



Dis-Chem+
Better health starts here

Integrated Report

for the financial year ended 28 February 2026



Contents

3 About this Integrated Annual Report

6 Overview and external environment

- 7 Nature of the organisation and principal activities
- 16 Geographic footprint and markets served
- 18 Position in the value chain
- 19 Operating context
- 20 Business model
- 23 Vision, mission and values
- 24 Stakeholder relationships

28 Integrated health and innovation

- 29 Innovation
- 32 Integrated health Ecosystem

34 Strategy and resource allocation

- 35 Strategic framework

38 Risks and opportunities

- 39 Risk and opportunities

45 Corporate governance

- 46 Chair's report
- 50 King V™
- 51 Governance framework and structure
- 52 Role and composition of the Board
- 55 Board responsibilities and functioning
- 57 Independence and diversity
- 58 Skills
- 60 Board Committees composition and responsibilities
- 63 Board and Committee meetings attendance
- 64 Ethical leadership and corporate citizenship
- 66 Risk governance framework
- 67 Technology and information governance
- 68 Compliance with laws, rules, codes and standards
- 69 Internal control environment
- 70 Combined assurance model
- 71 Stakeholder relationship governance
- 72 Additional corporate governance matters
- 73 Social and Ethics Committee report

75 Remuneration governance and disclosure

- 76 Remuneration report

97 Performance

- 98 Chief Executive Officer's Report
- 103 Chief Financial Officer's Report
- 108 Summary consolidated financial information

115 Shareholder information

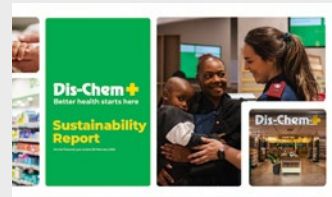
- 116 Analysis of ordinary shareholders
- 120 Notice of Annual General Meeting 2026
- 125 Form of Proxy
- 127 Noted to the Form of Proxy
- 128 Shareholders' Diary
- 129 Abbreviations
- 130 Definitions
- 131 Corporate information

About this Integrated Annual Report

Dis-Chem Pharmacies Limited (“Dis-Chem” or “the Group”) is pleased to present its Integrated Annual Report (IAR) for the financial year ended 28 February 2026.

This report serves as the Group’s primary communication to shareholders and broader stakeholders on how Dis-Chem creates, preserves, and sustains value in the short-, medium-, and long-term. It provides a balanced, transparent and holistic view of the Group’s strategy, governance, performance, risks and prospects. For a more detailed analysis of specific areas of our business, stakeholders may access the following on our website at www.dischemgroup.com

The IAR forms part of a broader reporting suite comprising:



Detailing our ESG strategy and environmental impacts.



Providing a complete audited account of our financial position.

The King V™ application and disclosure framework
Report on corporate governance practices.

Together, these reports provide a comprehensive and connected view of the Group’s financial and non-financial performance.

Reporting frameworks and basis of preparation

This report has been prepared in accordance with:

- The IFRS Foundation’s Integrated Reporting Framework
- IFRS® Accounting Standards
- The King V™ Report on Corporate Governance
- The Listings Requirements of the JSE Limited
- The Companies Act 71 of 2008 (Companies Act) (as amended)
- The United Nations Sustainable Development Goals (SDGs), where relevant, for value creation

Financial information has been prepared in accordance with IFRS Accounting Standards and is consistent with the basis of preparation disclosed in the AFS.

Dis-Chem is in compliance with the provisions of the Companies Act and relevant laws of incorporation. It is also operating in conformity with its Memorandum of Incorporation (MOI).

Non-financial information has been prepared using internally developed measurement methodologies aligned with applicable regulatory requirements and industry practices. Where applicable, key performance indicator definitions are provided to ensure comparability and consistency.

This report aligns with the updated King V™ principles, building on prior King IV™ compliance, with enhanced focus on AI Governance and Stakeholder Engagement. The report reflects the principles of integrated thinking, demonstrating how strategy, governance, performance and prospects are interdependent and collectively support sustainable value creation.



Reporting boundary and scope

This report covers the activities of Dis-Chem Pharmacies Limited and its subsidiaries for the financial year ended 28 February 2026.

This report covers the same entities as in the Group’s financial consolidation and includes:

- Retail pharmacy operations across South Africa, Namibia and Botswana
- Wholesale operations conducted through CJ Distribution

At year-end, the Group operated 358 retail stores, comprising 316 Dis-Chem Pharmacy stores and 42 Dis-Chem Baby City stores.

There were no material changes to the reporting entities during the reporting period, unless otherwise disclosed in the AFS.

About this Integrated Annual Report continued



Materiality determination

The Group applies a structured, Board-approved materiality determination process to identify matters that substantively affect its ability to create value over time.

Material matters were identified through:

- Enterprise risk management outputs
- Strategic planning processes
- Stakeholder engagement outcomes
- Financial impact assessments
- Regulatory and industry developments

Each matter was assessed against:

- Potential impact on long-term value creation
- Likelihood of occurrence
- Magnitude of financial or reputational effect
- Level of stakeholder interest

The Board reviewed and approved the FY2026 material matters.

During FY2026, the Group commenced an enhancement of its materiality methodology to further align with evolving regulatory expectations and developments in global sustainability reporting.

Assurance and reliability of information

The Board recognises its responsibility to ensure the integrity, accuracy and completeness of the information presented in this report.

The Group applies a combined assurance model, comprising:

- Management oversight and internal controls
- Internal audit reviews
- Oversight by the Audit and Risk Committee
- Independent external audit of the AFS

The AFS have been audited by Forvis Mazars, who issued an unmodified audit opinion.

Selected sustainability metrics are subject to limited independent assurance, as disclosed in the Sustainability Report.

While the IAR itself is not subject to separate external assurance, it has been reviewed by executive management, the Audit and Risk Committee and the Board to ensure consistency with the underlying records and governance processes.

Combined assurance framework

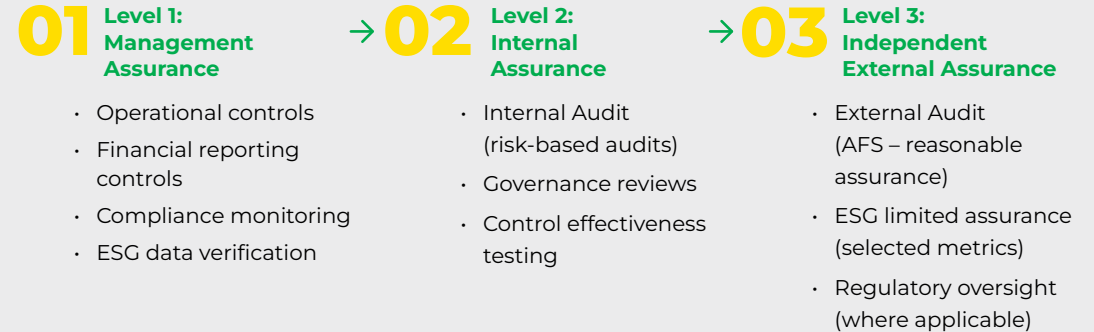
The Group applies a coordinated, combined assurance model to optimise assurance coverage, minimise duplication and enhance the reliability of reported information. The Audit and Risk Committee monitors the effectiveness of this model annually.

Board of Directors

Audit and Risk Committee oversight



Combined assurance model



How the model supports governance outcomes

Governance outcome	Assurance contribution
Ethical Leadership	Independent oversight and transparency
Good Performance	Reliable performance data
Effective Control	Internal audit and control testing
Legitimacy	External audit and stakeholder trust

Internal control and governance oversight

The Board is responsible for maintaining a sound system of internal control and risk management to safeguard assets, ensure reliable reporting, and support sustainable performance.

The system of internal control is designed to manage, rather than eliminate, the risk of failing to achieve business objectives. It can provide reasonable, but not absolute, assurance against material misstatement or loss.

Based on the work of management, internal audit and the Audit and Risk Committee, the Board is satisfied that the Group's internal controls were effective for the financial year under review.



About this Integrated Annual Report continued



Going concern and solvency

The Board has assessed the Group's solvency and liquidity position, forecast cash flows, funding facilities and covenant compliance for the foreseeable future.

Based on this assessment, the Board is satisfied that the Group has adequate financial resources to continue as a going concern and that it meets the solvency and liquidity requirements under the Companies Act.

Forward-looking statements

This report contains forward-looking statements regarding the Group's financial position, strategy, objectives and future performance.

These statements are based on reasonable assumptions and current expectations. Still, they are subject to risks and uncertainties, including changes in economic conditions, regulatory developments, competitive dynamics and other factors beyond the Group's control.

Actual results may differ materially from those expressed or implied. The Group undertakes no obligation to update forward-looking statements, except as required by law.

Restatements and comparability

Where applicable, prior-year information has been restated to ensure comparability. There were no material restatements during the reporting period in the AFS.

Confirmation of compliance

The Board confirms that Dis-Chem has complied with the applicable requirements of the JSE Listings Requirements, the Companies Act and the principles of the King V™ Report on Corporate Governance during the financial year.

The Board is satisfied that it has applied the recommended governance practices in a manner that achieves the intended outcomes of:

- Ethical and effective leadership
- Good performance
- Effective control
- Legitimacy

Directors' responsibility and approval

The Board collectively accepts responsibility for the integrity and completeness of this Integrated Annual Report.

The Audit and Risk Committee oversaw the preparation of the report and recommended it to the Board for approval.

The Board approved the Integrated Annual Report for release to stakeholders on 29 June 2026.

Larry Nestadt

*Independent
Non-Executive Chair*

Rui Morais

Chief Executive Officer





Better health starts here

Overview and external environment

- 7 Nature of the organisation and principal activities
- 16 Geographic footprint and markets served
- 18 Position in the value chain
- 19 Operating context
- 20 Business model
- 23 Vision, mission and values
- 24 Stakeholder relationships

Nature of the organisation and principal activities



Dis-Chem Pharmacies Limited

Retail pharmacies

- **Dispensary**
- **Front shop**
 - » Personal Care and Beauty
 - » Healthcare and Medical
 - » Baby Care
 - » Other
- **Clinics**

Wholesale

- **Dis-Chem Pharmacies**
- **The Local Choice (TLC)**
- **Independent Pharmacies**

Dis-Chem Pharmacies Limited (“Dis-Chem” or “the Group”) is a South African-based retail healthcare group listed on the Johannesburg Stock Exchange since November 2016. The Group operates within the Food and Drug Retailers industry, with a primary focus on the retail sale of pharmaceutical products, health and beauty products, and complementary wellness services.

Dis-Chem’s core business is operating a nationwide network of retail pharmacy stores, supported by a centralised distribution and wholesale infrastructure. Through this integrated retail and supply chain model, the Group aims to provide customers with accessible, affordable and trusted healthcare solutions while maintaining operational efficiency and consistency across its store network.

The Group’s retail offering includes prescription medicines, over-the-counter pharmaceutical products, health supplements, personal care and beauty products, and selected front-shop convenience items. In addition to its core pharmacy offering, Dis-Chem provides primary healthcare services through in-store clinics, giving customers access to basic medical services delivered by qualified healthcare professionals.

Dis-Chem’s activities are supported by complementary business units, including wholesale and distribution operations that serve the Group’s retail network and selected external customers.

The Group also operates private-label and exclusive product ranges, which form part of its strategy to enhance customer value, differentiate its offering, and support margin sustainability.

The Group conducts its operations primarily in South Africa, serving a broad and diverse customer base. Its activities are subject to a highly regulated environment, particularly in relation to pharmaceutical dispensing, pricing and healthcare compliance, and are governed by applicable healthcare, retail, labour and corporate legislation.

Through its principal activities, Dis-Chem seeks to create sustainable value by balancing commercial performance with responsible healthcare delivery, ethical business practices and long-term stakeholder relationships.



Nature of the organisation and principal activities continued

Retail

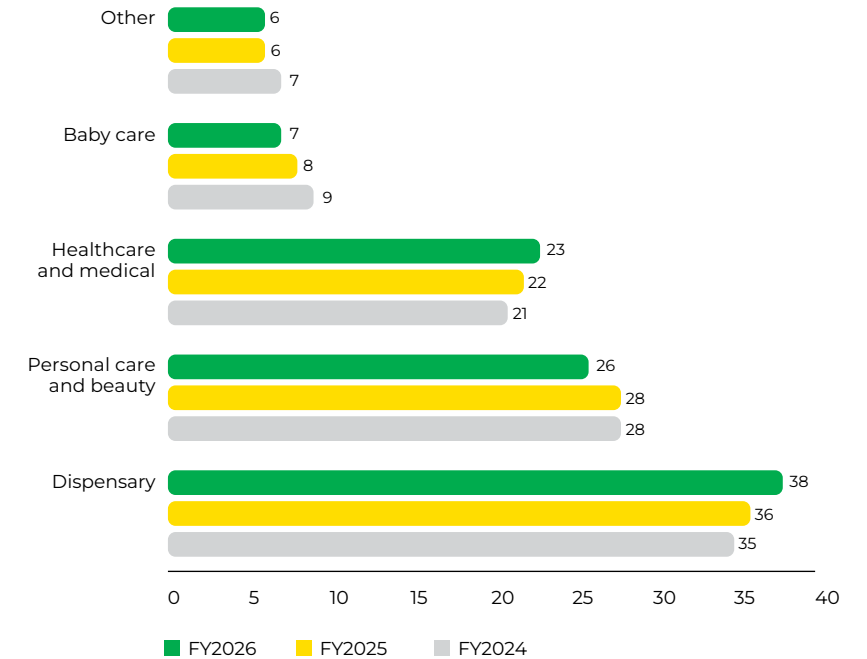
Dis-Chem’s retail offering is structured around four core categories that together support the Group’s purpose of improving access to healthcare and wellness solutions. These categories are integral to the Group’s business model, customer value proposition and revenue mix, and are managed with a focus on quality, availability and regulatory compliance. Each category is discussed in greater detail in the sections that follow.

Category definition matrix

 <p>A.</p> <p>Dispensary</p> <p>Prescription medicines, Scheduled medicines, OTC</p> <p>Regulatory Framework</p> <ul style="list-style-type: none"> • SEP regulated • Dispensing fees regulated 	 <p>B.</p> <p>Personal Care and Beauty</p> <p>Cosmetics, hygiene, skincare, fragrance</p> <p>Regulatory Framework</p> <ul style="list-style-type: none"> • Consumer retail 	 <p>C.</p> <p>Healthcare and Medical</p> <p>Vitamins, supplements, OTC medicines, health devices</p> <p>Regulatory Framework</p> <ul style="list-style-type: none"> • Consumer health 	 <p>D.</p> <p>Baby Care</p> <p>Infant and toddler essentials</p> <p>Regulatory Framework</p> <ul style="list-style-type: none"> • Consumer and safety
---	---	---	--

Core product and service categories

Retail revenue contribution per category



Nature of the organisation and principal activities continued



A. Dispensary

The dispensary category underpins Dis-Chem’s healthcare offering and remains central to the Group’s role as a trusted provider of pharmaceutical services. It encompasses a comprehensive range of prescription and non-prescription medicines, supported by professional healthcare services delivered in a highly regulated environment.

Prescription medication fulfilment is a core activity within this category. Customers are assisted by registered pharmacists who ensure prescriptions are dispensed accurately and include appropriate dosage and usage guidance. In addition, Dis-Chem supports patients with chronic conditions through chronic medication management services, including medical scheme registration, repeat prescription reminders, and adherence support, thereby contributing to continuity of care and improved health outcomes.

The dispensary also offers a broad selection of over-the-counter (OTC) medicines for common ailments such as pain, allergies, colds and flu. Qualified pharmacists provide pharmaceutical advice and counselling, guiding customers on correct medication use, potential interactions, side effects, general adherence, and referring patients to in-store clinics or healthcare professionals when further intervention is required. Health Window complements the dispensary by handling non-prescription enquiries and supporting efficient customer flow while maintaining appropriate clinical oversight.

The dispensary category operates under a stringent regulatory framework set out in South Africa’s Medicines and Related Substances Act. It is regulated by the South African Pharmacy Council (SAPC) and the Department of Health (DOH). Key compliance requirements include:

- Each pharmacy is staffed by registered pharmacists who are responsible for ensuring regulatory compliance and the safe dispensing of medicines.
- Prescription controls, under which Schedule 3 and higher medicines are dispensed strictly in accordance with legal requirements and valid medical prescriptions.
- Patient safety and confidentiality, supported by protocols to protect personal health information and ensure the responsible handling of medicines.
- Quality assurance, including the use of a preferred drug list to source medicines from registered suppliers that meet quality, safety and pricing standards.
- Electronic prescription services, including doctor e-scripting and digital prescription management, which enhance efficiency, accuracy and customer convenience.

The DOH regulates pricing within the dispensary category. Scheduled medicines are subject to the Single Exit Price (SEP), a formula-based price set in accordance with applicable legislation and adjusted periodically by the Minister of Health. Pharmacy dispensing fees are also regulated, with statutory maximums prescribed within the regulatory framework.

The dispensary category is a significant contributor to the Group’s performance, accounting for over a third of total Group revenue, underlining its strategic importance and scale. To enhance accessibility and convenience, Dis-Chem offers online prescription ordering, in-store collection counters, and home delivery of selected dispensary products, supporting customers with limited mobility or limited access to physical stores.

Through its dispensary operations, Dis-Chem balances commercial sustainability with responsible healthcare delivery, upholding high standards of compliance, patient care and service, reinforcing its position as a leading pharmacy retailer in South Africa.

Nature of the organisation and principal activities continued

Health Window

Health Window is a central component of Dis-Chem’s integrated health ecosystem, specifically designed to enhance patient adherence to chronic medications.

By leveraging intelligent software, technology solutions, and proactive customer engagement, the service helps patients overcome common obstacles to starting and continuing their prescribed therapies. Since Dis-Chem’s 2018 investment in the platform, the average chronic script fill rate among the managed patient population has increased materially. Internal adherence data and ongoing patient engagement initiatives support these improvements.

These adherence management interventions support improved continuity of care and contribute to growth in chronic medicine volumes. The platform delivers value through three core service offerings:

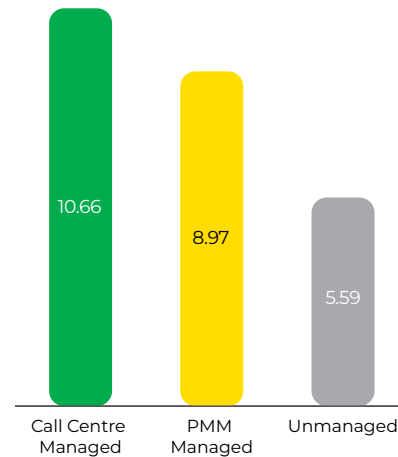
- **Pack My Meds (PMM):** An electronic self-ordering platform that enables patients to view and order repeat chronic medications, facilitating timely refills.
- **Patient Ready Parcels (PRP):** A convenience-based solution in which patients are contacted monthly to confirm that their medication has been pre-packed before collection, saving time and improving consistency.
- **Adherence Monitoring & Escalation Service (MONESC):** This service monitors patient adherence and provides timely health content interventions; data shows a 60% higher return rate for filling prescriptions among patients who receive these interventions.

The inherent value of Health Window extends beyond the dispensary, as patients managed by the service spend more on acute medications and front-shop products than those not using the platform.

To maintain high standards of patient safety and confidentiality, Health Window uses de-identified patient data to generate usage and adherence reports, ensuring that no personally identifiable information is shared. As the Group moves into FY2027, Health Window remains a critical tool for engaging customers as healthcare providers and for providing a deeper understanding of patient needs.

Chronic adherence impact

Chronic script fills per year by managed status
(Number)



* Patients locked-in in March 2025 and tracked until February 2026

B. Personal Care and Beauty

The personal care and beauty category encompasses a wide range of health, beauty, and personal hygiene products, including both international, local and private-label brands.

This category is well placed to meet everyday consumer needs while supporting margin sustainability and product differentiation.

Dis-Chem focuses on offering trusted, high-quality products across a range of price points, supported by category management, promotional activity and exclusive product ranges. The category complements the Group’s healthcare focus by promoting preventative care and personal wellbeing.



Nature of the organisation and principal activities *continued*

C. Healthcare and Medical



The healthcare and medical category is a key component of Dis-Chem’s integrated health ecosystem and supports the Group’s objective of improving access to preventative and everyday healthcare solutions.

This category includes over-the-counter medicines, vitamins, supplements, sports nutrition products, health foods, and selected medical devices. It plays a vital role in supporting customers on their health and wellness journeys.

Dis-Chem continues to lead this category, supported by strong category management, data-driven decision-making and an extensive store network. The Group’s approach is underpinned by advanced analytics, enabling informed range planning, pricing and promotional strategies that respond to changing consumer needs and market dynamics. Experienced buying teams and a regional operational structure with nationwide coverage support category execution.

A key differentiator of the healthcare and medical category is the integration of professional advice within the retail environment. Over 1 000 trained in-store health advisers provide guidance to customers and work alongside pharmacists, nurses and in-store clinics as part of a broader healthcare offering. This integrated approach supports informed self-care, appropriate product selection and referral to healthcare professionals where necessary.

Dis-Chem devotes significant retail space to this category to accommodate a broad and diverse product range. Product assortments are tailored to local demand and aligned with healthcare provider recommendations, ensuring accessibility, relevance and responsiveness to customer needs. The Group’s private label strategy, structured around a good–better–best offering, provides customers with access to quality healthcare products across a range of price points, while also catering to more specialised and premium requirements.

A dedicated technical and regulatory function oversees product quality and regulatory compliance. This team manages quality assurance processes, conducts

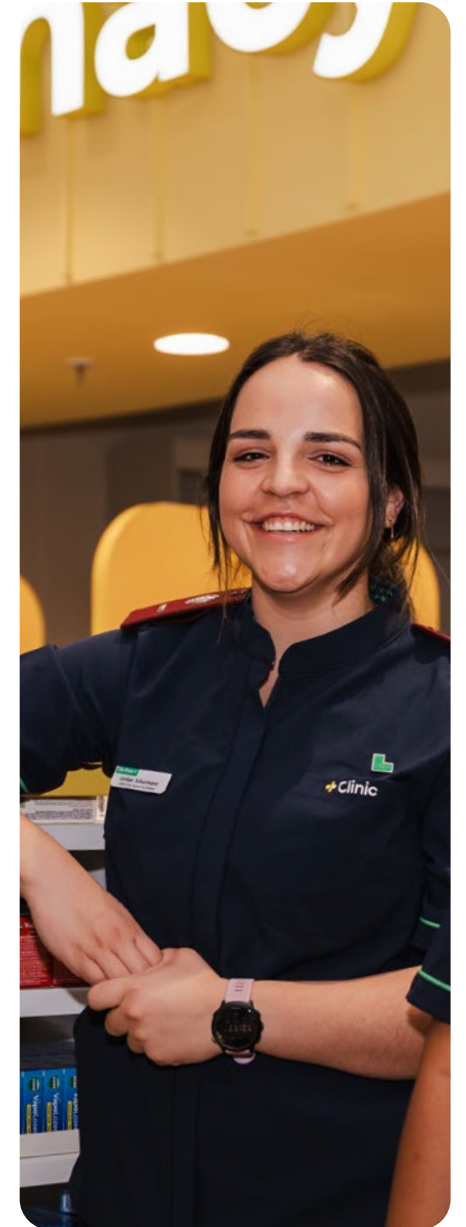
ongoing testing and audits, supports new product development, and mitigates category-related risks, ensuring that products meet applicable regulatory and safety standards.

Pricing remains a core focus across the healthcare and medical categories. The Group applies a comprehensive pricing strategy that balances customer value with sustainable margins, supported by regular price monitoring and targeted promotional activity. Customer value is further enhanced by the Group’s Better Rewards programme, which supports long-term customer engagement.

Digital integration remains a strategic priority for the category. Dis-Chem continues to invest in digital platforms and processes to provide customers with convenient access to healthcare products and services across multiple channels, thereby supporting an increasingly seamless omnichannel experience.

Through its healthcare and medical category, Dis-Chem reinforces its position as a trusted provider of accessible, customer-focused healthcare solutions, thereby contributing to long-term value creation for stakeholders and supporting the Group’s purpose of enabling better health outcomes.

For clarity, the Dispensary category comprises prescription and scheduled medicines dispensed under pharmacist supervision within a regulated framework. The Healthcare and Medical category comprises non-prescription health products, vitamins, supplements, sports nutrition, medical devices and related wellness offerings. While both categories support health outcomes, they are managed and regulated differently and serve distinct commercial and clinical roles within the business model.



Nature of the organisation and principal activities continued

D. Baby Care



The baby care category comprises products that support infant and early childhood health and development, including nutritional products, hygiene items, healthcare essentials and selected accessories.

This category reflects Dis-Chem's focus on serving customers across key life stages.

The Group prioritises safety, quality, and trusted brands in this category, recognising heightened regulatory and consumer expectations for infant care products. Baby care remains an integral part of the Group's broader healthcare and wellness offering.

Baby City

The South African baby market has experienced a sustained decline over the past three years, becoming heavily commoditised, with consumer choice almost exclusively driven by price. This shift has been driven by competitors' aggressive private-label plays, particularly in the "paper" categories of nappies and wipes. In response, Dis-Chem has moved to rationalise the Baby City network. Sites that do not meet required return thresholds are being exited in line with lease terms, with remaining customer demand supported through nearby Dis-Chem stores where appropriate. This approach reflects disciplined capital allocation and portfolio optimisation in a constrained consumer environment.

Other sub-categories, divisions and segments

In addition to the four core categories, Dis-Chem operates a wide range of subcategories, divisions, and supporting segments that collectively underpin the Group's integrated business model and drive sustainable value creation. These complementary areas enhance operational efficiency, broaden the product and service offering, and strengthen the Group's ability to meet evolving customer needs, thereby supporting long-term financial performance and stakeholder outcomes.

Dis-Chem Direct

Dis-Chem Direct is the Group's dedicated courier service, delivering chronic and prescription medications nationwide. It supports a wide range of clients, including medical schemes, corporations, individual customers, healthcare providers, and government institutions. It plays a key role in ensuring timely, secure, and reliable access to essential medicines across South Africa.

Key features of Dis-Chem Direct include:

- **Chronic medication delivery:** Facilitates the on-time delivery of patients' chronic medication to their preferred addresses, thereby supporting adherence and continuity of care.
- **Medical scheme integration:** Works with most major South African medical schemes, simplifying the claims process for patients receiving chronic medication.
- **Prescription management:** Supports patients in managing repeat prescriptions to ensure they receive refills consistently and without interruption.
- **Specialised patient support:** Provides access to pharmacists and consultants for guidance on medication adherence and chronic condition management.
- **Convenience and accessibility:** Reduces the need for regular pharmacy visits, particularly benefiting patients with mobility challenges or time constraints.

Dis-Chem Direct is a key component of the Group's strategy to improve medication adherence and expand access to healthcare. By providing reliable nationwide delivery and collaborating with a range of stakeholders, the service improves patient outcomes and reinforces Dis-Chem's broader value proposition within its integrated healthcare ecosystem.

E-commerce

Consumer behaviour in retail has shifted significantly towards online shopping and digital experiences. In response, Dis-Chem has invested strategically in e-commerce and digital technology to deliver a seamless, convenient, and integrated shopping experience. This approach supports the Group's broader strategy to enhance accessibility and engagement across all customer touchpoints.

The e-commerce division continues to grow strongly, reflecting rising demand for convenience, widespread adoption of mobile devices, improved internet access, and the growing use of fintech solutions offering flexible payment options. In FY2026, this digital channel remains a key enabler of customer reach, operational efficiency, and long-term value creation.

Key developments within the e-commerce platform include:

- **Online Pharmacy Capability:** DeliverD, our 60-minute on-demand delivery service, now enables customers to claim their prescriptions directly from medical schemes, improving convenience and adherence.
- **Expansion of Fulfilment Hubs:** Additional fulfilment hubs are being rolled out to improve order processing, delivery speeds and overall service levels, supporting growing online demand.



Nature of the organisation and principal activities continued

- **PackMyMeds Digital Service:** The chronic medication adherence service continues to expand, offering seamless prescription refills and dedicated support for patients with chronic conditions.
- **WhatsApp for Business Integration:** This channel offers customers an accessible platform for prescription management, product enquiries, and customer support.

Dis-Chem's e-commerce platform complements the physical store network, delivering an integrated omnichannel experience. Customers benefit from unified access to health, pharmaceutical, beauty and wellness products, personalised recommendations and targeted promotions. Investments in advanced supply chain management, inventory optimisation and digital logistics further enhance product availability and reduce wait times, improving overall customer satisfaction.

As the digital retail landscape evolves, Dis-Chem remains at the forefront of innovation. The Group's ongoing investment in technology, e-commerce capabilities, and customer-centric solutions reinforces its leadership in the South African retail pharmacy sector, supporting long-term value creation and an enhanced customer experience.

Ancillary products and services

Dis-Chem's ancillary products and services complement its core categories, providing customers with a holistic health and wellness experience beyond traditional pharmacy offerings. These services enhance convenience, accessibility, and affordability, supporting the Group's aim of delivering integrated healthcare solutions throughout the customer journey.

Key ancillary offerings include:

- **Pharmacy courier services:** Secure and efficient delivery of prescription and chronic medications.
- **Consultancy services:** Professional guidance on nutrition, wellness and lifestyle.
- **Beauty salons:** Skincare consultations and aesthetic treatments delivered by trained therapists.
- **Hair salons:** Expert styling services, supported by exclusive product ranges.
- **Home care and assisted living products:** Mobility aids, nursing equipment and other support products for patients and carers.
- **Travel clinics:** Administration of vaccinations and provision of health advice for domestic and international travel.

The Group continues to invest in digital capabilities to improve access to these services, including online appointment bookings, mobile health consultations, and integrated digital platforms. These enhancements deliver a seamless, convenient experience for customers, reflecting Dis-Chem's commitment to innovation and responsiveness to evolving customer needs.

By expanding and integrating its ancillary products and services, Dis-Chem strengthens its role as a trusted healthcare and wellness partner, delivering value for customers, improving health outcomes, and reinforcing the Group's broader integrated business model.

In-house and exclusive brands

Dis-Chem's in-house and exclusive brands are a key pillar of the Group's retail strategy, offering customers trusted, high-quality products – many of which are market leaders in their categories and available exclusively at Dis-Chem. The portfolio is built on a deliberate three-tier strategy: best-price options that maximise affordability, quality-value products that balance performance and price, and premium and innovative offerings that meet the needs of discerning customers. This approach spans health, wellness, beauty, personal care, baby, general merchandise, and medical categories, reinforcing the Group's differentiation in a competitive market.

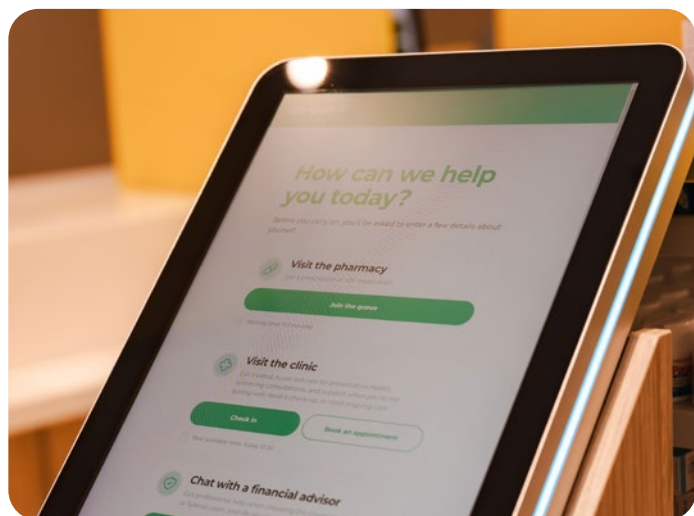
Since 1997, the Group has developed a non-pharmaceutical private-label portfolio that has grown significantly. In FY2026, in-house and exclusive brands accounted for 21.2% of related retail sales, outpacing the category and underscoring their growing contribution to revenue and customer engagement. A strategic balance among private-label, exclusive, and national brands ensures product diversity, meets a wide range of customer needs, and strengthens the Group's overall value proposition.

Products are rigorously tested and sourced from trusted local and international suppliers to meet high-quality standards, ensuring reliability, efficacy, and competitive pricing. Key brands include Biogen, Lifestyle Food, Medic, Softi, Dis-Chem Gold, Baby Things, Nature's Nourishment, Bionike, Dentalmate, and La Girl – a portfolio spanning the Group's largest and most strategically important categories.

The contribution of in-house brands continues to grow, reflecting greater consumer trust, loyalty, and perceptions of value. These products support higher margins, enhance differentiation, and drive front-shop sales, reinforcing Dis-Chem's leadership across health and wellness, beauty and personal care, and medical categories. To further strengthen the portfolio, the Group continues to expand its range through product innovation, sustainable sourcing, and collaboration with industry-leading manufacturers.

Dis-Chem ensures that in-house and exclusive brands are widely accessible through both physical stores and digital platforms, supported by targeted promotions, educational content, and customer engagement initiatives. This omnichannel approach enhances convenience, extends reach, and delivers a consistent customer experience.

By prioritising affordability, quality, and innovation, Dis-Chem's private label and exclusive brands continue to deliver exceptional customer value, drive sustainable revenue growth, and support the Group's long-term strategic objectives.



Nature of the organisation and principal activities continued



Wholesale

Dis-Chem’s wholesale segment is critical to the Group’s integrated supply chain, ensuring the efficient distribution of pharmaceutical and front-shop products to Dis-Chem retail stores, the Group’s franchise pharmacies, The Local Choice (TLC), and independent pharmacies.

This segment is underpinned by CJ Distribution, which operates a network of strategically located distribution centres across South Africa. These facilities support streamlined inventory management, timely order fulfilment, and consistent stock availability across the Group’s retail network and external partners.

Supply Chain flow diagram



The wholesale segment is a key driver of growth, enabling Dis-Chem to leverage economies of scale, improve product availability, and enhance service delivery across the healthcare and retail ecosystem.

Key aspects of the wholesale segment include:

- **CJ Distribution:** The backbone of wholesale operations, CJ Distribution provides procurement, warehousing, and logistics services to both Dis-Chem stores and third-party customers.
- **Broad Product Offering:** Supplies a wide range of pharmaceuticals, front-shop items, and in-house brands to independent pharmacies, clinics, and healthcare providers.
- **Independent Pharmacy Support:** Provides competitive pricing, tailored solutions, and reliable product supply, strengthening smaller pharmacies’ capacity to serve local communities.
- **Technology and Innovation:** Investments in automation, AI-driven forecasting, and digital ordering systems enhance operational efficiency, order accuracy, and responsiveness.
- **Operational Efficiency:** Continuous enhancements to warehousing, distribution, and last-mile logistics optimise costs and ensure timely delivery to meet growing demand.

Through its wholesale operations, Dis-Chem reinforces the resilience and efficiency of its supply chain while supporting both its retail network and external partners. This segment contributes to long-term value creation by improving accessibility to healthcare products, enabling operational scale, and strengthening the Group’s position across the South African healthcare and retail landscape.

Distribution centres

Area	Size
Delmas, Mpumalanga	6 030 m ²
Pinetown, KwaZulu-Natal	14 400 m ²
Midrand, Gauteng	44 000 m ²
Gqeberha, Eastern Cape	2 500 m ²
Longmeadow, Gauteng	63 000 m ²
Cape Town, Western Cape	15 693 m ²



Nature of the organisation and principal activities continued

A. Dis-Chem retail stores

CJ Distribution, Dis-Chem's dedicated wholesale and distribution division, primarily serves Dis-Chem retail pharmacies, which remain its key internal customers. Dis-Chem retail pharmacies represent CJ Distribution's primary internal customer base and account for the majority of its internal wholesale volumes. While CJ Distribution also serves external customers, its operations are closely integrated with the Group's retail network, creating economies of scale.

This integrated supply chain model reduces lead times, and strengthens Dis-Chem's ability to deliver a reliable, comprehensive product offering to customers. As the Group's primary distribution arm, CJ Distribution benefits from economies of scale and operational synergies within the Dis-Chem ecosystem, thereby improving profitability and overall business performance. While external customers contribute to revenue, the bulk of CJ Distribution's financial success comes from serving the Group's retail network.

B. The Local Choice

Since its inception in 2010, TLC has evolved into more than a franchise pharmacy brand; it represents a platform for independent pharmacists to succeed within a supportive network. With 280 pharmacies across South Africa, TLC combines entrepreneurial freedom with access to centralised resources and operational support.

TLC provides franchisees with the infrastructure necessary for efficient pharmacy management, including business intelligence, centralised stock files, and operational guidance. The model also includes clinic support, with 218 TLC pharmacies operating in-store clinics that expand service offerings and deepen community engagement

in healthcare. Marketing support further enhances visibility and drives customer traffic, allowing franchisees to focus on delivering quality care.

With system-wide annual turnover exceeding R5 billion, TLC equips pharmacists with the tools to navigate a competitive landscape while maintaining autonomy. This turnover reflects aggregate franchise sales and is not consolidated into Group revenue.

The brand has established a presence in every province, with an average pharmacy footprint of 240 m², and continues to expand its network in a measured manner. TLC's model reinforces Dis-Chem's broader strategy of empowering independent pharmacists while strengthening healthcare delivery at the community level.

C. Independent pharmacies

Through CJ Distribution, Dis-Chem also supports independent pharmacies across South Africa, ensuring access to a reliable and cost-effective supply of pharmaceuticals, healthcare products, and front-shop essentials. By leveraging its national procurement and distribution infrastructure, Dis-Chem enables these pharmacies to maintain strong local retail operations and deliver essential healthcare services.

Key aspects of this support include:

- **Broad Product Offering:** Access to a wide range of prescription and OTC medications, personal care items, and exclusive Dis-Chem private label products.
- **Competitive Pricing:** Economies of scale and efficient sourcing allow independent pharmacies to remain competitive.

- **Logistics & Distribution:** Strategically located distribution centres enable timely deliveries and consistent stock availability.
- **Technology & Ordering Systems:** Digital platforms streamline ordering, tracking, and inventory management, improving operational efficiency for pharmacy owners.
- **Supporting Community Healthcare:** By strengthening independent pharmacies, Dis-Chem contributes to the accessibility of essential medicines and supports broader community healthcare needs.

Through these initiatives, Dis-Chem's wholesale strategy not only optimises the Group's internal supply chain but also reinforces its role in enabling independent pharmacies and supporting the affordability, accessibility, and sustainability of healthcare services nationwide.

Beyond its four core categories, Dis-Chem's sub-categories, divisions, and supporting segments collectively strengthen the Group's integrated health and retail ecosystem. From wholesale and distribution operations through CJ Distribution to franchise support via The Local Choice, and the provision of essential products and services to independent pharmacies, each component plays a distinct yet interconnected role in delivering value to customers, stakeholders, and the broader healthcare system.

Ancillary services, in-house brands, and e-commerce capabilities further enhance accessibility, convenience, and choice, ensuring that Dis-Chem meets diverse customer needs across all touchpoints. Together, these integrated operations reinforce the Group's capacity to provide comprehensive healthcare and wellness solutions, optimise operational efficiency, drive sustainable financial performance, and maintain its position as South Africa's leading health and wellness retailer.

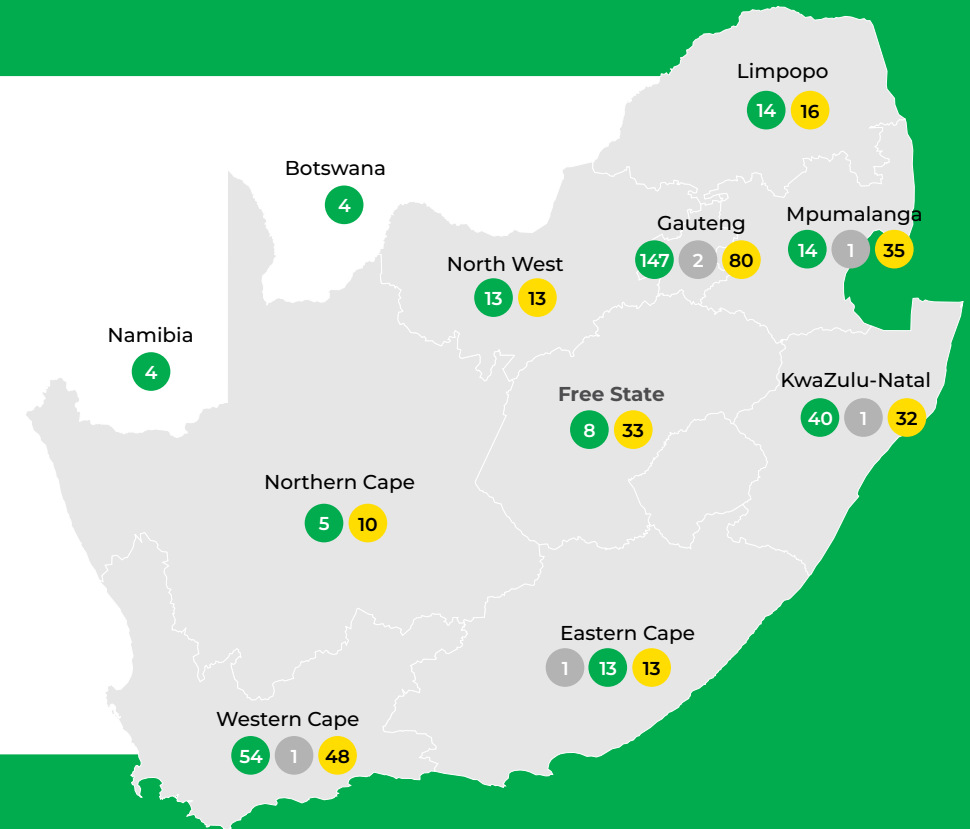
Geographic footprint and markets served

Dis-Chem Pharmacies Limited operates a diversified healthcare retail and wholesale business with a predominantly South African footprint, complemented by a measured presence in selected Southern African markets. The Group's geographic footprint is strategically aligned with its purpose of improving health outcomes through accessible, affordable, and integrated healthcare solutions.

Dis-Chem stores **316**

Distribution Centres **6**

TLC footprint **280**



Geographic footprint

Dis-Chem's operations are anchored in South Africa, where the Group maintains a national retail presence across all nine provinces. Its store network is concentrated in metropolitan, urban, and high-density regional nodes, with selective expansion into underserved, growing communities. This footprint enables the Group to serve a broad, diverse customer base while maintaining operational scale and efficiency.

in Namibia and Botswana, reflecting a disciplined approach to cross-border expansion that prioritises regulatory compliance, operational sustainability, and long-term value creation. These operations extend the Group's retail healthcare offering into neighbouring markets with similar consumer healthcare needs and regulatory frameworks.

The Group's wholesale and distribution infrastructure underpins its geographic reach. Strategically located distribution centres enable efficient national coverage and support both internal retail operations and external customers. This logistics capability improves product availability, reduces supply chain risk, and strengthens service levels across the healthcare value chain.

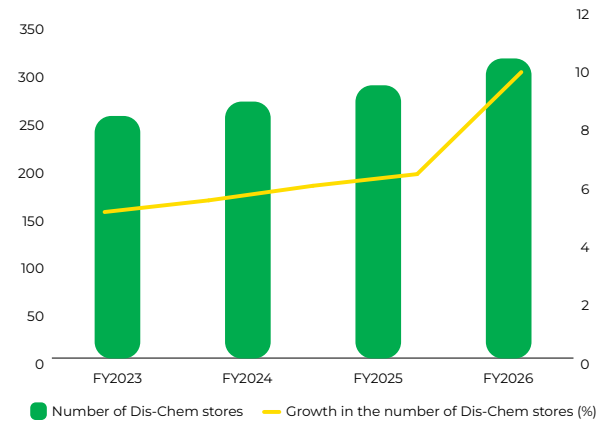
The Group operates within a competitive retail pharmacy environment characterised

by national chain operators, independent pharmacies and emerging digital health platforms. Competitive dynamics influence pricing, promotional intensity, service innovation and store expansion decisions. The Group's scale, integrated wholesale capability and regulated dispensary operations provide structural advantages, while management continues to monitor market developments and competitive risks.

Consistent with King V™'s emphasis on integrated thinking, the Group considers the economic, social, regulatory and infrastructure characteristics of each geographic market when making location and expansion decisions, ensuring that growth supports sustainable outcomes for stakeholders.



Geographic footprint and markets served continued



Markets served

Dis-Chem serves multiple, interconnected markets through an integrated operating model that combines retail, wholesale, digital and healthcare services.

The Group's primary market is the South African consumer seeking trusted access to prescription medicines, over-the-counter products, healthcare and wellness solutions, personal care and beauty products, and baby care essentials. Retail pharmacies are positioned as community healthcare hubs, supported by professional pharmacists, in-store clinics, and integrated digital services.

Through its Baby Care offering, including Baby City, the Group serves parents and caregivers with specialised products and services tailored to infant and child health and development, strengthening Dis-Chem's relevance across customer life stages.

Dis-Chem's wholesale division is a critical component of its market reach, supplying pharmaceuticals and healthcare

products not only to its own stores but also to independent pharmacies and franchisees.

At present, the wholesale arm serves more than 1 600 independently owned pharmacies, representing a significant share of the independent pharmacy market in South Africa. This positions the Group as a critical enabler within the broader healthcare ecosystem, extending its reach beyond its owned retail footprint and supporting the sustainability of independent pharmacy operators. Through distribution centres strategically located across major provinces, Dis-Chem ensures efficient national logistics and replenishment.

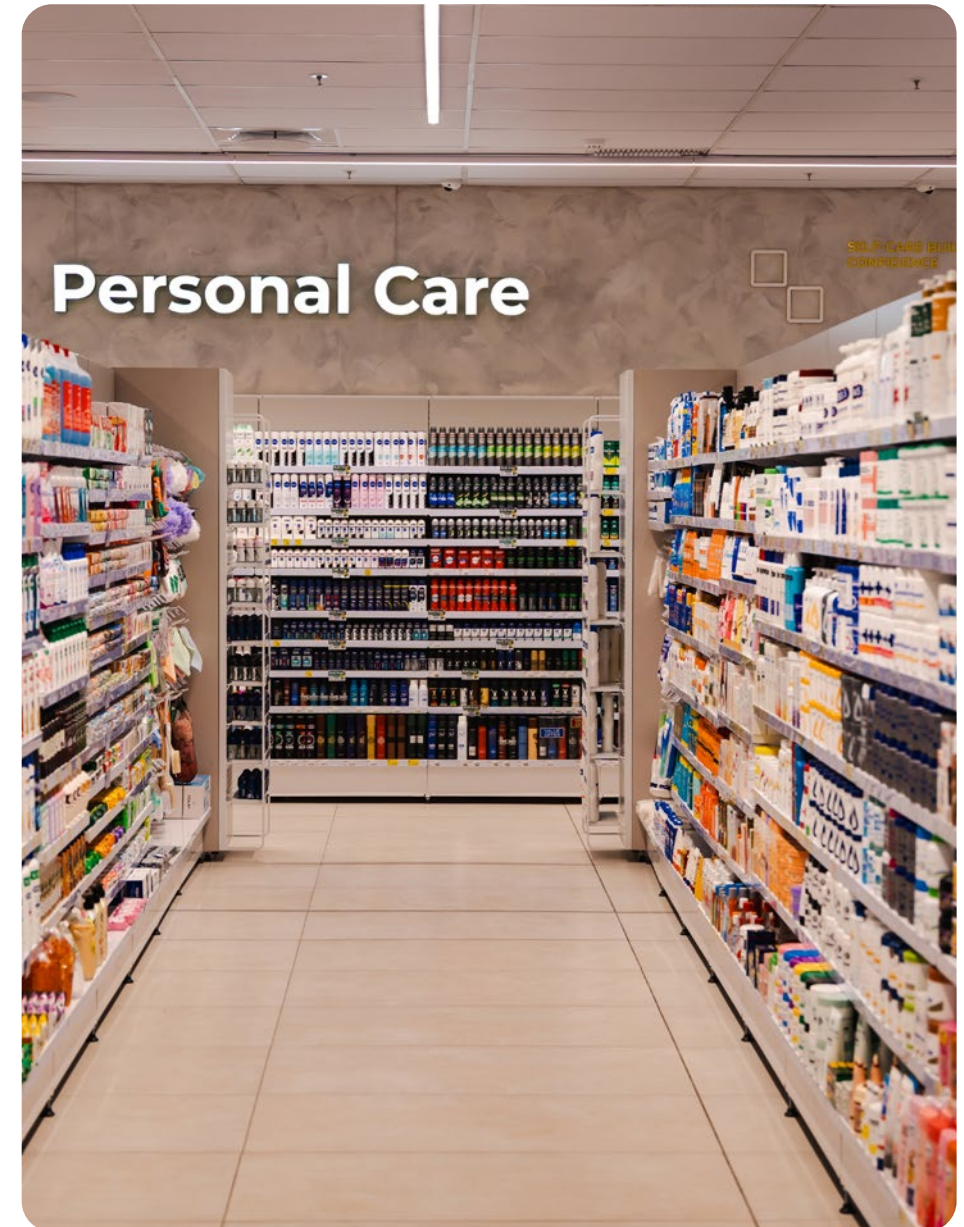
The Group serves customers through its e-commerce, digital prescription management, and delivery platforms, expanding access to healthcare products and services regardless of physical proximity to stores. Digital capabilities support convenience, continuity of care, and improved adherence outcomes.

Through in-store clinics, nurse-led services, and ecosystem offerings, Dis-Chem increasingly serves customers not only as retail consumers but also as participants in an integrated healthcare model focused on prevention, early intervention, and ongoing care.

Dis-Chem's geographic footprint and markets served are deliberately aligned with its strategy, ensuring that growth enhances access to healthcare while maintaining regulatory compliance, operational resilience and ethical corporate citizenship.

In line with King ^{VTM}, the governing body oversees expansion and market participation with due regard to:

- Sustainable value creation within the Group's economic, social and environmental context
- Responsible corporate citizenship and community impact
- The long-term legitimacy and resilience of the healthcare ecosystem in which the Group operates



Position in the value chain

Dis-Chem occupies a unique, strategically integrated position in South Africa's healthcare and retail value chain. The Group operates across multiple touchpoints, from product procurement and wholesale distribution to retail, e-commerce, and patient support services. This integrated approach enables Dis-Chem to manage supply, quality, accessibility, and the customer experience, thereby creating value for shareholders, customers, and society.

At the upstream level, CJ Distribution ensures efficient procurement and nationwide distribution of pharmaceuticals, front-shop products, and in-house brands to Dis-Chem retail pharmacies, its TLC franchise stores, and independent pharmacies. This centralised wholesale capability enables economies of scale, optimised inventory management, and consistent nationwide product availability.

Within the retail and customer-facing segments, Dis-Chem combines core categories (Dispensary, Personal Care and Beauty, Healthcare and Medical, Baby Care) with supporting divisions (e-commerce, ancillary services, in-house brands, and franchise operations) to deliver a comprehensive health and wellness offering. In-store clinics, trained health advisers, and digital health solutions further strengthen the Group's ability to provide expert guidance, preventive care, and chronic condition management.

Dis-Chem's value chain extends beyond operational efficiency to enhance the broader healthcare ecosystem. By supplying independent pharmacies and supporting franchisees through The Local Choice, the Group improves access to essential medicines and wellness products, thereby contributing to community healthcare outcomes. Integrating digital platforms and innovative services such as DeliverD and PackMyMeds enhances convenience, adherence, and patient engagement across the network.

This strategic position enables Dis-Chem to capture value across multiple points in the healthcare and retail value chain while consistently delivering high-quality services to consumers. By managing key inputs, distribution, and customer interactions, the Group strengthens its market leadership, improves operational efficiency, and supports sustainable growth across South Africa's health and wellness sector.



Operating context

Dis-Chem operates in a dynamic, evolving environment shaped by economic, social, regulatory, and environmental factors that influence opportunities and risks across the Group's retail and healthcare operations. Understanding this operating context is critical to sustaining long-term value creation and to maintaining the Group's position as South Africa's leading health and wellness retailer.

Economic environment

South Africa's macroeconomic conditions, including inflation, exchange rate fluctuations, interest rates, and consumer spending patterns, directly influence demand for healthcare, wellness, and front-shop products. Despite economic pressures, including cost-of-living challenges and fluctuating disposable incomes, demand for essential medicines and healthcare services remains resilient. Dis-Chem's integrated retail model, strategic pricing, and value-focused offerings help mitigate these pressures, supporting continued consumer accessibility and affordability.

Social environment

South Africa faces significant public health challenges, including a high prevalence of chronic diseases such as diabetes, hypertension, and respiratory conditions. Growing health awareness, rising demand for preventive care, and an ageing population shape consumer behaviour and expectations. Dis-Chem addresses these social factors through chronic medication management services, health education, wellness products, and accessible in-store healthcare services, including clinics and trained health advisers. By enhancing health literacy and supporting positive lifestyle choices, the Group improves patient outcomes and community well-being.

Regulatory environment

Dis-Chem operates within a tightly regulated framework covering pharmaceuticals, healthcare services, retail operations, and corporate compliance. Key legislation and regulatory bodies include the Medicines and Related Substances Act, the South African Pharmacy Council (SAPC), the Department of Health, the Companies Act, and the JSE Listings Requirements. The Group ensures compliance through rigorous governance, quality assurance, digital prescription systems, and continuous monitoring of regulatory changes, including adjustments to the SEP and pharmacy dispensing fees. Compliance supports patient safety, operational integrity, and stakeholder confidence.

The Group ensures compliance through formal governance structures, internal controls, regulatory engagement processes and periodic internal and external assurance activities. The Board and relevant committees, including the Audit and Risk Committee and the Social and Ethics Committee, exercise oversight. Compliance with healthcare pricing regulations, dispensing requirements, and data protection legislation is monitored continuously to safeguard patient safety, operational integrity, and stakeholder confidence.

The Group is not subject to any material litigation outside the ordinary course of business that is expected to have a material impact on its financial position or operations.

Competitive environment

Dis-Chem operates in a competitive retail pharmacy environment characterised by national chains, independent pharmacies and emerging digital health platforms. Competitive intensity influences pricing, promotional activity and customer acquisition strategies.

Environmental considerations

Sustainability and environmental responsibility are increasingly important to stakeholders. Dis-Chem considers the environmental impact of its operations, including energy use, waste management, packaging, and supply chain activities. The Group is committed to reducing its carbon footprint, promoting responsible sourcing, minimising operational waste, and integrating sustainable practices where feasible. Environmental considerations are embedded in operational decision-making and support the Group's broader ESG objectives, enhancing long-term resilience and stakeholder trust.

Within this operating context, Dis-Chem balances commercial performance with social responsibility, regulatory compliance, and environmental stewardship. This comprehensive understanding enables the Group to identify emerging trends, mitigate risks, seize opportunities, and continue delivering accessible, high-quality healthcare and wellness solutions to South African consumers.

The Board, supported by the Social and Ethics Committee, monitors ethical culture through whistleblowing reports, ethics training metrics, regulatory interactions, and employee engagement outcomes.



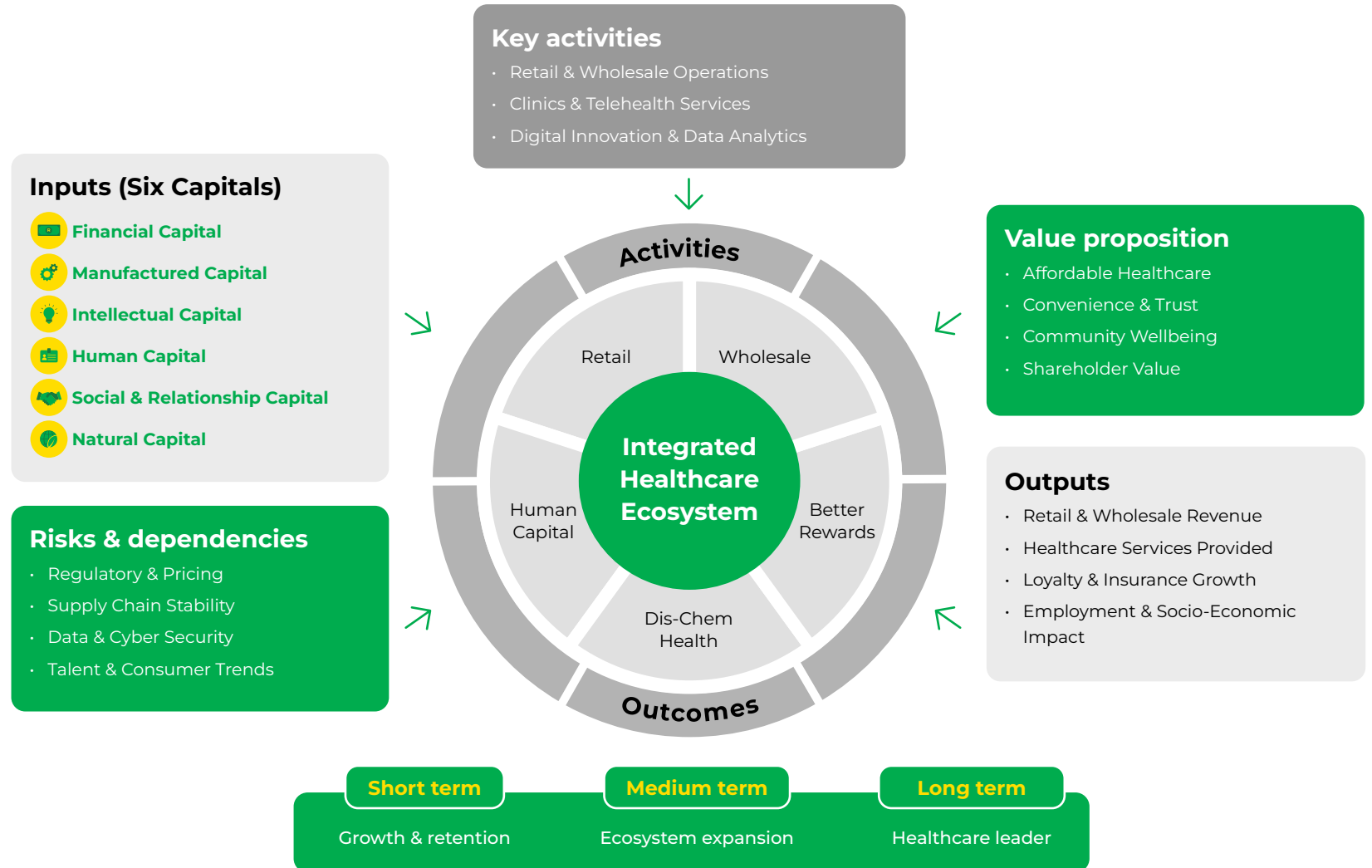
Business model

Overview

Dis-Chem's business model is designed to create sustainable value over the short-, medium-, and long-term by leveraging its scale, trusted brand, and data-driven capabilities to deliver accessible, affordable, and integrated health solutions. The model balances commercial performance with social impact, supported by ethical leadership and strong governance in line with King V™.

Between FY2025 and FY2026, Dis-Chem's business model evolved from a predominantly retail pharmacy-led model to a more integrated, data-enabled healthcare ecosystem. This evolution reflects a deliberate strategic shift to strengthen resilience, diversify earnings and enhance long-term value creation in a constrained consumer and regulatory environment.

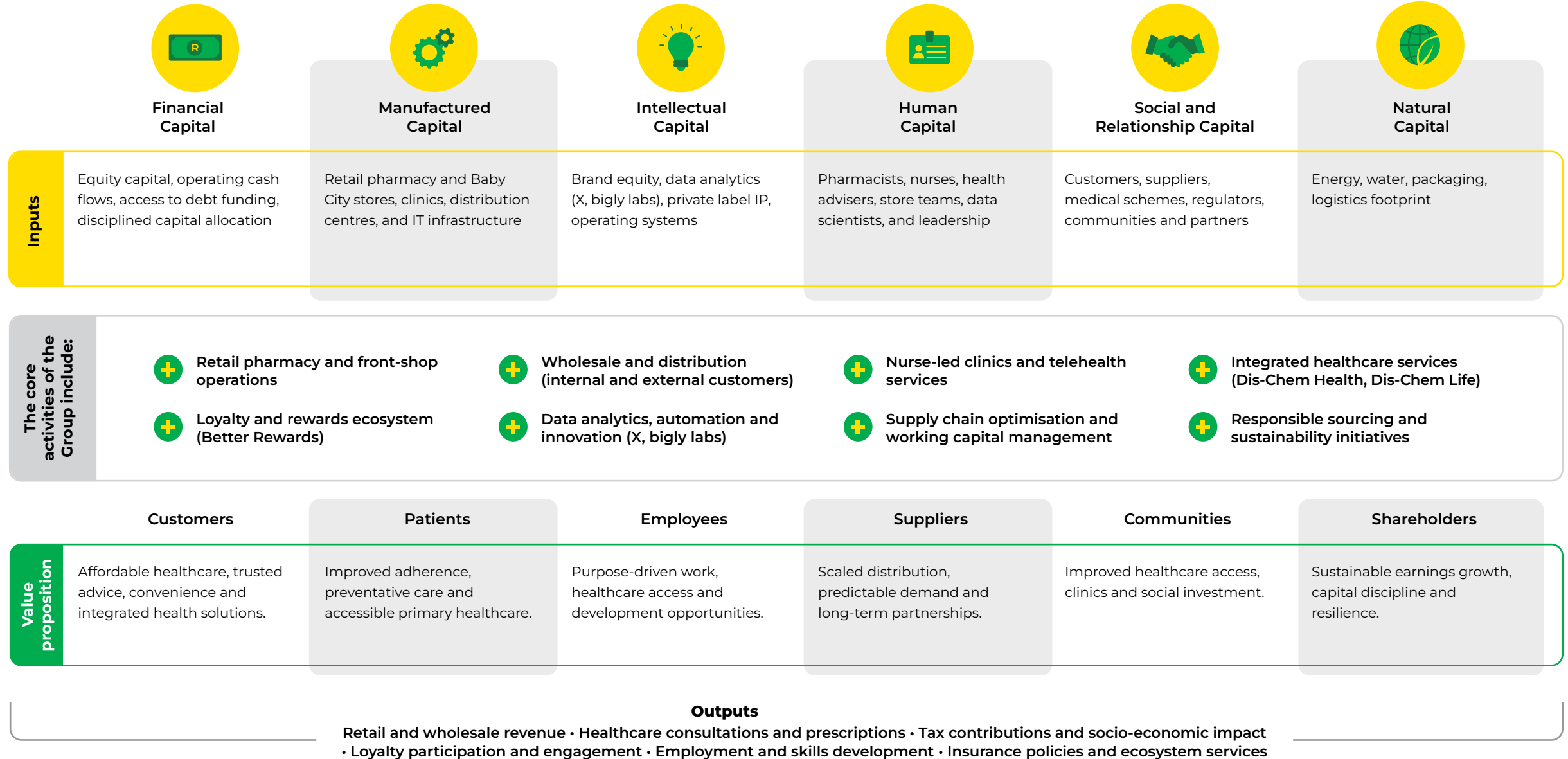
Creating sustainable value through an Integrated Healthcare Ecosystem



Aligned with King V™ Principles: Ethical Culture • Performance • Conformance • Legitimacy

Business model continued

Business model framework



Business model continued



Outcomes – value creation over time

Time horizon	Outcomes
Short term	Revenue growth, margin resilience, and customer retention
Medium term	Increased lifetime customer value, ecosystem monetisation, and operating leverage
Long term	Positioning as South Africa's leading integrated health authority, sustainable returns

Risks and dependencies – integrated thinking

Key dependencies	Key risks managed
Regulatory environment	Pricing and healthcare regulation
Supplier relationships	Supply continuity
Data and technology	Cyber and data governance
Skills availability	Talent retention
Consumer affordability	Economic pressure

How the business model supports strategy

- Retail-scale funds ecosystem investment
- Ecosystem services improve customer stickiness and lifetime value
- Data and analytics enable personalised healthcare and margin optimisation
- Wholesale scale strengthens competitiveness and cost efficiency
- Governance and ethics underpin trust and long-term sustainability

Alignment to King V™

In accordance with King V™ Principle 3, the Board is responsible for ensuring that Dis-Chem's purpose, strategy and business model are aligned and support sustainable value creation within the Group's economic, social and environmental context. The Board reviews the business model periodically to assess resilience, capital allocation, risk exposure, and stakeholder impacts, thereby supporting outcomes in ethical culture, performance, effective control, and legitimacy.

There is a strategic shift from the FY2025 business model, which reflects a deliberate shift towards an integrated healthcare ecosystem, supported by data, technology and scale. While retail pharmacy remains the foundation of value creation, the expanded ecosystem enhances resilience, deepens customer relationships and supports sustainable value creation over the long term.

While retail pharmacy remains the foundation of Dis-Chem's business, the FY2026 business model reflects a deliberate evolution towards a more integrated, data-enabled healthcare ecosystem, enhancing resilience and supporting sustainable value creation over the short-, medium, and long-term.

The Board confirms that it has applied the King V™ principles and is satisfied that the business model, strategy and risk governance framework support sustainable value creation.

Vision, mission and values



Our vision

A healthier South Africa, supported by accessible, affordable and integrated healthcare.

We aspire to be South Africa's most trusted and inclusive healthcare partner – improving health outcomes by making quality care simpler, more connected, and accessible to all, while contributing positively to society and the environment.



Our mission

To improve health by delivering accessible, affordable and integrated healthcare through trusted pharmacy services, innovative digital solutions and a growing health ecosystem.

We do this by:

- Placing customers and patients at the **centre of every decision**
- **Leveraging scale, data and technology** to lower the cost of care
- **Supporting proactive health** management, prevention, and adherence
- **Creating sustainable value** for all stakeholders throughout the healthcare value chain



Our values

Our values guide how we lead, serve, and create sustainable value – underpinning ethical and effective leadership in line with King V™.

We fulfil our vision by living our values:

Excellence Achieve excellence by maintaining high quality and professionalism in everything we do, staying committed and having passion for what we do.

Customer service Maintain excellent customer service by conveying respect, empathy, and a constant desire to improve. Display engagement and be the brand.

Entrepreneurial spirit Display an entrepreneurial spirit through innovation and uniqueness. Staying flexible and resilient to remain competitive.

Do the right thing Always do the right thing by maintaining integrity, honesty and loyalty. Ensure delivery through teamwork and accept accountability.

Stakeholder relationships

Dis-Chem recognises that its ability to create sustainable value depends on the quality of its relationships with stakeholders across the healthcare value chain.

In line with King V™'s stakeholder-inclusive approach, the Group actively identifies, engages with, and responds to the legitimate needs, interests, and expectations of its stakeholders, considering both the impact stakeholders have on the Group and the Group's impact on them.

The Board retains ultimate accountability for stakeholder governance and oversees management's implementation of engagement processes to support ethical conduct, informed decision-making and long-term value creation.

Dis-Chem's key stakeholder groups are identified by their influence on and exposure to the Group's strategy, operations and performance:

Key stakeholder groups

Shareholders, providers of capital and the investment community

Institutional and retail investors, lenders and analysts.

Key concerns

- Sustainable earnings growth and capital discipline.
- Governance effectiveness and King V™ alignment.
- Risk management, regulatory exposure and long-term strategy execution.

Employees

Pharmacists, clinic staff, store personnel, distribution centre employees and corporate support teams.

Key concerns

- Fair remuneration, benefits and working conditions.
- Skills development, career progression and professional training.
- Employee wellbeing, health and safety, and workload management.
- Transformation, diversity and inclusion.

Customers and patients

Retail consumers, patients, loyalty programme members and digital platform users.

Key concerns

- Access to affordable healthcare, medicines and essential products.
- Quality of service, professional care and product availability.
- Convenience through digital channels, delivery services and clinic access.
- Data privacy and protection of personal health information.

Regulators and government bodies

Including the Department of Health, the South African Pharmacy Council, the Competition authorities, data protection regulators, and other statutory bodies.

Key concerns

- Compliance with healthcare, competition, labour and data protection legislation.
- Responsible pricing and adherence to regulated dispensing frameworks.
- Ethical conduct, governance and accountability.

Suppliers and business partners

Pharmaceutical manufacturers, healthcare product suppliers, service providers, logistics partners and franchisees.

Key concerns

- Fair and transparent trading terms.
- Timely payments and supply chain efficiency.
- Ethical sourcing, compliance and long-term partnership sustainability.

Communities and civil society

Communities in which the Group operates, healthcare beneficiaries, non-profit organisations and public health partners.

Key concerns

- Access to healthcare services and wellness initiatives.
- Responsible corporate citizenship and social investment.
- Environmental impact and sustainable operations.

Wholesale customers

Independent pharmacy owners and The Local Choice franchise partners that are supported through the wholesale division.

Key concerns

- Reliable supply, competitive pricing and logistical support.
- Technology enablement and operational efficiencies.
- Support for business sustainability in a regulated healthcare environment.



Stakeholder relationships continued



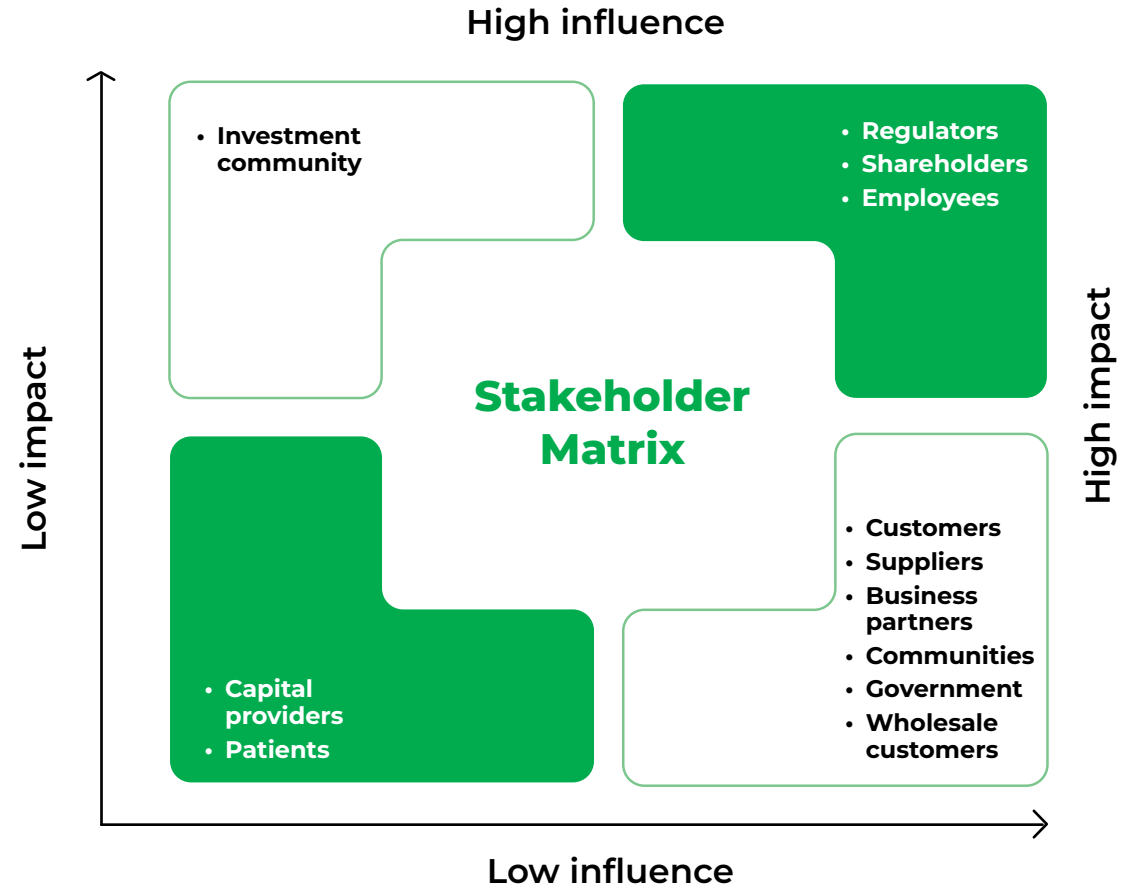
Stakeholder engagement approach

Stakeholder engagement at Dis-Chem is guided by the principles of fairness, transparency, accountability and responsiveness, in line with King V™ and the Group's values.

The Group applies a structured and continuous engagement framework, which includes:

- Formal and informal engagement channels, tailored to each stakeholder group, including surveys, feedback mechanisms, consultations, meetings, roadshows, digital platforms and regulatory interactions.
- Integrated engagement, ensuring that stakeholder insights inform strategy, risk management, operational decisions, and sustainability priorities.
- Materiality-led focus, where stakeholder concerns are assessed for their potential impact on the Group's ability to create value over the short-, medium, and long-term.
- Board oversight, with key stakeholder matters reported to the Board and to relevant committees, including the Social and Ethics Committee and the Audit and Risk Committee.

Stakeholder engagement outcomes are monitored by management, and appropriate action is taken to address concerns, mitigate risks, and realise opportunities. Where trade-offs between stakeholder interests arise, decisions are guided by integrated thinking, risk assessment and long-term value considerations, with oversight from the Board and relevant committees.



Stakeholder relationships continued

Summary

Stakeholder group	Why they matter to Dis-Chem	Primary engagement methods	Key concerns raised	Management response / Focus areas
Shareholders and providers of capital	Provide financial capital and oversight; influence strategic direction	Annual and interim results, integrated reporting, AGMs, investor roadshows	Sustainable growth; capital allocation; governance effectiveness; risk management	Disciplined capital management; transparent reporting; King V™ alignment; robust risk governance
Employees	Enable service delivery, operational performance and professional care	Employee surveys, internal communications, performance reviews, training programmes, engagement forums	Fair remuneration; career development; workload and wellbeing; health and safety; transformation and inclusion	Skills development and bursaries; wellbeing initiatives; safe working environments; employment equity and transformation plans
Customers and patients	Core source of revenue and trust; central to healthcare outcomes and brand reputation	In-store interactions, loyalty programmes, customer surveys, digital platforms, call centres, and complaint resolution processes	Affordability of healthcare and medicines; product availability; service quality; convenience and digital access; data privacy	Pricing discipline within regulated frameworks; supply chain optimisation; service standards and pharmacist training; digital platform enhancements; POPIA compliance
Regulators and government bodies	License to operate; oversight of healthcare, pricing and data protection	Regulatory submissions, inspections, consultations, compliance reporting	Legislative compliance; pricing regulation; data protection; ethical conduct	Compliance frameworks; regulatory engagement; training; internal audits and monitoring
Suppliers and business partners	Ensure continuity, quality and ethical sourcing of products and services	Supplier forums, contract management, performance reviews, procurement processes	Fair trading terms; payment timelines; demand forecasting; ethical conduct	Supplier code of conduct; payment discipline; long-term partnerships; ethical sourcing oversight
Communities and civil society	Social licence to operate; long-term brand trust	CSI programmes, community clinics, partnerships, public health initiatives	Access to healthcare, community upliftment, and environmental impact	Community health initiatives, responsible retail practices, and environmental management focus
Independent pharmacies and wholesale customers	Extend market reach and strengthen the healthcare ecosystem	Account management, distribution support, franchise forums, technology platforms	Reliability of supply; pricing competitiveness; logistics efficiency; operational support	Investment in distribution capability; technology enablement; relationship management; scale efficiencies



Stakeholder relationships continued

Investment Case

→ Leading participant in a structurally defensive healthcare sector

Dis-Chem is South Africa's largest retail pharmacy group by dispensary market share, operating in a structurally defensive sector underpinned by non-discretionary healthcare spend. Demand for prescription medicines, chronic care and essential health products remains resilient across economic cycles, providing earnings stability even in constrained consumer environments.

→ Scaled retail platform with proven execution

The Group operates a national, pharmacy-led retail network supported by an integrated wholesale supply chain. Scale delivers:

- Strong supplier terms and pricing competitiveness
- Operating leverage as revenue grows ahead of costs
- Consistent execution across stores through centralised systems, data and inventory management

This scale supports competitive procurement terms, operational efficiencies and margin management within a regulated and competitive environment.

→ Balanced earnings mix anchored by dispensary

Dispensary revenue provides a defensive, predictable base, supported by regulated pricing structures, while front-shop healthcare, wellness, and baby categories deliver growth and margin upside. This balanced mix allows the Group to:

- Absorb inflationary and regulatory pressures
- Grow transactional margins through category mix, private label and promotions
- Maintain earnings resilience across cycles

→ Integrated healthcare ecosystem drives long-term value

Dis-Chem is intentionally evolving from a pharmacy retailer into an integrated healthcare ecosystem, leveraging its physical footprint, data and trusted brand. The ecosystem includes:

- Nurse-led clinics and primary care services
- Chronic medicine adherence and patient engagement platforms
- Health and life insurance offerings linked to proactive health behaviour
- Digital, data and analytics capability embedded in loyalty and promotions

These investments are designed to increase customer lifetime value, frequency and retention, while reinforcing the core retail business over time.

→ Structural growth supported by demographics and health trends

Long-term growth is supported by:

- An ageing population and rising chronic disease prevalence
- Increased focus on preventative healthcare and self-care
- Growing demand for accessible, affordable private healthcare
- Ongoing formalisation and consolidation of the pharmacy sector

Dis-Chem is well-positioned to capture these trends through its national footprint, healthcare credibility and expanding service offering.

→ Disciplined capital allocation and operational focus

Management maintains a strong focus on returns and cash generation, supported by:

- Disciplined store rollout and space expansion
- Tight working capital and inventory management
- Continuous productivity and cost optimisation initiatives
- Targeted ecosystem investment, with clear links to core retail returns

Capital is allocated with a clear bias toward sustainable, long-term value creation rather than short-term growth.

→ Strong governance and experienced leadership

Dis-Chem operates within a robust governance framework aligned with King V™ principles, supported by:

- An independent, experienced Board
- Clear separation of governance and management
- Strong risk, compliance and assurance processes

This underpins investor confidence and supports long-term legitimacy and performance.

Summary

Dis-Chem offers investors:

- Exposure to defensive healthcare spend in a growing, emerging market
- A scaled retail platform with proven execution and margin resilience
- Upside from an integrated healthcare ecosystem built around a trusted brand
- Disciplined management focused on sustainable returns and cash generation



Integrated health and innovation

- 29 Innovation
- 32 Integrated health Ecosystem

Innovation

Innovation at Dis-Chem is a strategic enabler of the Group's long-term value creation, supporting the delivery of an integrated health ecosystem, enhanced customer experience, and sustainable growth.

The Group's approach to innovation is anchored in disciplined capital allocation, robust governance, and a clear focus on initiatives that improve the accessibility, affordability, and quality of healthcare.

During the year, Dis-Chem continued to invest in digital platforms, data capabilities, and ecosystem partnerships to strengthen its competitive position. Innovation efforts are aligned to key strategic priorities, including digital enablement, integrated health ecosystem development, customer-centricity, and operational efficiency.

The Group's innovation framework balances:

- **Incremental improvements** to enhance reliability and customer experience
- **Platform transformation** to enable scalability and integration
- **Targeted innovation initiatives** to unlock new sources of value



Innovation continued



X, bigly labs

X, bigly labs serves as Dis-Chem’s innovation and development capability, focused on advancing digital solutions, data-driven insights, and new customer-facing technologies across the Group.

- Digital platforms**
 - App
 - Web
- Data and analytics**
- Customer experience tools**
- Operational systems**
 - Fulfilment
 - Routing

Role and strategic alignment

X, bigly labs supports multiple strategic pillars, including:

- Digital enablement and analytics
- Integrated health ecosystem development
- Operational efficiency and cost control

Its primary mandate is to design, test and scale solutions that enhance customer engagement, improve operational performance, and enable new revenue opportunities.

Key focus areas

During the reporting period, X, bigly labs focused on:

- **Digital platform development**
Enhancing the Group’s app and web capabilities to deliver a seamless, secure and scalable omnichannel experience.
- **Data and analytics**
Strengthening data infrastructure to enable improved personalisation, demand forecasting, and decision-making across the business.
- **Customer experience optimisation**
Redesigning key customer journeys, including search, checkout, and prescription management, to reduce friction and improve usability.
- **Operational enablement**
Supporting fulfilment optimisation, including improvements in order routing, store selection, and delivery processes.

Progress and outcomes

Key achievements during the year included:

- Significant improvements in digital platform performance and stability, reducing system latency and enhancing reliability
- Enhanced data visibility and monitoring capabilities, enabling proactive issue resolution
- Strengthened cybersecurity and system resilience through the resolution of identified vulnerabilities
- Improved fulfilment processes, supporting more predictable and efficient delivery operations

Value creation

X, bigly labs contributes to value creation by:

- Improving customer retention and lifetime value through better digital experiences
- Enabling operational efficiencies and cost optimisation
- Supporting revenue growth through enhanced digital channels
- Building scalable capabilities to support future innovation

Governance of innovation initiatives within X, bigly labs is aligned with the Group’s risk management framework, with particular focus on data privacy, cybersecurity, and responsible technology deployment.



Innovation continued



Better Rewards

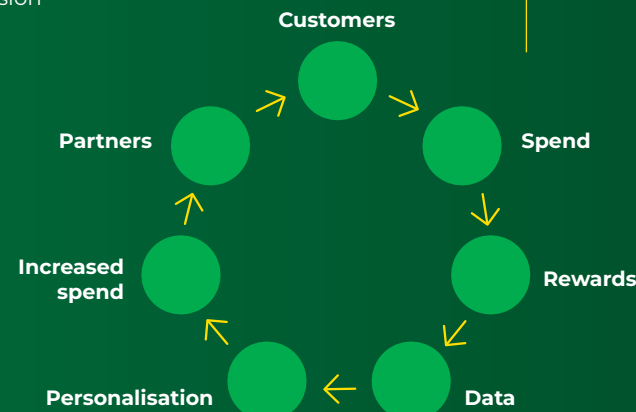
Better Rewards remains a key strategic initiative to enhance customer value, drive loyalty, and support ecosystem integration.

Strategic role

The programme supports several strategic priorities, including:

- Customer-centricity and total income growth
- Integrated health ecosystem development
- Digital and analytics capability expansion

Better Rewards is designed to create a differentiated value proposition by combining promotional pricing, partner benefits, and personalised offers.



Customer and partner impact

The programme:

- Improves affordability for customers through additional discounts and rewards
- Drives increased basket size and shopping frequency
- Strengthens supplier and partner relationships through collaborative promotions
- Enhances customer engagement through personalised offers

Funding and sustainability

Better Rewards is structured to balance customer value with commercial sustainability, with funding derived from a combination of:

- Supplier participation
- Strategic partnerships
- Group investment aligned to customer acquisition and retention objectives

Value creation

Better Rewards contributes to:

- Increased customer loyalty and retention
- Higher sales volumes and improved basket economics
- Enhanced data insights into customer behaviour
- Strengthened ecosystem integration

The programme is continuously monitored to ensure alignment with profitability targets and long-term value creation.

Programme development

During the year, the Group expanded and enhanced the Better Rewards programme through:

- Integration across digital platforms, including the mobile app and digital wallets
- Expansion of participating brands and partner ecosystem
- Introduction of enhanced customer interfaces, including a dedicated in-app dashboard
- Improved data integration to support targeted offers and personalised engagement

Integrated Health Ecosystem

Dis-Chem’s integrated health ecosystem is central to its long-term strategy, positioning the Group as a comprehensive provider of accessible and affordable healthcare.

Strategic vision

The ecosystem aims to:



Ecosystem model

The Group’s ecosystem is built on interconnected components:

- Affordable health funding products
- Digital health platform
- Curated network of healthcare providers
- Omnichannel retail and pharmacy infrastructure

Digital capabilities act as the integration layer, enabling seamless customer experiences and supporting continuous engagement.

The core components of Dis-Chem’s integrated health ecosystem that enable end-to-end healthcare access, funding, and delivery include the clinic infrastructure, Dis-Chem Health, and Dis-Chem Life.

Clinics

Dis-Chem’s clinic network remains a critical component of the Group’s integrated health ecosystem, providing accessible primary healthcare services and serving as an important physical touchpoint for customer engagement. During the year, innovation efforts focused on enhancing the integration between clinics and the Group’s digital platforms, enabling improved patient journey management, appointment coordination, and access to health services. Ongoing initiatives aim to connect clinic services more seamlessly with retail pharmacy, digital channels, and health funding products, supporting a more holistic and convenient healthcare experience. These developments enhance accessibility, strengthen customer relationships, and support increased utilisation of healthcare services across the ecosystem.

Dis-Chem MyHealth

Dis-Chem MyHealth is a cornerstone of the Group’s integrated healthcare ecosystem, aligning with our strategic priority of enhancing access to affordable, high-quality primary healthcare for all South Africans. Launched in 2022, Dis-Chem Health offers a suite of medical insurance, gap cover, and accident cover products that bridge the gap between public and private healthcare services.

Dis-Chem Life

Dis-Chem Life redefines life insurance by integrating it with proactive health management, rewarding policyholders for healthy behaviours rather than penalising chronic conditions. In the 2026 financial year, this innovative offering scaled rapidly, contributing to the Group’s ecosystem investments and aligning with our commitment to holistic wellbeing.



Integrated Health Ecosystem continued

Digital enablement

During the year, the Group advanced its digital capabilities through:

- **Omnichannel platform development**
Progress toward a unified app and web experience, supporting both retail and healthcare journeys
- **Enhanced customer engagement channels**
Expansion of digital touchpoints, including chat and messaging platforms, to provide always-on support
- **Improved fulfilment capabilities**
Development of systems to support more predictable, time-based delivery and improved in-store execution
- **Data-driven personalisation**
Leveraging customer data to deliver tailored recommendations, health insights, and targeted offers

Operational improvements

The Group implemented a range of initiatives to strengthen operational performance, including:

- Enhanced monitoring and incident management processes
- Improved order management and fulfilment systems
- Streamlined in-store processes to support digital order volumes
- Vendor optimisation and cost efficiencies

Innovation pipeline

The Group continues to explore targeted innovation opportunities, including:

- Expansion of digital payment solutions
- Development of conversational and AI-enabled customer interfaces
- Further integration of healthcare services into digital platforms

These initiatives are evaluated based on strategic fit, customer impact, and return on investment.

Value creation

The integrated health ecosystem supports value creation by:

- Expanding access to healthcare services
- Increasing customer engagement and retention
- Driving revenue growth across multiple channels
- Enhancing operational efficiency and scalability
- Strengthening Dis-Chem's position as a trusted healthcare provider

Outlook

Dis-Chem will continue to invest in innovation that supports its strategic priorities and delivers measurable value to stakeholders. The Group remains focused on disciplined execution, scalable platform development, and targeted innovation initiatives that enhance customer experience, improve operational performance, and drive sustainable growth.





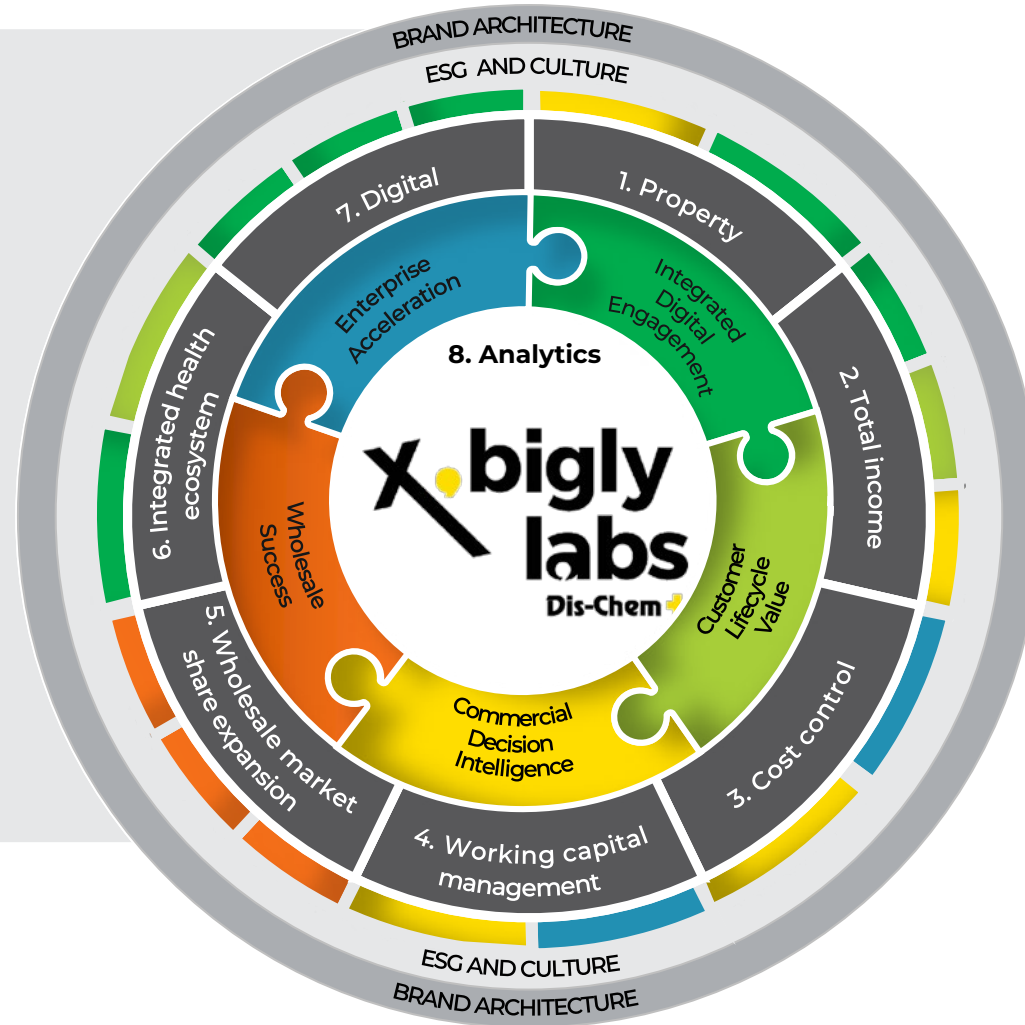
Strategy and resource allocation

35 Strategic framework

Strategic framework

Dis-Chem’s strategy is structured around **eight core pillars** that drive earnings resilience, capital efficiency and long-term value creation. These pillars guide operational priorities, capital allocation and performance measurement.

The Board reviews performance against each pillar quarterly and assesses alignment with the Group’s risk appetite and return thresholds.



01

Property

Disciplined expansion and optimisation of the Group’s retail footprint remain central to long-term growth.

Strategic priorities

- Structured site selection and return-driven store rollout
- Revamps and format optimisation, including “Store of the Future” concepts
- Lease negotiation and property cost optimisation
- Expansion into underserved and high-growth nodes

Capital discipline

New store investments are evaluated against defined return on invested capital (ROIC) thresholds and payback criteria. Expansion pacing is adjusted in line with macroeconomic and capital conditions.

02

Total income

The Group focuses on enhancing revenue quality, margin resilience and diversified income streams.

Strategic priorities

- Like-for-like revenue growth
- Margin enhancement through mix optimisation
- Private-label expansion
- Healthcare service income growth
- Loyalty monetisation and promotional efficiency

Capital discipline

The objective is to strengthen operating leverage while reducing reliance on any single income stream.



Strategic Framework continued



03 Cost control
Cost discipline underpins margin protection and earnings resilience.

Strategic priorities

- Payroll productivity management
- Central overhead containment
- Procurement efficiencies

Capital discipline

Operating cost growth is managed in line with revenue growth to protect profitability.

05 Wholesale market share expansion
CJ Distribution plays a strategic role in strengthening scale and competitive advantage.

Strategic priorities

- Growth in external wholesale revenue
- Expansion of franchise and independent pharmacy support
- Service income growth
- Procurement scale benefits

Capital discipline

Wholesale growth enhances the Group's buying power and distribution efficiency.

07 Digital
Digital capability enhances convenience, efficiency and customer engagement.

Strategic priorities

- Omnichannel growth
- App deployment and enhancement
- Loyalty integration
- E-commerce optimisation

Capital discipline

Digital investment is paired with strengthened cybersecurity and IT governance controls.

04 Working capital management
Working capital optimisation supports free cash flow generation and balance sheet resilience.

Strategic priorities

- Inventory day reduction
- Stock mix optimisation
- Supplier term management
- Cash conversion enhancement

Capital discipline

The Group maintains disciplined inventory targets aligned to demand forecasting and supply chain stability.

06 Integrated health ecosystem
Dis-Chem continues to expand its role in accessible primary healthcare.

Strategic priorities

- Growth of Dis-Chem Health and Dis-Chem Life
- Chronic medication adherence programmes
- Corporate health offerings
- Integrated service models

Capital discipline

The healthcare ecosystem diversifies earnings and strengthens customer relationships.

08 Analytics
Data-driven decision-making enhances operational precision and capital allocation effectiveness.

Strategic priorities

- AI-driven personalisation
- Promotional ROI optimisation
- Predictive inventory management
- Site selection analytics

Capital discipline

Analytics capability improves margin management and working capital efficiency.

Strategic Framework continued

Capital allocation framework

Capital allocation follows a disciplined hierarchy:

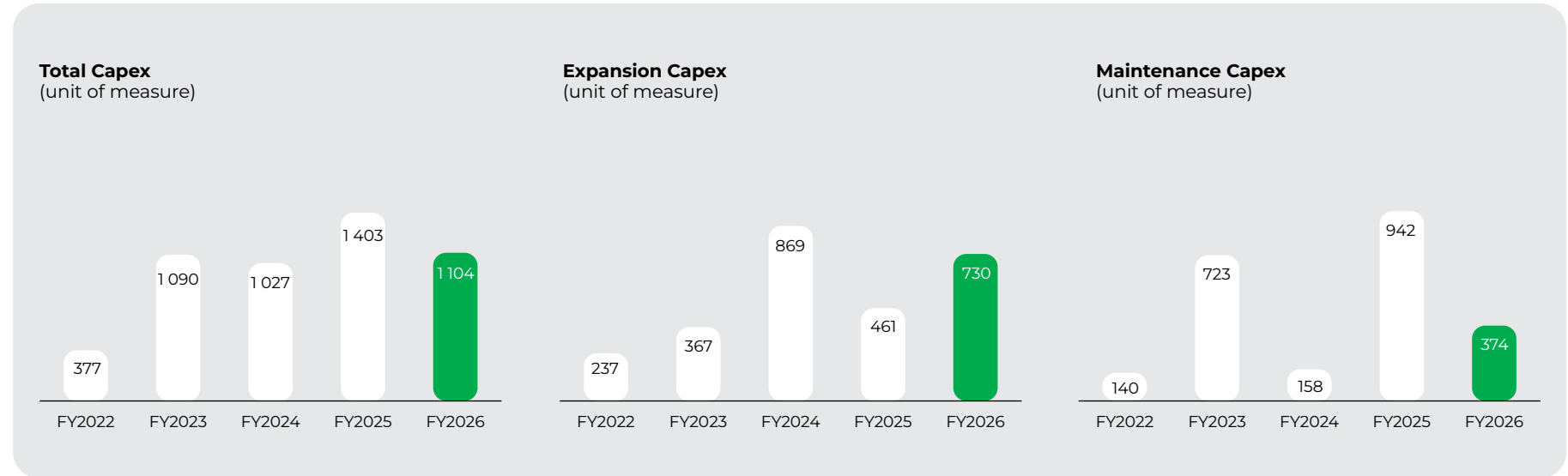
1. Sustain and optimise core operations
2. Fund high-return organic growth
3. Expand the integrated health ecosystem
4. Maintain balance sheet strength
5. Deliver sustainable shareholder returns

All material investments are evaluated against:

- Risk-adjusted hurdle rates
- Payback criteria
- Impact on leverage and liquidity
- Alignment with strategic pillars

The Board monitors capital deployment quarterly to ensure alignment with long-term value creation.

Three-year capital allocation summary





Risks and opportunities

39 Risk and opportunities

Risks and opportunities

Governance of risk

The Board recognises that effective risk governance is fundamental to sustainable value creation. Dis-Chem applies a structured, enterprise-wide risk management framework aligned with its strategic objectives, capital allocation priorities and the Board-approved risk appetite.

The Audit and Risk Committee oversees risk governance on behalf of the Board. Risk assessments are conducted at least annually and updated throughout the year to reflect changes in the operating environment.

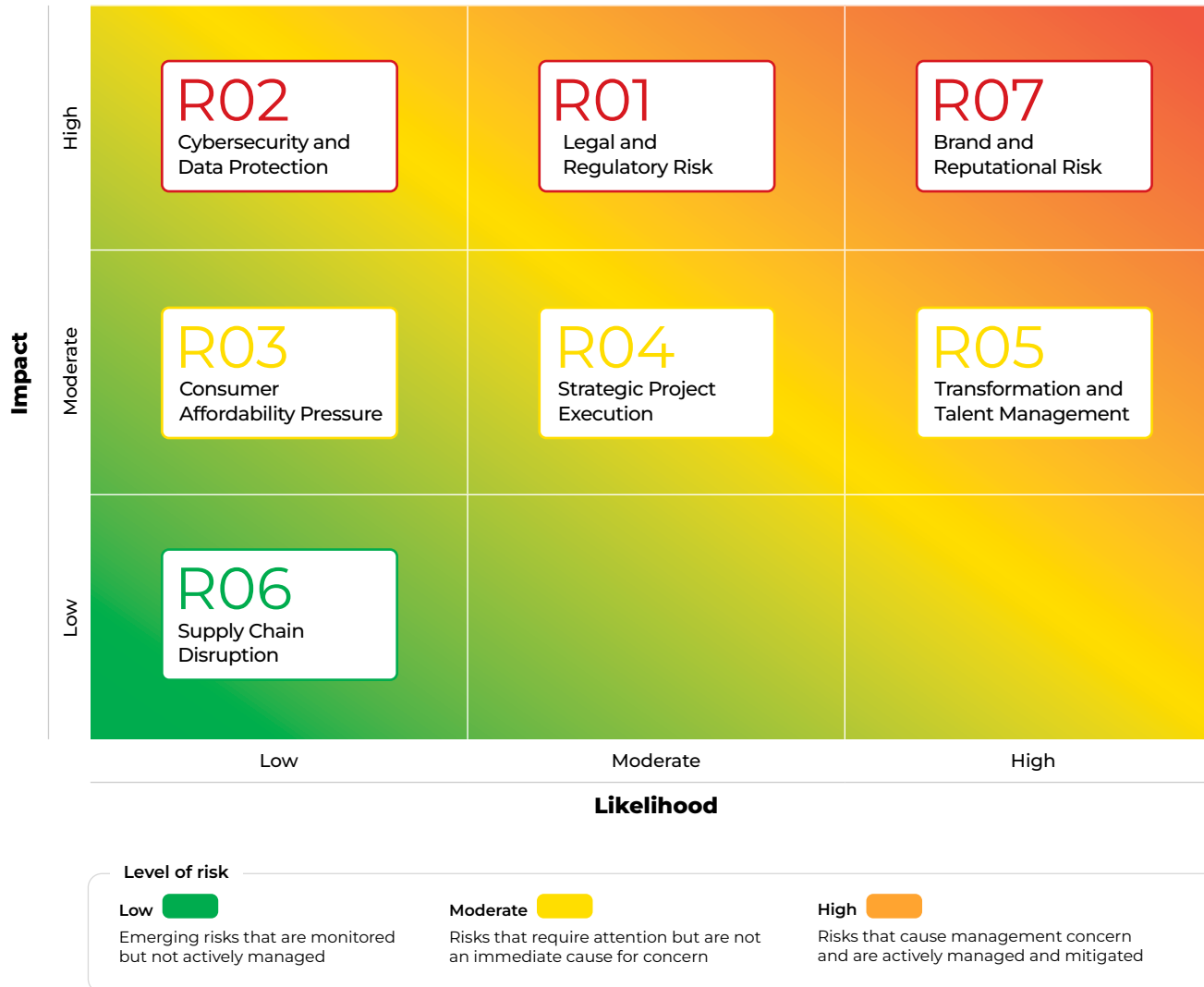
Risk management is integrated into:

- Strategic planning
- Capital allocation decisions
- Budgeting and forecasting
- Performance evaluation
- Executive remuneration

Risk tolerance is defined by the Board and aligned to the eight strategic pillars.




Principal risk summary heatmap

The Board reviews principal risks quarterly. Cybersecurity remains the most dynamic risk as digital integration increases.



Risks and Opportunities continued

Level of risk

Low 	Moderate 	High 
Emerging risks that are monitored but not actively managed	Risks that require attention but are not an immediate cause for concern	Risks that cause management concern and are actively managed and mitigated

Principal risks

The following principal risks may materially affect the Group's ability to execute its strategy.

R01 Legal and Regulatory Risk

Linked strategic pillar

02 Total income **06** Integrated health ecosystem

The Group operates in a regulated pharmaceutical and healthcare environment. Changes to pricing frameworks, dispensing fees, and healthcare funding models may affect margins and operating models.

Mitigation

- Proactive regulatory engagement
- Compliance monitoring systems
- Margin diversification through in-house brands and healthcare services
- Scenario modelling for pricing reforms

Risk tolerance

 Low for non-compliance  Moderate for policy change adaptation

Risk movement in FY2026

— Continued regulatory engagement and diversification of income streams have mitigated concentration risk. NHI developments remain under monitoring.

R02 Cybersecurity and data protection

Linked strategic pillar

07 Digital **08** Analytics

Increasing digital integration heightens exposure to cyber threats and data privacy risks.

Mitigation

- Layered security architecture
- Continuous monitoring and penetration testing
- Disaster recovery protocols
- Board-level IT governance oversight

Risk tolerance

 Low

Risk movement in FY2026

↑ Increased digital integration and data utilisation heighten exposure despite a strengthened layered security architecture and continuous monitoring.

R03 Consumer affordability pressure

Linked strategic pillar


02 Total income **01** Property

Economic pressure may affect basket sizes and discretionary demand.

Mitigation

- Value-led pricing strategy
- In-house brands expansion
- Loyalty optimisation
- Cost control discipline

Risk tolerance

 Moderate with defined financial thresholds




Risk movement in FY2026

— Persistent macroeconomic pressure offset by in-house brands growth, loyalty optimisation and disciplined cost control.



Risks and Opportunities continued

Level of risk

Low 	Moderate 	High 
Emerging risks that are monitored but not actively managed	Risks that require attention but are not an immediate cause for concern	Risks that cause management concern and are actively managed and mitigated

Principal risks continued

R04 Capital execution and expansion

Linked strategic pillar


- 01** Property
- 05** Wholesale

Store expansion and capital projects may carry execution and return risk.

Mitigation

- Defined ROIC thresholds
- Phased rollouts
- Site selection analytics
- Quarterly performance reviews

Risk tolerance

 Moderate, subject to return discipline

Risk movement in FY2026

— ROIC threshold and phased rollouts support disciplined capital deployment. Expansion pace aligned to return criteria.

R05 Scarcity of critical skills

Linked strategic pillar

- 06** Integrated Health Ecosystem

Shortage of pharmacists and skilled retail professionals may constrain growth.

Mitigation

- Talent pipeline development
- Competitive remuneration structures
- Training and succession planning

Risk tolerance

 Moderate

Risk movement in FY2026

— Talent pipeline and succession planning remain focus areas; clinic nurses scarcity remains a structural industry risk.

R06 Supply chain disruption

Linked strategic pillar

- 05** Wholesale
- 04** Working Capital

Infrastructure constraints or supplier instability may affect availability of inventory.

Mitigation

- Supplier diversification
- Inventory optimisation
- Distribution infrastructure investment

Risk tolerance

 Moderate

Risk movement in FY2026

— Supplier diversification and distribution investment mitigate infrastructure constraints.



Risks and Opportunities continued

Principal risks continued

Level of risk

<p>Low ■</p> <p>Emerging risks that are monitored but not actively managed</p>	<p>Moderate ■</p> <p>Risks that require attention but are not an immediate cause for concern</p>	<p>High ■</p> <p>Risks that cause management concern and are actively managed and mitigated</p>
--	---	--

R07 Brand and reputational

Linked strategic pillar

All eight strategic pillars

Brand trust is central to the Group's value proposition.

Mitigation

- Governance oversight
- Quality assurance
- Ethical conduct monitoring
- Stakeholder engagement

Risk tolerance

■ High for ethical breaches

Risk movement in FY2026

— Strong governance oversight, ethics framework and quality controls support brand resilience. Zero tolerance for ethical breaches maintained.

Residual risk profile

Following the application of mitigation controls, the Board is satisfied that:

- No principal risk currently exceeds the Group's defined risk appetite.
- Cybersecurity remains the most dynamic risk due to increased digital integration.
- Working capital resilience improved during the reporting period.
- Regulatory reform remains a structural external risk requiring ongoing scenario modelling.

The Group continues to embed risk-adjusted decision-making into capital allocation and strategic planning processes.

Integration of strategy and risk

Risk management is embedded within each strategic pillar. Capital allocation decisions incorporate risk-adjusted return thresholds and defined tolerance levels.

This integrated approach ensures that growth initiatives are pursued within prudent financial and operational boundaries.

Emerging risks

Emerging risks identified during FY2026 include:

- Acceleration of National Health Insurance (NHI) policy implementation
- AI governance and data regulation
- Heightened geopolitical supply chain volatility
- Increasing healthcare funding reform

These risks are monitored through quarterly risk reviews but are not yet assessed as principal risks.

Mitigation plans include:

- Regular engagement with regulatory bodies
- AI ethics framework development



Risks and opportunities continued

Strategic opportunities

Expansion of integrated health ecosystem

Linked strategic pillar

06 Integrated Health Ecosystem

Strategic rationale

Increased demand for accessible primary healthcare and preventative services supports clinic expansion, Healthforce integration, and cross-sell opportunities.

Value creation impact

Margin enhancement, increased basket size, ecosystem defensibility.

In-house brands growth

Linked strategic pillar

02 Total Income

Strategic rationale

Consumer affordability pressures accelerate trading down into trusted in-house brand ranges.

Value creation impact

Gross margin expansion and loyalty retention.

Wholesale market share gains

Linked strategic pillar

05 Wholesale Market Share Expansion

Strategic rationale

Independent pharmacy support and improved distribution capability position the Group to increase market penetration.

Value creation impact

Revenue scale benefits and improved asset utilisation

Data monetisation and personalisation

Linked strategic pillar

07 Digital
08 Analytics

Strategic rationale

Enhanced analytics capabilities enable targeted marketing, stock optimisation, and improved working capital management.

Value creation impact

Improved return on inventory, marketing ROI and customer lifetime value.

Opportunity governance and oversight

The Board evaluates strategic opportunities through:

- Formal strategy sessions
- Capital allocation reviews
- Risk-adjusted return modelling
- Scenario analysis
- Competitive benchmarking

Opportunities are assessed against defined return thresholds and risk appetite parameters before capital is committed.

Balance between risk and opportunity

The Group recognises that many strategic opportunities are accompanied by corresponding risks.

For example:

- Digital expansion increases cybersecurity exposure.
- Wholesale expansion increases working capital intensity.
- Ecosystem integration requires investment before returns are realised.

Accordingly, opportunity execution is phased and monitored against defined performance metrics and return hurdles.



Risks and opportunities continued

Strategic opportunities continued



Disciplined property expansion

Linked strategic pillar

01 Property

Strategic rationale

Selective store rollouts in underpenetrated nodes with strict ROIC thresholds.

Value creation impact

Sustainable earnings growth and network density advantage.



Working capital optimisation

Linked strategic pillar

04 Working Capital Management

Strategic rationale

Ongoing supply chain and forecasting improvements enhance cash conversion cycle resilience.

Value creation impact

Stronger free cash flow and balance sheet flexibility.



Ecosystem partnerships

Linked strategic pillar

06 Integrated Health Ecosystem
07 Digital

Strategic rationale

Strategic partnerships with medical schemes and healthcare providers enhance patient engagement and data integration.

Value creation impact

Competitive differentiation and long-term defensibility.



Healthcare funding reform positioning

Linked strategic pillar

06 Integrated Health Ecosystem

Strategic rationale

Regulatory reform may accelerate demand for structured primary care delivery models.

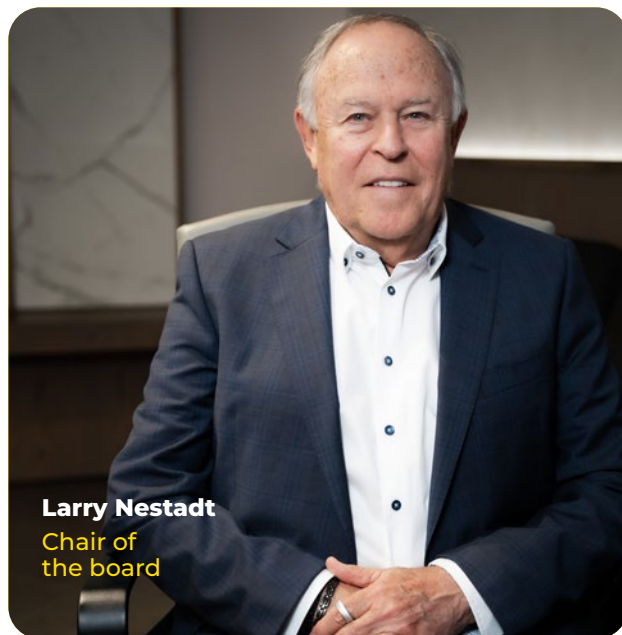
Value creation impact

Long-term structural growth platform.



Corporate governance

- 46 Chair's report
- 50 King V™
- 51 Governance framework and structure
- 52 Role and composition of the Board
- 55 Board responsibilities and functioning
- 57 Independence and diversity
- 58 Skills
- 60 Board Committees composition and responsibilities
- 63 Board and Committee meetings attendance
- 64 Ethical leadership and corporate citizenship
- 66 Risk governance framework
- 67 Technology and information governance
- 68 Compliance with laws, rules, codes and standards
- 69 Internal control environment
- 70 Combined assurance model
- 71 Stakeholder relationship governance
- 72 Additional corporate governance matters
- 73 Social and Ethics Committee report



Larry Nestadt
Chair of the board

Group revenue
▲ **9.3%** to
R42.8 billion

Total income
▲ **9.5%** to
R13.2 billion

HEPS
▼ **17.3%**

Chair's Report

The 2026 financial year was marked by a complex and evolving operating environment. South African consumers continued to face pressure from elevated living costs, constrained disposable income, and persistent macroeconomic uncertainty.

At the same time, the healthcare and retail sectors experienced ongoing structural change, driven by digital transformation, shifting consumer behaviour, regulatory developments – including the continued evolution of the National Health Insurance framework – and rising expectations for accessibility, affordability, and service delivery.

Against this backdrop, Dis-Chem Pharmacies Limited delivered a resilient performance, with Group revenue up 9.3% to R42.8 billion. Total income excluding the property gain in the prior period rose 8.7% (9.6% when excluding the property gain in the prior period) to R13.2 billion, reflecting continued market share gains across core retail categories and an improving total

income margin. Earnings per share and headline earnings per share declined by 17.1% and 17.3%, respectively – a consequence of the Group's deliberate and Board-endorsed R330 million investment to establish X, bigly labs, together with certain non-recurring expenses. Excluding this ecosystem investment and non-recurring items in the current and prior periods, Group profit before tax increased by 20.1%. The Board considers this investment to be strategically essential and is satisfied that early proof points, including the successful launch of the Better Rewards programme and the Group's Store of the Future design – the Health Hub – validate the investment thesis.

FY2026 was also a year of meaningful transition for the Group, both in strategic direction and in leadership. Most notably, we mark the retirement of our co-founder, Ivan Saltzman, from his executive role, effective 30 June 2026, after 48 years of extraordinary service to Dis-Chem. Ivan's contribution to this organisation and to the South African retail pharmacy sector is without parallel. From a single pharmacy in Mondeor in 1978, he built one of South Africa's most trusted and recognised healthcare brands, driven by entrepreneurial vision, relentless dedication, deep customer focus, and an unwavering commitment to accessibility and value.

Under Ivan's leadership, Dis-Chem evolved from a family-owned business into a diversified,

JSE-listed healthcare group with a national footprint, integrated distribution capabilities, digital healthcare platforms, and a differentiated customer offering. His passion for healthcare, innovation, and operational excellence shaped the Group's culture and identity, laying the foundation for the business we are today.

Ivan will remain on the Board as a Non-Executive Director, and the Board looks forward to the continued benefit of his deep industry knowledge and strategic insight as the Group enters its next phase of growth. On behalf of the Board, management, employees, and all stakeholders, I express our sincere gratitude to Ivan for his decades of leadership and his enduring legacy.

Chair's Report continued



The Board's role and effectiveness

The Board remained focused on fulfilling its responsibilities with diligence, independence, and accountability throughout the year. In line with its fiduciary duties, the Board provided oversight of strategy, governance, risk management, capital allocation, and stakeholder engagement, while maintaining a clear distinction between governance oversight and executive execution.

Key focus areas during the year included:

- Oversight of the Group's long-term strategic positioning and its transition towards an integrated healthcare ecosystem.
- The Board's deliberate endorsement and monitoring of the R330 million ecosystem investment in X, bigly labs, including assessing early proof points and return milestones.
- Digital enablement and omnichannel growth, including the Better Rewards programme and the forthcoming relaunch of the Dis-Chem app.
- Capital allocation discipline, working capital optimisation, and cash generation in a constrained consumer environment.
- The performance and sustainability of the wholesale and distribution platform, including CJ Distribution's external revenue growth of 11.3%.
- Ongoing oversight of regulatory compliance, including developments related to the National Health Insurance Act and healthcare pricing regulations.
- Cybersecurity, technology governance, data management, and AI oversight in line with King V™ Principle 10.
- Succession planning and leadership continuity, particularly in the context of Ivan Saltzman's transition from Executive Director to Non-Executive Director.

The Board continued to engage constructively with management on operational performance, investment priorities, and execution risks. The focus was on balancing growth initiatives with cost control, margin protection, and cash generation in a constrained economic environment.

During the year, the Board conducted a formal assessment of its effectiveness and that of its committees and individual Directors. The evaluation confirmed that the Board and its committees continue to operate effectively and maintain the appropriate balance of skills, experience, independence, and diversity required to fulfil their responsibilities. Opportunities for ongoing improvement were identified and incorporated into the Board's workplans and governance processes.

Governance and ethical leadership

The Board remains committed to the highest standards of corporate governance and ethical leadership. A significant governance milestone in FY2026 was Dis-Chem's formal transition from King IV™ to the King V™ Report on Corporate Governance, which takes effect for financial years commencing on or after 1 January 2026. King V™ introduces a more evolved governance philosophy centred on 'systems value creation', recognising that the long-term success of organisations is inextricably linked to the vitality of the broader socio-ecological systems in which they operate.

Key aspects of our King V™ application during FY2026 include:

- **Technology and AI Governance (Principle 10):** The Group has established clear accountability for AI-enabled systems, ensuring they are subject to human oversight and adhere to values of transparency, explainability, and fairness.
- **Strengthened Committee Composition:** Our Social and Ethics Committee and Risk Committee each now have a majority of non-executive members, including at least one independent member, in line with King V™'s more rigorous standards.
- **Enhanced Independence Assessments:** We have refined our criteria for assessing board independence, incorporating nine-year tenure as a holistic factor to be considered alongside other indicators of objective judgment.
- **Double Materiality:** Our reporting now encompasses both matters that affect the Group's financial position and the significant impacts of our operations on stakeholders and the environment.

The Board's governance oversight extended beyond compliance to promote accountability, responsible corporate citizenship, and a values-driven culture throughout the organisation. The Board is satisfied that the Group maintained an effective system of internal control throughout the year and that appropriate governance structures remain in place to support responsible and sustainable business practices.

Strategy oversight

The Board devoted considerable time over the year to strategic oversight and long-term positioning. In partnership with management, the Board reviewed the Group's strategic priorities in light of evolving market conditions, consumer trends, and industry developments.

Key strategic themes considered by the Board included:

- Strengthening the Group's integrated healthcare ecosystem, building on the successful launch of Better Rewards – which, in its first 17 weeks, delivered revenue growth of 9.6% among participating brands and volume growth of 18.7%.

Chair's Report continued

- Expanding digital and omnichannel capabilities, with the new Dis-Chem app scheduled for launch in FY2027.
- Investing in data analytics, automation, and AI platforms through X, bigly labs.
- Expanding wholesale market share; external wholesale revenue grew by 11.3% to R6.2 billion during the year.
- Optimising the Group's property and store network, with 31 net new retail pharmacy stores opened during FY2026.
- Improving operational efficiency, supply chain effectiveness, and working capital management.

The Group continued to invest meaningfully in technology, infrastructure, and strategic platforms throughout the year. The Board recognises that the front-loaded nature of the ecosystem investment creates near-term earnings pressure, but remains confident that this positions the Group to deliver sustained value creation over the medium and long term. Revenue growth of 9.3% and continued market share gains across all core retail categories reflect the underlying resilience of the business model.

Risk oversight

The Board recognises that effective risk governance is essential to long-term sustainability and value creation. With support from the Audit and Risk Committee, the Board continued to oversee the Group's risk management framework and material risk exposures throughout FY2026.

Key areas of focus included:

- Macroeconomic and consumer spending pressures, and their impact on demand patterns and discretionary spend.
- Regulatory and healthcare policy developments, including the NHI Act and SEP adjustments.
- Supply chain resilience and inventory management.
- Cybersecurity, information technology risks, and data privacy – particularly in the context of increased digital engagement and AI-enabled systems.

- Operational execution risks associated with growth initiatives, including the X, bigly labs investment and new store rollout.
- Talent retention, succession planning, and organisational culture.
- Reputational and conduct-related risks.

The Group's combined assurance framework continued to support effective oversight through coordinated assurance activities across management, internal audit, the Audit and Risk Committee, and external assurance providers. The Annual Financial Statements were audited by Forvis Mazars, which issued an unmodified audit opinion.

Stakeholder inclusivity

The Board recognises that long-term value creation depends on maintaining strong, constructive relationships with stakeholders. Throughout the year, the Board considered stakeholder interests in its decision-making and remained mindful of the Group's broader social and economic impact.

Stakeholder engagement remained focused on shareholders and investors; employees and organised labour; customers and patients; regulators and healthcare authorities; suppliers and strategic partners; and the communities where the Group operates.

The rapid growth in customer engagement through the Better Rewards programme – launched in the final quarter of FY2026 and already encompassing 180 brands – reflects the Group's ongoing focus on customer accessibility, convenience, and value. The Capitec partnership, which has demonstrably increased Capitec cardholders' engagement at Dis-Chem's point of sale, exemplifies how the Group is broadening its reach and deepening loyalty.

The Board recognises the important role employees continue to play in delivering the Group's strategy and its customer value proposition. Maintaining a strong organisational culture and investing in people remain critical priorities. Employee turnover has declined, and diversity within senior management continues to improve.

ESG and sustainability oversight

The Board continued to strengthen its oversight of environmental, social, and governance matters in FY2026, recognising the growing importance of sustainability to stakeholders, regulators, and long-term business resilience. The transition to King V™ has enhanced our approach to sustainability through a double materiality lens – requiring us to assess not only how sustainability matters affect the Group, but also how the Group's activities affect society and the environment.

The Board's ESG oversight focused on:

- Ethical governance and responsible corporate citizenship.
- Healthcare accessibility and affordability, including through the integrated health ecosystem and Better Rewards.
- Employee well-being, diversity, and talent development.
- Supply chain integrity and responsible sourcing.
- Data privacy, cybersecurity, and AI governance.
- Environmental efficiency initiatives, including the Group's ongoing solar infrastructure deployment.
- Evolving sustainability reporting expectations under King V™ and global reporting frameworks.

The Board remains committed to ensuring that sustainability considerations are integrated into strategic decision-making and risk-oversight processes across the organisation.

Board composition and changes

The Board remains satisfied that its composition provides an appropriate balance of skills, experience, independence, diversity, and industry knowledge, thereby supporting the Group's strategic priorities and governance responsibilities.

The most significant board change in FY2026 is the retirement of Ivan Saltzman from his Executive Director role, effective 30 June 2026, after 48 years of service. Ivan will continue to serve on the Board as a non-independent, Non-Executive Director from 1 July 2026, bringing his deep industry knowledge and co-founder perspective as a valuable governance resource.



Chair's Report continued

Stan Goetsch, an Executive Director and qualified pharmacist with 42 years' service to Dis-Chem, also retired from his executive role with effect from 30 June 2026. The Board thanks Stan for his significant contribution to the Group's pharmacy operations and culture. Saul Saltzman resigned as an Executive Director on 27 February 2026. He continues to serve on the Board as a non-independent, Non-Executive Director. The Board thanks Saul for his ongoing contribution to the Group.

The Board worked closely with management to ensure orderly transitions and continuity of leadership and strategic direction. The Board is confident that the Group's governance structures, leadership bench strength, and strategic foundations position Dis-Chem well for the next phase of its development.

Remuneration and accountability

The Board and the Remuneration Committee remain committed to responsible and fair remuneration practices that support the Group's strategic objectives and long-term sustainability.

The Group's remuneration philosophy aims to align remuneration with performance and shareholder value creation, attract and retain high-calibre talent, promote accountability and ethical behaviour, and support long-term organisational sustainability.

The Board acknowledges that the decline in EPS and HEPS in FY2026 – driven primarily by the front-loaded ecosystem investment – directly affected short-term incentive outcomes and the declared dividend per share. The final dividend of 15.92 cents per share reflects this, and the Board recognises that balancing appropriate reward with the economic realities facing shareholders requires ongoing thoughtfulness. The full remuneration report, including detailed outcomes and the application of the remuneration policy, is set out in the Remuneration Governance and Disclosure section of this Integrated Annual Report.

Relationship with management

The Board maintained a constructive, collaborative relationship with the executive management team throughout the year. Open engagement, transparency, and mutual accountability remain key features of the Group's governance environment.

While management is responsible for executing strategy and overseeing day-to-day operations, the Board provides oversight, guidance, and constructive challenge to support effective decision-making and sustainable performance.

Outlook

While the broader operating environment is expected to remain challenging in the near term, the Board remains confident in the Group's resilience and long-term prospects.

Dis-Chem is well-positioned to benefit from:

- Continued and growing demand for accessible healthcare and wellness solutions in South Africa.
- The maturing of the Better Rewards programme and further customer engagement gains.
- The launch of the new Dis-Chem app and expansion of omnichannel capabilities in FY2027.
- Progressive returns from the X, bigly labs ecosystem investment as data, analytics, and AI platforms are operationalised.
- Wholesale market share opportunities through CJ Distribution, TLC franchise stores, and independent pharmacy relationships.
- Ongoing operational and supply chain optimisation.
- Expansion of integrated healthcare services, including Dis-Chem Health and Dis-Chem Life.

The Board remains focused on supporting sustainable, long-term growth while maintaining prudent financial management, disciplined capital allocation, and strong governance standards. The Group's integrated healthcare ecosystem, trusted brand, national footprint, and experienced leadership team provide a solid foundation for future growth and sustained value creation.

Appreciation

On behalf of the Board, I would like to express my sincere appreciation to CEO Rui Morais, the executive management team, and all employees across the Group for their dedication, resilience, and commitment throughout the year. The organisation's ability to invest in its future while sustaining strong revenue growth in a challenging environment is a testament to the quality and commitment of its people.

I also express our gratitude to our shareholders, customers, suppliers, regulators, and all other stakeholders for their continued support and trust in the Group.

Finally, I wish to reiterate my deep appreciation for Ivan Saltzman. Over 48 years, Ivan built something extraordinary – not merely a business but a healthcare institution that has improved the lives of millions of South Africans. His entrepreneurial spirit, passion for healthcare, and unwavering commitment to doing the right thing have left an enduring legacy that will continue to shape this Group for generations. We are fortunate to retain his counsel as he transitions to his new role as a Non-Executive Director on the Board.

Larry Nestadt

Independent Non-Executive Chair



King V™

Embracing the King V™ Report on Corporate Governance

For the FY2026 reporting period, Dis-Chem has officially transitioned from King IV™ to the King V™ Report on Corporate Governance, aligning our internal structures with the latest global and local governance developments.

This review, published nine years after King IV™, responds to an increasingly complex and volatile landscape characterised by climate change disruptions, rapid technological innovation, and shifting stakeholder expectations regarding environmental and social accountability.

The implementation of King V™ marks a significant evolution in our governance philosophy, shifting the focus from merely identifying “shared value” to “systems value creation”.

This approach recognises that Dis-Chem is embedded within broader socio-ecological systems and that our long-term success is fundamentally linked to the vitality and resilience of these systems.

Furthermore, King V™ introduces a more rigorous approach to sustainability through “double materiality”. For Dis-Chem, this means our reporting now encompasses both matters that significantly affect our financial position and prospects, and the significant positive or negative impacts of our operations on our stakeholders and the environment.

Dis-Chem has restructured its governance framework to align with the 13 consolidated principles of King V™, down from 17 in King IV™. Key areas of application include:

- **Technology and AI Governance (Principle 10):** Recognising the transformative potential of technologies such as those used in our health ecosystem, we now govern data, information, and technology as distinct yet interconnected fields. We have established clear accountability for decisions and outcomes arising from Artificial Intelligence (AI), ensuring these systems are subject to human oversight and adhere to values of transparency, explainability, and fairness.
- **Strengthened committee composition:** In line with the more rigorous standards of King V™, our Social and Ethics Committee and our Audit and Risk Committee each have a majority of non-executive members, including at least one independent member.
- **Enhanced independence assessments:** We have refined our criteria for assessing the governing body’s independence, now explicitly incorporating a nine-year tenure as a holistic factor to be considered alongside other indicators of objective judgement.



Under the mandatory “apply and explain” regime, Dis-Chem has moved beyond simple compliance to provide a qualitative account of our governance implementation. A cornerstone of this accountability is the Board’s concluding statement, confirming that our application of the Code has successfully achieved the four governance outcomes: Ethical Culture, Performance and Value Creation, Conformance and Prudent Control, and Legitimacy.

To ensure full transparency, the comprehensive Dis-Chem King V™ Disclosure Framework, which details our application of each principle and explains any modifications to recommended practices, is available on the Group’s website alongside our full reporting suite.



Governance framework and structure

Dis-Chem’s governance framework embodies the Group’s commitment to ethical leadership, accountability, transparency, and sustainable value creation for all stakeholders. Built on internationally recognised best practice and aligned with evolving South African standards, the governance framework supports strategic oversight, risk management, and performance accountability across the organisation.

For the FY2026 reporting cycle, Dis-Chem has transitioned its governance approach to align with King V™, the latest corporate governance code released in October 2025, which replaces King IV™ and takes effect for financial years commencing on or after 1 January 2026.

At the core of Dis-Chem’s governance framework are principles that prioritise ethical leadership, responsible management, and inclusive stakeholder engagement. Dis-Chem’s governance practices are informed by:

- King V™: the newest benchmark for corporate governance in South Africa, emphasising outcomes that reflect ethical culture, performance, accountability and legitimacy.
- JSE Listings Requirements, which mandate governance disclosures and practices for listed entities.
- Companies Act and other applicable legislation providing statutory governance requirements.

King V™ retains the voluntary, principle-based “apply and explain” approach of its predecessor but enhances clarity, standardises disclosures through a dedicated Disclosure Framework, and consolidates governance principles from 17 to 13 to improve usability and transparency.



Role and composition of the Board

Unified Board leadership and oversight

The Dis-Chem Board of Directors provides ethical, objective leadership aligned with the Group’s long-term strategic direction. The Board is responsible for governance oversight, including strategy approval, risk governance, executive performance reviews, assurance oversight, and value-creation monitoring.

Reflecting King V™’s heightened expectations for board independence and governance quality, Dis-Chem’s Board structures and practices emphasise a robust balance between executive insights and independent oversight, ensuring that decisions reflect broad stakeholder interests while maintaining operational effectiveness.

The Board is chaired by independent Non-Executive Director Larry Nestadt. The Non-Executive Directors are expected to dedicate sufficient time and attention to the affairs of the Board. While they may serve on other boards, such commitments must not detract from their ability to contribute effectively and meaningfully to Dis-Chem’s governance and oversight responsibilities.

Distinct leadership roles

The roles of Board Chair and Chief Executive Officer (CEO) are separate, reinforcing the principle of non-concentration of power. This separation strengthens independent governance oversight while allowing executive management to focus on strategic execution.



Board appointments

The Board has a policy outlining appointment procedures to ensure a balanced distribution of power and authority within its composition. These appointments are made formally and transparently, subject to Board review, and supported by the Nominations Committee, which recommends them.

In accordance with the requirements, the Board actively supervises the nomination and appointment process for new Directors. Our Nominations Committee oversees and guides our Board appointment policy.

Board structure

As at the end of February 2026, the Board comprised of 11 Directors:

- 7** Non-Executive Directors
- 4** Executive Directors

Role and composition of the Board continued

Executive Directors



Rui Morais (42)

BCom, CA(SA)

Appointed: 2016

Chief Executive Officer

Background:

Rui a qualified CA has over 15 years of experience in the retail pharmacy industry and has been with Dis-Chem for ten years. Before joining Dis-Chem, he had various senior management roles at EY.



Julia Pope (45)

BCom, CA(SA)

Appointed: 2023

Chief Financial Officer

Background:

Julia is a qualified CA with over 15 years of experience in the retail and consumer products industry. She was the Executive Head of Finance at Dis-Chem before being appointed the CFO in July 2023. Before joining Dis-Chem in 2017, she had various senior management roles at EY.



Ivan Saltzman (75)

DipPharm

Appointed: 2016

Executive Director and Co-Founder

Background:

Ivan is a co-founder of Dis-Chem and a qualified pharmacist. Ivan retired as an executive at the end of June 2026 and is now a non-independent Non-Executive Director on the Board.



Stan Goetsch (69)

BPharm

Appointed: 2022

Executive Director

Background:

Stan is a qualified pharmacist with extensive experience in the retail pharmacy industry. Stan retired as an Executive Director at the end of June 2026.

Non-Executive Directors



Larry Nestadt (75)

Appointed: 2016

Independent

Non-Executive Chair

Background:

Larry is a co-founder and former Executive Director of Investec Bank Limited and has been instrumental in the creation and strategic development of several listed companies, including Capital Alliance Holdings Limited (Capital Alliance Life – acquired by Liberty Life; Capital Alliance Bank – now Brait), Super Group Limited, Hosken Consolidated Investments Limited, SIB Holdings Limited, CorpGro Limited and Global Capital Limited.

He also served as the past chairman of the boards of these companies. Previously, Larry sat on the boards of Softline Limited, JCI Limited, Blue Label Telecoms, and Abacus Technologies Holdings Limited, and was a former chairman of several non-listed company boards, both in South Africa and abroad, including Stenham Limited (UK) and Prefsure Life Limited (AUS).

Larry is the current executive chairman of Global Capital Proprietary Limited and the current Chairman of Blu Label Unlimited Group Limited, Dis-Chem Pharmacies Limited, Morecorp Group and Selldirect Marketing Proprietary Limited.



Role and composition of the Board continued

Non-Executive Directors



Alu Sithebe (43)

BCom (Hons), CA(SA), MBA, Executive Leadership Program (Oxford)

Appointed: 2021

Independent Non-Executive Director

Background:

Alu is a private equity investment professional with extensive experience in mergers and acquisitions. She is the Managing Director of Kamva Investments. Previously, she was Principal at African Phoenix Investments Limited and Senior Dealmaker at IDC. She qualified as a CA(SA) with EY where she undertook her training period within the firm's Retail & Consumer Products division.



Anuschka Coovadia (48)

MBA, MAP, MSE
Appointed: 2016

Independent Non-Executive Director

Background:

Dr Anuschka is a partner at Usizo Advisory Solutions, which is an independent health advisory consultancy. She was the former Head of Healthcare for Africa for KPMG International, a director on a healthcare investment development fund – Ayurveda Investments and a member of a global task team on Universal Health Coverage. She has more than 15 years of experience in the health and research industry.



Happy Masondo (58)

BA, LLB, LLM (Wits) LLM (Duke)
Appointed: 2022

Independent Non-Executive Director

Background:

Ms Masondo is a Non-Executive Director of various companies with two master's degrees in law. Her specialities include commercial law with an emphasis on contractual, statutory and regulatory matters. She also brings extensive experience in climate change and sustainability.



Joe Mthimunye (61)

BCompt (Hons), CTA, CA(SA)
Appointed: 2016

Independent Non-Executive Director

Background:

Joe is the cofounder and executive chairman of AloeCap, a boutique corporate finance and investment company. Before AloeCap, he was one of the founding partners of Gobodo Inc, the accounting and auditing practice that is a forerunner to the newly merged SNG Grant Thornton. Joe is the Managing Director of GloCap Equity Partners, a private equity group. He is also the Chairman of Cell C Limited.



Katlego Kobue (38)

BCom Business Finance
Appointed: 2021

Non-Independent Non-Executive Director

Background:

Katlego has a BCom from WITS and is currently a Senior Investment Manager on Royal Bafokeng Holdings' Strategic Investment team, with over 10 years of investment experience. Katlego sits on several other Boards and is also the independent chairman of DHL Express SA.



Saul Eytan Saltzman (46)

BCom Economics, PGDM Marketing (Wits), Speciality in Finance (HBS)
Appointed: 2016

Non-Independent Non-Executive Director

Background:

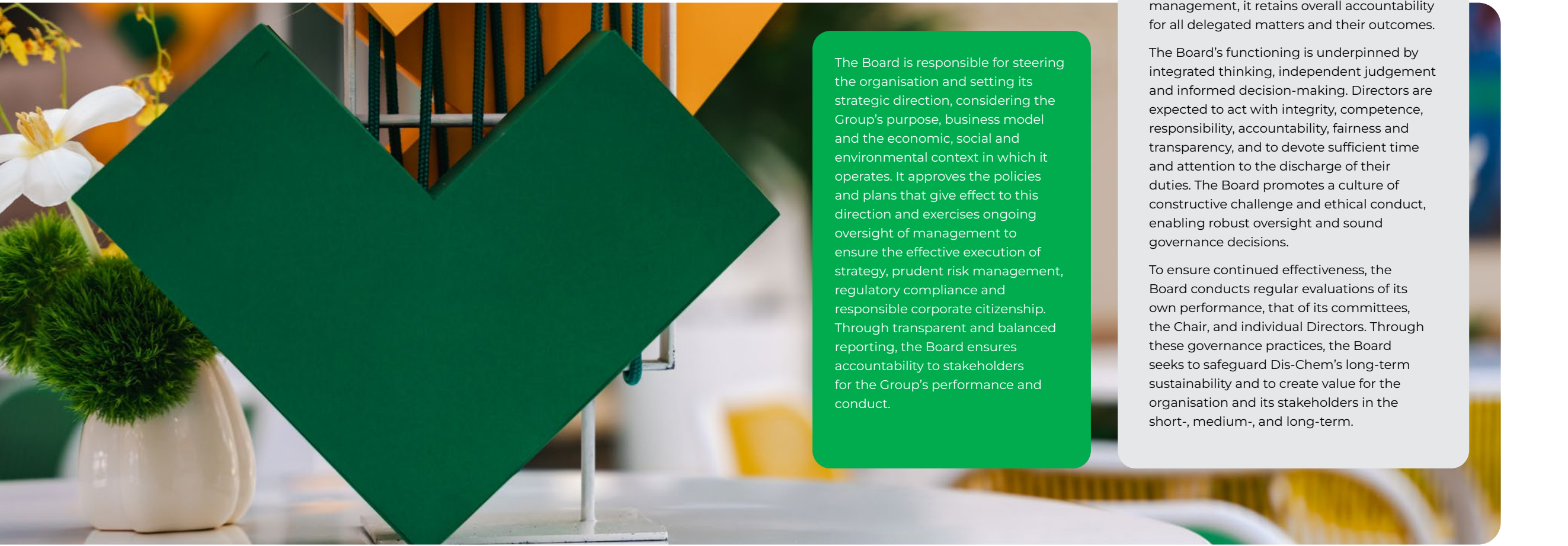
Saul has 25 years of experience in the retail and pharmaceutical industries, all of which have been at Dis-Chem. Saul has held numerous strategic roles in the business, including heading the import division and focusing on the Group's private-label strategy.

* Ivan Saltzman will be appointed as a non-independent, Non-Executive Director from 1 July 2026

* Stan Goetsch retired from the board effective 30 June 2026

Board responsibilities and functioning

The Board is the focal point of corporate governance at Dis-Chem and bears ultimate accountability for the Group's ethical and effective leadership. In line with King V™, the Board governs in a manner that supports the achievement of the four governance outcomes of an ethical culture, sustainable performance, effective conformance, and organisational legitimacy.



The Board is responsible for steering the organisation and setting its strategic direction, considering the Group's purpose, business model and the economic, social and environmental context in which it operates. It approves the policies and plans that give effect to this direction and exercises ongoing oversight of management to ensure the effective execution of strategy, prudent risk management, regulatory compliance and responsible corporate citizenship. Through transparent and balanced reporting, the Board ensures accountability to stakeholders for the Group's performance and conduct.

The Board's roles, responsibilities and procedures are formally documented in a Board Charter, which is regularly reviewed to support effective functioning and clarity of authority. While the Board delegates specific responsibilities to its committees and management, it retains overall accountability for all delegated matters and their outcomes.

The Board's functioning is underpinned by integrated thinking, independent judgement and informed decision-making. Directors are expected to act with integrity, competence, responsibility, accountability, fairness and transparency, and to devote sufficient time and attention to the discharge of their duties. The Board promotes a culture of constructive challenge and ethical conduct, enabling robust oversight and sound governance decisions.

To ensure continued effectiveness, the Board conducts regular evaluations of its own performance, that of its committees, the Chair, and individual Directors. Through these governance practices, the Board seeks to safeguard Dis-Chem's long-term sustainability and to create value for the organisation and its stakeholders in the short-, medium-, and long-term.

Board responsibilities and functioning continued

Key responsibilities of the Board in the Board Charter include the following:

• **Strategic leadership and oversight**

The Board approves the Group's strategy and business plans, ensuring that strategy, risk, performance and sustainability are treated as inseparable and integrated. It is satisfied that the approved strategy is aligned with the Group's purpose, risk appetite, and long-term sustainability objectives.



• **Ethical leadership and corporate citizenship**

The Board provides leadership on an ethical foundation, oversees the effective management of ethics, and ensures that Dis-Chem acts as a responsible corporate citizen by considering the social, environmental and economic impacts of its activities.



• **Risk governance and internal control**

The Board is responsible for risk governance, including setting the Group's risk appetite and tolerance levels, identifying key risk areas, and monitoring the effectiveness of risk management and internal control systems. It oversees the effectiveness of risk-based internal audit and the overall control environment.

• **Compliance and assurance**

The Board ensures compliance with applicable laws, regulations and standards, and considers adherence to relevant non-binding codes and best-practice principles. It establishes an effective and independent audit committee and oversees the combined assurance framework.



• **Information and technology governance**

The Board is responsible for IT governance, ensuring that information and technology are managed as strategic business assets that support the achievement of the Group's objectives and sustainability.



• **Stakeholder relationships and reputation**

The Board recognises that stakeholder perceptions affect the Group's reputation and oversees stakeholder relationships to promote trust, confidence and legitimacy.

• **Reporting and disclosure**

The Board ensures the integrity of the Group's Integrated Annual Report and other external reports, and accepts collective responsibility for transparent, balanced and meaningful disclosure to stakeholders.



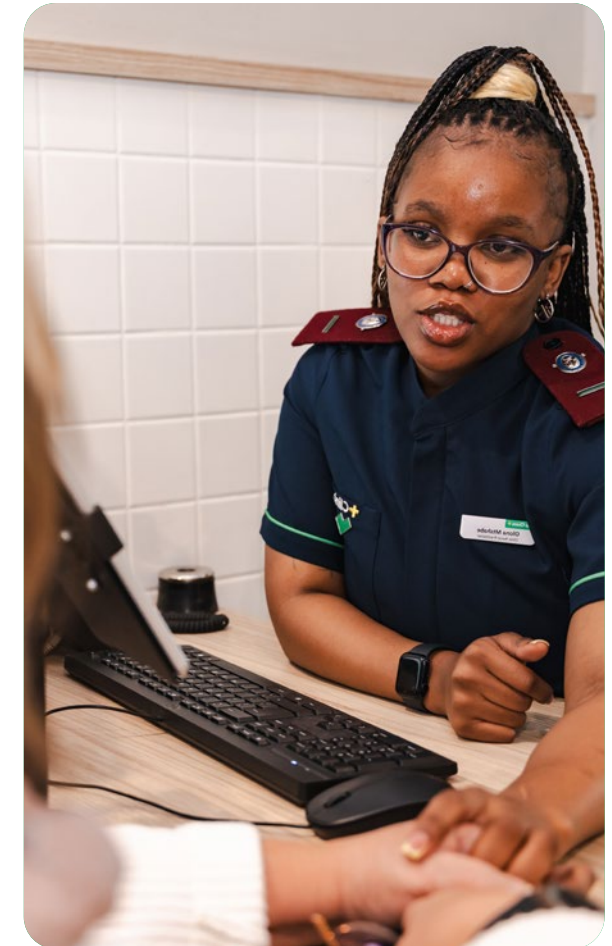
• **Leadership appointments and performance oversight**

The Board appoints the Chief Executive Officer, annually evaluates the CEO's performance, and ensures a clear separation of roles between the Chair and the CEO. It also ensures that Directors act in the best interests of the Group, manage conflicts of interest appropriately, and comply with legal and ethical standards of conduct.



• **Delegation with accountability**

While the Board delegates specific responsibilities to well-structured Board committees and to management through formal frameworks and terms of reference, it retains overall accountability and does not abdicate its governance responsibilities.

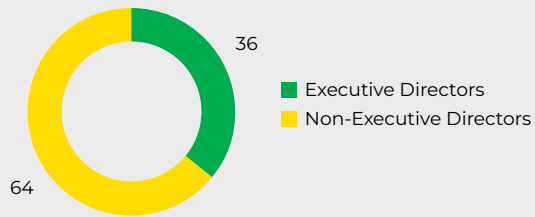


Independence and diversity

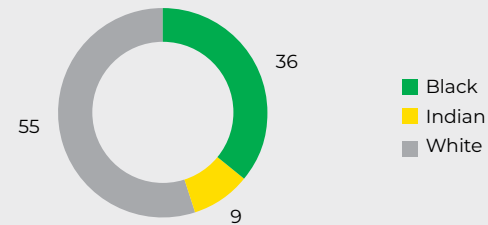
Independence and diversity are fundamental to the effectiveness of Dis-Chem’s Board and its ability to provide objective, well-informed oversight. The Board recognises that independent judgement, free from undue influence, together with a diversity of skills, experience, gender, background and perspectives, enhances the quality of decision-making and supports sustainable value creation.

In line with evolving governance expectations under King V™, the Board is committed to maintaining an appropriate balance of independent and Non-Executive Directors and to continuously reviewing its composition to ensure it reflects the Group’s strategic needs, the environment in which it operates, and the interests of its stakeholders.

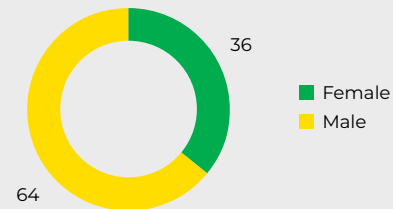
Executive vs Non-Executive Directors
(%)



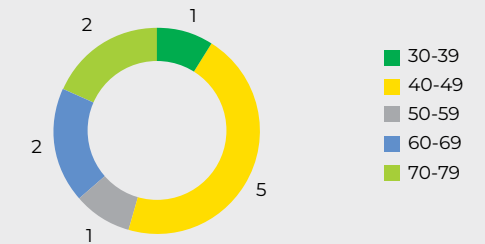
Race
(%)



Gender
(%)



Age
(Number)



Skills

The balanced mix of Executive and Non-Executive Directors brings together deep sector-specific knowledge with broad commercial, financial and strategic expertise. This collective skill set is aligned with the Group's retail pharmacy, healthcare- and consumer-focused operations and supports sustainable value creation in a dynamic and regulated industry.

The Board's core competencies include:

1. Retail pharmacy and healthcare operations

Multiple Directors are qualified pharmacists or doctors with decades of hands-on experience across retail pharmacy, supply chain, private-label development, imports, and daily operations. This includes the Group's co-founder and long-serving executives, who have shaped Dis-Chem's differentiated service model and growth trajectory since its inception.

2. Finance, accounting and audit

Strong representation of Chartered Accountants (SA) and professionals with senior roles at global firms, combined with expertise in financial reporting, internal controls, capital allocation, and consumer/retail sector finance.

3. Healthcare advisory, policy and research

Specialist knowledge of health systems, universal health coverage, healthcare investment, and advisory services, ensuring informed oversight of the Group's expanding clinical and wellness offerings.

4. Private equity, investments and M&A

Extensive experience in mergers and acquisitions, corporate finance, investment management and portfolio oversight, including leadership roles in major investment holding companies and boutique advisory firms.

5. Corporate strategy, governance and listed-company leadership

Proven track records in founding and scaling listed entities, global corporate development, Board leadership and strategic transformation.

6. Legal, regulatory, sustainability, and risk

Expertise in commercial law, contractual and regulatory compliance, climate change, sustainability, and broader stakeholder governance, supporting robust risk oversight and ethical decision-making.

This diverse and complementary mix of skills, experience, qualifications and perspectives enables the Board to provide an objective, independent judgement and constructive challenge, while guiding the Group's strategic priorities – including store expansion, the Better Rewards loyalty programme, digital and omnichannel initiatives, and sustainable healthcare delivery. The Board regularly assesses its composition and effectiveness through annual evaluations, and maintains a formal Board Diversity Policy to ensure ongoing alignment with the Group's evolving needs.

Skills continued

Board skills and competency matrix

Director	Role	Retail and pharmacy operations	Healthcare and clinical	Finance, accounting and audit	Strategy, M&A and investments	Governance, legal and regulatory
Larry Nestadt	Independent non-executive chairperson	○	○		○○○	○○
Rui Morais	Chief Executive Officer	○○○	○○○	○○○	○○○	○
Julia Pope	Chief Finance Officer	○○	○○	○○○	○○	○○
Ivan Saltzman	Executive Director (Non-Executive Director post June 2026)	○○○	○○○		○○○	○
Stan Goetsch	Executive Director (Non-Executive Director post June 2026)	○○○	○○○		○	
Saul Saltzman	Non-Executive Director	○○○	○	○	○○○	○
Anuschka Coovadia	Independent Non-Executive Director	○	○○○	○	○○	○○
Happy Masondo	Independent Non-Executive Director	○	○		○	○○○
Joe Mthimunye	Independent Non-Executive Director	○		○○○	○○○	○○
Alupheli Sithebe	Independent Non-Executive Director	○		○○○	○○○	○
Katlego Kobue	Non-independent Non-Executive Director	○		○	○○○	○

- Core/deep expertise
- Strong experience
- Relevant exposure



Board Committees composition and responsibilities

The Board delegates specific responsibilities to well-structured committees through approved terms of reference, while retaining overall accountability for the Group's governance. The Board is satisfied that this delegation framework promotes clear role definition, effective oversight and informed decision-making. Committees meet as required to fulfil their mandates and to support the Board in the effective discharge of its duties.

Audit and Risk Committee

Members: Joe Mthimunya (Chairperson), Alupheli Sithebe, Anuschka Coovadia, Happy Masondo

Key responsibilities

Financial reporting oversight:

- Reviewing and overseeing the financial reporting process to ensure financial statements' accuracy, completeness, and transparency.
- Engaging with external auditors to discuss audit plans, results, and any significant accounting or reporting issues.

Internal control review:

- Evaluating the effectiveness of the Group's internal control systems and risk management processes.
- Monitoring and assessing the adequacy of measures in place to safeguard Group assets and ensure compliance with policies and regulations.

External audit oversight:

- Recommending the appointment or termination of external auditors.
- Reviewing and approving the scope of the external audit, including non-audit services provided by the external auditors.

Risk management:

- Assessing the Group's risk management policies and procedures.
- Identify and evaluate significant risks that could impact the achievement of the Group's objectives.
- Reviewing and approving risk mitigation strategies and risk appetite.

Compliance monitoring:

- Monitoring the Group's compliance with relevant laws, regulations, and corporate governance principles.
- Ensuring that the Group adheres to ethical and legal standards in its business practices.

Whistleblower protection:

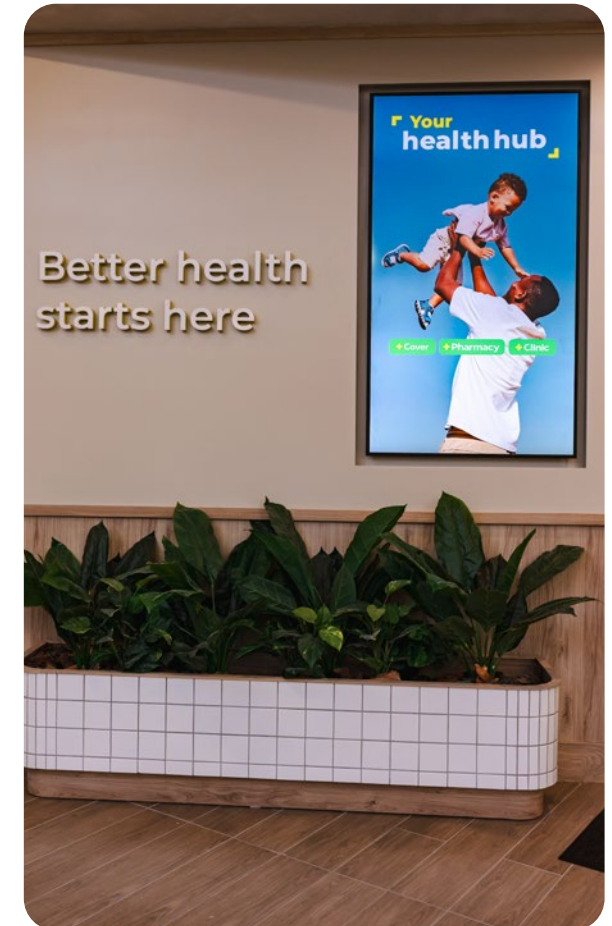
- Overseeing procedures for receiving and handling complaints and concerns related to accounting, internal controls, or auditing matters, often including protection for whistleblowers.

Financial governance:

- Reviewing related party transactions to ensure they are conducted on arm's-length terms and in the best interests of the Group.
- Assessing the adequacy of financial governance policies and procedures.

Communication and reporting:

- Communicating with the Board of Directors and shareholders regarding the committee's activities, findings, and recommendations.
- Prepare and review reports on the committee's activities to be included in the Group's annual reports.
- The Audit and Risk Committee has executed the responsibilities set out in the JSE Listing Requirements paragraph 5.7(h).



Board Committees Composition and Responsibilities continued

Remuneration Committee

Members: Joe Mthimunye (Chairperson), Larry Nestadt, Katlego Kobue, Happy Masondo

Key responsibilities

- Executive compensation:**
 Reviewing and recommending the compensation packages for senior executives, including base salary, bonuses, stock options, and other benefits.
- Performance evaluation:**
 Assessing the performance of senior executives against predetermined targets and goals to determine variable compensation components.
- Incentive programmes:**
 Overseeing the design and implementation of incentive programmes, such as stock option plans or bonus structures, to align executive interests with the long-term success of the Group.
- Governance and compliance:**
 Ensuring executive remuneration practices comply with relevant regulations, legal requirements, and corporate governance principles.
- Stakeholder communication:**
 Communicating with shareholders and other stakeholders about the Group's executive compensation policies, seeking input when necessary, and providing transparency on remuneration decisions.
- Risk management:**
 Assessing and managing the risks associated with the Group's remuneration policies, particularly those related to excessive or inappropriate executive compensation.

Nominations Committee

Members: Larry Nestadt (Chairperson), Joe Mthimunye, Katlego Kobue, Happy Masondo

Key responsibilities

- Board composition:**
 Assessing the Board's current composition and evaluating its members' skills, experience, and diversity. The committee ensures that the Board collectively possesses the necessary skills and expertise to guide the Group.
- Identifying candidates:**
 Actively seeking and identifying suitable candidates for Board positions, including potential Directors, committee members, and, in some cases, executive leadership roles. This may involve considering internal candidates as well as external individuals.
- Nomination process:**
 Developing and overseeing a formal and transparent process for the nomination and appointment of Directors. This process may include establishing criteria for Director qualifications, assessing Director independence, and addressing potential conflicts of interest.
- Succession planning:**
 Developing and maintaining a plan for Board and executive leadership succession, ensuring a smooth transition in the event of retirements, resignations, or other changes.
- Evaluation of Directors:**
 Periodically assessing the performance of individual Directors, including their contribution to Board committees and adherence to corporate governance standards.
- Diversity and inclusion:**
 Promoting diversity and inclusion within the Board, considering factors such as gender, ethnicity, skills, and experience to ensure a well-rounded and representative group of Directors.
- Shareholder input:**
 Engaging with shareholders and seeking their input on Board composition and nominations, especially when significant changes or vacancies are anticipated.
- Corporate governance:**
 Overseeing and ensuring compliance with corporate governance principles and Board structure and composition guidelines.



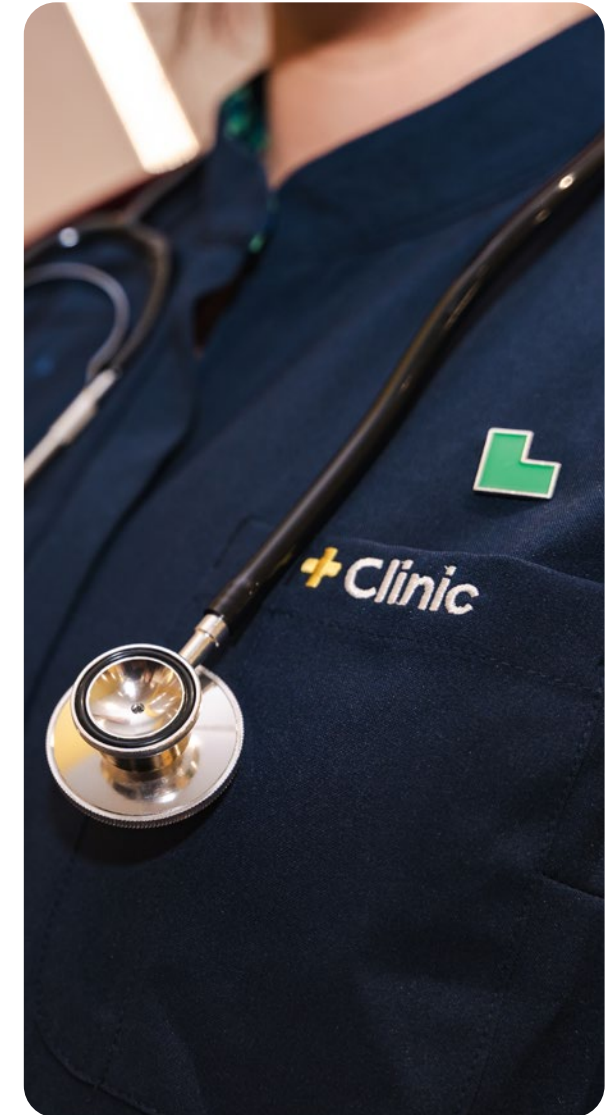
Board Committees Composition and Responsibilities continued

Social and Ethics Committee

Members: Alupheli Sithebe (Chairperson), Anuschka Coovadia, Happy Masondo

Key responsibilities

- Social responsibility:**
 Assessing and monitoring the Group's impact on the broader community, including its social, environmental, and sustainability practices. This involves reviewing and recommending policies and practices that contribute to positive social outcomes.
- Ethical conduct:**
 Overseeing the development and implementation of a code of ethics for the Group. This includes promoting ethical behaviour and ensuring that the Group's activities align with its values and moral standards.
- Stakeholder engagement:**
 Considering the interests and concerns of various stakeholders, including employees, customers, suppliers, and the local community. The committee may facilitate communication between the Group and its stakeholders to address social and ethical issues.
- Employee welfare:**
 Monitoring the Group's commitment to fair labour practices, employee welfare, diversity and inclusion, and other aspects of employee well-being.
- Environmental impact:**
 Assessing and monitoring the Group's environmental practices and their environmental impact. This may involve reviewing sustainability initiatives, resource management, and environmental conservation efforts.
- Compliance:**
 Ensuring the Group complies with relevant laws, regulations, and industry social and ethical responsibility standards. This includes monitoring changes in legislation and advising the Board on potential impacts.
- Reporting:**
 Preparing and overseeing the disclosure of social and ethics-related information in the Group's annual reports, sustainability reports, and other communications. This helps provide stakeholders with transparency into the Group's performance in these areas.
- Risk management:**
 Identifying and assessing social and ethical risks that could impact the Group's reputation, brand, or long-term sustainability. The committee may work with other committees, such as the risk management committee, to integrate social and ethical considerations into overall risk management practices.



All committees have fulfilled their responsibilities as set out in the Listing Requirements and their terms of reference.



Board and Committee meetings attendance



Director	Board	Audit and Risk Committee	Social and Ethics Committee	Remuneration Committee	Nomination Committee	Investment Committee
Executive Directors						
Rui Morais (CEO)	4/4	4/4*	2/3*	3/3*	3/3*	2/2
Julia Pope (CFO)	4/4	4/4*	3/3*	3/3*	3/3*	2/2
Ivan Saltzman	4/4	2/4*	n/a	2/3*	n/a	2/2
Saul Saltzman	4/4	3/4*	3/3^*	n/a	n/a	2/2
Stan Goetsch	4/4	2/4*	n/a	n/a	n/a	2/2
Non-Executive Directors						
Larry Nestadt	4/4	n/a	n/a	3/3	3/3	2/2
Joe Mthimunye	4/4	4/4	n/a	3/3	3/3	2/2
Katlego Kobue	4/4	4/4*	1/3^	3/3	2/3	2/2
Alupheli Sithebe	4/4	4/4	3/3	n/a	n/a	2/2
Happy Masondo	4/4	4/4	3/3	3/3	3/3	2/2
Anuschka Coovadia	4/4	4/4	3/3	n/a	n/a	2/2
Invitees						
Lynette Saltzman	n/a	n/a	3/3	n/a	n/a	n/a

* Invitee

^ No longer a member

Ethical leadership and corporate citizenship

At Dis-Chem, ethical leadership and corporate citizenship are fundamental to how we do business – shaping not only what we do but also how we do it. In FY2026, we continued to reinforce our commitment to integrity, transparency, and responsible stewardship of the trust placed in us by customers, employees, suppliers, communities, and investors.

1. Driving Ethical Leadership Across the Organisation

Ethical leadership at Dis-Chem starts at the top with our Board and Executive Leadership Team, and extends through every layer of our organisation. Strong governance frameworks, clear codes of conduct, and ongoing leadership development ensure that ethical decision-making is embedded in our daily operations.

Governance and oversight:

Our Social and Ethics Committee continues to oversee adherence to our Code of Ethics, anti-corruption policies, environmental and regulatory obligations. Board-level engagement ensures accountability and strategic alignment.

Leadership development:

We invest in training that reinforces ethical standards, equips leaders to make values-based decisions, and fosters an environment where ethical concerns can be raised without fear of reprisal.

Whistle-blowing and reporting:

Confidential reporting channels and robust follow-up mechanisms promote transparency and protect those who speak up, further embedding a culture of accountability.

2. A Values-driven Culture of integrity

Our organisational values – integrity, care, respect, innovation, and excellence – are more than statements; they guide behaviour and expectations across the business.

Employee engagement:

Through continuous ethics training and internal communications, we ensure that all employees understand our values and how to apply them in real-world situations.

Ethical performance metrics:

The Group has ethics-linked performance indicators for leadership roles, reflecting our belief that ethical conduct is a core element of business success.

3. Corporate citizenship in action

Dis-Chem's role in society extends beyond commercial success. We recognise our responsibilities as a healthcare retailer to improve wellbeing, strengthen communities, and contribute to equitable access to essential services.

Health and wellbeing impact

We continue to leverage our national footprint to expand access to quality healthcare, preventative programmes, and educational campaigns that empower customers to lead healthier lives.

Community health initiatives:

We partnered with public and private stakeholders to deliver vaccination drives, wellness screenings, and health education in underserved communities.

Responsible product stewardship:

Dis-Chem upholds stringent quality and safety standards, ensuring that products and services meet regulatory and ethical expectations.

Social investment and community engagement

Our corporate social investment (CSI) focus in FY2026 prioritised projects that deliver measurable community impact.

Targeted support for programmes addressing nutrition security, women's health, and youth development.

Continued collaboration with educational institutions to nurture pharmacy and healthcare talent.

Expanded employee volunteer programmes, encouraging engagement with local community initiatives.



Ethical Leadership and Corporate Citizenship continued

4. Sustainable and responsible supply chain practices

Ethical leadership extends to how we manage our supply chain. In FY2026, Dis-Chem strengthened its supplier due diligence processes to ensure alignment with our ethical standards and expectations regarding human rights, labour practices, and environmental stewardship.

Regular supplier assessments and engagement to drive continuous improvement.

Integration of sustainability criteria into procurement decisions.

Close collaboration with partners to address systemic challenges and promote responsible sourcing.

In FY2027 and beyond, Dis-Chem will build on this strong ethical foundation. Priorities include enhancing ethical leadership development, deepening community partnerships, expanding responsible supply chain initiatives, and further integrating sustainability into business strategy, all of which aim to create enduring value for society and our stakeholders.

5. Accountability and transparency

We believe that being a responsible corporate citizen requires openness about our performance – both successes and areas for improvement.

Public reporting: The FY2026 SR transparently discloses governance structures, ethics performance, and key metrics related to corporate responsibility.

Stakeholder engagement: Through ongoing dialogue with investors, employees, customers, regulators, and communities, we ensure our strategies reflect broad perspectives and evolving expectations.



Risk governance framework

Effective risk governance is central to Dis-Chem’s ability to deliver sustainable value in a complex, highly regulated operating environment. The Board recognises that risk and opportunity are inseparable from strategy and performance and therefore exercises oversight of risk to support ethical leadership, resilience, and long-term value creation.

Board oversight and accountability

The Board retains ultimate accountability for risk governance and ensures that risk management is integrated into strategic decision-making, performance management, and capital allocation. In fulfilling this responsibility, the Board sets the tone for a risk-aware culture that promotes informed decision-making while safeguarding stakeholders’ interests.

The Board is supported in this role by the Audit and Risk Committee, which oversees the design, implementation and effectiveness of the Group’s risk management framework. Regular reporting enables the Board to assess whether risks are being identified, evaluated and managed within the approved risk appetite.

Integrated risk governance approach

Dis-Chem’s risk governance framework aligns with the principles of integrated thinking and reflects the interconnected nature of financial, operational, regulatory, technological, environmental and social risks. Risk governance is embedded throughout the organisation and is not treated as a standalone compliance exercise.

The framework enables:

- Alignment between strategy, risk appetite and performance objectives.
- Early identification of emerging risks and opportunities.
- Consistent risk assessment and prioritisation across the Group.
- Proactive management of risks that could impact value creation across the short-, medium- and long-term.

Risk appetite and tolerance

The Board annually approves the Group’s risk appetite and tolerance levels, which guide management in decision-making and operational execution. These parameters set the level of risk the Group is willing to accept in pursuit of its strategic objectives, while ensuring that regulatory compliance, patient safety, ethical conduct and financial sustainability are not compromised.

Risk appetite considerations are embedded in strategic planning, investment decisions, and material transactions, ensuring that growth initiatives are balanced against risk exposure.

Roles and responsibilities

Risk governance is a shared responsibility across the organisation, with clearly defined roles:

- **Board:** Sets direction, approves risk appetite, and oversees the effectiveness of risk governance.
- **Audit and Risk Committee:** Reviews key risks, mitigation plans, internal controls, and assurance outcomes.
- **Executive management:** Owns and manages risks within their areas of responsibility and ensures appropriate mitigation strategies are implemented.
- **Internal audit:** Provides independent assurance on the effectiveness of risk management processes and internal controls.
- **Business units:** Identify, assess and manage operational risks as part of day-to-day activities.

Risk identification, assessment and monitoring

Risks are identified through a combination of top-down strategic reviews and bottom-up operational assessments. These risks are evaluated for their potential impact and likelihood, taking into account existing controls and mitigation measures.

Key risks are recorded in the Group risk register, which is regularly reviewed by management and the

Audit and Risk Committee. Emerging risks, including those related to regulatory change, cybersecurity, supply chain resilience and evolving healthcare models, receive focused attention to ensure proactive management.

Assurance and continuous improvement

Dis-Chem applies a combined assurance model that integrates management assurance, internal audit, and external assurance activities. This approach enhances confidence in the effectiveness of risk controls and supports continuous improvement in the risk governance framework.

Findings from assurance activities are used to strengthen controls, improve processes, and enhance risk maturity across the Group.

Risk governance and value creation

The risk governance framework enables Dis-Chem to operate responsibly within its economic, social and environmental context. By managing risk effectively, the Group protects its reputation, ensures compliance, promotes ethical conduct, and enhances resilience in a dynamic healthcare and retail landscape.



Technology and information governance

The Dis-Chem Board recognises technology and information as strategic assets integral to the Group’s ability to deliver sustainable value, drive innovation, and maintain competitive advantage in the retail pharmacy, healthcare, and consumer sectors. In line with the King V™ Code on Corporate Governance for South Africa™, the Board exercises direct oversight of technology and information governance in accordance with Principle 10: “The governing body govern data, information and technology in a way that enables the organisation to sustain and optimise its strategy and objectives.”

This oversight ensures that technology and information support the Group’s strategic priorities – including the expansion of the Better Rewards loyalty programme, omnichannel customer engagement, personalised healthcare offerings, supply-chain optimisation and clinical service delivery – while proactively managing associated risks such as cybersecurity threats, data privacy obligations and the ethical deployment of artificial intelligence (AI).

Board oversight and governance structure

The Board retains ultimate accountability for technology and information governance. It has delegated day-to-day implementation and monitoring to the Audit and Risk Committee, supported by the newly established Enterprise Data Governance Council. The Council, chaired by the Head of Data, Analytics and AI, includes representation from the business, clinical, privacy, legal, risk, compliance, and technology functions. It meets quarterly to review policy adherence, risk exposure, AI use case approvals, and data quality metrics.

The Board receives formal reporting at each meeting on:

- Alignment of technology investments with strategy;
- Key risk indicators (including cyber maturity, data-breach incidents and AI-related risks);

- Progress on major digital initiatives; and
- Compliance with regulatory requirements.

Data and AI governance policy

During 2026, the Board approved the Group’s comprehensive Data and AI Governance Policy. This policy establishes an enterprise-wide framework that integrates data governance with AI governance across the full lifecycle – from data creation and collection through model development, deployment, monitoring, and retirement.

The policy is built on the following core principles (aligned with King V™, Protection of Personal Information Act (POPIA) and emerging global standards, including the EU AI Act):

- **Lawfulness, fairness and ethical use** – with explicit focus on mitigating bias, particularly in relation to race, gender and health-status inferences.
- **Human accountability and oversight** – no AI system may replace accountable human judgement in high-impact areas such as clinical decision support, prescription/dispensing processes, insurance underwriting or adverse customer actions.

- **Risk-based classification of AI use cases** (low-, medium- and high-risk) with proportionate controls, mandatory registration, privacy impact assessments, bias testing and ongoing post-deployment monitoring.
- **Privacy, security and resilience** – including robust controls over personal information, health records and loyalty data.
- **Transparency and explainability** – particularly where AI outputs influence customer experience, pricing, access to services or clinical pathways.

All AI initiatives (including generative and agentic AI) must be formally registered, assessed and approved before being deployed to production. Public generative-AI tools are prohibited from processing sensitive Dis-Chem, customer or patient data unless expressly approved and contractually safeguarded.

Strategic alignment and value creation

At Dis-Chem, technology and information governance are not a compliance exercise but a value enabler. The policy and supporting frameworks directly support:

- Personalised customer engagement through the Better Rewards programme.
- Data-driven inventory optimisation and demand forecasting.

- Clinical decision-support tools that enhance patient safety and care outcomes.
- Secure, compliant digital channels that improve accessibility and affordability of healthcare.

The Board is satisfied that the governance arrangements deliver reliable, secure and ethical information for decision-making, protect stakeholder trust, and position the Group to capitalise on emerging technologies while maintaining resilience to cyber and regulatory risks.

Compliance and assurance

The Group remains fully compliant with the POPIA and other applicable legislation. Independent assurance on the effectiveness of technology and information controls is obtained through a combination of internal audit, external penetration testing and annual maturity assessments. No material technology or information governance incidents occurred during the year.

The Board confirms that, for the year ended 28 February 2026, the Group has applied the recommended practices of King V™ Principle 10 in all material respects. Technology and information governance remain a standing agenda item and will continue to evolve in response to regulatory developments (including the forthcoming South African National AI Policy Framework), technological advancements and the Group’s strategic ambitions.



Compliance with laws, rules, codes, and standards

Dis-Chem operates in a complex, highly regulated environment, particularly in the healthcare and pharmaceutical sectors. The Board recognises that effective compliance governance is fundamental to ethical leadership, organisational legitimacy, and sustainable value creation. Compliance is therefore approached not merely as a legal obligation but as a strategic enabler that supports trust, resilience, and long-term performance.

Board accountability and oversight

The Board retains ultimate responsibility for ensuring that the Group complies with applicable laws, regulations, industry codes and internal standards. This responsibility is exercised through a structured governance framework that promotes accountability, transparency and continuous oversight.

The Board is supported by the Audit and Risk Committee, which oversees the effectiveness of the compliance framework, monitors key compliance risks and reviews significant regulatory developments. Regular reporting enables the Board to assess whether compliance obligations are being met and, where necessary, to implement appropriate corrective actions.

Integrated compliance governance framework

Dis-Chem's compliance framework is integrated with the broader risk governance and internal control environment. Compliance governance is embedded across the organisation and aligned with the Group's strategy, risk appetite and operating model.

The framework includes:

- Identification and monitoring of applicable laws, rules, codes and standards.

- Policies, procedures and controls designed to give effect to compliance obligations.
- Ongoing training and awareness initiatives to reinforce compliance responsibilities.
- Monitoring, reporting and escalation mechanisms for compliance breaches.

This integrated approach ensures that compliance considerations are incorporated into decision-making processes at both strategic and operational levels.

Regulatory environment

The Group is subject to extensive regulation across multiple jurisdictions and business activities. Key areas of regulation include, among others:

- Pharmaceutical and healthcare legislation, including the Medicines and Related Substances Act and Pharmacy Act.
- Data protection and information privacy legislation.
- Labour, employment and occupational health and safety laws.
- Competition, consumer protection and financial reporting requirements.
- JSE Listings Requirements and Companies Act obligations.

The compliance framework is designed to respond proactively to regulatory change, ensuring that the Group adapts its policies, systems and practices as legislation and regulatory expectations evolve.

Roles and responsibilities

Clear accountability for compliance is established across the organisation:

- **Board:** Oversees compliance governance and ensures a culture of lawful and ethical conduct.
- **Audit and Risk Committee:** Monitors compliance risks, reviews incidents and oversees remediation.
- **Executive management:** Responsible for implementing compliance policies and ensuring adherence within their areas of accountability.
- **Compliance and legal functions:** Provide guidance, monitor regulatory developments, and support the business in meeting compliance obligations.
- **Employees:** Are expected to comply with all applicable laws, policies and standards and to report concerns through established channels.

Ethical conduct and reporting

Compliance is underpinned by Dis-Chem's Code of Ethics, which sets out expectations for lawful, ethical and responsible behaviour. Training programmes, declarations of interest, and conflict management processes reinforce these standards.

Confidential reporting mechanisms enable employees and stakeholders to raise concerns regarding

non-compliance or unethical conduct. All reported matters are investigated appropriately, and corrective actions are implemented where required.

Monitoring, assurance and continuous improvement

Compliance effectiveness is monitored through management controls, internal audits and external assurance activities as part of the Group's combined assurance model. Identified weaknesses or incidents inform enhancements to policies, training and controls, supporting continuous improvement in compliance maturity.

Supporting sustainable value creation

Through disciplined compliance governance, Dis-Chem protects its reputation, maintains regulatory trust, and safeguards its licence to operate. Effective compliance supports patient safety, fair competition, data integrity and responsible corporate conduct, enabling the Group to operate confidently and sustainably within its economic, social and environmental context.



Internal control environment

The Board of Directors is ultimately responsible for the Group’s internal control system and for reviewing its effectiveness. In line with King V™ Principles 9 (Risk, Compliance and Internal Control) and 10 (Technology and Information Governance), the Board has established a robust internal control environment to provide reasonable assurance of the reliability of financial reporting, the integrity of operational and clinical processes, compliance with applicable laws and regulations, and the safeguarding of assets and stakeholder interests.

The internal control framework is based on the Committee of Sponsoring Organisations of the Treadway Commission (COSO) principles and is embedded throughout the organisation through:

- **Tone from the top and ethical culture:** The Board and Executive Committee actively promote a culture of integrity, accountability and ethical decision-making, reinforced by the Group’s Code of Ethics, values and whistleblowing mechanisms. All employees receive regular training on ethical conduct, fraud awareness, POPIA compliance and responsible AI use.
- **Clear organisational structures and delegated authority:** Defined levels of authority, segregation of duties and approval frameworks are in place across the financial, operational, clinical, procurement and IT domains.
- **Risk-based policies and procedures:** Comprehensive policies and standard operating procedures govern key processes, including revenue recognition, inventory management, pharmacy dispensing, clinical services, data governance, AI deployment, cybersecurity and financial reporting.

- **IT and data controls:** Strong general IT controls, application controls, and the newly implemented Data and Artificial Intelligence Governance Policy (April 2026) ensure the confidentiality, integrity and availability of information systems and data, particularly customer, patient and loyalty data processed through the Better Rewards programme and digital platforms.
- **Ongoing monitoring and remediation:** Management conducts regular self-assessments, control testing and incident reviews. Material control weaknesses are promptly escalated to the Audit and Risk Committee.

The Audit and Risk Committee, on behalf of the Board, oversees the adequacy and effectiveness of the internal control environment. During FY2026, the Committee reviewed reports on key control themes, including financial controls, cybersecurity maturity, data privacy, AI risk management, supply chain resilience and pharmacy dispensing accuracy. The Board is satisfied that the internal control environment operated effectively throughout the year and that no material breakdowns in controls occurred that could have a material impact on the Group’s reported results or stakeholder interests.

Going concern

The Group’s financial statements have been prepared on the basis that the Group operates as a going concern. After a thorough review of the Group’s budget and cash flow forecast, the Directors are content with the Group’s robust financial standing. They affirm that the Group possesses adequate access to borrowing facilities, ensuring it can meet its anticipated cash needs.



Combined assurance model

Dis-Chem applies a mature combined assurance model, structured around the Three Lines of Defence framework, to optimise assurance coverage, eliminate duplication and provide the Board with integrated, reliable assurance on risk management, internal controls and compliance.

First Line of Defence (Operational management)

Business unit and functional leaders own and manage risks and controls on a day-to-day basis. This includes operational controls in stores, pharmacies, clinics, distribution centres, digital platforms and support functions, as well as first-line monitoring of AI systems and data quality.

Second Line of Defence (Oversight functions)

Independent oversight is provided by specialist functions, including:

- Group Risk Management, and Compliance
- Privacy, Legal, and Regulatory Affairs
- Finance and Treasury
- Health, Safety, and Clinical Governance
- Data, Analytics, and AI Governance
- Information Security

These functions develop policy, set standards, perform monitoring, and provide guidance and challenge to the first line.

Third Line of Defence (Independent assurance)

Independent assurance is delivered by:

- **Internal Audit:** Reports functionally to the Audit and Risk Committee and provides independent, risk-based assurance on the effectiveness of governance, risk management and internal controls. PwC is the Group's internal audit firm. The 2026 Internal Audit plan included focused reviews of the Better Rewards programme, data governance, AI use cases, cybersecurity, pharmacy operations, and financial reporting controls.
- **External Audit:** Forvis Mazars provides independent assurance on the Annual Financial Statements and reports on key audit matters.
- **Other external assurance providers:** Specialist reviews covering POPIA compliance, ISO 27001 information security, PCI-DSS (where applicable), B-BBEE verification and clinical quality audits.

The Audit and Risk Committee coordinates the combined assurance process, ensuring that assurance activities align with the Group's key risks and strategic priorities. A combined assurance map is maintained and reviewed annually to identify assurance gaps or overlaps. During FY2026, the model gave the Board comfort that material risks are appropriately identified, managed, and assured.

The Board, through the Audit and Risk Committee, is satisfied that the internal control environment and the combined assurance model are adequate and effective for the year ended 28 February 2026. The Group will continue to strengthen these arrangements as it scales its digital, data and AI capabilities in support of its growth strategy.



Stakeholder relationship governance

King V™ Principle 13

The governing body should adopt a stakeholder-inclusive approach that balances the needs, interests, and expectations of material stakeholders in the organisation’s best interests over time.

Governance approach

Dis-Chem recognises that its ability to create sustainable value is directly linked to the quality of its relationships with stakeholders across the healthcare ecosystem. As an integrated healthcare retailer, service provider and partner, the Group operates in a highly regulated, socially sensitive environment where trust, access, affordability and ethical conduct are fundamental to long-term success.

The Board assumes ultimate accountability for stakeholder relationship governance and oversees the establishment of an appropriate framework to ensure that stakeholder interests are identified, understood and responsibly managed. This framework aligns with King V™’s stakeholder-inclusive philosophy and is embedded in strategy formulation, risk management, decision-making, and performance monitoring.

Board oversight and accountability

Stakeholder relationship governance is exercised through a combination of Board oversight and delegated authority to management and relevant Board committees. The Board:

- Ensures that stakeholder considerations are integrated into the Group’s purpose, business model and strategy.

- Oversees policies and practices governing stakeholder engagement, ethics, conduct, and responsible corporate citizenship.
- Considers stakeholder perspectives when assessing material matters, risks, and opportunities.
- Monitors stakeholder-related outcomes that may affect the Group’s reputation, legitimacy, and sustainability.

The Social and Ethics Committee plays a key role in monitoring the Group’s engagement with employees, customers, suppliers, regulators, and communities. At the same time, the Audit and Risk Committee oversees stakeholder-related risks, including regulatory compliance, data protection, and supply chain resilience.

Stakeholder identification and prioritisation

Dis-Chem applies a structured process to identify and prioritise stakeholders based on their influence on the Group’s ability to deliver its purpose of enabling better health outcomes and its strategic objectives.

Key stakeholder groups include:

- Customers and patients
- Employees and healthcare professionals

- Suppliers and service providers
 - Regulators and industry bodies
 - Shareholders and investors
 - Communities and public-interest stakeholders
- Stakeholder prioritisation is reviewed annually as part of the Group’s materiality assessment and risk review processes to ensure its continued relevance in a dynamic operating environment.

Engagement and responsiveness

The Group engages with stakeholders through formal and informal mechanisms appropriate to each stakeholder group, including customer feedback platforms, employee engagement forums, supplier interactions, regulatory engagements, investor communications and community initiatives.

Engagement is focused on:

- Understanding stakeholder needs, expectations and concerns.
- Identifying emerging issues that may affect strategy, operations or reputation.
- Informing decision-making and continuous improvement.
- Building trust through transparency, consistency and accountability.

Where stakeholder concerns are identified, these are escalated through appropriate governance structures and addressed through policy refinement, operational improvements, or strategic interventions.

Integration with strategy, risk and performance

Stakeholder insights are an integral input into Dis-Chem’s integrated thinking processes. Outcomes from stakeholder engagement inform:

- Strategic priorities, including access to affordable healthcare and ecosystem development.
- Risk identification and mitigation, particularly regulatory, operational and reputational risks.
- Material matters disclosed in the Integrated Annual Report.
- Sustainability initiatives and responsible corporate citizenship programmes.

This approach ensures that stakeholder relationship governance supports sustainable value creation across the short-, medium-, and long-terms.

Ethical conduct and trust

Dis-Chem’s stakeholder relationships are underpinned by an ethical culture informed by the Group’s values, code of conduct and commitment to responsible corporate citizenship. The Board recognises that stakeholder trust is critical in healthcare and retail, and accordingly emphasises fairness, transparency and accountability in all stakeholder interactions.

Ongoing focus

The Board is satisfied that Dis-Chem’s stakeholder relationship governance framework is appropriate to the nature, scale, and complexity of the Group. Ongoing focus areas include enhancing data-driven stakeholder insight, strengthening engagement across the integrated healthcare ecosystem, and continuously improving transparency and responsiveness as stakeholder expectations evolve.



Additional corporate governance matters

Company secretary

Ms Nikki Lumley serves as the Group Company Secretary and provides independent guidance to the Board and its committees on corporate governance, regulatory compliance, Board procedures, and JSE Listings Requirements. She ensures that the Board and individual Directors have access to appropriate information and advice, facilitates the induction and ongoing professional development of Directors, and maintains the Group's statutory records and governance documentation. The Board is satisfied that the Company Secretary has the necessary competence, qualifications, and experience to fulfil her duties effectively and that she maintains an arm's-length relationship with the Board while reporting administratively to the Chief Executive Officer.

Share dealings

The Group maintains a strict Share Dealing Policy and a closed-period trading protocol that fully complies with the JSE Listings Requirements and the Financial Markets Act. All Directors, Prescribed Officers, and designated persons are required to obtain prior written clearance from the Board or the designated approver before dealing in Dis-Chem securities. Dealings during closed periods are prohibited, and all transactions are promptly disclosed via SENS announcements. The policy is reviewed annually and communicated regularly to relevant employees to reinforce ethical conduct and prevent insider trading.

Investor relations

Dis-Chem is committed to transparent, timely, and balanced communication with shareholders, investors, analysts, and the broader investment community. The Group maintains an active investor relations programme, including the publication of comprehensive results presentations, SENS announcements, and integrated reporting. The Chief Executive Officer, Chief Financial Officer, and Investor Relations function engage regularly with institutional investors, fund managers, and analysts through one-on-one meetings, roadshows, and results briefings.

All price-sensitive information is released simultaneously to the market in compliance with JSE requirements. The Group's investor relations policy is available on the corporate website and supports constructive dialogue while protecting the integrity of the market.

Performance evaluation

In line with King V™ recommendations, the Board conducted a formal, independent evaluation of its performance, that of its committees, the Chairperson, and individual Directors during FY2026. The assessment covered effectiveness in strategy oversight, risk governance, succession planning, diversity, and stakeholder engagement. An external facilitator led the process to ensure objectivity. The evaluation confirmed that the Board and its committees continue to operate effectively, with strong alignment to the Group's strategic objectives. Areas for enhancement, including a deeper focus on digital transformation, AI governance, and sustainability integration, have been incorporated into the Board's forward work

plan. Individual Director evaluations support ongoing development and informed decisions on re-election.

Board assessment of Director independence

The Board conducted a formal assessment of Director independence during the reporting period, in line with the principles and recommended practices of King V™. Based on the evaluation and the relevant criteria and declarations provided by each Director, the Board is satisfied that the Non-Executive Directors who have served more than nine years on the Board continue to demonstrate the requisite level of independence in character and judgement. The assessment confirmed that the Directors uphold high standards of objectivity, integrity, and transparency, and that appropriate safeguards are in place to support independent decision-making. The Board remains committed to robust governance practices and will continue to monitor Director independence, ensuring that any factors that may affect it are appropriately considered and disclosed. Furthermore, the Board will continue to prioritise Director development and governance awareness to reinforce the importance of independence in its oversight responsibilities.

Sustainability governance

The Board oversees the Group's sustainability strategy and performance through the Social and Ethics Committee, which reports quarterly to the Board. Sustainability is integrated into strategic planning, risk management, and decision-making,

with explicit focus on environmental stewardship, social impact, ethical conduct, and responsible corporate citizenship in line with King V™. The Group published its third standalone Sustainability Report alongside the Integrated Annual Report, detailing progress on material ESG matters, including climate resilience, transformation, community health initiatives, and ethical supply chain practices. The Board is satisfied that sustainability risks and opportunities are appropriately identified, managed, and assured, supporting long-term value creation for all stakeholders.

Board approval

The Board acknowledges its responsibility for the preparation and integrity of the Integrated Annual Report and the Annual Financial Statements. The Directors confirm that the FY2026 Integrated Annual Report, taken as a whole, presents a balanced, accurate, and accessible representation of the Group's performance, position, and prospects in compliance with King V™, the JSE Listings Requirements, and International Integrated Reporting Framework principles. The Board approved the Integrated Annual Report on 30 June 2026 and the Annual Financial Statements on 28 May 2026 and authorised their release. The Directors, having made appropriate enquiries, consider that the Group has adequate resources to continue in operation for the foreseeable future and have adopted the going-concern basis in preparing the financial statements.



Social and Ethics Committee Report

The Social and Ethics Committee is a statutory committee within the Group’s governance structure, in line with the requirements of the Companies Act 71 of 2008. The committee focuses on monitoring and advising the Board of Directors on matters related to the Group’s sustainability, social and ethical responsibilities in line with its terms of reference. The Social and Ethics Committee plays a crucial role in promoting responsible business practices, fostering a positive corporate culture, and ensuring that the Group operates in a manner that is consistent with ethical standards.

Composition, meetings, and functioning

The Board appoints members of the Social and Ethics Committee and its Chair based on recommendations from the Nominations Committee.

Committee members and their qualifications

Member	Role	Qualifications
Alupheli Sithebe (Chair)	Independent Non-Executive Director	BCom Acc, BAcc (Hons), CA(SA), MBA, Executive Leadership Program (Oxford)
Anuschka Coovadia	Independent Non-Executive Director	MBChB, MSc, MAP
Happy Masondo	Independent Non-Executive Director	BA, LLB, LLM (Wits), LLM (Duke)

The Chief Executive Officer, Chief Financial Officer, ESG and Human Capital Executives are standing meeting invitees. Other senior management, assurance providers, professional advisers and Board members attend committee meetings by invitation. The committee reports on its activities to the Board at the Board meeting following each committee session.

Meetings

The committee convenes regular meetings, ensuring it fulfils its duties. Attendance of committee members is mandatory at all scheduled meetings, including any ad hoc meetings called for special matters, unless prior apologies with reasons are provided. Three meetings were held during the year. Attendance details are on [page 63](#).

Functions of the committee

The specific duties and oversight responsibilities of the committee include, but are not limited to, the following:

- Monitoring of Dis-Chem’s activities having regard to statutory requirement and best practice guidelines concerning:
 - » Ethical conduct systems and effectiveness assessment
 - » Employee welfare
 - » Social responsibility and good corporate citizenship
 - » Environmental impact
 - » Stakeholder and consumer relations
 - » Compliance with applicable laws and regulations
 - » Reporting on matters within its mandate to the shareholders at the Group AGM





FY2026 highlights

FY2026 was themed "Deepening our processes to deliver ESG impact", with Dis-Chem achieving progressive improvements across all five ESG strategic pillars. Building on the governance and strategic foundations established in previous years, the Group focused on embedding ESG into business strategy, strengthening oversight structures, and enhancing risk and materiality processes. Key developments included advancing materiality and ESG risk assessment processes, commencing the quantification of material ESG-related financial impacts, and strengthening governance of ethical business conduct and anti-money laundering. These initiatives reinforce the Group's commitment to creating long-term value through responsible and sustainable business practices.

Key progress included

- Formal integration of ESG considerations into Dis-Chem's business strategy and decision-making, supported by the adoption and implementation of the Sustainability Policy and strengthened by a robust materiality, ESG risk and Dependencies, Impacts, Risks and Opportunities (DIRO) assessment process.
- Commenced quantification of material ESG-related financial impacts to inform strategic decision-making and support future alignment with IFRS S1 and IFRS S2 reporting requirements.
- Strengthened ESG governance through enhancements to the Code of Ethics, Supplier Code of Conduct, anti-money laundering requirements, whistleblowing framework and committee oversight structures.
- Expanded ESG-related KPIs linked to executive and senior management performance assessments and remuneration, including the integration of culture survey outcomes into performance targets.
- Enhanced supplier management and responsible sourcing practices through independent laboratory testing, increased supplier adoption of the Supplier Code of Conduct and the implementation of supplier self-assessment questionnaires.
- Continued to improve ESG data quality, reporting processes and assurance practices, supported by ongoing oversight of climate-related, social and governance matters through the Group's governance structures.
- Implemented learnings from the culture transformation programme to support strategic objectives and strengthen organisational culture.

Priorities for FY2027

FY2027 is themed "Delivering measurable ESG impact".

The SEC's priorities include:

- Finalising the quantification of material ESG-related financial impacts and advancing alignment with the IFRS S1 and IFRS S2 disclosure requirements.
- Strengthening oversight of climate-related risks, opportunities and resilience planning.
- Monitoring the implementation of the Group's sustainability strategy and Sustainability Policy.
- Enhancing supplier governance, ESG risk management and responsible sourcing practices.
- Continuing to strengthen ethical conduct, whistleblowing oversight and anti-corruption controls across the value chain.
- Supporting improvements to ESG reporting, assurance and governance processes to enhance transparency and decision-making.
- Monitoring progress against material ESG matters and associated risk-management actions.

Authority

The committee operates within the delegated authority of the Board, as stipulated in its terms of reference. With this authority, the committee can investigate any activity within its defined scope and carry out the functions outlined in Regulation 43 of the Companies Act.

Compliance

The obligations and roles of committee members are detailed in its terms of reference, adhering to the stipulations of the Companies Act 2008, the Group MOI, JSE Listings Requirements, King V™ and other pertinent legal or regulatory statutes.

The Social and Ethics Committee confirms that it has executed its responsibilities per its terms of reference and applicable regulations. No material non-compliance with applicable regulations and legislation relating to the areas within the committee's mandate was brought to its attention based on its monitoring activities. Dis-Chem incurred no material fines, penalties or convictions during the reporting period.

The Board is satisfied that the committee effectively carried out its mandate over the past year.

Alupheli Sithebe
SEC Chair



Remuneration governance and disclosure

76 Remuneration report

Remuneration report

Introduction

The Dis-Chem Remuneration Committee (RemCo) is pleased to present this remuneration report for the year ending 28 February 2026 to shareholders and other interested stakeholders, on behalf of the Dis-Chem Board.

The purpose of this report is to set out how remuneration policies and practices support the vision and strategy of Dis-Chem whilst enhancing alignment of interest between shareholders, wider stakeholders, Executive Directors, and all employees.

This report forms part of the integrated reporting suite and should be read alongside related documents for a comprehensive view of governance and performance. The report demonstrates adherence to the King V™ Report on Corporate Governance for South Africa 2025, the Companies Act, No 71 of 2008 (as amended) and the JSE Limited Listings Requirements.

In alignment with the requirements of King V™, this report reflects three elements:

- Part 1** Chairperson's background statement
- Part 2** Remuneration policy
- Part 3** Remuneration implementation report

The importance of transparency and accountability in remuneration practices is recognised and Dis-Chem is fully compliant with all regulatory requirements and remains committed to transparency, accountability, and good governance in all aspects of remuneration.

Part 1 Chairperson's background statement

Dear shareholders,

During the year under review, the Board, supported by the Remuneration Committee, placed particular emphasis on updating the Group's remuneration policy to ensure ongoing alignment with Dis-Chem's strategic objectives and evolving stakeholder expectations. A key focus was the review and enhancement of the long-term incentive (LTI) plan, utilising the existing forfeitable share plan (FSP) to reinforce the connection between executive remuneration and sustainable shareholder value creation. The

revised LTI framework is designed to better align executive interests with those of shareholders, while reflecting current market practice and supporting the achievement of long-term performance and value.

The mandate of the Remuneration Committee remains unchanged to ensure that remuneration is fair and competitive for both executives and employees, while also aligning pay structures with performance outcomes and regulatory requirements.

The Committee is comprised entirely of Non-Executive Directors, 75% of whom are independent. The CEO, CFO, Executive Director, People & Culture Director and Company Secretary attend meetings by invitation only, they do not have voting rights and are excluded from discussions relating to their individual remuneration.

In FY26, the Committee met 3 times to fulfil its mandate as set out by the Board and guided by the annual work plan.

Meeting Date	Members				Invitees				
	J Mthimunye Non-Executive Director (Chair)	KKD Kobue Non-Executive Director	H Masondo Non-Executive Director	L Nestadt Non-Executive Director	R Morais CEO	J Pope CFO	N Lumley Company Secretary	I Saltzman Executive Director	N Vilakazi People & Culture Director
13 March 2025	Present	Present	Present	Present	Present	Present	Present	Present	N/A
12 June 2025	Present	Present	Present	Present	Present	Present	Present	Present	Present
29 August 2025	Present	Present	Present	Present	Present	Present	Present	N/A	Present



Remuneration report continued

FY26 Activities of the Remuneration Committee

The annual work plan drives the activities of the Committee with key focus areas for the year continuing to embed our remuneration structure and allow us to align reward outcomes with the overall business performance.

Focus area	Outcome
Shareholder engagement	Ongoing engagement and interaction with shareholders to provide transparent remuneration disclosures.
Long Term Incentive plan review and enhancement	Conducted a comprehensive review of the LTI framework, aligning to best practice in the market. Removing the linkage to the STI metrics and focusing the long-term strategic objectives with industry practice. Increasing the performance period with the interests of shareholders and supporting the delivery of sustained performance beyond annual targets.
Developing updated remuneration philosophy and a consolidated remuneration policy	The Group has progressed the development of a comprehensive Total Rewards Philosophy, supported by aligned policies and updated practices, to provide a clear and consistent framework for how employees are rewarded.
Implementing a Cost to Company (CTC) flexible benefits structure	As part of the CTC transition in FY26, employees are enabled to tailor their reward mix in line with their individual needs, life stage, and financial priorities. This approach enhances competitiveness, supports employee financial wellbeing, and drives attraction and retention, while aligning to modern market practices and improving operational efficiency.
CTC annual review	The Group's remuneration adjustments were determined following a holistic assessment of business performance and internal affordability, including revenue growth and broader financial sustainability considerations. In aligning reward outcomes with the Group's strategic intent, increases were structured to reinforce future capability requirements, evolving operating model priorities, and enterprise-wide strategic objectives. An average increase of 5.2% was applied, with differentiated outcomes reflecting performance distinctions across employee categories.
STI and LTI metrics	The Group continues to evolve its Short-Term Incentive (STI) and Long-Term Incentive (LTI) frameworks to more deliberately incorporate ESG-linked performance metrics, ensuring alignment between executive remuneration, sustainable business practices, and long-term value creation.
Malus and Clawback	Refresh of the malus and clawback policy, ensuring principles will be reinforced through consistent application across remuneration practices. Ensures appropriate alignment between variable pay outcomes and conduct, performance, and risk considerations, thereby strengthening accountability and supporting responsible remuneration governance.
Fair and responsible pay	Analysis of pay gap ratios and implementing changes where necessary to ensure fair and equitable pay outcomes across the Group.
Companies Act amendments	Remain abreast of changes to ensure readiness of disclosure requirements.

Business performance and impact on key remuneration decisions and outcomes

The Group released its financial results for the year ended 28 February 2026, on 29 May 2026.

The Group generated strong revenue performance in an environment where the consumer continued to be financially constrained, while improving total income margin and gaining market share across all core retail categories.

The key driver of the strong core retail performance was positive operating leverage. Like-for-like retail sales was 5.3%; with like-for-like payroll cost, the largest contributor to retail expenses, at 3.5%.

As a result of the business performance:

The Dis-Chem Group annual review budget was set at 5.2%, informed by inflation, legislated by minimum wages and affordability considerations. Increases ranged from 0% – 7.4% reflecting individual performance ratings as determined by the performance management process and employee job band, with a higher average increase being awarded to the lower-level employees.

Executive level increases were lower than employees at 2.1% on average.

Non-Executive Directors fees increase proposed as 5.2%

All eligible permanent employees in receipt of an annual STI bonus or 13th cheque, equalling a total expenditure of R470 million.

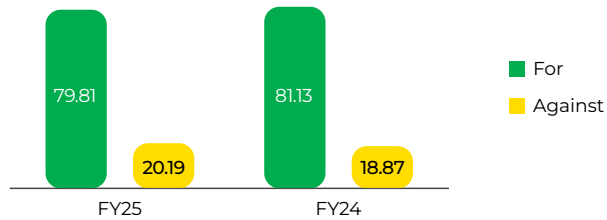


Remuneration report continued

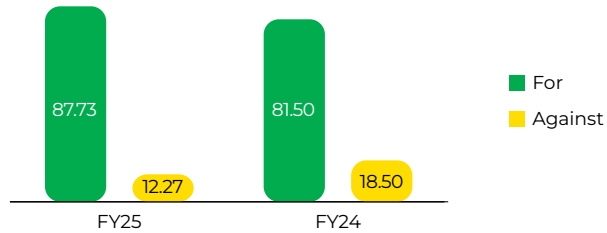
Voting and shareholder engagement

The voting outcomes from the Annual General Meeting, held on 31 July 2025 remain consistent and favourable against the previous year.

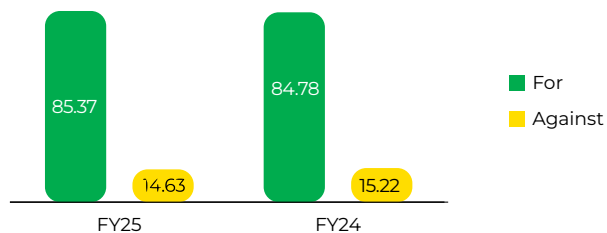
Remuneration policy (%)



Implementation report (%)



NED fees (%)



Shareholder feedback

We continue to engage with our shareholders to inform our focus areas and feedback raised at the AGM can be categorised into the following themes:

Theme	Concerns	Action taken
Transformation and Employment Equity	<ul style="list-style-type: none"> Low representation at senior management levels The need for measurement steps to embed transformation in leadership succession and governance Specific targets to be included in the STI scorecard 	<ul style="list-style-type: none"> The STI scorecard as shared on page 82 provides full details of the transformation targets. Targets also set in LTI scorecard.
STI and LTI metrics	<ul style="list-style-type: none"> Request for clearer distinction between short- and long-term performance metrics No performance hurdles and vesting conditions aligned to long-term KPIs 	<ul style="list-style-type: none"> STI metrics are designed to govern annual performance, for achieving key operational and financial targets within each financial year. These metrics typically include measures such as revenue growth, profitability, and operational efficiency, which are directly linked to the Group's immediate business priorities. By focusing on annual outcomes, the STI encourages management to deliver consistent results and maintain high standards of performance throughout the year. The long-term incentive (LTI) framework has been comprehensively redesigned to decouple its performance metrics from those used in the STI, reflecting best practice in the market. The new LTI structure is now centred on long-term strategic objectives, such as sustainable growth, value creation, and leadership in the industry. Performance is assessed over a three-year vesting period, with metrics tailored to incentivise behaviours and achievements that drive enduring shareholder value. This approach ensures that executive rewards are closely aligned with the interests of shareholders and supports the delivery of sustained performance beyond annual targets.
Employee Value Proposition	Lack of disclosure around minimum wage benchmarking and employee value proposition (EVP)	<p>Dis-Chem remunerates employees approximately 6% - 8% above the statutory minimum wage, with applicable sectoral requirements, and delivers additional employee value through a comprehensive EVP and Total Rewards framework, supporting fair and competitive remuneration practices.</p> <p>Comprehensive details on our overall EVP have been shared on page 81.</p>



Remuneration report continued

Remuneration Focus Areas FY27/FY28

Looking forward to FY27/FY28 the Remuneration Committee plan to focus on:

Focus area	Desired outcome
Total Reward Philosophy	Strengthen alignment to the Group's newly developed philosophy and strategic objectives, enhance consistency and governance, and ensure a holistic, market-aligned approach to reward across the organisation.
External Market Benchmarking	Align Dis-Chem's remuneration practices to remain competitive within the retail, healthcare and support services sectors, enabling us to attract, retain and motivate the talent required to deliver sustainable growth, exceptional customer service and long-term business success.
Guaranteed Remuneration Package – Phase Two	Enable employees to make informed choices by offering flexibility on their contributions (pension fund), allowing for greater personalisation of their benefits structure. This approach is designed to accommodate a diverse workforce with varying life stages and financial needs, enabling employees to optimise their benefits mix in a way that best supports their individual circumstances.
Performance Management	Effectively position employees to embed the appropriate capabilities required as the organisation evolves, strengthen accountability across all levels and leverage performance insights to inform targeted development plans and learning interventions to sustain the success of the organisation.
Fair and responsible pay	Continue to monitor and respond to developments in corporate governance to ensure alignment with King V™, JSE Listings Requirements, the Companies Act and evolving stakeholder expectations.

External advisors

The Remuneration Committee has engaged with Deloitte Consulting to provide independent, specialist expertise as required, to ensure its remuneration policies and practices remain aligned with market best practice and applicable regulatory requirements.

The Remuneration Committee is satisfied that the advice and services received were objective, independent and fully aligned with Dis-Chem's requirements. Furthermore, the Committee confirms that the engagement complied with all relevant legal and regulatory requirements and that no conflicts of interest arose during the process.

Compliance statement

The Remuneration Committee takes full responsibility for the integrity of this remuneration report. Following a detailed review, the Committee is satisfied that the remuneration policy was complied with and there were no substantial deviations from the policy during the year. The Committee is confident that the report provides an accurate and comprehensive explanation of the factors influencing remuneration within the organisation, along with the remuneration decisions made for the FY26.

I give thanks to the members of the Remuneration Committee for their contribution, to the Dis-Chem board for their support and entrusting the committee with the execution of our mandate and to shareholders and stakeholders for feedback received and forthcoming at the AGM on 31 July 2026.

Sincerely

Joe Mthimunye
Chair of the Remuneration Committee

Part 2 Remuneration policy

Remuneration philosophy

Our remuneration reflects our purpose: attracting, retaining and motivating the talent needed to deliver better health for all South Africans, in a way that is fair, competitive and responsibly governed.

Remuneration principles

The key principles underpinning the remuneration philosophy include:

Strategic alignment: Remuneration practices are aligned with business strategy and shareholder interests, supporting long-term value creation and sustainable business practices.

Performance-driven: Rewards are linked to both Group and individual performance, enabling business growth and achievement of strategic objectives. Performance is regularly reviewed and benchmarked against industry standards and legislative requirements and the Group's sustainability commitments.

Market competitiveness: Pay levels are informed by external benchmarking against defined comparator groups to ensure remuneration remains competitive and aligned with market trends, with regular reviews to maintain relevance and affordability.

Differentiation: Remuneration reflects the diversity of roles, levels, and subsidiary entities within the Group, recognising the varying complexities, skills requirements and contributions across the organisation whilst balancing this with consistency and parity to ensure fair practices.

Fairness and responsibility: The internal grading system is used to ensure remuneration is equitable, fair, and transparent while differentiation within a grade remains applicable where role complexity, specialisation or scarcity of skills warrants it. Pay equity is addressed in line with legislative requirements covering both vertical and horizontal pay gaps and ensuring equal pay for work of equal value.

Total Rewards: The remuneration framework balances monetary and non-monetary rewards, enabling employees to tailor their benefits to meet their evolving needs at different life stages.

Dignified wage and healthcare: Pay is set at a dignified level above statutory minimums and reviewed annually to ensure ongoing business affordability and alignment with dignified pay levels. In line with our purpose, "Better Health Starts Here", we extend this commitment to healthcare access to ensure ongoing access to healthcare and everyday wellness, ensuring the health and wellbeing of our employees.

Recognition: The recognition system rewards behaviours and achievements that reinforce the behaviours, values and contributions that drive our business culture and bring our purpose to life.

Governance: Remuneration practices are overseen by the Remuneration Committee, ensuring robust governance, transparency, and compliance with legislative and regulatory requirements. The Committee is responsible for regular benchmarking, maintaining a fit-for-purpose job architecture, and upholding fair, consistent, and defensible pay practices across the Group.



Remuneration report continued

Remuneration Framework

The Paterson job grading system is used to evaluate and grade jobs based on the complexity of decisions made within each role. The jobs are categorised into bands ranging from A to F with F being the highest decision band. Across the Group all roles are evaluated and a band determined to establish fair remuneration and job responsibilities.

Employee category

Dis-Chem Band (Paterson Grading System)



The following components comprise the remuneration framework:

Remuneration element	Purpose and link to strategy	Eligibility	Practice
Guaranteed Remuneration Package (GRP)	To attract and retain the right mix of talent with market-related pay, reflecting the size, scope and complexity of individual roles and responsibilities	All permanent employees who are on a C band and higher. Excluding any employees who are a part of a bargaining council	<ul style="list-style-type: none"> Total guaranteed pay is market-related, informed by regular benchmarking and targeted to align with the market median Guaranteed pay reviews are conducted annually taking account of affordability and sustainability of the Group remuneration practices and alignment or exceeding the mandated external minimum regulations
Basic salary plus benefits	The basic salary plus benefits pay structures refers to a compensation model where an employee's basic salary is defined as a fixed amount in addition to benefits and allowances	Applicable to all A and B band permanent employees as well as employees who are part of a bargaining council	<ul style="list-style-type: none"> In roles band A and B (Retail and Wholesale – Sectorial Determinations) where mandated minimum wage applies, Dis-Chem adopts a policy to pay 6% - 8% above the mandated minimum
Employee benefits and allowances	To provide relevant benefits, subject to local competitive practices and legislation, to meet employee's needs and increase overall EVP	All permanent employees	<ul style="list-style-type: none"> Benefits typically include group life cover, retirement contributions (with an escalation in Group contributions based on tenure), medical aid for band C+ roles, medical insurance for band A and B roles, employee discounts and 13th cheque (excluding those eligible for STI) Allowances are job related to ensure that employees can perform their roles with minimum inconvenience Benefits and allowances are market related and align with the laws and requirements of the country
Short-term incentive (STI)	To drive a high-performance culture that motivates and rewards substantial achievement of business performance and individual objectives	<p>Employees at senior and middle management level and in key strategic roles</p> <p>Employees not eligible for short-term incentives will qualify for a 13th cheque or annual bonus (applies to employees in band A, B and C)</p>	<ul style="list-style-type: none"> Based on the financial performance of the business and an individual's performance, rewards on target and stretch performance for eligible staff The Remuneration Committee approves the Group STI spend annually based on overall Group performance The distribution of the spend at a business unit level is based on business and individual performance STIs are payable in cash in June
Long-term incentive (LTI)	To drive sustainable longer-term performance, encourage ownership and retention by aligning the interest of Executives to those of Dis-Chem and shareholders	Senior management and above (band F and E roles and specific strategic band D roles)	<p>Award of forfeitable performance shares expressed as a percentage of incentive attracting fixed pay</p> <p>Performance Shares will be:</p> <ul style="list-style-type: none"> Subject to a three-year performance period; vesting depends on meeting specific criteria Vesting quantum depends on performance against metrics; on target, above target, or below target Performance criteria determined and approved by the Committee Financial performance targets assessed against audited financial statements Number of vesting shares capped at a market-related maximum Shares that do not vest at the end of three years will be forfeited
Recognition Framework ("Values Ambassadors Programme")	Alignment to Dis-Chem values	All permanent employees	<ul style="list-style-type: none"> Encourages managers and employees to recognise team members who exemplify the four core values: Excellence, entrepreneurial spirit, customer service and do the right thing
Employee Discount and Rewards	Commitment to equitable and holistic EVP practices	All permanent employees	<ul style="list-style-type: none"> Employee discount on selected front-shop products Priority Customer Boost as a discounted programme that offers employees discounts that are on the Groups Better Rewards Basket*
Employee Wellness (Ask Nelson)	Designed to promote the holistic wellbeing of employees, fostering a culture of health, support, and resilience that extends beyond the workplace	All permanent employees	<ul style="list-style-type: none"> Encourages employees to lead healthier lives both physically and mentally, while enhancing overall engagement, productivity, and job satisfaction

* extraRewards programme evolved into the Better Rewards Discount.

Remuneration report continued

Remuneration market and peer benchmarking

Dis-Chem commits to paying market-related remuneration packages and regularly reviews the extent of market competitiveness through conducting external benchmarking. Premiums may apply for scarce and critical skills sets, where appropriate. The scarce and critical skills will be reviewed on a regular basis to ensure that these premiums are in accordance with market practice.

Remuneration benchmarks will continue to be aligned on the Paterson job grading methodology to enable ease of comparison to available benchmark data.

Employee Value Proposition and total rewards

Dis-Chem has defined a differentiated Employee Value Proposition (EVP) anchored on four strategic pillars:



These pillars collectively articulate the Group's commitment to delivering a compelling and balanced employee experience, aligned to both organisational objectives and the evolving needs of our workforce.

Within this framework, the Total Rewards pillar is designed to ensure fair, competitive, and equitable remuneration, while providing a range of benefits that support employee wellbeing, financial resilience, and overall value realisation.

In FY26, the Group enhanced its reward offering through the introduction of the Better Rewards Programme, positioning Dis-Chem competitively within the market and reinforcing its commitment to employee value. A key feature of this programme is the Priority Customer construct, which intentionally extends the value proposition afforded to employees, recognising them as a critical stakeholder group within the Dis-Chem ecosystem.

As part of this improvement, the Priority Customer Boost was introduced, providing employees with an additional 10% discount on top of the existing 10% base discount for Better Reward products. Employees also benefit from a range of additional boosts, aligned to the broader Better Rewards structure.

The evolution of Total Rewards reflects Dis-Chem's strategic intent to recognise and prioritise employees as integral contributors to the Group's healthcare ecosystem. The Group remains deliberate in ensuring that reward decisions reinforce this positioning, with employees continuing to be prioritised in the design and delivery of value-enhancing initiatives.

Fair and responsible remuneration

Dis-Chem has embarked on a journey with Deloitte Consulting, to formally run a pay equity analysis to holistically review the existing Group fair and equitable pay framework and continue to move towards an organization rooted in equity. During FY26 comprehensive analysis was conducted to evaluate pay equity and fair pay at a macro and micro level enabling us to measure, track and monitor fair and responsible pay metrics and take actions to address issues identified. Our framework remains committed to fair and responsible remuneration practices. Dis-Chem complies with all applicable minimum wage legislation and sectoral determinations and, as a matter of practice, remunerates employees at levels that are generally between 6% and 8% above the applicable statutory minimum wage thresholds.

Dis-Chem's employee value should be assessed through the lens of its broader EVP and Total Rewards pillar rather than guaranteed pay alone. Employees benefit from a range of offerings that contribute to their overall financial wellbeing, health, development, and security, including healthcare-related benefits, retirement and risk benefits, employee discount programmes, wellness initiatives, and learning and development opportunities.

Our EVP broadly enables us to achieve our objective of attracting, retaining, and rewarding talent in a sustainable and responsible manner. We will continue to analyse and enhance the approach to fair pay, implementing measures as part of a structured journey towards greater transparency and equity. This will be in line with the Companies Act disclosure requirements, details are shared in the implementation report.

Learning and career development

Dis-Chem remains committed to enabling continuous growth and career progression for employees. During the year, bursaries were awarded to permanent employees and their dependents to the value of R16.6 million, reinforcing the Group's investment in long-term capability building. In addition, the Group continues to offer Skills Development programmes such as Employed Learnerships with a total investment of R2.6 million in FY26.

Additionally, a Retail Trainee Development Programme has been designed to strengthen internal talent pipelines and support the Group's store expansion strategy. This programme prioritises the development and advancement of internal talent, ensuring that growth in footprint is supported by a sustainable and capable workforce.

Finally, we are enhancing digital learning by providing all employees with access to LinkedIn Learning, enabling flexible, bite-sized, self-directed learning aligned to their development and career goals. This supports a scalable, inclusive learning culture while strengthening organisational capability and agility.

Holistic Healthcare and employee wellbeing

The Group continues to embed a comprehensive approach to employee wellbeing. Through its Employee Assistance Programme, in partnership with Kaelo, employees have access to confidential counselling, as well as financial and legal advisory services via the ASK Nelson platform. This programme continues to expand, with increased membership and extended coverage to family members, providing accessible primary healthcare to employees in Bands A to C.

Collectively, these initiatives reflect Dis-Chem's integrated approach to Holistic Healthcare, ensuring that employees are supported not only through fair remuneration, but also through meaningful benefits and development opportunities that enhance their overall quality of life and contribution to the organisation.

During the year, a daily breakfast offering was introduced across stores, extending a benefit already in place within distribution centres and Head Office. This ensures consistent access to essential nutrition for employees at the start of their workday across the Group. The initiative reflects the Group's recognition of the direct link between employee wellbeing, productivity, and overall organisational performance, while reinforcing a more equitable and inclusive employee value proposition.



Remuneration report continued

Approach to variable remuneration

All Dis-Chem permanent employees are eligible for one of the following bonus schemes:

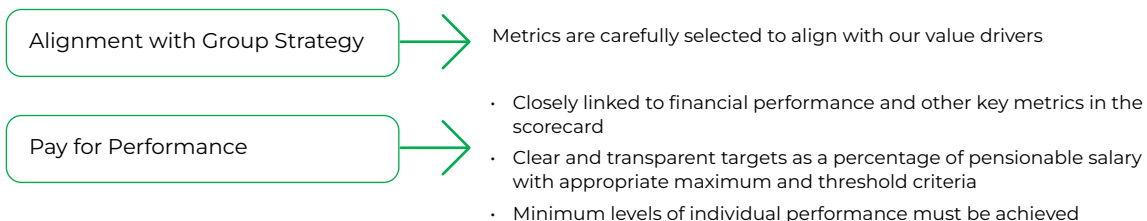
Bonus	Review period	Eligible population	Target
Short Term Incentive (Paid Jun)	Financial year	Employees in band D and above	Range from 1 month's pensionable salary to 3 months' pensionable salary for Head Office employees and up to 12 months' salary for Operational employees (excluding Executives)
Annual bonus (Paid Dec)	Calendar year	Employees in band A and B	1 months' basic salary
Annual bonus (Paid in Birthday month)	Birthday month to birthday month the next year	Employees in band C and above not eligible for STI	1 months' pensionable salary (as at Dec)

*The legacy profit-sharing schemes will be phased out over time to align with the STI.

The Remuneration Committee reviews the appropriateness of the variable pay structures annually.

Short-Term Incentive (STI) Scheme

The key features adopted are:



The CEO and CFO potential on-target bonus is 40% of their remuneration package.

	Group Performance	Individual Performance	Financial Weighting	Non-Financial Weighting	Potential on-target bonus %	Potential maximum bonus %
CEO	100%	0%	70%	30%	40%	43.3%
CFO	100%	0%	70%	30%	40%	43.3%
Prescribed Officers	100%	0%	70%	30%	22.5% - 30%	24.3% - 32.4%

Across the Group, performance metrics reflect financial, non-financial and personal KPIs determined through a scorecard approach. The scorecard for financial and non-financial metrics, may include:

	Key Performance Indicator
Financial	Group HEPS
	Cost containment
	Working capital
Non-financial	Climate change: Scope 2 carbon emissions
	Municipal electricity consumption
	Employment equity - gender top management
	Employment equity - racial top management
	BBBEE score
	Lost time injury frequency rate
	Number of fatalities
	Product quality and safety - number of product recalls (house brands)
	Number of data privacy and protection breaches
	FTSE/JSE Responsible investment index score
Number of reportable unethical business conducts	
Customer health and safety (rate of dispensing errors)	

The Remuneration Committee reviews the key performance indicators on an annual basis to ensure continued alignment with the Group's strategy and evolving business priorities.

Any consequential changes to the KPIs will be disclosed in the following remuneration report.



Remuneration report continued

The scorecard approach is cascaded down through the organisation setting key performance indicators that are relevant across the different employee groupings and levels of accountability as outlined in the table below:

Level/Employee grouping	Financial metrics weighting	Non-financial metrics weighting	Personal KPIs weighting
CEO and CFO	70%	30%	0%
Executives	70–75%	25–30%	0%
Dispensary	70%	10–15%	15–20%
Retail	70%	10–15%	15–20%
Head Office	40%–60%	10–15%	15–50%
Wholesale	60%–70%	15%–30%	0%–25%

At the Executive level, STI is linked 100% to the Group performance, comprising of financial (70% weighting) and non-financial (30% weighting) metrics. There is no individual performance component. All other employees have a personal KPI component, achievement is informed through the performance management process and awards an increase to employees rated in performance category 'average expectation' and above.

Long-Term Incentive Plan

The revised Long-Term incentive plan ensures Dis-Chem remains competitive, rewards long-term sustainable performance, acts as a retention tool, and aligns executive interests with shareholders.

Eligible participants (Band F, E and selected D) will be awarded forfeitable performance shares expressed as a percentage of incentive attracting fixed pay.

Performance Shares will be:

- Subject to a three-year performance period; vesting depends on meeting specific criteria
- Vesting quantum depends on performance against metrics; on target, above target, or below target
- Performance criteria determined and approved by the Committee
- Financial performance targets assessed against audited financial statements
- Number of vesting shares capped at a market-related maximum
- Shares that do not vest at the end of three years will be forfeited

LTI metrics will be approved annually by the Remuneration Committee with a focus on Financial and Non-Financial metrics, which may include ESG, culture and BBBEE targets. The performance period FY26 – FY29 is outlined below:

Band E and F Employees:

Strategic priorities	Key Performance Area	Weighting
Financial	HEPS growth	35%
	ROE	35%
Non-financial	ESG	7.5%
	Culture	15%
	BBBEE	7.5%

Band D Employees:

Strategic priorities	Key Performance Area	Weighting
Financial	HEPS growth	30%
	Cost containment	30%
	Working capital	10%
Non-financial	ESG	7.5%
	Culture	15%
	BBBEE	7.5%

The Remuneration Committee reviews the key performance indicators and weighting on an annual basis to ensure continued alignment with the Group's strategy and evolving business priorities.

Any consequential changes will be disclosed in the following remuneration report.



Remuneration report continued



Position/Band	Target Award as Percentage of incentive attracting fixed pay	Maximum award
CEO	90%	135%
CFO	80%	120%
E Upper	50%	75%
E Lower	40%	60%
D Upper and Lower	25%–30%	45%

Minimum shareholding requirements

The Board has considered the appropriateness of minimum shareholding requirements for Directors in the context of the Group's current stage of development and long-term strategic objectives. While Directors are encouraged to maintain a meaningful alignment with shareholder interests, the Board recognises that individual shareholding levels may vary depending on tenure, role, historical involvement with the Group and personal investment considerations.

Malus and clawback

The purpose of malus and clawback is to allow the Group and its board to reduce or cancel unvested and unpaid incentives ("malus"), as well as recoup vested, settled and paid incentives ("clawback"). The policy applies to all Executives STI and LTI provisions and trigger events would include but are not limited to:

- Dismissal for any due cause as applicable by law after due process and procedure has been followed
- Being found guilty in any criminal matter in a Court of Law in South Africa or any territory in which the Group operates
- Material misstatement of financial results
- Assessment of metrics upon award based on erroneous, inaccurate, or misleading information
- Fraud, dishonesty, or gross misconduct
- Events or behaviour causing reputational damage to Dis-Chem

Executive Directors conditions of service

Element	
Notice period	CEO: 6 months' notice CFO: 3 months' notice Executive Director: 3 months' notice
Restraint of trade	6 months
Guaranteed Remuneration	Paid over the notice period or as a lump sum in lieu of notice
Benefits	Applicable benefits will continue to be provided up to the termination date and then cease
STI and LTI	As per the scheme rules

Disclosed Officers remuneration

- The Remuneration Committee determines the appropriate remuneration for Executives and Prescribed Officers.
- The pay mix for Executives was updated in FY26, as part of the LTI review and aligns with typical market practice for similar roles. As an overarching principle, executive remuneration is structured to ensure alignment with the creation of shareholder value and the strategic objectives of the Group with a greater emphasis on variable performance-linked pay.
- The pay mix is the potential earnings per year that can be achieved linked to performance, it reflects the threshold, 'on target' earnings and the maximum potential.

Threshold	On Target	Stretch
This outcome reflects a scenario in which only the fixed remuneration would be paid	STI outcomes determined over a 12-month period based on meeting targets for the Group LTI focuses on a three-year period with performance metrics aligned to long-term value creation and sustainability. Award is market aligned, delivered in shares and assumed to vest at a 100% outcome for target performance	STI is capped at the maximum, aligned to market practice LTI reflects a market-aligned award delivered in shares and assumed to vest at a 150% outcome The stretch remuneration outcome would only transpire if all targets were exceeded, resulting in the delivery of significant value for shareholders and other stakeholders

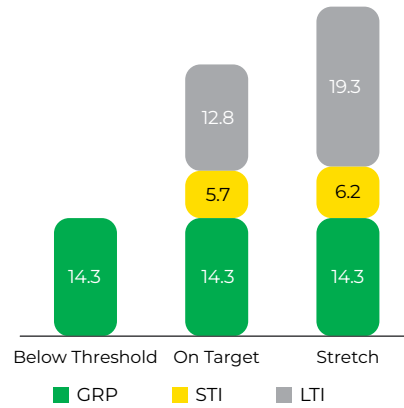
Remuneration report continued

Pay mix targets

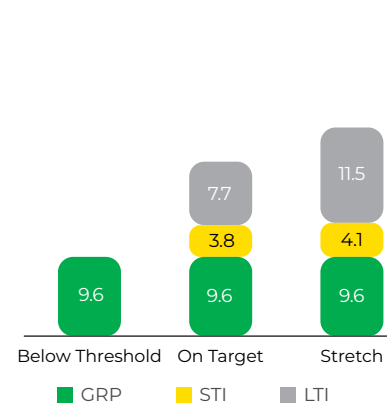
The overall pay mix for the Executive Directors is weighted towards performance-based variable pay. This approach aims to achieve alignment with the long-term strategy and value creation for shareholders. Variable pay consists of STI outcomes determined over a 12-month period and the LTI focuses on a three-year period with performance metrics aligned to long-term value creation and sustainability.

Pay mixes are reviewed against external market benchmarks to remain competitive and attract and retain talent. In the FY26 the pay mix structures were updated as part of the LTI plan review and update.

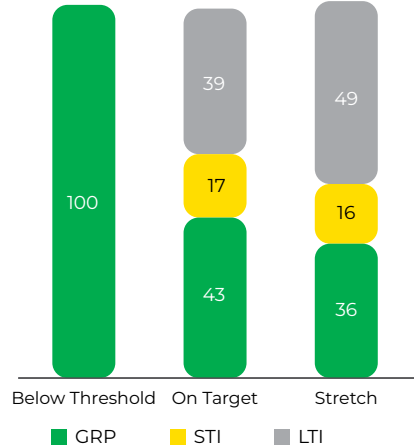
Pay mix CEO (Rm)



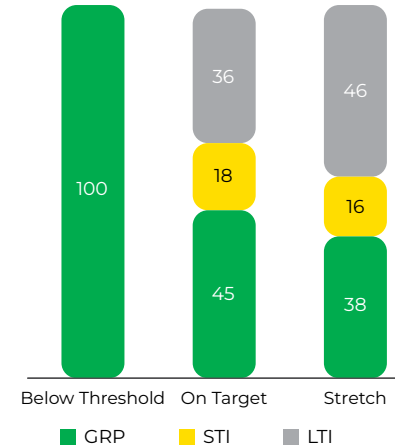
Pay mix CFO (Rm)



Pay mix CEO (%)



Pay mix CFO (%)



Remuneration report continued

Non-Executive Director remuneration

Recognising the expertise and significant amount of time that NEDs commit to their responsibilities, the Remuneration Committee considers the following factors in determining their fees:

- The Group's market capitalisation and sector
- The level of complexity and responsibility, especially in relation to regulated companies
- The time commitment (both for meetings and on a continual basis)
- Periodic benchmarking of NED fees against the same comparator group applicable to Executives and general employees
- NEDs do not receive annual incentive awards nor do they participate in the Group share schemes

Proposed Board and Committee fees

As a general principle, proposed NED fee increases are aligned with the average increase approved across the Group, therefore, a 5.2% increase is proposed to apply to the FY27 fees subject to approval by the shareholders at the AGM on 31 July 2026.

NED Fees Schedule	FY26	FY27
Chairman	3 681 246	3 872 671
Non-Executive Director	496 225	522 028
Chairperson of Audit Committee	421 599	443 522
Member of Audit Committee	251 794	264 887
Chairperson of Remuneration and Nomination Committee	260 172	273 701
Member of Remuneration and Nomination Committee	112 082	117 910
Chairperson of Social and Ethics Committee	188 758	198 574
Member of Social and Ethics Committee	101 427	106 701
Chairperson of Special Committees	9 907	10 423
Member of Special Committees	9 031	9 501

Voting Statement (Vote on the implementation report)

In accordance with Sections 30A and 30B of the Companies Act, shareholders are requested to consider and, if deemed fit, approve, by way of separate ordinary resolutions, the Group's remuneration policy and remuneration report at the AGM on 31 July 2026.



Remuneration report continued

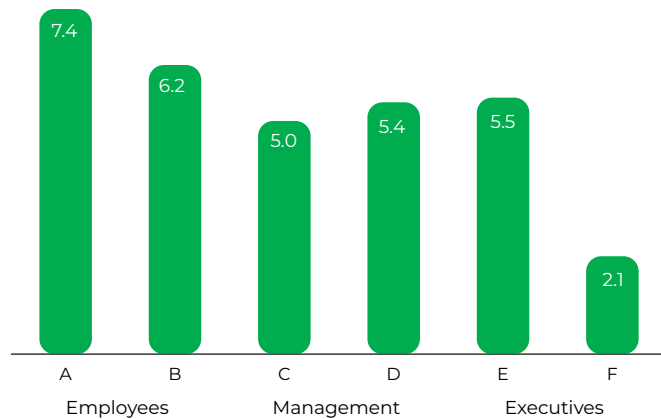
Part 3 Implementation report

This section of the remuneration report sets out the remuneration decisions taken by the Remuneration Committee pertaining to the Group’s Executive Directors, Prescribed Officers, and the general workforce. The Remuneration Committee is satisfied that there were no deviations from the remuneration policy and remuneration outcomes reflect the overall performance of the business.

Annual salary review and adjustments

In determining proposed increases, the Remuneration Committee takes account of inflationary pressures and the need to provide a fair living wage for all employees whilst also providing differentiation based on individual performance.

FY26 average increase (%)



Variable pay outcomes

The Remuneration Committee reviewed and approved the Group and individual business achievements which resulted in the approval of a total bonus pool of R470 million to apply across the eligible population.

Bonus	Review period	Eligible population	Target
Short-Term Incentive (Paid Jun)	Financial Year	Employees in band D and above	Range from 1 month's pensionable salary to 3 months' pensionable salary for Head Office employees and up to 12 months' salary for Operational employees (excluding executives)
Annual Bonus (Paid Dec)	Calendar Year	Employees in band A and B	1 months' salary
Annual Bonus Paid in Birthday month)	Birthday month to birthday month the next year	Employees in band C and above not eligible for STI	1 months' salary (as at Dec)

Remuneration report continued

Fair pay disclosures

Background

The amendments to the Companies Act have introduced enhanced remuneration reporting requirements that are intended to encourage greater transparency around fair and responsible pay. In this context, our fair pay disclosures provide stakeholders with a clearer understanding of how remuneration is distributed across the organisation and how pay outcomes compare across employee groups.

Methodology

For purposes of the fair and responsible pay disclosures, the Group has defined a consistent and comparable employee population to ensure that the reported metrics are meaningful and not distorted by partial-period earnings or atypical pay arrangements.

Eligible employee population

The disclosure population comprises permanent salaried employees and permanent wage earners who were employed for the full financial year under review.

The result is that the following categories of workers are excluded from the disclosure population:

- Employees who joined or exited during the year have been excluded to mitigate distortions arising from partial-year remuneration inclusive of:
 - » Independent contractors;
 - » Non-permanent workers including:
 - learners and interns in receipt of stipends;
 - casual workers; and
 - locum roles.

Definition of remuneration

Total gross remuneration for the year as processed through the payroll was used as an input into the numbers which differs from the King V™ total earned single figure remuneration. Total remuneration applied consistently across the population includes:

- base salary or wages;
- allowances;
- employer contributions to retirement and medical benefit funds;
- other benefits in kind; and
- short- and long-term incentive awards, where applicable.

Rationale

The application of the above criteria ensures that:

- the population reflects employees with a full period of service and remuneration;
- remuneration figures are comparable across individuals; and
- the disclosed metrics are not skewed by atypical working patterns, incomplete service periods, or inconsistent data.

The following are the results of the analysis and our disclosures:

	Total Earned Remuneration
Highest Earner	R29m
Lowest Earner	R60 000
Average	R276 000
Median	R144 000
Top 5% : Bottom 5% ratio	18.4 : 1 (18.4x)

Dis-Chem has committed that employees who work for the full year will not earn lower than R60k for the year, and this is the case, with our lowest employees earning a total gross remuneration of R60k. In addition, those who are wage earners are on an hourly minimum wage of R33.96.



Remuneration report continued

Business performance for FY26

The scorecard below applies to the Executive Directors and Prescribed Officers and reflects the outcomes achieved in FY26.

Key Performance Indicator		Weighting (%)	Target	Range can achieve (%)	Achieved	Achieved (%)	
Financial targets		75.0				56.8	
Financial	Group HEPS	32.5	4.3% (excluding X, bigly labs)	0 to 125	2.2%	16.3	
	Cost containment	32.5	90% of tracked stores achieve target	0 to 100	91%	32.5	
	Working capital	10.0	10% reduction (excluding new stores)	0 to 100	8%	8.0	
Non-financial targets		25.0				17.5	
Social	Employment equity	2.5	EE - Gender top and senior management	36.0%	0 or 100	39.7%	2.5
	Employment equity	2.5	EE - Racial top and senior management	24.0%	0 or 100	22.4%	0.0
	B-BBEE	5.0	B-BBEE Score	level 5	0 or 100	level 5	5.0
	Lost workday injuries	2.5	Lost time injury frequency rate	2% reduction	0 or 100	15% reduction	2.5
	Fatalities	2.5	Number of fatalities	0	0 or 100	0	2.5
	Product quality and safety	2.5	Number of product recalls (house brands)	0	0 or 100	1	0.0
Governance	Data privacy and protection	2.5	Number of data breaches	0	0 or 100	5	0.0
	Ethical business conduct	2.5	Number of reportable unethical business conduct. e.g. Price fixing, colluding, corruption, human rights, unethical labour practices	0	0 or 100	0	2.5
	Customer health and safety	2.5	Rate of dispensing errors	< 0.003	0 or 100	0.00257	2.5
Total achieved						74.3	



Remuneration report continued

Executive Directors' remuneration outcome disclosures



Rui Morais, Chief Executive Officer

Appointed to the Board: November 2016

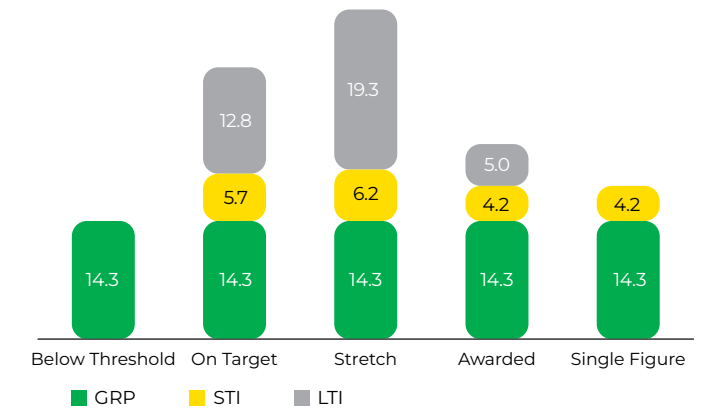
Rui's remuneration outcomes are proposed based on the performance evaluation conducted by the Board and reviewed and approved by the Remuneration Committee:

Fixed remuneration: The CEO received the approved Group wide annual salary increase of 5.2% during the reporting period.

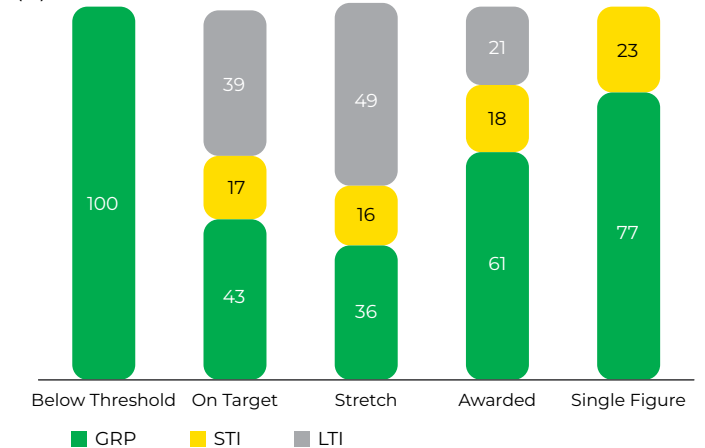
STI award: R4.2 million

LTI award: R5.0 million

Pay mix CEO (Rm)



Pay mix CEO (%)



Awarded remuneration: RM Morais	FY2026 (R'000)	FY2025 (R'000)
Salary and allowances	13 758	13 039
Retirement benefits	72	72
Other remuneration paid	490	429
Guaranteed remuneration package (GRP)	14 320	13 540
STI ¹	4 233	5 041
LTI (awarded) ²	5 041	2 360
Total awarded remuneration	23 594	20 941

Earned single figure remuneration: RM Morais	FY2026 (R'000)	FY2025 (R'000)
Salary and allowances	13 758	13 039
Retirement benefits	72	72
Other remuneration paid	490	429
Guaranteed remuneration package	14 320	13 540
STI	4 233	5 041
LTI (vesting)	-	-
Total earned remuneration	18 553	18 581

1 14 283 x 40% x 74.3% = 4 233

2 Based on previous LTI structure with new LTI structure applicable to rewards from FY27

Remuneration report continued

Executive Directors' remuneration outcome disclosures



Julia Pope, Chief Financial Officer

Appointed to the Board: July 2023

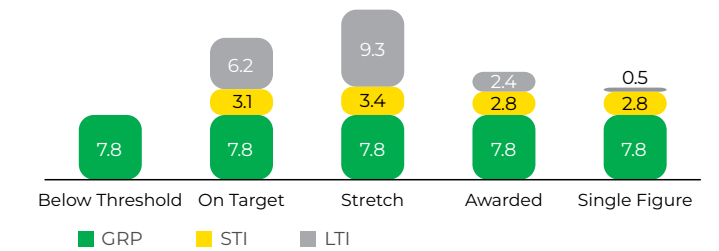
Julia's remuneration outcomes are proposed based on the performance evaluation conducted by the CEO and reviewed and approved by the Remuneration Committee:

Fixed remuneration: The CFO received a REMCO approved market alignment adjustment during the FY26 period. Consequently, the remuneration mix presented may not be fully reflective of standard pay structure and should be viewed in context of this market correction.

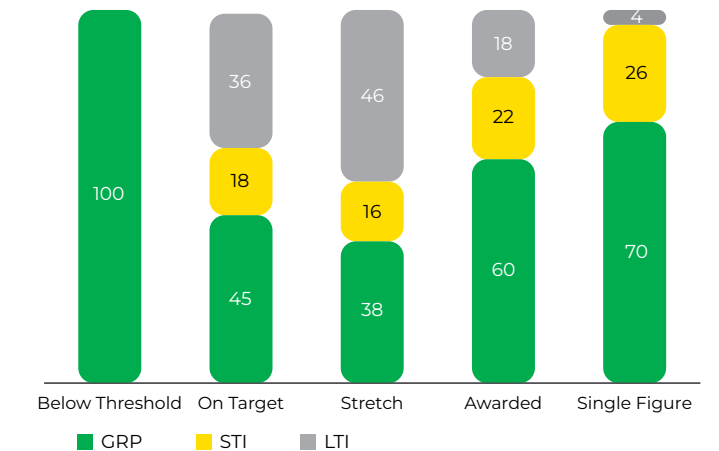
STI award: R2.8 million

LTI award: R2.4 million

Pay mix CFO (Rm)



Pay mix CFO (%)



Awarded remuneration: JD Pope	FY2026 (R'000)	FY2025 (R'000)
Salary and allowances	7 535	6 087
Retirement benefits	72	72
Other remuneration paid	166	135
Guaranteed remuneration package	7 773	6 294
STI ¹	2 842	2 356
LTI (awarded) ²	2 356	1 144
Total awarded remuneration	12 971	9 794

Single figure remuneration: JD Pope	FY2026 (R'000)	FY2025 (R'000)
Salary and allowances	7 535	6 087
Retirement benefits	72	72
Other remuneration paid	166	135
Guaranteed remuneration package	7 773	6 294
STI	2 842	2 356
LTI (vesting)	476	479
Total earned remuneration	11 091	9 129

1 9 568 x 40% x 74.3% = 2 842. The approved market alignment adjustment was implemented in phased instalments in accordance. Consequently, the remuneration disclosed reflects the cumulative impact of these phased adjustments, rather than a single salary increase applied in one instalment.

2 Based on previous LTI structure with new LTI structure applicable to awards from FY27

Remuneration report continued

Summary table of Executive Directors' and Prescribed Officers'

The South African Companies Act has defined the term "Prescribed Officer". The duties, responsibilities and reporting obligations of Directors under the Companies Act also apply to "Prescribed Officers".

The remuneration earned by the Executive Directors and Prescribed Officers in accordance with the single-figure remuneration disclosure guidance set out in King V™ is set out below:

Awarded Remuneration (R'000)

Executive Directors

	RM Morais		JD Pope		IL Saltzman		SRN Goetsch		SE Saltzman		Total	
	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025
Salary and allowances	13 758	13 039	7 535	6 087	15 221	15 206	6 403	6 410	6 928	6 563	49 830	38 502
Retirement benefits	72	72	72	72	72	72	72	72	72	72	360	360
Other remuneration paid	490	429	166	135	492	430	181	148	439	403	1 768	1 545
Guaranteed remuneration package	14 320	13 540	7 773	6 294	15 785	15 708	6 656	6 630	7 439	7 038	51 958	40 407
STI	4 233	5 041	2 842	2 356	2 489	3 137	1 055	1 323	-	1 425	10 619	13 282
LTI (awarded)	5 041	2 360	2 356	1 144	3 250	2 086	1 370	872	1 477	878	13 494	7 340
Total awarded remuneration	23 594	20 941	12 971	9 794	21 524	20 931	9 081	8 825	8 916	9 341	76 071	61 029

Earned single figure Remuneration (R'000)

Executive Directors

	RM Morais		JD Pope		IL Saltzman		SRN Goetsch		SE Saltzman		Total	
	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025
Salary and allowances	13 758	13 039	7 535	6 087	15 221	15 206	6 403	6 410	6 928	6 563	49 830	38 502
Retirement benefits	72	72	72	72	72	72	72	72	72	72	360	360
Other remuneration paid	490	429	166	135	492	430	181	148	439	403	1 768	1 545
Guaranteed remuneration package	14 320	13 540	7 773	6 294	15 785	15 708	6 656	6 630	7 439	7 038	51 958	40 407
STI	4 233	5 041	2 842	2 356	2 489	3 137	1 055	1 323	-	1 425	10 619	13 282
LTI (vesting)	-	-	476	479	3 990	-	1 251	325	1 205	-	6 922	804
Total earned remuneration	18 553	18 581	11 091	9 129	22 264	18 845	8 962	8 278	8 644	8 463	69 499	54 493



Remuneration report continued

Awarded Remuneration (R'000)

Prescribed Officers

	LF Saltzman		CJ Williams		Total	
	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025
Salary and allowances	12 483	12 479	6 964	6 600	19 447	19 079
Retirement benefits	72	72	72	72	144	144
Other remuneration paid	186	145	321	277	507	422
Guaranteed remuneration package	12 741	12 696	7 357	6 949	20 098	19 645
STI	2 038	2 575	1 631	1 915	3 669	4 490
LTI (awarded)	2 667	1 710	1 984	1 215	4 651	2 925
Total awarded remuneration	17 446	16 981	10 972	10 079	28 418	27 060

Earned single figure Remuneration (R'000)

Prescribed Officers

	LF Saltzman		CJ Williams		Total	
	FY2026	FY2025	FY2026	FY2025	FY2026	FY2025
Salary and allowances	12 483	12 479	6 964	6 600	19 447	19 079
Retirement benefits	72	72	72	72	144	144
Other remuneration paid	186	145	321	277	507	422
Guaranteed remuneration package	12 741	12 696	7 357	6 949	20 098	19 645
STI	2 038	2 575	1 631	1 915	3 669	4 490
LTI (vesting)	3 270	-	1 668	-	4 938	-
Total earned remuneration	18 049	15 271	10 656	8 864	28 705	24 135

Remuneration report continued

Schedule of share awards

The schedule below includes details of awards made during the year, awards vested during the year and the fair value of outstanding awards as at year-end.

Shares awarded are aligned to the long-term incentive award value, as determined by the assessment of the LTI scorecard. Shares are subject to a three-year vesting period and the plan rules.

Executive Directors	Award	Award Date	Award Price	Number of share units awarded	Face Value at Award Date	Expected value at 28-Feb-26	Number of shares vested during FY26	Unvested share units at 28-Feb-26	Vesting Date
IL Saltzman	Forfeitable Share Unit Awards	30-Aug-22	R34.53	123 041	4 248 606	-	123 041	-	30-Jun-25
	Forfeitable Share Unit Awards	30-Aug-23	R24.33	113 587	2 763 583	4 202 719	-	113 587	30-Jun-26
	Forfeitable Share Unit Awards	30-Aug-24	R33.34	62 577	2 086 019	2 315 349	-	62 577	30-Jun-27
	Forfeitable Share Unit Awards	31-Aug-25	R34.05	95 448	3 250 004	3 531 576	-	95 448	30-Jun-28
SE Saltzman	Forfeitable Share Unit Awards	30-Aug-22	R34.53	37 171	1 283 515	-	37 171	-	30-Jun-25
	Forfeitable Share Unit Awards	30-Aug-23	R24.33	34 315	834 891	1 269 655	Forfeited (resigned)	-	30-Jun-26
	Forfeitable Share Unit Awards	30-Aug-24	R33.34	26 341	834 891	974 617	Forfeited (resigned)	-	30-Jun-27
	Forfeitable Share Unit Awards	31-Aug-25	R34.05	43 365	1 476 578	1 604 505	Forfeited (resigned)	-	30-Jun-28
SRN Goetsch	Forfeitable Share Unit Awards	30-Aug-22	R34.53	38 565	1 331 649	-	38 565	-	30-Jun-25
	Forfeitable Share Unit Awards	30-Aug-23	R24.33	35 602	866 511	1 317 274	-	35 602	30-Jun-26
	Forfeitable Share Unit Awards	30-Aug-24	R33.34	26 151	871 750	967 587	-	26 151	30-Jun-27
	Forfeitable Share Unit Awards	31-Aug-25	R34.05	40 236	1 370 036	1 488 732	-	40 236	30-Jun-28
R Morais	Forfeitable Share Unit Awards	30-Aug-24	R33.34	70 811	2 360 502	2 620 007	-	70 811	30-Jun-27
	Forfeitable Share Unit Awards	31-Aug-25	R34.05	153 371	5 222 283	5 674 727	-	153 371	30-Jun-28
JD Pope	Forfeitable Share Unit Awards	30-Aug-22	R34.53	14 667	506 452	-	14 667	-	30-Jun-25
	Forfeitable Share Unit Awards	30-Aug-23	R24.33	18 753	456 259	693 861	-	18 753	30-Jun-26
	Forfeitable Share Unit Awards	30-Aug-24	R33.34	34 317	1 143 965	1 269 729	-	34 317	30-Jun-27
	Forfeitable Share Unit Awards	31-Aug-25	R34.05	71 665	2 440 193	2 651 605	-	71 665	30-Jun-28

Remuneration report continued

Prescribed Officers	Award	Award Date	Award Price	Number of share units awarded	Face Value at Award Date	Expected value at 28-Feb-26	Number of shares vested during FY26	Unvested share units at 28-Feb-26	Vesting Date
LF Saltzman	Forfeitable Share Unit Awards	30-Aug-22	R34,53	100 840	3 482 005	3 731 080	100 840	-	30-Jun-25
	Forfeitable Share Unit Awards	30-Aug-23	R24,33	93 092	2 264 924	3 444 404	-	93 092	30-Jun-26
	Forfeitable Share Unit Awards	30-Aug-24	R33,34	51 286	1 709 631	1 897 582	-	51 286	30-Jun-27
	Forfeitable Share Unit Awards	31-Aug-25	R34,05	78 331	2 667 171	2 898 247	-	78 331	30-Jun-28
CJ Williams	Forfeitable Share Unit Awards	30-Aug-22	R34,53	51 420	-	-	51 420	-	30-Jun-25
	Forfeitable Share Unit Awards	30-Aug-23	R24,33	47 469	-	1 756 363	-	47 469	30-Jun-26
	Forfeitable Share Unit Awards	30-Aug-24	R33,34	36 438	-	1 348 206	-	36 438	30-Jun-27
	Forfeitable Share Unit Awards	31-Aug-25	R34,05	58 270	-	2 155 990	-	58 270	30-Jun-28

Shareholdings of Executive Directors and Prescribed Officers

An ownership culture exists where Executives have a personal stake in the Group's performance. The table below reflects the total shareholdings as at 28 February 2026:

	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 nor controls the Group.

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 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.

Remuneration report continued

Non-Executive Director’s fees

Remuneration of R8.2 million was paid to Non-Executive Directors in the period 1 March 2025 – 28 February 2026. The fee structure reflects a single all-inclusive retainer annual fee, paid quarterly in arrears, which aligns with typical market practice of JSE listed companies.

Director	Chairman	Non-Executive Director	Audit Committee	Nomination Committee	Remuneration Committee	Social and Ethics Committee	Total Fees Paid (Rand)
Larry Nestadt	X			Chair	Member		3 681 246
Joe Mthimunye		X	Chair	Member	Chair		1 177 996
Alupeli Sithebe		X	Member			Chair	936 777
Katlego Kobue		X		Member	Member		608 307
Happy Masondo		X	Member	Member	Member	Member	961 527
Anuschka Coovadia		X	Member			Member	849 445
Total							8 215 298

Voting Statement (Vote on the implementation report)

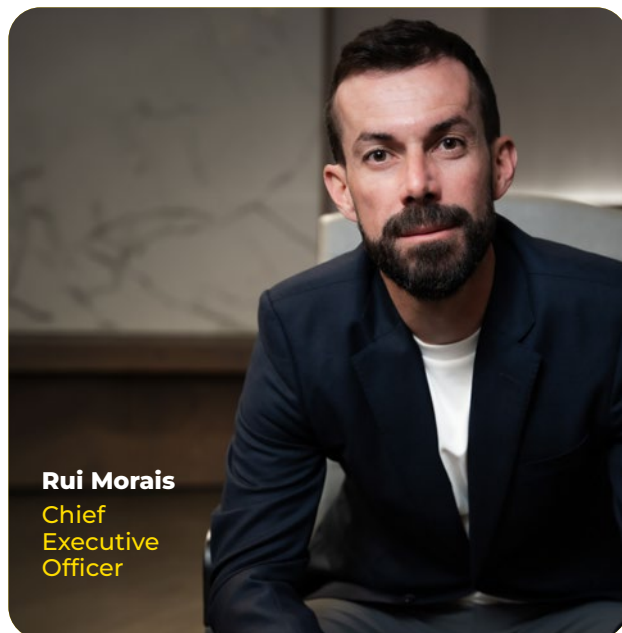
In accordance with Sections 30A and 30B of the Companies Act, shareholders are requested to consider and, if deemed fit, approve, by way of separate ordinary resolutions, the Group's remuneration policy and remuneration report at the AGM on 31 July 2026.





Performance

- 98 Chief Executive Officer's Report
- 103 Chief Financial Officer's Report
- 108 Summary consolidated financial information



Rui Morais
Chief Executive Officer

Revenue

▲ **9.3%** to

R42 826m

(FY2025: R39 172m)

Accelerating our evolution into an integrated healthcare ecosystem

Chief Executive Officer's Report

FY2026 was a defining year for Dis-Chem. Despite a challenging, persistently constrained consumer environment, we accelerated our evolution from a pharmacy retailer to an integrated healthcare provider – investing deliberately and at pace in the platforms, programmes, and people that will sustain the Group's competitive position for years to come.

The year was shaped by three interlocking realities: a consumer under pressure, a healthcare sector in structural transition, and a Group making front-loaded strategic investments that we believe will unlock meaningful long-term value. Our core business delivered strong revenue growth of 9.3% to R42.8 billion and continued to gain market share across all key retail categories. Reported earnings were affected by R330 million invested in establishing X, bigly labs, and by non-recurring expenses associated with the transition from our legacy Benefit Points programme. Excluding these items and the prior-year property gain, operating profit grew by 14.8%, profit before tax by 20.1%, and headline earnings per share by 17.7%. These underlying results demonstrate the strength and resilience of the business.

I am also mindful that FY2026 marks the end of an era for Dis-Chem. Ivan Saltzman, our co-founder, retires from his executive role on 30 June 2026 after 48 years of service. Ivan's vision, tenacity, and commitment to making healthcare accessible to South Africans are the foundations of everything we are building. He will continue to serve the Group as a Non-Executive Director, and I look forward to benefiting from his counsel. On behalf of the entire Dis-Chem team, I thank Ivan from the bottom of my heart.

Operating environment

South African consumers faced sustained economic pressure throughout FY2026. Elevated living costs, constrained disposable income, and a value-conscious mindset shaped behaviour across our categories. Despite this, demand for essential medicines and healthcare services remained resilient – reinforcing the strategic rationale for building a healthcare business, not simply a retail one.

The healthcare sector continued its rapid structural evolution. Advances in digital health, shifting patient expectations, the growth of alternative and direct-to-consumer healthcare channels, and the ongoing development of the National Health Insurance framework all shaped the competitive and regulatory context in which we operate. These dynamics heightened the importance of Dis-Chem's integrated model: one that combines physical accessibility, digital engagement, and healthcare funding solutions under a single trusted brand.

Competitive intensity remained high. We continued to face pressure on pricing and promotional activity across both retail and wholesale channels. Our response was deliberate: invest in customer value, loyalty, and ecosystem depth – not simply in price.

Chief Executive Officer's Report continued

Executing our strategy

Our strategy is anchored in eight pillars: property, total income growth, cost control, working capital management, wholesale market share expansion, integrated healthcare ecosystem development, digital enablement, and data and analytics. In FY2026, we made meaningful progress across all eight pillars. Four areas merit particular attention.

1 Better Rewards – Delivering immediate customer value

The launch of Better Rewards was the most significant customer-facing initiative in the Group's recent history, and early results have been encouraging. In the 17 weeks since launch, revenue growth among participating Better Rewards brands reached 9.6%, with volume growth of 18.7%. The programme has already grown to include 180 brands. It has already generated demonstrable shifts in customer behaviour: for example, the Capitec partnership has measurably increased engagement among Capitec cardholders at the Dis-Chem point of sale.

Better Rewards is designed not as a discount programme but as a value exchange: customers receive meaningful savings and personalised benefits, while Dis-Chem gains richer data, deeper loyalty, and stronger supplier partnerships. Funding comes from supplier participation, strategic partnerships, and Group investment, all aligned with customer acquisition and retention objectives. We are confident in its commercial sustainability.

During the year, we integrated Better Rewards across our digital platforms, expanded the range of participating brands, and introduced enhanced customer interfaces, including a dedicated in-app dashboard. The programme will continue to deepen in scope and personalisation in FY2027.

2 X, bigly labs – Building the digital and data backbone

X, bigly labs is Dis-Chem's dedicated innovation and digital development capability. Its mandate is to design, test, and scale solutions that enhance customer engagement, improve operational performance, and enable new revenue streams. During FY2026, we invested R330 million to establish and operationalise X, bigly labs – a deliberate, Board-endorsed investment that suppressed reported earnings but laid the infrastructure for data-led growth.

Key progress during the year included significant improvements in digital platform performance and stability, strengthened cybersecurity and system resilience, enhanced data infrastructure to support personalisation and demand forecasting, improved fulfilment processes, and the development of our reimagined mobile app – which will launch in FY2027. Areas of ongoing investment that have yet to realise a return include the broader e-commerce platform, modernised analytics and AI systems, and enterprise process automation. We are clear-eyed about the investment horizon and the returns we expect.

3 Integrated Healthcare Ecosystem – Expanding access and depth

The Group continued to deepen its integrated healthcare offering through its clinic network, Dis-Chem MyHealth, and Dis-Chem Life.

Our in-store clinic network expanded during the year, with innovation efforts focused on improving integration between clinics and our digital platforms – enabling better management of the patient journey, appointment coordination, and access to healthcare services. Dis-Chem MyHealth, our medical insurance and gap cover offering, continued to grow its retail and corporate policyholder base, driving additional front-shop spend and healthcare engagement. Dis-Chem Life, which integrates life insurance with proactive health management and rewards healthy behaviours, scaled rapidly in FY2026 and aligns with our commitment to holistic wellbeing.

The Health Hub, our store-of-the-future format, brings these threads together in a physical environment that integrates healthcare services, digital engagement, and retail convenience. Early Health Hub results support our conviction that this format will define the next generation of Dis-Chem's store estate.

4 Wholesale – Growing market share and ecosystem reach

Our wholesale division, operated through CJ Distribution, achieved 11.3% external revenue growth to R6.2 billion, supported by increased penetration among The Local Choice (TLC) franchise network and independent pharmacy customers. TLC now operates 193 pharmacies with in-store clinics, providing both a wholesale distribution channel and a healthcare access point in communities across South Africa.

Operational efficiencies across the distribution network improved service levels and inventory availability throughout the year. We continued to invest in logistics infrastructure and supply chain optimisation to support our growth ambitions and strengthen operational resilience. Wholesale margin remained under pressure from competitive dynamics and product mix, and this remains a focus for management in FY2027.



Chief Executive Officer's Report continued

Financial and operational performance

The Group delivered strong topline growth despite ongoing consumer pressure and significant strategic investment. The following metrics summarise the year's performance:

- R42.8bn Group revenue, up 9.3%, driven by new store openings, market share gains, and Better Rewards
- R36.6bn Retail revenue, up 9.0%; comparable store sales grew 5.3%
- R6.2bn External wholesale revenue, up 11.3%
- R13.2bn Total income, up 9.5%; total income margin of 30.8%
- R1.85bn Operating profit (reported), down 7.4%, reflecting R330m ecosystem investment and non-recurring costs
- Operating profit (underlying), up 14.8%, excluding ecosystem investment, non-recurring items, and prior-year property gain
- Profit before tax (underlying), up 20.1%
- 113.7 cents HEPS (reported), down 17.3%
- HEPS (underlying), up 17.7%, excluding ecosystem and non-recurring items
- R1.8bn Cash generated from operations, up from R0.9bn in FY2025
- R1.1bn Total capex, down from R1.4bn in FY2025; disciplined capital allocation maintained

The key driver of core retail performance was positive operating leverage. Like-for-like retail sales grew by 5.3%, while like-for-like payroll costs, the largest component of retail expenses, rose by only 3.5%, demonstrating real progress in cost discipline relative to revenue.

Total income margin remained resilient at 30.8% (FY2025: 30.7%, excluding property gain), supported by an improved product mix, supplier trade-term optimisation, and the launch of Better Rewards. Operating expenses rose by 13%, driven primarily by the X, bigly labs investment, annual wage increases, inflationary pressures, and expansion-related costs.

Working capital management continued to improve. Inventory days fell from 91 to 86, and net working capital at 24.4 days improved from 24.8 days in the prior year. Cash generated from operations doubled to R1.8 billion. The Group's balance sheet remained strong and well-capitalised, with total equity up 8.9% to R5.7 billion.

Pharmacy sales were supported by strong demand for GLP-1 medications and the Better Rewards pharmacy boost. We opened 33 new retail pharmacy stores and closed three Baby City stores, ending the year with 316 Dis-Chem pharmacy stores and 42 Baby City stores across the Group.

Capital allocation and investment

Total capital expenditure for the year was R1.1 billion, reflecting continued investment in the Group's long-term growth strategy, but with disciplined moderation compared with the prior year's R1.4 billion. Investment priorities included new store development, refurbishments, Health Hub rollout, digital capability enhancement, and supply chain infrastructure.

Our capital allocation framework follows a disciplined hierarchy: first, sustain and optimise core operations; second, fund high-return organic growth; third, expand the integrated health ecosystem; and, finally, maintain balance sheet strength and deliver sustainable shareholder returns. All material investments are evaluated against risk-adjusted hurdle rates, payback criteria, leverage impact, and strategic alignment. ESG considerations are embedded in this framework.

The total dividend declared per share for FY2026 was 45.3 cents, including a final dividend of 15.9 cents per share. The reduction in the dividend reflects both lower reported earnings and the Group's commitment to retaining sufficient capital to fund the ecosystem investment programme. Management recognises that this requires shareholders' trust, and we are committed to demonstrating a return on this investment in FY2027 and beyond.

Creating sustainable value

Our integrated business model enables value creation across multiple capitals. The following summarises the most significant contributions and trade-offs in FY2026:

Financial capital: Strong revenue growth and underlying profit improvement, offset by deliberate ecosystem investment. Cash generation doubled. The balance sheet remains well-capitalised.

Human capital: Our ~20 000 employees are the primary delivery mechanism for our customer value proposition. We continued to invest in leadership development, training, and succession planning. Employee turnover declined over the year, and the Culture Programme, initiated by myself, continues to deliver measurable alignment between our people and the Group's purpose.

Intellectual capital: Significant investment was made through X, bigly labs, in digital capabilities, data infrastructure, analytics platforms, and AI-enabled customer tools. These investments are building a capability that will compound in value over time.



Chief Executive Officer's Report continued

Social and relationship capital: Through our healthcare ecosystem – clinics, Better Rewards, Dis-Chem Health, Dis-Chem Life, and support for TLC and independent pharmacies – we continued to improve access to healthcare and to strengthen relationships with customers, suppliers, healthcare providers, and communities.

Manufactured capital: Investment in new stores, Health Hub formats, distribution infrastructure, and technology platforms has expanded our capacity to scale operations while improving customer service and accessibility. The Midrand warehouse acquisition strengthens our supply chain backbone.

Natural capital: We continued to invest in energy resilience by deploying solar infrastructure, thereby reducing grid dependence and strengthening operational resilience. Operational efficiency, responsible sourcing, and waste management initiatives advanced our broader ESG objectives.

Trade-offs

FY2026 required management to make deliberate trade-offs between short-term reported performance and long-term competitive positioning. The R330 million invested in X, bigly labs, the non-recurring costs of transitioning from Benefit Points to Better Rewards, and the ongoing costs of scaling our healthcare ecosystem all reduced reported earnings this year. We accepted this willingly.

We are acutely aware that shareholders who invested in Dis-Chem for its earnings track record have seen a year of disappointing reported results. My commitment is to transparency: the investment rationale is sound, the early proof

points are encouraging, and the returns timeline is clear. In FY2027, we expect to begin demonstrating measurable returns from these investments as Better Rewards matures, the new app launches, and X, bigly labs' capabilities are progressively commercialised.

Key achievements in FY2026

- Launched Better Rewards, achieving 9.6% revenue growth among participating brands and 18.7% volume growth in the first 17 weeks.
- Delivered Group revenue growth of 9.3% to R42.8 billion and total income growth of 9.5%.
- Achieved market share gains across all core retail categories, including dispensary, healthcare and medical, personal care and beauty, and baby care.
- Opened 33 new retail pharmacy stores; total pharmacy footprint reached 316 stores.
- Advanced the Health Hub store-of-the-future format, integrating healthcare services, digital engagement, and retail.
- Grew Dis-Chem Health and Dis-Chem Life, contributing to ecosystem revenue diversification.
- Expanded external wholesale revenue by 11.3%, with TLC franchise network growing to 193 clinics.
- Established X, bigly labs, with significant progress in digital platform stability, cybersecurity, and data infrastructure.
- Reduced inventory days from 91 to 86 and doubled cash generated from operations to R1.8 billion.
- Deployed solar infrastructure, improving energy resilience and reducing the Group's carbon footprint.

- Continued embedding the Group's cultural transformation programme across ~20 000 employees.

Challenges and lessons learned

FY2026 was not without challenges. Consumer affordability pressures proved more persistent than anticipated. The healthcare and digital landscape continued to evolve faster than legacy systems could keep pace. The volume of simultaneous strategic initiatives – Better Rewards, X, bigly labs, Health Hub, healthcare ecosystem expansion – created execution complexity that we are actively managing.

The year reinforced several key lessons. Customer value is the strongest long-term driver of loyalty – not promotional spend or short-term discounting. Digital capability must be seamlessly integrated with physical operations to be effective. Data and analytics are increasingly a primary source of competitive advantage in retail and healthcare. And disciplined execution of a clear strategy, even at the cost of short-term earnings, is the right posture for a business with our growth ambitions.

Our stakeholders

Customers remain at the centre of everything we do. Better Rewards, healthcare integration, digital engagement, and continued investment in affordability are designed to strengthen our customer value proposition. We track this through loyalty programme participation, net promoter scores, customer frequency, and basket economics – and the early signals are encouraging.

Our employees remain our primary competitive advantage. I want to thank every pharmacist, healthcare professional, store team member, and support colleague who served our customers through another demanding year. Their commitment underpins our success.

We strengthened relationships with suppliers, healthcare providers, franchisees, regulators, and communities throughout the year. The TLC franchise model and our support for independent pharmacies extend Dis-Chem's reach and mission beyond our own store estate. These partnerships are essential to building a more accessible South African healthcare system.

Sustainability and responsible business

ESG considerations are embedded across our strategy, capital allocation, and governance processes. For us, sustainability is not a reporting obligation – it is core to our purpose.

In FY2026, we continued to advance energy resilience by deploying solar infrastructure; improve healthcare access through clinic expansion and the growth of Dis-Chem Health and Dis-Chem Life; support enterprise and supplier development; and strengthen ethical leadership across the organisation. We enhanced oversight of cybersecurity, data privacy, and AI governance, recognising the growing importance of responsible technology adoption – particularly in the context of X, bigly labs' mandate.

Our approach to sustainability reflects our belief that long-term business success and positive



Chief Executive Officer's Report continued

societal impact are mutually reinforcing. The transition to King V™ governance standards in FY2026 – which introduces a 'double materiality' framework – has strengthened the rigour of our sustainability assessment and reporting.

Leadership and culture

As Dis-Chem evolves into a more integrated healthcare organisation, leadership and culture are increasingly important differentiators. A business of this complexity and ambition requires people who lead with accountability, customer-centricity, innovation, ethical conduct, and operational discipline – and we are investing meaningfully to develop these qualities across the organisation.

I want to acknowledge the significant leadership transitions in FY2026. Ivan Saltzman, whose vision and values permeate every aspect of Dis-Chem, is transitioning from Executive Director to Non-Executive Director. Stan Goetsch, a qualified pharmacist and Executive Director who dedicated 42 years to building Dis-Chem's pharmacy capability, is also retiring from his executive role. We are grateful for everything both Ivan and Stan have contributed, and their legacies are deeply embedded in our culture.

Looking ahead

We enter FY2027 with confidence in our strategy and clarity on our priorities. The macroeconomic environment will remain challenging. However, Dis-Chem's combination of a trusted brand, a national footprint, a growing healthcare ecosystem, and rapidly developing digital capabilities positions us to continue to gain share and deliver long-term value.

Our priorities for FY2027 are:

- Drive measurable returns from our ecosystem investments, Better Rewards participation growth, Health Hub rollout, and healthcare ecosystem earnings contributions.
- Launch and scale the new Dis-Chem app, expanding our digital customer engagement and e-commerce capabilities.
- Grow wholesale market share through CJ Distribution, TLC franchise expansion, and independent pharmacy relationships.
- Continue Health Hub rollout and store format optimisation.
- Strengthen working capital management, targeting further inventory day reductions.
- Maintain disciplined capital allocation and expand the store footprint at appropriate return thresholds.
- Advance cybersecurity, technology governance, and AI accountability in line with King V™ requirements.
- Continue embedding our cultural transformation and investing in talent development.

We remain firmly focused on delivering sustainable growth while improving healthcare accessibility, affordability, and convenience for South African consumers. That is our purpose, and it is the lens through which every strategic decision is made.

Closing remarks

FY2026 was a year of investment, transformation, and meaningful strategic progress. We strengthened the foundations of our integrated healthcare ecosystem, enhanced our customer value proposition, and built capabilities we believe will generate sustainable value for years to come.

To our shareholders: I understand that a year of earnings pressure, driven by deliberate strategic investment, requires patience and trust. I am committed to earning that trust through transparent communication and disciplined execution.

To our customers: thank you for choosing Dis-Chem as your healthcare partner. We will continue to work every day to earn that choice.

To our employees: the work you do, often quietly and without recognition, is what makes this company extraordinary.

To Ivan Saltzman and Stan Goetsch: thank you. What you built and what you gave to this organisation will endure long after your formal executive roles.

To all our stakeholders: we are grateful for your continued support and confidence as we advance Dis-Chem's evolution into South Africa's leading integrated healthcare provider.

To our Board: Thank you for your steadfast guidance, oversight and support throughout the year. Your collective expertise, commitment to sound governance and strategic insight have been invaluable in helping the Group navigate a dynamic operating environment and remain focused on delivering sustainable long-term value.

Rui Morais

Chief Executive Officer





Julia Pope
Chief Financial Officer Executive Director

Revenue **▲ 9.3%** to R42 826m Total income **▲ 9.6%*** to R13 206m Operating profit **▼ 7.4%*** to R1 853m Profit after tax **▼ 9.5%*** to R1 035m

Chief Financial Officer's Report

The FY2026 financial year was marked by a challenging and evolving consumer environment, shaped by ongoing inflationary pressures, constrained disposable income, and global economic uncertainty. Despite these challenges, Dis-Chem demonstrated resilience through disciplined execution and continued investment in strategic growth initiatives.

Delivering financial resilience and sustainable growth

The Group remained focused on delivering accessible healthcare, value and convenience to customers, while maintaining prudent capital allocation and robust financial governance. Our retail and wholesale businesses continued to benefit from the strength of the Dis-Chem brand, the launch of Better Rewards and the expansion of our integrated healthcare offering.

Against this backdrop, the Group achieved revenue growth of 9.3% to R42.8 billion (FY2025: R39.2 billion), supported by continued market share gains, new store openings and growth across key product categories.

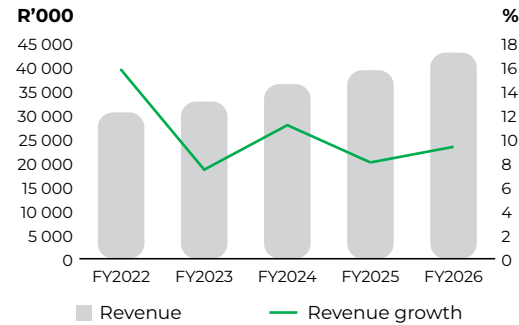
Financial performance overview

Metric	FY2026 R'million	FY2025 R'million*	% change
Revenue	42 826	39 172	9.3
Retail revenue	36 592	33 570	9.0
External wholesale revenue	6 233	5 603	11.3
Total income	13 206	12 045	9.6
Retail total income	11 390	10 155	12.2
Wholesale total income	2 455	2 456	-
Intergroup	(639)	(566)	12.9
Operating profit	1 853	2 001	(7.4)
Profit after tax	1 035	1 144	(9.5)
HEPS	113.7	128.7	(11.7)

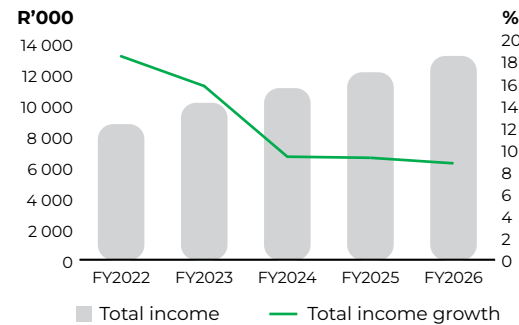
* Excluding property gain of R103 million in FY2025.

Chief Financial Officer's Report continued

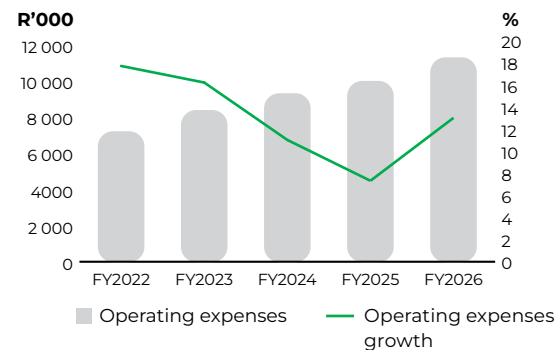
Group revenue growth was supported by sustained demand across the Group's core category, especially in the pharmacy and healthcare categories, as well as the ongoing expansion of the Group's retail footprint. The wholesale division continued to support internal and external customers through improved service levels and an increase in the number of independent and TLC customers served.



Total income margin remained resilient despite pricing pressures in a highly competitive consumer environment. Margin performance benefited from favourable product mix dynamics, the launch of Better Rewards and an increase in trade terms.



Operating expenses increased by 13%, due to the investment in establishing and operationalising X, bigly labs, and costs associated with the Group's ongoing expansion. The investment in X, bigly serves to evolve the Group from a retail pharmacy to an integrated healthcare provider and continues to prioritise the importance of data-led retailing.

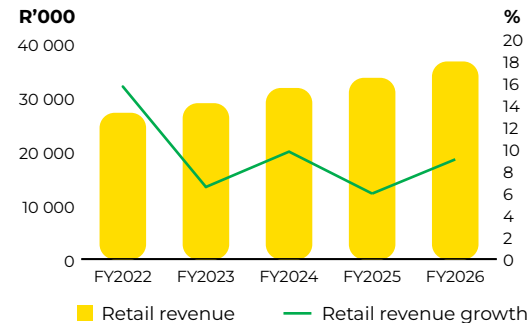


Segmental performance review

Retail segment

The retail segment delivered solid performance in FY2026, supported by continued customer engagement, the opening of a net 31 retail pharmacy stores, the expansion of healthcare services and the launch of the Better Rewards programme.

Retail revenue increased by 9.0% to R36.6 billion, while comparable store sales grew by 5.3%. Pharmacy sales benefited from GLP-1 drugs, the Better Rewards pharmacy boost, and expanded healthcare service offerings, while front-shop performance was supported by strength in the healthcare and medical categories.



During the year, the Group opened net 31 new retail pharmacy stores and closed 3 Baby City stores, bringing the total store footprint to 316 retail pharmacy stores and 42 retail baby stores at year-end.

	Dis-Chem	Baby City	Total
Total stores FY2025	285	45	330
New stores opened during FY2026	33	-	33
Stores closed during FY2026	(2)	(3)	(5)
Total stores at the end of FY2026	316	42	358

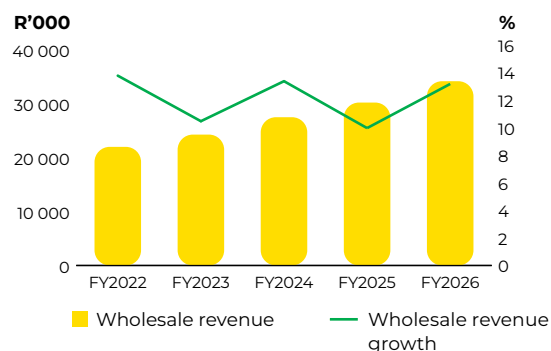
The Group's omnichannel strategy continued to evolve, with ongoing investment in digital platforms, customer experience and fulfilment capabilities. The new Dis-Chem app will launch in the 2027 financial year.



Chief Financial Officer's Report continued

Wholesale segment

The wholesale division achieved revenue growth of 13.1% to R34 billion, supported by increased demand from internal distribution requirements and external independent pharmacy customers.



Operational efficiencies across the distribution network improved service levels and inventory availability throughout the year. Continued investment in logistics infrastructure and supply chain optimisation supported the Group's growth ambitions and strengthened operational resilience.

Margin performance in the wholesale division remained under pressure due to competitive dynamics and the timing of logistics fees earned; however, management continued to focus on efficiency improvements and scale benefits.

Margin and cost management

Total income performance

Total income margin for the year was 30.8% (FY2025: 30.7% excluding property gain), reflecting a balanced approach to pricing, promotional activity and customer affordability.

Margin performance benefited from:

- Improved product mix.
- Supplier trade term optimisation.
- Improved promotional activities.
- Launch of Better Rewards.

Operating expenses

Operating expenses increased by 13% to R11.4 billion, primarily due to inflationary pressures, annual wage increases, investment in strategic capabilities, and expansion-related costs.

Employment costs, excluding the investment in X, bigly labs, increased by 10.3%, driven by the opening of new stores and centralised costs. Like-for-like retail employment costs remained well maintained at 3.5%.

The Group also continued to invest in technology, cybersecurity and digital enablement to enhance operational efficiency, scalability and customer engagement.

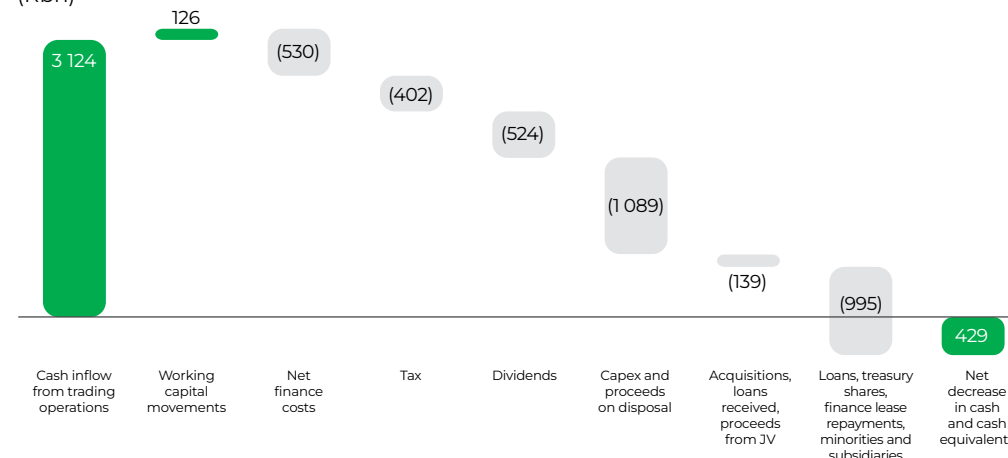
Cash flow and working capital management

Cash generation

The Group maintained strong cash generation and disciplined working-capital management throughout the year.

Cash generated from operations increased to R1.8 billion (FY2025: R0.9 billion), supported by improved profitability and efficient working capital management.

Cash generation (Rbn)



Inventory levels were carefully managed to maintain product availability while limiting exposure to excess stock. Debtor collections remained well controlled, and supplier relationships continued to support favourable creditor terms.

Days	FY2026	FY2025
Debtors days	30	28
Inventory days	86	91
Creditors days	92	94
Total working capital	24	25

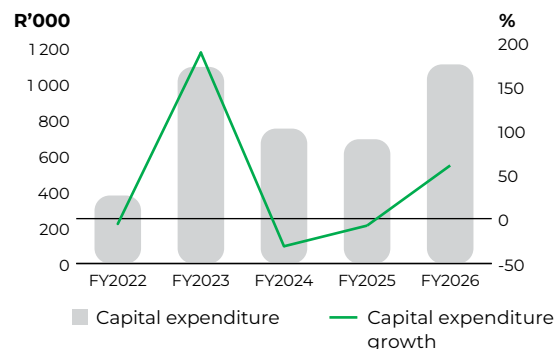
Net working capital at 24.4 days has decreased from 24.8 days on 28 February 2025.

Chief Financial Officer's Report continued

Capital allocation and investment

Capital expenditure

Total capital expenditure for the year was R1.1 billion (FY2025: R1.4 billion), reflecting ongoing investment in the Group's long-term growth strategy.



Investment priorities included new store development, refurbishments, digital capability enhancement and improvements to the supply chain infrastructure.

Management remains focused on disciplined capital allocation, achieving appropriate returns on capital invested, and maintaining balance sheet flexibility.

Funding, liquidity and balance sheet strength

Financial position

The Group's balance sheet remained strong and well-capitalised throughout the year, providing sufficient liquidity and flexibility to support ongoing operations and strategic growth.

The Group remained compliant with all banking covenants throughout the year and continues to maintain strong relationships with its funding partners.

The Group's funding structure remains appropriate for its operational requirements and growth objectives, and liquidity, interest-rate exposure and refinancing risk are managed prudently.

IFRS 16 lease liabilities remained a significant balance sheet item due to the Group's extensive retail footprint.

R'm	FY2026	FY2025	% change
Property, plant and equipment	5 826	5 297	10.0
Intangible assets	1 741	1 448	20.2
Inventory	7 908	7 905	-
Trade and other receivables	3 808	3 313	14.9
Other assets	953	708	34.6
Net cash at bank	(1 167)	(732)	59.4
Lease liability	(2 943)	(2 664)	10.5
Bank loans	(1 745)	(1 896)	(8.0)
Trade and other payables	(7 911)	(7 246)	9.2
Other liabilities	(776)	(904)	(14.2)
Equity	5 694	5 229	8.9

Dividend and shareholder returns

Dividend policy and returns

The Board has declared a final dividend of 15.9 cents per share, bringing the total FY2026 dividend to 45.3 cents per share.

The Group's dividend policy remains aligned with its commitment to delivering sustainable returns to shareholders while retaining sufficient capital to fund future growth.

Risk management and financial governance

Financial risk management

The Group continues to maintain a robust financial governance framework, supported by effective internal controls, combined assurance processes and disciplined risk management.

Key areas of focus during the year included:

- Liquidity and cash flow management.
- Inflationary cost pressures.
- Interest rate and foreign exchange exposure.
- Cybersecurity and data protection.
- Inventory and supply chain resilience; and
- Regulatory compliance.

Management and the Audit and Risk Committee continued to monitor the effectiveness of the Group's internal financial controls throughout the year. Based on the work carried out, no material breakdowns in these controls were identified.

The Group's Annual Financial Statements were prepared in accordance with IFRS, the JSE Listings Requirements and the South African Companies Act.

The Directors have assessed the Group's ability to continue as a going concern and concluded that it remains adequately funded and financially sustainable for the foreseeable future.



Chief Financial Officer's Report continued

Sustainability and long-term value creation

Financial sustainability

Dis-Chem remains committed to creating sustainable, long-term value for stakeholders through responsible financial management, investment in healthcare access, and support for economic growth.

During the year, the Group continued to invest in:

- Healthcare clinic expansion;
- Digital healthcare initiatives;
- Employee training and development; and
- Energy efficiency and operational resilience initiatives.

The Group recognises the importance of balancing customer affordability with sustainable profitability and responsible capital allocation.

Outlook

FY2027 priorities and financial outlook

While macroeconomic conditions are expected to remain challenging in the near term, the Group remains confident in the resilience of its business model and its long-term growth prospects.

Key priorities for FY2027 include:

- Continued market share growth.
- Disciplined cost and working capital management.
- Expansion of the store footprint and healthcare offering.

- Enhancement of digital and omnichannel capabilities.
- Ongoing investment in supply chain efficiency; and
- Maintaining strong cash generation and balance sheet resilience.

Management remains focused on delivering sustainable growth, operational excellence and long-term value for all stakeholders.

Appreciation

I would like to thank our employees, healthcare professionals, suppliers, strategic partners, shareholders and customers for their continued support throughout the year.

I also express my appreciation to the Board, the Audit and Risk Committee and the executive leadership team for their guidance, oversight and commitment to sound governance and responsible financial stewardship.

Julia Pope

Chief Financial Officer



Summary consolidated financial information

Consolidated statement of Comprehensive income for the year ended 28 February 2026

	Year to 28 February 2026 R'000	Year to 28 February 2025 R'000	change %		Year to 28 February 2026 R'000	Year to 28 February 2025 R'000
Revenue from contracts with customers	42 825 777	39 172 347	9.3	Total profit attributable to:		
Cost of sales	(33 416 598)	(30 371 972)	10.0	– Equity holders of the parent	978 894	1 179 809
Gross profit	9 409 179	8 800 375	6.9	– Non-controlling interests	56 724	39 429
Other income	3 797 149	3 347 467	13.4	Total comprehensive income attributable to:		
Total income	13 206 328	12 147 842	8.7	– Equity holders of the parent	979 857	1 179 703
Other expenses	(11 353 214)	(10 043 744)	13.0	– Non-controlling interests	56 724	39 429
Operating profit before interest and equity accounted earnings	1 853 114	2 104 098	-11.9	Earnings per share (cents)		
Net financing costs	(506 568)	(490 605)	3.3	– Basic	114.2	137.6
– Finance income	47 498	30 400	56.2	– Diluted	114.1	137.5
– Finance costs	(554 066)	(521 005)	6.3			
Profit from associates and joint ventures	48 179	20 207	138.4			
Profit before taxation	1 394 725	1 633 700	-14.6			
Taxation	(359 107)	(414 462)	-13.4			
Total profit for the year, net of taxation	1 035 618	1 219 238	-15.1			
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	-15.0			

Summary consolidated financial information continued

Consolidated statement of financial position at 28 February 2026

	Year to 28 February 2026 R'000	Year to 28 February 2025 R'000		Year to 28 February 2026 R'000	Year to 28 February 2025 R'000
ASSETS			Non-current liabilities		
Non-current assets	8 396 806	7 312 028	Lease liability	2 248 024	2 045 998
Property, plant and equipment (including right-of-use assets)	5 826 232	5 297 400	Loans payable	1 509 942	1 678 735
Intangible assets	1 740 823	1 448 057	Deferred taxation	123 041	125 414
Investment in associate and joint ventures	564 093	356 267	Current liabilities	11 163 051	10 177 823
Loans receivable	117 275	72 804	Trade and other payables	7 910 598	7 246 228
Deferred taxation	148 383	137 500	Lease liability	695 209	617 851
Current assets	12 341 477	11 944 913	Loans payable	517 636	575 124
Inventories	7 908 461	7 905 213	Employee-related obligations	328 271	314 198
Trade and other receivables	3 808 486	3 312 834	Deferred revenue (contract liability)	34 242	86 912
Loans receivable	78 395	115 169	Taxation payable	10 375	19 873
Taxation receivable	46 379	26 343	Bank overdraft	1 666 720	1 317 637
Cash and cash equivalents	499 756	585 354			
Total assets	20 738 283	19 256 941	Total equity and liabilities	20 738 283	19 256 941
EQUITY AND LIABILITIES					
Equity and reserves	5 644 770	5 218 221			
Share capital	6 155 554	6 155 554			
Retained earnings	4 179 169	3 722 968			
Other reserves	(4 689 953)	(4 660 301)			
Non-controlling interest	49 455	10 750			
Total equity	5 694 225	5 228 971			



Summary consolidated financial information continued

Consolidated statement of changes in equity for the year ended 28 February 2026

Group	Share capital R'000	Retained earnings R'000	Other reserves		Non- controlling interest R'000	Total R'000
			Treasury shares R'000	Other reserves ¹ R'000		
Balance at 29 February 2024	6 155 554	2 965 235	(70 084)	(4 578 581)	2 817	4 474 941
Profit/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 share-based payment	–	–	(32 604)	–	–	(32 604)
Share-based payment	–	–	–	29 628	–	29 628
Exercise of share-based payment	–	7 671	14 056	(22 610)	–	(883)
Dividends paid	–	(425 175)	–	–	(46 814)	(471 989)
Balance at 28 February 2025	6 155 554	3 722 968	(88 632)	(4 571 669)	10 750	5 228 971
Profit/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 and acquisitions	–	(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	–	(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

¹ Other consists of common control reserve, share-based payments, shares repurchased and foreign currency translation reserve.

	As at 28 February 2026 Cents	As at 28 February 2025 Cents
Dividends per share		
- Interim paid	29.4	27.0
- Final declared	15.9	27.9



Summary consolidated financial information continued

Consolidated statement of cash flows for the year ended 28 February 2026

	Year at 28 February 2026 R'000	Year at 28 February 2025 R'000
Cash flow from operating activities	1 792 711	904 696
Cash inflow from trading operations	3 124 134	3 222 535
Movement in working capital	125 820	(923 746)
Finance income received	28 492	24 060
Finance costs paid	(559 644)	(515 516)
Taxation paid	(401 870)	(430 648)
Dividends paid	(524 221)	(471 989)
Cash flow from investing activities	(1 227 355)	(1 497 011)
Additions to property, plant and equipment and intangible assets	(373 968)	(941 548)
- To maintain operations	(729 620)	(460 596)
- To expand operations	14 883	37 173
Proceeds on disposal of property, plant and equipment and intangible assets	(23 475)	-
Acquisition in business combination and subsidiaries, net of cash acquired	(189 000)	(155 940)
Acquisition of joint venture	29 353	28 101
Proceeds from joint ventures and associates	(7 076)	(4 201)
Advances paid on loans receivable	51 548	-
Receipt from loans receivable	(994 577)	(174 637)
Cash flow from financing activities	(849 037)	(883 962)
Bank loans repaid	628 895	1 372 355
Receipt of bank loans	(691 992)	(641 172)
Lease liability repayment	(60 432)	(32 604)
Purchase of treasury shares	-	15 000
Proceeds from non-controlling interest	(22 011)	(4 254)
Change in ownership interest in subsidiary	(429 221)	(766 952)
Net (decrease)/increase in cash and cash equivalents	(5 460)	1 441
Foreign currency implications on cash and cash equivalents	(732 283)	33 228
Cash and cash equivalents at beginning of year	(1 166 964)	(732 283)
Cash and cash equivalents at end of year		

Summary consolidated financial information continued

Earnings per share

	Year to 28 February 2026 R'000	Year to 28 February 2025 R'000
Reconciliation of profit for the year to headline earnings		
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

	Year to 28 February 2026	Year to 28 February 2025
Reconciliation of share in issues 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

Summary consolidated financial information continued

Segmental information

The Group has identified two reportable segments being Retail and Wholesale.

Twelve months to 28 February 2026	Retail R'000	Wholesale R'000	Intergroup/ consolidation R'000	Total R'000
External customers	36 592 332	6 233 445	–	42 825 777
Inter-segment	–	27 810 864	(27 810 864)	–
Total 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 associates and joint ventures	48 179	–	–	48 179
Profit before tax	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%

*EBITDA – operating profit less depreciation and amortisation plus share of profit from associates and joint ventures.



Summary consolidated financial information continued

Segmental information continued

Twelve months to 28 February 2025	Retail R'000	Wholesale R'000	Intergroup/ consolidation R'000	Total R'000
External customers	33 569 780	5 602 567	–	39 172 347
Inter-segment	–	24 496 539	(24 496 539)	–
Total 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 associates and joint ventures	20 207	–	–	20 207
Profit before tax	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%

* EBITDA – operating profit less depreciation and amortisation plus share of profit from associates and joint ventures.





+ Clinic

Services

- Standard consultation R99
- Comprehensive consultation R159
- Specialised consultation R220
- Virtual Doctor consultation (Nurse led consultation) R374
- Well Baby consultation R150
- Family Planning (Nurse consultation only) R150

Speak to our Nursing Practitioner for a comprehensive list of available services. Stock, consumables and laboratory tests not included in consultation pricing. Identification must be presented with all pharmacy and / or clinic visitations.

Clinic Careline 086 111 7427

+ Clinic

Flu season is here

Increase your protection with a flu vaccine.

Shareholder information

- 116 Analysis of ordinary shareholders
- 120 Notice of Annual General Meeting 2026
- 125 Form of Proxy
- 127 Noted to the Form of Proxy
- 128 Shareholders' Diary
- 129 Abbreviations
- 130 Definitions
- 131 Corporate information

Analysis of ordinary shareholders as at 27 February 2026



Shareholder spread	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
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

Distribution of shareholders	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
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 Script	1	0.00	25	0.00
Total	40 596	100.00	860 084 483	100.00

* Pursuant to the provisions of section 56 of the Companies Act, disclosures from foreign nominee companies have been included in this analysis.

Analysis of ordinary shareholders continued



Shareholder Type	Number of shareholdings	% of total shareholdings	Number of shares	% of issued capital
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

Fund managers with a holding greater than 3% of the issued shares	Number of shares	% of issued capital
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	Number of shares	% of issued capital
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
Total number of shareholdings	40 596	
Total number of shares in issue	860 084 483	

Analysis of ordinary shareholders continued

Share Price Performance

Opening price 03 March 2025	R32.92
Closing price 27 February 2026	R37.00
Closing high for period	R38.00
Closing low for period	R28.10
Number of shares in issue	860 084 483
Volume traded during period	418 217 667
Ratio of volume traded to shares issued (%)	48.63%
Rand value traded during the period	R13 858 267 709
Price/earnings ratio as at 27 February 2026	25.77
Earnings yield as at 27 February 2026	3.88
Dividend yield as at 27 February 2026	1.24
Market capitalisation at 27 February 2026	R31 823 125 871



Analysis of ordinary shareholders continued

27 February 2026

Non-Public Breakdown

– Directors of the Group or any of its subsidiaries

860 084 483

2026					
Non-Public Breakdown	Count	Direct Interest	Indirect Interest	Total Holdings	%
– Directors and prescribed officers of the Group or any of its subsidiaries					
Directors					
Ivan & Lynette Saltzman	1	–	34 940 933	34 940 933	4.06
Stanley Goetsch	2	3 190	27 636 525	27 639 715	3.21
Saul Saltzman	1	–	348 591	348 591	0.04
Larry Nestadt (Chairman)	1	–	500 000	500 000	0.06
Anuschka Coovadia	1	–	162 162	162 162	0.02
Joe Mthimunye	1	–	119 662	119 662	0.01
	7	3 190	63 707 873	63 711 063	7.41
Prescribed officers					
Christopher Williams	1	–	10 190 212	10 190 212	1.18
	1	–	10 190 212	10 190 212	1.18
Total non-public	8	3 190	73 898 085	73 901 275	8.59

Notice of Annual General Meeting 2026

Dis-Chem Pharmacies Limited

(Incorporated in the Republic of South Africa)

(Registration number 2005/009766/06)

JSE share code: DCP ISIN: ZAE000227831

(Dis-Chem or the Group)

Notice is hereby given that the 2026 Annual General Meeting (AGM) of shareholders of Dis-Chem will be held virtually on Friday, 31 July 2026, at 10:00 am for the purpose of considering, and, if deemed fit, passing, with or without modification, the resolutions set out hereafter. The AGM will be conducted by electronic communication and include live video functioning, as contemplated in section 63(2)(a) of the Companies Act, 2008. Shareholders or their proxies may participate in the AGM via a live online platform. Details on how to participate in the voting platform has been included in the email accompanying the notice of the AGM.

Only those shareholders listed in the shareholders' register as at the record date of Friday, 17 July 2026, will be eligible to vote at the AGM. Accordingly, the last day to trade in Dis-Chem shares to be eligible to participate in and vote at the AGM is Tuesday, 14 July 2026.

The purpose of the AGM is to propose the passing of the following ordinary and special resolutions:

1. Ordinary resolution number 1

Approval of Annual Financial Statements

Resolved that the Annual Financial Statements of the Group and its subsidiary companies for the year ended 28 February 2026, along with the reports of the Directors, auditors, and Audit and Risk Committee, be and are hereby considered and adopted. The complete audited consolidated Annual Financial Statements for the year ended 28 February 2026 are available on the Group's website at www.dischemgroup.com/investors/financial-results/

2. Ordinary resolution number 2

Appointment of auditors and designated auditors

Resolved that Forvis Mazars be re-appointed as the Group's auditors, and that Mr Stephan Adlam is hereby appointed as the designated auditor to hold office for the coming year. The Group's Audit and Risk Committee has recommended the reappointment of Forvis Mazars as the Group's auditors.

Mr Adlam will be appointed as the designated auditor for the current financial year.

3. Ordinary resolution number 3

Re-election of members retiring by rotation

Resolved that the following Directors who retire by rotation in accordance with the Group's Memorandum of Incorporation and who, being eligible, offer themselves for re-election, be re-elected as Directors of the Group, each by way of a separate vote:

3.1 Mr Larry Nestadt

3.2 Mr Joe Mthimunye

3.3 Mr Katlego Kobue

The abbreviated *curriculum vitae* of the aforementioned Directors is available on [pages 53 and 54](#) of the IAR of which this notice forms part. The Board confirms that fit and proper assessments for each of the Directors standing for re-election have been undertaken, and the Board is satisfied with the outcome of the assessments.

4. Ordinary resolution number 4

Ratification of the appointment of a Non-Executive Directors

Resolved that the following Directors' appointment as Non-Executive Directors, in accordance with the Group's Memorandum of Incorporation, be and is hereby ratified each by way of a separate vote:

4.1 Mr Saul Saltzman

4.2 Mr Ivan Saltzman

The abbreviated curriculum vitae of the aforementioned Directors is available on [pages 53 and 54](#) of the IAR of which this notice forms part. The Board confirms that fit and proper assessments for each of the aforementioned Directors.

5. Ordinary resolution number 5

Re-appointment of members of the Audit and Risk Committee

Resolved that the members of the Group's Audit and Risk Committee set out below be and are hereby re-appointed, each by way of a separate vote, with effect from the end of this AGM, in terms of section 94(2) of the Companies Act:

5.1 Ms Anuschka Coovadia

5.2 Ms Alupheli Sithebe

5.3 Mr Joe Mthimunye (subject to the passing of ordinary resolution number 3.2 above)

5.4 Ms Happy Masondo



Notice of annual general meeting 2026 continued

6. Ordinary resolution number 6

Re-appointment of members of the Social and Ethics Committee

The 2026 Social and Ethics Committee report can be found on [page 73](#) of the IAR. The report outlines the matters required by the Social and Ethics Committee's terms of reference.

Resolved that the members of the Group's Social and Ethics Committee set out below be and are hereby re-appointed, each by way of a separate vote, with effect from the end of this AGM, in terms of section 72(9A) of the Companies Act:

6.1 Ms Anuschka Coovadia

6.2 Ms Alupheli Sithebe

6.3 Ms Happy Masondo

7. Ordinary resolution number 7

Approval of the Group's Remuneration Policy and Implementation Report

In accordance with sections 30A and 30B of the Companies Act, shareholders are requested to consider and, if deemed fit, approve, by way of separate ordinary resolutions, the Group's remuneration policy and remuneration report, as reflected on [page 76](#) of the Integrated Annual Report.

Ordinary resolution 7.1

Resolved that the Group's remuneration policy, a summary of which has been presented to shareholders in the Group's IAR on [pages 76 to 96](#), be and is hereby approved in terms of section 30A(2)(a) of the Companies Act.

Ordinary resolution 7.2

Resolved that the Group's Remuneration Implementation Report, which has been presented to shareholders in the Group's IAR on [page 87](#), be and is hereby approved in terms of section 30B(2) of the Companies Act.

8. Special resolution number 1

Non-Executive Directors' fees for the financial year ending 28 February 2027 and the quarter ending 31 May 2026

Resolved, as a special resolution in terms of section 66(9) of the Companies Act, as read with section 65(11)(h) of the Companies Act, and subject to the provisions of the Group's Memorandum of Incorporation, that the Group be and is hereby authorised to pay remuneration to its Non-Executive Directors for their service as Directors for a period of two years from the passing of this resolution or until its renewal, whichever is the earlier date, as detailed in the following table. The proposed remuneration excludes value-added tax (VAT), which will be added by the Directors in accordance with the prevailing VAT legislation, where applicable:

	28 February 2027	Quarter ended 31 May 2026
Chairman	3 872 671	968 168
Non-Executive Director	522 028	130 507
Chairperson of Audit Comm	443 522	110 881
Member of Audit Comm	264 887	66 222
Chairperson of Rem & NomCo	273 701	68 425
Member of Rem & NomCo	117 910	29 478
Chairperson of S&E Comm	198 574	49 643
Member of S&E Comm	106 701	26 675
Chairperson of special committees	10 423	10 423
Member of special committees	9 501	9 501

The above rates have been proposed to ensure that the remuneration of Non-Executive Directors remains competitive, in order to enable the Group to retain and attract persons of the calibre, appropriate skills and experience required to make meaningful contributions to the Group. The remuneration proposed is considered to be both fair and reasonable and in the best interests of the Group.



Notice of annual general meeting 2026 continued

9. Special resolution number 2

Financial assistance to related or interrelated companies or corporations

Resolved that the Bboard may, in terms of sections 44 and 45 of the Act and subject to compliance with the requirements (if applicable) of the:

- i) the Group's memorandum of incorporation;
- ii) the Act; and
- iii) JSE Listings Requirements occasionally authorise the Group to provide direct or indirect financial assistance by way of loan, guarantee, security, or other means to any of its current or future subsidiaries* and/or any other company or entity that is or becomes related or interconnected with the Group, for any purpose or in connection with any matter, including, but not limited to, subscribing for any options or securities issued or to be issued by the Group or a related or interconnected company, or for purchasing securities in the Group or any related or interconnected company.

This authority shall expire at the earlier of the second anniversary of the date of the adoption of this special resolution number 2 or the date of the AGM of the Group to be held in 2028.

* Under the Companies Amendment Act, No. 16 of 2024, the provision of financial assistance by a holding company to its subsidiaries is now excluded from section 45. However, section 45 still applies when the subsidiary is a foreign entity or to controlled (related) entities that do not meet the definition of "subsidiary". Accordingly, this special resolution number 2 is maintained for such cases as may continue to be governed by section 45."

10. Ordinary resolution number 8

General authority over unissued shares

Resolved that shares be and are hereby placed under the control of the Directors until the date of the next AGM, subject to the provisions of the JSE Listings Requirements and the condition that no issue of these shares will be made if it could have the effect of changing control of the Group. No issue of these shares is contemplated at present, and no issue will be made that could effectively change the control of the Group without shareholders' prior approval in a general meeting.

11. Ordinary resolution number 9

Directors' or Company Secretary's authority to implement special and ordinary resolutions

Resolved that any Director of the Group or the Company Secretary be and is hereby authorised to do all such things and sign all such documents as may be necessary for or incidental to implementing the resolutions passed at this meeting.

Voting and proxies

All ordinary resolutions will, in terms of the Companies Act, 2008, require the support of more than 50% (fifty per cent) of the voting rights of shareholders, exercised thereon, to be approved.

Under the Companies Act, all special resolutions must be supported by at least 75% (seventy-five per cent) of the total voting rights exercised to be passed.

Entitlement to participate and vote at the AGM in person or by proxy

All shareholders are encouraged to participate, speak, and vote via live video conferencing at the AGM.

If you hold certificated shares, i.e. you have not dematerialised your shares in the Group, or are registered as an own-name dematerialised shareholder, i.e. you have specifically instructed your Central Securities Depository Participant (CSDP) to hold your shares in your name in the Group sub-register, as at Friday, 17 July 2026:

- You may participate and vote at the AGM; or
- You may appoint an individual as a proxy, who need not also be a shareholder of the Group, to participate and vote on your place at the AGM by completing the attached form of proxy and returning it to the registered office of the Group or to the transfer secretaries, JSE Investor Services (Pty) Limited, the details of which are set out on [page 130](#) of the IAR.

Please note that your proxy may delegate its authority to act on your behalf to another person, subject to the restrictions in the attached proxy form. Also, be aware that the attached proxy form must be delivered to the Group's registered office or the transfer secretaries, JSE Investor Services (Pty) Limited, before your proxy can exercise any of your rights as a shareholder at the AGM.

Any shareholder of the Group that is a company may authorise any person to act as its representative at the AGM. Section 63(1) of the 2008 Companies Act requires that persons wishing to participate at the AGM (including the above-mentioned representative) provide satisfactory identification before they may do so.

Please note that your proxy may delegate its authority to act on your behalf to another person, subject to the restrictions outlined in the attached proxy form. Additionally, the attached proxy form must be delivered to the Group's registered office or the transfer secretaries, JSE Investor Services (Pty) Limited, before your proxy may exercise any of your rights as a shareholder at the AGM.



Notice of annual general meeting 2026 continued

Accordingly, in these circumstances, subject to the mandate between you and your CSDP or broker, as the case may be:

- If you wish to participate in the AGM, you must contact your CSDP or broker, as the case may be, and obtain the relevant letter of representation from it, alternatively.
- Suppose you cannot participate in the AGM but wish to be represented at the meeting. In that case, you must contact your CSDP or broker, as the case may be, and furnish it with your voting instructions concerning the AGM and/or request your CSDP to appoint a proxy.

You must not fill out the attached proxy form. The instructions should be given in accordance with the mandate between yourself and your CSDP or broker within the timeframe specified by your CSDP or broker, as applicable.

CSDPs, brokers, or their nominees, as applicable, recorded in the Group's sub-register as holders of dematerialised shares held on behalf of an investor or beneficial owner in terms of STRATE, should, when authorised under their mandate or instructed by the owner they represent, vote either by appointing a duly authorised representative to attend and vote at the AGM or by completing the attached proxy form according to the instructions and returning it to the Group's registered office or to the transfer secretaries, JSE Investor Services (Pty) Limited, the details of which are provided on [page 130](#) of the IAR.

By order of the Board

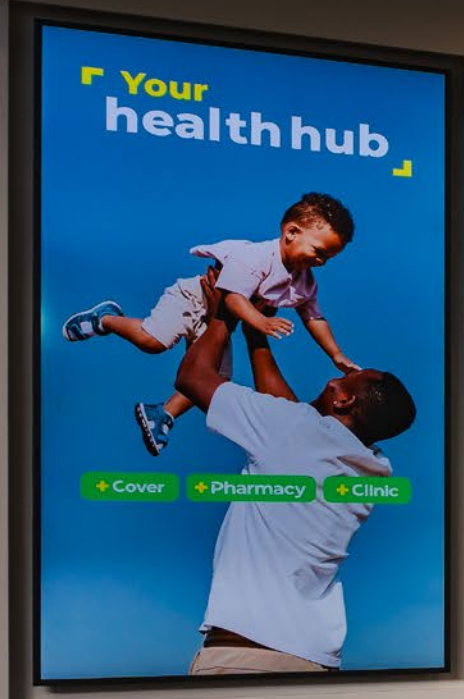
NJ Lumley

Company Secretary

Johannesburg

Tuesday, 30 June 2026





Dis-Chem+



Form of proxy

Proxy form for use at the Annual General Meeting of Dis-Chem Pharmacies Limited (the Group), to be held at **10:00 am on Friday, 31 July 2026**. Shareholders registered in the shareholder register as of Friday, 17 July 2026, will be eligible to vote at the Annual General Meeting (AGM).

This type of proxy must not be used by beneficial owners of shares who have dematerialised their shares through a Central Securities Depository Participant (CSDP) or broker unless you are listed on the sub-register as an own-name dematerialised shareholder. Generally, you will not be recognised as an own-name dematerialised shareholder unless you have explicitly requested your CSDP to record you as the registered holder of the shares in your own name in the Group's sub-register.

This proxy form is only for use by certificated, own-name dematerialised shareholders and CSDPs or brokers (or their nominees) registered in the Group's sub-register as the holder of dematerialised ordinary shares.

Each shareholder entitled to attend and vote at the AGM is also entitled to appoint a proxy (who need not be a shareholder of the Group) to attend, participate in, speak, and vote on their behalf at the AGM, including any subsequent adjournments.

Please note the following:

- Your appointment of a proxy may be suspended at any time if you decide to act personally in exercising your rights as a shareholder at the AGM.
- The appointment of the proxy is revocable, and
- You may revoke the proxy appointment by:
 - i) Cancelling it in writing or making a subsequent inconsistent appointment of a proxy; and
 - ii) Delivering a copy of the revocation instrument to the proxy and to the Group.

Please note that any shareholder of the Group that is a company may authorise any person to act as its representative at the AGM. Additionally, please be aware that Section 63(1) of the Companies Act requires that persons wishing to participate in the AGM (including the aforementioned representative) provide satisfactory identification before participating.

Note that voting will be conducted via a poll, so every shareholder present or represented by proxy will be entitled to vote.

I/We _____

Address: _____

Contact telephone number: _____

Being the holder/s of _____ ordinary shares in the Group, hereby appoint:

1. _____ or failing him/her
2. _____ or failing him/her
3. _____ the Chair of the AGM

as my/our proxy to participate in and vote at the meeting on my/our behalf and in my/our stead at the AGM, which will be held to consider and, if deemed appropriate, pass the resolutions to be proposed thereat and at any adjournment thereof, and to vote for or against such resolutions or abstain from voting in respect of the shares in the issued capital of the Group registered in my/our name(s), according to the instructions set out below.

My/our proxy may delegate to another person their authority to act on my behalf at the AGM, provided that my/our proxy:

- May only delegate their authority to act on my behalf at the AGM to a Director of the Group; and
- Must provide written notification to the transfer secretaries of the Group, namely JSE Investor Services (Pty) Limited, of the delegation by my/our proxy of their authority to participate on my behalf at the AGM; and
- Must provide their delegate with a copy of their authority to delegate their authority to participate on my behalf at the AGM.



Form of proxy continued



Number of votes (one vote per ordinary share)	For	Against	Abstain
Ordinary resolution number 1: Approval of Annual Financial Statements			
Ordinary resolution number 2: Appointment of auditors and designated auditors: Forvis Mazars and Mr Adlam			
Ordinary resolution number 3.1: Re-election of Director: Mr Nestadt			
Ordinary resolution number 3.2: Re-election of Director: Mr Mthimunya			
Ordinary resolution number 3.3: Re-election of Director: Mr Kobue			
Ordinary resolution number 4.1: Ratification of appointment of Non-Executive Director: Mr Saul Saltzman			
Ordinary resolution number 4.2: Ratification of appointment of Non-Executive Director: Mr Ivan Saltzman			
Ordinary resolution number 5.1: Election of Audit and Risk Committee member: Ms Coovadia			
Ordinary resolution number 5.2: Election of Audit and Risk Committee member: Ms Sithebe			
Ordinary resolution number 5.3: Election of Audit and Risk Committee member: Mr Mthimunya			
Ordinary resolution number 5.4: Election of Audit and Risk Committee member: Ms Masondo			
Ordinary resolution number 6.1: Election of Social and Ethics Committee member: Ms Coovadia			
Ordinary resolution number 6.2: Election of Social and Ethics Committee member: Ms Sithebe			
Ordinary resolution number 6.3: Election of Social and Ethics Committee member: Ms Masondo			
Ordinary resolution number 7.1: Approval of the remuneration philosophy and policy			
Ordinary resolution number 7.2: Approval of the implementation report			
Special resolution number 1: Non-Executive Directors' fees for the financial year ending 28 February 2027 and the quarter ending 31 May 2026			
Special resolution number 2: Financial assistance to related or interrelated companies or corporations			
Ordinary resolution number 8: General authority over unissued shares			
Ordinary resolution number 9: Directors' or Company Secretary's authority to implement special and ordinary resolutions			

Insert an "X" in the relevant spaces above according to how you wish your votes to be cast. If you wish to cast your votes for fewer shares than you own in the Group, insert the number of shares you wish to vote on.

Signed at _____ on _____

Signature: _____ Telephone number: _____

(Authority of the signatory to be attached if applicable)

Notes to the form of proxy

Summary of shareholders' rights in respect of proxy appointments as contained in Section 58 of the Companies Act:

- This proxy form must be dated and signed by the shareholder appointing the proxy.
 - You may appoint an individual as a proxy, including an individual who is not a shareholder of the Group, to participate in and speak and vote at the Annual General Meeting on your behalf;
 - Your proxy may delegate their authority to act on your behalf to another person, subject to any restriction set out in this proxy form;
 - This proxy form must be delivered to the Group or the transfer secretaries of the Group, namely JSE Investor Services (Pty) Limited, before your proxy exercises any of your rights as a shareholder at the AGM;
 - The appointment of your proxy or proxies will be suspended at any time if you choose to act directly and in person when exercising your rights as a shareholder at the AGM.
 - The appointment of your proxy is revocable unless you explicitly state otherwise in this proxy form.
 - Since your proxy appointment is revocable, you can revoke the proxy appointment by:
 - » Cancelling it in writing or making a subsequent inconsistent appointment of a proxy, and
 - » Delivering a copy of the revocation instrument to the proxy and the Group. Please note that the revocation of a proxy appointment constitutes a complete and final cancellation of your proxy's authority to act on your behalf as of the later of (i) the date stated in the revocation instrument, if any, or (ii) the date on which the revocation instrument was delivered to the Group and the proxy as aforesaid.
 - If this proxy form has been delivered to the Group, as long as that appointment remains in effect, any notice required by the Companies Act, or the Group's Memorandum of Incorporation to be delivered by the Group to you will be sent to you or your proxy or proxies, if you have instructed the Group to do so, in writing and any reasonable fee charged by the Group for doing so will be paid.
 - Your proxy is entitled to exercise or abstain from exercising any of your voting rights at the AGM, but only as directed by you on this proxy form and
 - Your proxy appointment remains valid only until the end of the AGM, any adjournment or postponement thereof, or for 6 (six) months, whichever is shortest, unless revoked beforehand as outlined above.
1. Only shareholders listed in the shareholder register as of Friday, 17 July 2026, will be eligible to vote at the AGM to which this proxy forms part.
 2. The person whose name stands first on the proxy form and who participates at the AGM will be entitled to act as a proxy to exclude those whose names follow after that.
 3. If no proxy is inserted in the spaces provided, then the Chair shall be deemed to be appointed as the proxy to vote or abstain as the Chair deems fit.
 4. Inserting the relevant number of votes exercisable by that shareholder in the appropriate box provided must indicate a shareholder's instructions to the proxy. Suppose there is no clear indication of the voting instructions for the proxy. In that case, the proxy form will be deemed to authorise the proxy to vote or abstain from voting at the AGM as they consider fit concerning all the shareholders' votes exercisable thereat.
 5. A shareholder or their proxy is not obliged to use all the votes exercisable by the shareholder or their proxy. Still, the total number of votes cast and the number of abstentions recorded may not exceed the total number of votes exercised by the shareholder or their proxy.
 6. Proxy forms must be lodged at the Head Office of the Group, 23 Stag Road, Midrand or posted to the Company Secretary at 3 Stag Road, Midrand, Johannesburg, 1685, or lodged with or posted to the transfer secretaries, JSE Investor Services (Pty) Ltd, 5th Floor, One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196, PO Box 4844, Johannesburg, 2000.
 7. Documentary evidence proving the authority of a person signing this proxy form in a representative capacity must be attached unless it has been previously recorded by the Company Secretary or waived by the Chair of the AGM, provided he is reasonably satisfied that the representative's right to participate and vote has been reasonably verified. CSDPs or brokers registered in the Group's sub-register, voting on instructions from beneficial owners of shares registered in the sub-register, are requested to identify the beneficial owner on whose behalf they are voting and to return a copy of the instruction from such owner to the Company Secretary or the transfer secretaries, JSE Investor Services (Pty) Ltd, 5th Floor, One Exchange Square, 2 Gwen Lane, Sandown, Sandton, 2196, PO Box 4844, Johannesburg, 2000, together with this proxy form.
 8. Any alteration or correction made to this proxy form must be initialled by the signatory/ies. Still, any such alteration or correction will only be valid if the Chair accepts it.
 9. Their parent or guardian must assist a minor unless the relevant documents establishing their legal capacity are produced or registered by the Company Secretary.



Shareholders' diary

Annual General Meeting

Friday, 31 July 2026, 10am

Reports

Full-year results to 28 February 2026	Friday, 29 May 2026
Publication of IAR and SR	Tuesday, 30 June 2026
Interim results to 31 August 2026	Friday, 30 October 2026
Full-year results to 28 February 2027	Friday, 28 May 2026

Trading updates

Festive season trading update **February 2027**

Dividends

Last day to trade cum dividend on the JSE: FY2026 final dividend	Monday, 15 June 2026
First trading day ex-dividend on the JSE	Wednesday, 17 June 2026
Record date	Friday, 19 June 2026
Payment date: FY2026 final dividend	Monday, 22 June 2026



Abbreviations

General business and operational abbreviations

AFS	Annual Financial Statements
AGM	Annual General Meeting
AI	Artificial Intelligence
BR	Better Rewards
CEO	Chief Executive Officer
CFO	Chief Financial Officer
CIIO	Chief Information and Innovation Officer
Cosec	Company Secretary
DC	Distribution Centre
EDLP	Everyday Low Price
EXCO	Executive Committee
FMCG	Fast-moving Consumer Goods
GP	General Practitioner
IAR	Integrated Annual Report
IT	Information technology
OTC	Over-the-counter
SKU	Stock-keeping unit
TLC	The Local Choice

Financial performance abbreviations

CAPEX	Capital Expenditure
CPI	Consumer Price Index
CTC	Cost to Company
DPS	Dividend per share
EBIT	Earnings before interest and tax
EBITDA	Earnings before interest, tax, depreciation and amortisation
EPS	Earnings per share
HEPS	Headline earnings per share
JIBAR	Johannesburg Interbank Average Rate
KPI	Key Performance Indicator
LTI	Long-term incentive
STI	Short-term incentive
TCoE	Total Cost of Employment
TGP	Total Guaranteed Package
WANOS	Weighted average number of shares

Governance, regulatory, and professional abbreviations

B-BBEE	Broad-based black economic empowerment
COBIT	Control Objectives for Information Technologies
CSR	Corporate Social Responsibility
CSDP	Central Securities Depository Participant
DOH	Department of Health
ESG	Environmental, social and governance
HPCSA	Health Professions Council of South Africa
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards
IR	Integrated Reporting
IRBA	The Independent Regulatory Board for Auditors
ISACA	Information Systems Audit and Control Association
ISIN	International Securities Identification Number
JSE	Johannesburg Stock Exchange
King IV™	King IV™ Report on Corporate Governance™ for South Africa
King V™	King V™ Report on Corporate Governance™ for South Africa (version applied)
MOI	Memorandum of Incorporation
NED	Non-Executive Director
POPIA	Protection of Personal Information Act
SAPC	South African Pharmacy Council
SDGs	Sustainable Development Goals
SENS	Stock Exchange News

Healthcare and specialist abbreviations

CAMs	Complementary and Alternative Medicines
DSP	Designated Service Provider
F&R	Forecast and replenishment
GWP	Gross Written Premium
HBAIC	Glycated haemoglobin test
HPV	Human Papillomavirus
MONESC	Adherence Monitoring & Escalation Service
NHI	National Health Insurance
PMM	Pack My Meds
PRP	Patient Ready Parcels
PSA	Prostate-specific antigen test
SAHPRA	South African Health Products Regulatory Authority
SEP	Single Exit Price
SHE	Safety, Health and Environment



Definitions



Term	Definition	Formula
Capital Expenditure (Expansion)	CAPEX undertaken to further growth prospects and expand existing operations.	N/A
Capital Expenditure (Maintenance)	CAPEX required to continue operating in its current form (maintain/replace assets).	N/A
Creditors Days	The number of days it takes the Group to pay its suppliers	$(\text{Average trade and other payables}) / (\text{Cost of goods sold} + \text{trade terms}) \times 365$
Debtors Days	A ratio measuring how quickly cash is collected from debtors.	$(\text{Average trade and other receivables}) / \text{Revenue} \times 365$
Dividend Payout Ratio	The amount of dividends paid relative to the total net income of the Group.	$\text{Dividends paid} / \text{Net income}$
Earnings per Share (EPS)	The portion of the Group's profit allocated to each outstanding ordinary share.	$\text{Earnings attributable to equity holders} / \text{WANOS}$
Effective Tax Rate	The average tax rate paid by the Group.	$\text{Taxation} / \text{Profit before tax}$
Gross Profit Margin	A metric used to assess financial health after deducting the cost of goods sold (COGS).	$(\text{Revenue} - \text{COGS}) / \text{Revenue}$
Headline Earnings	A measurement of earnings based solely on operational and capital investment activities, excluding exceptional/once-off items.	N/A
Headline Earnings per Share (HEPS)	The per-share value of headline earnings attributable to Group holders.	$\text{Headline earnings} / \text{WANOS}$
Inventory Days	An efficiency ratio measuring the average number of days inventory is held before being sold.	$(\text{Average inventory} / \text{COGS}) \times 365$ (or number of days in period)
Like-for-like Revenue Growth	A measure of sales growth adjusted for new or divested businesses (stores open for at least two full financial years).	N/A
Materiality	Matters that substantively affect the organisation's ability to create value over time.	N/A
Net Asset Value (NAV) per Share	The value of the Group's assets minus its liabilities, expressed per share.	$(\text{Total assets} - \text{total liabilities}) / \text{Actual number of shares outstanding excluding treasury shares}$
Net Working Capital Days	The average number of days the Group takes to convert working capital into revenue.	$\text{Debtor days} + \text{Inventory days} - \text{Creditor days}$
Operating Margin	A measure of profitability indicating how much revenue remains after COGS and operating expenses.	$\text{Operating profit} / \text{Revenue}$
Return on Capital Employed (ROCE)	Determines profitability relative to the amount of capital used in the business.	$\text{EBIT} / \text{Capital employed}$
Return on Equity (ROE)	Calculates the profit generated for each Rand of shareholders' equity.	$\text{Net income attributable to equity holders} / \text{Average shareholders' equity}$
Weighted Average Number of Shares (WANOS)	The number of shares in issue, adjusted for any changes during the reporting period.	N/A

Corporate information



Dis-Chem Pharmacies Limited

Registration number 2005/009766/06

JSE code: DCP

ISIN: ZAE000227831

Registered office

23 Stag Road
Glen Austin
1685
South Africa

Contact details

Tel: 010 589 2200
www.dischemgroup.com
www.dischem.co.za

Company Secretary

NJ Lumley
nikki@dischem.co.za

Registered auditors

Forvis Mazars
Mazars House
54 Glenhove Road
Melrose Estate
Johannesburg
2196
South Africa

Sponsor

The Standard Bank of South Africa Limited
3rd Floor, East Wing
30 Baker Street
Rosebank
2196
Johannesburg
South Africa

Investor relations

Leandri van Jaarsveld
investorrelations@dischem.co.za

Transfer secretaries

JSE Investor Services (Pty) Ltd
5th Floor
One Exchange Square
2 Gwen Lane
Sandown
Sandton
2196

PO Box 4844
Johannesburg
2000



dischemgroup.com