

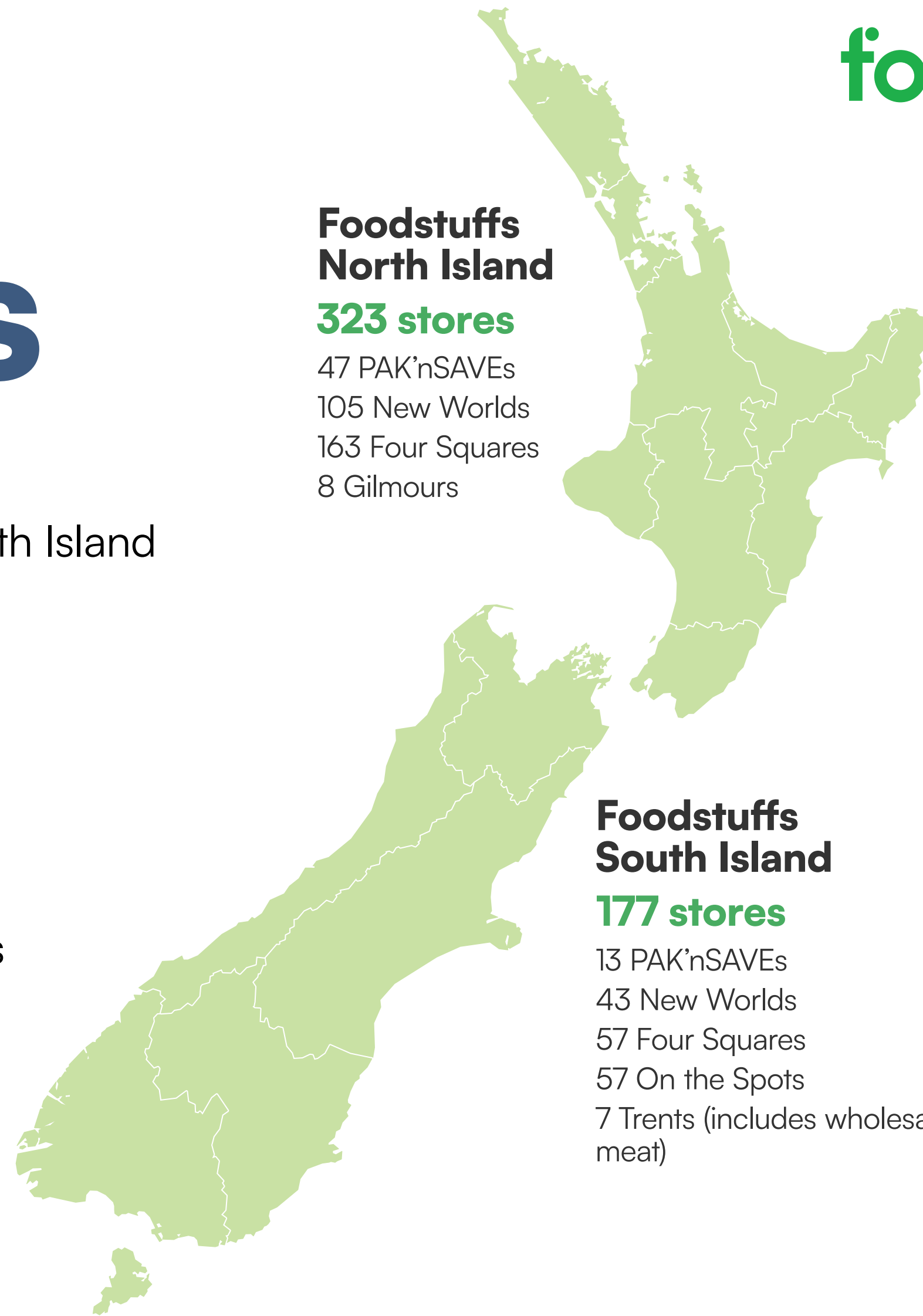
Foodstuffs

2026 Fact Base & Progress Report



We're Foodstuffs

- ✓ 2 separate, New Zealand-owned Co-ops - Foodstuffs North Island and Foodstuffs South Island
- ✓ 3 national retail grocery brands - PAK'nSAVE, New World and Four Square
- ✓ 2.3 million unique customers per week
- ✓ 5.5 million customer visits per week
- ✓ 500+ family-owned, locally operated stores
- ✓ 2 business-to-business brands - Gilmours (NI) and Trents (SI)
- ✓ 2,000+ suppliers
- ✓ 40,000+ team members



foodstuffs NORTH ISLAND

Foodstuffs
South Island



New World Pt Chevalier opened September 2025, adding more choice for locals and creating 120 new jobs in the community



PAK'nSAVE Rolleston in central Canterbury, opened in October 2025



Gilmours
WHOLESALE FOOD & BEVERAGE

Trents
WHOLESALE™

on the spot

How our Foodstuffs Co-ops work

The shareholders of each Co-op are the same people who own and operate one of our local stores.

Our store Owner-Operators are the shareholders of their regional Co-op

Owner-Operators own their local store business, are the employers of their store teams, and manage the profitability of their stores.

Owner-Operators source most stock through their regional Co-op.

Owner-Operators fund Co-op operations via levies.

Owner-Operators reinvest profits in communities.

The Co-ops own the buildings and operations

Co-ops own, lease, build and maintain their stores, supply chain and support centres, managing the profitability of their operations.

Co-ops purchase and distribute most of the products our customers buy.

Stores are serviced by each Co-op's Supply Chain.

Co-ops distribute profits back to Owner-Operators.

Co-ops jointly own national brands

Co-ops jointly own Foodstuffs Own Brands, the private label business unit behind Pams, and nationwide retailer Liquorland.

Co-ops jointly own national retail brands PAK'nSAVE, New World and Four Square.

Co-ops jointly own Foodstuffs NZ, which provides shared services including retail brand co-ordination, customer insights, and marketing.



We're working to keep food affordable

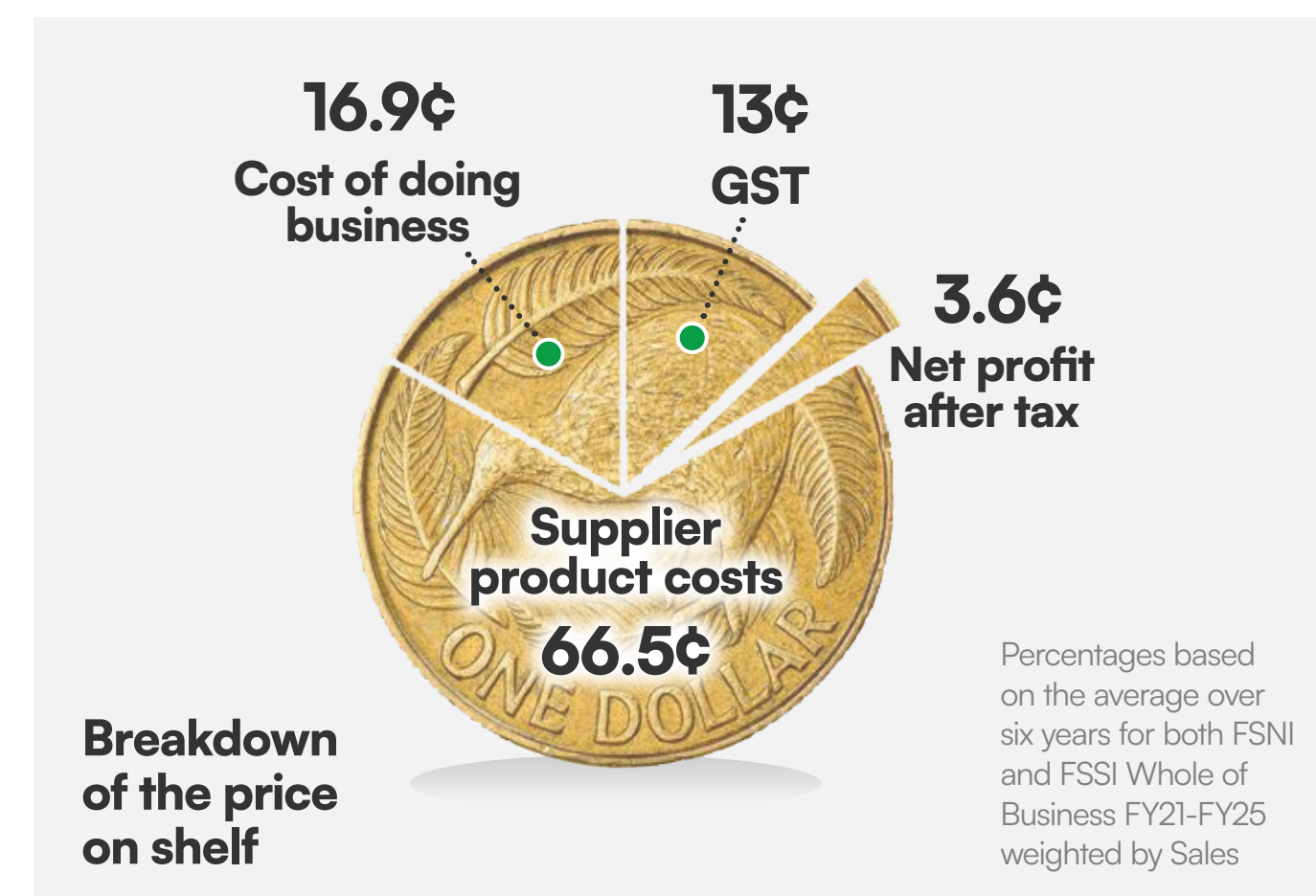
The cost of living continues to be a challenge for NZ households. Below are three of the ways we're helping to keep food prices down.

Fair and reasonable returns

Our Co-ops are two of NZ's most productive and efficiently-run businesses, helping us to deliver good value to our customers.

For every \$1 a customer spends with us, 3.6 cents is our net profit after tax and 16.9 cents covers our costs to run the business. The other 79.5 cents goes to our suppliers and on GST.

Because we're 100% NZ-owned Co-ops, profits go back into our stores, or each Co-op's local grocer members, helping them to support their communities and the wider economy.



Fair prices throughout NZ

Under the Co-operative model, whether a store is in a metro centre or a rural town, they benefit from our collective buying power, helping them secure better deals and keep prices down across the board.

Alongside promotions on popular products, Foodstuffs has also kept a strong focus on value across a core range of everyday grocery items, helping customers stretch their grocery budgets further.



Fighting food price inflation

The inflationary pressures of the last four years have been hard for consumers and business owners.

Our team of 40,000 is focused on delivering value, and we're holding ourselves to account.

Since late-2023, the rate of retail price increases at our stores has always been lower than the rate of our suppliers' cost increases, for goods in the categories Stats NZ monitors.



Our prices compare favourably internationally

There's a lot of discussion around the cost of food in New Zealand compared to other countries.

Here are some facts about those comparisons.

PAK'nSAVE is delivering low prices for NZ

PAK'nSAVE's policy is New Zealand's lowest food prices - helping millions of budget-conscious New Zealanders.

For the past 13 months we've been comparing 20 everyday items found in PAK'nSAVE store's in the North Island against the average basket price of the major UK and Australian retailers - including Aldi Australia.

After adjusting for sales tax, currency exchange rates, and pack sizes, PAK'nSAVE North Island has consistently delivered the lowest average basket price.

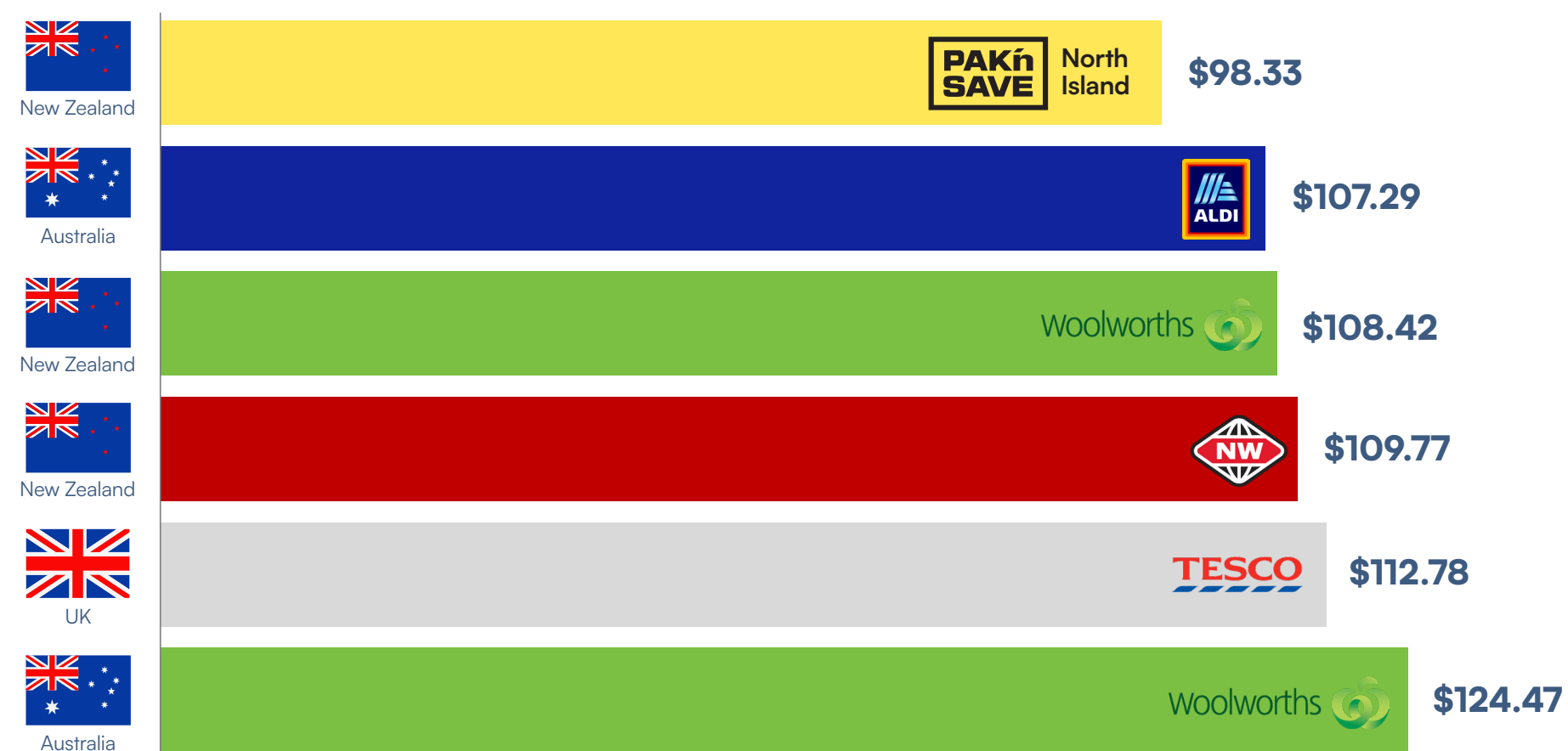


PAK'nSAVE (NI) offers the lowest 26-week average basket price of \$98.33

(after adjusting for sales tax, currency exchange rates and pack sizes)

26-week price comparison of 20 everyday grocery items¹ (NZ\$)

Source: AC Nielsen Top 50 (11 May 2025 - 29 March 2026)



¹ The 20 everyday grocery items are: Bananas (kg), Onions Loose (kg), Carrots Loose (kg), Beef Mince (kg), Hellers Shaved Champagne Ham (100g), Bluebird Original Cut Ready Salted (150g), Special Blend Granulated Instant Coffee (90g), Coca-Cola (2.25L), and equivalents of: Pams Free Range Boneless Skinless Chicken Breast (400g), Pams Pure Butter (500g), Pams Value Standard Milk (2L), Pams Fresh Cream (500mL), Pams Cheese Edam Block (1kg), Pams T/Tissue L/R White 3ply (8pk), Pams White Sugar (1.5kg), Pams Value Chopped Tomatoes in Juice (400g), Pams Flour Pure Plain (1.5kg), Pams Hash Brown Triangles (750g), Pams Mixed Vegetables (1kg), Pams Shoe String Fries (1kg)

Why we think this approach gives the clearest comparison

We think this is a practical, up-to-date way of looking at prices. This chart tracks 20 everyday items using consistent, like-for-like products across New Zealand, Australia and the UK, so we're comparing the same things you'd actually put in your trolley. It uses current pricing and adjusts for currency and tax, so it reflects what customers really pay at the checkout. In our view, this gives an accurate and grounded comparison and makes it easier to see how New Zealand grocery prices stacks up.

We're constantly investing for our customers

Our Co-ops handle around 5.3 million customer transactions in-store and online each week. Our focus is on delivering a reliable, high-quality shopping experience while continuing to invest in the resilience and efficiency of New Zealand's food supply chain, so we can meet the needs of our communities now and in the future.

Investing in new innovations

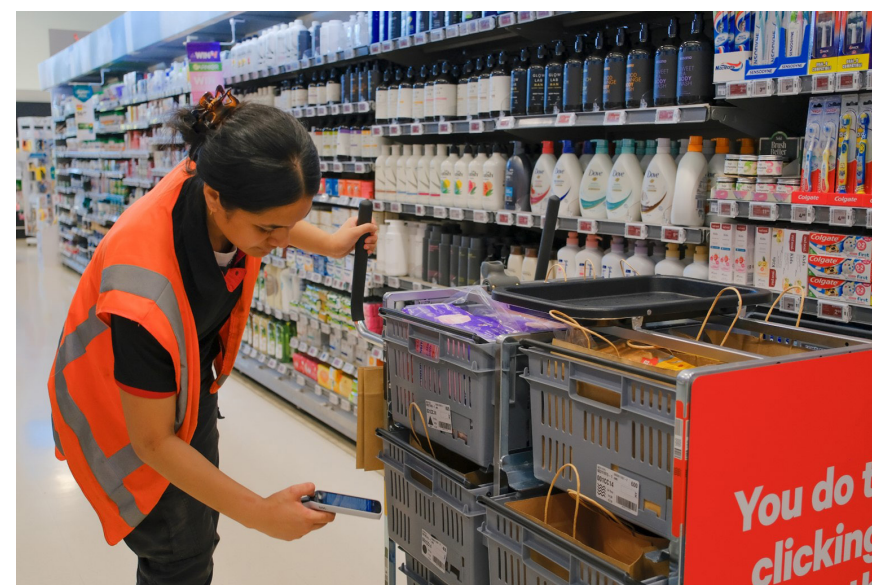


We invest in digital capabilities to offer world-class e-commerce services that benefit customers, suppliers and our teams.

These include shopping options around 'click and collect', 'direct to boot', and deliveries.

Our Co-ops are working with global customer data science company dunnhumby to better understand shopper needs and improve decision-making across the business, while helping suppliers grow.

In the North Island, Foodstuffs is also rolling out quick commerce, giving customers the option to place an online order and have it delivered in as little as 60 minutes for New World and 45 minutes for Four Square stores.



More investment in infrastructure



Foodstuffs North Island's new chilled and frozen distribution centre is set to open in 2028

From state-of-the-art distribution centres and cool store storage facilities, to upgraded and new regional depots, the Foodstuffs Co-ops are continually investing in new infrastructure.

These investments are critical to strengthening New Zealand's food security and supply chain resilience, delivering customers consistent access to fresh food across urban and rural areas NZ-wide.

Faster, reliable supply chains mean fresher products and better access to everyday essentials. In the event of extreme weather events, robust infrastructure becomes vital.

Foodstuffs North Island's investment in a new chilled and frozen distribution centre is a good example. Set to open in 2028, the new Paitai Way distribution centre will more than double current capacity, supporting long-term growth and allowing the co-op to better manage increasing product volumes and store demand for the next 25 years.

We invest in local communities

New and refurbished stores create jobs for local people - directly and through local suppliers and trades. Our Co-ops also support communities by working with food banks, food rescue organisations, sports teams, schools, and local groups.

New and refurbished stores

Every year, Foodstuffs North Island spends around \$100 million on building new stores and refurbishing existing ones in communities across the North Island.

Store investments delivered since May 2025 include the opening of New World Pt Chevalier and refurbishments to PAK'nSAVE Mill St, PAK'nSAVE Kapiti, New World Whanganui and New World Ōtaki.



A \$6 million refurbishment has been completed at New World Ōtaki

Food for Thought

Food for Thought is our free, national school-based nutrition education programme, in partnership with the Heart Foundation. It helps Year 5 and 6 students make informed, healthy food choices.

Our team of nutritionists has taught more than 291,000 tamariki since 2007. Now, our new online platform, 'Food for Thought Nutrition Quest', is taking it to every primary school in New Zealand.



Foodstuffs' Nutritionist Naomi Sutton holds an in-store Food for Thought session

Social supermarkets

One of the ways Foodstuffs North Island is helping to address food insecurity is by working with local community groups like iwi and city missions to establish social supermarkets.

Unlike traditional foodbanks, social supermarkets let people pick their own groceries - offering more dignity, choice and a familiar shopping experience.

Foodstuffs North Island currently has 14 social supermarket collaborations with community organisations.



Kaikohe's Whata Kai, a collaboration between Foodstuffs NI and Ngāpuhi Iwi Social Services

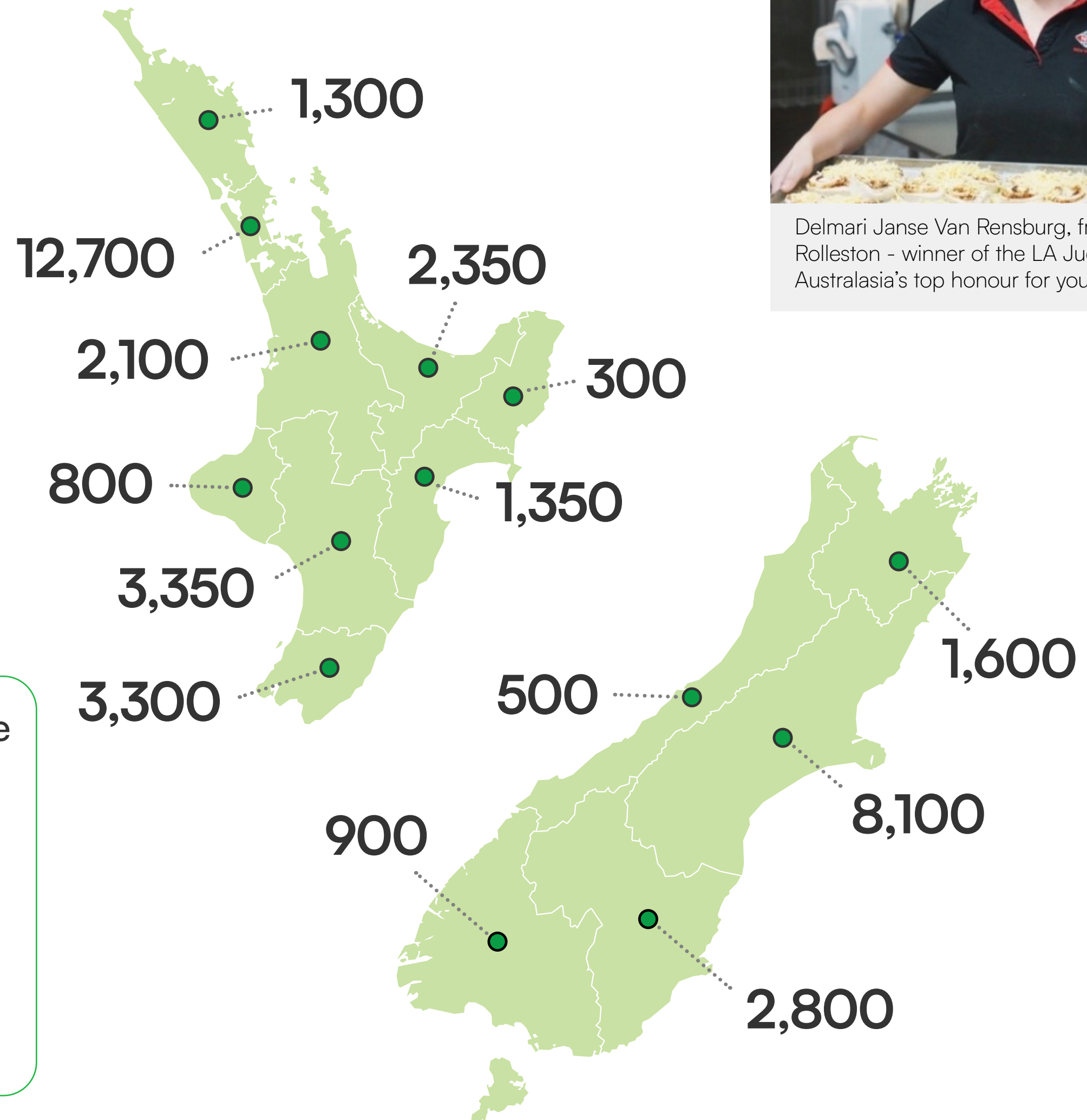
We're investing in our people

We employ more people than any other locally-owned business, and we train more butchers and bakers than anyone in NZ.

Our Foodies team gets world-class training and support to build lifelong careers.



At last count there were more than 40,000 people working in our stores, at our support centres, and through our supply chains, from Stewart Island up to the Far North.



Delmari Janse Van Rensburg, from New World Rolleston - winner of the LA Judge Award, Australasia's top honour for young bakers.



Anton Rameka, from New World Regent in Whangarei - former apprentice turned NZ rep at the World Champion Butcher Competition

Our suppliers are vital partners for our Co-ops

It's essential for us to have strong partnerships with suppliers so we can bring New Zealanders more value, a better range and world-class innovation. We stock more than 60,000 products from over 2,000 suppliers - from large global brands to small NZ producers.

We're always balancing the need for healthy, competitive supplier networks with our duty to deliver quality, choice and value for customers.



Foodstuffs EXPO is NZ's largest B2B expo, where hundreds of NZ brands showcase their innovations biennially in Hamilton.

Around 9,000 new products hit our shelves each year, reflecting changing customer tastes and shopping habits. Because our stores are locally owned, suppliers can start small - stocking a single store - or scale up to reach the entire country.

While not every product can be ranged due to space limits, more than half of what we sell comes from New Zealand-owned suppliers.

Strong relationships with those suppliers help us respond quickly and keep delivering value for New Zealand households.



New World Emerge is a Foodstuffs run competition that sees new suppliers get priceless support from industry leaders and mentors; plus, a fast-tracked journey for their product into New World stores, across the motu.

Taking out the Start-up category was Butter Luxe Co with their Oaty Butter, New Zealand's first of its kind oat spread, packed with prebiotic fibre and plant protein.



Foodstuffs North Island has introduced faster payment terms to support small New Zealand suppliers as cost pressures build. Smaller suppliers are now paid 10 days earlier, with payments moved to the 20th of the month. The change is designed to ease cashflow pressure and help businesses pay their own suppliers sooner, giving them greater stability and room to operate.

Working as one to deliver better value

A single national Foodstuffs Co-op is still the most valuable thing we can do for customers, suppliers and New Zealand. This is because it will improve economies of scale and reduce duplication of overheads for both Co-ops and suppliers, cutting costs across the industry.

Two Co-ops

One Co-op

Regional Co-ops competing with multinational retailers with much greater scale	→	Economies of scale enabling competition on price for customers
Divided supply chains with minimal interaction to share transport costs	→	Seamless national supply chain, gaining efficiencies and building resilience
Separate bargaining and buying from large multinational suppliers	→	United bargaining power for NZ grocers with multinational distributors
Two support offices with duplicated admin and leadership costs	→	Lower support centre overheads and streamlined national leadership

Cost and efficiency benefits

Greater economies of scale and lower support centre overheads would enable:

- reduced pressure on prices at the checkout
- enhanced online shopping and rewards
- faster speed to market for new products

Supplier benefits

Being one national Co-op would boost our support for small and local suppliers, leading to:

- reduced administration costs for suppliers
- more streamlined engagement
- more investment in value and product innovation
- increased availability of customer insights

Customer benefits

One Co-op would make us faster at adapting to customer needs, helping us deliver:

- better shopping experiences and greater value for money for New Zealanders
- higher quality IT infrastructure
- better ability to serve wholesale customers

The grocery sector's evolving - and we're putting the work in for our customers

Foodstuffs North Island teams have been busy working behind the scenes since the Grocery Industry Competition Act was passed in July 2023, and its changes implemented in the months that followed. Since then, we've achieved a huge amount.

Completed

UNDERSTANDING UNIT PRICING

WHAT IS UNIT PRICING?
Unit pricing allows you to be even more savvy by showing a detailed breakdown of the item cost.

HOW IS IT USED?
For example, when shopping for baked beans, you can compare the per gram price on the price ticket to find the best value across different products.

Product	Price	Unit Price
Baked Beans 410g	189 EA	\$0.46/100G
Baked Beans 420g	279 EA	\$0.66/100G

Find out more at www.paknsave.co.nz/unitpricing

Please note that all products and prices used on this page are illustrative only and do not reflect the current purchase price or unit price of a product.

Unit pricing in stores

Unit pricing lets shoppers see how much an item costs either by weight, volume or quantity. It was in all physical New World and PAK'nSAVE stores ahead of August 2024 (when the regulation came into effect), and is on our shopper websites.

Implementation of the Grocery Supply Code 2025

The second version of the Grocery Supply Code came into effect on 1 May 2026. We've issued updated grocery supplier contracts and variations to suppliers to ensure compliance.

Enhanced refund policy

Customers deserve pricing they can count on so we've updated our policy, if a customer is overcharged for a product, we'll refund the full amount paid for the product and the customer can keep the product.

Established wholesale systems

Our dedicated teams stepped up to open our warehouses, upgrade IT systems and make it easier for smaller retailers to access our supply chains.

Freed up land for competitors

Any remaining land covenants are registered against land we do not own. We're working with the landowners to arrange for their removal. Any that remain on land we lease are unenforceable.

Ongoing

Regulated wholesale supply

Since May 2025, we had 113 signed-up wholesale customers with 61 actively ordering and supplying consumers via independent stores and online retailers.



Rolling out electronic shelf labels

ESLs are digital price tags that can be updated instantly, significantly reducing human error in pricing issues. In the North Island, ESLs are now in over 95% of New World and PAK'nSAVE stores.

Continued transparency initiatives

, including the Infometrics-Foodstuffs Grocery Supplier Cost Index and customer-facing value programmes.

Further investment in digital capability, supply chain resilience and pricing integrity systems

Significant programmes of work to implement and comply with grocery market regulation.

, including Unit Pricing Regulations and the Consumer Complaints Disclosure Standard