

WOOLWORTHS HOLDINGS LIMITED

ANNUAL FINANCIAL STATEMENTS

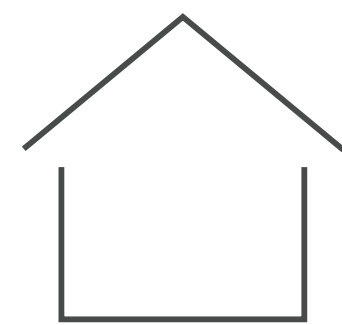
2025

START

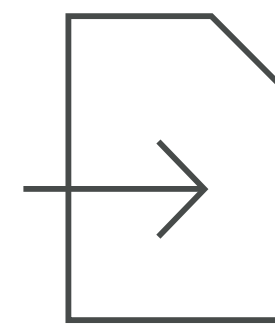
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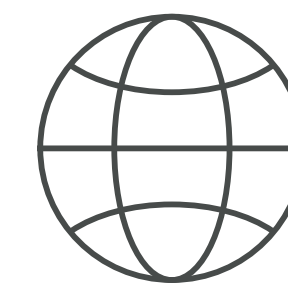
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REPORTS



SHAREHOLDING DISCLOSURES

STATED CAPITAL

AUTHORISED
Ordinary shares – 2 410 600 000 of no par value (2024: 2 410 600 000)
ISSUED
Ordinary shares – 988 695 949 of no par value (2024: 988 695 949)

Further details of the stated capital and the movements for the period under review are disclosed in note 10 of the Company Annual Financial Statements.

SHAREHOLDER SPREAD

PUBLIC AND NON-PUBLIC SHAREHOLDERS	Number of shareholders	% of total shareholders	Number of shares	% of issued capital
1 – 1 000 shares	38 547	84.0	4 342 426	0.4
1 001 – 10 000 shares	5 513	12.0	17 599 118	1.8
10 001 – 100 000 shares	1 272	2.7	42 130 083	4.3
100 001 – 1 000 000 shares	455	1.0	142 097 715	14.4
1 000 001 shares and above	118	0.3	782 526 607	79.1
Total	45 905	100.0	988 695 949	100.0

ANALYSIS OF SHAREHOLDERS

PUBLIC AND NON-PUBLIC SHAREHOLDERS	Number of shareholders	% of total	Number of shares	% of total
Non-public shareholders	10	–	89 062 933	9.0
Directors and their associates	7	–	4 684 592	0.5
E-Com Investments 16 (RF) Proprietary Limited	1	–	43 763 861	4.4
Woolworths Proprietary Limited	1	–	40 497 604	4.1
Woolworths Proprietary Limited on behalf of deceased and untraceable former Woolworths Employee Share Ownership Trust beneficiaries	1	–	116 876	–
Public shareholders	45 895	100.0	899 633 016	91.0
Total	45 905	100.0	988 695 949	100.0

Total number of Treasury shares held at 29 June 2025 - 84 261 465 (2024: 84 261 465).
Directors of the Company hold direct and indirect beneficial interests of 4 684 592 ordinary shares (2024: 5 646 504) in the Company.
According to the Company’s register of shareholders, read in conjunction with the Company’s register of disclosure of beneficial interests made by registered shareholders acting in a nominee capacity, the following shareholders held, directly and indirectly, in excess of 5% of any class of the issued stated capital at 29 June 2025:

MAJOR SHAREHOLDERS	Total shareholding Jun 2025	% of issued capital	Total shareholding Jun 2024	% of issued capital
Allan Gray Proprietary Limited*	190 530 754	19.27	175 321 216	17.70
Government Employees Pension Fund (PIC) (ZA)	147 975 488	14.97	148 768 609	15.10

* Held on behalf of their clients

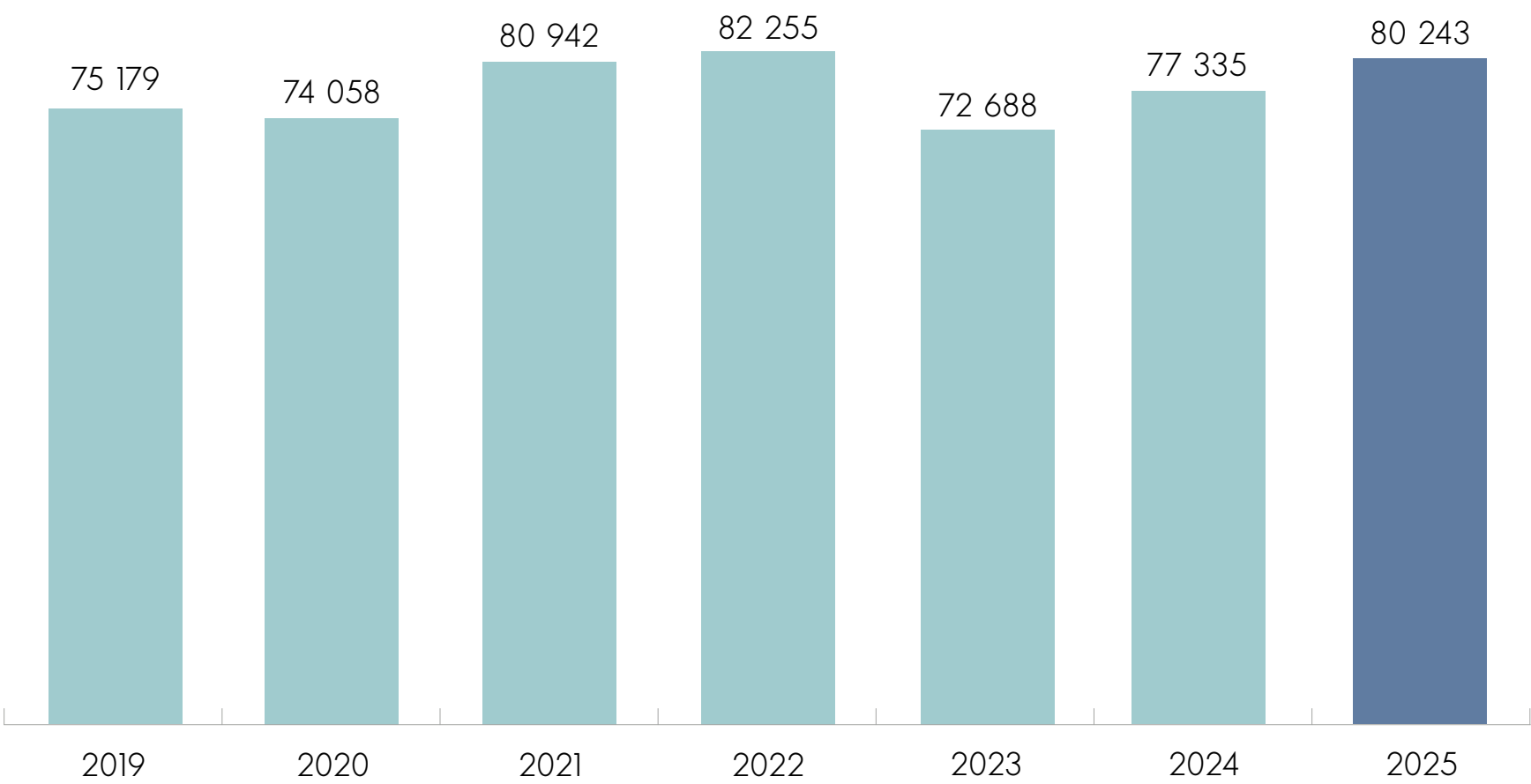


SEVEN-YEAR REVIEW

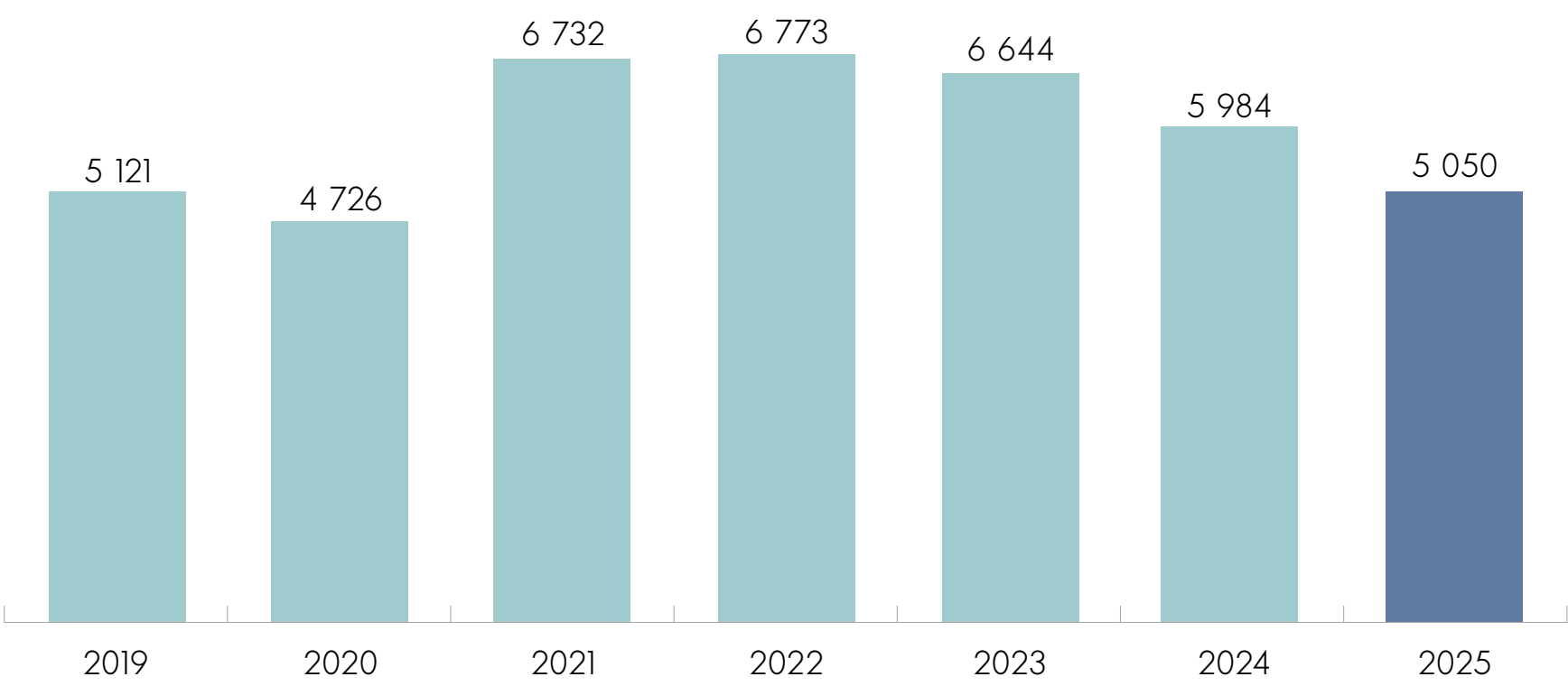
Year Number of weeks	2025 52 Rm	2024 53 Rm	2023 52 Rm	2022 52 Rm	2021 52 Rm	2020 52 Rm	2019 53 Rm
GROUP STATEMENT OF PROFIT OR LOSS							
Revenue	80 243	77 335	72 688	82 255	80 942	74 058	75 179
Turnover and concession sales	80 989	77 761	73 228	87 020	85 857	78 262	79 816
Concession sales	(1 452)	(1 228)	(962)	(6 953)	(7 094)	(6 054)	(6 713)
Turnover	79 537	76 533	72 266	80 067	78 763	72 208	73 103
Cost of sales	(52 258)	(49 064)	(45 440)	(50 881)	(49 816)	(46 859)	(45 139)
Gross profit	27 279	27 469	26 826	29 186	28 947	25 349	27 964
Other revenue	550	636	281	2 121	2 096	1 788	2 000
Expenses	(22 779)	(22 121)	(20 463)	(24 534)	(24 311)	(22 411)	(24 843)
Operating profit from core trading activities	5 050	5 984	6 644	6 773	6 732	4 726	5 121
Non-core trading expenses and capital items	(666)	(990)	(71)	138	719	(799)	(6 153)
Operating profit before net finance costs	4 384	4 994	6 573	6 911	7 451	3 927	(1 032)
Investment income	156	166	141	67	83	62	76
Finance costs	(1 771)	(1 724)	(1 444)	(1 953)	(2 502)	(2 688)	(1 139)
Earnings from joint ventures	239	223	102	165	118	101	295
Profit/(loss) before tax	3 008	3 659	5 372	5 190	5 150	1 402	(1 800)
Tax (expense)/credit	(553)	(1 059)	(1 489)	(1 473)	(987)	(843)	716
Profit from discontinued operation, net of tax	–	–	1 196	–	–	–	–
Profit/(loss) for the period	2 455	2 600	5 079	3 717	4 163	559	(1 084)
Profit/(loss) attributable to:							
Shareholders of the parent	2 443	2 593	5 074	3 715	4 161	557	(1 086)
Non-controlling interests	12	7	5	2	2	2	2

2024 onwards excludes David Jones.
2024 onwards includes Absolute Pets (within the Woolworths Food segment).
2020 onwards includes IFRS 16.

REVENUE (R million)



OPERATING PROFIT FROM CORE TRADING ACTIVITIES (R million)

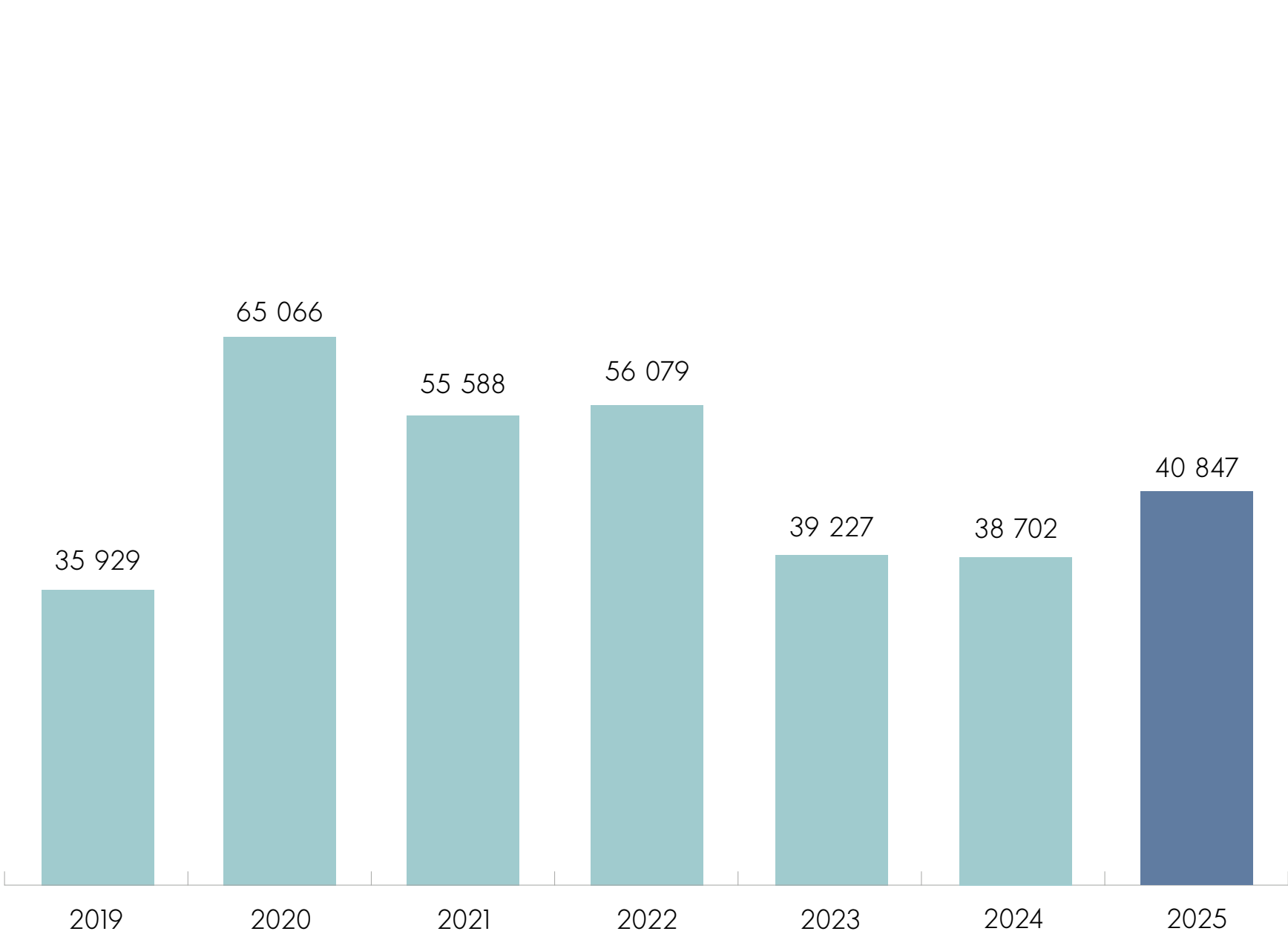


SEVEN-YEAR REVIEW (CONTINUED)

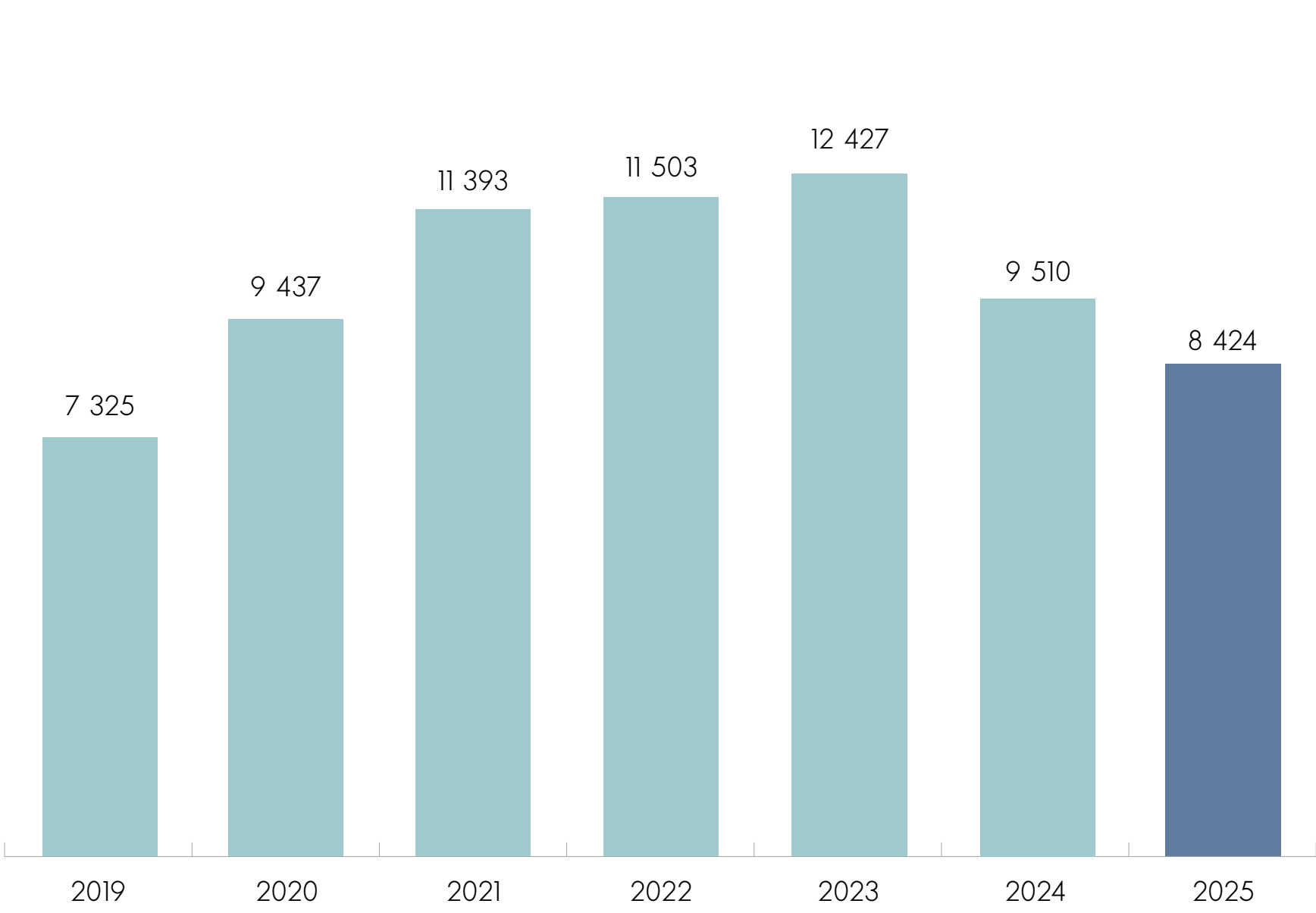
Year Number of weeks	2025 52 Rm	2024 53 Rm	2023 52 Rm	2022 52 Rm	2021 52 Rm	2020 52 Rm	2019 53 Rm
GROUP STATEMENT OF FINANCIAL POSITION							
Non-current assets	26 102	27 518	26 634	39 953	40 105	47 920	24 032
Current assets	14 745	11 184	12 593	16 126	15 483	17 146	11 897
Total assets	40 847	38 702	39 227	56 079	55 588	65 066	35 929
Equity attributable to shareholders of the parent	10 640	10 864	11 991	11 775	9 305	6 489	9 428
Non-controlling interests	71	62	30	25	23	21	15
Non-current liabilities	17 859	15 594	14 913	29 880	31 305	42 746	15 850
Current liabilities	12 277	12 182	12 293	14 399	14 955	15 810	10 636
Total equity and liabilities	40 847	38 702	39 227	56 079	55 588	65 066	35 929
GROUP STATEMENT OF CASH FLOWS							
Cash inflow from trading	8 424	9 510	12 427	11 503	11 393	9 437	7 325
Working capital movements	(1 267)	(949)	(1 052)	99	256	1 704	(991)
Cash generated by operating activities	7 157	8 561	11 375	11 602	11 649	11 141	6 334
Net interest paid	(1 580)	(1 571)	(1 879)	(1 921)	(2 512)	(2 507)	(1 051)
Tax paid	(891)	(911)	(1 487)	(1 673)	(1 108)	(685)	(1 114)
Cash generated by operations	4 686	6 079	8 009	8 008	8 029	7 949	4 169
Dividends received from joint ventures	190	91	–	112	–	170	245
Dividends paid	(2 034)	(2 741)	(2 869)	(1 417)	–	(1 808)	(2 145)
Net cash inflow from operating activities	2 842	3 429	5 140	6 703	8 029	6 311	2 269
Net cash (outflow)/inflow from investing activities	(570)	(3 932)	(2 456)	(1 855)	5 910	(2 430)	(2 710)
Net cash inflow/(outflow) from financing activities	336	(1 656)	(5 156)	(5 101)	(13 516)	(1)	(393)
Increase/(decrease) in cash and cash equivalents	2 608	(2 159)	(2 472)	(253)	423	3 880	(834)
Net cash and cash equivalents at the beginning of the period	1 117	3 296	5 341	5 484	5 437	1 042	1 878
Effect of foreign exchange rate changes	(2)	(20)	427	110	(376)	515	(2)
Net cash and cash equivalents at the end of the period	3 723	1 117	3 296	5 341	5 484	5 437	1 042

2024 onwards excludes David Jones.
2024 onwards includes Absolute Pets (within the Woolworths Food segment).
2020 onwards includes IFRS 16.

TOTAL ASSETS (R million)



CASH INFLOW FROM TRADING (R million)



SEVEN-YEAR REVIEW (CONTINUED)

Year Number of weeks	2025 52 %	2024 53 %	2023 52 %	2022 52 %	2021 52 %	2020 52 %	2019 53 %
RETURNS							
Return on capital employed (RoCE)*	16.4	18.7	23.5	16.8	14.9	9.2	18.3
Adjusted operating profit after tax as a percentage of average Capital Employed							
Return on equity (RoE)	22.3	28.6	39.9	36.3	44.6	18.0	29.1
Headline earnings as a percentage of average Equity attributable to shareholders of the parent							
Return on assets (RoA)	12.7	13.8	13.9	12.1	11.1	9.4	13.6
Operating profit as a percentage of average Total assets less Deferred tax liability							
MARGINS							
Gross profit margin	34.3	35.9	37.1	36.5	36.8	35.1	38.3
Gross profit as a percentage of Turnover							
Operating profit margin	6.3	7.0	9.2	8.5	8.5	6.5	7.0
Operating profit from core trading activities as a percentage of Turnover							
SOLVENCY AND LIQUIDITY							
Debt ratio (%)	24.1	20.2	15.4	9.1	11.9	26.3	40.1
Interest-bearing debt as a percentage of Total assets							
Current ratio (times)	1.2	0.9	1.0	1.1	1.0	1.1	1.1
Current assets divided by Current liabilities							
Total liabilities to equity (%)	281.4	254.2	226.3	375.2	482.2	899.5	280.5
Non-current liabilities and Current liabilities as a percentage of Equity							
Net debt to equity (times)	1.2	1.2	0.9	1.6	2.1	4.8	1.3
Net debt divided by Equity							
Net debt to Adjusted EBITDA (times)**	1.5	1.5	0.9	1.6	1.7	3.3	1.6
Net debt divided by Adjusted earnings before interest, tax, depreciation and amortisation							
Interest cover (times)	5.3	5.7	6.4	6.0	4.9	3.7	7.4
Earnings before interest, tax, depreciation and amortisation divided by Net interest paid							

* Adjusted operating profit after tax comprises Adjusted profit before tax less Investment income and Tax, and add Finance costs. Average capital employed consists of average Net debt and Equity.

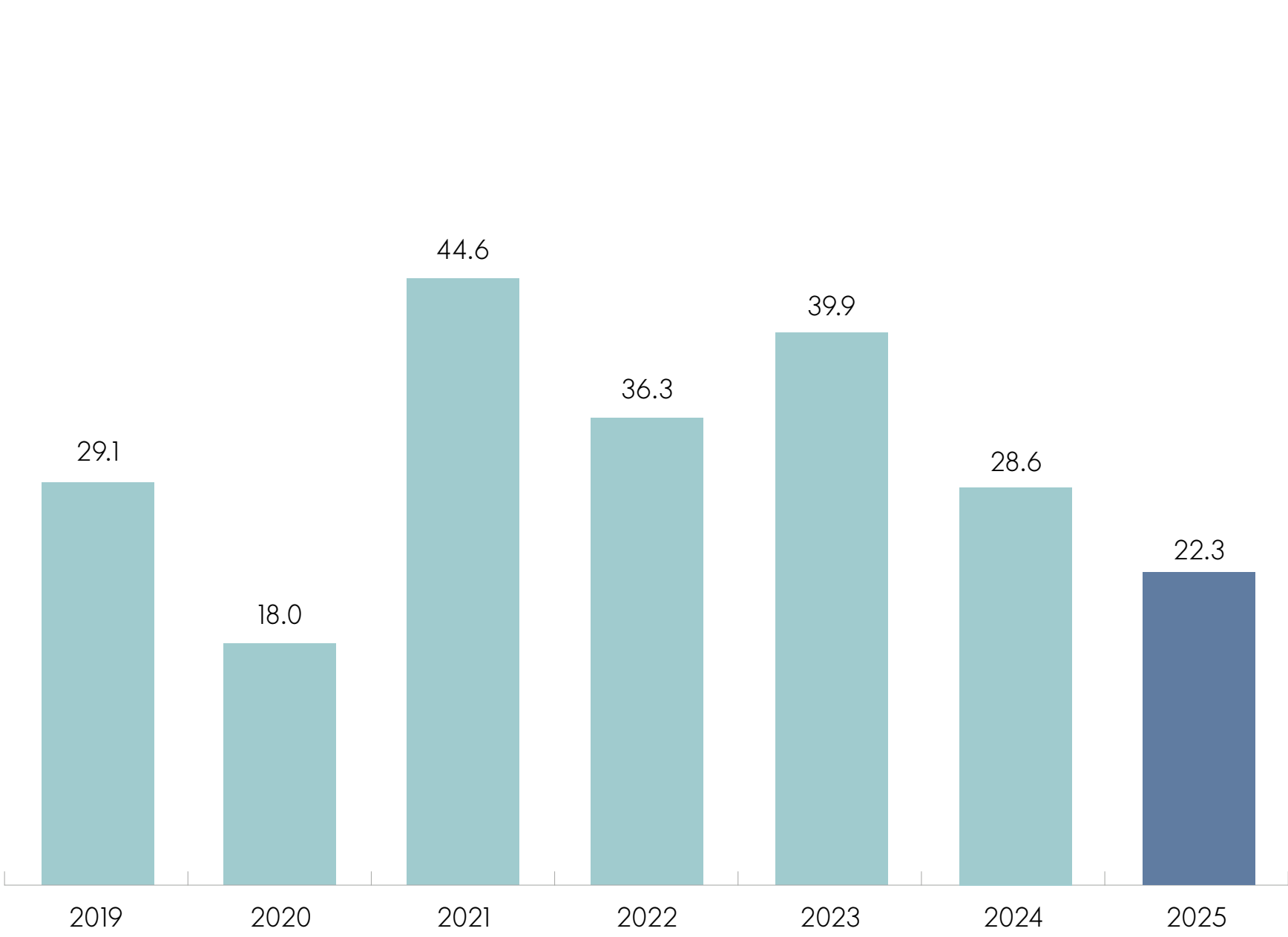
** Adjusted EBITDA comprises Adjusted profit before tax, less Investment income and add Finance costs, Depreciation and Amortisation.

2024 onwards excludes David Jones.

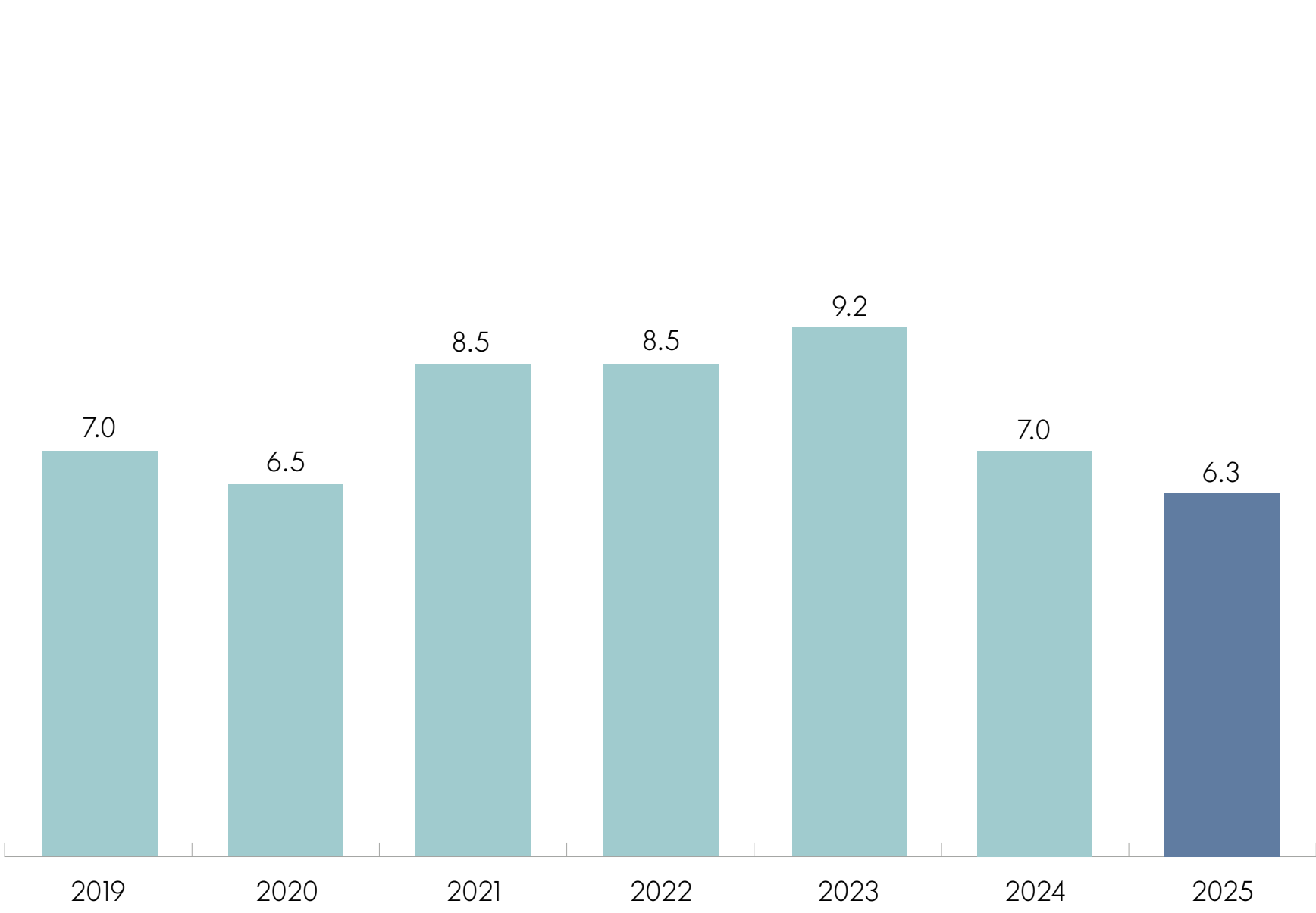
2024 onwards includes Absolute Pets (within the Woolworths Food segment).

2020 onwards includes IFRS 16.

RETURN ON EQUITY (%)



OPERATING PROFIT MARGIN (%)



SEVEN-YEAR REVIEW (CONTINUED)

Year Number of weeks	2025 52 Rm	2024 53 Rm	2023 52 Rm	2022 52 Rm	2021 52 Rm	2020 52 Rm	2019 53 Rm
SEGMENTAL ANALYSIS							
REVENUE							
Woolworths Fashion, Beauty and Home	15 192	14 820	14 676	13 614	12 869	12 438	14 197
Woolworths Food	51 472	47 328	42 619	39 422	37 827	35 258	32 343
Woolworths Logistics	767	750	684	637	574	517	492
Country Road Group	12 573	14 074	14 552	12 016	12 056	9 723	11 272
Treasury	239	363	157	50	70	49	51
David Jones	–	–	15 623	17 004	18 113	16 566	17 347
Intragroup	–	–	(451)	(488)	(567)	(493)	(523)
	80 243	77 335	87 860	82 255	80 942	74 058	75 179
TURNOVER							
Woolworths Fashion, Beauty and Home	15 103	14 751	14 629	13 502	12 855	12 421	14 180
Woolworths Food	51 228	47 132	42 463	39 240	37 743	35 141	32 206
Woolworths Logistics	767	750	684	637	574	517	492
Country Road Group	12 439	13 900	14 490	11 983	12 022	9 655	11 182
David Jones	–	–	13 399	14 705	15 569	14 474	15 043
	79 537	76 533	85 665	80 067	78 763	72 208	73 103
PROFIT/(LOSS) BEFORE TAX							
Woolworths Fashion, Beauty and Home	1 201	1 403	1 594	1 338	713	492	1 745
Woolworths Food	3 264	3 107	2 692	2 647	2 754	2 623	2 338
Woolworths Financial Services	216	223	101	164	118	101	295
Country Road Group	(1 893)	(533)	1 512	1 153	1 468	334	1 017
Treasury	220	(541)	(527)	(410)	(748)	(998)	(1 100)
David Jones	–	–	1 350	298	845	(1 150)	(6 095)
	3 008	3 659	6 722	5 190	5 150	1 402	(1 800)
PROFIT/(LOSS) ATTRIBUTABLE TO SHAREHOLDERS OF THE PARENT							
Woolworths*	3 877	3 121	2 982	2 697	2 061	1 562	2 462
Country Road Group	(1 434)	(528)	850	802	1 047	246	743
David Jones	–	–	1 242	216	1 053	(1 251)	(4 291)
	2 443	2 593	5 074	3 715	4 161	557	(1 086)

* Includes Woolworths Fashion, Beauty and Home, Woolworths Food, Woolworths Logistics, Woolworths Financial Services, Treasury and Earnings from property joint venture.
2024 onwards excludes David Jones.
2024 onwards includes Absolute Pets (within the Woolworths Food segment).
2020 onwards includes IFRS 16.

SEVEN-YEAR REVIEW (CONTINUED)

Year Number of weeks	2025 52	2024 53	2023 52	2022 52	2021 52	2020 52	2019 53
OTHER							
WOOLWORTHS FASHION, BEAUTY AND HOME							
Gross profit margin (%)	47.3	48.5	48.5	47.3	45.5	44.0	47.6
ROCE (%)*	16.1	21.3	25.6	22.2	–	–	–
Trading space (m²)	421 849	431 089	432 088	432 888	453 224	485 241	479 157
South Africa	374 203	384 257	385 675	387 961	407 489	440 574	435 720
Rest of Africa	47 646	46 832	46 413	44 927	45 735	44 667	43 437
Store locations	292	290	268	257	267	279	279
South Africa	225	225	204	194	202	215	216
Rest of Africa	67	65	64	63	65	64	63
WOOLWORTHS FOOD							
Gross profit margin (%)	24.9	24.7	24.4	24.0	24.5	24.9	24.8
ROCE (%)*	40.9	48.4	56.4	59.5	–	–	–
Trading space (m²)	309 217	301 135	278 027	268 367	263 501	262 337	255 733
South Africa	282 498	275 905	267 482	259 108	254 189	253 051	247 142
Absolute Pets	15 401	14 365	–	–	–	–	–
Engen	4 243	4 003	3 987	3 674	3 543	3 400	3 365
Rest of Africa	7 075	6 862	6 558	5 585	5 769	5 886	5 226
Store locations	669	649	479	463	452	452	442
South Africa	366	360	365	358	348	348	340
Absolute Pets	180	170	–	–	–	–	–
Engen	97	93	91	84	81	80	80
Rest of Africa	26	26	23	21	23	24	22
WOOLWORTHS SA							
Asset turn (times)	2.7	2.8	2.9	2.8	2.7	3.0	3.6
Revenue divided by average Total assets less Deferred tax							
Inventory turn (times)	7.6	8.2	8.4	8.4	8.6	8.3	8.2
Cost of sales divided by average Inventory							
Profit before tax to turnover (%)	7.0	7.6	7.6	7.8	7.0	6.7	9.3
Number of employees (average weekly full-time equivalent)	34 244	33 811	33 756	33 127	33 589	32 168	35 312
COUNTRY ROAD GROUP (A\$)							
Gross profit margin (%)	56.4	60.3	62.6	59.5	60.8	58.6	63.4
ROCE (%)*	(2.0)	5.7	16.3	13.7	16.4	7.2	15.4
Number of employees (full-time equivalent)	3 470	3 688	3 520	2 971	2 982	3 464	3 611
Trading space (m²)	101 031	101 810	97 933	101 920	110 875	114 699	121 058
Australasia	85 563	86 630	83 030	86 776	95 618	99 405	106 136
South Africa	15 468	15 180	14 903	15 144	15 257	15 294	14 922
Store locations	630	653	607	622	689	714	808
Australasia	542	569	523	537	606	631	726
South Africa	88	84	84	85	83	83	82
Asset turn (times)	1.2	1.1	1.0	0.9	0.8	0.9	1.4
Inventory turn (times)	2.8	2.9	3.3	3.7	3.4	3.2	3.4
Profit before tax to turnover (%)	(15.2)	(4.2)	10.4	9.4	12.3	3.8	9.1

* Adjusted operating profit after tax comprises Adjusted profit before tax less Investment income and Tax, and add Finance costs. Average capital employed consists of average Net debt and Equity.

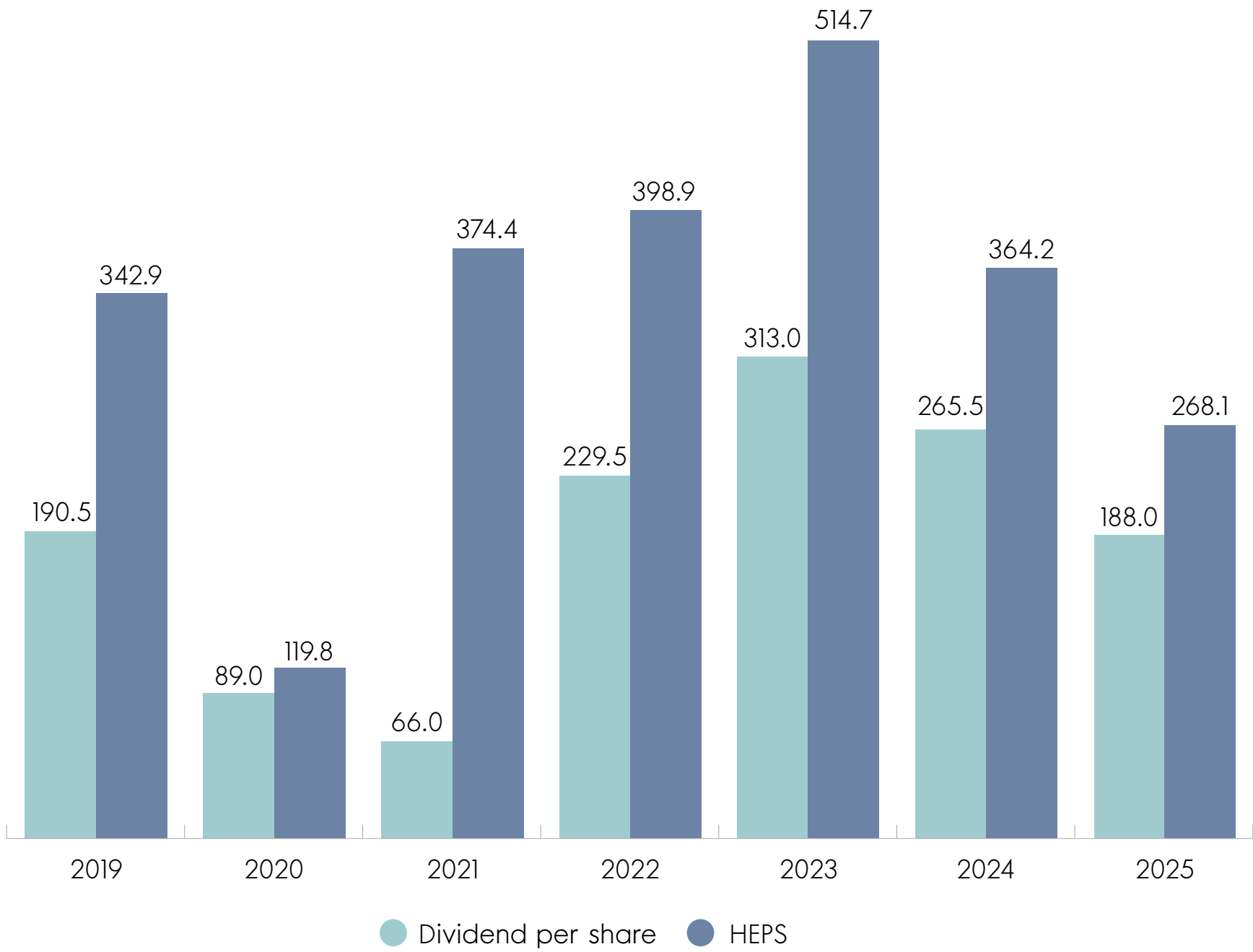
2024 onwards includes Absolute Pets (within the Woolworths Food segment).

2020 onwards includes IFRS 16.

SEVEN-YEAR REVIEW (CONTINUED)

Year Number of weeks	2025 52	2024 53	2023 52	2022 52	2021 52	2020 52	2019 53
SHARE PERFORMANCE							
Earnings per share (cents)	273.4	289.2	551.0	387.4	435.1	58.2	(113.4)
Headline earnings per share (cents)	268.1	364.2	514.7	398.9	374.4	119.8	342.9
Adjusted headline earnings per share (cents)	306.6	391.3	516.8	380.9	346.6	170.3	371.7
Dividend per share (cents)	188.0	265.5	313.0	229.5	66.0	89.0	190.5
Net asset book value per share (cents)	1 193.0	1 211.0	1 338.3	1 245.1	972.6	678.8	985.2
Share price (cents): Highest	6 896	8 010	7 954	6 379	5 681	6 027	5 775
Lowest	4 481	5 400	5 118	4 948	3 054	2 558	4 305
Average	6 004	6 730	6 445	5 547	4 177	4 503	5 018
Closing	5 187	6 178	7 037	5 719	5 439	3 276	4 888
Market capitalisation at June (R million)	51 284	61 082	69 575	59 365	57 108	34 351	51 249
Number of shares in issue (millions)*	892	897	896	946	957	956	957
Number of shares traded (millions)	901	940	1 115	1 009	1 019	1 359	955
Percentage of shares traded	101.0	104.8	124.4	106.7	106.5	142.2	99.8
Value of shares traded (R million)	54 097	63 245	71 878	55 993	42 549	61 196	47 922
Price:earnings ratio	19.0	21.4	12.8	14.8	12.5	56.3	(43.1)
Dividend yield (%)	3.6	4.3	4.4	4.0	1.0	2.7	3.9
FOREIGN CURRENCY EXCHANGE RATES							
US\$ – average	18.16	18.71	17.73	15.20	15.44	15.66	14.18
US\$ – closing	17.86	18.22	18.72	15.91	14.12	17.24	14.11
A\$ – average	11.77	12.28	11.93	11.00	11.50	10.48	10.14
A\$ – closing	11.71	12.15	12.50	10.99	10.73	11.83	9.89
KEY INFORMATION (US\$ MILLION)							
Revenue	4 419	4 133	4 100	5 412	5 242	4 729	5 302
Headline earnings per share (cents)	14.8	19.5	29.0	26.2	24.2	7.7	24.2
Profit/(loss) attributable to shareholder of the parent	135	139	286	244	270	36	(77)
Total assets	2 287	2 124	2 096	3 525	3 937	3 774	2 546
Market capitalisation	2 871	3 352	3 717	3 731	4 044	1 993	3 632

HEPS AND DIVIDEND PER SHARE (CENTS)*



* Net of treasury shares held by subsidiaries, Woolworths Proprietary Limited and E-Com Investments 16 (RFI) Proprietary Limited.
2024 onwards excludes David Jones.
2024 onwards includes Absolute Pets (within the Woolworths Food segment).
2020 onwards includes IFRS 16.



Woolworths, Autumn, 2025

CERTIFICATE OF THE GROUP COMPANY SECRETARY

In my capacity as the Group Company Secretary and in terms of the Companies Act, 71 of 2008, as amended, of South Africa (Companies Act), I hereby confirm that, to the best of my knowledge and belief, the Company has lodged with the Companies and Intellectual Property Commission all such returns and notices as are required of a public company in terms of the Companies Act, in respect of the financial year ended 29 June 2025 and that all such returns and notices are true, correct and up to date.

CA Reddiar
Group Company Secretary
2 September 2025

RESPONSIBILITY STATEMENT

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

- a) The Annual Financial Statements, set out on pages 21 to 67, fairly present in all material respects the financial position, financial performance and cash flows of the issuer in terms of IFRS;
- b) To the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the Annual Financial Statements false or misleading;
- c) Internal financial controls have been put in place to ensure that material information relating to Woolworths Holdings Limited and its consolidated subsidiaries have been provided to effectively prepare the financial statements of Woolworths Holdings Limited;
- d) The internal financial controls are adequate and effective and can be relied upon in compiling the Annual Financial Statements, having fulfilled our role and function, as Executive Directors with primary responsibility for implementation and execution of control;
- e) Where we are not satisfied, we have disclosed to the Audit Committee and the auditors any deficiencies in design and operational effectiveness of the internal financial controls and have taken steps to remedy the deficiencies; and
- f) We are not aware of any fraud involving directors.

R Bagattini
Group Chief Executive Officer
2 September 2025

Z Manjra
Group Finance Director

APPROVAL OF THE ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements have been compiled under the supervision of Zaid Manjra CA(SA), the Group Finance Director. The Annual Financial Statements were approved by the Board on 2 September 2025 and signed on its behalf by:

C Thomson
Chairman

R Bagattini
Group Chief Executive Officer

REPORT OF THE AUDIT COMMITTEE

INTRODUCTION

The Woolworths Holdings Limited (WHL) Audit Committee (committee) is pleased to present its report for the 2025 financial year. This report has been prepared in accordance with the requirements of the Companies Act, the King IV™ Code of Governance for South Africa (King IV™), the JSE Limited Listings Requirements and Debt and Specialist Securities Listings Requirements, IFRS and other applicable regulatory requirements.

The committee’s role and responsibilities are set out in the Board-approved terms of reference, which is aligned with the Companies Act and King IV™ principles. The committee provides independent oversight of the effectiveness of the Group’s external and internal assurance functions and services, internal financial controls and the system of internal controls. In doing so, it assists the Board in ensuring and monitoring the integrity of the Group’s Annual Financial Statements and related external reports.

This report provides details on the committee’s composition and its processes, as well as an overview of the manner in which the committee carried out its various statutory and governance obligations during the year under review.

COMMITTEE COMPOSITION AND PROCESSES

All members of the committee are independent and collectively have the necessary financial literacy skills and experience to execute their duties effectively. Independence of the committee is assessed by means of the Board’s annual independence review.

Full biographical details of all members will be available in the Integrated Annual Report, which will be made available on the Company’s website on or about 30 September 2025, and members’ fees have been included in the table of directors’ remuneration in note 7.

Three formal meetings and two ad hoc meetings of the committee were held during the year under review. The ad hoc meetings were convened for purposes of dedicating time to consider the Interim and Annual Financial Statements prior to publication, and other ad hoc matters. A further ad hoc meeting was held post year-end to consider the results of the impairment testing of goodwill, brands and stores in CRG at year-end.

The committee composition and members’ attendance at the meetings during the 2025 financial year are set out in the following table.



Member	Date of Appointment	Formal meetings	Ad hoc meetings
Lwazi Bam (Committee Chairman) CA(SA)	2023	3/3	1/2*
Christopher Colfer BA	2019	3/3	2/2
Itumeleng Kgaboesele CA(SA)	2025	1/3#	1/2#
Thembisa Skweyiya B.Proc. LLB, LLM, H. Dip (Tax)	2019	3/3	2/2

* Unable to attend the meeting due to a pre-existing commitment.

Appointed on 5 March 2025.

The Group Chief Executive Officer, the Group Finance Director and the Heads of Risk and Compliance, Internal Audit, and Treasury and Tax, as well as the external auditors, are invited to attend all meetings of the committee. In addition, there is an open invitation to all Board members to attend committee meetings and all directors have access to the papers for each of the committee’s meetings. Other senior executives and professional advisors are invited to meetings when required, for purposes of providing insight into specific issues or areas of the Group.

The committee meets independently with the external and internal auditors to discuss pertinent matters as necessary, as well as to discuss any relevant matters relating to the year-end audit and finalisation of the financial results. The committee Chairman also meets separately with external and internal auditors between committee meetings.

All committee members are also members of the Risk, Information and Technology Committee, which provides members with insight into the Group’s enterprise risk management and information and technology governance frameworks and key risks. The cross-committee membership enhances the committee’s oversight of financial and other risks that may affect the integrity of the Group’s external reports (such as financial reporting risks, internal financial controls, fraud risk as it relates to financial reporting, and risks pertaining to information, technology and cyber security).

The committee is supported by the Group Treasury Committee, which is a committee of the Board and reports relevant treasury related matters to the committee.

The committee Chairman reports to the Board after each committee meeting, detailing the committee’s activities and matters discussed, as well as highlighting key items deliberated and those requiring the Board’s attention.



Woolworths, Spring, 2025

KEY AREAS OF ACTIVITY DURING THE YEAR

During the year, the committee dealt with the following statutory, regulatory and compliance matters:

- reviewed the Group Finance Director’s quarterly reports relating to the Group’s financial performance, forecasts, budget, integrated business plan and capital expenditure;
- considered the impairment testing of goodwill, brands, and stores in CRG at year-end amounting to an impairment of R917 million;
- reviewed reports from the Group Treasury Committee in regard to Treasury Policy compliance, Group funding matters including the Group’s debt facilities, the refinancing and ongoing renewal thereof, the issuing of Notes under the Domestic Medium Term Note Programme, and debt covenant compliance, amongst others;
- received quarterly reports on the Group’s tax position and status of tax compliance;
- reviewed proposed refinancing of debt facilities across the Group and the required financial assistance resolutions and recommended same to the Board for approval;
- continued to oversee the funding arrangements for the Group;
- continued to consider reporting and legislative developments in respect of sustainability reporting standards;
- reviewed the interim reports and preliminary results announcements and recommended these to the Board for approval;
- assessed and confirmed the appropriateness of the going concern assumption used in the Group Annual Financial Statements and recommended proposals to the Board in respect of interim and final dividends;
- reviewed the basis for determining materiality for external reporting;
- reviewed the committee’s terms of reference;
- reviewed report from the JSE’s Pro-Active Monitoring of Financial Statements and the Group’s response;
- reported to the Board on matters concerning the Group’s accounting policies, financial controls, records and reporting;
- considered the financial reporting procedures of the Group and concluded that those procedures are appropriate for the Group;
- considered the Group’s policies pertaining to Insider Trading, Price-Sensitive Information, External Auditor, and Audit and Accounting Complaints Procedure, and having found the policies to be appropriate for their purposes, recommended them to the Board for approval;
- considered the appointment of the Group Head of Internal Audit; and
- considered the annual attestation from the Group Chief Executive Officer and Group Finance Director on the effectiveness of the internal control environment.

EXPERTISE OF THE GROUP FINANCE DIRECTOR AND FINANCE FUNCTION

In accordance with King IV™ recommendations, the committee considered the expertise and experience of the Group Finance Director, Zaid Manjra, as well as the expertise and resources within the Group finance function and concluded that the experience and expertise of the Group Finance Director and the Group finance function is appropriate and effective for the Group.

COMMITTEE EVALUATION

A formal external independent Board and committee effectiveness evaluation was conducted in April 2025. The overall sentiment was that the committee was highly effective, and well-structured with engaged members.

EXTERNAL AUDITOR MATTERS

The committee is responsible for the appointment, remuneration and oversight of the Group’s external auditors, KPMG Inc, who were re-appointed by shareholders at the 2024 Annual General Meeting (“AGM”) to act as the auditor for the Group.

KPMG Inc. is afforded unrestricted access to the Group’s records and management and present any significant issues from their annual audit to the committee. In addition, Mr Edward Belstead, the current designated partner, has direct access to the committee Chairman to raise matters of concern, where necessary.

During the year under review, the committee:

- approved the external auditor’s plan for the 2025 annual audit as well as the related scope of work, and reviewed the key audit risks identified;
- approved the audit fees for the 2025 external audit;
- had interactions with the designated audit partners: Mr Belstead; Mr Jeewa (for Woolworths SA and its subsidiaries); and the lead Australian KPMG audit partner, Mr Duvall (for the Country Road Group and Osiris Holdings Proprietary Limited);
- confirmed that no reportable irregularities were identified and reported by the external auditor in terms of the Auditing Profession Act, 26 of 2005;
- reviewed the findings and recommendations of the external auditor and confirmed that there were no material unresolved matters at the date that the Annual Financial Statements were approved;
- approved fees for other audit-related services;
- reviewed non-audit services. Only audit-related audit services were performed, and these are in line with our policy and also in line with the KPMG’s policy of providing only audit-related non-audit services to their audit clients;
- reviewed the independence of the external auditor in accordance with the provisions of sections 90 and 94 of the Companies Act and assessed the performance of the external audit firm and designated auditor against the audit quality indicators outlined in the External Auditor policy, and concluded that the committee is satisfied with the external auditor’s independence and performance;
- monitored the effectiveness of the external auditor in terms of their audit quality, expertise and independence, as well as the content and execution of the audit plan;
- received confirmation from KPMG Inc. as to their internal governance processes that are in place to ensure independence and effectiveness; and
- requested and reviewed the information, in terms of paragraph 3.84(g)(iii) of the JSE Limited Listings Requirements and paragraph 7.3(e)(iii) of the JSE Debt and Specialist Securities Listings Requirements, from KPMG Inc. when assessing the external auditor’s suitability for appointment for the current year.

Having considered all of the related governance criteria and taking into account the performance of KPMG Inc. in the year under review, a resolution will be tabled at the AGM to be held on 24 November 2025 to re-appoint KPMG Inc. as the external auditor for the 2026 financial year.

INTERNAL AUDIT

The internal audit function reviews and provides assurance on the adequacy and effectiveness of internal controls and internal financial controls through assessments conducted for interim and year-end purposes.

During the year under review, the committee:

- considered the appointment of the Group Head of Internal Audit;
- reviewed and approved the annual internal audit coverage plan and charter;
- evaluated and satisfied itself as to the independence, effectiveness and performance of the Group internal audit function in terms of its scope, execution of its plan, coverage, independence, skills, resourcing, overall performance and position within the organisation;
- received assurance that proper and adequate accounting records were maintained and that the systems safeguarded the assets against unauthorised use or disposal;
- considered the internal audit reports on the Group’s systems of internal controls, including financial controls, governance and enterprise risk management;
- reviewed any significant issues raised by the internal audit processes and the adequacy of corrective action in response to internal audit findings and considered management’s responses to adverse internal audit findings;
- monitored and challenged, where appropriate, actions taken by management regarding adverse internal audit findings;
- met with the Group Head of Internal Audit independently of management;
- assessed the adequacy of the performance of the internal audit function and found it to be satisfactory and effective; and
- received confirmation that the internal audit team members conform to the recognised industry code of ethics and that the internal audit function had conformed to the key principles of the International Institute of Internal Auditors standards for professional practice of internal auditing.

THE KING IV™ REPORT

The Group applies the King IV™ principles and will report on the application of the principles in its 2025 Integrated Annual Report, with expanded detail reported in the King IV™ Application register. Both will be made available on the Company’s website on or about 30 September 2025.

SIGNIFICANT MATTERS

The committee has considered the Key Audit Matters reported in the external audit report and, after discussions with management and the external auditors, is satisfied that the consolidated financial statements appropriately address the critical judgements and key estimates pertaining to the Key Audit Matters.

Significant matters of focus, including the sale of the Bourke Street property in the first half, and the assessment of the carrying value of the Country Road Group’s assets, were discussed with management and the external auditors during the year and have been appropriately dealt with in the financial statements.

INTERNAL FINANCIAL CONTROLS

The committee reviewed the written assessment performed by internal audit on the design, implementation and effectiveness of the Group’s internal financial controls. The results of this assessment, and information provided by management and through the risk management process, together with the work and engagement with the independent assurance providers was provided to the committee. No material control weaknesses were brought to the attention of the committee that would indicate that the internal financial controls are not adequate and effective and do not form a sound basis for the preparation of reliable financial statements.

COMBINED ASSURANCE

- In respect of the coordination of assurance activities, the committee reviewed:
- the plans and work outputs of the external and internal auditors and concluded they were adequate to address all significant financial risks facing the Group; and
 - the comprehensive Combined Assurance Report, which had also been reviewed by the Group’s Risk, Information and Technology Committee.

The committee was satisfied that the Group’s Combined Assurance Model was effective in achieving:

- transparent reporting to management and the Board;
- risk mitigation; and
- an acceptable level of residual risk.

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

ANNUAL FINANCIAL STATEMENTS

The Annual Financial Statements were compiled under the supervision of the Group Finance Director, Zaid Manjra CA (SA). Following the review of the consolidated Annual Financial Statements of the Company for the year ended 29 June 2025, the committee is of the view that, in all material respects, these financial statements comply with the relevant provisions of the Companies Act and IFRS.

RECOMMENDATION AND APPROVAL

The committee has reviewed the Company’s Annual Financial Statements for the year ended 29 June 2025 and recommended them to the Board for approval on 2 September 2025.


The Board subsequently approved the Annual Financial Statements, which will be tabled and open for discussion at the upcoming AGM.

KEY FOCUS AREAS OF ACTIVITY FOR 2026

The committee has set the following key areas of focus for the 2026 financial year:

- monitor macro-economic volatility impacts on the Group’s financial position and results from operations;
- monitor the Group’s exposure to interest rate movements and responsive measures, including hedging strategies;
- continue to monitor capital allocation decisions in line with the capital allocation framework, ensuring an appropriate balance between capex investments and the return of capital to shareholders;
- continue to ensure that financing decisions are aligned so as to maintain a strong balance sheet and achieve targeted gearing levels per business entity; and
- monitor evolving sustainability reporting regulations and ensure appropriate disclosure of financial information and assurance requirements in the Group’s financial reporting.

The committee is satisfied that it has complied with, and discharged, all statutory duties in terms of section 94(7) of the Companies Act and the JSE Limited Listings Requirements, as well as with the functions and responsibilities assigned to it by the Board under its terms of reference and committee mandate, for the 2025 financial year.



L Bam
Audit Committee Chairman
2 September 2025



DIRECTORS’ REPORT

NATURE OF BUSINESS

WHL is a southern hemisphere retail Group. Its current operations are conducted through two major operating subsidiaries, namely Woolworths Proprietary Limited and its subsidiaries (Woolworths SA or WSA) and Country Road Group Proprietary Limited (CRG). A further joint venture operation, Woolworths Financial Services Proprietary Limited (WFS), offers financial products to WSA customers.

WHL is listed on the securities exchange of the JSE Limited (JSE), where it has maintained a listing since 1997 and on a secondary exchange in South Africa, A2X Markets (A2X), since 2022.

WSA was established in 1931, and is a leading South African retailer primarily offering a range of private label products under its own brand name. There are 688 (2024: 678) WSA store locations in South Africa (including 97 (2024: 93) stores operated on Engen forecourts); 93 (2024: 91) store locations in the rest of Africa. Absolute Pets, which was acquired in 2024, operates from 180 store locations (2024: 170).

CRG is a retail chain offering clothing and homeware products in stand-alone retail stores and concession locations throughout Australia, New Zealand and South Africa. There are 542 (2024: 569) retail and concession store locations in Australia and New Zealand. CRG is also represented in 88 (2024: 84) WSA store locations in South Africa.

WFS is operated jointly with ABSA Group Limited and provides a suite of financial products to WSA customers, including the WSA store card, credit card and personal loans. Financial services hubs are located in various WSA stores, where credit card applications can be processed, and which offer instant customer service.

The nature of the business of the subsidiaries held directly and indirectly is set out in Annexure 1.

REVIEW OF OPERATIONS AND FINANCIAL RESULTS

The Group’s results reported for the 52 weeks ended 29 June 2025 are not directly comparable to that of the 53 weeks ended 30 June 2024, as the prior reporting period was a 53-week year, which included an additional week of trade compared to the current year.

Further details on the review of the operations and financial results of the Group are contained in the 2025 Annual Financial Statements and the 2025 Integrated Annual Report, which is to be released on or about 30 September 2025.

STATED CAPITAL

AUTHORISED

Ordinary shares – 2 410 600 000 of no par value (2024: 2 410 600 000)

ISSUED

Ordinary shares – 988 695 949 of no par value (2024: 988 695 949)

Further details of the stated capital and the movements for the period under review are disclosed in note 10 of the Company’s Annual Financial Statements.

Details of the Group’s shareholder analysis as at 29 June 2025 are set out in the Shareholding disclosures.

DIVIDEND

The following dividends were declared in respect of the year ended 29 June 2025:

INTERIM

On 4 March 2025, a gross cash dividend of 1070 cents (85.6 cents net of dividend withholding tax) (2024: 148.0 cents) was declared to shareholders recorded at close of business on Friday, 28 March 2025, and paid on Monday, 31 March 2025.

FINAL

On 2 September 2025, a gross cash dividend of 81.0 cents (64.8 cents net of dividend withholding tax) (2024: 117.5 cents) was declared to shareholders recorded at close of business on Friday, 26 September 2025, to be paid on Monday, 29 September 2025.

BORROWINGS

The Company’s borrowing powers are unlimited in terms of the Memorandum of Incorporation and all borrowings by the Group are subject to Board approval. Details of borrowings appear in note 18.

DIRECTORATE AND GROUP COMPANY SECRETARY

Details of the directors and Group Company Secretary who served on the Board during the year and any change at the reporting date are provided below. Biographical details of the current directors and Group Company Secretary are available on the Company’s website at: <https://www.woolworthsholdings.co.za/>

NAME	DESIGNATION	DATE OF APPOINTMENT	ROLE CHANGES
NON-EXECUTIVE			
Clive Thomson	Chairman Independent Non-executive	19/08/2019	Appointed as Chairman of the Board, Nominations and Remuneration and Talent Management Committees, and as a member of the Sustainability Committee, with effect from 25 November 2024. Resigned as Chairman of the Audit and Treasury Committees, with effect from 25 November 2024
Nombulelo Moholi	Independent Non–executive Lead Independent Non–executive	01/07/2014 07/07/2023	Will be retiring at the conclusion of the 2025 AGM
Lwazi Bam	Independent Non–executive	01/05/2023	Appointed as Chairman of the Audit and Treasury Committees, with effect from 25 November 2024
Christopher Colfer	Independent Non–executive	01/07/2019	
Rob Collins	Independent Non–executive	01/10/2022	Appointed as Chairman of the Risk, Information and Technology Committee, with effect from 1 October 2024
Belinda Earl	Independent Non–executive	01/07/2019	
Nolulamo Gwagwa	Independent Non–executive	01/11/2024	Appointed as an Independent Non-executive director, and as a member of the Risk, Information and Technology and Remuneration and Talent Management Committees, with effect from 1 November 2024. Appointed as a member of the Social and Ethics Committee, with effect from 5 March 2025
Itumeleng Kgaboesele	Independent Non-executive	05/09/2024	Appointed as an Independent Non-executive director, and as a member of the Risk, Information and Technology Committee, with effect from 5 September 2024. Appointed as a member of the Remuneration and Talent Management Committee, with effect from 25 November 2024. Appointed as a member of the Audit Committee, with effect from 5 March 2025
Thembisa Skweyiya	Independent Non–executive	11/03/2019	
Hubert Brody	Chairman Independent Non-executive	27/11/2019 01/07/2014	Resigned as Chairman and as a member of Group Committees, with effect from 25 November 2024
David Kneale	Independent Non-executive	11/03/2019	Resigned as an Independent Non-executive director, and as a member of Group committees, with effect from 30 September 2024

NAME	DESIGNATION	DATE OF APPOINTMENT	ROLE CHANGES
EXECUTIVE			
Roy Bagattini	Group Chief Executive Officer Executive	17/02/2020	
Zaid Manjra	Group Finance Director Executive	01/12/2023 01/12/2023	
Sam Ngumeni	Executive	12/02/2014	
GROUP COMPANY SECRETARY			
Chantel Reddiar	Group Company Secretary	01/09/2016	

In terms of the Company’s Memorandum of Incorporation, at least one-third of the Board are required to retire by rotation at each Annual General Meeting (AGM) and may offer themselves for re-election. The directors to retire are firstly those appointed since the last AGM and thereafter, those in office the longest since their last election.

Hubert Brody stepped down from the Board with effect from the conclusion of the AGM in November 2024, having served a ten-year term on the Board. As part of the Board succession planning process, Clive Thomson, who was first appointed to the Board in 2019, was appointed to succeed Hubert as Chairman of the Board.

DIRECTORS’ INTERESTS IN SHARES

Over the reporting period, the directors of the Company beneficially held ordinary shares in the Company. Details of the shareholding can be found in note 7.

There have been no further changes to the directors’ interests between the end of the reporting period and the date of the Directors’ Report. The remuneration paid to directors of the Company during the period under review is set out in note 7.

During the year, no director had any material interest in contracts with the Company or any of its subsidiaries that gave rise to a conflict of interest. Related party transactions, in terms of the International Financial Reporting Standards, between the Company or its subsidiaries, and the directors or their associates, are disclosed in note 7.

DEBT OFFICER

Ian Thompson will continue in the role of Debt Officer of the Group, pursuant to paragraph 6.78 of the Debt and Specialist Securities Listings Requirements.

DIRECTORS’ RESPONSIBILITY FOR ANNUAL FINANCIAL STATEMENTS

The directors are responsible for preparing the Annual Financial Statements and other information presented in the 2025 Integrated Annual Report (which is to be released on or about 30 September 2025), in a manner that fairly presents the financial position and the results of the operations of the Company and the Group for the year ended 29 June 2025.

The external auditors are responsible for carrying out an independent examination of the Annual Financial Statements in accordance with International Standards on Auditing and in the manner required by the Companies Act and for reporting their findings thereon. The auditors’ report is set out on pages 17 to 19.

The Annual Financial Statements set out on pages 21 to 67 have been prepared in accordance with International Financial Reporting Standards and are based on appropriate accounting policies, which have been consistently applied in all material respects, and are supported by reasonable and prudent estimates, where appropriate. Adequate accounting records have been maintained throughout the period under review.

INTERNAL CONTROL

The Board is accountable for the system of internal controls for the Group. The output of the risk management process, in conjunction with the work of the assurance providers, indicates to the directors that the controls in place, including financial controls, are adequate and effective. Furthermore, no material losses, exposures, financial misstatements or compliance breaches have been reported to the directors for the financial year. The directors recognise that the business is becoming more complex and dynamic and that, at any point in time, there are new areas of risk exposure, which may require management attention. As such,

there is a continual focus on ensuring that the control environment within each business area is understood and maintained at the required level.

GOING CONCERN

The directors have reviewed the Group’s budget and cash flow forecast for the year, together with details of the Group’s insurance arrangements. On the basis of this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that the Group is a going concern and have continued to adopt the going concern basis in preparing the Annual Financial Statements.

LITIGATION STATEMENT

The directors are not aware of any legal or arbitration proceedings, including proceedings that are pending or threatened, that may have or had in the previous 12 months, a material effect on the Group’s financial position.

SOLVENCY AND LIQUIDITY TEST

The directors have performed the required solvency and liquidity tests required by the Companies Act for the Company and Group, and are satisfied with the outcome.

KING IV™

The Group applies the King IV™ principles, details of which are reported on in the Group’s 2025 Integrated Annual Report, with a more detailed application register to be made available on the Company’s website, both of which are expected to be published on or about 30 September 2025.

SUBSIDIARY COMPANIES

Full particulars of the subsidiary companies are available in Annexure 1.

EVENTS SUBSEQUENT TO THE REPORTING DATE

On 2 September 2025, the Board declared a final gross cash dividend of 81.0 cents (64.8 cents net of dividend withholding tax) (2024: 117.5 cents) for the 52 weeks ended 29 June 2025 to ordinary shareholders recorded at close of business on Friday, 26 September 2025, to be paid on Monday, 29 September 2025.

The directors are not aware of any other material events that have occurred between the reporting date and the date of approval of these financial statements.

SPECIAL RESOLUTIONS

The following special resolutions were passed by shareholders of the Company at the AGM in November 2024:

- remuneration for the non-executive directors; and
- general authority to acquire (repurchase) shares.

Special resolutions seeking authority for Non-executive directors’ remuneration and a general authority to repurchase shares will be tabled again at the 2025 AGM.

INDEPENDENT AUDITOR’S REPORT TO THE SHAREHOLDERS OF WOOLWORTHS HOLDINGS LIMITED

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

OPINION

We have audited the consolidated and separate financial statements of Woolworths Holdings Limited (the Group and Company) set out on pages 21 to 57, 59 to 65 and 67, which comprise the Group and Company statements of financial position at 29 June 2025, and the Group and Company statements of comprehensive income, the Group and Company statements of changes in equity and the Group and Company statements of cash flows for the 52 weeks then ended, and notes to the Group and Company financial statements, including material accounting policy information and Annexure 1.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Woolworths Holdings Limited at 29 June 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the 52 weeks then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), and the requirements of the Companies Act of South Africa.

BASIS FOR OPINION

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

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

GROUP AUDIT SCOPE

Our risk assessment procedures performed determined our audit scope considering which components of the Group are likely to include risks of material misstatement to the consolidated financial statements. In performing this assessment, we considered the size and risk profile of the components in the Group, the organisational structure, the Group’s system of internal controls and the effectiveness of Group wide controls, and any changes in the business environment.

In establishing our overall approach to the Group audit, we determined the type of work that needed to be performed at each component either by us, as the Group engagement team, or by component auditors under our instruction to address the identified risks of material misstatement. In total, we identified 27 components, having considered our evaluation of the risks of material misstatement to the consolidated financial statements. Of those, we identified 3 components at which further audit procedures were performed on the entire financial information of the component, either because audit evidence needed to be obtained on all or a significant proportion of the component’s financial information, or that component represents a pervasive risk of material misstatement to the consolidated financial statements.

We also identified 3 components, at which further audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatement to the consolidated financial statements.

Accordingly, we performed audit procedures on 6 components, of which we involved component auditors in performing the audit work on 3 components. The 6 components represented 96% of the Group’s revenue and 90% of the Group’s total assets. We also performed an analysis at an aggregated Group level on the remaining financial information, where procedures were not performed, to re-examine our assessment that there is less than a reasonable possibility of a material misstatement in this remaining financial information.

We considered the scope of the audit, as communicated to the Group Audit Committee, to be an appropriate basis for our audit opinion.

KEY AUDIT MATTERS

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

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

FINAL MATERIALITY

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the consolidated and separate financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

	GROUP	COMPANY
Overall materiality	R145 million which represents 4% of adjusted profit before tax (PBT).	R99 million which represents 0.5% of total assets.
Rationale for benchmark applied	We adjusted the benchmark for once-off non-core trading expenses and capital items as disclosed in note 3.4 to the consolidated financial statements. We identified adjusted PBT as the most appropriate benchmark given the entity is listed and profit orientated. Adjusted PBT is the measure against which the performance of the Group is most commonly measured by users of the consolidated financial statements and is a generally accepted materiality benchmark for similar entities.	We identified total assets as the most appropriate benchmark to determine materiality given that the Company is an investment holding company that holds investments for generating returns.

The percentages applied to the benchmarks were based on our professional judgement after consideration of qualitative factors that impact both the Group and Company.

IMPAIRMENT OF NON-CURRENT ASSETS (GOODWILL, BRANDS AND CUSTOMER DATABASES AND INVESTMENT IN COUNTRY ROAD GROUP HOLDINGS PROPRIETARY LIMITED)

Refer to note 1, material accounting estimates and assumptions - goodwill, brands and customer databases, material accounting policies - intangible assets and impairment - non-financial assets and note 9 to the Group financial statements
Refer to note 1, material accounting policies – investment in subsidiaries and note 7 to the Company financial statements

KEY AUDIT MATTER

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Group – non-current assets: goodwill, brands and customer databases

At 29 June 2025, the Group held goodwill, brands and customer databases with a carrying value of R5 725 million, included in the financial statement caption intangible assets.

In accordance with IAS 36: *Impairment of Assets* (IAS 36), the Group is required to assess, at least annually, the recoverable amount of cash generating units (CGUs) that include goodwill and intangible assets with indefinite useful lives.

The recoverable amount of each CGU is determined as the higher of its value in use, using a discounted cash flow model, and fair value less costs of disposal, where applicable.

Management’s impairment testing involved significant judgement in determining key inputs to the discounted cash flow models, including sales growth rates, gross margins, working capital requirements, including capital expenditures, and long-term growth rate assumptions.

During the current year, the Group recognised an impairment charge of R866 million. The impairment related mainly to the goodwill and brands in the Country Road Group, particularly in the Witchery, Mimco and Politix brands.

The complexity of the valuation models used in the impairment assessments and the level of judgement applied increased our audit effort in this area hence the impairment of the goodwill and brands was considered a key audit matter in our audit of the consolidated financial statements.

General procedures performed across the Group and Company

- We obtained an understanding of the process followed by management to assess impairment indicators and perform impairment testing under IAS 36.
- We involved internal valuation specialists to assist in evaluating the integrity of the discounted cash flow models and the appropriateness of discount rates applied.
- We challenged and assessed the reasonableness of key assumptions, including forecast sales growth rates, gross margins, working capital requirements, long-term growth rates and discount rates, by comparing them to historical performance, approved budgets and external market data.
- We also obtained an understanding of specific plans to improve financial performance within the CGUs, particularly in understanding the market conditions of the Australian retail market to ensure that the forecasted cash flows are reasonable and supportable.
- We performed sensitivity analyses to evaluate the impact of changes in key assumptions on the recoverable amounts.
- We assessed the adequacy of disclosures in the consolidated and separate financial statements in accordance with IAS 36.

Group – goodwill, brands and customer databases

- We evaluated the appropriateness of management’s assessment of the identification of CGUs in line with the requirements of IFRS.
- We evaluated management’s assessment of impairment on a CGU basis by comparing actual performance against approved budgets and forecasts.
- We assessed the appropriateness of store profitability reports used in the impairment models, including:
 - » Comparing the number of stores to stock count registers and / or IFRS 16, Leases, schedules to confirm completeness.
 - » Evaluating the sales and allocation of costs per store against prior year trends.
- We compared the calculated recoverable amounts to the carrying values of the CGUs to determine whether an impairment was required to be recognised.

IMPAIRMENT OF NON-CURRENT ASSETS (GOODWILL, BRANDS AND CUSTOMER DATABASES AND INVESTMENT IN COUNTRY ROAD GROUP HOLDINGS PROPRIETARY LIMITED)

Refer to note 1, material accounting estimates and assumptions - goodwill, brands and customer databases, material accounting policies - intangible assets and impairment - non-financial assets and note 9 to the Group financial statements
Refer to note 1, material accounting policies – investment in subsidiaries and note 7 to the Company financial statements

KEY AUDIT MATTER

HOW THE MATTER WAS ADDRESSED IN OUR AUDIT

Company – non-current assets: investment in Country Road Group Holdings Proprietary Limited

This key audit matter is limited to the separate financial statements of Woolworths Holdings Limited and is specific to the investment in Country Road Group Holdings Proprietary Limited.

At 29 June 2025, the Company held an investment in Country Road Group Holdings Proprietary Limited measured at cost in accordance with IAS 27: *Separate financial statements* (IAS 27), included under the financial statement caption Interest in subsidiaries. The carrying amount of this investment was R9 067 million.

In accordance with IAS 36, the Company is required to assess whether there is any indication that an asset may be impaired.

Given the lower recoverable amounts of the Country Road Group brand segments, as detailed per the Group section above, the Company performed an impairment assessment in respect of its investment in Country Road Group Holdings Proprietary Limited and recognised an impairment of R8 639 million.

As a result of the significant audit effort required to assess the judgements made by management with regard to the inputs into the discounted cash flows and the degree of complexity involved in determining the recoverable amount of the investment in Country Road Group Holdings Proprietary Limited, impairment in this investment was considered a key audit matter in our audit of the separate financial statements.

Company – investment in Country Road Group Holdings Proprietary Limited

The following incremental procedures were performed in respect of the impairment in the investment in Country Road Group Holdings Proprietary Limited (“the investment”):

- We evaluated management’s assessment of impairment indicators and the recoverable amount of the investment.
- We engaged our internal technical accounting specialists to assess that the methodology applied in determining the recoverable amount of the investment is appropriate and consistent with the requirements of IFRS.
- We assessed the performance of the subsidiary, tested for impairment, against approved budgets and forecasts.
- We verified that the impairment methods and assumptions used in the Country Road Group brand impairment models at the Group level were consistently applied in assessing the recoverable amount of the Company’s investment.
- We considered whether any adjustments were required to be made to the recoverable amounts of the Country Road Group brand impairment models to determine the recoverable amount of the investment.
- We compared the recoverable amount to the carrying amount of the investment to determine whether an impairment was required to be recognised.

Based on the above procedures performed, we did not identify any matters requiring further consideration.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises the information included in the document titled “Woolworths Holdings Limited Annual Financial Statements 2025”, which includes the Certificate of the Group Company Secretary, Report of the Audit Committee and Directors’ Report as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the 2025 Integrated Annual Report, which is expected to be made available to us after that date. The other information does not include the consolidated and separate financial statements and our auditor’s report thereon.

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

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

RESPONSIBILITIES OF THE DIRECTORS FOR THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

AUDITOR’S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Woolworths Holdings Limited for four years.

KPMG Inc.
Registered Auditor

KPMG Inc.

Per EA Belstead
Chartered Accountant (SA)
Registered Auditor
Director
2 September 2025

4 Christiaan Barnard Street
Foreshore
Cape Town
8000



GROUP ANNUAL FINANCIAL STATEMENTS

NOTES TO THE GROUP ANNUAL FINANCIAL STATEMENTS

GROUP STATEMENT OF COMPREHENSIVE INCOME

	Note	52 weeks to 29 June 2025 Rm	Restated* 53 weeks to 30 June 2024 Rm
Revenue	2	80 243	77 335
Turnover	2	79 537	76 533
Cost of sales		52 258	49 064
Gross profit		27 279	27 469
Other revenue	2	550	636
Expenses		22 779	22 121
Store costs		14 733	14 256
Other operating costs		8 046	7 865
Operating profit from core trading activities	1	5 050	5 984
Non-core trading expenses and capital items	1 & 3.4	666	990
Operating profit before net finance costs		4 384	4 994
Investment income	2	156	166
Finance costs	3.7	1 771	1 724
Profit before earnings from joint ventures		2 769	3 436
Earnings from joint ventures	29	239	223
Profit before tax	3	3 008	3 659
Tax expense	4	553	1 059
Profit for the period		2 455	2 600
Other comprehensive income:			
Amounts that may be reclassified to profit or loss			
Fair value adjustments on financial instruments	25.6	46	(253)
Tax on fair value adjustments on financial instruments		16	89
Exchange differences on translation of foreign subsidiaries		(250)	(240)
Other comprehensive income from joint ventures		17	(17)
Amounts that may not be reclassified to profit or loss			
Post-retirement medical benefit liability: actuarial gain	21	1	36
Deferred tax on post-retirement medical benefit liability: actuarial gain		–	(10)
Other comprehensive loss for the period		(170)	(395)
Total comprehensive income for the period		2 285	2 205
Profit attributable to:		2 455	2 600
Shareholders of the parent		2 443	2 593
Non-controlling interests		12	7
Total comprehensive income attributable to:		2 285	2 205
Shareholders of the parent		2 273	2 198
Non-controlling interests		12	7
Earnings per share (cents)	5	273.4	289.2
Diluted earnings per share (cents)	6	270.5	286.2
Headline earnings per share (cents)	5	268.1	364.2
Diluted headline earnings per share (cents)	6	265.3	360.4

* Comparative information for certain expenses have been reclassified to disaggregate expenses that have been identified as “Non-core trading expenses and capital items”, and which have now been presented below the “Operating profit from core trading activities” subtotal. These expenses are taken into account as adjustments for the calculation of Adjusted profit before tax and Adjusted headline earnings. The reclassification had no impact on Profit before tax, nor on the Statement of financial position, Statement of cash flows, Earnings per share or Headline earnings per share for the comparative prior period. Refer to notes 1 and 3.4.

GROUP STATEMENT OF FINANCIAL POSITION

	Note	At 29 June 2025 Rm	At 30 June 2024 Rm
ASSETS			
Non-current assets		26 102	27 518
Property, plant and equipment	8.1	8 151	7 209
Investment property	8.2	–	1 701
Intangible assets	9	7 842	8 498
Right-of-use assets	10	7 376	7 902
Investment in joint ventures	29	1 228	1 163
Investments and other loans	11	97	85
Derivative financial instruments	15	–	8
Deferred tax	12	1 408	952
Current assets		14 745	11 184
Inventories	13	8 887	7 441
Trade and other receivables	14	1 530	1 376
Derivative financial instruments	15	33	32
Tax	28.3	4	26
Cash and cash equivalents	28.4	4 291	2 309
TOTAL ASSETS		40 847	38 702
EQUITY AND LIABILITIES			
Equity attributable to shareholders of the parent		10 640	10 864
Stated capital	16	7 749	7 749
Treasury shares		(2 192)	(1 838)
Non-distributable reserve	17	1 356	1 612
Distributable reserves	17	3 727	3 341
Non-controlling interests		71	62
TOTAL EQUITY		10 711	10 926
Non-current liabilities		17 859	15 594
Interest-bearing borrowings	18	9 286	6 314
Lease liabilities	19	7 921	8 655
Post-retirement medical benefit liability	21	346	333
Provisions and other payables	20 & 22	254	252
Derivative financial instruments	15	4	1
Deferred tax	12	48	39
Current liabilities		12 277	12 182
Trade and other payables	20	8 666	7 946
Provisions	22	840	861
Lease liabilities	19	1 895	1 649
Derivative financial instruments	15	192	163
Tax	28.3	116	65
Overdrafts and interest-bearing borrowings	18	568	1 498
TOTAL LIABILITIES		30 136	27 776
TOTAL EQUITY AND LIABILITIES		40 847	38 702

GROUP STATEMENT OF CHANGES IN EQUITY

Attributable to shareholders of the parent

	Note	Stated capital Rm	Treasury shares Rm	Non-distributable reserves		Distributable reserves			Shareholders' interest before non-controlling interests Rm	Non-controlling interests Rm	Total Rm
				Foreign currency translation reserve Rm	Put option reserve	Share-based payments reserve Rm	Financial instrument revaluation reserve Rm	Retained profit Rm			
Shareholders' interest at 25 June 2023		7 749	(1 706)	1 900	–	651	221	3 176	11 991	30	12 021
Profit for the period		–	–	–	–	–	–	2 593	2 593	7	2 600
Other comprehensive loss		–	–	(240)	–	–	(164)	9	(395)	–	(395)
Total comprehensive income for the period		–	–	(240)	–	–	(164)	2 602	2 198	7	2 205
Share-based payments		–	–	–	–	219	–	–	219	–	219
Net (acquisition)/disposal of Treasury shares		–	(132)	–	–	(368)	–	(137)	(637)	–	(637)
Transfer of Financial Instrument revaluation reserve to inventories		–	–	–	–	–	(123)	–	(123)	–	(123)
Recognition of put option reserve		–	–	–	(48)	–	–	–	(48)	–	(48)
Recognition of non-controlling interests on acquisition of subsidiary		–	–	–	–	–	–	–	–	30	30
Dividends paid	27	–	–	–	–	–	–	(2 736)	(2 736)	(5)	(2 741)
Shareholders' interest at 30 June 2024		7 749	(1 838)	1 660	(48)	502	(66)	2 905	10 864	62	10 926
Profit for the period		–	–	–	–	–	–	2 443	2 443	12	2 455
Other comprehensive loss		–	–	(250)	–	–	62	18	(170)	–	(170)
Total comprehensive income for the period		–	–	(250)	–	–	62	2 461	2 273	12	2 285
Share-based payments		–	–	–	–	173	–	–	173	–	173
Net (acquisition)/disposal of Treasury shares		–	(354)	–	–	(177)	–	–	(531)	–	(531)
Transfer of Financial Instrument revaluation reserve to inventories		–	–	–	–	–	(102)	–	(102)	–	(102)
Remeasurement of put option reserve		–	–	–	(6)	–	–	–	(6)	–	(6)
Dividends paid	27	–	–	–	–	–	–	(2 031)	(2 031)	(3)	(2 034)
Shareholders' interest at 29 June 2025		7 749	(2 192)	1 410	(54)	498	(106)	3 335	10 640	71	10 711

	Note	2025	2024
Dividend per ordinary share declared for the period (cents)	27	188.0	265.5
Interim		107.0	148.0
Final		81.0	117.5

GROUP STATEMENT OF CASH FLOWS

	Note	52 weeks to 29 June 2025 Rm	53 weeks to 30 June 2024 Rm
Cash flow from operating activities			
Cash inflow from trading	28.1	8 424	9 510
Working capital movements	28.2	(1 267)	(949)
Cash generated by operating activities		7 157	8 561
Investment income received		160	166
Finance costs paid		(1 740)	(1 737)
Tax paid	28.3	(891)	(911)
Cash generated by operations		4 686	6 079
Dividends received from joint ventures		190	91
Dividends paid		(2 034)	(2 741)
Net cash inflow from operating activities		2 842	3 429
Cash flow from investing activities			
Investment in property, plant and equipment and intangible assets to maintain operations		(665)	(1 048)
Investment in property, plant and equipment and intangible assets to expand operations		(2 468)	(2 303)
Proceeds on disposal of property, plant and equipment and intangible assets		5	–
Consideration paid for business acquisitions		(4)	–
Net proceeds on disposal of investment property		2 575	–
Net cash outflow on acquisition of subsidiary		–	(581)
Purchase of investments and other loans advanced		(13)	–
Net cash outflow from investing activities		(570)	(3 932)
Cash flow from financing activities			
Net acquisition of Treasury shares	16	(415)	(296)
Settlement of share-based payments through share purchases	17	(116)	(341)
Consideration paid to non-controlling interests		(3)	–
Lease liabilities repaid	19	(1 796)	(1 854)
Borrowings raised	19	5 974	4 342
Borrowings repaid	19	(3 308)	(3 507)
Net cash inflow/(outflow) from financing activities		336	(1 656)
Increase/(decrease) in cash and cash equivalents		2 608	(2 159)
Net cash and cash equivalents at the beginning of the period		1 117	3 296
Effect of foreign exchange rate changes		(2)	(20)
Net cash and cash equivalents at the end of the period	28.4	3 723	1 117



1. MATERIAL ACCOUNTING POLICIES

The consolidated and separate Annual Financial Statements of Woolworths Holdings Limited (the Company) for the 52 weeks ended 29 June 2025 (2024: 53 weeks ended 30 June 2024) comprise the Company, its subsidiaries, joint ventures and associates (together referred to as the Group).

The Group manages its retail operations on a 52-week trading calendar basis, which treats each financial year as having a 52-week period and a year-end which falls on the last Sunday of June. As a result, certain days are not included and a 53rd week is required approximately every six years to realign the calendars. Accordingly, pro forma 52-week financial information is provided for the prior period to facilitate comparison against the reported 52-week reporting period.

STATEMENT OF COMPLIANCE

The consolidated and separate Annual Financial Statements have been prepared on a going concern basis in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRS Accounting Standards), the Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee, JSE Listings Requirements, Debt and Specialist Securities Listings Requirements and the Companies Act of South Africa.

BASIS OF PREPARATION

The consolidated and separate Annual Financial Statements are prepared on the going concern and historical cost bases, except where otherwise indicated.

The presentation currency is the South African rand, rounded to the nearest million, except where otherwise indicated.

The accounting policies set out below have been consistently applied to all years presented in these consolidated and separate Annual Financial Statements, unless stated otherwise, except where the Group has adopted the IFRS and IFRIC interpretations and amendments listed below that became effective during the year.

ACCOUNTING STANDARDS ISSUED AND EFFECTIVE

The adoption of certain Accounting Standards, which became effective in the current period, has resulted in minor changes to accounting policies and disclosure, none of which have a material impact on the financial position or performance of the Group.

CLASSIFICATION OF LIABILITIES AS CURRENT OR NON-CURRENT AND NON-CURRENT LIABILITIES WITH COVENANTS – AMENDMENTS TO IAS 1

Amendments to IAS 1 in 2020 and 2022 clarified that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the entity’s expectations or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant).

Covenants of loan arrangements will not affect classification of a liability as current or non-current at the reporting date, if the entity must only comply with the covenants after the reporting date. However, if the entity must comply with a covenant either before or at the reporting date, this will affect the classification as current or non-current, even if the covenant is only tested for compliance after the reporting date.

The amendments require the following disclosure, if an entity classifies a liability as non-current and that liability is subject to covenants that the entity must comply with, within 12 months of the reporting date:

- the carrying amount of the liability;
- information about the covenants, and

- facts and circumstances, if any, that indicate that the entity may have difficulty complying with the covenants.

The amendments also clarify what IAS 1 means when it refers to the ‘settlement’ of a liability. Terms of a liability that could, at the option of the counterparty, result in its settlement by the transfer of the entity’s own equity instrument can only be ignored for the purpose of classifying the liability as current or non-current, if the entity classifies the option as an equity instrument. However, conversion options that are classified as a liability must be considered when determining the current or non-current classification of a convertible note.

The amendment should be applied retrospectively in accordance with the requirements of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. Special transitional rules apply if an entity had early adopted the 2020 amendments regarding the classification of liabilities as current or non-current.

LEASE LIABILITY IN A SALE AND LEASEBACK - AMENDMENTS TO IFRS 16

In September 2022, the IASB finalised narrow-scope amendments to the requirements for sale and leaseback transactions in IFRS 16 Leases which explain how an entity accounts for a sale and leaseback after the date of the transaction.

The amendments specify that, in measuring the lease liability subsequent to the sale and leaseback, the seller-lessee determines ‘lease payments’ and ‘revised lease payments’ in a way that does not result in the seller-lessee recognising any amount of the gain or loss that relates to the right of use that it retains. This could particularly impact sale and leaseback transactions where the lease payments include variable payments that do not depend on an index or a rate.

SUPPLIER FINANCE ARRANGEMENTS AMENDMENTS TO IAS 7 AND IFRS 7

The IASB has issued new disclosure requirements about supplier financing arrangements (SFAs), after feedback to an IFRS Interpretations Committee Agenda Decision noting the information required by IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments.

The objective of the new disclosures is to provide information about SFAs that enables investors to assess the effects on an entity’s liabilities, cash flows and the exposure to liquidity risk, which include information about the terms and conditions of SFAs:

1. The carrying amounts of financial liabilities that are part of SFAs and the line items in which those liabilities are presented.
2. The carrying amount of the financial liabilities in (b) for which suppliers have already received payment from the finance providers.
3. The range of payment due dates for both the financial liabilities that are part of SFAs, and comparable trade payables that are not part of such arrangements.
4. Non-cash changes in the carrying amounts of financial liabilities.
5. Access to SFA facilities and concentration of liquidity risk with finance providers.

The IASB provided transitional relief by not requiring comparative information in the first year, and also not requiring disclosure of specified opening balances. Further, the required disclosures are only applicable for annual periods during the first year of application. Therefore, the earliest that the new disclosures will have to be provided is in annual financial reports for December 2024 year-ends, unless an entity has a financial year of less than 12 months.

This amendment did not have an impact on the Group’s financial statements.

BASIS OF CONSOLIDATION

The Group consolidates all of its subsidiaries. Accounting policies are applied consistently in all Group companies. The results of subsidiaries are included from the effective date of acquisition up to the effective date of disposal. All subsidiaries, with the exception of the Woolworths Holdings Share Trust and the Woolworths Trust, have the same financial year-ends and are consolidated to that date. The Woolworths Holdings Share Trust and the Woolworths Trust have financial years ending 28 February. The results of subsidiaries with year-ends differing from that of the Group are compiled for a rolling 12-month year ending June and consolidated to that date to align with the Group’s financial year-end.

All intragroup balances, transactions, income, expenses and profits or losses resulting from intragroup transactions between subsidiaries or the parent and subsidiaries are eliminated in full.

CONTROL

The Group consolidates an entity when control exists and can be demonstrated as follows:

- power over the investee through having existing rights that give it the current ability to direct relevant activities;
- exposure, or rights to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect the amount of the investor’s returns.

The Group’s interests in joint ventures and associates are accounted for using the equity method.

A change in the ownership interest of a subsidiary, without leading to control being obtained or given up, is accounted for as an equity transaction.

Losses are attributed to the non-controlling interests even if that results in a deficit balance.

The Company carries its investments in subsidiaries at cost less accumulated impairment losses.

FOREIGN CURRENCY TRANSLATIONS

The presentation currency of the Group and parent Company Annual Financial Statements is the South African rand. Certain individual companies in the Group have different functional currencies and are translated upon consolidation.

Foreign currency transactions are recorded at the exchange rates ruling on the transaction dates. Monetary assets and liabilities designated in foreign currencies are subsequently translated at rates of exchange ruling at the reporting date and resulting gains and losses thereon are recognised in profit or loss. Upon settlement, foreign currency monetary assets and liabilities are translated at the rates of exchange ruling at the settlement date and resulting gains and losses are recognised in profit or loss. Non-monetary assets and liabilities are consistently translated at rates of exchange ruling at acquisition date.

Foreign operations are translated from their functional currency into rand at the rates of exchange ruling at the reporting date in respect of Statement of Financial Position items and at an average rate per month in respect of Statement of Comprehensive Income items. Gains and losses on the translation of foreign operations are recognised in other comprehensive income.

Translation gains and losses arising on loans, which form part of the net investment in the foreign operations, are reported in profit or loss in the company extending or receiving the loan. In the consolidated Annual Financial Statements they are carried in equity until realised, and thereafter are recognised in profit or loss.

PRESENTATION OF OPERATING PROFIT FROM CORE TRADING ACTIVITIES AND NON-CORE TRADING EXPENSES AND CAPITAL ITEMS

Operating profit from core trading activities is calculated by excluding items from operating profit that have attributes of either being of a non-recurring nature, volatile, having a material impact on earnings or not incurred in the ordinary course of business (collectively described as “Non-core trading expenses and capital items”), which are not separately identified under IFRS or the SAICA Circular on Headline Earnings. Refer to note 3.4 for the description of Non-core trading expenses and capital items.

These measures are not defined terms under IFRS and are not intended to be a substitute for, or superior to, measures as required by IFRS. It comprises items recognised and measured in accordance with IFRS. Management believes that the use of these measures are relevant to the understanding of the Group’s financial performance and helpful to users of financial statements by providing a more meaningful measure of the quality of earnings and the sustainability thereof. The methodology of determining adjustments is applied consistently enabling comparisons over different reporting periods.

USE OF ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised, if the revision affects only that year, or in the year of the revision and subsequent years, if the revision affects both.

MATERIAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

Estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

GOODWILL, BRANDS AND CUSTOMER DATABASES

Goodwill and brands are tested for impairment at every financial year-end or more frequently, if events or changes in circumstances indicate that the carrying value may be impaired. Impairment is determined by assessing the recoverable amount of the cash generating unit to which the goodwill and brands are allocated. The recoverable amount is determined with the use of a discounted cash flow, which takes into account the latest available projected sales growth rates, gross margin, reinvestment of profits, working capital requirements, capital expenditure and terminal value assumptions. Where the cash-generating unit’s recoverable amount is less than its carrying value, an impairment loss is recognised. It is allocated first to reduce the carrying value of any goodwill allocated to the cash-generating unit, and then to other assets of the unit pro rata, on the basis of the carrying amount of each asset in the unit. An impairment loss for goodwill cannot be reversed in future periods. Refer to note 9 for details relating to estimates and assumptions used.

LEASES

Judgement is applied when assessing whether an arrangement should be treated as a lease. Where the Group acts as the lessee, judgement is applied in determining whether control of the underlying asset has been transferred in order to recognise a lease.

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

Subsequent to the commencement date of lease agreements, lease terms are reassessed when there is a significant event or change in circumstances that is within the Group’s control and affects its ability to exercise or not to exercise the option to renew or to terminate. Significant events could include a change in the Group’s assessment of whether it is reasonably certain to exercise a renewal or termination option, the incurrences of unanticipated significant leasehold improvements or the negotiation of unanticipated lease incentives. Refer to notes 10 and 19 for details relating to estimates and assumptions used.

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

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment is depreciated over its useful life taking into account residual values, where appropriate. Assessments of useful lives and residual values are performed annually after considering factors such as technological innovation, maintenance programmes, relevant market information, manner of recovery and management consideration.

In assessing residual values, the Group considers the remaining life of the asset, its projected disposal value and future market conditions. Refer to note 8.

PROVISION FOR NET REALISABLE VALUE OF INVENTORY

The provision for net realisable value of inventory represents management’s estimate, based on historic sales trends and its assessment of quality and volume, of the extent to which merchandise on hand at the reporting date will be sold below cost. Refer to note 13.

- Management make an estimate and make assumptions to identify the extent to which merchandise on hand at the reporting date will be sold below cost. The estimate by management is made after considering the following factors:
- Historical data and sell-through rates
 - the inventory profile and age
 - forecast mark downs

Management has reassessed the key assumptions used in estimating the net realisable value of inventory on hand. The Group has considered the nature and condition of inventory, as well as applying assumptions around when trade restrictions might be eased leading to the normalisation of sales. The inventory provision reflects management’s best assumptions relating to stock that will be cleared below cost.

PROBABILITY OF VESTING OF RIGHTS TO EQUITY INSTRUMENTS GRANTED IN TERMS OF SHARE-BASED PAYMENT SCHEMES

The cumulative expense recognised in terms of the Group’s share-based payment schemes reflects, in the opinion of the directors, the number of rights to equity instruments granted that will ultimately vest. At each reporting date, the unvested rights are adjusted by the number of rights forfeited during the year, to reflect the actual number of instruments outstanding. Management is of the opinion that this number, adjusted for future attrition rates, represents the most accurate estimate of the number of instruments that will ultimately vest.

BUSINESS COMBINATIONS

The Group determines the fair value allocations for assets and liabilities acquired via business combinations, where applicable.

IMPAIRMENT OF FINANCIAL ASSETS

EXPECTED CREDIT LOSS (ECL) MODEL

Impairment using the ECL model in terms of IFRS 9 apply to debt financial assets measured at either amortised cost or at fair value through other comprehensive income (FVOCI), loan commitments, where there is a present commitment to extend credit (unless these are measured at FVTPL) and financial guarantees.

ECL is, at a minimum, required to be measured through a loss allowance at an amount equal to the 12-month ECL of the financial asset. A loss allowance for full lifetime ECL is required for a financial asset if the credit risk of that financial instrument has increased significantly since initial recognition.

The Group applies the IFRS 9 simplified approach to measuring ECLs for all trade receivables, and the general approach for loans and other receivables.

PROVISION FOR EMPLOYEE BENEFITS

Post-retirement defined benefits are provided to certain existing and former employees. Actuarial valuations are performed to assess the financial position of relevant funds and are based on assumptions, which include mortality rates, healthcare inflation, the expected long-term rate of return on investments, the discount rate and current market conditions. Refer to note 21.

MATERIAL JUDGEMENTS IN APPLYING THE GROUP’S ACCOUNTING POLICIES

The following areas require material judgements to be made by management in the application of the Group’s accounting policies:

TREATMENT OF WOOLWORTHS FINANCIAL SERVICES PROPRIETARY LIMITED (WFS) AS A JOINT VENTURE

The Group is a party to a joint arrangement when there is a contractual arrangement that confers joint control over the relevant activities of the arrangement to the Group and at least one other party. Joint control is assessed under the same principles as control over subsidiaries.

- The Group classifies its interests in joint arrangements as either:
- Joint ventures: where the Group has rights to only the net assets of the joint arrangement.
 - Joint operations: where the Group has both the rights to the assets and obligations for the liabilities of the joint arrangement.

In assessing the classification of interests in joint arrangements, the Group considers:

- The structure of the joint arrangement;
- The legal form of joint arrangements structured through a separate vehicle;
- The contractual terms of the joint arrangement agreement; and
- Any other facts and circumstances (including any other contractual arrangements).

Based on the Group’s 50% interest and contractual arrangement with WFS, the Group has classified its arrangement with WFS as a joint venture in accordance with IFRS 11. Refer to the accounting policy Investment in joint venture and associates, and note 29 for further details.

INCOME TAXES

The Group is subject to income tax in more than one jurisdiction. Significant judgement is required in determining the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The group measures its tax balances either based on the most likely amount or the expected value of the tax position, depending on which method provides a better prediction of the resolution of the uncertainty. With regards to the recognition of deferred tax assets, judgement is also required to determine the extent that it is probable that future taxable profit will allow the deferred tax assets to be utilised. Refer to notes 4 and 12.

CONSOLIDATION OF THE GROUP’S SHARE TRUST

The Group operates a share incentive scheme through a separate share trust. The Trust is operated for the purposes of incentivising staff to promote the continued growth of the Group, and is funded by loan accounts from companies within the Group and by dividends received from the Company. The Trustees of the Trust comprise Non-executive Directors of Woolworths Holdings Limited, who have the power to direct the relevant activities of the Trust, in terms of the Trust Deed. In management’s judgement, the Group is able to exercise control over the Trust, in accordance with IFRS 10 Consolidated Financial Statements, and therefore consolidates its results.

SALE AND LEASEBACK TRANSACTIONS

A sale and leaseback transaction comprises the sale of an asset by the seller and subsequently leasing it back from the buyer. Recognising a sale and leaseback transaction, in accordance with the requirements of IFRS 16, is dependent on whether the transfer of an asset satisfies the requirements of IFRS 15, in which control of the asset has been transferred to the buyer-lessor.

The Group applies judgement in determining whether the transaction constitutes a transfer of control in terms of IFRS 15, whereby a performance obligation is satisfied by transferring a promised good or service (i.e. an asset) to a customer. The Group considers both qualitative and quantitative factors, including fair value of consideration and the transferred asset, whether the lease payments are at market rates, the transfer of significant risks and rewards of ownership and the uncertainty as to whether a lease option would be exercised beyond a specific period in determining whether control has transferred to the buyer-lessor.

PROPERTY, PLANT AND EQUIPMENT

All items of property, plant and equipment are initially recognised at cost, which includes any costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management. The cost of an item of property, plant and equipment is recognised as an asset if it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to initial recognition, buildings and leasehold improvements are shown at cost, less accumulated depreciation and any impairment in value. Land is measured at cost, less any impairment in value and is not depreciated, since the useful life is considered to be indefinite. Furniture, fittings, equipment, motor vehicles and computer equipment are shown at cost less accumulated depreciation and any impairment in value.

Subsequent expenditure, including the cost of replacing parts of the asset, other than day-to-day servicing costs, are included in the cost of the asset when incurred, if it is probable that such expenditure

will result in future economic benefits associated with the item flowing to the Group, and the cost can be measured reliably.

An asset is depreciated from the time that it is available for use. Depreciation of an asset ceases at the earlier of the date that the asset (or disposal group into which the asset falls) is classified as held-for-sale or included in a discontinued operation in accordance with IFRS 5, and the date that the asset is derecognised. The depreciable amount of an asset, being the cost of the asset less the residual value, is allocated on a straight-line basis over the estimated useful life of the asset. Residual value is the estimated amount that an entity would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. Whilst residual value is equal to or exceeds the carrying value, depreciation is discontinued.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately.

The residual values, useful lives and depreciation methods applied to assets are reviewed at each financial year-end based on relevant market information and management consideration, and are adjusted prospectively, if applicable.

Useful lives per asset category:

Buildings	15 – 75 years*
Leasehold improvements	Written off over the lease period or shorter period if appropriate
Furniture, fittings and equipment	2 – 15 years
Motor vehicles	5 years
Computer equipment	3 – 7 years

* Investment property measured on the cost model comprising a flagship building has an estimated useful life of 75 years, all other buildings are up to 40 years.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss, arising on derecognition of the asset, is included in profit or loss within store or other operating costs in the year in which the asset is derecognised.

Items of property, plant and equipment are assessed for impairment as detailed in the accounting policy on impairment.

When the use of a property changes from owner-occupied to investment property, the property is reclassified at its carrying value accordingly.

INTANGIBLE ASSETS

Intangible assets are initially recognised at cost, if acquired separately, or at fair value if acquired as part of a business combination. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised, but expensed in profit or loss in the year during which the expenses are incurred.

Other than brands and goodwill, all of the Group’s intangible assets are assessed as having finite useful lives. The Group’s intangible assets are amortised over their useful lives using a straight-line basis. Computer software is amortised between five to 10 years.

Amortisation commences when the intangible assets are available for their intended use. The amortisation period and method for intangible assets with finite useful lives are reviewed annually. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in accounting estimates.

The residual value of an intangible asset may increase to an amount equal to or greater than the asset’s carrying amount. Amortisation

of intangible assets ceases when the residual value is equal to or exceeds the carrying value.

The residual value of an intangible asset is zero, unless there is a commitment by a third party to purchase the asset at the end of its useful life, or if the residual value can be determined by reference to an active market and it is probable that the market will still exist at the end of the asset’s useful life.

Amortisation ceases at the earlier of the date that the asset is classified as held-for-sale (or is included in a disposal group that is classified as held-for-sale), or the date that the asset is derecognised.

Subsequent expenditure on intangible assets is capitalised if it is probable that future economic benefits attributable to the asset will flow to the Group and the expenditure can be measured reliably.

Intangible assets are derecognised upon disposal or where no future economic benefits are expected. Gains and losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset. These gains and losses are recognised in profit or loss when the asset is derecognised.

Intangible assets are tested for impairment if indications of impairment exist, except for goodwill and intangible assets with indefinite useful lives, which are tested at least annually. Refer to the accounting policy on impairment of non-financial assets for this process.

COMPUTER SOFTWARE

Computer software acquired from external suppliers is initially recognised at cost. Computer software development costs are capitalised if the recognition criteria outlined below under ‘Research and development’ are met.

RESEARCH AND DEVELOPMENT

Research costs are expensed as incurred.

Development costs are recognised as an expense in the period in which they are incurred unless the technical feasibility of the asset has been demonstrated and the intention to complete and utilise the asset is confirmed. Capitalisation commences when it can be demonstrated how the intangible asset will generate probable future economic benefits, that it is technically feasible to complete the asset, that the intention and ability to complete and use the asset exists, that adequate financial, technical and other resources to complete the development are available and the costs attributable to the process or product can be separately identified and measured reliably. Where development costs are recognised, it has a finite useful life and is amortised over its useful life on a straight-line basis and is tested for impairment if indications of impairment exists.

GOODWILL

Goodwill on acquisitions of subsidiaries is recognised as an asset and initially measured at cost, and represents the excess paid above the fair value of the assets and liabilities obtained as part of the business combination.

After initial recognition, goodwill on acquisitions of subsidiaries is measured at cost, less any accumulated impairment losses. Goodwill is adjusted in the remeasurement period up to one year after its recognition for remeasurement of the amounts recognised. Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation can be made to a single cash generating unit or a group of cash-generating units.

Goodwill on acquisitions of the equity-accounted associate and joint ventures is included in the investments in associate or joint ventures and tested for impairment as part of the carrying value

of the investment. Goodwill recognised on the acquisition of the associate or joint ventures (equity-accounted) is calculated as the difference between the cost of the investment and the fair value of the proportionate net assets acquired. Any excess of the fair value of the proportionate net assets acquired over the cost of the investment is included in profit or loss of the investor, in the year when acquired, as part of the proportionate share in the associate’s profit after tax.

When part of a cash-generating unit that contains goodwill is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation in determining the gain or loss on disposal. Goodwill disposed of in this manner is measured on the relative values of the operation disposed of and the portion of the cash-generating unit retained.

INVESTMENT PROPERTY

Investment property is held to earn rental income and/or for capital appreciation. Investment property is initially measured at cost, including transaction costs. Subsequently, investment property is measured on the cost model in accordance with the accounting policy for property, plant and equipment. Subsequent expenditure is capitalised to the asset’s carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other costs, including repairs and maintenance, are expensed as incurred.

An investment property is derecognised either when it has been disposed (i.e. at the date the recipient obtains control) or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the investment property is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property, the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration and consideration payable to the buyer (if any).

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

LEASES

The Group’s main lease contracts relate to leases of retail stores, offices and distribution centres.

RIGHT-OF-USE ASSETS

Right-of-use assets are initially measured at cost, which comprises the initial amount of lease liabilities, plus any initial direct costs incurred, less any lease incentives received.

Right-of-use assets are subsequently depreciated on a straight line basis over the shorter of the lease term and the estimated useful lives of the assets. The Group determined the lease term as any non-cancellable period of a lease together with reasonably certain termination or extension option periods. Right-of-use assets are tested for impairment when there are any indicators of impairment and periodically reduced by impairment losses, if required. These mainly include loss-making stores and stores that the Group intends to close.

LEASE LIABILITIES

Lease liabilities are initially measured at the present value of future lease payments discounted using the Group’s incremental borrowing

rate, taking into account lease term, country, currency and start date of the lease. Incremental borrowing rates are based on a series of inputs including the prime lending rate, the repo rate, a credit risk adjustment and a country specific adjustment.

Lease liabilities are subsequently measured at amortised cost using the effective interest method, and reduced by future lease payments net of interest charged. It is remeasured, with a corresponding adjustment to right-of-use assets, when there is a change in future lease payments resulting from a rent review, change in relevant index or rate, such as inflation, or change in the Group’s assessment of whether it is reasonably certain to exercise a renewal or termination option. Interest expense on lease liabilities are presented as a component of finance costs in profit or loss and classified as cash flows from operating activities in the statement of cash flows.

The remeasurement results in a corresponding adjustment to the carrying amount of right-of-use assets, with the difference recorded in profit or loss if the carrying amount of right-of-use assets has been reduced to zero.

Variable lease payments that do not depend on an index or rate are not included in the measurement of right-of-use assets and lease liabilities. These related payments are recognised as an expense in the period in which the event or condition that triggers those payments occur. Other variable lease payments that depend on an index or rate are included in the measurement of right-of-use assets and lease liabilities.

The Group has elected to account for payments associated with short-term leases and leases of low-value assets (with a cost price below R150 000) using the practical expedients. Instead of recognising a right-of-use asset and a lease liability, the payments in relation to these leases are recognised as an expense in profit or loss on a straight-line basis over the lease term.

SALE AND LEASEBACK TRANSACTIONS

A sale and leaseback transaction is where the Group sells an asset and immediately leases it back from the buyer, thereby reacquiring the use of the asset. If the transfer of the asset by the Group satisfies the requirements of IFRS 15 to be accounted for as a sale, the associated property, plant and equipment asset is derecognised, and a right-of-use asset recognised at the proportion of the previous carrying amount of the asset relating to the right-of-use retained. The gain or loss that the Group recognises is limited to the proportion of the total gain or loss that relates to the rights transferred to the buyer-lessor. Any gain or loss that relates to the rights transferred to the buyer-lessor is recognised in profit or loss.

BUSINESS COMBINATIONS

All business combinations are accounted for by applying the acquisition method. Goodwill may arise on the acquisition of businesses and subsidiaries. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value, or at the proportionate share of the acquiree’s identifiable net assets. Any gain from a bargain purchase is recognised in profit or loss immediately. The fair value of the consideration paid is the fair value at the date of exchange of the assets given, liabilities incurred or assumed, and equity instruments issued by the Group, in exchange for control of the acquiree. Acquisition costs incurred are expensed. The fair value of assets and liabilities obtained are determined through a professional valuation.

NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS

The Group classifies non-current assets and disposal groups as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. Non-

current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental costs directly attributable to the disposal of an asset (disposal group), excluding finance costs and income tax expense.

The criteria for held for sale classification is regarded as met only when the sale is highly probable, and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sell will be withdrawn. Management must be committed to the plan to sell the asset and the sale expected to be completed within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the statement of financial position.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

TAXES

CURRENT TAX

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered or paid to the tax authorities. The tax rates and laws used to compute the amount are those enacted or substantively enacted at the reporting date.

Current tax assets and liabilities are offset if the Company has a legally enforceable right to offset the recognised amounts and it intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

DEFERRED TAX

Deferred tax is provided for on the Statement of financial position basis on the temporary differences at the reporting date between the carrying values, for financial reporting purposes, and tax bases of assets and liabilities.

Deferred tax assets are recognised for deductible temporary differences to the extent that it is probable that future taxable profit will allow the deferred tax assets to be utilised, unless the deferred tax assets arise from the initial recognition of an asset or liability in a transaction that is not a business combination, and at the time of the transaction affects neither accounting nor taxable profit or loss. In respect of deductible temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future, and that taxable profit will be available against which the temporary differences will be utilised.

Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient future taxable income will be available for utilisation of the asset.

Deferred tax liabilities are recognised for taxable temporary differences, except where the deferred tax liabilities arise from the initial recognition of goodwill, or the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting nor taxable profit or loss. In respect of taxable temporary differences associated with investment in subsidiaries, associates and interests in joint ventures, deferred tax liabilities are not recognised when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying values of its assets and liabilities.

Current tax and deferred tax are credited or charged directly to equity or other comprehensive income if they relate to items credited or charged directly to equity or other comprehensive income.

Deferred tax assets and liabilities are offset if the Company has a legally enforceable right to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity, or different taxable entities that intend to settle current tax assets and liabilities on a net basis, or realise the asset and settle the liability simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be recovered or settled.

DIVIDEND WITHHOLDING TAX (DWT)

DWT is a tax levied on the beneficial owner of the shares instead of the Company. The tax is withheld by the Company and paid over to the South African Revenue Service (SARS) on the beneficiaries’ behalf. The resultant tax expense and liability has been transferred to the shareholder and is no longer accounted for as part of the tax charge of the Company. Amounts not yet paid over to SARS are included in trade and other payables and the measurement of the dividend amount is not impacted by the withholding tax.

CURRENT ASSETS AND LIABILITIES

Current assets and liabilities have maturity terms of less than 12 months and are expected to be settled in the Group’s normal operating cycle.

INVENTORIES

Merchandise, raw materials and consumables are initially recognised at cost, determined using the weighted average cost formula. The cost of merchandise is the net of the invoice price of merchandise, insurance, freight, customs duties, an appropriate allocation of distribution costs, trade discounts, rebates and settlement discounts. Rebates and discounts received as a reduction in the purchase price of inventories are deducted from the cost of those inventories.

Subsequent to initial recognition, inventories are measured at the lower of cost and net realisable value. Net realisable value of merchandise is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale. Management make adjustments to the carrying value of inventory to reflect the cost of inventory at the lower of cost and net realisable value, as well as the cost of hedge accounting. In accordance with the provisions of IFRS 9, the application of hedge accounting requires management to adjust the cost of inventory to incorporate the impact of forward exchange hedging contracts.

Raw materials and consumables held for packaging of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost.

The carrying amount of inventories sold is recognised as an expense in the period in which the related revenue is recognised.

SHORT-TERM EMPLOYEE BENEFITS

Short-term employee benefits include salaries, bonuses, leave pay, allowances and other fringe benefits. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay the amount and the

obligation can be estimated reliably.

LONG-TERM EMPLOYEE BENEFITS

Long-term employee benefits include employee long-service leave entitlements. A provision is recognised for the amount expected to be redeemed or paid to the employee. The provision is measured based on the service period worked and probability assumptions are applied to determine the likelihood that an employee will qualify for the entitlement. Refer to note 22 for further details.

RETIREMENT BENEFITS

Current contributions to defined contribution retirement funds are based on a percentage of the pensionable payroll and are recognised as an employee benefit expense when they are due. The Group has no further payment obligations once the contributions are paid.

The Group has an obligation to provide certain post-employment medical aid benefits to certain employees and pensioners. The calculated cost arising in respect of post-retirement medical aid benefits is charged to profit or loss, as services are rendered by employees. The present value of future medical aid subsidies for past and current service is determined in accordance with IAS 19:Employee Benefits, using actuarial valuation models. The cost of providing benefits under the plan is determined using the projected unit credit valuation method. All actuarial gains and losses are recognised in other comprehensive income. Any curtailment benefits or settlement amounts are recognised in profit or loss as incurred. Current service costs and interest cost is included in employee costs in profit and loss.

SHARE-BASED PAYMENT TRANSACTIONS

Shares and rights to acquire shares granted to employees in terms of the Group’s share incentive schemes meet the definition of share-based payment transactions. Refer to note 16 for a detailed description of each of the schemes.

In its separate Annual Financial Statements, the Company accounts for the share-based payment transaction as an equity-settled share-based payment arrangement, with a corresponding increase in its investment in subsidiaries.

The equity-settled share-based payment schemes allow Group employees to acquire shares in the Company. The fair value of shares granted or rights to acquire shares (granted in the form of share options), is recognised as an expense with a corresponding increase in equity. The fair value is measured at grant date and expensed over the period in which the employees become unconditionally entitled to these rights. The fair value of the grants is measured with reference to the listed share price.

The Group revises its estimates of the number of shares or rights to acquire shares that it expects will ultimately vest based on the non-market vesting and service conditions. The Group recognises the impact of the revision in the original estimates in profit or loss, with a corresponding adjustment to equity. No subsequent adjustments are made to equity after the vesting date.

Where the terms of an equity-settled award are modified, the minimum expense recognised is the amount measured at the grant date fair value of the equity instruments granted, unless those equity instruments do not vest because of failure to satisfy a vesting condition (other than a market condition) that was specified at grant date. In addition, the Group recognises, over the remainder of the vesting period, the effects of modifications that increase the total fair value of the share-based payment arrangement or are otherwise beneficial to the employee as measured at the date of the modification.

Where an equity-settled award is cancelled by the Group, it is accounted for as an acceleration of the vesting of the awards. It is treated as if it had vested on the date of cancellation and

any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

Outstanding rights to acquire shares could result in share dilution in the computation of earnings per share (refer to note 6).

PROVISIONS

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the effect of discounting to present value is material, provisions are adjusted to reflect the time value of money.

FINANCIAL INSTRUMENTS

RECOGNITION AND MEASUREMENT

Financial instruments are initially recognised on the Statement of Financial Position when the Group becomes party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value, which includes directly attributable transaction costs in the case of financial assets and liabilities not at fair value through profit or loss. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss. Subsequent measurement for each financial instrument in the Group is performed in accordance with classification of the instrument in line with the following:

FINANCIAL ASSETS

Financial assets are classified into the following specified categories: financial assets at ‘fair value through profit or loss’ (FVTPL), financial assets at ‘fair value through other comprehensive income’ (FVTOCI) and ‘loans and receivables at amortised cost’. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

EFFECTIVE INTEREST METHOD (AMORTISED COST)

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL.

The Group uses the effective interest method for the following financial assets:

- Trade and other receivables: this comprises all trade and non-trade debtors other than financial services debtors. Short-duration receivables with no stated interest rate are measured at original invoice amount, unless the effect of imputing interest is significant.
- Other loans: these comprise housing and employee loans.
- Cash and cash equivalents: this comprises cash at banks and on hand, overdrafts, as well as short-term deposits held at call with banks.

FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial assets are classified as at FVTPL when the financial asset is (i) held for trading, or (iii) it is designated as at FVTPL.

A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘other gains and losses’ line item.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) - EQUITY INSTRUMENTS

At the initial recognition of the equity instrument, the Group may make an irrevocable election to classify its investments in equity instruments as designated at fair value through other comprehensive income if the investment is not held for trading. This election is performed on an instrument-by-instrument basis.

Gains or losses that are recognised as a result of subsequent measurement of these instruments are never recycled to profit or loss. Dividends received from these instruments are recognised in profit or loss, unless the Group has received these dividends as a recovery of part of the cost of the financial asset.

FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (FVOCI) – DEBT INSTRUMENTS

Debt instruments such as listed bonds are measured by the Group at FVOCI where the contractual cash flows are solely principal and interest and the objective of the Group’s business model for such instruments is achieved both by collecting contractual cash flows and selling the financial assets.

Gains or losses on the instrument are recognised in other comprehensive income, with the exception of impairment losses or reversals, and foreign exchange gains or losses, which are recognised in profit or loss. Interest income earned on the instrument is recognised in profit and loss. Upon derecognition, the cumulative fair value change is recycled from OCI to profit or loss.

FINANCIAL LIABILITIES AND EQUITY INSTRUMENTS CLASSIFICATION AS DEBT OR EQUITY

Debt and equity instruments issued by a Group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

EQUITY INSTRUMENTS

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Group entity are recognised at the proceeds received, net of direct issue costs.

FINANCIAL LIABILITIES

Financial liabilities are classified as either of the following categories:

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

Financial liabilities classified as fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The Group’s derivatives that are not designated as hedging instruments are classified as FVTPL.

PUT OPTION LIABILITY

The Group recognises a put option liability for arrangements in which the Group has written put options over the equity of a subsidiary. These put options permit the minority shareholders the right to put their shares in the subsidiary to the Group on dates specified in the contract. The amount that may become payable under the options on exercise are initially recognised at the present value of the redemption amount within other payables, with a corresponding charge directly to equity under a put option reserve. The charge is recognised in equity because the minority shareholders retain present access to the returns associated with the underlying ownership interests.

The Group classifies the put options as a financial liability at amortised cost, with subsequent remeasurements recognised directly in equity. Subsequent remeasurements include unwinding of the put option liability using the effective interest method up to the redemption amount and may include changes in the redemption amount.

OTHER FINANCIAL LIABILITIES

Other financial liabilities include borrowings, trade and other payables and overdrafts. The Group subsequently measures these liabilities at amortised cost using the effective interest method. The effective interest method has been outlined above.

DERECOGNITION OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

A financial asset is derecognised when the right to receive cash from the asset has expired, or the Group has transferred the asset and the transfer qualifies for derecognition. A transfer qualifying for derecognition occurs when the Group transfers the contractual rights to receive the cash flows of the financial asset, or retains the rights but assumes a contractual obligation to pay those cash flows in full without material delay to a third party under a ‘pass-through’ arrangement, and where the Group has transferred control or substantially all the risks and rewards of the asset. Where the Group has transferred its rights to the cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Group’s continuing involvement in the asset.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired. An exchange between the Group and an existing lender of debt instruments with substantially different terms or a substantial modification to an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

The resulting difference between the carrying value on derecognition of the financial instrument and the amount received or paid is taken to profit or loss.

FAIR VALUE

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of quoted instruments traded in an active market is determined with reference to closing prices at close of business on the Statement of Financial Position date. Where there is no active market, fair value is determined using valuation techniques. Such valuation techniques include using recent arm’s length market transactions, reference to current market value of other similar instruments, discounted cash flow analyses and option pricing models.

OFFSET

Where a current legally enforceable right to offset exists for recognised financial assets and financial liabilities, and there is an intention to realise the asset and settle the liability simultaneously, or to settle on a net basis, such related financial assets and financial liabilities are offset.

FINANCIAL GUARANTEE CONTRACTS

Financial guarantee contracts issued by the Group are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when it becomes due, in accordance with the terms of a debt instrument.

Financial guarantee contracts are recognised initially at fair value. Subsequently, the contract is measured in accordance with IFRS 9 at the higher of:

- the amount of the loss determined as expected credit loss; or
- the amount initially recognised, less cumulative amortisation recognised in accordance with IFRS 15, unless it was designated as at fair value through profit or loss at inception and measured as such.

Financial guarantees are derecognised when the obligation is extinguished, expires or transferred.

The Group currently does not recognise any financial guarantee contract provisions as, in the opinion of the directors, the ECL arising from these guarantees is insignificant.

HEDGE ACCOUNTING

The Group applies hedge accounting in accordance with the provisions of IFRS 9.

Gains and losses on the effective portion of cash flow hedges in respect of a risk associated with a recognised asset or liability, or highly probable forecast transaction or firm commitment, are recognised in the financial instrument revaluation reserve within equity. Gains and losses on the ineffective portion are recognised in profit or loss immediately, within other expenses.

When forward exchange contracts and interest rate swaps are used to hedge forecast transactions, the Group designates the entire contract as the hedging instrument, i.e. the Group designates the full change in fair value of the derivative contract (including forward points in respect of the forward exchange contracts) as the hedging instrument. This means the gains or losses relating to the effective portion of the change in fair value of the entire derivative contract is recognised in the financial instrument revaluation reserve within equity.

Amounts accumulated in equity are reclassified in the periods when the hedged item affects profit or loss, as follows:

- With reference to forward exchange contracts, where the hedged item subsequently results in the recognition of a non-financial asset (such as inventory), both the deferred hedging gains and losses or deferred forward points, if any, are included within the initial cost of the asset. The deferred amounts are ultimately recognised in profit or loss as the hedged item affects profit or loss (for example through cost of sales).
- With reference to interest rate swaps, the gain or loss relating to the effective portion of the interest rate swaps hedging variable rate borrowings is recognised in profit or loss within finance cost at the same time as the interest expense on the hedged borrowings.

Where the group has entered into interest rate options to hedge exposures to interest rate risk, the intrinsic value is designated as the hedging instrument. Changes in the intrinsic value together with changes in the time value component are recognised in other comprehensive income and accumulated in the financial instrument revaluation reserve within equity.

The option premium is amortised over the term of the interest rate option and is reclassified to profit and loss from the financial instrument revaluation reserve.

Derivative financial instruments not designated as hedging instruments or subsequently not expected to be effective hedges

are classified as held-for-trading and recognised at fair value with the resulting gains and losses being recognised in profit or loss in the period in which they arise.

IMPAIRMENT NON-FINANCIAL ASSETS

The carrying amount of the Group’s assets, other than goodwill, inventories, and deferred tax assets (refer to the accounting policy on each asset mentioned respectively), is reviewed at each Statement of Financial Position date for any indication of impairment. If such an indication exists, the asset’s recoverable amount is estimated. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs using a discounted cash flow. For franchise buybacks, each African country is treated as its own cash-generating unit.

The recoverable amount is the higher of an asset’s or the cash-generating unit’s fair value, less costs of disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments. This incorporates information and assumptions that a market participant would consider when pricing the item under consideration, the time value of money and the risks specific to the asset or cash-generating unit. Costs to dispose are incremental costs directly attributable to the disposal, excluding finance costs and income tax expense.

The excess of an asset’s or cash-generating unit’s carrying amount over its recoverable amount is recognised as an impairment loss in profit or loss.

An impairment recognised previously may be reversed when estimates change as a result of an event occurring after the impairment was initially recognised. When an impairment loss is reversed, the carrying value cannot exceed what the carrying value would have been (at the date of reversal) had no impairment losses been recognised in the past on the particular asset. A reversal of an impairment loss is recognised in profit or loss.

FINANCIAL ASSETS

The Group recognises an allowance for ECL, for all debt instruments subsequently measured using the amortised cost method or FVOCI, i.e. not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate (or an approximation thereof).

ECLs are recognised in two stages. A 12-month ECL which means that the Group will recognise a loss allowance based on default events that are possible within the next 12 months, provided that the credit exposures have not seen a significant increase in the credit risk since initial recognition. The second stage, which is referred to as the lifetime ECL, is a loss allowance for credit losses that are expected over the remaining life of the exposure, irrespective of the timing of default. The Group recognises this stage of the allowance where the credit exposures have seen a significant increase in the credit risk since initial recognition.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. Debt instruments at amortised cost are recognised net of an allowance for ECL. The Group does not enter credit sales transactions with customers.

For loans and other receivables, the Group applies the general approach in calculating ECL, by incorporating forward-looking

information in its application. The general approach is applied using the following stages:

- Stage 1 - This is where the credit risk has not increased significantly since initial recognition. In this stage the Group recognises a 12-month ECL and recognises interest income on a gross basis, i.e. interest is calculated on the gross carrying amount of the financial asset before adjusting for ECL.
- Stage 2 - This is where the credit risk has increased significantly since initial recognition. When the financial asset transfers to stage 2, the Group recognises lifetime ECL, but interest income will continue to be recognised on a gross basis.
- Stage 3 - This is where the financial asset is credit impaired, i.e. there is objective evidence of impairment at the reporting date. For these assets, the Group recognises lifetime ECL, but the interest income is recognised on a net basis, i.e. interest is calculated on the gross carrying amount less ECL.

STATED CAPITAL SHARE BUYBACKS

Consideration paid for the share buy-backs, including any directly attributable incremental costs, net of income taxes, is deducted from equity in treasury shares until the shares are cancelled or reissued.

TREASURY SHARES

Shares in the Company held by wholly owned Group companies are classified as treasury shares. These shares are treated as a deduction from the issued and weighted average number of shares and the cost price of the shares is deducted from Group equity. Dividends received on treasury shares are eliminated on consolidation. No gains and losses are recognised in the Group Statement of Comprehensive Income on the purchase, sale, issue or cancellation of treasury shares.

DIVIDENDS TO SHAREHOLDERS

Dividends are recorded in the period in which the dividend is declared and charged directly to equity.

INVESTMENT IN JOINT VENTURES AND ASSOCIATES

A joint venture is an arrangement in which the parties with joint control have rights/exposures to the net assets of the arrangement. An associate is an entity in which the Group has significant influence. The Group’s interests in joint ventures and associates are accounted for using the equity method, and the investments are accounted for at cost less accumulated impairment in the separate financial statements of the venturer companies.

Under the equity method, an investment is carried in the Statement of Financial Position at cost plus post-acquisition changes in the Group’s share of the net assets of the joint venture or associate. The Statement of Comprehensive Income reflects the share of the results of operations of the company. Where there has been a change recognised directly in the other comprehensive income or equity of the joint venture or associate, the Group recognises its share of any changes and discloses this, where applicable, in the Group’s results in accordance with the requirements of IFRS 11.

Unrealised gains and losses resulting from transactions between the Group, the joint venture and associate are eliminated to the extent of their interests. The share of the profit of a joint venture or associate is disclosed in the Statement of Comprehensive Income. This is the profit attributable to the equity holding and therefore is profit after tax and non-controlling interests of the joint venture and associate. Any dividend received by the Group is credited against the investment in the joint venture and associate.

Financial results of the joint venture or associate are prepared for the same reporting period as the parent company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an additional impairment loss on the Group’s investment in a joint venture or associate. The Group determines at each Statement of Financial Position date whether there is any objective evidence that the investment in the joint venture and associate is impaired. If this is the case, the Group calculates the amount of impairment as being the difference between the recoverable amount of the joint venture or associate and the carrying value and recognises the amount in profit or loss.

CELL CAPTIVE INSURANCE ARRANGEMENTS

The Group has entered into insurance cell arrangements with Mutual & Federal Insurance Company Limited and Mutual & Federal Risk Financing Limited, which are licensed insurance companies. The Group purchased shares in the insurance cell. The “cell” issues a contract that transfers significant insurance risk. The risks and rewards associated with these contracts are transferred to the Group through a cell agreement.

Insurance cell captive arrangements are classified as financial assets held at FVTPL as they do not meet the criteria for amortised cost, as the cash flows are not solely payments of principal and interest, or fair value through other comprehensive income. At the reporting date, the fair value is determined based on the net asset value of the underlying cell captive arrangements.

The net investment is disclosed as part of other receivables. A separate disclosure note has not been presented as the value is not considered material.

REVENUE

Revenue of the Group comprises:

- Turnover: net merchandise sales, sales to franchisees and logistics services;
- Other revenue: rentals, concession sales commission, royalties, other commission, dividends and investment income.

Turnover and concession sales represent the total sales amount of goods sold in Group stores. Concession sales are the sale of goods by concession operators and are not included in revenue.

Value added tax is excluded.

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts to be collected on behalf of third parties. The Group recognises revenue when it transfers control over of a product or service to a customer.

The Group does not enter contracts where the period between the transfer of goods and/or services and payment exceeds one year. The Group therefore does not adjust its transaction prices for financing components.

Revenue is recognised on the following basis:

SALE OF MERCHANDISE

The Group recognises sales revenue, net of sales taxes and estimated sales returns at the time it sells merchandise to the customer, which is generally at till point when no further performance obligations are required. The Group’s MyDifference Programme offers an immediate discount, which is recognised as a reduction in revenue, as it does not create a separate performance obligation providing a material right to a future discount. Online sales include shipping revenue and are recorded upon delivery to the customer when control is deemed to have passed onto the customer. Generally, merchandise purchased in store, or on an online platform can be returned within a reasonable number of days specified on the till slip. Estimated sales returns are calculated using historical experience of actual returns as a percentage of sales calculated at the end of each reporting period using the expected value method. A refund liability as applied to Revenue is recognised in provisions and a right of return asset is recognised in relation to the sales return in other receivables (and corresponding adjustment to cost of sales).

LAY-BY SALES

Revenue from lay-by sales is recognised when the customer obtains control over the specified goods. This is the point in time when the risks and rewards associated with ownership of the goods passes to the customer. The group recognises revenue at the amount of consideration to which they expect to be entitled and for which it is not probable that a significant reversal of revenue will take place. A contract liability for the expected possible unsuccessful lay-bys is recognised as an adjustment to revenue as well as an asset (with a corresponding adjustment to cost of sales) representing its right to recover the merchandise from the customer. The group estimates unsuccessful lay-bys based on historical data and are regularly reviewed for significant changes in estimates.

CLICK AND COLLECT SALES

Proceeds from Click and Collect sales are initially recognised as contract liabilities, deferring the revenue. Revenue is recognised when the customer takes possession of the product.

SERVICE REVENUE

The Group recognises the revenue from service transactions over the time the service is performed and when control is transferred to the customer. Services provided by the Group include the following:

- logistics services which relate to the transport of goods on behalf of third parties;
- concession commissions which relate to the commission accrued to the Group when sales on third-party items in accordance with the sale agreements with suppliers, occur. The principal vs agent analysis is made based on whether the intermediary party controls the good or service before transferring it to the customer. The commission is recognised on the conclusion that the Group is currently acting as the agent in its sale agreements.

GIFT CARD

Customer purchases of gift cards, to be utilised in our stores or on our e-commerce websites, are not recognised as revenue until the card is redeemed and the customer purchases merchandise using the gift card, subject to breakage. The Group recognises a contract liability in respect of the performance obligation to transfer, or to stand ready to transfer goods or services in the future. Gift cards in Woolworths carry an expiration date. However, in line with the three-year prescription period these are deemed to only expire after three years. A certain number of shopping cards, both with and without expiration dates, will not be fully redeemed. Management estimates unredeemed gift cards and recognises breakage in proportion to the pattern of rights exercised by the customer where it is determined the likelihood of redemption is remote. Management periodically reviews and updates its estimates for breakage.

OTHER REVENUE

- royalties are recognised on an accrual basis in accordance with the substance of the relevant agreement;
- dividends are recognised when the shareholder’s right to receive payment is established;
- investment income is recognised as interest accrues using the effective interest method;
- rental income for fixed escalation leases is recognised on a straight-line basis over the lease term; and
- contingent rentals on an accrual basis are recognised in accordance with the relevant agreement.

EXPENSES

Expenses, other than those specifically dealt with in another accounting policy, are recognised in profit or loss when it is probable that an outflow of economic benefits associated with a transaction will occur and that outflow can be measured reliably. Expenditure on

advertising and promotional activities is recognised as an expense when the Group either has the right to access the goods or has received the service.

Store costs are costs directly attributable to store operations and comprise mainly of employments costs, rent, depreciation and amortisation, and other occupancy costs. Other operating costs are costs incurred for support functions within the Group other than those included in store costs.

SEGMENTAL INFORMATION

IFRS 8 requires operating segments to be identified on the basis of internal reporting about components of the Group that are regularly reviewed by the chief operating decision-makers (CODM) to allocate resources to the segments and to assess their performance. The CODM has been identified as the Group’s executives. Management has determined the operating segments based on the main internal reporting segments. The Group has identified the following reportable segments:

- Woolworths Fashion, Beauty and Home (FBH) (Clothing, homeware, beauty and other lifestyle products)
- Woolworths Food
- Woolworths Logistics
- Country Road Group (Clothing retailer, which includes the Witchery Group)
- Woolworths Financial Services (WFS) (Financial products and services)
- Treasury (Cash and debt management activities)

The Executive Directors evaluate the segmental performance based on profit or loss before exceptional items and tax. To increase transparency and comparability of revenue, the Group has included additional voluntary disclosure of revenue from logistics services.

Following finalisation of the IFRIC Update in June 2024, the Group reviewed the segmental reporting disclosure. As a result of the review, the expenses line item was disaggregated to separately present store costs and other operating costs. It is the Group’s view that this change will provide more relevant disclosure of expenses by segment, and align with the presentation of expenses on the Group Statement of Comprehensive Income. To provide comparability, the prior-year amounts have been included accordingly.

EARNINGS PER SHARE

The calculation of earnings per share is based on profit for the period attributable to ordinary shareholders and the weighted average number of ordinary shares in issue during the period. Headline earnings per share is calculated in accordance with Circular 1/2023 issued by the SAICA. Diluted earnings per share is presented to show the effect of the conversion of favourable potential ordinary shares.

INVESTMENT IN SUBSIDIARIES

A subsidiary is an entity over which an investor exercises control. An investor controls an investee when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Investment in subsidiaries are shown at cost less impairment losses, as applicable. Where the carrying amount of the investment is greater than its estimated recoverable amount, it is written down immediately to its recoverable amount and the difference is recognised in profit or loss. On disposal of the investment, the difference between the net disposal proceeds and the carrying amount is charged or credited to profit or loss.

ACCOUNTING STANDARDS, IFRS AMENDMENTS AND IFRIC INTERPRETATIONS NOT YET EFFECTIVE LACK OF EXCHANGEABILITY - AMENDMENTS TO IAS 21

(EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2025)

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity’s financial performance, financial position and cash flows.

The Group does not expect this amendment to have a material impact on the Group’s financial statements.

CLASSIFICATION AND MEASUREMENT OF FINANCIAL INSTRUMENTS - AMENDMENTS TO IFRS 9 AND IFRS 7 (EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2026)

In May 2024, the IASB issued Amendments to the Classification and Measurement of Financial Instruments, which:

- Clarify that a financial liability is derecognised on the settlement date, i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met
- Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features
- Clarifies the treatment of non-recourse assets and contractually linked instruments
- Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income

The Group would need to apply the new requirements retrospectively with an adjustment to opening retained earnings. Prior periods are not required to be restated and can only be restated without using hindsight. An entity is required to disclose information about financial assets that change their measurement category due to the amendments.

The Group does not expect this amendment to have a material impact on the Group’s financial statements.

CONTRACTS REFERENCING NATURE-DEPENDENT ELECTRICITY - AMENDMENTS TO IFRS 9 AND IFRS 7 (EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2026)

In December 2024, the IASB issued Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7), which:

- Clarify the application of the ‘own-use’ requirements for in scope contracts. Under the amendments, the sale of unused nature-dependent electricity will be in accordance with an entity’s expected purchase or usage requirements, if specified criteria are met.

- Amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments will allow an entity to designate a variable nominal volume of forecast electricity transactions as a hedged item, if specified criteria are met.
- Clarifies the treatment of non-recourse assets and contractually linked instruments.
- Add new disclosure requirements to enable investors to understand the effect of these contracts on a company’s financial performance and cash flows. IFRS 7 has been amended to require specific disclosures relating to contracts that have been excluded from the scope of IFRS 9 as a result of the amendments.
- The amendments only apply to contracts that reference nature dependent electricity. These are contracts that expose the Group to variability in an underlying amount of electricity because the source of electricity generation depends on uncontrollable natural conditions, typically associated with renewable electricity sources such as sun and wind.

The Group does not expect this amendment to have a material impact on the Group’s financial statements.

IFRS 18 PRESENTATION AND DISCLOSURE IN FINANCIAL STATEMENTS

(EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2027)

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

Earlier adoption of the standard and the amendments to the other standards is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Group is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements

IFRS 19 SUBSIDIARIES WITHOUT PUBLIC ACCOUNTABILITY

(EFFECTIVE FOR ANNUAL PERIODS BEGINNING ON OR AFTER 1 JANUARY 2027)

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

The Group’s equity instruments are publicly traded, therefore the Group is not eligible to elect to apply IFRS 19.

	2025 Rm	2024 Rm
2. REVENUE		
Turnover	79 537	76 533
Fashion, Beauty and Home	27 542	28 651
Food	51 228	47 132
Logistics services and other	767	750
Other revenue	550	636
Rentals	146	258
Concession sales commission	275	222
Royalties and other	129	156
Investment income	156	166
Interest earned from cash and investments	156	166
	80 243	77 335

Revenue from contracts with customers has been further disaggregated by reporting segment (refer to note 31). Rentals and investment income fall outside the scope of IFRS 15. Investment income is measured in terms of the effective interest method in accordance with IFRS 9.

3. PROFIT BEFORE TAX INCLUDES:

3.1 OPERATING LEASE EXPENSES

Plant and equipment	13	13
Expense relating to short-term leases	320	269
Expense relating to variable lease payments not included in lease liabilities	1 101	1 114
Rent relief	–	(9)

3.2 AUDITOR’S REMUNERATION

Financial statement audit	29	26
Other services	4	5

3.3 NET FOREIGN EXCHANGE LOSS

3296

3.4 NON-CORE TRADING EXPENSES AND CAPITAL ITEMS

Restructure costs	479	–
Separation and transaction costs	20	365
Unrealised foreign exchange (gains)/losses (refer to note 25.6)	(9)	16
Profit on sale of investment property (refer to note 8.2)	(792)	–
Impairment of assets (refer to notes 8, 9 and 10)	968	609

3.5 OTHER EXPENSES

Technical and consulting fees	240	252
Depreciation and amortisation (refer to notes 8, 9 and 10)	3 485	3 225
Net loss on disposal of property, plant and equipment and intangible assets	6	12
Net impairment of property, plant and equipment, intangible assets and right-of-use assets, excluding note 3.4 (refer to notes 8, 9, and 10)*	(2)	73

3.6 EMPLOYMENT COSTS

Short-term employment benefits	9 947	9 246
Share-based payments expense	174	212
Pension costs (refer to note 21)	773	782
Post-retirement medical benefit (refer to note 21)	44	47
Termination and other benefits	10	12

3.7 FINANCE COSTS

Long-term borrowings, bank borrowings and overdrafts	854	780
Lease liabilities	917	944

* Comparatives have been restated for the reclassification of R609 million impairment of assets to note 3.4.

4. TAX

	2025 Rm	2024 Rm
Current year		
Normal tax		
South Africa	928	853
Foreign	87	119
Deferred tax		
South Africa	20	138
Foreign ⁵	(478)	(44)
	557	1 066
Prior year (over)/under		
Normal tax		
South Africa	(2)	(8)
Foreign	6	14
Deferred tax		
South Africa	4	54
Foreign	(12)	(67)
	553	1 059
Normal tax (credited)/debited in other comprehensive income	(14)	28
Deferred tax (credited)/debited in other comprehensive income	(2)	40
Normal tax (credited)/debited in share-based payments reserve	(2)	38
Deferred tax debited/(credited) in share-based payments reserve	3	(31)
	2025 %	2024 %
The rate of tax on profit is reconciled as follows:		
Standard rate	27.0	27.0
Disallowable expenditure ¹	0.5	0.6
Exempt income ²	–	(0.1)
Impact of foreign tax rates	(0.8)	(0.2)
WFS and Nedglen equity-accounted earnings	(2.2)	(1.7)
Tax losses utilised ³	–	(0.9)
Prior year	(0.1)	1.1
Impairment of goodwill in subsidiaries	3.9	4.6
Deferred tax on assessed losses recognised in relation to prior years	–	(1.2)
Disposal of property ⁶	(9.5)	–
Share-based payments	0.2	–
Other ⁴	(0.6)	(0.2)
Effective tax rate	18.4	29.0

¹ Disallowable expenditure consists of expenses of a capital nature, which includes legal fees, consulting fees, audit fees, directors’ fees, share expenses and donations.

² Exempt income consists primarily of non-taxable income, which includes dividends received.

³ Tax losses utilised in the prior year relates to previously unrecognised tax losses for which no deferred tax asset was recognised.

⁴ Other consists mainly of permanent differences related to fixed assets, leases, foreign exchange differences and incentive allowances.

⁵ This is relating to a revaluation in inventory for tax purposes within the Country Road Group.

⁶ Refer to Note 8.2 for further detail on the disposal.

The Group is subject to the global minimum top-up tax under the OECD Pillar Two legislation, and it applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes. As at least one of the Transitional Safe Harbour tests have been met in each of the jurisdictions, the top-up tax for the Group is deemed to be zero.

5. EARNINGS PER SHARE
BASIC AND HEADLINE EARNINGS

	Profit before tax Rm	Tax Rm	Non-controlling interests Rm	Attributable profit Rm
2025				
Basic earnings	3 008	(553)	(12)	2 443
Adjustments:				
Net (profit)/loss on disposal of property, plant and equipment	(12)	2	–	(10)
Profit on sale of investment property	(792)	(48)	–	(840)
Net impairment of property, plant and equipment, intangible assets and right-of-use assets*	966	(163)	–	803
Headline earnings	3 170	(762)	(12)	2 396
2024				
Basic earnings	3 659	(1 059)	(7)	2 593
Adjustments:				
Net (profit)/loss on disposal of property, plant and equipment	12	(4)	–	8
Net impairment of property, plant and equipment, intangible assets and right-of-use assets*	682	(18)	–	664
Headline earnings	4 353	(1 081)	(7)	3 265

* Includes an impairment charge of R968 million (2024: R609 million) that has been taken into account as an adjustment for the calculation of Adjusted profit before tax, and which has been aggregated in “Non-core trading expenses and capital items” on the Group Statement of comprehensive income. Refer to note 3.4.

WEIGHTED AVERAGE NUMBER OF SHARES (WANOS)	Number of shares	
	2025	2024
Weighted average number of shares	893 654 730	896 496 514
Number of shares in issue at the beginning of the year	897 107 551	896 019 026
Weighted average number of shares purchased in terms of the Restricted Share Plan and Performance Share schemes	(4 425 184)	(2 590 631)
Weighted average number of shares released in terms of the Restricted Share Plan and Performance Share schemes	972 363	3 068 119
EARNINGS PER SHARE (CENTS)		
Basic	273.4	289.2
Headline	268.1	364.2

6. DILUTED EARNINGS PER SHARE

	2025 Rm	2024 Rm
DILUTED EARNINGS		
Diluted basic earnings	2 443	2 593
Headline earnings adjustment, after tax	(47)	672
Diluted headline earnings	2 396	3 265

	Number of shares	
	2025	2024
DILUTED WEIGHTED AVERAGE NUMBER OF SHARES		
Weighted average number of shares	893 654 730	896 496 514
Potential dilutive effect of outstanding number of share options	9 351 841	9 449 631
Diluted weighted average number of shares	903 006 571	905 946 145

Dilution arises from the outstanding in-the-money unvested shares that will be issued to employees at a value lower than the weighted average traded price during the past financial year. At year-end, nil unvested shares have been excluded from the diluted weighted average number of shares’ calculation due to their effect being anti-dilutive.

DILUTED EARNINGS PER SHARE (CENTS)

Basic	270.5	286.2
% dilution	1.1%	1.0%
Headline	265.3	360.4
% dilution	1.0%	1.0%

7. RELATED-PARTY TRANSACTIONS

RELATED PARTIES

The related-party relationships, transactions and balances as listed below exist within the Group.

HOLDING COMPANY

Refer to note 6 of the Company Annual Financial Statements for the transactions between the holding company and its subsidiaries.

SUBSIDIARIES

Group companies entered into various transactions in the ordinary course of business. All such intragroup related-party transactions and outstanding balances are eliminated in preparation of the consolidated Annual Financial Statements of the Group.

	2025 Rm	2024 Rm
JOINT VENTURES		
The following related-party transactions and balances occurred between the Group and the joint ventures:		
WOOLWORTHS FINANCIAL SERVICES PROPRIETARY LIMITED		
Service costs received by Woolworths Proprietary Limited	(90)	(87)
Merchant fee income paid by Woolworths Proprietary Limited	94	98
Accounts receivable by Woolworths Proprietary Limited	178	58
Accounts payable by Woolworths Proprietary Limited	(90)	(79)
NEDGLEN PROPERTIES PROPRIETARY LIMITED		
Rental paid by Woolworths Proprietary Limited	5	4

KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly, including all directors, executive and non-executive, of Woolworths Holdings Limited and Woolworths Proprietary Limited. Key management personnel have been defined as the Board of Directors, the Chief Executive Officers of Woolworths Proprietary Limited and Country Road Group Proprietary Limited. The definition of related parties includes close family members of key management personnel.

	2025 Rm	2024 Rm
KEY MANAGEMENT COMPENSATION		
Short-term employee benefits	165	158
Woolworths Holdings Limited directors	68	62
Other key management personnel	97	96
Post-employment benefits	3	4
Woolworths Holdings Limited directors	1	2
Other key management personnel	2	2
IFRS 2 share-based payments expense	39	77
Woolworths Holdings Limited directors	20	43
Other key management personnel	19	34
	207	239

Short-term employee benefits comprise salaries, directors’ fees and bonuses payable within 12 months of the end of the year. Post-employment benefits comprise expenses determined in terms of IAS 19: Employee Benefits in respect of the Group’s retirement and healthcare funds.

GROUP CARD AND VISA CREDIT CARD ACCOUNTS

Balance outstanding at the beginning of the year	2	2
Annual spend	6	6
Annual repayments	(6)	(6)
Balance outstanding at the end of the year	2	2

Group cards include cards on offer by Woolworths. Country Road Group does not have store and credit cards on offer.

Purchases made by key management personnel are at standard discounts granted to all employees of the Company. Interest is charged on outstanding balances on the same terms and conditions applicable to all other cardholders.

No debts were written off nor impairments recognised in respect of these card accounts of key management personnel (2024: nil).

POST-EMPLOYMENT BENEFIT PLAN

Details of the Wooltru Group Retirement Fund, the Wooltru Healthcare Fund and funds for the benefit of Country Road Group Proprietary Limited employees are disclosed in note 21.

7. RELATED-PARTY TRANSACTIONS (CONTINUED)

EXECUTIVE DIRECTORS’ FEES AND EMOLUMENTS

Emoluments paid to Executive Directors of Woolworths Holdings Limited in connection with the affairs of the Company and its subsidiaries for the year ended 29 June 2025 and comparative information for 30 June 2024 are set out below:

		Guaranteed pay			Short-term incentives	Long-term incentives	Retention	Remuneration	Remuneration
	Note	Base salary R'000	Benefits (1) R'000	Total guaranteed pay (2) R'000	Performance bonus (3) R'000	PSP and PS share scheme (4) R'000	RSP share scheme (5) R'000	Total remuneration R'000	Single-figure remuneration (6) R'000
2025									
Roy Bagattini	(7)	19 570	4 720	24 290	–	12 163	–	36 453	79 881
Zaid Manjra		5 338	489	5 827	1 012	2 113	2 737	11 689	9 246
Sam Ngumeni		10 214	568	10 782	8 046	2 984	–	21 812	25 996
		35 122	5 777	40 899	9 058	17 260	2 737	69 954	115 123
2024									
Roy Bagattini		19 390	2 527	21 917	4 777	–	34 188	60 882	65 296
Zaid Manjra	(8)	2 628	317	2 945	1 200	714	861	5 720	5 248
Sam Ngumeni		8 903	815	9 718	4 072	2 881	4 638	21 309	20 891
		30 921	3 659	34 580	10 049	3 595	39 687	87 911	91 435

NOTES

- Benefits include retirement, healthcare, related benefits, long-service awards and discounts received on purchases made in WHL Group stores.
- Guaranteed pay and other benefits: actual payments made in the financial year.
- Short-term incentives: amounts accrued in the financial year relating to the financial performance against target for the year.
- IFRS 2 Share-based payments has been used to equate the annual expense of PSP and PS share schemes held at the end of the financial year. Where a prior year reversal exceeds the annual expense for the aggregated schemes, the expense has been disclosed as nil.
- IFRS 2 Share-based payments has been used to equate the annual expense of RSP share schemes. Where a prior year reversal exceeds the annual expense for the aggregated schemes, the expense has been disclosed as nil.
- The intention of single-figure remuneration is to disclose the remuneration earned and/or accrued by directors based on the performance of the current year, the vesting of shares with non-financial performance conditions, and including any income attributable to unvested long-term share schemes. Single-figure remuneration has been disclosed and includes the fair value of shares being calculated, based on the value of LTIP, PSP and/or RSP vesting of performance conditions, based on individual performance measure for the period FY2023 - FY2025, valued using the 30-day VWAP share price of WHL at 29 June 2025 of R54.26 (2024: 30-day VWAP R59.04), instead of the IFRS 2 equity-settled expense.
- Roy Bagattini’s remuneration is paid in Rands and Australian dollars to reflect the time and focus spent in the different geographies. The A\$ amount conversion rate for FY2025 A\$11.77 (FY2024: A\$12.78) has been used.
- Zaid Manjra was appointed as the Group Finance Director on 1 December 2023. His remuneration is reflected for the seven-month period.

7. RELATED-PARTY TRANSACTIONS (CONTINUED)

NON-EXECUTIVE DIRECTORS’ FEES AND EMOLUMENTS

Emoluments paid to Non-executive Directors of Woolworths Holdings Limited in connection with the affairs of the Company and its subsidiaries for the year ended 29 June 2025 and comparative information for 30 June 2024 are set out below:

	Note	Directors’ fees (1) R’000	Audit Committee member R’000	Nominations Committee member R’000	Remuneration Committee member R’000	Risk and Compliance Committee member R’000	Social and ethics Committee member R’000	Sustainability Committee member R’000	Treasury Committee member R’000	Benefits (2) R’000	Total Non-executive Directors’ Remuneration R’000
2025											
Clive Thomson	(3)	1 823	169	190	237	153	139	84	208	64	3 067
Nombulelo Moholi		944	–	139	153	153	139	139	–	60	1 727
Lwazi Bam	(4)	500	318	–	–	129	–	–	238	69	1 254
Christopher Colfer		2 015	195	196	195	196	–	–	–	13	2 810
Rob Collins	(5)	2 109	–	–	–	181	–	267	–	4	2 561
Belinda Earl		2 109	–	176	–	176	–	303	–	–	2 764
Nolulamo Gwagwa	(6)	337	–	–	103	103	46	–	–	11	600
Itumeleng Kgaboesele	(7)	410	79	–	93	125	–	–	–	21	728
Thembisa Skweyiya		500	236	–	–	153	236	139	155	2	1 421
Hubert Brody	(8)	1 049	–	87	80	60	55	55	60	10	1 456
David Kneale	(9)	122	–	34	72	71	–	–	–	16	315
		11 918	997	822	933	1 500	615	987	661	270	18 703
2024											
Clive Thomson		475	410	68	75	145	132	–	277	51	1 633
Nombulelo Moholi		898	–	132	145	145	132	132	–	67	1 651
Lwazi Bam		475	225	–	–	145	–	–	76	51	972
Christopher Colfer		1 909	210	165	171	171	–	–	–	2	2 628
Rob Collins		1 995	–	–	–	157	–	86	–	4	2 242
Belinda Earl		1 995	–	86	–	157	–	257	–	2	2 497
Thembisa Skweyiya		475	225	–	–	145	225	132	147	14	1 363
Hubert Brody		2 543	–	211	145	145	132	132	147	31	3 486
David Kneale		475	–	132	277	277	–	–	–	22	1 183
		11 240	1 070	794	813	1 487	621	739	647	244	17 655

NOTES

- Directors’ fees are exclusive of VAT.
- Benefits are discounts received on purchases made in WHL Group stores.
- Clive Thomson was appointed as Chairman of the Board, with effect from 25 November 2024. On the same day, the following Committee changes took effect:
 - Appointed as Chairman of the Remuneration and Nominations Committees, and as a member of the Sustainability Committee.
 - Stepped down from the Audit Committee and as Chairman of the Treasury Committee, while remaining a member of the Treasury Committee.
- Lwazi Bam was appointed as Chairman of the Audit and Treasury Committees, with effect from 25 November 2024.
- Robert Collins was appointed as Chairman of the Risk Committee, with effect from 1 October 2024.
- Nolulamo Gwagwa was appointed to the Board, with effect from 1 November 2024. In addition to this appointment, the sub-committees changed as follows:
 - Appointed to the Risk and Remuneration Committees, with effect from 1 November 2024.
 - Appointed to the Social & Ethics Committee, with effect from 5 March 2025.
- Itumeleng Kgaboesele was appointed to the Board, with effect from 5 September 2024. In addition to this appointment, the sub-committees changed as follows:
 - Appointed to the Risk Committee, with effect from 5 September 2024.
 - Appointed to the Remuneration Committee, with effect from 25 November 2024.
 - Appointed to the Audit Committee, with effect from 5 March 2025.
- Hubert Brody retired from the Board, with effect from 25 November 2024.
- David Kneale retired from the Board, with effect from 30 September 2024.

7. RELATED-PARTY TRANSACTIONS (CONTINUED)

DIRECTORS’ PARTICIPATION IN SHARE SCHEMES

Details of directors’ interests in shares of the Company are set out below:

	2025 BENEFICIAL		2024 BENEFICIAL	
	DIRECT	INDIRECT	DIRECT	INDIRECT
NON-EXECUTIVE DIRECTORS	130 932	20 992	130 932	9 992
Clive Thomson	–	9 992	–	9 992
Nombulelo Moholi	–	–	–	–
Lwazi Bam	–	–	–	–
Christopher Colfer	–	–	–	–
Rob Collins	–	–	–	–
Belinda Earl	–	–	–	–
Nolulamo Gwagwa ¹	–	–	–	–
Itumeleng Kgaboesele ²	–	11 000	–	–
Thembisa Skweyiya	–	–	–	–
Hubert Brody ³	115 932	–	115 932	–
David Kneale ⁴	15 000	–	15 000	–
EXECUTIVE DIRECTORS	4 162 328	370 340	4 993 049	512 531
Roy Bagattini	2 448 358	–	3 169 530	–
Zaid Manjra	321 109	131 594	77 856	150 519
Sam Ngumeni	1 392 861	238 746	1 745 663	362 012
Total	4 293 260	391 332	5 123 981	522 523

¹ Appointed 1 November 2024.

² Appointed 5 September 2024.

³ Resigned 25 November 2024.

⁴ Resigned 30 September 2024.

7. RELATED-PARTY TRANSACTIONS (CONTINUED)
DIRECTORS’ PARTICIPATION IN SHARE SCHEMES

Shares purchased and rights granted to Executive Directors in terms of the Group’s share schemes, which had not been exercised at 29 June 2025, are set out below:

ROY BAGATTINI															
	As at 30 June 2024				Awarded		Forfeited		Sold/transferred			As at 29 June 2025			
Scheme	Award date	Vesting date	Number	Price	Number	Price (2)	Number	Price	Number	Price	Realisation value (1) Rands	Vested	Unvested	Total	
RESTRICTED SHARE PLAN (RSP) SCHEME	20 Feb 2020	20 Feb 2023	716 269	R37.87			234 295		716 269	R54.43	38 986 522		–	–	
	26 Aug 2021	26 Aug 2024	390 491	R61.85					156 196	R60.74	9 486 595		–	–	
	01 Sep 2022	01 Sep 2025	404 484	R63.55										404 484	404 484
	04 Sep 2024	04 Sep 2027							149 984	R66.67				149 984	149 984
Total			1 511 244		149 984		234 295		872 465		48 473 117		554 468	554 468	
PERFORMANCE SHARE (PS) SCHEME															
	01 Sep 2023	01 Sep 2026	373 026	R75.39									373 026	373 026	
	04 Sep 2024	04 Sep 2027			458 453	R64.83							458 453	458 453	
Total			373 026		458 453								831 479	831 479	
Total			1 884 270		608 437		234 295		872 465		48 473 117		1 385 947	1 385 947	

ZAID MANJRA														
	As at 30 June 2024				Awarded		Forfeited		Sold/transferred			As at 29 June 2025		
Scheme	Award date	Vesting date	Number	Price	Number	Price (2)	Number	Price	Number	Price	Realisation value (1) Rands	Vested	Unvested	Total
RESTRICTED SHARE PLAN (RSP) SCHEME	04 Nov 2020	07 Nov 2024	34 661	R50.58					11 553	R63.39	732 316		23 108	23 108
	25 Sep 2024	25 Sep 2027			150 559	R66.42							150 559	150 559
Total			34 661		150 559				11 553		732 316		173 667	173 667
PERFORMANCE SHARE PLAN (PSP) SCHEME	26 Aug 2021	26 Aug 2024	18 925	R59.79	3 316	R64.83	6 672		15 569	R60.74	945 586		–	–
	01 Sep 2022	01 Sep 2025	22 294	R54.73									22 294	22 294
Total			41 219		3 316		6 672		15 569		945 586		22 294	22 294
PERFORMANCE SHARE (PS) SCHEME	01 Sep 2023	01 Sep 2026	21 223	R75.39									21 223	21 223
	04 Sep 2024	04 Sep 2027			77 125	R64.83							77 125	77 125
Total			21 223		77 125								98 348	98 348
Total			97 103		231 000		6 672		27 122		1 677 902		294 309	294 309

Notes

1. Realisation value: taxable value realised by the individual on sale or transfer of awards.
2. The grant price is the volume weighted average price of a share, as quoted on the Johannesburg Stock Exchange, for the five business days immediately preceding the date of grant.
The grant price for RSP is the price of a share, as quoted on the Johannesburg Stock Exchange, on the date the share is purchased.

7. RELATED-PARTY TRANSACTIONS (CONTINUED)
DIRECTORS’ PARTICIPATION IN SHARE SCHEMES

Shares purchased and rights granted to Executive Directors in terms of the Group’s share schemes, which had not been exercised at 29 June 2025, are set out below:

SAM NGUMENI														
	As at 30 June 2024				Awarded		Forfeited		Sold/transferred			As at 29 June 2025		
Scheme	Award date	Vesting date	Number	Price	Number	Price (2)	Number	Price	Number	Price	Realisation value (1) Rands	Vested	Unvested	Total
PERFORMANCE SHARE PLAN (PSP) SCHEME	26 Aug 2021	26 Aug 2024	123 266	R59.79	21 598	R64.83	86 918		57 946	R60.74	3 519 362		–	–
	01 Sep 2022	01 Sep 2025	146 593	R54.73										146 593
Total			269 859		21 598		86 918		57 946		3 519 362		146 593	146 593
PERFORMANCE SHARE (PS) SCHEME	01 Sep 2023	01 Sep 2026	120 772	R75.39	165 047	R64.83							120 772	120 772
	04 Sep 2024	04 Sep 2027												165 047
Total			120 772		165 047								285 819	285 819
Total			390 631		186 645		86 918		57 946		3 519 362		432 412	432 412

Notes

- 1. Realisation value: taxable value realised by the individual on sale or transfer of awards.
- 2. The grant price is the volume weighted average price of a share, as quoted on the Johannesburg Stock Exchange, for the five business days immediately preceding the date of grant.
The grant price for RSP is the price of a share, as quoted on the Johannesburg Stock Exchange, on the date the share is purchased.

8.1 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings Rm	Leasehold improvements Rm	Furniture, fittings, equipment and motor vehicles Rm	Computer equipment Rm	Total Rm
2024					
Cost	1 944	637	8 575	934	12 090
Accumulated depreciation	(67)	(413)	(4 922)	(418)	(5 820)
Accumulated impairment	–	(7)	(229)	(115)	(351)
Net book value at June 2023	1 877	217	3 424	401	5 919
Current year movements:					
Additions	233	73	1 683	422	2 411
Acquisition of subsidiary	–	–	41	2	43
Disposals - cost	–	(61)	(822)	(106)	(989)
Disposals - accumulated depreciation	–	30	810	106	946
Disposals - accumulated impairment	–	–	1	–	1
Depreciation	(8)	(30)	(847)	(177)	(1 062)
Impairment	–	–	(31)	(2)	(33)
Foreign exchange rate differences	(7)	(3)	(16)	(1)	(27)
Balance at June 2024	2 095	226	4 243	645	7 209
Made up as follows:					
Cost	2 167	636	9 390	1 241	13 434
Accumulated depreciation	(72)	(403)	(4 891)	(479)	(5 845)
Accumulated impairment	–	(7)	(256)	(117)	(380)
Net book value at June 2024	2 095	226	4 243	645	7 209

2025					
Current year movements:					
Additions	518	29	1 561	180	2 288
Disposals - cost	–	(33)	(429)	(84)	(546)
Disposals - accumulated depreciation	–	6	437	97	540
Disposals - accumulated impairment	–	–	12	–	12
Depreciation	(7)	(30)	(974)	(197)	(1 208)
Impairment	–	–	(69)	(1)	(70)
Foreign exchange rate differences	(16)	(5)	(33)	(20)	(74)
Net book value at June 2025	2 590	193	4 748	620	8 151
Made up as follows:					
Cost	2 672	612	10 401	1 323	15 008
Accumulated depreciation	(82)	(412)	(5 350)	(585)	(6 429)
Accumulated impairment	–	(7)	(303)	(118)	(428)
Net book value at June 2025	2 590	193	4 748	620	8 151

An impairment charge has been recognised for property, plant and equipment of R70 million (2024: R33 million). The impairment charge relates to assets of stores with a reduction in expected future sales and those identified for closure in the Woolworths and Country Road Group segments. Refer to note 9 for further details relating to the impairment, including key assumptions used in the recoverable value calculations.

The Group’s land and buildings consist of retail stores, distribution centres and corporate owner-occupied properties.

	Carrying value	
	2025 Rm	2024 Rm
Retail stores	116	115
Distribution centres	2 402	1 907
Corporate owner-occupied properties	72	72

8.2 INVESTMENT PROPERTY

Land and buildings	2025 Rm	2024 Rm
Opening balance	1 701	1 750
Disposal	(1 624)	–
Foreign exchange rate differences since acquisition	(77)	(49)
Closing balance	–	1 701

Amounts recognised in profit or loss

Rental income	106	232
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During the period, the Group disposed of the investment property, situated at 294 to 310 Bourke Street, Melbourne, Australia. The Group recognised the profit on disposal of R792 million, net of disposal costs, during the period.

No depreciation was recognised on the investment property in the current or prior year as the residual value exceeded the carrying value.

Fair value information

The investment property was carried at cost and valued by adopting the capitalisation, discounted cash flow method of valuation. This approach involves applying capitalisation yields to current and future rental streams net of rent free periods and associated running costs. These capitalisation yields and future rental values are based on comparable property and leasing transactions in the market using the valuers’ professional judgement and market observation. The fair value is considered a level 3 valuation under IFRS 13. The investment property was internally valued by management in the prior period.

A summary of the key unobservable inputs used in the valuation in the prior period is presented below:

Capitalisation rate	5.63%
Terminal yield	5.50%
10 year IRR	7.50%
Vacancy rate	Nil
Valuation (R)	3 229 140 000
Valuation date	30 June 2024

9. INTANGIBLE ASSETS

	Brands and customer databases Rm	Computer software Rm	Goodwill Rm	Reacquired rights Rm	Total Rm
2024					
Cost	1 315	3 184	5 732	490	10 721
Accumulated amortisation	(108)	(1 881)	–	(489)	(2 478)
Accumulated impairment	–	(11)	(99)	(1)	(111)
Net book value at June 2023	1 207	1 292	5 633	–	8 132
Current year movements:					
Additions	–	880	29	–	909
Acquisition of subsidiary	207	4	390	–	601
Disposals - cost	–	(17)	–	–	(17)
Disposals - accumulated amortisation	–	17	–	–	17
Amortisation	–	(388)	–	–	(388)
Impairment	–	–	(618)	–	(618)
Foreign exchange rate differences	(32)	(6)	(100)	–	(138)
Net book value at June 2024	1 382	1 782	5 334	–	8 498
Made up as follows:					
Cost	1 487	4 012	6 051	490	12 040
Accumulated amortisation	(105)	(2 219)	–	(489)	(2 813)
Accumulated impairment	–	(11)	(717)	(1)	(729)
Net book value at June 2024	1 382	1 782	5 334	–	8 498
2025					
Current year movements:					
Additions	–	802	3	–	805
Disposals - cost	–	(11)	–	–	(11)
Disposals - accumulated amortisation	–	4	–	–	4
Amortisation	(1)	(467)	–	–	(468)
Impairment	(434)	–	(432)	–	(866)
Foreign exchange rate differences	(35)	7	(92)	–	(120)
Net book value at June 2025	912	2 117	4 813	–	7 842
Made up as follows:					
Cost	1 443	4 748	5 937	490	12 618
Accumulated amortisation	(103)	(2 620)	–	(489)	(3 212)
Accumulated impairment	(428)	(11)	(1 124)	(1)	(1 564)
Net book value at June 2025	912	2 117	4 813	–	7 842

The acquired brands are established trademarks in the Australian retail environment and Absolute Pets in the South African pet care market. Included in brands and customer databases are costs of R75 million (2024: R75 million) and accumulated amortisation of R75 million (2024: R75 million) in respect of customer databases that have been fully amortised.

The Group considers brands to have indefinite useful lives, as the brands are not susceptible to regular product life cycles or to technical, technological or other types of obsolescence that could limit the useful lives, and the retail environment in South Africa and Australia is mature and well established.

An impairment charge of R866 million (2024: R618 million) arose in the current year on goodwill and brands in CRG and WSA. The challenging macro economic environment and inflationary pressures on consumer disposable income has resulted in a lower recoverable amount for the Witchery, Mimco and Politix brands in CRG. Refer below for further details on the key assumptions used in the impairment testing. Details of the impairment assessment for the remaining assets are detailed in notes 8 and 10.

	2025 Rm	2024 Rm
GOODWILL		
The carrying value of goodwill comprises of:		
Virtual Market Place (refer below)	13	13
Witchery Group	775	775
Politix	513	513
Acquired franchise operations	831	831
Woolworths Fashion, Beauty and Home*	1 480	1 480
Country Road Group*	1 238	1 238
Absolute Pets	421	419
Accumulated impairment	(1 100)	(668)
Foreign exchange rate differences since acquisition	642	733
Closing balance	4 813	5 334
* Goodwill allocated to Woolworths Fashion, Beauty and Home and Country Road Group arose on the acquisition of David Jones in 2014. As this goodwill was allocated to these cash-generating units (CGUs) in accordance with IFRS 3 Business Combinations, it remains with the Group subsequent to the disposal of David Jones during the 2023 financial year. The goodwill is tested annually for impairment. Refer to the impairment review section for further details. The goodwill comprises of:		
Woolworths Fashion, Beauty and Home	1 480	1 480
Country Road Group	1 238	1 238
Foreign exchange rate differences since acquisition	215	275
	2 933	2 993

Goodwill is tested for impairment by calculating the recoverable amount of the CGUs to which the goodwill is allocated. During the period, the operations of Virtual Market Place were transferred to Woolworths Proprietary Limited. The cash flows generated by these operations are based on the customer loyalty created by participation in the MySchool programme and the brand awareness that the programme generates.

IMPAIRMENT REVIEW
Key assumptions are based on historical experience and future expectations of changes in the markets and economic environments in which the Group operates. Growth rates used are based on the most recent financial forecasts approved by senior management and the Board for the next five years, and cash flows for the periods thereafter are based on long-term growth rates, as set out in the sections below. Management has also assessed the impact of Climate-related risks on future cash flows and is satisfied that these do not lead to any further impairment of the carrying value of the Group’s CGUs, including goodwill.

Refer to the Witchery Group and Politix assumptions for the Country Road Group CGU. Refer to the South African franchise operations’ assumptions for the Woolworths Fashion, Beauty and Home CGU. All impairment testing methods and assumptions are consistent with those used in the prior year.

9. INTANGIBLE ASSETS (CONTINUED)

COUNTRY ROAD GROUP

The goodwill and brands arising on the acquisition of the Witchery Group and Politix has been allocated to the CGUs for impairment testing as follows:

WITCHERY GROUP

	2025 Rm	*Restated 2024 Rm
GOODWILL		
Country Road	357	357
Witchery	295	295
Mimco	123	123
Accumulated impairment	(395)	–
Foreign exchange rate differences since acquisition	283	313
	663	1 088
BRANDS		
Brands with indefinite useful lives arising on the acquisition of the Witchery Group have been allocated to three CGUs for impairment testing as follows:		
Witchery	357	357
Mimco	143	143
Accumulated impairment	(198)	–
Foreign exchange rate differences since acquisition	186	211
	488	711

**Comparative information has been restated due to a reclassification of deferred tax that arose on acquisition of the Witchery Group brands in 2016. This reclassification was made to reflect the correct allocations between the brands and had no impact on the total value of goodwill or brands.*

POLITIX

	2025 Rm	2024 Rm
GOODWILL		
Arising on acquisition	513	513
Accumulated impairment	(609)	(609)
Foreign exchange rate differences since acquisition	96	96
	–	–
BRANDS		
Arising on acquisition	206	206
Accumulated impairment	(235)	–
Foreign exchange rate differences since acquisition	29	37
	–	243

KEY ASSUMPTIONS USED IN RECOVERABLE VALUE CALCULATIONS

The Group identifies each store as a separate CGU for impairment testing of property, plant and equipment, intangible assets and right-of-use assets, except for goodwill (unless the goodwill relates to a previously acquired franchise store). Goodwill is allocated to the Group’s CGUs to which the goodwill relates.

The recoverable amount of each CGU, including goodwill is the higher of its value-in-use and its fair value less costs to sell. The calculations use a discounted cash flow model. Cash flow projections are derived from financial forecasts approved by senior management and the Board, covering a five-year period. The key assumptions for the value-in-use calculation include the following:

Sales growth rates: sales growth rates are based on the approved forecast sales growth for the forecast period, taking account of expected market conditions and the impact of the strategic initiatives and investments that are expected to grow the topline sales. The five-year compound annual growth rate per CGU for the forecast period was between 1.9% and 8.7% (2024: between 6.3% and 10.7%).

Gross margins: gross margins are based on the approved gross margins for the forecast period, and take into consideration initiatives to enhance margins, while being cognisant of the competitive environment. Cost growth assumptions have also been reviewed and revised, through restructuring and efficiency initiatives. The annual gross margin per CGU for the forecast period was between 51.9% and 78.6% (2024: between 58.3% and 63.5%).

Discount rates: discount rates range from 9.0% to 14.9% (2024: 10.6% to 13.7%) and represent the current market assessment of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments, and is derived from its weighted average cost of capital (WACC).

Long-term growth rates: long-term growth rates are based on the longer term inflation expectations for the Australian retail industry, between 2.3% and 2.8% (2024: 3.0%).

Fair value less costs to sell: in determining the fair value less costs to sell, cash flow projections have been based on the same key assumptions as presented above for a value-in-use calculation using a discounted cash flow model.

ACQUIRED FRANCHISE OPERATIONS

Each franchise business acquired has the ability to generate cash inflows that are largely independent from the cash inflows of other assets and, consequently, each franchise business is treated as a separate CGU for impairment testing.

The goodwill allocated to material CGUs by geography is as follows:

	2025 Rm	2024 Rm
GOODWILL		
South Africa	397	397
Botswana	192	192
Namibia	80	80
Rest of Africa	162	162
Accumulated impairment	(96)	(59)
Foreign exchange rate differences since acquisition	48	49
	783	821

KEY ASSUMPTIONS USED IN RECOVERABLE VALUE CALCULATIONS

The recoverable amounts of the CGUs are based on value-in-use calculations, using a discounted cash flow model not exceeding five years. These calculations use cash flow projections based on historical information and financial budgets approved by senior management and the Board.

Management have determined the values assigned to each of the key assumptions as follows:

The projected cash flows are discounted to their present value using country risk-adjusted rates, based on the Group’s WACC. The discount rates range between 12.4% and 13.8% (2024: 13.6% and 15.0%) The Group’s WACC is 12.4% (2024: 13.9%).

Sales growth rates are the average annual growth rates over the forecast period, and have been derived by considering both historical and approved forecasts for price, volume and the economic and trading conditions of each geographical area.

Gross margins have been derived by analysing historical data, approved forecasts, and considering the impact of currency fluctuations. Gross margins range between 36.9% and 51.8% (2024: 21.0% and 53.9%).

Cost to sell has been derived by considering historical data, economic and trading conditions, committed and uncommitted capital expenditure, and operating and developmental requirements, ranging between 21.6% and 37.5% (2024: 13.2% and 37.6%).

Working capital requirements are driven by required stock turn ratios, credit terms and capital expenditure requirements.

Long-term growth rates are based on the longer term inflation and currency expectations for the retail industry in each geographical area, and are between 3.5% and 13.4% (2024: 3.0% and 8.5%).

SENSITIVITY ANALYSIS

Management have considered and assessed reasonably possible changes for the aforementioned key assumptions by adjusting the cash flows of the group of CGUs and have not identified any instances that could cause the carrying amount of the CGUs to exceed its recoverable amount.

10. RIGHT-OF-USE ASSETS

The Group has lease contracts for various land and buildings consisting mainly from store leases used in its operations. Leases for land and buildings have, on average, lease terms between three and 15 years, while furniture, fittings, equipment, motor vehicles and computer equipment have lease terms between three and five years.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the period:

	Land and buildings Rm	Furniture, fittings, equipment and motor vehicles Rm	Computer equipment Rm	Total Rm
2024				
Cost	13 649	336	33	14 018
Accumulated depreciation	(5 202)	(158)	(18)	(5 378)
Accumulated impairment	5	–	–	5
Net book value at June 2023	8 452	178	15	8 645
Current year movements:				
Additions	575	26	–	601
Acquisition of subsidiary	207	7	–	214
Terminations – cost	(162)	(14)	(6)	(182)
Terminations – accumulated depreciation	106	13	3	122
Terminations – accumulated impairment	15	–	–	15
Depreciation	(1 693)	(76)	(6)	(1 775)
Impairment	(31)	–	–	(31)
Remeasurements	409	11	–	420
Foreign exchange rate differences	(127)	–	–	(127)
Net book value at June 2024	7 751	145	6	7 902
Made up as follows:				
Cost	14 552	366	27	14 945
Accumulated depreciation	(6 789)	(221)	(21)	(7 031)
Accumulated impairment	(12)	–	–	(12)
Net book value at June 2024	7 751	145	6	7 902

2025				
Current year movements:				
Additions	630	35	–	665
Terminations – cost	(3)	(12)	–	(15)
Terminations – accumulated depreciation	–	11	–	11
Terminations – accumulated impairment	–	–	–	–
Depreciation	(1 736)	(69)	(4)	(1 809)
Impairment	(30)	–	–	(30)
Remeasurements	746	–	–	746
Foreign exchange rate differences	(94)	–	–	(94)
Balance at June 2025	7 264	110	2	7 376
Made up as follows:				
Cost	15 804	389	27	16 220
Accumulated depreciation	(8 498)	(279)	(25)	(8 802)
Accumulated impairment	(42)	–	–	(42)
Net book value at June 2025	7 264	110	2	7 376

An impairment charge has been recognised for right-of-use assets of R30 million (2024: R31 million). Discount rates between 9% and 14.9% (2024: 10.6% and 13.8%) were used when considering the right-of-use assets for impairment. The growth rates are in line with the growth rates used for goodwill and intangible assets impairment testing. The impairment arose mainly in the Country Road Group segment due to a reduction in expected future sales, and stores identified for closure. Refer to note 9 for key assumptions used in recoverable value calculations.

11. INVESTMENTS AND OTHER LOANS

	2025 Rm	2024 Rm
Employee and other loans	41	21
Balance outstanding at the beginning of the year	21	11
Acquisition of subsidiary	–	17
Loans granted during the year	20	–
Loans repaid during the year	–	(7)
Enterprise development loans*	10	33
Closing balance	31	53
Provision for impairment	(21)	(20)
Investments*	46	31
	97	85

Employee and other loans relate to loans and advances granted to employees of the Group and bear interest at rates varying between 0% and prime. Employee and other loans have no fixed repayment terms.

Enterprise development loans are granted to certain South African suppliers for development as part of the Good Business Journey, and are repaid over a period of three to five years. These loans bear interest at floating rates ranging between 8.75% to 10.75% (2024: 8.75% to 11.75%).

Other loans are considered to have low credit risk. Refer to note 25.3 for details of the Group’s credit risk management policies. The carrying value of employee and other loans, enterprise development loans and investments approximates their fair value.

* Comparative information has been restated to separate the categories disclosed within investments and other loans.

12. DEFERRED TAX

The movement in the deferred tax account is as follows:

	2025 Rm	2024 Rm
Balance at the beginning of the year	913	1 015
Amounts recognised in profit or loss	466	(81)
Property, plant and equipment	(41)	(13)
Prepayments	(6)	(1)
Working capital and provisions	540	(167)
Post-retirement medical benefit liability	4	5
Share-based payments	(6)	(34)
Assessed losses	(153)	168
Intangible assets	132	2
Financial instruments	(1)	–
Right-of-use assets	119	188
Lease liabilities	(122)	(229)
Amounts recognised in other comprehensive income	(16)	40
Financial instrument revaluation reserve adjustment	2	61
Post-retirement medical benefit liability - actuarial gain	–	(10)
Foreign currency translation reserve adjustment	(18)	(11)
Amounts recognised directly in equity	(3)	(31)
Share-based payments reserve	(3)	(31)
Acquisition of subsidiary	–	(30)
Balance at the end of the year	1 360	913
Deferred tax asset	1 408	952
Deferred tax liability	(48)	(39)
Net deferred tax asset	1 360	913

The Group has unrecognised deferred tax assets of R5 067 million (2024: R5 515 million) relating to assessed capital losses. R4 931 million (2024: R5 381 million) relates to Osiris Holdings Proprietary Limited (Osiris), which arose mainly in Australia on the disposal of David Jones. R136 million (2024: R134 million) relates to Country Road Group (CRG), which arose in prior years from the exit of its operations in select international markets. These capital losses were determined with reference to the tax base of David Jones and Country Road Group, and the disposal proceeds, which may be mainly utilised against future capital gains in Osiris and CRG, with no expiry date.

	2025 Rm	2024 Rm
Comprising:		
Property, plant and equipment	(101)	(53)
Prepayments	(10)	(4)
Working capital and provisions	821	288
Post-retirement medical benefit liability	93	90
Share-based payments	109	117
Assessed losses	14	172
Intangible assets	(200)	(343)
Financial instruments	25	25
Right-of-use assets	(2 127)	(2 253)
Lease liabilities	2 736	2 874
	1 360	913

Deferred tax has been calculated at the standard corporate and the capital gains tax rates as at the reporting date, based on management’s expected recovery of the carrying value of assets and settlement of the carrying value of liabilities.

Working capital and provisions relate to deferred tax on various amounts, including lease provisions, leave pay provision, employee incentives, and inventory.

Deferred tax assets are raised after due consideration of future taxable income. The Group has recognised a deferred tax asset of R14 million (2024: R172 million) in respect of assessed losses. These relate to subsidiaries that have a history of losses and, which do not expire. The Group has reviewed the forecast taxable profits for these subsidiaries to utilise the deferred tax asset in the future.

13. INVENTORIES

	2025 Rm	2024 Rm
Merchandise, net of provision	8 879	7 434
Consumables	8	7
	8 887	7 441
Movements in the provision for shrinkage, obsolescence and mark-down were as follows:		
Balance at the beginning of the year	(262)	(230)
Net charge for the year	(503)	(413)
Unused amounts reversed	415	381
Acquisition of subsidiary	–	(2)
Foreign exchange rate differences	1	2
Balance at the end of the year	(349)	(262)

14. TRADE AND OTHER RECEIVABLES

CURRENT		
Trade receivables and other receivables	1 544	1 381
Less: Provision for expected credit losses	(14)	(5)
Total trade receivables and other receivables	1 530	1 376
Other receivables include:		
Prepayments	231	340
Right of return asset	25	24
Investment in Cell Captive	41	36
	297	400
Movements in the provision for expected credit losses of trade and other receivables were as follows:		
Balance at the beginning of the year	(5)	(5)
Charge for the year	1	8
Amounts written off	19	(7)
Unused amounts reversed	(29)	(1)
Balance at the end of the year	(14)	(5)

Ageing of trade debtors provided for:	June 2025			June 2024		
	Gross carrying amount Rm	Expected credit loss rate %	Expected credit loss Rm	Gross carrying amount Rm	Expected credit loss rate %	Expected credit loss Rm
0 – 60 days	1 140	0.5%	6	734	0.3%	2
61 – 90 days	13	–	–	27	–	–
91 – 120 days	18	–	–	40	–	–
121+ days	48	16.7%	8	166	1.8%	3
	1 219		14	967		5

14. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables are interest-free unless overdue, and have payment terms ranging from seven days to 60 days. The provision for impairment of trade and other receivables is recognised by the Group using the simplified model when calculating the ECL. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and economic environment. Forward-looking assumptions include the relative uncertainty of the social and economic impacts of loadshedding, increase in fuel prices, cost of living, and potential future civil unrests.

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

Included in trade and other receivables is a Right of return asset of R25 million (2024: R24 million). The asset is a right of the Group to recover merchandise from the customer when merchandise is returned, and has been recognised in terms of IFRS 15. When recognising the Right of return asset, using the practical expedient in IFRS 15, the Group does not adjust the promised amount of consideration for the effects of a significant financing component, if it expects, at contract inception, that the period between the transfer of the promised goods or service to the customer and when the customer pays for that good or service will be one year or less.

The carrying value of trade and other receivables is considered to approximate their fair value.

The increased ECL rate for the 121+ days bucket is due to specific debtor accounts written off. The creation and release of provisions for credit-impaired receivables have been included in other operating costs in the Statement of comprehensive Income.

Refer to note 25.5 for the analysis of trade and other receivables and note 25.3 for detailed information regarding the credit quality of financial assets. The Group has not obtained any guarantees from debtors and does not hold any collateral as security.

	2025		2024	
	Assets Rm	Liabilities Rm	Assets Rm	Liabilities Rm
15. DERIVATIVE FINANCIAL INSTRUMENTS				
NON-CURRENT				
Forward exchange contracts held as hedging instruments	–	–	3	1
Interest rate derivatives held as hedging instruments – cash flow hedges	–	4	5	–
	–	4	8	1
CURRENT				
Forward exchange contracts held as hedging instruments	33	173	12	144
Forward exchange contracts not hedge-accounted	–	17	3	19
Interest rate derivatives held as hedging instruments – cash flow hedges	–	2	17	–
	33	192	32	163

FORWARD EXCHANGE CONTRACTS

The notional principal amount of the outstanding contracts at year-end amounts to R7 161 million (2024: R8 147 million). These contracts are to hedge the foreign currency exposure of the anticipated purchase of goods. The related cash flows are expected to occur on the maturity dates of these contracts between one and 18 months (refer to note 25.4). Gains and losses on forward exchange contracts held as hedging instruments in designated and effective hedging relationships are initially recognised in other comprehensive income and reclassified on recognition of the associated non-financial asset. Gains and losses on remaining contracts not hedge-accounted for are recognised directly in profit or loss. Forward contracts are measured at fair value, which is calculated by reference to forward exchange rates for contracts with similar maturity profiles at year-end. The contracts are settled on a gross basis.

INTEREST RATE DERIVATIVES

The notional principal amount of the interest rate derivatives at year-end amounts to R3 000 million (2024: R2 500 million). This comprises hedges on the South African term debt of R8 700 million (2024: R6 620 million). These derivatives are to hedge the interest that is payable under the various debt facilities (refer to note 18). Gains and losses on interest rate derivatives held as hedging instruments in designated and effective hedging relationships are recognised in other comprehensive income and are reclassified in the same period that the hedged cash flows affect profit or loss.

The maximum exposure to credit risk at the reporting date is the fair value of the above-mentioned derivative financial instrument assets.

16. STATED CAPITAL

STATED CAPITAL

Balance at the beginning of the year	7 749	7 749
Balance at the end of the year	7 749	7 749

AUTHORISED

2 410 600 000 (2024: 2 410 600 000) ordinary shares of no par value	–	–
	–	–

ISSUED (EXCLUDING TREASURY SHARES)

891 906 164 (2024: 897 107 551) ordinary shares of no par value	–	–
	–	–

RECONCILIATION OF NUMBER OF ORDINARY SHARES IN ISSUE

	Number of shares	
	2025	2024
Balance at the beginning of the year	897 107 551	896 019 026
Shares purchased from the market and held as treasury shares in terms of the Restricted Share Plan and Performance Share schemes ¹	(7 207 198)	(3 229 487)
Shares sold in terms of the Restricted Share Plan and Performance Share schemes ²	537 561	479 377
Shares allocated in terms of the Restricted Share Plan and Performance Share schemes ³	1 468 250	3 838 635
Balance at the end of the year	891 906 164	897 107 551

- 7 207 198 (2024: 3 229 487) ordinary shares totalling R448 million (2024: R242 million) were purchased from the market by Woolworths Proprietary Limited for the purposes of the Group’s share incentive schemes and are held as Treasury shares by the Group.
- 537 561 (2024: 479 377) ordinary shares totalling R33 million (2024: R40 million) were sold to the market in terms of the Group’s share incentive schemes. The shares were sold to the market as a result of employee forfeitures, after failing to satisfy vesting conditions.
- 1 468 250 (2024: 3 838 635) ordinary shares totalling R61 million (2024: R169 million) previously purchased were allocated to employees in terms of the Group’s share incentive schemes

Closing balances are stated net of the effect of treasury shares.

Refer to note 26 for more information on the Group’s capital management policy.

16. STATED CAPITAL (CONTINUED)

SHARE INCENTIVE SCHEMES
RESTRICTED SHARE PLAN (RSP)

The Group operates a Restricted Share Plan, of which ownership of these shares vests with Woolworths Proprietary Limited until service conditions are met by the employees.

Shares granted in terms of the RSP meet the definition of an equity-settled share-based payment. The full terms and conditions of the scheme are detailed in the Remuneration Committee Report that forms part of the Integrated Report. In terms of the plan, the Group purchased equity instruments totalling R163 million in the current year (2024: R5 million) for the benefit of the participants. The participants will be entitled to the dividends and voting rights on these shares from grant date.

Vesting in respect of the shares issued occurs as follows:

Period of offer	Year 0 – 2 %	Year 3 %	Year 4 %	Year 5 %
01 September 2022; 04 September 2024; 25 September 2024; 01 April 2025; 01 June 2025	–	100	–	–
17 September 2020; 04 November 2020; 17 May 2021; 01 June 2021; 26 August 2021; 02 March 2022; 01 June 2022; 01 September 2022; 01 December 2022; 01 March 2023; 28 February 2024; 22 May 2024; 04 September 2024; 05 March 2025; 01 April 2025; 01 May 2025; 01 June 2025	–	25	25	50
17 September 2020; 01 June 2023; 05 March 2025	–	50	25	25
	Number of shares			
	2025	2024		
SHARES GRANTED TO PARTICIPANTS				
Balance at the beginning of the year	4 303 473	8 415 458		
Purchased	2 854 889	85 754		
Vested	(1 445 431)	(3 837 346)		
Forfeited	(313 499)	(360 393)		
Balance at the end of the year	5 399 432	4 303 473		
Market value per share at the end of the year (rands)	51.87	61.78		
Percentage of shares vested at the end of the year	33.6%	45.6%		
Weighted average price per share purchased (rands)	57.00	57.35		
Number of participants on RSP	79	63		

16. STATED CAPITAL (CONTINUED)

SHARE INCENTIVE SCHEMES (CONTINUED)

Period of offer	Number of shares		Fair value at grant date
	2025	2024	
20 February 2020 and 20 February 2025	–	762 411	46.80
01 June 2020 and 01 June 2025	–	43 793	37.87
17 September 2020 and 17 September 2025	41 014	61 521	35.05
17 September 2020 and 17 September 2023	139 092	278 182	35.05
04 November 2020 and 04 November 2025	308 832	541 640	35.05
17 May 2021 and 17 May 2026	17 831	26 746	50.58
01 June 2021 and 01 June 2026	50 600	75 900	51.88
26 August 2021 and 26 August 2026	73 057	122 843	61.85
26 August 2021 and 26 August 2024	–	390 491	61.85
02 March 2022 and 02 March 2027	26 418	66 052	53.72
01 June 2022 and 01 June 2027	30 370	40 493	59.00
01 September 2022 and 01 September 2027	1 065 247	1 101 319	63.55
01 September 2022 and 01 September 2025	451 695	451 695	63.55
01 December 2022 and 01 December 2027	60 315	60 315	69.64
01 March 2023 and 01 March 2028	150 652	150 652	71.83
01 June 2023 and 01 June 2028	43 666	43 666	64.12
28 February 2024 and 28 February 2029	23 796	23 796	64.50
22 May 2024 and 22 May 2029	61 958	61 958	54.60
04 September 2024 and 04 September 2029	67 492	–	66.67
04 September 2024 and 04 September 2027	149 984	–	66.67
25 September 2024 and 25 September 2027	150 559	–	66.42
05 March 2025 and 05 March 2030	821 837	–	53.84
01 April 2025 and 01 April 2028	594 032	–	56.56
01 April 2025 and 01 April 2030	72 753	–	56.56
01 May 2025 and 01 May 2030	562 344	–	56.56
01 June 2025 and 01 June 2028	139 580	–	55.61
01 June 2025 and 01 June 2030	73 546	–	55.61
01 June 2025 and 01 June 2030	222 762	–	56.56
Balance at the end of the year	5 399 432	4 303 473	

WOOLWORTHS PERFORMANCE SHARE PLAN (PSP)

The Performance Share Plan provides executives and employees with the opportunity to receive Woolworths Holdings Limited shares by way of share rights, which are subject to the fulfilment of predetermined performance conditions covering a three-year period, at a grant price of the volume weighted average price as quoted on the JSE for the five business days immediately preceding the date of grant. The performance conditions applicable to the share schemes granted in the 2021 financial year are weighted between adjusted headline earnings per share (aHEPS) growth (25%), relative aHEPS growth (25%) return on capital employed (ROCE) (25%) and cash flow conditions (25%). The performance conditions applicable to the grants in the 2022 financial year are weighted between aHEPS growth (30%), relative aHEPS growth (30%) and ROCE (40%). The performance conditions applicable to the grants in the 2023 financial year are weighted between aHEPS growth (40%), ESG measure (20%) and ROCE (40%). The performance conditions applicable to the grants in the 2024 and 2025 financial years are weighted between adjusted diluted headline earnings per share (adHEPS) growth (40%), ESG measure (20%) and ROCE (40%).

The performance conditions, with the exception of ESG, have a threshold for 30% vesting and a target for 100% vesting. ESG has a target for 100% vesting only. All other performance conditions have vesting on a linear scale in accordance with an agreed threshold and target.

16. STATED CAPITAL (CONTINUED)

SHARE INCENTIVE SCHEMES (CONTINUED)

In accordance with the plan rules and the JSE Limited Listings Requirements, the directors have adjusted the number of unvested awards issued in terms of the PSP, to reflect the repurchase of ordinary shares by the Company to place participants in such a position that they are entitled to the same proportion of the issued stated capital of the Company as that to which they were previously entitled to, prior to the repurchase. The scheme allocation, as well as the maximum award to any one participant specified in the trust deed, have also been adjusted accordingly. All unvested awards have been reduced by the commensurate percentages as illustrated in the table below:

	Number of awards	
	2025	2024
AWARDS GRANTED TO PARTICIPANTS		
Balance at the beginning of the year	6 892 299	13 240 243
Granted and back-dated dividends	580 345	899 158
Exercised	(2 279 341)	(5 714 490)
Forfeited	(1 469 899)	(1 532 612)
Balance at the end of the year	3 723 404	6 892 299
Weighted average market price per award exercised (rands)	64.26	72.14
Number of participants on PSP	578	670

Period of offer	Number of awards		Fair value at grant date
	2025	2024	
26 August 2021 and 26 August 2024	–	1 022 933	59.79
26 August 2021 and 26 August 2024 ¹	–	1 006 320	59.79
26 August 2021 and 26 August 2024 ²	–	580 472	59.79
02 March 2022 and 02 March 2025 ¹	–	60 005	50.52
02 March 2022 and 02 March 2025 ²	–	69 881	50.52
01 September 2022 and 01 September 2025	1 386 828	1 503 246	54.73
01 September 2022 and 01 September 2025 ¹	1 234 418	1 351 069	54.73
01 September 2022 and 01 September 2025 ²	663 898	927 762	54.73
01 March 2023 and 01 March 2026 ¹	16 737	21 277	78.48
01 March 2023 and 01 March 2026 ²	106 400	108 770	78.48
01 September 2023 and 01 September 2026 ¹	122 709	122 709	75.39
01 September 2023 and 01 September 2026 ²	113 382	117 855	75.39
04 September 2024 and 04 September 2027 ²	79 032	–	64.83
Balance at the end of the year	3 723 404	6 892 299	

1 These awards are subject to 50.0% of the performance conditions. 2 These awards are not subject to any performance conditions.

WOOLWORTHS PERFORMANCE SHARE (PS)

The Performance Share provides executives and employees with the opportunity to receive Woolworths Holdings Limited shares, which are subject to the fulfilment of predetermined performance conditions covering a three-year period, at a grant price of the volume weighted average price as quoted on the JSE for the five business days immediately preceding the date of grant. The performance conditions applicable to the grants are weighted between adHEPS growth (40%), ESG measure (20%) and ROCE (40%). Ownership of these shares vests with Woolworths Proprietary Limited until service conditions are met by the employees.

For the 2024 financial year, the performance conditions, with the exception of ESG, have a threshold for 30% vesting, and a target for 100% vesting. ESG has a target for 100% vesting only. All other performance conditions have vesting on a linear scale in accordance with an agreed threshold and target.

For the 2025 financial year, the adHEPS performance conditions have a threshold for 50% vesting and a target for 100% and 150% vesting. The ROCE performance conditions have a threshold for 30% vesting and a target for 100% vesting. The ESG performance condition has a target for 100% vesting only. All other performance conditions have vesting on a linear scale in accordance with an agreed threshold and target.

16. STATED CAPITAL (CONTINUED)

SHARE INCENTIVE SCHEMES (CONTINUED)

	Number of shares	
	2025	2024
SHARES GRANTED TO PARTICIPANTS		
Balance at the beginning of the year	3 023 460	–
Purchased	4 352 309	3 143 733
Vested	(22 819)	(1 289)
Forfeited	(224 062)	(118 984)
Balance at the end of the year	7 128 888	3 023 460
Weighted average market price per share purchased (rands)	64.83	75.39
Number of participants on PS	456	414

Period of offer	Number of shares		Fair value at grant date
	2025	2024	
01 September 2023 and 01 September 2026 ¹	1 065 560	1 065 560	75.39
01 September 2023 and 01 September 2026 ²	1 803 152	1 957 900	75.39
04 September 2024 and 04 September 2027 ¹	1 424 902	–	64.83
04 September 2024 and 04 September 2027 ²	2 835 274	–	64.83
Balance at the end of the year	7 128 888	3 023 460	

1 These awards are subject to 100% of the performance conditions. 2 These awards are subject to 50.0% of the performance conditions.

WOOLWORTHS PERFORMANCE SHARE PLAN (PU)

The Performance Share Plan provides executives and employees with the opportunity to receive Woolworths Holdings Limited shares by way of share rights, which are subject to the fulfilment of predetermined performance conditions covering a three-year period, at a grant price of the volume weighted average price as quoted on the JSE for the five business days immediately preceding the date of grant. The performance conditions applicable to the grants are weighted between adjusted diluted headline earnings per share (adHEPS) growth (40%), CRG ESG measure (20%) and CRG ROCE (40%).

For the 2024 financial year, the performance conditions, with the exception of ESG, have a threshold for 30% vesting, and a target for 100% vesting. ESG has a target for 100% vesting only. All other performance conditions have vesting on a linear scale in accordance with an agreed threshold and target.

For the 2025 financial year, the adHEPS performance conditions have a threshold for 50% vesting and a target for 100% and 150% vesting. The ROCE performance conditions have a threshold for 30% vesting and a target for 100% vesting. The ESG performance condition has a target for 100% vesting only. All other performance conditions have vesting on a linear scale in accordance with an agreed threshold and target.

	Number of awards	
	2025	2024
AWARDS GRANTED TO PARTICIPANTS		
Balance at the beginning of the year	710 287	–
Granted and back-dated dividends	843 994	853 565
Exercised	(31 548)	(3 629)
Forfeited	(293 685)	(139 649)
Balance at the end of the year	1 229 048	710 287
Weighted average market price per share exercised (rands)	63.26	61.89
Number of participants on PU	34	38

Period of offer	Number of awards		Fair value at grant date
	2025	2024	
01 September 2023 and 01 September 2026 ¹	300 440	406 097	75.39
01 September 2023 and 01 September 2026 ²	195 744	304 190	75.39
04 September 2024 and 04 September 2027 ¹	597 667	–	64.83
04 September 2024 and 04 September 2027 ²	135 197	–	64.83
Balance at the end of the year	1 229 048	710 287	

1 These awards are subject to 100% of the performance conditions. 2 These awards are subject to 50.0% of the performance conditions.

DIRECTORS’ INTEREST IN SHARES

Details of directors’ beneficial and non-beneficial interests in the shares of the Company and share rights granted to Executive Directors are set out in note 7.

17. RESERVES

NON-DISTRIBUTABLE RESERVE

	2025 Rm	2024 Rm
Foreign currency translation reserve		
Balance at the beginning of the year	1 660	1 900
Exchange differences on translation of foreign subsidiaries	(250)	(240)
Balance at the end of the year	1 410	1 660
Put option reserve (Note 20)	(54)	(48)
Total non-distributable reserves	1 356	1 612

DISTRIBUTABLE RESERVES

Share-based payment reserve		
Balance at the beginning of the year	502	651
Share-based payments arising from the Group’s share incentive schemes	(4)	(149)
Share-based payments expense for the year	174	212
Tax on share-based payments recognised in equity (Note 4)	(1)	7
Settlement of share-based payments	(177)	(368)
Balance at the end of the year	498	502
Financial instrument revaluation reserve		
Balance at the beginning of the year	(66)	221
Fair value adjustments on financial instruments (Note 25.6)	46	(253)
Tax on fair value adjustments on financial instruments (Note 4 and 12)	16	89
Transfer of Financial Instrument revaluation reserve to inventories	(102)	(123)
Balance at the end of the year	(106)	(66)
Retained profit	3 335	2 905
Company	(3 642)	5 881
Arising on consolidation of subsidiaries	6 977	(2 976)
Total distributable reserves	3 727	3 341

NATURE AND PURPOSE OF RESERVES

FOREIGN CURRENCY TRANSLATION RESERVE

This reserve is used to record exchange differences arising from the translation of the results of foreign subsidiaries.

SHARE-BASED PAYMENTS RESERVE

This reserve records the fair value of the vested portion of shares or share rights (determined at grant date) granted in terms of the Group’s share-based payment schemes. Refer to note 16 for further details of the relevant schemes.

FINANCIAL INSTRUMENT REVALUATION RESERVE

This reserve records the effective portion of the fair value movement on hedging instruments, which are part of effective cash flow hedges.

RETAINED PROFIT/(ACCUMULATED LOSS)

Retained profit/(accumulated loss) records the cumulative net profit or loss made by the Group after deducting dividends to shareholders and other utilisations of the reserve.

18. INTEREST-BEARING BORROWINGS

NON-CURRENT

	2025 Rm	2024 Rm
Long-term loans	9 286	6 314
	9 286	6 314

CURRENT

Current portion of long-term loans	–	306
Overdrafts	568	1 192
	568	1 498

Interest-bearing borrowings bear interest at variable, market-determined rates. These borrowings are measured at amortised cost, which approximates their fair value (refer to note 25.2).

A portion of the interest associated with such borrowings is subject to interest rate derivatives (refer to note 15).

Notes to the value of R4.4 billion (2024: R2.6 billion) are outstanding under the Domestic Medium Term Note (DMTN) programme, which is a further source of funding to the Group. The DMTN is guaranteed by Woolworths Proprietary Limited. It will be used to raise debt on an ongoing basis.

Debt facilities of A\$70.0 million (2024: A\$70.0 million) for Country Road Group (CRG) are secured by Real Property Mortgages and a General Security Deed over the assets of CRG.

Refer to note 25.4 for the Group’s liquidity risk management policies.

The maturity profile of long-term interest-bearing borrowings is as follows:

	2025 Rm	2024 Rm
Financial year 2025	–	300
Financial year 2026	–	1 000
Financial year 2027	4 417	4 800
Financial year 2028	2 519	520
Financial year 2029 and onwards	2 350	–
	9 286	6 620

Interest on South African-based debt is linked to JIBAR and payable quarterly in arrears.

Interest on Australian-based debt is linked to BBSY and payable quarterly in arrears.

19. LEASE LIABILITIES

NON-CURRENT

Lease liabilities	2025 Rm	2024 Rm
	7 921	8 655
	7 921	8 655

CURRENT

Lease liabilities	2025 Rm	2024 Rm
	1 895	1 649
	1 895	1 649

The maturity profile of lease liabilities is as follows:

Within one year	2 498	2 910
Within two to five years	7 765	8 073
Thereafter	3 157	2 860
	13 420	13 843

The maturity profile represents undiscounted payments on the lease liabilities.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Cash flows				Non-cash changes				2025 Rm
	2024 Rm	Raised Rm	Principal portion repaid Rm	Finance costs paid* Rm	Additions/ acquisition of subsidiary Rm	Amortised cost Rm	Lease modifi- cations and rental relief/fair value changes Rm	Foreign exchange movement Rm	
Long-term loans (refer to note 18)	6 620	5 974	(3 308)	–	–	–	–	–	9 286
Lease liabilities*	10 304	–	(1 796)	(917)	731	917	716	(139)	9 816
	16 924	5 974	(5 104)	(917)	731	917	716	(139)	19 102
	2023 Rm	Rm	Rm	Rm	Rm	Rm	Rm	Rm	2024 Rm
Long-term loans (refer to note 18)	5 763	4 342	(3 507)	–	22	–	–	–	6 620
Lease liabilities*	11 002	–	(1 854)	(944)	924	944	387	(155)	10 304
	16 765	4 342	(5 361)	(944)	946	944	387	(155)	16 924

* Finance costs paid is presented as operating activities.

20. TRADE AND OTHER PAYABLES

NON-CURRENT

Put option liability¹	2025 Rm	2024 Rm
	54	48
	54	48

CURRENT

Trade payables	4 961	5 097
Other payables	662	15
Contract liability	344	341
Other accruals	2 286	2 283
Employee related accruals	141	28
Indirect taxes payable	272	182
	8 666	7 946

Trade and other payables are interest-free and have payment terms of up to 45 days. The carrying value of trade and other payables approximates their fair value.

Contract liability relates to the sale of gift cards. The liability is initially recognised at the point of sale of gift cards, deferring the revenue, and subsequently recognised as sale of merchandise when the gift cards are redeemed. The movement in the liability comprises an additional R1 042 million (2024: R687 million) raised for gift card sales, R978 million (2024: R652 million) redeemed and R57 million (2024: R27 million) breakage recognised as revenue during the year, including R4 million (2024: R3 million) foreign exchange movements.

Other accruals consist mainly of trade accruals, property-related and interest accruals.

As part of the acquisition of Absolute Pets in the prior period, the Group entered into a written put and call option arrangement with the minority shareholders, over the remaining 6.55% interest, which can be exercised on specified dates. The minority shareholders may exercise 50% of the put option shares one calendar week after the Absolute Pets annual financial statements for the financial year ended 30 June 2025 are signed (tranche one), and may exercise the remaining 50% of the put option shares one calendar week after Absolute Pets annual financial statements for the financial year ended 30 June 2026 are signed (tranche two). In the event that the minority shareholders elects not to exercise the put option on the first exercise date, the put option may be exercised in respect of all the remaining shares on the second exercise date. The Group has the right to exercise the call option only if the minority shareholders elects not to exercise the put option on the second exercise date. Consequently, the Group has not recognised the call option. The Put option liability was remeasured at year-end.

21. RETIREMENT BENEFIT INFORMATION

Woolworths permanent employees under the age of 63 (2024: 63) are contributory members of the Woolworths Group Retirement Fund. Certain employees, in addition to belonging to the Woolworths Group Retirement Fund, are contributory members of other retirement funds. All funds are defined contribution funds and are registered under the Pension Funds Act of 1956, as amended. The Woolworths Group Retirement Fund is exempt from valuation. The Woolworths Group Retirement Fund’s actuary undertakes annual financial reviews, of which the latest review, as at 29 February 2024, confirmed the fund’s financial soundness. The annual review, as at 28 February 2025, is in the process of being completed and will be available during September 2025.

Country Road Group Proprietary Limited provides superannuation benefits for various categories of employees in Australia. All funds are defined contribution funds, which are administered externally and provide for benefits for death, total disability, retirement and resignation. All benefits are provided on an accumulation of contributions basis and, accordingly, no actuarial assessment is required. Contributions vary from employee to employee as determined by various awards and negotiated conditions of employment. Future company contributions required to meet the superannuation guarantee charge are legally enforceable.

Total Group contributions are charged to profit or loss as incurred and amounted to R773 million (2024: R782 million). Refer to note 3.6.

Woolworths subsidises a portion of the medical aid contributions of retired employees who joined the healthcare fund before 1 November 2000. The Group values its accrued and future liability in respect of post-retirement medical aid contributions annually in June. The liability was actuarially valued based on the healthcare benefits currently provided to staff using appropriate mortality and withdrawal assumptions. For the purposes of the valuation, it was assumed that investment returns would be nil (2024: nil). The discount rate used to value the liability at year-end is 10.7% (2024: 13.2%) per annum.

At year-end, the accrued liability amounted to R346 million (2024: R333 million) in respect of those current and retired members of staff who participate in the Wooltru Healthcare Fund, the Group’s in-house medical aid scheme. Woolworths has not funded the liability.

21. RETIREMENT BENEFIT INFORMATION (CONTINUED)

The funding status of the Wooltru Healthcare Fund determined in terms of IAS 19 is as follows:

	2025 Rm	2024 Rm
Funding liability at the beginning of the year	333	350
Current service cost	2	2
Interest on obligation	42	45
Employer contributions	(30)	(28)
Actuarial gain before tax	(1)	(36)
Funding liability at the end of the year	346	333

	2025 Rm	2024 Rm	2023 Rm	2022 Rm	2021 Rm
Funding liability	346	333	350	359	363
Funding deficit	346	333	350	359	363
Actuarial gain before tax	(1)	(36)	(24)	(20)	(5)

The following undiscounted payments are expected contributions to be made in future years in respect of the defined contribution plan obligation:

	2025 Rm	2024 Rm
Within 12 months	33	32
Between one and five years	184	184
Between five and 10 years	215	244
Beyond 10 years	223	289
Total expected payments	655	749

A 1.0 percentage point increase or decrease in the assumed medical inflation rate of 6.6% (2024: 9.0%) would have the following effect:

2025			
Medical inflation assumption	6.6%	5.6%	7.6%
Service cost	2	2	2
Interest cost	42	39	45
Accrued liability	346	319	376
2024			
Medical inflation assumption	9.0%	8.0%	10.0%
Service cost	2	2	2
Interest cost	45	39	46
Accrued liability	333	307	362

A 0.5 percentage point increase or decrease in the discount rate of 10.7% (2024: 13.2%) would have the following effect:

2025			
Discount rate assumption	10.7%	10.2%	11.2%
Accrued liability	346	360	333
2024			
Discount rate assumption	13.2%	12.7%	13.7%
Accrued liability	333	347	320

A one-year increase or decrease in the post-retirement mortality assumption of PA(90)-2 (2024: PA(90)-2) would have the following effect:

2025			
Mortality assumption	PA(90)-2	PA(90)-3	PA(90)-1
Accrued liability	346	357	335
2024			
Mortality assumption	PA(90)-2	PA(90)-3	PA(90)-1
Accrued liability	333	344	322

22. PROVISIONS

	Leave pay Rm	Employee benefits Rm	Sales returns and other Rm	Total 2025 Rm	Total 2024 Rm
NON-CURRENT					
Balance at the beginning of the year	118	86	–	204	221
Raised/transferred	132	(6)	–	126	113
Utilised	(118)	(9)	–	(127)	(130)
Acquisition of subsidiary	–	–	–	–	2
Foreign exchange rate differences	–	(3)	–	(3)	(2)
Balance at the end of the year	132	68	–	200	204
CURRENT					
Balance at the beginning of the year	288	317	256	861	1 149
Raised/transferred	395	293	76	764	795
Utilised	(408)	(222)	(148)	(778)	(1 086)
Acquisition of subsidiary	–	–	–	–	18
Foreign exchange rate differences	(6)	(7)	6	(7)	(15)
Balance at the end of the year	269	381	190	840	861

LEAVE PAY

The provision for leave pay is calculated using the estimated number of leave days due to employees at the end of the financial year. The leave pay provision will unwind as employees utilise their leave entitlement.

EMPLOYEE BENEFITS

The provision for employee benefits consists primarily of employee long-service leave entitlements. This provision is calculated based on the service period worked by each employee and probability assumptions are applied to determine the likelihood that an employee will eventually qualify for the entitlement. The provision unwinds as eligible employees redeem their entitlement or when the balance owing to an employee is paid out on termination of employment. The provision also includes a portion of Country Road Group’s long-term incentives scheme.

SALES RETURNS AND OTHER

Included in sales returns and other is a provision for sales returns of R75 million (2024: R89 million) to either replace the goods, provide the customer with a full refund or credit that can be applied against money owed. A Right of return asset was recognised for the Group’s right to recover merchandise returned by the customer (refer to note 14).

A provision of R36 million (2024: R24 million) for store closure costs has been recognised for stores leased by the Group. The timing and amount of the provision is uncertain due to estimation involved in the costs to cover the restorations at the end of the lease. The amount of the provision is estimated based on the expected value to restore the site.

The provision comprises an additional R29 million (2024: R22 million) raised and R16 million (2024: R35 million) utilised in the current year for store closures, including R1 million (2024: R1 million) of foreign exchange movements. The impact of discounting is considered immaterial. The current portion is R36 million (2024: R24 million) and nil (2024: nil) for non-current.

	2025 Rm	2024 Rm
23. CAPITAL COMMITMENTS		
Commitments in respect of capital expenditure not accrued at the reporting date:		
Contracted for	2 268	2 466
Not contracted for	467	744
	2 735	3 210

This capital expenditure will be financed by cash generated from the Group’s activities and available cash.

24. CONTINGENT LIABILITIES

Group companies are party to legal disputes and investigations that have arisen in the ordinary course of business. Whilst the outcome of these matters cannot readily be foreseen, the directors do not expect them to have any material financial effect and as such no contingent liabilities have been disclosed.

25. FINANCIAL RISK MANAGEMENT

Exposure to foreign currency, interest rate, refinancing, counterparty, credit and liquidity risks arises in the normal course of business. It is the Group’s objective to manage its exposure to the various financial risks through its risk management policies and procedures.

The Group’s overall treasury policy is reviewed and approved by the Woolworths Holdings Limited Board (Board), Audit and Treasury Committees. The policy specifies the risks, parameters and permitted instruments relating to interest rate, refinancing, liquidity, counterparty and foreign exchange risks.

In addition, the Treasury Committee reports regularly to the Board on the implementation of treasury policies, focusing in particular on bank covenants, interest rates, refinancing, liquidity, counterparty and foreign exchange risk, as well as any deviations from treasury policy and performance against budgets.

Woolworths Financial Services’ credit risk is managed by a Credit Risk Committee attended by two directors of the Board. Woolworths Proprietary Limited and Country Road Group Proprietary Limited’s credit risk are each managed by an Audit and Risk Committee attended by directors of the Board.

25.1 FOREIGN CURRENCY RISK MANAGEMENT

The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the US dollar and the Australian dollar. Foreign exchange risk arises from commercial transactions, recognised assets and liabilities and net investments in foreign operations. It is the Group’s policy to fully cover all committed exposures, except net investments in foreign operations.

TRANSACTIONAL FOREIGN EXCHANGE RISK

The Group has transactional currency exposures arising from the acquisition of goods and services in currencies other than its functional currency. It is the Group’s policy that business units entering into such transactions must cover all such exposures with forward exchange contracts to hedge the risk of fluctuation in the foreign currency exchange rate (refer to the accounting policy note on hedge accounting). Under the Group’s policy, the critical terms of these instruments must align with the foreign currency risk of the hedged item and is hedged on a 1:1 hedge ratio.

Forward exchange contracts and trade payables at year-end are summarised below. These amounts represent the net rand equivalent of Group commitments to purchase and sell foreign currencies.

	Contract foreign currency amount m	Rand equivalent Rm	Average rate R	Fair value adjustment Rm
2025				
FORWARD EXCHANGE CONTRACTS				
US dollar	356	6 471	18.18	(152)
British pound	1	15	24.39	–
Euro	11	219	20.53	6
Chinese Yuan	172	444	2.58	(11)
Other currencies	1	12	11.75	–
		7 161		(157)
TRADE PAYABLES				
US dollar (closing rate)	39	690	18.16	11
2024				
FORWARD EXCHANGE CONTRACTS				
US dollar	400	7 464	18.73	(122)
British pound	1	20	23.71	–
Euro	17	346	20.40	(10)
Chinese Yuan	114	304	2.66	(14)
Other currencies	1	13	1.00	–
		8 147		(146)
TRADE PAYABLES				
US dollar (closing rate)	38	689	18.22	19

At year-end, the Group held 1 504 (2024: 1 255) forward exchange contracts in order to hedge expected future purchases from suppliers outside South Africa, to which the Group has firm commitments. Of these, 1 378 (2024: 1 114) are designated cash flow hedges in an effective hedging relationship.

The remaining 126 (2024: 141) forward exchange contracts are not designated as cash flow hedges. At year-end, an unrealised gain of R9 million (2024: R16 million loss) was recognised in profit or loss in respect of these forward exchange contracts.

The cash flow hedges resulted in a net unrealised gain of R121 million (2024: R109 million), with a related deferred tax liability of R35 million (2024: R31 million), which was included in the financial instrument revaluation reserve in respect of these contracts.

The following exchange rates applied during the year:

	Average rate		Closing rate	
	2025	2024	2025	2024
US dollar/rand	18.16	18.71	17.86	18.22
Australian dollar/rand	11.77	12.28	11.71	12.15

In the table below, the sensitivity of the Group’s exposure to US dollar foreign currency transactional risk is estimated by assessing the impact that a reasonably possible movement over the next 12 months in foreign exchange rates would have had on profit and equity of the Group at the reporting date. The Group’s exposure to other currencies is not considered to be material (refer below for translational foreign exchange risk). An increase in the movement in foreign exchange rate is indicative of the functional currency weakening against the foreign currency.

	Movement in foreign exchange rate %	Decrease/ (increase) in profit before tax Rm	Decrease/ (increase) in other comprehensive income Rm
2025			
US DOLLAR			
Foreign creditors	+5	35	–
	-5	(35)	–
Forward exchange contracts	+5	(23)	(291)
	-5	23	291
2024			
US DOLLAR			
Foreign creditors	+5	34	–
	–5	(34)	–
Forward exchange contracts	+5	(24)	(336)
	–5	24	336

TRANSLATION RELATED FOREIGN EXCHANGE RISK

NET INVESTMENT IN FOREIGN SUBSIDIARIES

The Group has investments in foreign subsidiaries, whose net assets (including cash and cash equivalents) are exposed to translational foreign exchange risk.

	2025 Rm	2024 Rm
The Group has unhedged interests in foreign subsidiaries of:		
Australian dollar	16 118	10 227

This risk is not hedged. The Group’s exposure to its African subsidiaries is not considered material.

A change in the Group’s material translation related foreign currencies, with all other variables being equal, will increase or decrease the equity of the Group.

The sensitivity of the Group to such changes is presented in the following table. Reasonably possible changes over the next 12 months in the Group’s material translation related foreign currencies will result in movements in other comprehensive income observed in the foreign currency translation reserve.

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

25.1 FOREIGN CURRENCY RISK MANAGEMENT (CONTINUED)

	Movement in foreign exchange rate %	Decrease/ (increase) in other comprehensive income Rm
2025		
Australian dollar	+5	(798)
	-5	798
2024		
Australian dollar	+5	(511)
	-5	511

FOREIGN CASH

The Group has exposure to foreign currency translation risk through cash and cash equivalent balances included in the net assets of subsidiaries, in currencies other than the South African rand. This risk is not hedged.

	2025 Rm	2024 Rm
Foreign cash and cash equivalent balances are concentrated in the following major currencies:		
US dollar	(44)	43
Australian dollar	2 654	221
Other African currencies	346	449
	2 956	713

The sensitivity of the Group’s equity to changes in foreign cash and cash equivalent balances resulting from a reasonably possible change in material foreign currencies in which the Group transacts is presented below.

	Movement in foreign exchange rate %	Decrease/ (increase) in other comprehensive income Rm
2025		
Australian dollar	+5	(133)
	-5	133
2024		
Australian dollar	+5	(11)
	-5	11

25.2 INTEREST RATE RISK MANAGEMENT

The Group’s interest rate risk arises from interest-bearing borrowings, derivative financial instruments, other loans and cash and cash equivalents.

In order to hedge the Group’s exposure to cash flow interest rate risk, the Group uses derivative financial instruments.

The Group entered into long-term debt with the interest payable linked to various floating interbank rates. At year-end, the Group had hedged approximately 34% (2024: 38%) of floating rate exposure for fixed rates. Under the Group’s policy, the critical terms of these instruments must align with the interest rate risk of the hedged item and is hedged on a 1:1 hedge ratio on a portfolio basis.

The Group is also exposed to cash flow interest rate risk from its floating rate cash and cash equivalents. The cash flow interest rate sensitivity of the cash and cash equivalents is based on year-end cash balances.

The sensitivity of the Group’s profit before tax and other comprehensive income to its exposure to interest rate risk from borrowings is presented below. Reasonably possible changes in the country-specific lending rate will impact the Group’s profit before tax and other comprehensive income.

	Movement in basis points	Decrease/ (increase) in profit before tax Rm	Decrease/ (increase) in other comprehensive income Rm
2025			
SOUTH AFRICA			
Interest-bearing borrowings	+50	46	–
	-50	(46)	–
Interest rate derivatives	+50	–	(10)
	-50	–	10
Cash and cash equivalents	+50	(5)	–
	-50	5	–
AUSTRALIA			
Interest-bearing borrowings	+10	3	–
	-10	(3)	–
Cash and cash equivalents	+10	13	–
	-10	(13)	–

2024			
SOUTH AFRICA			
Interest-bearing borrowings	+50	27	–
	-50	(27)	–
Interest rate derivatives	+50	–	(22)
	-50	–	22
Cash and cash equivalents	+50	(6)	–
	-50	6	–
AUSTRALIA			
Cash and cash equivalents	+10	(1)	–
	-10	1	–

At year-end, the South African prime interest rate was 10.75% (2024: 11.75%). JIBAR was 7.25% (2024: 8.35%). The Australian interest rate equivalent of JIBAR (BBSY) was 3.85% (2024: 4.35%).

The variable interest rate pricing profile at year-end is summarised as follows:

	2025	Effective interest rate %	2024	Effective interest rate %
	Rm		Rm	
INTEREST-BEARING BORROWINGS				
Long-term loans	9 286	8.8	6 620	9.4
Overdrafts	568	2.8 - 12.5	1 192	2.8 - 9.3
% of total borrowings	100%		100%	

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

25.2 INTEREST RATE RISK MANAGEMENT (CONTINUED)

The carrying amounts of the Group’s financial liabilities that are exposed to interest rate risk are as follows:

	On demand Rm	less than 3 months Rm	3 – 12 months Rm	1 – 5 years Rm	>5 years Rm
2025					
Long-term loans	–	–		8 536	750
Overdrafts	–	568	–	–	–
2024					
Long-term loans	–	–	300	6 320	–
Overdrafts	–	1 192	–	–	–

The table below indicates the nominal amount and weighted average maturity of the Group’s risk exposure that is directly affected by the interest rate benchmark reform analysed by interest rate basis.

	2025		2024	
	Nominal Amount Rm	Average Time to Maturity (Years)	Nominal Amount Rm	Average Time to Maturity (Years)
INTEREST-BEARING BORROWINGS (REFER TO NOTE 18)				
JIBAR (3 Months)	8 700	2.5	6 620	2.3
BBSY (Australia)	586	3.1	–	–

The notional principal amount of the interest rate derivatives at year-end amounts to R3 000 million (2024: R2 500 million), of which R2 000 million (2024: R2 500 million) could be affected by the interest rate reform. The balance of contracts expire within six months after year-end and would not be affected.

During the 2023 financial year, the South African Reserve Bank indicated its intention to transition from JIBAR and has identified a successor in the South African Rand Overnight Index Average Rate (ZARONIA). The new ZARONIA rate was published for observation during 2022 and was endorsed as a successor rate in 2023. The formal announcement of the cessation of JIBAR as a reference rate is expected in 2025, allowing ZARONIA market to develop. The formal announcement of the cessation of JIBAR is expected in January 2026 and cessation will be complete by December 2026.

The Company currently has a number of contracts which reference ZAR JIBAR, all of which have yet to transition to an alternative benchmark interest rate as at 29 June 2025. The Company is managing the transition process to ZARONIA by maintaining proactive engagement with its lenders.

25.3 CREDIT RISK MANAGEMENT

Credit risk arises from cash and cash equivalents, trade and other receivables, financial guarantee contracts and derivative financial instruments, as well as credit exposure to other loans. The Group’s maximum exposure to credit risk is equal to the carrying amount of these classes of assets. Refer to note 25.5.

The Group, through its subsidiary Osiris Holdings Proprietary Limited, provides guarantees for certain lease obligations. This guarantee is indemnified by a third party until 28 March 2026, and therefore considered to have a fair value of nil at the reporting date.

The Group only deposits short-term cash surpluses and enters into derivative contracts with major banks and financial institutions of high-quality credit standing.

Trade and other receivables consist mainly of property-related and franchise debtors. Rigorous credit-granting procedures are applied to assess the credit quality of the customer, taking into account its financial position, credit rating and other factors.

Other loans include loans and advances granted to employees of the Group.

CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are not credit impaired can be assessed by reference to credit ratings or to historical information about counterparty default rates as follows:

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

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

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

These three components are multiplied together, effectively calculating the ECL, which is then discounted to the reporting date, using the original effective interest rate, and aggregated. ECL is a probability-weighted outcome. The 12-month and lifetime EADs are determined based on the PD, which varies by type of financial asset.

	Rating	2025 Rm	Rating	2024 Rm
FINANCIAL ASSETS				
Other loans	High grade	41	High grade	42
Trade and other receivables*	High grade	1 194	High grade	797
Trade and other receivables	Low grade	66	Low grade	206
Enterprise development loans	Low grade	39	Low grade	30
Derivative financial instruments*	High grade	33	High grade	40
Cash and cash equivalents*	High grade	4 291	High grade	2 309

*Comparative information of Trade and other receivables has been restated to reclassify low grade debtors.

RATINGS

High grade – debtors are considered to have low credit risk when they have high-quality credit standing or a guarantee on the amount owing is provided.

Low grade – debtors are considered to have high credit risk when they have low-quality credit standing. The counterparties for these instruments are considered more likely to default on capital or interest payments.

Default - The Group considers debtors to be in default if any of the following indicators are present:

- there has been a significant delay in payment, or
- the debtor is in business rescue, is bankrupt or insolvent, or
- legal action has been taken against the debtor, or
- persistent non-responsiveness from the debtor to our communications.

* External rating

25.4 LIQUIDITY RISK MANAGEMENT

Liquidity risk management includes maintaining sufficient cash and cash equivalents, the availability of funding from adequate banking facilities ranging from overnight to 61-month facilities and the ability to close out market positions. Derivative financial liabilities are measured at fair value and are included in the analysis on the basis of management’s expectation of settlement. The fair values indicate the net settlement amounts due.

The Group has minimised its liquidity risk as shown by its substantial undrawn banking and debt facilities.

	2025 Rm	2024 Rm
BANKING AND DEBT FACILITIES		
Total banking and debt facilities	14 495	12 986
Less: Portion utilised	(9 897)	(7 764)
Total undrawn banking and debt facilities	4 598	5 222
Made up as follows:	4 598	5 222
Committed	4 511	5 142
Uncommitted	87	80

All facilities and any security provided are required to be approved by the Board.

The Group’s policy is to maintain appropriate committed and uncommitted banking and debt facilities.

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

25.4 LIQUIDITY RISK MANAGEMENT (CONTINUED)

The Group continually monitors rolling forecasts of the Group’s liquidity positions, comprising committed and uncommitted banking and debt facilities and cash and cash equivalents. These comprised committed undrawn banking and debt facilities of R4.5 billion and cash and cash equivalents of R4.3 billion. The Board is satisfied that, based on the rolling forecasts, these levels are appropriate to fund the Group’s cash flow requirements under reasonably expected circumstances for the next 12 months.

The undiscounted contractual cash flows of the Group’s borrowings and payables fall into the following maturity profiles:

	On demand Rm	Less than 3 months Rm	3 – 12 months Rm	1 – 5 years Rm	>5 years Rm
2025					
Interest-bearing borrowings*	–	180	540	10 302	771
Forward exchange contracts	–	3 067	4 155	–	–
Trade and other payables	2 505	5 521	101	195	–
Overdrafts	–	568	–	–	–
2024					
Interest-bearing borrowings*	–	165	728	6 937	–
Forward exchange contracts	–	1 073	2 535	424	–
Trade and other payables	2 369	4 761	70	404	–
Overdrafts	–	1 192	–	–	–

* Includes interest payments

BORROWING CAPACITY

In terms of the Memorandum of Incorporation, the Group has unlimited borrowing powers.

25.5 FINANCIAL INSTRUMENTS BY CATEGORY

The following classifications for financial instruments have been applied to the line items below:

	Note	Financial assets at amortised cost Rm	Financial assets at fair value through profit or loss Rm	Financial assets at fair value through other comprehensive income Rm	Non-financial assets Rm	Total Rm
2025						
ASSETS						
Investments and other loans	11	97	–	–	–	97
Trade and other receivables	14	1 219	41	–	270	1 530
Derivative financial instruments	15	–	–	33	–	33
Cash and cash equivalents	28.4	4 291	–	–	–	4 291
		5 607	41	33	270	5 951

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

25.5 FINANCIAL INSTRUMENTS BY CATEGORY(CONTINUED)

	Note	Financial liabilities at amortised cost Rm	Financial liabilities at fair value through profit or loss Rm	Financial liabilities at fair value through other comprehensive income Rm	Non-financial liabilities Rm	Total Rm
2025						
LIABILITIES						
Interest-bearing borrowings	18	9 854	–	–	–	9 854
Trade and other payables	20	8 322	–	–	344	8 666
Derivative financial instruments	15	–	17	179	–	196
		18 176	17	179	344	18 716

	Note	Financial assets at amortised cost Rm	Financial assets at fair value through profit or loss Rm	Financial assets at fair value through other comprehensive income Rm	Non-financial assets Rm	Total Rm
2024						
ASSETS						
Investments and other loans	11	85	–	–	–	85
Trade and other receivables	14	967	36	–	373	1 376
Derivative financial instruments	15	–	3	37	–	40
Cash and cash equivalents	28.4	2 309	–	–	–	2 309
		3 361	39	37	373	3 810

	Note	Financial liabilities at amortised cost Rm	Financial liabilities at fair value through profit or loss Rm	Financial liabilities at fair value through other comprehensive income Rm	Non-financial liabilities Rm	Total Rm
2024						
LIABILITIES						
Interest-bearing borrowings	18	7 812	–	–	–	7 812
Trade and other payables	20	7 652	–	–	342	7 994
Derivative financial instruments	15	–	19	145	–	164
		15 464	19	145	342	15 970

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

25.6 GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

The table below summarises the gains/(losses) on financial instruments:

	Fair value measurement Rm	Investment income Rm	Finance costs Rm	Impairment loss Rm	Total Rm
2025					
Loans and receivables	–	156	–	–	156
Financial liabilities at amortised cost	–	–	(854)	–	(854)
Financial instruments at fair value through profit or loss	–	–	–	–	–
Financial instruments at fair value through other comprehensive income	46	–	–	–	46
	46	156	(854)	–	(652)
2024					
Loans and receivables	–	166	–	–	166
Financial liabilities at amortised cost	–	–	(780)	–	(780)
Financial instruments at fair value through profit or loss	16	–	–	–	16
Financial instruments at fair value through other comprehensive income	(253)	–	–	–	(253)
	(237)	166	(780)	–	(851)

All financial instruments at fair value through profit or loss of the Group are classified as held-for-trading.

The pre-tax gains/(losses) on the fair value adjustments of financial instruments recognised in other comprehensive income comprises:

	2025 Rm	2024 Rm
Forward exchange contracts	18	(225)
Interest rate derivatives	28	(28)
Reclassified to non-financial assets	(102)	(178)
Reclassified to profit or loss	9	9
	(47)	(422)

25.7 FAIR VALUE OF FINANCIAL INSTRUMENTS

The Group uses a three-level hierarchy to categorise the inputs used in measuring fair value. The levels within the hierarchy are described below, with Level 1 having the highest priority and Level 3 having the lowest.

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

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 – inputs for the asset or liability that are not based on observable market data (unobservable inputs).

A comparison by category of carrying amounts and fair values of the Group's financial instruments carried at fair value is set out below:

25. FINANCIAL RISK MANAGEMENT (CONTINUED)

25.7 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	Fair value measurement using	Carrying amount		Fair value	
		2025 Rm	2024 Rm	2025 Rm	2024 Rm
FINANCIAL ASSETS					
Derivative financial instruments					
Forward exchange contracts	Level 2	33	18	33	18
Interest rate derivatives	Level 2	–	22	–	22
FINANCIAL LIABILITIES					
Derivative financial instruments					
Forward exchange contracts	Level 2	190	164	190	164
Interest rate derivatives	Level 2	6	–	6	–

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment-grade credit ratings. Derivatives valued using valuation techniques with market observable inputs are mainly interest rate swaps and foreign exchange forward contracts. The most frequently applied valuation techniques include forward pricing and swap models, using present value calculations. The models incorporate various inputs, including the credit quality of counterparties, foreign exchange spot and forward rates, interest rate curves and forward rate curves of the underlying index. At year-end, the marked-to-market value of derivative asset positions is net of a credit valuation adjustment attributable to derivative counterparty default risk. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships and other financial instruments recognised at fair value.

26. MANAGEMENT OF CAPITAL

The Group considers stated capital (note 16), reserves (note 17) and interest-bearing borrowings (note 18) as capital employed. Management focuses on the following:

- solvency, liquidity, interest rate and refinancing risk metrics based on internal policy requirements; and
- debt and equity covenants that are measured for both internal and external purposes.

The Group has complied with all its debt covenants during the year.

These processes aid the Group's ability to continue as a going concern and to provide appropriate returns to shareholders. Returns are measured in terms of Returns on Assets, Equity and Capital Employed.

	2025	2024
Return on equity	22.3%	28.6%

The Group ensures that it complies with the liquidity and solvency requirements for any share repurchase or dividend payment per the Companies Act.

27. DIVIDENDS TO ORDINARY SHAREHOLDERS

	2025 Rm	2024 Rm
Dividend no. 51 of 154.5 cents per share was declared on 29 August 2023 and paid on 26 September 2023	–	1 527
Less: Dividend received on treasury shares	–	(130)
Dividend no. 52 of 148.0 cents per share was declared on 27 February 2024 and paid on 19 March 2024	–	1 464
Less: Dividend received on treasury shares	–	(125)
Dividend no. 53 of 117.5 cents per share was declared on 3 September 2024 and paid on 30 September 2024	1 162	–
Less: Dividend received on treasury shares	(99)	–
Dividend no. 54 of 107.0 cents per share was declared on 4 March 2025 and paid on 31 March 2025	1 058	–
Less: Dividend received on treasury shares	(90)	–
Total net dividends paid	2 031	2 736

Dividend no. 55 of 81.0 cents per share was declared on 2 September 2025.

28. CASH FLOW INFORMATION

	2025 Rm	2024 Rm
28.1 CASH INFLOW FROM TRADING		
Profit before tax from:		
Continuing operations	3 008	3 659
Investment income	(156)	(166)
Earnings from joint ventures	(239)	(223)
Depreciation and amortisation	3 485	3 225
Net loss on disposal of property, plant and equipment and intangible assets	6	12
Profit on sale of investment property	(792)	
Net impairment of property, plant and equipment, intangible assets and right-of-use assets	966	682
Finance costs	1 771	1 724
Movement in other provisions and post-retirement medical benefit liability	170	176
Share-based payments	174	212
Rent relief and lease exit and modification (gains)/losses	(30)	107
Foreign exchange loss	61	102
Net inflow from trading	8 424	9 510
28.2 WORKING CAPITAL MOVEMENTS		
Increase in inventories	(1 547)	(296)
(Increase)/decrease in trade and other receivables	(326)	259
Increase/(decrease) in trade and other payables and other provisions	606	(912)
Net outflow	(1 267)	(949)
28.3 TAX PAID		
NORMAL AND FOREIGN TAX		
Amounts owing at the beginning of the year (net)	(39)	(83)
Amounts charged to profit or loss	(1 019)	(978)
Amounts recognised in other comprehensive income	14	28
Amounts recognised in share-based payments reserve	2	38
Foreign tax credit	43	52
Foreign currency translation reserve	(1)	(2)
Other	(3)	(5)
Amounts receivable at the end of the year	(4)	(26)
Amounts owing at the end of the year	116	65
Amount paid	(891)	(911)
28.4 NET CASH AND CASH EQUIVALENTS		
	2025 Rm	2024 Rm
Local - variable interest rates of 5.5% to 7.0% (2024: 0% to 7.25%)	1 566	1 487
Foreign - variable interest rates of 3.75% to 3.9% (2024: 3.1% to 4.5%)	2 725	822
Cash and cash equivalents	4 291	2 309
Overdrafts and overnight borrowings - variable interest rates of 8.3% to 8.85% (2024: 9.35% to 9.50%)	(458)	(1 159)
Foreign overdrafts - variable interest rates of 2.85% to 12.5% (2024: 2.85% to 9.30%)	(110)	(33)
Net cash and cash equivalents	3 723	1 117

The carrying value of net cash and cash equivalents is considered to approximate their fair value.

29. INVESTMENT IN JOINT VENTURES

The Group has the following interests in joint ventures:

NAME OF JOINT VENTURE	% interest held	Nature of business
Woolworths Financial Services Proprietary Limited (WFS)	50	This South African company provides financial services to Woolworths customers.
Nedglen Property Development Proprietary Limited (Nedglen)	30	This South African company is involved in property development and investment.

The reporting periods of WFS and Nedglen are 1 January to 31 December and 1 July to 30 June respectively.

The following amounts represent the assets and liabilities, income and expenses of the material joint venture, WFS:

	2025 Rm	2024 Rm
ASSETS		
Current assets, including cash and cash equivalents of R265 million (2024: R382 million)	9 403	9 182
Non-current assets	4 696	4 819
	14 099	14 001
LIABILITIES		
Current liabilities, including financial liabilities of R116 million (2024: R181 million)	(263)	(316)
Non-current liabilities, including financial liabilities of R11 390 million (2024: R11 364 million)	(11 400)	(11 385)
	(11 663)	(11 701)
EQUITY	2 436	2 300
Group carrying amount of investment in WFS	1 218	1 150
Group carrying amount of investment in Nedglen	10	13
Total investment in joint ventures	1 228	1 163
Summarised Statement of Comprehensive Income:		
Revenue (including gross interest income of R2 833 million (2024: R2 956 million), offset by finance costs of R967 million (2024: R1 024 million) and non-interest revenue of R1 112 million (2024: R969 million))	2 977	2 901
Operating costs (including depreciation of R55 million (2024: R56 million) and impairment charge of R937 million (2024: R1 103 million))	2 383	2 426
Profit before tax	594	475
Tax	162	133
Total comprehensive income	432	342
Group proportionate share	216	171
IFRS 17 transition adjustment	–	52
Group proportionate share of Nedglen profits	23	–
Earnings from joint ventures	239	223
The following dividends were received during the year:		
WFS	165	90
Nedglen	25	1

The Group’s share of capital commitments of the joint ventures is nil. The increase in net assets is after dividends earned.

30. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 2 September 2025, the Board declared a final gross cash dividend of 81.0 cents (64.8 cents net of dividend withholding tax) (2024: 117.5 cents) for the 52 weeks ended 29 June 2025 to ordinary shareholders recorded at close of business on Friday, 26 September 2025, to be paid on Monday, 29 September 2025.

31. SEGMENTAL INFORMATION

31.1 PRIMARY SEGMENTATION BASED ON NATURE OF BUSINESS AND RETAIL CHAIN

	2025								2024							
	Woolworths								Woolworths							
	Total Rm	Fashion, Beauty and Home Rm	Food Rm	Logistics Rm	Woolworths Financial Services Rm	Country Road Group Rm	Treasury Rm	Intragroup Rm	Total Rm	Fashion, Beauty and Home Rm	Food Rm	Logistics Rm	Woolworths Financial Services Rm	Country Road Group Rm	Treasury Rm	Intragroup Rm
OPERATING RESULTS																
Revenue	80 243	15 192	51 472	767	–	12 573	239	–	77 335	14 820	47 328	750	–	14 074	363	–
Turnover and concession sales	80 989	15 394	52 389	767	–	12 439	–	–	77 761	14 967	48 144	750	–	13 900	–	–
Concession sales	(1 452)	(291)	(1 161)	–	–	–	–	–	(1 228)	(216)	(1 012)	–	–	–	–	–
Turnover	79 537	15 103	51 228	767	–	12 439	–	–	76 533	14 751	47 132	750	–	13 900	–	–
Cost of sales	52 258	7 964	38 449	767	–	5 420	–	(342)	49 064	7 603	35 506	750	–	5 540	–	(335)
Gross profit	27 279	7 139	12 779	–	–	7 019	–	342	27 469	7 148	11 626	–	–	8 360	–	335
Other revenue	550	89	244	–	–	111	106	–	636	69	195	–	–	140	232	–
Expenses	22 779	5 639	9 444	–	–	7 343	11	342	22 121	5 415	8 394	–	–	7 826	151	335
Store costs	14 733	3 573	6 407	–	–	4 753	–	–	14 256	3 464	5 763	–	–	5 028	–	1
Other operating costs	8 046	2 066	3 037	–	–	2 590	11	342	7 865	1 951	2 631	–	–	2 798	151	334
Operating profit from core trading activities	5 050	1 589	3 579	–	–	(213)	95	–	5 984	1 802	3 427	–	–	674	81	–
Non-core trading expenses and capital items	666	39	13	–	–	1 403	(789)	–	990	14	17	–	–	937	22	–
Investment income	156	–	–	–	–	23	133	–	166	–	1	–	–	34	131	–
Finance costs	1 771	360	314	–	–	300	797	–	1 724	385	304	–	–	304	731	–
Earnings from joint ventures	239	11	12	–	216	–	–	–	223	–	–	–	223	–	–	–
Profit before tax	3 008	1 201	3 264	–	216	(1 893)	220	–	3 659	1 403	3 107	–	223	(533)	(541)	–
Adjustments	666	39	13	–	–	1 403	(789)	–	990	14	17	–	–	937	22	–
Adjusted profit before tax	3 674	1 240	3 277	–	216	(490)	(569)	–	4 649	1 417	3 124	–	223	404	(519)	–
Employment costs (included within Expenses)	10 948	2 488	4 642	–	–	3 818	–	–	10 299	2 214	4 130	–	–	3 978	(23)	–
Return on equity	22.3%								28.6%							

The Group’s revenue from external customers for each key group of product and service is disclosed above and in note 2.
The cost to provide information for each product and service of the Group is excessive and is therefore not disclosed.

Revenue arises from direct sales to a broad base of public customers. There are no customers that individually contribute 10% or more to revenue of the Group.

Country Road Group represents the results of the Group’s Australian subsidiary.

Intragroup adjustments relate to the sale of concession goods between segments and supply chain distribution adjustments.

31. SEGMENTAL INFORMATION (CONTINUED)

31.1 PRIMARY SEGMENTATION BASED ON NATURE OF BUSINESS AND RETAIL CHAIN (CONTINUED)

	2025					2024				
	Woolworths				Treasury Rm	Woolworths				Treasury Rm
	Total Rm	Woolworths Rm	Woolworths Financial Services Rm	Country Road Group Rm		Total Rm	Woolworths Rm	Woolworths Financial Services Rm	Country Road Group Rm	
STATEMENT OF FINANCIAL POSITION										
Property, plant and equipment, investment property and intangible assets	15 993	12 060	–	3 933	–	17 408	10 440	–	5 267	1 701
Right-of-use assets	7 376	4 513	–	2 863	–	7 902	4 542	–	3 360	–
Inventories	8 887	6 897	–	1 990	–	7 441	5 545	–	1 896	–
Trade and other receivables, derivative financial instruments and loans	1 660	1 178	–	387	95	1 501	883	–	459	159
Cash and cash equivalents	4 291	1 473	–	322	2 496	2 309	1 699	–	321	289
Investment in joint ventures	1 228	10	1 218	–	–	1 163	13	1 150	–	–
Tax and deferred tax assets	1 412	174	–	918	320	978	120	–	449	409
Total assets	40 847	26 305	1 218	10 413	2 911	38 702	23 242	1 150	11 752	2 558
Trade and other payables, provisions, derivative financial instruments and other non-current liabilities	10 302	8 269	–	1 770	263	9 556	7 327	–	2 058	171
Interest-bearing borrowings and overdrafts	9 854	–	–	585	9 269	7 812	–	–	–	7 812
Lease liabilities	9 816	6 313	–	3 503	–	10 304	6 284	–	4 020	–
Tax and deferred tax liabilities	164	153	–	–	11	104	93	–	–	11
Total liabilities	30 136	14 735	–	5 858	9 543	27 776	13 704	–	6 078	7 994
Debt ratio	24.1%					20.2%				
Depreciation and amortisation	3 485	2 048	–	1 437	–	3 225	1 688	–	1 537	–
Net impairment of property, plant and equipment, intangible assets and right-of-use assets	966	49	–	917	–	682	38	–	644	–
Share-based payment expense	174	170	–	4	–	212	196	–	39	(23)
Capital expenditure (gross)	3 093	2 881	–	212	–	3 320	2 714	–	606	–
Capital commitments	2 735	2 580	–	155	–	3 210	2 768	–	442	–
Shareholding		100.0%	50.0%	100.0%	100.0%		100.0%	50.0%	100.0%	100.0%

31. SEGMENTAL INFORMATION (CONTINUED)

31.2 SECONDARY SEGMENTATION BASED ON GEOGRAPHIC LOCATION OF CUSTOMERS AND ASSETS AND CHANNEL

	2025								2024							
	Woolworths							Country Road Group Rm	Woolworths							Country Road Group Rm
	Total Rm	Fashion, Beauty and Home Rm	Food Rm	Logistics Rm	Woolworths Financial Services Rm				Total Rm	Fashion, Beauty and Home Rm	Food Rm	Logistics Rm	Woolworths Financial Services Rm			
REVENUE																
South Africa	66 111	13 226	50 474	767	–	1 405	239	–	61 880	12 981	46 389	750	–	1 397	363	–
Rest of Africa	2 964	1 966	998	–	–	–	–	–	2 778	1 839	939	–	–	–	–	–
Australia and New Zealand	11 168	–	–	–	–	11 168	–	–	12 677	–	–	–	–	12 677	–	–
	80 243	15 192	51 472	767	–	12 573	239	–	77 335	14 820	47 328	750	–	14 074	363	–
TURNOVER																
South Africa	65 539	13 137	50 230	767	–	1 405	–	–	61 252	12 912	46 193	750	–	1 397	–	–
Rest of Africa	2 964	1 966	998	–	–	–	–	–	2 778	1 839	939	–	–	–	–	–
Australia and New Zealand	11 034	–	–	–	–	11 034	–	–	12 503	–	–	–	–	12 503	–	–
	79 537	15 103	51 228	767	–	12 439	–	–	76 533	14 751	47 132	750	–	13 900	–	–
TURNOVER BY CHANNEL																
Stores	71 759	14 216	47 896	767	–	8 880	–	–	69 392	14 015	44 570	750	–	10 057	–	–
Online	7 778	887	3 332	–	–	3 559	–	–	7 141	736	2 562	–	–	3 843	–	–
	79 537	15 103	51 228	767	–	12 439	–	–	76 533	14 751	47 132	750	–	13 900	–	–

	Total Rm	Woolworths Rm	Woolworths Financial Services Rm	Country Road Group Rm	Treasury Rm
TOTAL ASSETS					
South Africa	28 772	26 305	1 218	718	531
Australia and New Zealand	12 075	–	–	9 695	2 380
	40 847	26 305	1 218	10 413	2 911
CAPITAL EXPENDITURE					
South Africa	2 892	2 881	–	11	–
Australia and New Zealand	201	–	–	201	–
	3 093	2 881	–	212	–

	Total Rm	Woolworths Rm	Woolworths Financial Services Rm	Country Road Group Rm	Treasury Rm
	25 671	23 242	1 150	774	505
	13 031	–	–	10 978	2 053
	38 702	23 242	1 150	11 752	2 558
	2 747	2 714	–	33	–
	573	–	–	573	–
	3 320	2 714	–	606	–

COMPANY ANNUAL FINANCIAL STATEMENTS

NOTES TO THE COMPANY ANNUAL FINANCIAL STATEMENTS

COMPANY STATEMENT OF COMPREHENSIVE INCOME

	Note	52 weeks to 29 Jun 2025 Rm	53 weeks to 30 Jun 2024 Rm
Revenue	2	2 229	3 210
Investment income		294	236
Dividends received		1 935	2 974
Expenses		9 235	36
Other operating costs	3	9 235	36
Finance costs		288	224
(Loss)/profit before tax		(7 294)	2 950
Tax	4	9	12
(Loss)/profit for the period		(7 303)	2 938
Other comprehensive income:			
Amounts that may be reclassified to profit or loss			
Fair value adjustments on financial instruments	15.5	–	–
Tax on fair value adjustments on financial instruments		–	–
Other comprehensive income for the period		–	–
Total comprehensive (loss)/income for the period		(7 303)	2 938

COMPANY STATEMENT OF FINANCIAL POSITION

	Note	At 29 Jun 2025 Rm	At 30 Jun 2024 Rm
ASSETS			
Non-current assets		19 274	26 575
Interest in subsidiaries	7.1	14 871	23 921
Amounts owing by subsidiaries	7.2	4 400	2 650
Derivative financial instruments	19	3	4
		633	723
Current assets			
Amounts owing by subsidiaries	7.3	561	652
Other receivables	9	7	6
Derivative financial instruments	19	1	–
Cash and cash equivalents	18.3	64	65
TOTAL ASSETS		19 907	27 298
EQUITY AND LIABILITIES			
Equity attributable to shareholders		6 456	15 806
Stated capital	10	7 749	7 749
(Accumulated loss)/distributable reserves	11	(1 293)	8 057
TOTAL EQUITY		6 456	15 806
		4 403	2 654
Non-current liabilities			
Interest-bearing borrowings	12	4 400	2 650
Derivative financial instruments	19	3	4
		9 048	8 838
Current liabilities			
Other payables	13	78	60
Amounts owing to subsidiaries	7.4	8 963	8 778
Derivative financial instruments	19	1	–
Tax		6	–
TOTAL LIABILITIES		13 451	11 492
TOTAL EQUITY AND LIABILITIES		19 907	27 298

COMPANY STATEMENT OF CHANGES IN EQUITY

	Note	Stated capital Rm	Distributable reserves		Total Rm
			Share-based payments reserve Rm	Retained profit/(loss) Rm	
Shareholders’ interest at 25 June 2023		7 749	1 963	5 934	15 646
Total comprehensive income for the period		–	–	2 938	2 938
Share-based payments	11	–	213	–	213
Dividends paid	17	–	–	(2 991)	(2 991)
Shareholders’ interest at 30 June 2024		7 749	2 176	5 881	15 806
Total comprehensive loss for the period		–	–	(7 303)	(7 303)
Share-based payments	11	–	173	–	173
Dividends paid	17	–	–	(2 220)	(2 220)
Shareholders’ interest at 29 June 2025		7 749	2 349	(3 642)	6 456

COMPANY STATEMENT OF CASH FLOWS

	Note	52 weeks to 29 Jun 2025 Rm	53 weeks to 30 Jun 2024 Rm
Cash flow from operating activities			
Cash outflow from trading	18.1	(17)	(2)
Working capital movements	18.2	17	(4)
Cash utilised by operating activities		–	(6)
Investment income received		269	235
Finance costs paid		(265)	(225)
Tax paid		(4)	–
Cash generated by operations		–	4
Dividends received		1 935	2 966
Dividends paid		(2 220)	(2 991)
Net cash outflow from operating activities		(285)	(21)
Cash flow from investing activities			
Loan advanced to subsidiaries		(3 250)	(650)
Repayment of loans by subsidiaries		1 604	464
Return of capital on investment in subsidiary		–	717
Net cash (outflow)/inflow from investing activities		(1 646)	531
Cash flow from financing activities			
Loans owing to subsidiaries repaid	12	–	(1 116)
Loans owing to subsidiaries raised	12	180	268
Borrowings raised	12	3 250	650
Borrowings repaid	12	(1 500)	(463)
Net cash inflow/(outflow) from financing activities		1 930	(661)
Decrease in cash and cash equivalents		(1)	(151)
Net cash and cash equivalents at the beginning of the period		65	216
Net cash and cash equivalents at the end of the period	18.3	64	65

	2025 Rm	2024 Rm
2. REVENUE		
Investment income	294	236
Dividends received	1 935	2 974
	2 229	3 210
Investment income and dividends received fall outside the scope of IFRS 15. Investment income is measured in terms of the effective interest method in accordance with IFRS 9.		
3. (LOSS)/PROFIT BEFORE TAX INCLUDES:		
Financial statement audit	5	4
Impairment of investment in Country Road Group Holdings Proprietary Limited (refer to note 7.1)	8 639	–
Impairment of investment in Osiris Holdings Proprietary Limited (refer to note 7.1)	584	–
4. TAX		
Current year		
Normal tax	7	8
Deferred tax	–	3
Prior year		
Normal tax	2	1
	9	12
	2025 %	2024 %
The rate of tax on profit is reconciled as follows:		
Standard rate	27.0	27.0
Exempt income ¹	7.1	(27.2)
Disallowable expenditure ²	(0.1)	0.3
Impairment of investments	(34.1)	–
Other	–	0.3
Effective tax rate	(0.1)	0.4

¹Exempt income consists of dividends received

²Disallowable expenditure consists of expenses of a capital nature, which include legal fees, consulting fees, directors fees and share expenses.

5. DIRECTORS’ EMOLUMENTS

Emoluments paid to the directors of Woolworths Holdings Limited in connection with the carrying on of the affairs of the Company and its subsidiaries:

	2025 Rm	2024 Rm
Executive Directors*	70	89
Short-term employee benefits	49	44
Post-employment benefits	1	2
IFRS 2 share-based payments expense	20	43
Non-executive Directors: Fees	19	18
Total directors’ emoluments	89	107
Less: Paid by subsidiaries	(70)	(89)
	19	18

* Executive Directors’ emoluments are paid by Woolworths Proprietary Limited. Details of the executive and non-executive directors’ fees and emoluments are provided in note 7 of the Group Annual Financial Statements.

6. RELATED-PARTY TRANSACTIONS

The nature of transactions between the Company and subsidiaries of the Group comprise mainly of dividends received. The following related-party transactions occurred during the year:

DIVIDEND RECEIVED FROM SUBSIDIARIES

Woolworths Proprietary Limited	1 935	2 410
E-Com Investments 16 (RF) Proprietary Limited	–	68
Country Road Group Holdings Proprietary Limited	–	347
Osiris Holdings Proprietary Limited	–	149
	1 935	2 974

INTEREST RECEIVED FROM SUBSIDIARIES

Woolworths Proprietary Limited	297	225
	297	225

DIVIDENDS PAID TO SUBSIDIARIES

Woolworths Proprietary Limited	91	123
E-Com Investments 16 (RF) Proprietary Limited	98	132
	189	255

MANAGEMENT FEE CHARGED TO SUBSIDIARIES

Woolworths Proprietary Limited	12	10
Country Road Group Proprietary Limited	3	3
	15	13

SHARE-BASED PAYMENT TRANSACTIONS

The Company accounts for the Group share-based payment transactions settled in its equity instruments, as an equity-settled share-based payment arrangement, with a corresponding increase in its investment in subsidiaries (refer to note 7).

KEY MANAGEMENT PERSONNEL

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including all directors, executive and non-executive, of the Company. Key management personnel have been defined as the Board of Directors of the Company. The definition of related parties includes close family members of key management personnel.

KEY MANAGEMENT COMPENSATION

Short-term employee benefits	68	62
Post-employment benefits	1	2
IFRS 2 share-based payments expense	20	43
	89	107

Short-term employee benefits comprise salaries, directors’ fees and bonuses payable within 12 months of the end of the year. Post-employment benefits comprise expenses determined in terms of IAS 19: Employee Benefits in respect of the Group’s retirement and healthcare funds.

WOOLWORTHS CARD AND WOOLWORTHS VISA CREDIT CARD ACCOUNTS

Balance outstanding at the beginning of the year	3	3
Annual spend	6	6
Annual repayments	(6)	(6)
Balance outstanding at the end of the year	3	3

Purchases made by key management personnel are at standard discounts granted to all employees of the Company. Interest is charged on outstanding balances on the same terms and conditions applicable to all other cardholders. No receivables that are considered credit impaired have been recognised in respect of the Woolworths card and Woolworths Visa credit card accounts of key management personnel (2024: nil).

POST-EMPLOYMENT BENEFIT PLAN

Details of the Wooltru Group Retirement Fund, the Wooltru Healthcare Fund and funds for the benefit of Country Road Group Proprietary Limited employees are disclosed in note 21 of the Group Annual Financial Statements.

7. INTEREST IN AND AMOUNTS OWING BY/(TO) SUBSIDIARIES

7.1 INTEREST IN SUBSIDIARIES

	2025 Rm	2024 Rm
Ordinary shares	12 185	21 408
E-Com Investments 16 (RF) Proprietary Limited: Cost	230	230
Country Road Group Holdings Proprietary Limited	9 067	17 706
Cost	17 706	17 706
Less accumulated impairment	(8 639)	–
Osiris Holdings Proprietary Limited:	2 888	3 472
Cost	18 977	18 977
Less return of capital	(3 020)	(3 020)
Less accumulated impairment	(13 069)	(12 485)
Share-based payments arising from the Group’s share incentive schemes	2 686	2 513
Interest in subsidiaries	14 871	23 921

Equity investments in subsidiaries are stated at cost less provision for impairment, if any.

Impairment review

The Company considers its interest in subsidiaries for impairment at each reporting date. Each of the Company’s subsidiaries are identified as separate cash-generating units (CGUs) for impairment testing purposes, except for the investment in Country Road Group Holdings Proprietary Limited, of which the underlying brand segments are each a separate CGU. An impairment charge has been recognised for the investment in Country Road Group Holdings Proprietary Limited of R8 639 million (2024: nil), attributed to the reduced recoverable amounts of the Country Road Group brand segments. The recoverable amount of the investment was determined using a discount rate of 10.39%. The growth rates are in line with the growth rates used for goodwill and intangible assets impairment testing as detailed in note 9 of the Group AFS. In addition, an impairment charge of R584 million (2024: nil) has been recognised for the investment in Osiris Holdings Proprietary Limited, due to a reduced recoverable amount of R2.9 billion. This amount was determined by its fair value less costs of disposal, following the disposal of the investment property during the period.

The company will continue to monitor indicators, such as improved market conditions and financial performance of the subsidiaries that may suggest an increase in the recoverable amounts for potential impairment reversals in subsequent reporting periods.

	2025 Rm	2024 Rm
7.2 AMOUNTS OWING BY SUBSIDIARIES: NON-CURRENT		
Woolworths Proprietary Limited	4 400	2 650
7.3 AMOUNTS OWING BY SUBSIDIARIES: CURRENT		
Woolworths Proprietary Limited	43	32
Country Road Clothing Proprietary Limited	10	8
E-Com Investments 16 (RF) Proprietary Limited	508	612
	561	652
7.4 AMOUNTS OWING TO SUBSIDIARIES: CURRENT		
Woolworths Proprietary Limited	8 925	8 778
Osiris Holdings Proprietary Limited	38	–
	8 963	8 778

The loan to Woolworths Proprietary Limited arises as a result of the proceeds of the DMTN programme (refer to note 12) being on-lent to Woolworths Proprietary Limited, with terms equivalent to the notes issued by Woolworths Holdings Limited (the issuer) and the Noteholders, plus a margin of five basis points. Woolworths Proprietary Limited is the guarantor of such notes.

The loans to and from the other subsidiaries are unsecured, interest-free and are repayable on demand. The carrying value of loans to and from subsidiaries approximate their fair value.

Loans to subsidiaries are considered to be impaired when it is unlikely that the initial investment cost will be recovered or that the loan granted will be repaid. The Company’s maximum exposure to the credit risk of loans to subsidiaries is their carrying value. The amount owing by subsidiaries in 2025 and 2024 is considered not to be credit impaired. All subsidiaries are in a financially sound position. Refer to note 15.1 for details of the Company’s credit risk management policies. Refer to Annexure 1 for details of the Company’s interest in subsidiaries.

8. DEFERRED TAX

The movement in the deferred tax account is as follows:

Balance at the beginning of the year	–	3
Amounts credited to profit or loss	–	(3)
Assessed loss	–	(3)
Balance at the end of the year	–	–

9. OTHER RECEIVABLES

Other	7	6
	7	6

10. STATED CAPITAL

Balance at the beginning of the year	7 749	7 749
Balance at the end of the year	7 749	7 749

AUTHORISED

2 410 600 000 (2024: 2 410 600 000) ordinary shares of no par value	–	–
---	---	---

	–	–
--	---	---

ISSUED

988 695 949 (2024: 988 695 949) ordinary shares of no par value	–	–
---	---	---

	–	–
--	---	---

RECONCILIATION OF NUMBER OF ORDINARY SHARES IN ISSUE	Number of shares	
Balance at the beginning of the year	988 695 949	988 695 949
Balance at the end of the year	988 695 949	988 695 949

11. DISTRIBUTABLE RESERVES

	2025 Rm	2024 Rm
Share-based payments reserve		
Balance at the beginning of the year	2 176	1 963
Share-based payments arising from share incentive schemes	173	213
Balance at the end of the year	2 349	2 176
(Accumulated loss)/retained profit	(3 642)	5 881
Total (accumulated loss)/distributable reserves	(1 293)	8 057

NATURE AND PURPOSE OF RESERVES

SHARE-BASED PAYMENTS RESERVE

This reserve records the fair value of the vested portion of shares or share rights (determined at grant date) granted in terms of the Group’s share-based payment schemes. Refer to note 16 of the Group Annual Financial Statements for further details of the relevant schemes.

(ACCUMULATED LOSS)/RETAINED PROFIT

(Accumulated loss)/retained profit records the cumulative net profit or loss made by the Company after deducting dividends to shareholders and other utilisations of the reserve.

12. INTEREST-BEARING BORROWINGS

NON-CURRENT

Long-term loans

Interest-bearing borrowings bear interest at variable, market-determined rates. These borrowings are measured at amortised cost, which approximates their fair value. Notes to the value of R4.4 billion (2024: R2.6 billion) are outstanding under the Domestic Medium Term Note (DMTN) programme, which is a further source of funding for the Group. During the year, R1 500 million of the programme debt was repaid and R3 250 million raised. The DMTN programme is guaranteed by Woolworths Proprietary Limited. It will be used to raise debt on an ongoing basis. The above loan is shown net of transaction costs of R0.3 million (2024: nil).

The maturity profile of interest-bearing borrowings is as follows:

Financial year 2026	–	1 000
Financial year 2027	–	1 150
Financial year 2028	2 050	500
Financial year 2029 and onwards	2 350	–
	4 400	2 650

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

	Cash flows			Non-cash movements Rm	2025 Rm
	2024 Rm	Raised Rm	Repaid Rm		
Long-term loans	2 650	3 250	(1 500)	–	4 400
Amounts owing to subsidiaries	8 778	180	–	5	8 963

	Cash flows			Non-cash movements Rm	2024 Rm
	2023 Rm	Raised Rm	Repaid Rm		
Long-term loans	2 463	650	(463)	–	2 650
Amounts owing to subsidiaries	9 300	268	(1 116)	326	8 778

13. OTHER PAYABLES

Other payables

Included in other payables are interest expense accruals of R53 million (2024: R34 million) and other operating cost accruals. The carrying value of other payables approximates their fair value. These balances are payable on demand.

14. SURETIES AND GUARANTEES

The Company provides sureties or guarantees for banking facilities amounting to R9 100 million (2024: R9 400 million) and lease obligations of certain subsidiaries. These can be called on immediately in the event of the subsidiaries not honouring their obligations. There are no other material contingent liabilities.

The maturity profile of such drawn facilities that the Company provides sureties or guarantees for, is as follows:

	2025 Rm	2024 Rm
Financial year 2025	–	300
Financial year 2026	–	–
Financial year 2027	4 300	3 650
Financial year 2028 and onwards	–	–
	4 300	3 950

15. FINANCIAL RISK MANAGEMENT

Exposure to credit, liquidity, interest rate, refinancing, foreign exchange and counter party risks arises in the normal course of business. It is the Company’s objective to minimise its exposure to these various financial risks through its risk management policies and procedures.

The Company’s overall treasury policy is reviewed and approved by the Woolworths Holdings Limited Board (Board), Audit and Treasury Committees. The policy specifies the risks, parameters and permitted instruments relating to interest rate, refinancing, liquidity, counter party and foreign exchange risks.

In addition, a Treasury Committee reports regularly to the Audit Committee and the Board on the implementation of treasury policies, focusing in particular on the amount of exposure to the financial risk, the extent to which these risks are covered, the implications of expected future movements in market interest rates, as well as whether there are any deviations from treasury policy and performance against budgets.

15.1 CREDIT RISK MANAGEMENT

Credit risk arises from cash and cash equivalents, amounts owing by subsidiaries, other receivables and financial guarantee contracts (refer to note 14). The Company’s maximum exposure to credit risk is equal to the carrying value of these classes of assets. The probability of default by the subsidiary companies under the financial guarantee contracts are considered remote due to their strong financial condition.

The Company only deposits short-term cash surpluses with major banks of high-quality credit standing. Refer to note 25.3 of the Group AFS for credit rating definitions. Refer to note 7 for details of amounts owing by subsidiaries.

CREDIT QUALITY OF FINANCIAL ASSETS

The credit quality of financial assets that are either stage 1 or not credit impaired is assessed to be of high grade.

The Company’s financial assets measured at amortised cost are subject to impairment under the ECL model, using the general approach. The credit risk associated with these financial assets is insignificant. There are credit risk management policies in place and there is no history of losses or impairments on these financial assets. The forward-looking information does not indicate a change to this.

	2025 Rm	2024 Rm
FINANCIAL ASSETS		
Other receivables	7	6
Cash and cash equivalents	64	65
Amounts owing by subsidiaries – current:		
Woolworths Proprietary Limited	43	32
Country Road Clothing Proprietary Limited	10	8
E-Com Investments 16 (RF) Proprietary Limited	508	612
Amounts owing by subsidiaries – non-current: Woolworths Proprietary Limited	4 400	2 650

15.2 LIQUIDITY RISK MANAGEMENT

Liquidity risk management includes maintaining sufficient cash and cash equivalents, monitoring cash flow forecasts and ensuring that adequate borrowing facilities are available. The company can also call on financial assistance from subsidiary companies within the Group if the need arises. In terms of the Company’s Memorandum of Incorporation, there is no limit on the Company’s authority to raise interest-bearing debt (refer to note 15.3).

The undiscounted cash flows of the Company’s borrowings and payables fall into the following maturity profiles:

	On demand Rm	Less than 3 months Rm	3 – 12 months Rm	1 – 5 years Rm	>5 years Rm
2025					
Amounts owing to subsidiaries	8 963	–	–	–	–
Long-term loans	–	83	290	4 725	771
Interest rate derivatives	–	–	1	3	–
Other payables	78	–	–	–	–
2024					
Amounts owing to subsidiaries	8 778	–	–	–	–
Long-term loans	–	83	192	2 980	–
Interest rate derivatives	–	–	–	4	–
Other payables	60	–	–	–	–

15. FINANCIAL RISK MANAGEMENT (CONTINUED)

15.3 INTEREST RATE RISK MANAGEMENT

The Company’s interest rate risk arises from interest-bearing borrowings, derivative financial instruments, other loans and cash balances. Interest rates applicable to cash and cash equivalents are at variable interest rates.

Borrowings issued at floating rates expose the Company to cash flow interest rate risk, while fixed rate borrowings expose the Company to fair value interest rate risk. As part of the process of managing the Company’s fixed and floating rate borrowings mix, the interest rate characteristics of new borrowings and refinancing of existing borrowings are positioned according to expected movements in interest rates.

In order to hedge the Company’s exposure to cash flow interest rate risk, the Company uses derivative financial instruments, such as interest rate swaps.

The Company entered into long-term debt with the interest payable linked to various floating interbank rates. At year-end, the Company had swapped approximately 45% (2024: 38%) of floating rate exposure for fixed rates.

The Company is also exposed to cash flow interest rate risk from its floating rate cash and cash equivalents. The cash flow interest rate sensitivity of the cash and cash equivalents is based on year-end cash balances.

The sensitivity of the Company’s profits and equity to its exposure to interest rate risk from borrowings is presented below. The analysis below considers the impact of a reasonably possible change over the next 12 months in the prime rate, with all other variables held constant.

	Movement in basis points	(Increase)/ decrease in profit before tax R’000	(Increase)/ decrease in equity R’000
2025			
Cash and cash equivalents	+50	(320)	(234)
	–50	320	234
Long-term loans	+50	22 000	16 060
	–50	(22 000)	(16 060)
2024			
Cash and cash equivalents	+50	(325)	(237)
	–50	325	237
Long-term loans	+50	13 250	9 673
	–50	(13 250)	(9 673)

At year-end, the South African prime interest rate was 10.75% (2024: 11.75%). JIBAR was 7.25% (2024: 8.35%). The Australian interest rate equivalent to JIBAR (IBSY) was 3.85% (2024: 4.35%).

The variable interest rate pricing profile at year-end is summarised as follows:

	2025		2024	
	Rm	Effective interest rate %	Rm	Effective interest rate %
INTEREST-BEARING BORROWINGS				
Long-term loans	4 400	8.8	2 650	9.4
% of total borrowings	100%		100%	

The carrying amounts of the Group’s financial liabilities that are exposed to interest rate risk are as follows:

	On demand Rm	Less than 3 months Rm	3 – 12 months Rm	1 – 5 years Rm	>5 years Rm
2025					
Long-term loans	–	–	–	3 650	750
2024					
Long-term loans	–	–	–	2 650	–

The table below indicates the nominal amount and weighted average maturity of the Company’s risk exposure that is directly affected by the interest rate benchmark reform analysed by interest rate basis.

	Nominal amount	Average time to maturity
INTEREST-BEARING BORROWINGS – REFER TO NOTE 12		
JIBAR (3 months)	4 400	3.5
The notional principal amount of the interest rate derivatives at year-end amounts to R2 000 million (2024: R1 000 million), of which R 1 000 million (2024: nil) could be affected by the interest rate reform. The balance of contracts expire within six months after year-end and would not be affected.		
The Company is managing the transition process to ZARONIA by maintaining proactive engagement with its lenders. Refer to note 25.2 of the Group Annual Financial Statements for further details of progress on the interest rate benchmark reform.		

15.4 FINANCIAL INSTRUMENTS BY CATEGORY

	2025 Rm	2024 Rm
FINANCIAL ASSETS		
Amortised cost		
Amounts owing by subsidiaries	4 961	3 302
Cash and cash equivalents	64	65
Other receivables	7	6
Total	5 032	3 373
FINANCIAL LIABILITIES		
Amortised cost		
Other payables	78	60
Amounts owing to subsidiaries	8 925	8 778
Long-term loans	4 400	2 650
Total	13 403	11 488

15.5 GAINS AND LOSSES ON FINANCIAL INSTRUMENTS

The table below summarises the gains and losses on financial instruments:

	Interest income Rm	Net movement in other comprehensive income Rm	Total Rm
2025			
Financial assets at amortised cost	294	–	294
2024			
Financial assets at amortised cost	236	–	236
		2025 Rm	2024 Rm
Revaluation of financial instruments*		–	–
Reclassified to profit or loss		–	–
		–	–

* The other comprehensive income reconciliation reflects a nil amount, as a result of a loss of R4 million (2024: R11 million) on the revaluation of the financial instrument asset, and a R4 million gain (2024: R11 million) on the revaluation of the financial instrument liability that net off.

16. MANAGEMENT OF CAPITAL

The Company considers the management of capital with reference to the Group policy. Refer to note 26 of the Group Annual Financial Statements.

17. DIVIDENDS TO ORDINARY SHAREHOLDERS

	2025 Rm	2024 Rm
Dividend no. 51 of 154.5 cents per share was declared on 29 August 2023 and paid on 26 September 2023	–	1 527
Dividend no. 52 of 148.0 cents per share was declared on 27 February 2024 and paid on 19 March 2024	–	1 464
Dividend no. 53 of 117.5 cents per share was declared on 3 September 2024 and paid on 30 September 2024	1 162	–
Dividend no. 54 of 107.0 cents per share was declared on 4 March 2025 and paid on 31 March 2025	1 058	–
Total dividend paid	2 220	2 991
Dividend no. 55 of 81.0 cents per share was declared on 2 September 2025.		

18. CASH FLOW INFORMATION

18.1 CASH OUTFLOW FROM TRADING

(Loss)/profit before tax	(7 294)	2 950
Investment income	(294)	(236)
Finance costs	288	224
Dividends received	(1 935)	(2 974)
Impairment of investments	9 223	–
Non-cash movements	(5)	34
Net outflow from trading	(17)	(2)

18.2 WORKING CAPITAL MOVEMENTS

(Increase)/decrease in other receivables	(1)	2
Increase/(decrease) in other payables	18	(6)
Net inflow/(outflow)	17	(4)

18.3 CASH AND CASH EQUIVALENTS

Local - variable interest rates of 5.5% to 7.0% (2024: 0% to 7.25%)	64	65
Cash and cash equivalents	64	65

The carrying value of cash and cash equivalents is considered to approximate their fair value.

19. DERIVATIVE FINANCIAL INSTRUMENTS

NON-CURRENT

	2025 Assets Rm	Liabilities Rm	2024 Assets Rm	Liabilities Rm
Interest rate derivatives held as hedging instruments	3	3	4	4
	3	3	4	4

CURRENT

Interest rate derivatives held as hedging instruments	1	1	–	–
	1	1	–	–

INTEREST RATE DERIVATIVES

The notional principal amount of the interest rate derivatives at year-end amounts to R2 000 million (2024: R1 000 million). This comprises hedges on the South African debt of R4 400 million (2024: R2 650 million). These derivatives are to hedge the interest that is payable under the various debt facilities (refer to note 12). Gains and losses on interest rate derivatives held as hedging instruments in designated and effective hedging relationships are recognised in other comprehensive income and are reclassified in the same period that the hedged cash flows affect profit or loss.

The maximum exposure to credit risk at the reporting date is the fair value of the above-mentioned derivative financial instrument assets.

20. GOING CONCERN

Included in the Company’s current liabilities is an intercompany loan with Woolworths Proprietary Limited, a wholly owned subsidiary, in the amount of R8 925 million (2024: R8 778 million), which results in its current liabilities exceeding current assets by R8 415 million (2024: R8 115 million). Excluding this intercompany loan, the Company’s current assets exceed its current liabilities. An agreement exists between the Company and Woolworths Proprietary Limited, whereby the entities will only require settlement of this intercompany loan upon mutual agreement. Should the Company require funding to settle current or future liabilities, it may obtain funding from entities in the Group through dividend declarations or return of capital. As a result of the Company’s access to appropriate cash resources to settle its liabilities in the ordinary course of business, the Company does not foresee any going concern uncertainty and, accordingly, the financial statements have been prepared on a going concern basis.

21. EVENTS SUBSEQUENT TO THE REPORTING DATE

On 2 September 2025, the Board declared a final gross cash dividend of 81.0 cents (64.8 cents net of dividend withholding tax) (2024: 117.5 cents) for the 52 weeks ended 29 June 2025 to ordinary shareholders recorded at close of business on Friday, 26 September 2025, to be paid on Monday, 29 September 2025.

SUPPLEMENTARY



ANNEXURE 1

			2025 % holding	2024 % holding
INTEREST IN SUBSIDIARIES AND JOINT VENTURES				
Interest in subsidiaries directly held				
Woolworths Proprietary Limited	R	1	100	100
E-Com Investments 16 (RF) Proprietary Limited	H	1	100	100
Country Road Group Holdings Proprietary Limited	H	3	100	100
Osiris Holdings Proprietary Limited	H	3	100	100
The Woolworths Trust (Charitable Trust)	H	1	–	–
The Woolworths Holdings Share Trust	H	1	–	–
Interest in subsidiaries indirectly held				
Universal Product Networks (RF) Proprietary Limited	L	1	100	100
Virtual Market Place (RF) Proprietary Limited	D	1	100	100
Woolworths Developments (RF) Proprietary Limited	P	1	100	100
Woolworths (Lesotho) Proprietary Limited	R	10	100	100
Woolworths (Namibia) Proprietary Limited	R	2	100	100
Woolworths (Eswatini) Proprietary Limited	R	14	100	100
Woolworths Holding (Mauritius) Limited	H	5	100	100
Woolworths (Mauritius) Limited	R	5	100	100
Woolies (Zambia) Limited	R	6	100	100
W-Stores Company Tanzania Limited	R	7	51	51
W-Stores Company Uganda Limited	R	8	95	95
Woolworths Mozambique, Limitada	R	9	100	100
Woolworths (Kenya) Proprietary Limited	R	11	100	100
Woolworths (Botswana) Proprietary Limited	R	13	100	100
W-Stores (Ghana) Proprietary Limited	D	15	100	100
Woolworths Rwanda Limited	D	16	100	100
NowNow Foods Proprietary Limited	R	1	100	100
Community Inclusive Justice Institute NPC	H	1	100	100
Enterprise Inclusive Justice Institute NPC	H	1	100	100
Absolute Pets Proprietary Limited	R	1	93	93
Hay North Pets Proprietary Limited	R	1	100	51
Woolworths International (Australia) Proprietary Limited	H	3	100	100
Woolworths International (Australia) II Proprietary Limited	H	3	100	100
Country Road Group Proprietary Limited	H	3	100	100
Country Road Clothing Proprietary Limited	R	3	100	100
Country Road Clothing (N.Z.) Limited	R	4	100	100
Country Road Ventures Proprietary Limited	R	3	100	100
Country Road Ventures SA Proprietary Limited	R	1	100	100
Country Road International Proprietary Limited	H	3	100	100
Country Road Clothing (Singapore) Pte Limited	R	12	100	100
CRG Logistics Proprietary Limited	L	3	100	100
Cicero Clothing Proprietary Limited	R	3	100	100
Polifix (NZ) Limited	R	4	100	100
Witchery Australia Holdings Proprietary Limited	H	3	100	100
Witchery Holdings Proprietary Limited	H	3	100	100
Witchery Fashions Proprietary Limited	R	3	100	100
Witchery Fashions (NZ) Limited	R	4	100	100
Witchery Singapore Pte Limited	R	12	100	100

			2025 % holding	2024 % holding
Mimco Proprietary Limited	R	3	100	100
Mimco Design Singapore Pte Limited	R	12	100	100
Mimco (NZ) Limited	R	4	100	100
Buckley & Nunn Proprietary Limited	H	3	100	100
David Jones Share Plans Proprietary Limited	H	3	100	100
A. C. N. 669 159 166 Proprietary Limited	D	3	100	100
INTEREST IN JOINT VENTURES				
Woolworths Financial Services Proprietary Limited	F	1	50% – 1 share	50% – 1 share
Nedglen Property Developments Proprietary Limited	P	1	30	30

Nature of business

R: Retailing P: Property development F: Financial services I: Import/export D: Dormant L: Logistics H: Holding

Country of incorporation

1: South Africa 2: Namibia 3: Australia 4: New Zealand 5: Mauritius 6: Zambia 7: Tanzania 8: Uganda
9: Mozambique 10: Lesotho 11: Kenya 12: Singapore 13: Botswana 14: Eswatini 15: Ghana 16: Rwanda 17: Hong Kong

The aggregate profits/(losses) after tax of subsidiaries attributable to the Company are:

	2025 Rm	2024 Rm
Profits	4 309	3 582
Losses	(1 443)	(629)
	2 866	2 953

PRO FORMA MEASURES: ADJUSTED HEADLINE EARNINGS

Adjusted headline earnings is calculated by excluding items from headline earnings that have attributes of either being of a non-recurring nature, volatile, having a material impact on earnings or not incurred in the ordinary course of business (collectively described as “Non-core trading expenses”), which would otherwise have not been considered under IAS 33 or the SAICA guideline on headline earnings. The use of an adjusted headline earnings measure is helpful to users of financial statements by providing a more meaningful measure of sustainable earnings or the quality of earnings and thereby improve performance comparisons between reporting periods and is applied consistently over the reporting periods. Adjusted headline earnings is one of the performance conditions applicable to the Group’s share incentive schemes.

Both non-core trading expenses and headline earnings adjustments that have the aforementioned attributes (described as “capital items”) have been excluded from Operating profit from core trading activities in the Group statement of comprehensive income.

	As reported 52 weeks to 29 Jun 2025 Rm	As reported 53 weeks to 30 Jun 2024 Rm	% change
RECONCILIATION OF ADJUSTED HEADLINE EARNINGS			
Basic earnings	2 443	2 593	(5.8)
Headline earnings adjustments from core trading activities (post-tax)	(12)	63	
Non-core trading expenses and capital items (pre-tax)	666	990	
Restructure costs	479	–	
Separation and transaction costs	20	365	
Unrealised foreign exchange (gains)/losses	(9)	16	
Profit of disposal of investment property	(792)	–	
Impairment of assets	968	609	
Tax impact of non-core trading expenses adjustments	(146)	(103)	
Tax impact of capital items adjustments	(211)	–	
Tax impact of assessed losses	–	(35)	
Adjusted headline earnings	2 740	3 508	(21.9)

KPMG Inc. have issued an Auditor’s report on the pro forma measures, which is available for inspection at the Group’s registered offices and on the Company’s website <https://www.woolworthsholdings.co.za/investors/all-reports-and-results/>

PRO FORMA FINANCIAL INFORMATION

This note sets out the illustrative impact on the financial information as follows:

- In note 1: The Group manages its retail operations on a 52-week trading calendar basis, which treats each financial year as having a 52-week period and a year-end which falls on the last Sunday of June. As a result, certain days are not included and a 53rd week is required approximately every six years to realign the calendars. Accordingly, pro forma 52-week financial information for the prior period is provided to facilitate comparison against the current 52-week period.
- In note 2: Turnover and concession sales have been reported against the prior period pro forma 52 weeks to 23 Jun 2024. These are important for understanding the underlying business performance and are described as “Pro forma financial information”.
- In note 3: Adjustments, as detailed in supplementary notes 2 and 3, have been made to Earnings Before Interest and Tax (EBIT) and Profit before tax. These are important for understanding the underlying business performance and are described as “Pro forma financial information”.
- In note 4.1: Turnover and concession sales and Adjusted EBIT have been shown on a constant currency basis for comparison against the prior period pro forma 52 weeks to 23 Jun 2024.
- In note 4.2: for the 52 weeks to 29 Jun 2025, Group statement of financial position items have been shown on a constant currency basis.

The Pro forma financial information and constant currency information (collectively the ‘pro forma financial information’) is presented in accordance with the JSE Limited Listings Requirements, which requires that pro forma financial information be compiled in terms of the JSE Limited Listings Requirements and the SAICA Guide on Pro Forma Financial Information.

The pro forma financial information is the responsibility of the Group’s directors and is based on the Summary of the Audited Group Results for the 52 weeks ended 29 June 2025 and 53 weeks ended 30 June 2024.

The accounting policies applied in the preparation of the pro forma financial information are consistent with those applied in the preparation of the Group Annual Financial Statements for the 52 weeks ended 29 June 2025. The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, may not fairly present the Group’s financial position, results of operations or cash flows.

1 INCOME STATEMENT EXCLUDING THE 53RD WEEK FOR THE PRIOR PERIOD

	Audited 52 weeks to 29 Jun 2025 Rm	Audited 53 weeks to 30 Jun 2024 Rm	53rd week adjust- ments Rm	Pro forma 52 weeks to 23 Jun 2024 Rm	Change on prior period 52 weeks % 53 weeks %
Turnover and concession sales	80 989	77 761	(1 401)	76 360	6.1 4.2
Concession sales	(1 452)	(1 228)	27	(1 201)	20.9 18.2
Turnover	79 537	76 533	(1 374)	75 159	5.8 3.9
Cost of sales	52 258	49 064	(932)	48 132	8.6 6.5
Gross profit	27 279	27 469	(442)	27 027	0.9 (0.7)
Other revenue	550	636	(4)	632	(13.0) (13.5)
Expenses	22 779	22 121	(275)	21 846	4.3 3.0
Store costs	14 733	14 256	(231)	14 025	5.0 3.3
Other operating costs	8 046	7 865	(44)	7 821	2.9 2.3

Operating profit from core trading activities	5 050	5 984	(171)	5 813	(13.1)	(15.6)
Non-core trading expenses and capital items	666	990	–	990	(32.7)	(32.7)
Operating profit before net finance costs	4 384	4 994	(171)	4 823	(9.1)	(12.2)
Investment income	156	166	–	166	(6.0)	(6.0)
Finance costs	1 771	1 724	(24)	1 700	4.2	2.7
Profit before earnings from joint ventures	2 769	3 436	(147)	3 289	(15.8)	(19.4)
Earnings from joint ventures	239	223	–	223	7.2	7.2
Profit before tax	3 008	3 659	(147)	3 512	(14.4)	(17.8)
Tax expense	553	1 059	(40)	1 019	(45.7)	(47.8)
Profit for the period	2 455	2 600	(107)	2 493	(1.5)	(5.6)
Profit attributable to:	2 455	2 600	(107)	2 493		
Shareholders of the parent	2 443	2 593	(107)	2 486		
Non-controlling interests	12	7	–	7		

Reconciliation of headline earnings						
Basic earnings	2 443	2 593	(107)	2 486	(1.7)	(5.8)
Headline earnings adjustments, net of tax	(47)	672	–	672	>(100)	>(100)
Headline earnings	2 396	3 265	(107)	3 158	(24.1)	(26.6)
Adjustments, net of tax	344	243	–	243	41.6	41.6
Adjusted headline earnings	2 740	3 508	(107)	3 401	(19.4)	(21.9)

Earnings per share (cents)	273.4	289.2		277.3	(1.4)	(5.5)
Diluted earnings per share (cents)	270.5	286.2		274.4	(1.4)	(5.5)
Headline earnings per share (cents)	268.1	364.2		352.3	(23.9)	(26.4)
Diluted headline earnings per share (cents)	265.3	360.4		348.6	(23.9)	(26.4)
Adjusted headline earnings per share (cents)	306.6	391.3		379.4	(19.2)	(21.6)
Adjusted diluted headline earnings per share (cents)	303.4	387.2		375.4	(19.2)	(21.6)

Notes

The 53rd week adjustments for the one-week prior period from 24 June to 30 June 2024 were calculated as follows:

- Turnover and concession sales, Concession sales and Cost of sales were extracted from the Group’s accounting records.
- Gross profit, Other revenue and Expenses were based on an assessment of available management information and management judgement.
- Investment income and Finance costs were based on actual interest earned and incurred, respectively, and were extracted from the Group’s accounting records.
- An effective tax rate of 29.01% was applied to the pro forma 52-week prior period.
- Earnings per share, Headline earnings per share and other share measures were based on the 896.5 million weighted average number of shares in issue for the pro forma 52-week prior period

Adjusted diluted headline earnings per share was calculated by dividing Adjusted headline earnings of R2 740 million (2024: R3 508 million) by Diluted WANOS of 903.0 million (2024: 905.9 million) shares.

2. TURNOVER AND CONCESSION SALES

	Audited 52 weeks to 29 Jun 2025 (1) Rm	Pro forma 52 weeks to 23 Jun 2024 (1) Rm	% change
Turnover	79 537	75 159	
Concession sales	1 452	1 201	
Turnover and concession sales	80 989	76 360	6.1

Notes

1. The ‘52 weeks to 29 Jun 2025’ and ‘52 weeks to 23 Jun 2024’ Turnover and Concession sales financial information has been extracted, without adjustment, from note 1.
- This illustrates the impact on financial information by including the turnover of concession operators of goods sold (concession sales) within the Group’s stores. Concession sales are not included in Revenue.

3. ADJUSTMENTS TO EBIT AND PROFIT BEFORE TAX

	Pro forma 52 weeks to 29 Jun 2025 (1) Rm	Adjustments (2) Rm	Pro forma 52 weeks to 29 Jun 2025 (4) Rm	Pro forma 52 weeks to 23 Jun 2024 (1) Rm	Adjustments (3) Rm	Pro forma 52 weeks to 23 Jun 2024 (4) Rm
EBIT (Pro forma)	4 528	666	5 194	4 839	990	5 829
Profit before tax (Audited)	3 008	666	3 674	3 512	990	4 502

Notes

1. The components of the ‘52 weeks to 29 Jun 2025’ and ‘52 weeks to 23 Jun 2024’ financial information have been extracted, without adjustment, from note 1 and the Group Statement of comprehensive income for the 52 weeks ended 29 June 2025 and 53 weeks to 30 Jun 2024, respectively, as presented in the Summary of the Audited Group Results for the 52 weeks ended 29 June 2025. EBIT comprises Profit before tax, as illustrated in note 1 and on the Group Statement of comprehensive income for the 52 weeks to 29 Jun 2025 and 52 weeks to 23 Jun 2024, respectively, and excludes Investment income of R156 million (2024: R166 million), Finance costs of R1 771 million (2024: R1 700 million) and net Group entity income of R95 million (2024: R81 million).
2. EBIT adjustments for the ‘52 weeks to 29 Jun 2025’ comprise Restructure costs of R479 million, Separation and transaction costs of R20 million, Unrealised foreign exchange gains of R9 million, Profit on disposal of investment property of R792 million, and Impairment of assets of R968 million, which results in an Adjusted EBIT. Profit before tax adjustments include all of the aforementioned adjustments, which results in an Adjusted profit before tax.
3. EBIT adjustments for the ‘52 weeks to 23 Jun 2024’ comprise Separation and transaction costs of R365 million, Unrealised foreign exchange losses of R16 million and Impairment of assets of R609 million, which results in an Adjusted EBIT. Profit before tax adjustments include all of the aforementioned adjustments, which results in an Adjusted profit before tax.
4. The ‘Pro forma 52 weeks to 29 Jun 2025’ and the ‘Pro forma 52 weeks to 23 Jun 2024’ columns reflect the pro forma financial information after adjusting for the items included in column 2 (2024: column 3), which results in an Adjusted EBIT and Adjusted profit before tax.

4. CONSTANT CURRENCY INFORMATION

4.1 GROUP STATEMENT OF COMPREHENSIVE INCOME ITEMS

	Pro forma 52 weeks to 29 Jun 2025 Rm	Pro forma 52 weeks to 23 Jun 2024 Rm	% change
Turnover and concession sales	81 527	76 360	6.8
Adjusted EBIT	5 185	5 829	(11.0)

Notes

1. Constant currency information has been presented to illustrate the impact of changes in the Group’s major foreign currency, the Australian dollar. In determining the constant currency growth rate, Turnover and concession sales and Adjusted EBIT denominated in Australian dollars for the current period have been adjusted by application of the average Australian dollar exchange rate for the prior period. The average Australian dollar exchange rate is R11.77 for the current period and R12.28 for the prior period. The foreign currency fluctuations of the Group’s rest of Africa operations are not considered material and have therefore not been applied in determining the constant currency Turnover and concession sales and Adjusted EBIT growth rates.
2. Turnover and concession sales and Adjusted EBIT have been extracted from notes, 1, 2 and 3, respectively.

4.2 GROUP STATEMENT OF FINANCIAL POSITION ITEMS

	Pro forma At 29 Jun 2025 (1) Rm	Pro forma At 30 Jun 2024 (2) Rm	Constant currency % change
Assets			
Property, plant and equipment, investment property and intangible assets	16 141	17 408	(7.3)
Right-of-use assets	7 480	7 902	(5.3)
Investments in joint ventures	1 228	1 163	5.6
Inventories	8 962	7 441	20.4
Receivables, derivatives, investments and loans	1 677	1 501	11.7
Deferred tax and tax assets	1 447	978	48.0
Cash and cash equivalents	4 393	2 309	90.3
Total assets	41 328	38 702	6.8
Equity and liabilities			
Shareholders' funds	10 969	10 926	0.4
Borrowings and overdrafts	9 875	7 812	26.4
Lease liabilities	9 949	10 304	(3.4)
Deferred tax and tax liabilities	164	104	57.7
Payables, derivatives and provisions	10 371	9 556	8.5
Total equity and liabilities	41 328	38 702	6.8

Notes

1. The Group Statement of financial position items are at 29 June 2025 and the constant currency information has been determined by application of the closing Australian dollar exchange rate for the prior period to the current period Group Statement of financial position items. The closing Australian dollar exchange rate is R11.71/A\$ for the current period and R1215/A\$ for the prior period.
2. The ‘At 30 Jun 2024’ financial information has been extracted, without adjustment, from the reported Summary of the Audited Group Results for the 53 weeks ended 30 June 2024.

KPMG Inc. have issued Auditor’s reports on the pro forma and constant currency financial information, which are available for inspection at the Group’s registered offices and on the Company’s website <https://www.woolworthsholdings.co.za/investors/all-reports-and-results/>

SHAREHOLDER CALENDAR AND ADMINISTRATION

SHAREHOLDER CALENDAR

2026	2027
June	Financial year-end – 52 weeks to 28 June
July	Trading update
August	Annual results and announcement of final dividend, if declared
September	Publication of 2026 Integrated Annual Report; final dividend payment, if declared; posting of Notice of Annual General Meeting
November	Annual General Meeting and trading update
	June
	July
	August
	Financial year-end – 52 weeks to 27 June
	Trading update
	Annual results and announcement of final dividend, if declared
	September
	Publication of 2027 Integrated Annual Report; final dividend payment, if declared; posting of Notice of Annual General Meeting
	November
	Annual General Meeting and trading update

ADMINISTRATION

WOOLWORTHS HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
Registration number: 1929/001986/06
LEI: 37890095421E07184E97
Share code: WHL
Share ISIN: ZAE000063863
Bond Company code: WHLI
Tax reference number: 9300/149/71/4

GROUP COMPANY SECRETARY
Chantel Reddiar
Email: Governance@woolworths.co.za

DEBT OFFICER
Ian Thompson

REGISTERED OFFICE
Woolworths House
93 Longmarket Street
Cape Town 8001, South Africa
PO Box 680
Cape Town 8000, South Africa

CONTACT DETAILS
Tel: +27 (21) 407 9111

INVESTOR RELATIONS
Email: InvestorRelations@woolworths.co.za

WEBSITE
www.woolworthsholdings.co.za

PRINCIPAL TRANSACTIONAL BANKERS
The Standard Bank of South Africa Limited
National Australia Bank Group
Absa Bank Limited

AUDITORS
KPMG Inc.

JSE EQUITY AND DEBT SPONSOR
Investec Bank Limited
100 Grayston Drive, Sandown,
Sandton 2196, South Africa
PO Box 785700
Sandton 2146, South Africa
Tel: +27 (11) 286 7000

TRANSFER SECRETARIES
Computershare Investor Services Proprietary Limited
15 Biermann Avenue
Rosebank 2196, South Africa
PO Box 61051
Marshalltown 2107, South Africa
Tel: +27 (11) 370 5000
Email: woolworths@computershare.co.za



GLOSSARY OF TERMS

AMORTISED COST

The amount used to measure the balance of certain financial instruments at year-end. The amount at which a financial asset or financial liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, and minus any reduction for impairment or uncollectability.

ACTUARIAL GAINS OR LOSSES

Actuarial gains or losses comprise:

- 1. experience adjustments (the effects of differences between the previous actuarial assumptions and what has actually occurred); and
- 2. the effects of changes in actuarial assumptions.

ANNUAL REPORT

A document issued by an entity, usually on an annual basis, which includes its financial statements together with the auditor’s report.

BUSINESS SEGMENT

An operating segment of an entity that is engaged in providing an individual product or service or a group of related products or services that is subject to risks and returns that are different from those of other business segments.

CASH AND CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

CASH FLOW HEDGE

A hedge of the exposure to variability in cash flows that:

- 1. is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction; and
- 2. could affect profit or loss.

CASH-GENERATING UNIT

The smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

COMPANY

Woolworths Holdings Limited – a legally incorporated business entity registered in terms of the Companies Act.

CONSOLIDATED FINANCIAL STATEMENTS

The financial results of the Group presented as those of a single economic entity.

CONTINGENT LIABILITY

- 1. A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of an entity.
- 2. A present obligation that arises from past events but is not recognised because:
 - 2.1 it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - 2.2 the amount of the obligation cannot be measured with sufficient reliability.



Woolworths, 2025

CONTROL

Control exists when an investor can show:

- 1. power over the investee through having existing rights that give it the current ability to direct relevant activities;
- 2. exposure or rights to variable returns from its involvement with the investee; and
- 3. the ability to use its power over the investee to affect the amount of the investor’s returns.

CREDIT RISK

The risk that one party to a financial instrument will cause a financial loss to the other party by failing to discharge an obligation.

CURRENCY RISK

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

DEFINED-BENEFIT PLAN

Post-employment benefit plan other than a defined-contribution plan.

DEFINED-CONTRIBUTION PLAN

Post-employment benefit plan under which an entity pays fixed contributions into a separate fund, and in respect of which the entity will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

DEFERRED TAX ASSET

The amount of income tax recoverable in future periods in respect of:

- 1. deductible temporary differences;
- 2. the carry forward of unused tax losses; and
- 3. the carry forward of unused tax credits.

DEFERRED TAX LIABILITY

The amount of income tax payable in future periods in respect of taxable temporary differences.

DERIVATIVE

A financial instrument or other contract with all three of the following characteristics:

- 1. its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided, in the case of a non-financial variable, that the variable is not specific to a party to the contract (sometimes called the ‘underlying’);
- 2. it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- 3. it is settled at a future date.

DILUTION

A reduction in earnings per share or an increase in loss per share resulting from the assumption that convertible instruments are converted, that share options or rights are exercised, or that ordinary shares are issued upon the satisfaction of specified vesting conditions.

DISPOSAL GROUP

A group of assets to be disposed of, by sale or otherwise, together as a group in a single transaction, and liabilities directly associated with those assets that will be transferred in the transaction.

EQUITY-SETTLED SHARE-BASED PAYMENT TRANSACTION

A share-based payment transaction in which the entity:

- 1. receives goods or services as consideration for its own equity instruments (including shares or share options); or
- 2. receives goods or services, but has no obligation to settle the transaction with the supplier.

FAIR VALUE

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

FINANCIAL ASSETS

Any asset that exhibits one or more of the following characteristics:

- 1. cash;
- 2. an equity instrument of another entity;
- 3. a contractual right:
 - 3.1 to receive cash or another financial asset from another entity; or
 - 3.2 to exchange financial assets or financial liabilities with another entity under conditions that are potentially favourable to the entity;
- 4. a contract that will or may be settled in the entity’s own equity instruments, and is:
 - 4.1 a non-derivative for which the entity is or may be obliged to receive a variable number of the entity’s own equity instruments; or
 - 4.2 a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments. For this purpose, the entity’s own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity’s own equity instruments.

FINANCIAL LIABILITY

Any liability that exhibits one or more of the following characteristics:

- 1. a contractual obligation:
 - 1.1 to deliver cash or another financial asset to another entity; or
 - 1.2 to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the entity;
- 2. a contract that will or may be settled in the entity’s own equity instruments and is:
 - 2.1 a non-derivative for which the entity is or may be obliged to deliver a variable number of the entity’s own equity instruments; or
 - 2.2 a derivative that will or may be settled other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of the entity’s own equity instruments. For this purpose, the entity’s own equity instruments do not include instruments that are themselves contracts for the future receipt or delivery of the entity’s own equity instruments.

FINANCIAL ASSET OR FINANCIAL LIABILITY AT FAIR VALUE THROUGH PROFIT OR LOSS

A financial asset or financial liability that meets either of the following conditions:

- 1. it is classified as held-for-trading. A financial asset or financial liability is classified as held-for-trading if it:
 - 1.1 is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
 - 1.2 forms part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
 - 1.3 is a financial guarantee contract or a designated and effective hedging instrument;
- 2. upon initial recognition it is designated by the entity as at fair value through profit or loss. An entity may use this designation only when permitted or when doing so results in more relevant information, because either:
 - 2.1 it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases; or
 - 2.2 a group of financial assets, financial liabilities or both is managed and its performance is evaluated on a fair value basis in accordance with a documented risk management or investment strategy, and information about the Group is provided internally on that basis to the entity’s key management personnel.

FINANCIAL INSTRUMENT

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

FIRM COMMITMENT

A binding agreement for the exchange of a specified quantity of resources at a specified price on a specified future date or dates.

FORECAST TRANSACTION

An uncommitted but anticipated future transaction.

FUNCTIONAL CURRENCY

The currency of the primary economic environment in which the entity operates.

GEOGRAPHICAL SEGMENT

An operating segment of an entity that is engaged in providing products or services within a particular economic environment and that is subject to risks and returns that are different from those of components operating in other economic environments.

GOOD BUSINESS JOURNEY

The Woolworths Good Business Journey (GBJ) is a comprehensive plan announced in April 2007, incorporating a series of challenging targets and commitments centred on four key priorities – accelerating transformation, driving social development, enhancing Woolworths’ environmental focus and addressing climate change.

GRANT DATE

The date at which the entity and another party (including an employee) agree to a share-based payment arrangement, being when the entity and the counterparty have a shared understanding of the terms and conditions of the arrangement. At grant date, the entity confers on the counterparty the right to cash, other assets, or equity instruments of the entity, provided that specified vesting conditions, if any, are met. If that agreement is subject to an approval process, the grant date is the date when that approval is obtained.

GROUP

The Group comprises Woolworths Holdings Limited and all its subsidiaries, joint ventures and associates.

HEDGING INSTRUMENT

A designated derivative or, for a hedge of the risk of changes in foreign currency exchange rates only, a designated non-derivative financial asset or non-derivative financial liability, whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item.

HEDGED ITEM

An asset, liability, firm commitment or highly probable forecast transaction that exposes the entity to risk of changes in fair value or future cash flows, and is designated as being hedged.

HEDGE EFFECTIVENESS

The degree to which changes in the fair value or cash flows of the hedged item that are attributable to a hedged risk are offset by changes in the fair value or cash flows of the hedging instrument.

HELD-FOR-TRADING FINANCIAL INSTRUMENT

Refer to financial asset or financial liability at fair value through profit or loss.

INTANGIBLE ASSET

An identifiable non-monetary asset without physical substance.

INTEREST RATE RISK

The risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market interest rates.

JOINT ARRANGEMENT

An arrangement of which two or more parties have joint control.

JOINT CONTROL

The contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

JOINT OPERATION

An arrangement whereby the parties that have joint control of the arrangement have rights to the assets and obligations for the liabilities relating to the arrangement.

JOINT VENTURE

An arrangement in which the parties with joint control have rights to the net assets of the arrangement.

LIQUIDITY RISK

The risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities.

LOANS AND RECEIVABLES

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

1. those that the entity intends to sell immediately or in the near term, which shall be classified as held-for-trading, and those that the entity, upon initial recognition, designates as at fair value through profit or loss; or
2. those that the entity, upon initial recognition, designates as available-for-sale; or
3. those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, and which shall be classified as available-for-sale.

LONG-TERM INCENTIVE PLAN

The Long-Term Incentive Plan provides eligible employees with the opportunity to acquire Woolworths Holdings Limited shares by way of conditional awards of shares, subject to the fulfilment of predetermined performance conditions covering a three-year period.

MONETARY ITEMS

Units of currency held and assets and liabilities to be received or paid in a fixed or determinable number of units of currency.

NON-CONTROLLING INTEREST

The equity in a subsidiary not attributable, directly or indirectly, to a parent.

ONEROUS CONTRACT

A contract in which the unavoidable cost of meeting the obligation under the contract exceeds the economic benefits expected to be received under it.

PRESENT VALUE

A current estimate of the present discounted value of the future net cash flows in the normal course of business.

REASONABLY POSSIBLE CHANGE IN RISK VARIABLE

Reasonably possible change in risk variable refers to the most likely change in the risk variable during the next annual period, which is judged relative to the economic environment in which the entity operates, and does not include ‘worst-case’ scenarios.





Woolworths, Spring, 2025

RELATED PARTY

- 1. A person or a close member of that person’s family is related to a reporting entity if that person:
 - 1.1 has control or joint control over the reporting entity; or
 - 1.2 has significant influence over the reporting entity; or
 - 1.3 is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.
- 2. An entity is related to a reporting entity if any of the following conditions apply:
 - 2.1 the entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others); or
 - 2.2 one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member); or
 - 2.3 both entities are joint ventures of the same third party; or
 - 2.4 one entity is a joint venture of a third entity and the other entity is an associate of the third entity; or
 - 2.5 the entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity; or
 - 2.6 the entity is controlled or jointly controlled by a person identified in 1; or
 - 2.7 a person identified in 1.1 has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

REPORTING DATE

The last day of the financial period.

SEGMENT ASSETS

Those operating assets that are employed by a segment in its operating activities and that are either directly attributable to the segment or can be allocated to the segment on a reasonable basis. Segment assets exclude income tax assets, as well as investments, where the resulting income arising from the investments is excluded from segment results.

SEGMENT EXPENSE

Expense resulting from the operating activities of a segment that is directly attributable to the segment and the relevant portion of an expense that can be allocated on a reasonable basis to the segment. Segment expense does not include:

- 1. interest, including interest incurred on advances or loans from other segments;
- 2. losses on sale of investments;
- 3. an entity’s share of losses of associates, joint ventures, or other investments accounted for under the equity method;
- 4. income tax expense; and
- 5. general administrative expenses, head office expenses and other expenses that arise at the entity level and relate to the entity as a whole.

SEGMENT RESULT

Segment revenue less segment expense before any adjustments for non-controlling interests.

SEGMENT REVENUE

Revenue reported in the entity’s Statement of Comprehensive Income that is directly attributable to a segment and the relevant portion of entity revenue that can be allocated on a reasonable basis to a segment.

Segment revenue does not include:

- 1. interest or dividend income, unless the segment’s operations are primarily of a financial nature; and
- 2. gains on sale of investments or gains on extinguishment of debt, unless the segment’s operations are primarily of a financial nature.

SHARE-BASED PAYMENT TRANSACTION

- 1. A transaction in which the entity:
 - 1.1. receives goods or services from the supplier of those goods or services (including an employee) in a share-based payment arrangement; or
 - 1.2. incurs an obligation to settle the transaction with the supplier in a share-based payment arrangement when another group entity receives those goods or services.
- 2. An agreement between the entity (or another group entity or any shareholder of any group entity) and another party (including an employee) that entitles the other party to receive:
 - 2.1. cash or other assets of the entity for amounts that are based on the price (or value) of equity instruments (including shares or share options) of the entity or another group entity; or
 - 2.2. equity instruments (including shares or share options) of the entity or another group entity, provided the specified vesting conditions, if any, are met.

SHARE OPTION

A contract that gives the holder the right, but not the obligation, to subscribe to the entity’s shares at a fixed or determinable price for a specific period of time.

SUBSIDIARY

An entity that is controlled by another entity.

TREASURY SHARES

An entity’s own equity instruments, held by the entity or other members of the consolidated group.

VEST

To become an entitlement. Under a share-based payment arrangement, a counterparty’s right to receive cash, or other assets, or equity instruments of the entity vests upon satisfaction of any specified vesting conditions.

To find out more about what we're doing, visit

For company-specific information, visit

woolworths.co.za

countryroad.com.au

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We appreciate any feedback on our Financial Results. Please contact InvestorRelations@woolworths.co.za