372 372)	(394 305)	(140 152)	(189 095)
Amount on acquisition and take on (note 5)	36	712	-	-
Net amount payable at end of the year	(36 004)	(6 470)	(17 256)	(9 970)
	(401 870)	(430 648)	(147 438)	(220 985)

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for the year ended 28 February 2026

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
27.4 Change in ownership interest in subsidiary/ Proceeds from non-controlling interest				
- Amount paid for Healthforce	(9 800)	-	-	-
- Amount paid for Botswana (Gallo, The Fields, Airport Junction)	(12 211)	-	-	-
- Amount paid for Howick	-	(1 600)	-	-
- Amount paid for Maponya	-	(2 654)	-	-
- Amount received for Serveco	-	15 000	-	-
	(22 011)	10 746	-	-

	Group		Company	
	2026	2025	2026	2025
	R'000	R'000	R'000	R'000
Cash and cash equivalents comprise the following:				
27.5 Cash and cash equivalents				
Cash on hand and balances with banks	499 756	585 354	99 866	396 129
Bank overdrafts	(1 666 720)	(1 317 637)	(1 666 720)	(1 317 669)
	(1 166 964)	(732 283)	(1 566 854)	(921 540)

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

27.6 Changes in financing activities

Group	2025	Cash flows	Non-cash changes			2026
			Net new leases/ transaction	Acquisitions	Release/ fair value changes	
Bank loans	2 204 547	(220 142)	-	-	-	1 984 405
Lease liability ⁽¹⁾	2 663 849	(691 992)	992 172	-	(20 796)	2 943 233

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

⁽¹⁾ The interest repaid on the lease liability is R252 million (2025: R253 million) and is reflected in finance costs under operating activities.

Company	2025	Cash flows	Non-cash changes			2026
			New leases/ transaction	Release/ fair value changes	Modification	
Bank loans	802 090	(80 000)	-	-	-	722 090
Lease liability ⁽¹⁾	2 033 694	(496 493)	817 865	-	(5 364)	2 349 702

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

⁽¹⁾ The interest repaid on the lease liability is R201 million (2025: R161 million) and is reflected in finance costs under operating activities.

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for the year ended 28 February 2026

28. Related party transactions

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

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

2026

Group Related party	Loan	Loan	Lease	Accounts	Accounts	Interest	Purchases	Services
	receivable	payable	liability	receivable	payable	income/ (expense)		received
	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Origin Brands ⁽²⁾	-	-	-	-	3 440	-	9 406	-
Geniob ⁽²⁾	-	-	-	-	65 600	-	449 719	-
Vexall ⁽²⁾	-	-	-	-	18 199	-	-	195 310
Health Window ⁽²⁾	-	-	-	1 387	-	-	-	116 158
Bene ⁽³⁾	-	-	-	-	4 036	-	42 909	-
BEESECDPCP ⁽²⁾	31 500	-	-	-	-	-	-	-
Tony Ferguson ⁽²⁾	25 126	-	-	-	873	2 034	-	10 413
Nexuz ⁽²⁾	-	-	-	-	-	80	-	-
Sable ⁽²⁾	41 934	-	-	-	-	4 535	-	-
Kaelo Holdings ⁽²⁾	-	37 517	-	-	-	-	-	87 097
Dis-Chem Life ⁽²⁾	12 950	-	-	9 312	-	12 950	-	(13 088)/ 9 467
Various property companies ⁽¹⁾	-	-	106 805	-	-	(10 100)	-	-
	111 510	37 517	106 805	10 699	92 148	9 499	502 034	405 357

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

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

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

2025

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

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

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

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

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

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

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

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

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

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2026

Company	Loan receivable	Loan payable	Lease liability	Accounts receivable	Accounts payable	Interest income/(expense)	Sales	Purchases	Services received
Related party	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Dis-Chem Distribution	518 760	-	-	-	1 831 805	43 132	14 141	18 728 461	531 063
Dis-Chem Ballito Junction	-	51 267	-	6 168	-	(6 865)	2 927	1 807	5 501
Dis-Chem Flamwood Value Centre	-	32 044	-	8 998	-	(3 574)	2 374	1 621	2 911
Dis-Chem Krugersdorp	-	16 111	-	2 624	-	(1 618)	1 486	1 659	2 076
Dis-Chem Three Rivers	-	28 287	-	4 546	-	(3 526)	2 037	1 036	2 242
Dis-Chem The Galleria Amanzimtoti	-	35 499	-	6 520	-	(3 376)	1 850	1 972	3 440
Dis-Chem Oncology	3 982	-	-	3 795	-	(61)	1 543	2 460	-
Dis-Chem Worcester	-	24 552	-	1 647	-	(2 900)	601	956	1 919
Dis-Chem Jubilee Mall	-	4 445	-	1 200	-	-	336	623	-
Pharma-Logistical Solutions	-	61 503	-	698	-	-	-	-	-
Dis-Chem Goodwood	-	24 202	-	992	-	(3 733)	1 218	1 488	2 156
Dis-Chem Mams Mall	-	3 665	-	-	79	-	505	1 232	-
The Local Choice	-	4 642	-	4 961	-	-	-	-	-
TLC De Wiekus	-	16 992	-	7 527	-	(1 844)	1 095	1 105	2 047
Dis-Chem Northlands	-	14 089	-	1 462	-	(1 817)	484	367	1 569
Dis-Chem Airport Junction	-	-	-	-	1 076	-	-	-	1 846
Dis-Chem Gallo	-	-	-	-	626	-	-	-	443
Dis-Chem The Fields	-	11	-	-	988	-	-	-	1 515
Dis-Chem Game City	-	-	-	-	118	-	-	-	806
CJ Marketing	-	-	-	32 700	-	-	-	-	-
CJ Pharmaceutical Enterprises	-	-	-	48 199	-	(2 526)	-	1 960 716	66 693
Bemax International	-	-	-	-	-	-	-	-	-
Springbok Pharmacy	-	3 056	-	347	-	-	495	991	-
Dis-Chem Castle Gate	-	94 989	-	15 921	-	(8 978)	4 331	2 643	4 577
Dis-Chem Thavhani Mall	-	24 492	-	3 784	-	(2 267)	403	784	-
Dis-Chem Howick Mall	-	2 258	-	201	-	-	227	537	-
Fairy Tales Boutique	-	40 077	-	11 989	-	-	19 131	17 325	(2 692)

2026 (continued)

Company	Loan receivable	Loan payable	Lease liability	Accounts receivable	Accounts payable	Interest income/ (expense)	Sales	Purchases	Services received
Related party	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Geniob	-	-	-	8 516	-	-	-	-	-
AT Gouws	1 007	-	-	-	-	-	-	-	-
Dis-Chem Westville	-	4 684	-	1 706	-	(943)	406	309	1 251
KZN Warehouse	-	3 906	-	-	-	(215)	-	-	-
Eleadora	-	21 034	-	195	-	(1 322)	-	-	-
CT Distribution Centre	-	10 978	-	-	-	(431)	-	-	-
Columbia Falls	48 240	-	-	-	-	1 673	-	-	-
Pure Pharmacy Holdings	-	25 880	-	-	-	-	-	-	-
Pure Pharmacy Retail	-	230 588	-	33 074	-	(30 483)	12 416	20 841	-
Dis-Chem KG	-	88 030	-	9 355	-	(9 024)	3 286	4 136	-
Delta Blue Trading 371	-	2 058	-	-	-	-	-	-	-
Dis-Chem Swakopmund	-	-	-	-	1 132	-	-	-	-
Dis-Chem Wernhill	1 117	-	-	-	559	-	-	-	703
Dis-Chem Walvis Bay	-	-	-	-	734	-	-	-	-
I Watson	-	5 762	-	265	-	-	536	251	-
DC Media	-	116 306	-	15 655	-	-	-	-	703
Smart Cart	-	-	-	-	772	-	-	-	-
LJ Farrell	108	-	-	-	-	-	-	-	-
Pharmacy Development	370	-	-	-	-	-	-	-	5 796
Dis-Chem Foundation	-	122	-	132	-	-	-	-	-
Vexall	-	-	-	-	17 492	-	-	-	195 310
Health Window	-	-	-	-	567	-	-	-	116 158
Healthforce	226 383	-	-	-	30 938	-	-	-	80 955
Serveco Distribution	37 517	-	-	2 683	-	-	-	-	18 554
Dis-Chem Life	12 950	-	-	9 312	-	12 950	-	-	(13 088)/ 9 467
Tony Ferguson	25 508	-	-	-	706	-	-	-	-
BEESECDCP	31 500	-	-	-	-	-	-	-	-
Nexuz	-	-	-	-	-	-	-	-	-
Sable	41 934	-	-	-	-	-	-	-	-
Various property companies ⁽¹⁾	-	-	106 805	-	-	(10 100)	-	-	-
	949 376	991 529	106 805	245 172	1 887 592	(37 848)	71 828	20 753 320	1 043 921

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

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2025

Company	Loan receivable	Loan payable	Lease liability	Accounts receivable	Accounts payable	Interest income/ (expense)	Sales	Purchases	Services received
Related party	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Dis-Chem Distribution	503 558	-	-	-	1 159 156	48 312	7 446	16 197 272	401 009
Dis-Chem Ballito Junction	-	52 579	-	5 371	-	(6 347)	2 124	1 596	5 030
Dis-Chem Flamwood Value Centre	-	38 745	-	9 784	-	(4 473)	2 161	1 193	2 608
Dis-Chem Krugersdorp	-	18 877	-	2 569	-	(2 480)	1 681	1 704	1 971
Dis-Chem Glen Fair	4 571	-	-	-	7 202	-	-	-	-
Dis-Chem Three Rivers	-	33 976	-	4 304	-	(3 664)	1 329	416	2 237
Dis-Chem The Galleria Amanzimtoti	-	41 522	-	3 875	-	(4 533)	1 496	1 287	3 312
Dis-Chem Oncology	6 351	-	-	4 754	-	-	1 999	1 564	-
Dis-Chem Worcester	-	23 967	-	2 433	-	(2 753)	566	927	1 583
Dis-Chem Jubilee Mall	11 992	15 466	-	2 171	-	-	226	507	-
Pharma-Logistical Solutions	-	52 881	-	-	-	-	-	-	-
Dis-Chem Goodwood	-	19 751	-	1 876	-	(3 413)	1 474	922	2 008
Dis-Chem Mams Mall	-	2 870	-	879	-	-	441	907	-
The Local Choice	-	740	-	2 327	-	-	-	-	-
TLC De Wiekus	-	10 927	-	6 478	-	(1 647)	1 289	882	1 947
Dis-Chem Northlands	-	9 198	-	1 431	-	(1 507)	442	511	1 453
Dis-Chem Airport Junction	-	-	-	3 082	-	-	-	-	2 954
Dis-Chem Gallo	10 487	-	-	-	405	-	-	-	814
Dis-Chem The Fields	-	11	-	1 943	-	-	-	-	2 432
CJ Marketing	-	-	-	-	1 384	-	-	-	-
CJ Pharmaceutical Enterprises	-	-	-	195 375	-	-	-	1 804 750	64 251
Bemax International	22 409	-	-	179	-	-	-	-	-
Springbok Pharmacy	-	3 376	-	1 126	-	-	432	1 080	-
Dis-Chem Castle Gate	-	90 181	-	15 140	-	(9 107)	3 226	1 363	4 260
Dis-Chem Thavhani Mall	-	18 596	-	3 551	-	(2 173)	268	402	-
Dis-Chem Howick Mall	-	11	-	671	-	(234)	220	445	371
Fairy Tales Boutique	-	33 194	-	18 569	-	-	12 195	25 757	(1 407)
Geniob	-	-	-	4 512	-	-	-	-	-
AT Gouws	1 007	-	-	-	-	-	-	-	-

2025 (continued)

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

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

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

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	2026	2025					
	R'000	R'000					
Group and company							
Compensation of key management							
Short-term employee benefits	101 199	123 484					
Post-employment benefits	504	1 507					
Non-executive directors' fees	8 215	7 883					
	109 918	132 874					
Executive and non-executive emoluments to directors							
	Services as director	Salary and allowances	Bonuses ⁽¹⁾	Retirement and related benefits	Other benefits	Share scheme vesting	Total
	R'000	R'000	R'000	R'000	R'000	R'000	R'000
Group and company 2026							
Non-executive directors							
LM Nestadt	3 681	-	-	-	-	-	3 681
A Coovadia	849	-	-	-	-	-	849
JS Mthimunye	1 178	-	-	-	-	-	1 178
A Sithebe	937	-	-	-	-	-	937
KDD Kobue	608	-	-	-	-	-	608
H Masondo	962	-	-	-	-	-	962
	8 215	-	-	-	-	-	8 215
Executive directors							
RM Morais	-	13 758	5 041	72	490	-	19 361
JD Pope	-	7 535	2 356	72	166	476	10 605
IL Saltzman	-	15 221	3 137	72	492	3 990	22 912
SRN Goetsch	-	6 403	1 323	72	181	1 251	9 230
SE Saltzman	-	6 928	1 425	72	439	1 205	10 069
	-	49 845	13 282	360	1 768	6 922	72 177
Prescribed officers							
LF Saltzman	-	12 483	2 575	72	186	3 270	18 586
CJ Williams	-	6 964	1 915	72	321	1 668	10 940
	-	19 447	4 490	144	507	4 938	29 526

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

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

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

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Shares granted to directors and prescribed officers on the forfeitable share plan scheme at 28 February 2026:

	IL Saltzman	LF Saltzman	SE Saltzman	SRN Goetsch	R Morais	CJ Williams	JD Pope	Total shares
Offer date: 31 August 2022								
Opening balance	123 041	100 840	37 171	38 565	-	51 420	14 667	365 704
Exercised	(123 041)	(100 840)	(37 171)	(38 565)	-	(51 420)	(14 667)	(365 704)
Closing balance	-	-	-	-	-	-	-	-
Offer date: 31 August 2023								
Opening balance	113 587	93 092	34 315	35 602	-	47 469	18 753	342 818
Forfeited	-	-	(34 315)	-	-	-	-	(34 315)
Closing balance	113 587	93 092	-	35 602	-	47 469	18 753	308 503
Offer date: 31 August 2024								
Opening balance	62 577	51 286	26 341	26 151	70 811	36 438	34 317	307 921
Forfeited	-	-	(26 341)	-	-	-	-	(26 341)
Closing balance	62 577	51 286	-	26 151	70 811	36 438	34 317	281 580
Offer date: 31 August 2025								
Opening balance	-	-	-	-	-	-	-	-
Awarded	95 448	78 331	43 365	40 236	153 371	58 270	71 665	540 686
	95 448	78 331	43 365	40 236	153 371	58 270	71 665	540 686

SE Saltzman resigned in the current financial year and therefore his remaining shares were forfeited.

In the current financial year, shares with offer date 31 August 2022 were exercised - JD Pope sold 14 667 shares for R475 654; SRN Goetsch sold 38 565 shares for R1 250 671; IL Saltzman sold 123 041 for R3 990 244; SE Saltzman sold 37 171 shares for R1 205 463; CJ Williams sold 51 420 shares for R1 667 561; LF Saltzman sold 100 840 shares for R3 270 261 on 30 June 2025.

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

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

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

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

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

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

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29. Financial risk management objectives and policies

Financial assets

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

Initial recognition

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

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

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

Subsequent measurement

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

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

Derecognition

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

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

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

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

Impairment

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

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

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

Financial liabilities

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

Initial recognition

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

Subsequent measurement

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

Financial liabilities at fair value through profit or loss:

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

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

Financial liabilities at amortised cost:

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

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

Derecognition

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

Offsetting of financial instruments

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

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Fair value measurement

In addition to the financial instruments carried at fair value (FVTPL), the fair values of financial instruments measured at amortised cost are disclosed should it be determined that the carrying value of these instruments does not reasonably approximate their fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

The valuation techniques that are used to measure fair value are appropriate in the circumstances and for which sufficient data is available, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

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

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

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

Group

	Financial instrument	Fair value through profit or loss	Financial liability at amortised cost	Financial asset at amortised cost	Non-financial instruments, leases and investments in group companies
2026	R'000	R'000	R'000	R'000	R'000
Assets					
Property, plant and equipment	-	-	-	-	5 826 232
Intangible assets	-	-	-	-	1 740 823
Investments	-	-	-	-	564 093
Deferred taxation	-	-	-	-	148 383
Inventories	-	-	-	-	7 908 461
Trade and other receivables	3 605 507	-	-	3 605 507	202 979
Loans receivable	195 670	-	-	195 670	-
Taxation receivable	-	-	-	-	46 379
Cash and cash equivalents	499 756	-	-	499 756	-
Liabilities					
Lease liability	-	-	-	-	2 943 233
Loans payable	2 027 578	-	2 027 578	-	-
Deferred taxation	-	-	-	-	123 041
Trade and other payables	7 669 095	3 678	7 665 417	-	241 503
Employee-related obligations	-	-	-	-	328 271
Deferred revenue	-	-	-	-	34 242
Taxation payable	-	-	-	-	10 375
Bank overdraft	1 666 720	-	1 666 720	-	-
2025					
	Financial instrument	Fair value through profit or loss	Financial liability at amortised cost	Financial asset at amortised cost	Non-financial instruments, leases and investments in group companies
	R'000	R'000	R'000	R'000	R'000
Assets					
Property, plant and equipment	-	-	-	-	5 297 400
Intangible assets	-	-	-	-	1 448 057
Investments	-	-	-	-	356 267
Deferred taxation	-	-	-	-	137 500
Inventories	-	-	-	-	7 905 213
Trade and other receivables	3 098 791	-	-	3 098 791	214 043
Loans receivable	187 973	-	-	187 973	-
Taxation receivable	-	-	-	-	26 343
Cash and cash equivalents	585 354	-	-	585 354	-
Liabilities					
Lease liability	-	-	-	-	2 663 849
Loans payable	2 253 859	-	2 253 859	-	-
Deferred taxation	-	-	-	-	125 414
Trade and other payables	6 999 121	-	6 999 121	-	247 107
Employee-related obligations	-	-	-	-	314 198
Deferred revenue	-	-	-	-	86 912
Taxation payable	-	-	-	-	19 873
Bank overdraft	1 317 637	-	1 317 637	-	-

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Credit risk

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

Trade and other receivables

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

	2026	2025
	R'000	R'000
The maximum exposure to credit risk for trade receivables is as follows:		
Retail	485 680	390 192
Wholesale	1 389 819	1 193 829
The maximum exposure to credit risk for other receivables and accrued income is as follows:		
Retail	1 107 432	1 026 999
Wholesale	611 877	479 218

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

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

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

Cash and cash equivalents

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

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

Loans receivable

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

NCI shareholders loans

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

Related party loans

Related party loans consist of loans to associates/ joint ventures of the Group (BEESECDP, Tony Ferguson, Sable and Dis-Chem Life (2025: including Nexus)). No security is held for these loans and they are repayable on demand.

These entities are in a forecasted profitable position and therefore deemed to be a low credit risk. The Tony Ferguson loan earns interest at prime, Sable at prime plus 0.5%, Nexus at prime, Dis-Chem Life at the average bank overdraft rate and the BEESECDP loan does not earn interest. The Nexus loan was repaid in the current financial year.

TLC loans

TLC loans relate to loans given to TLC franchise stores and earn interest linked to prime. They are secured by the inventory held in the store and the operating licence. The companies are in a profitable position and have sufficient liquid assets in order to repay the loans and therefore deemed to be a low credit risk.

Other loans

Other loans are unsecured and have no fixed terms of repayment and mainly relate to loans given to companies within the pharmaceutical, health and cut and trim industries. The companies are in a profitable position and have sufficient liquid assets in order to repay the loans and therefore deemed to be a low credit risk. The ASU, USN, Stem Cell and Phyto Health loans were all repaid in the current financial year.

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

	12-month Stage 1	Lifetime Stage 2	Credit impaired Stage 3
2026			
Opening gross carrying amount of loans	181 990	5 983	-
New loans receivable	95 951	-	-
Loans repaid	(97 955)	-	-
Interest	9 701	-	-
	189 687	5 983	-
2025			
Opening gross carrying amount of loans	188 731	5 983	-
New loans receivable	48 029	-	-
Loans repaid	(63 507)	-	-
Interest	8 737	-	-
	181 990	5 983	-

Currency risk

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

A FEC liability of R3.7 million (2025: Rnil) is recognised at 28 February 2026. As at 28 February 2026 the Group had foreign balances of USD11.9 million (R189 million), EUR2.6 million (R50 million) and GBP0.02 million (R0.5 million). As at 28 February 2025 the Group had foreign balances of USD14.3 million (R261 million), EUR2.4 million (R47 million) and GBP0.1 million (R3.2 million).

If the exchange rate, with all other variables held constant, increased or decreased by R2.00 (2025: R2.00) at year-end, the impact of the Group's profit before tax would be approximately R33.4 million (2025: R33.7 million).

Interest rate risk

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

As part of the process of managing the Group's interest rate risk, interest rate characteristics of new borrowings and refinancing of existing borrowings are positioned according to anticipated movements in interest rates. Funds on call earn interest at prevailing market call rates. Interest payable on bank borrowings fluctuates in accordance with prime bank lending rates while the Absa, Standard Bank, FNB and Investec loans fluctuate with the JIBAR and prime rate and the Supply Chain Financing with the SONIA or similar reference rate. The South African Reserve Bank has confirmed that JIBAR will cease on 31 December 2026, after which South Africa will transition to alternative reference rates. JIBAR is expected to be replaced by ZARONIA, a near risk free rate administered under the oversight of the South African Reserve Bank. Any margin adjustments required as part of the transition will be calibrated to replicate the equivalent JIBAR based pricing, such that there is no material impact on the overall interest rates agreed. The majority of the loan agreements already provide for the JIBAR rates to transition to ZARONIA, the remaining loan agreements will be amended before JIBAR ceases on 31 December 2026.

If the interest rate, with all other variables held constant, increased or decreased by 200 average basis points (2025: 200) at year-end, the impact of the Group's profit before tax would be approximately R58 million (2025: R59 million). The sensitivity analysis for both periods presented was based on the average balance of the funds during the period on the bank borrowings, Absa loan, Standard Bank loan, FNB loan, Supply Chain Finance, Investec loan and other loans.

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Liquidity risk

Dis-Chem has the following facilities in place:

	2026 R'000	2025 R'000
Working capital facilities with ABSA, Standard Bank and Nedbank	4 100 000	3 000 000
Supply Chain Finance (SCF) facility	1 700 000	1 700 000
Credit card and fleet card facilities	15 728	15 500
Derivative trading facilities	173 410	173 500
Forward exchange settlement limit	100 000	100 000
Commercial asset finance credit line	225 000	225 000

Dis-Chem also has loans of R2.0 billion (2025: R2.2 billion), NCI shareholders and related party loans of R43 million (2025: R49 million).

The debt covenants for the ABSA and Standard Bank loans (which are tested at February and August) are based on interest cover ratio (EBITDA/finance charges) and net leverage (ratio of total net debt to EBITDA). Dis-Chem has sufficient head room in both these ratios and does not expect these ratios to be defaulted on in the next 12 months. There are no covenants in place for Investec or Supply Chain Finance. The board believes that the debt levels of the Group are acceptable with a gearing ratio (excluding finance leases) of 2.8 (2025: 2.3).

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

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

	On demand R'000	Less than 12 months R'000	Greater than 12 months R'000	Total R'000
2026				
Trade and other payables	-	7 669 095	-	7 669 095
Loans payable excluding bank loans	43 173	-	-	43 173
Bank overdraft	-	1 666 720	-	1 666 720
Bank loans	-	619 271	1 640 774	2 260 045
Lease liability (note 22)	-	910 197	2 672 189	3 582 386
Undiscounted payments	43 173	10 865 283	4 312 963	15 221 419
Less: Future finance charges	-	(361 494)	(553 299)	(914 793)
	43 173	10 503 789	3 759 664	14 306 626
2025				
Trade and other payables	-	6 999 121	-	6 999 121
Loans payable excluding bank loans	49 312	-	-	49 312
Bank overdraft	-	1 317 637	-	1 317 637
Bank loans	-	699 192	1 964 802	2 663 994
Lease liability (note 22)	-	813 222	2 431 613	3 244 835
Undiscounted payments	49 312	9 829 172	4 396 415	14 274 899
Less: Future finance charges	-	(375 640)	(664 793)	(1 040 433)
	49 312	9 453 532	3 731 622	13 234 466

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

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

Company

	Financial instrument	Fair value through profit or loss	Financial liability at amortised cost	Financial asset at amortised cost	Non-financial instruments, leases and investments
2026	R'000	R'000	R'000	R'000	R'000
Assets					
Property, plant and equipment	-	-	-	-	3 105 595
Intangible assets	-	-	-	-	626 708
Deferred taxation	-	-	-	-	64 922
Investments	-	-	-	-	2 956 583
Inventories	-	-	-	-	3 480 993
Trade and other receivables	1 534 750	-	-	1 534 750	174 132
Loans receivable	980 228	-	-	980 228	-
Taxation receivable	-	-	-	-	17 256
Cash and cash equivalents	99 866	-	-	99 866	-
Liabilities					
Lease liability	-	-	-	-	2 349 702
Loans payable	1 713 619	-	1 713 619	-	-
Trade and other payables	3 026 035	-	3 026 035	-	53 865
Employee-related obligations	-	-	-	-	239 730
Deferred revenue	-	-	-	-	22 296
Bank overdraft	1 666 720	-	1 666 720	-	-
2025					
Assets					
Property, plant and equipment	-	-	-	-	2 600 272
Intangible assets	-	-	-	-	373 914
Deferred taxation	-	-	-	-	67 278
Investments	-	-	-	-	2 702 049
Inventories	-	-	-	-	2 954 388
Trade and other receivables	1 562 018	-	-	1 562 018	180 390
Loans receivable	906 291	-	-	906 291	-
Taxation receivable	-	-	-	-	9 970
Cash and cash equivalents	396 129	-	-	396 129	-
Liabilities					
Lease liability	-	-	-	-	2 033 694
Loans payable	1 587 889	-	1 587 889	-	-
Trade and other payables	2 455 213	-	2 455 213	-	101 467
Employee-related obligations	-	-	-	-	231 606
Deferred revenue	-	-	-	-	79 017
Bank overdraft	1 317 669	-	1 317 669	-	-

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Credit risk

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

Trade and other receivables

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

	2026 R'000	2025 R'000
The maximum exposure to credit risk for trade receivables (excluding intercompany) is as follows:	367 758	329 690
The maximum exposure to credit risk for other receivables and accrued income is as follows:	921 820	865 836

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

Cash and cash equivalents

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

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

Loans receivable

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

The majority of the loans receivable are companies within the Dis-Chem Group and based on budgets prepared and current profitability will be able to repay the loans and therefore deemed to be a low credit risk.

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

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

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

	12 month Stage 1	Lifetime Stage 2	Credit impaired Stage 3
2026			
Opening gross carrying amount of loans	906 291	-	-
New loans receivable	457 207	-	-
Loans repaid	(390 144)	-	-
Interest	6 874	-	-
	980 228	-	-
2025			
Opening gross carrying amount of loans	946 650	-	-
New loans receivable	601 829	-	-
Loans repaid	(685 808)	-	-
Interest	43 620	-	-
	906 291	-	-

Interest rate risk

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

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

If the interest rate, with all other variables held constant, increased or decreased by 200 average basis points at year-end (2025: 200), the impact of the company's profit before tax would be approximately R46 million (2025: R33 million). The sensitivity analysis presented was based on the average balance of the funds during the period on the bank borrowings and Absa loan.

Liquidity risk

Dis-Chem Pharmacies has the following facilities in place:

	2026	2025
	R'000	R'000
Working capital facilities with ABSA, Standard Bank and Nedbank	3 900 000	2 800 000
Supply Chain Finance (SCF) facility	1 000 000	1 000 000
Credit card and fleet card facilities	8 350	12 700
Derivative trading facilities	100 910	100 000
Forward exchange settlement limit	4 565	100 000
Commercial asset finance credit line	100 000	100 000

Dis-Chem Pharmacies also has bank loans of R722 million (2025: R802 million) and related party loans of R992 million (2025: R786 million).

Dis-Chem Pharmacies have given security/guarantees to ABSA, Standard Bank and Nedbank in regard to certain companies within the Dis-Chem Group and landlords. Securities/guarantees to ABSA for R2.2 billion in regard to Dis-Chem Distribution; to Bemax International (R75 million), Dis-Chem Distribution (R440 million) and CJ Pharmaceutical (R400 million); and to Nedbank for R2 million in regard to landlords. These facilities have not been used at year end. Included in guarantees is an unrestricted cession of loans receivable and cash management accounts to Standard Bank. This has not been called upon.

The debt covenants for the ABSA loan (which is tested at February and August) is based on interest cover ratio (EBITDA/finance charges) and net leverage (ratio of total net debt to EBITDA). Dis-Chem has sufficient head room in both these ratios and does not expect these ratios to be met in the next 12 months. There are no covenants in place for Investec. The board believes that the debt levels of the company are acceptable with a gearing ratio (excluding finance leases) of 2.3 (2025: 2.5).

NOTES TO THE GROUP AND COMPANY ANNUAL FINANCIAL STATEMENTS

for the year ended 28 February 2026

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

	On demand R'000	Less than 12 months R'000	Greater than 12 months R'000	Total R'000
2026				
Trade and other payables	-	3 026 035	-	3 026 035
Loans payable excluding bank loans	991 529	-	-	991 529
Bank overdraft	-	1 666 720	-	1 666 720
Bank loans	-	133 961	717 668	851 629
Lease liability (note 22)	-	690 103	2 191 684	2 881 787
Undiscounted payments	991 529	5 516 819	2 909 352	9 417 700
Less: Future finance charges	-	(228 141)	(433 483)	(661 624)
	991 529	5 288 678	2 475 869	8 756 076
2025				
Trade and other payables	-	2 455 213	-	2 455 213
Loans payable excluding bank loans	785 799	-	-	785 799
Bank overdraft	-	1 317 669	-	1 317 669
Bank loans	-	147 459	866 856	1 014 315
Lease liability (note 22)	-	577 185	1 914 732	2 491 917
Undiscounted payments	785 799	4 497 526	2 781 588	8 064 913
Less: Future finance charges	-	(212 156)	(458 292)	(670 448)
	785 799	4 285 370	2 323 296	7 394 465

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

30. Capital management

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

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

No changes were made in the objectives, policies and processes for managing capital during the years ended 28 February 2026 and 28 February 2025.

31. Events after the reporting period

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

The Group took out an additional bullet loan of R500 million with a maturity date of two years (which can be extended to three years) and earns interest at the three-month JIBAR plus 1.3%. S189 restructuring focused on specific head office and administrative roles to realign the business's operating model, but simultaneously creating 200 new roles in underinvested departments.

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

ANALYSIS OF ORDINARY SHAREHOLDERS

as at 28 February 2026

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Shareholder spread				
1 - 1 000	36 738	90.50%	2 469 691	0.29%
1 001 - 10 000	2 925	7.21%	8 797 006	1.02%
10 001 - 100 000	551	1.36%	17 381 006	2.02%
100 001 - 1 000 000	294	0.72%	97 677 318	11.36%
Over 1 000 000	88	0.22%	733 759 462	85.31%
Total	40 596	100.00%	860 084 483	100.00%

	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
Distribution of shareholders				
Assurance Companies	39	0.10%	9 171 151	1.07%
Close Corporations	36	0.09%	221 934	0.03%
Collective Investment Schemes	290	0.71%	262 144 024	30.48%
Foundations & Charitable Funds	55	0.14%	8 638 329	1.00%
Hedge Funds	10	0.02%	2 788 146	0.32%
Insurance Companies	10	0.02%	3 538 855	0.41%
Investment Partnerships	19	0.05%	131 924	0.02%
Managed Funds	26	0.06%	3 149 579	0.37%
Medical Aid Funds	19	0.05%	3 302 205	0.38%
Organs of State	16	0.04%	113 342 642	13.18%
Private Companies	267	0.66%	127 039 819	14.77%
Public Companies	5	0.01%	4 370 203	0.51%
Public Entities	3	0.01%	221 179	0.03%
Retail Shareholders	39 078	96.26%	217 035 808	25.23%
Retirement Benefit Funds	261	0.64%	88 516 895	10.29%
Scrip Lending	8	0.02%	1 410 373	0.16%
Sovereign Funds	6	0.01%	7 751 285	0.90%
Stockbrokers & Nominees	15	0.04%	2 579 287	0.30%
Trusts	432	1.06%	4 730 820	0.55%
Unclaimed Scrip	1	0.00%	25	0.00%
Total	40 596	100.00%	860 084 483	100.00%

Shareholder type				
Non-public shareholders	9	0.02%	77 876 153	9.05%
Directors and associates	8	0.02%	73 901 275	8.59%
Dis-Chem Pharmacies Limited	1	0.00%	3 974 878	0.46%
Public shareholders	40 587	99.98%	782 208 330	90.95%
Total	40 596	100.00%	860 084 483	100.00%

ANALYSIS OF ORDINARY SHAREHOLDERS

CONTINUED

as at 28 February 2026

	Number of Shares	% of issued capital
Fund managers with a holding greater than 3% of the issued shares		
Coronation Fund Managers	230 463 849	26.80%
Allan Gray	98 310 195	11.43%
Public Investment Corporation	75 729 379	8.80%
Total	404 503 423	47.03%
Beneficial shareholders with a holding greater than 3% of the issued shares		
Coronation Fund Managers	127 971 326	14.88%
Government Employees Pension Fund	108 901 742	12.66%
Saltzman Dan Leor Mr	101 588 023	11.81%
Saltzman Mark Mr	101 584 637	11.81%
Allan Gray	64 227 074	7.47%
Ivlyn (Pty) Ltd	34 940 933	4.06%
Royal Bafokeng Holdings (Pty) Ltd	29 937 593	3.48%
Stansh (Pty) Ltd	27 636 525	3.21%
Total	596 787 853	69.39%

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