



27 February 2026

The Manager  
Company Announcements Office  
Australian Securities Exchange

Dear Sir or Madam

**Coles Group Limited (Coles) – Appendix 4D and Half Year Report for the period ended 4 January 2026**

In accordance with ASX Listing Rule 4.2A and the *Corporations Act 2001* (Cth), I enclose the following for immediate release to the market:

1. Appendix 4D;
2. Half Year Directors' Report;
3. Half Year Financial Report; and
4. Independent Auditor's review report,

for the half year ended 4 January 2026.

Coles will conduct an analyst briefing on the half year results from 10.00am AEDT. This briefing will be webcast and is accessible via the Company's website at [www.colesgroup.com.au](http://www.colesgroup.com.au).

This announcement is authorised by the Board.

Yours faithfully,

A handwritten signature in black ink, appearing to read "Daniella Pereira".

**Daniella Pereira**  
Group Company Secretary

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**Appendix 4D and  
Half Year Financial Report**

**For the 27 weeks ended 4 January 2026**

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# Appendix 4D

## Under ASX Listing Rule 4.2A.3

Current reporting period (1H26)

30 June 2025 to 4 January 2026 (27 weeks)

Previous corresponding period (1H25)

1 July 2024 to 5 January 2025 (27 weeks)

This Appendix 4D and Half Year Financial Report presents the results of Coles Group Limited ('the Company') and the entities it controlled at the end of or during the 27 weeks ended 4 January 2026 (collectively, 'the Group').

This information should be read in conjunction with the Coles Group Limited 2025 Annual Report.

## Results for announcement to the market

	1H26 \$m				1H25 \$m
Revenue from ordinary activities	23,694	up	2.5%	from	23,106
Earnings before interest and income tax (EBIT) excluding significant items <sup>1</sup>	1,231	up	10.2%	from	1,117
EBIT	996	down	(7.9%)	from	1,082
Profit from ordinary activities after tax attributable to members excluding significant items <sup>1</sup>	676	up	12.5%	from	601
Profit from ordinary activities after tax attributable to members	511	down	(11.3%)	from	576
Profit after tax attributable to members	511	down	(11.3%)	from	576

<sup>1</sup> Significant items recorded in 1H26 relate to the Award covered salaried team member provision, and in 1H25 relate to future closure and site reconfiguration costs on development of a new Victorian Automated Distribution Centre (ADC).

## Dividends

	AMOUNT PER SECURITY	FRANKED AMOUNT PER SECURITY
<b>Current period</b>		
Interim dividend	41.0 cents	41.0 cents
<b>Previous corresponding period</b>		
Interim dividend	37.0 cents	37.0 cents
<b>Year end (29 June 2025)</b>		
Final dividend	32.0 cents	32.0 cents
Conduit foreign income component:		nil
Record date for determining entitlement to the interim dividend:		11 March 2026
Payment date of interim dividend:		30 March 2026

The Company operates a Dividend Reinvestment Plan (DRP) under which eligible holders of ordinary shares are able to reinvest all or part of their dividend payments into additional fully paid Coles Group Limited shares. The DRP will operate at nil discount. The last date to elect to participate in the DRP or to change DRP election preferences, in respect of the interim dividend is 12 March 2026. In accordance with the DRP Rules, the offer price will be calculated as the arithmetic average of the daily volume weighted average market price of the Company's shares during the 5 trading days commencing on 17 March 2026.

## Net tangible assets per share

	1H26	1H25
Net tangible assets per share (\$) <sup>1</sup>	1.24	1.13

<sup>1</sup> Net tangible assets are calculated by deducting intangible assets from the net assets of the Group. Net assets include the right-of-use assets and corresponding lease liabilities recognised under AASB 16 Leases.

## Appendix 4D (continued)

### Entities where control was gained during the period

NAME	DATE
Fresh Destination Pty Ltd	Incorporated 30 July 2025

### Entities where control was lost during the period

There were no entities over which control was lost during the period.

### Details of equity accounted investments

NAME	TYPE	OWNERSHIP INTEREST	
		1H26	1H25
Loyalty Pacific Pty Ltd	Joint venture	50%	50%
Queensland Venue Co. Pty Ltd	Associate	50%	50%
HUG (Austral) Holdings Trust	Associate	40%	-
HUG (Diggers Rest) Holdings Trust	Associate	40%	-
HUG (Richlands) Holdings Trust	Associate	40%	-

Additional Appendix 4D disclosure requirements can be found in the accompanying Half Year Financial Report. The Coles Group Limited 2026 Half Year Results Release also provides further information on the results of the Group.

# Coles Group Limited and Controlled Entities

ABN 11 004 089 936

Half Year Financial Report  
for the 27 weeks ended  
4 January 2026

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# Directors' Report

The Directors present their report on the consolidated entity consisting of Coles Group Limited ('the Company') and the entities it controlled at the end of, or during, the 27 weeks ended 4 January 2026 (collectively, 'the Group').

## Directors

The following persons were Directors of the Company during the half year period and up to the date of this report, unless stated otherwise:

Peter Allen	Chairman and Non-executive Director
Leah Weckert	Managing Director and Chief Executive Officer
Terry Bowen	Non-executive Director (retired 15 October 2025)
Jacqueline Chow	Non-executive Director
Abi Cleland	Non-executive Director
Richard Freudenstein	Non-executive Director
Andrew Penn AO	Non-executive Director
Scott Price	Non-executive Director
Wendy Stops	Non-executive Director

## Non-IFRS information

This report contains International Financial Reporting Standards (IFRS) and non-IFRS financial information. IFRS financial information is financial information that is presented in accordance with all relevant accounting standards. Non-IFRS financial information is financial information that is presented other than in accordance with relevant accounting standards and may not be directly comparable with other companies' information.

Any non-IFRS financial information included in this report has been labelled to differentiate it from statutory or IFRS financial information. Non-IFRS measures are used by management to assess and monitor business performance at the Group and segment level and should be considered in addition to, and not as a substitute for, IFRS information. Operating metrics that are prepared on a non-IFRS basis have been included in the segment commentary to support an understanding of comparable business performance. Non-IFRS information is not subject to audit or review.

## Review and results of operations

The Group's reportable segments are set out below:

Supermarkets	Fresh food, groceries and general merchandise retailing. Includes Coles Online, Coles Financial Services and Coles 360 retail media services
Liquor	Liquor retailing, including online services

Other comprises Property, Coles' share of the Flybuys loyalty program and a product supply arrangement that are not separately reportable, as well as costs associated with enterprise functions which include Insurance and Treasury.

The Group results for the half year ended 4 January 2026, and the comparative half year ended 5 January 2025, are presented below:

	1H26	1H25	Change
	\$m	\$m	
Sales revenue	23,618	23,035	2.5%
Earnings before interest, taxes, depreciation and amortisation (EBITDA)	2,205	2,045	7.8%
Depreciation and amortisation	(974)	(928)	(5.0%)
Segment EBIT	1,231	1,117	10.2%
Significant items	(235)	(35)	n/m
EBIT	996	1,082	(7.9%)
Financing costs	(269)	(271)	0.7%
Income tax expense	(216)	(235)	8.1%
<b>Net profit after tax</b>	<b>511</b>	<b>576</b>	<b>(11.3%)</b>
Basic earnings per share (cents)	38.2	43.1	(11.4%)
Basic earnings per share excluding significant items (cents)	50.6	45.0	12.4%

n/m denotes not meaningful.

## Directors' Report (continued)

### Review and results of operations (continued)

**Sales revenue** increased by 2.5% to \$23,618 million with growth in Supermarkets sales revenue of 3.6% and a decline in Liquor sales revenue of 3.2%. Revenue in Other relates solely to the Product Supply Arrangement (PSA) with Viva Energy Group Ltd (Viva Energy).

**Segment EBIT** increased by 10.2% to \$1,231 million underpinned by strong growth in Supermarkets earnings, reflecting sales momentum and operating leverage coupled with the annualised benefit of our Automated Distribution Centre (ADC) program and the absence of major project implementation, dual running and transition costs<sup>1</sup>.

**Significant items** of \$235 million (\$165 million after tax) were recorded as a result of the Federal Court judgment received in September 2025 in relation to the Fair Work Ombudsman's (FWO) proceedings.

**Financing costs** decreased by \$2 million to \$269 million with lease related financing costs increasing by \$2 million and non-lease financing costs decreasing by \$4 million.

### Balance Sheet

With the half year ending on 4 January 2026, an additional payment run occurred in the final week of the half resulting in an additional cash outflow of approximately \$560 million (1H25: \$520 million). This impacted several balance sheet metrics, including working capital and net debt.

The key balance sheet movements for the half year ended 4 January 2026 as compared to 29 June 2025 are as follows:

**Inventories** increased by \$222 million to \$2,955 million primarily driven by the seasonal build of inventory. The balance at 1H26 is in line with 1H25.

**Trade and other payables** decreased by \$459 million to \$4,178 million primarily due to the additional payment run partially offset by the seasonal Christmas and New Year trading activity at the end of the half year period.

**Interest-bearing liabilities** increased by \$434 million to \$2,418 million largely due to increased revolving debt used to support the operations of the business, including the additional payment run. Included in current interest bearing liabilities is a medium term note of \$300 million which matures in November 2026.

**Provisions** increased by \$193 million to \$1,468 million primarily driven by the revision in estimated remediation costs related to the Award covered salaried team member review included in current provisions.

### Award covered salaried team member review

In February 2020, Coles announced it was conducting a review into the pay arrangements for all team members who received a salary and were covered by the General Retail Industry Award 2010 (GRIA). The review assessed the remuneration paid to 15,011 team members against the GRIA. Coles conducted a remediation program, and has paid \$31 million of remediation costs to date.

In December 2021, the FWO filed proceedings in the Federal Court of Australia which include issues relating to the interpretation and application of various provisions of the GRIA. The FWO alleges that Coles is obligated to pay a further \$108 million in remediation payments to 7,687 team members for the period 1 January 2017 to 31 March 2020. This group is a subset of the award covered salaried employees which were assessed as part of the 2020 review by Coles. Additionally, the period of time covered in the proceedings is a lesser period than the period covered in Coles' remediation.

The FWO matter was heard in a seven week trial from 5 June 2023. Class action proceedings, filed in the Federal Court of Australia in May 2020, in relation to payment of Coles managers employed in supermarkets was heard at the same time. Judgment was received on 5 September 2025 with orders yet to be determined. Following the determination of orders an opportunity to appeal will exist for all parties to the proceeding.

As a result of the FWO's interpretation of a number of GRIA and Fair Work Act provisions being upheld by the Federal Court, an additional provision of \$235 million has been recognised in the current period, refer to the Financial Statements Note 7. Provisions.

There is a risk that the determination of orders and/or appeals may impact the Group's current assessment of the position and require the Group to make further remediation payments.

Any potential penalties remain uncertain at the date of this report, as does the impact of the class action.

<sup>1</sup> Major project implementation, dual running and transition costs of \$92 million were incurred in 1H25 in relation to our ADC and Customer Fulfillment Centre (CFC) projects.

## Directors' Report (continued)

### Review and results of operations (continued)

#### ACCC proceedings

On 23 September 2024, the Australian Competition and Consumer Commission (ACCC) commenced civil proceedings against Coles Supermarkets Australia Pty Ltd in the Federal Court of Australia alleging contraventions of the Australian Consumer Law regarding the Coles Down Down program between February 2022 and May 2023.

The ACCC proceedings allege Coles increased the prices of at least 245 products before placing them on Down Down promotions at prices that were higher than, or the same as, the price at which each product had ordinarily been offered for sale before the price increase. It is alleged that Coles made representations that the prices of the products were discounted and that these representations were false and misleading. Coles filed its evidence in November 2025 and the matter was heard in the Federal Court in February 2026 with the outcome pending.

In November 2024, Coles was notified that a class action proceeding against Coles had been filed in the Federal Court of Australia alleging misleading conduct in relation to the same products that are the subject of the ACCC proceedings.

Coles is defending the ACCC and class action proceedings. Given the status of the proceedings, the potential outcome including penalty, and total costs associated with these matters remain uncertain.

For further information regarding the Group's contingencies, refer to the Financial Statements Note 12. Contingencies.

#### Supermarkets

##### Segment Overview

The Supermarkets results for the half year ended 4 January 2026, and the comparative half year ended 5 January 2025, are presented below:

\$m	1H26	1H25	Change
Sales revenue	21,365	20,629	3.6%
EBITDA	2,129	1,935	10.0%
EBIT	1,234	1,077	14.6%
Gross margin <sup>1</sup> (%)	27.8	27.1	65bps
Cost of doing business (CODB) <sup>1</sup> (%)	(22.0)	(21.9)	(10bps)
EBIT margin (%)	5.8	5.2	55bps

<sup>1</sup> 1H25 restated to reflect the reclassification of certain right of use lease depreciation costs from CODB to gross margin.

##### Operating metrics (non-IFRS)

	1H26	2Q26	1Q26	1H25
Sales growth excl. tobacco (%)	5.5	4.4	7.0	5.6
Sales growth excl. tobacco and competitor industrial action <sup>1</sup> (%)	6.1	5.5	7.0	5.0
Comparable sales growth (%)	3.4	2.4	4.6	3.4
eCommerce sales <sup>2</sup> (\$ billions)	2.8	1.5	1.3	2.2
eCommerce penetration <sup>2</sup> (%)	13.1	13.0	13.3	10.7
Sales density per square metre <sup>3</sup> (MAT \$/sqm)	20,104	20,104	20,003	19,434
Inflation (%)	1.8	1.9	1.6	1.4
Inflation excl. tobacco (%)	1.5	1.7	1.2	1.0
Inflation excl. tobacco and fresh (%)	1.2	1.4	0.9	0.1

<sup>1</sup> Adjusted for the competitor industrial action in 2Q25 which was estimated to have contributed approximately \$120 million in sales revenue to Supermarkets in 1H25.

<sup>2</sup> eCommerce sales and penetration are based on sales revenue and include liquor sold through coles.com.au.

<sup>3</sup> Sales density per square metre is a moving annual total (MAT), calculated on a rolling 52-week basis and is based on sales revenue.

## Directors' Report (continued)

### Review and results of operations (continued)

#### Supermarkets (continued)

##### Highlights

Supermarket sales revenue of \$21,365 million increased by 3.6%. Adjusting for the competitor industrial action in the previous corresponding period and excluding tobacco, the sales growth rate was 6.1%. The Group continued to make investments in value, particularly over the festive season. During the half, the price of hundreds of products were lowered as part of our Winter and Spring value campaigns and the number of products within our everyday value range increased. The price of several key fresh produce lines was lowered to \$1 and more than 1,000 half price specials were offered in the lead up to Christmas.

Flybuys participation remained strong with active members increasing by 6.2%, supported by our 'Shop. Scan. WIN!' and European Glassware campaigns.

eCommerce sales increased by 27.0%. Sales were strong across the half, including over the Black Friday and Christmas trading periods. CFC volumes continued to increase with sales growth outpacing total eCommerce growth and our same day delivery offer was expanded to include CFC fulfilled orders from both the Melbourne and Sydney CFCs. In addition, we announced enhancements to our immediacy offer through our expanded partnership with Uber Eats which now allows customers to access up to 17,000 products directly through the Uber Eats app.

Coles 360 retail media income grew by 10.3%<sup>1</sup> with several campaigns delivered during the half.

Exclusive to Coles sales increased by 5.7% with a particularly strong performance across our Christmas and seasonal lines, as well as our Coles Finest range, which continued to outperform the broader portfolio. On a category basis, our frozen and fresh convenience ranges and our breakfast lines delivered strong growth. More than 500 products were introduced during the half and the portfolio was recognised at the 2026 Product of the Year awards<sup>2</sup> with 17 Exclusive to Coles products recognised for their quality, value and innovation.

During the half, Coles completed 35 store renewals, opened six new stores and closed one store, taking the total network to 865 supermarkets.

Gross margin increased by 65 bps to 27.8%, supported by the mix shift to lower tobacco sales (37 bps), annualised ADC benefits, strategic sourcing, Simplify and Save to Invest (SSI) initiatives and growth in Coles 360 retail media income.

Cost of doing business (CODB) as a percentage of sales increased by 10 bps to 22.0%, with operating leverage and SSI benefits helping to offset cost inflation, including wages, energy and technology, and mix impacts from strong growth in eCommerce and lower tobacco sales.

Supermarkets EBIT of \$1,234 million increased by 14.6%, with an EBIT margin of 5.8%, benefiting from the absence of major project implementation costs this half (1H26: nil; 1H25: \$92 million) which positively contributed 10 bps and 34 bps to the gross margin and CODB outcomes respectively.

<sup>1</sup> Includes Coles 360 income in Supermarkets and Liquor.

<sup>2</sup> Product of the Year is the world's largest consumer-voted awards program that recognises product innovation, with more than 5,000 Australian shoppers voting.

# Directors' Report (continued)

## Review and results of operations (continued)

### Liquor

#### Segment Overview

The Liquor results for the half year ended 4 January 2026, and the comparative half year ended 5 January 2025, are presented below:

\$m	1H26	1H25	Change
Sales revenue	1,939	2,004	(3.2%)
EBITDA	113	135	(16.3%)
EBIT	42	67	(37.3%)
Gross margin (%)	23.3	23.1	17bps
Cost of doing business (CODB) (%)	(21.1)	(19.7)	(135bps)
EBIT margin (%)	2.2	3.3	(118bps)

#### Operating metrics (non-IFRS)

	1H26	2Q26	1Q26	1H25
Comparable sales growth (%)	(3.6)	(5.3)	(1.4)	(1.3)
eCommerce sales <sup>1</sup> (\$ millions)	149	86	63	148
eCommerce penetration <sup>1</sup> (%)	7.8	7.9	7.6	7.5
eCommerce penetration (inc. COL) <sup>2</sup> (%)	9.0	9.2	8.7	8.7
Sales density per square metre <sup>3</sup> (MAT \$/sqm)	15,438	15,438	15,610	15,689

<sup>1</sup> eCommerce sales and penetration include B2B sales, are based on sales revenue, and exclude liquor sold through coles.com.au which is reported in Supermarkets eCommerce sales.

<sup>2</sup> eCommerce penetration includes liquor sold through coles.com.au.

<sup>3</sup> Sales density per square metre is a moving annual total (MAT), calculated on a rolling 52-week basis and is based on sales revenue.

### Highlights

Liquor sales revenue of \$1,939 million decreased by 3.2%. The market remained subdued and competitive intensity increased, particularly in the second quarter. Notwithstanding this, we saw positive sales growth across our convenience portfolio<sup>1</sup>, which accounts for approximately 90% of our store fleet. We also successfully completed our 'Simply Liquorland' banner conversions. The transformation is allowing us to offer customers a more seamless omnichannel experience and consistent value across our store formats.

eCommerce sales continued to deliver positive growth increasing by 0.7% with penetration increasing to 7.8% (9.0% including liquor sold through Coles Online).

During the half, 11 new stores were opened, nine stores closed and 127 store renewals were completed, inclusive of the 'Simply Liquorland' conversions. At the end of the half, the portfolio comprised 1,000 stores, including 26 Liquorland Cellars and 93 Liquorland Warehouse stores.

Gross margin increased by 17bps to 23.3% with investments in value and \$4 million in one-off 'Simply Liquorland' range optimisation costs more than offset by strategic sourcing initiatives and growth in Coles 360 retail media income.

CODB as a percentage of sales increased by 135 bps to 21.1% reflecting inflationary cost pressure and fixed cost deleverage partially offset by SSI benefits.

EBIT decreased by 37.3% which includes one-off costs associated with 'Simply Liquorland'<sup>2</sup> and the simplification of the above store operating model.

<sup>1</sup> Excludes the 93 Liquorland Warehouse stores.

<sup>2</sup> 1H26: \$13 million (\$4 million recorded in gross profit and \$9 million recorded in CODB).

## Directors' Report (continued)

### Review and results of operations (continued)

#### Other

Other includes corporate costs, Coles' 50% share of Flybuys' net result, the net gain or loss generated by Coles' property portfolio and the PSA with Viva Energy.

\$m	1H26	1H25	Change
Sales revenue	314	402	(21.9%)
EBITDA	(37)	(25)	(48.0%)
EBIT	(45)	(27)	(66.7%)

In Other, Coles reported sales revenue from the PSA of \$314 million, a decline on the previous corresponding period largely due to lower tobacco sales.

The EBIT result includes corporate costs of \$49 million which is higher than the previous corresponding period, largely due to an increase in actuarial based insurance related costs. In addition, a net property loss of \$1 million was recorded compared to a net gain of \$11 million in the previous corresponding period. These costs were partly offset by a \$4 million positive contribution from the PSA as well as a net gain of \$1 million from Coles' 50% share of Flybuys.

#### Dividends

On 27 February 2026, the Directors declared an interim dividend of 41.0 cents per fully paid ordinary share with a payment date of 30 March 2026, fully franked at the corporate tax rate of 30%. The aggregate amount of the interim dividend to be paid out of profits, but not recognised as a liability as at 4 January 2026, is \$550 million<sup>1</sup>.

#### Rounding of amounts

The amounts shown in the Half Year Financial Report have been rounded, except where otherwise stated, to the nearest one million dollars, with the Company being in a class specified in the ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191.

#### Auditor's independence declaration

A copy of the Auditor's Independence Declaration is set out on page 11.

This report is made in accordance with a resolution of the directors of the Company on 27 February 2026.



**Peter Allen**  
Chairman



**Leah Weckert**  
Managing Director and Chief Executive Officer

<sup>1</sup> Estimated interim dividend payable, subject to variations in the number of shares up to the record date.



Shape the future  
with confidence

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## Auditor's Independence Declaration to the Directors of Coles Group Limited

As lead auditor for the review of the half-year financial report of Coles Group Limited for the half-year ended 4 January 2026, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review;
- b. No contraventions of any applicable code of professional conduct in relation to the review; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the review.

This declaration is in respect of Coles Group Limited and the entities it controlled during the financial period.

Ernst & Young

David Shewring  
Partner  
27 February 2026

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# Consolidated Financial Statements

## Income Statement

For the 27 weeks ended 4 January 2026

	Notes	CONSOLIDATED	
		1H26	1H25
		\$m	\$m
Sales revenue		23,618	23,035
Other operating revenue		76	71
<b>Total operating revenue</b>		<b>23,694</b>	<b>23,106</b>
Cost of sales		(17,306)	(17,042)
<b>Gross profit</b>		<b>6,388</b>	<b>6,064</b>
Other income		66	68
Administration expenses		(5,459)	(5,048)
Share of net profit/(loss) from equity accounted investments		1	(2)
<b>Earnings before interest and tax (EBIT)</b>		<b>996</b>	<b>1,082</b>
Financing costs	4	(269)	(271)
<b>Profit before income tax</b>		<b>727</b>	<b>811</b>
Income tax expense	5	(216)	(235)
<b>Profit for the half year</b>		<b>511</b>	<b>576</b>
<b>Profit attributable to:</b>			
Equity holders of the parent entity		511	576
<b>Earnings per share (EPS) attributable to equity holders of the Company:</b>			
Basic EPS (cents)	3	38.2	43.1
Diluted EPS (cents)	3	38.1	43.0
<b>Other comprehensive income</b>			
Items that may be reclassified to profit or loss:			
Net movement in the fair value of cash flow hedges		(2)	6
Income tax effect	5	1	(2)
<b>Other comprehensive income which may be reclassified to profit or loss in subsequent periods</b>		<b>(1)</b>	<b>4</b>
<b>Total comprehensive income attributable to:</b>			
Equity holders of the parent entity		510	580

The accompanying notes form part of the Half Year Financial Report.

## Balance Sheet

As at 4 January 2026

	Notes	CONSOLIDATED		
		4 JANUARY 2026	29 JUNE 2025	5 JANUARY 2025
		\$m	\$m	\$m
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	598	705	625
Trade and other receivables		549	487	500
Inventories		2,955	2,733	2,957
Income tax receivable		3	28	-
Assets held for sale		38	105	76
Other assets		138	120	128
<b>Total current assets</b>		<b>4,281</b>	<b>4,178</b>	<b>4,286</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment		6,077	5,866	5,562
Right-of-use assets		6,739	6,942	7,041
Intangible assets		2,223	2,246	2,247
Deferred tax assets		722	671	706
Equity accounted investments		268	240	239
Other assets		82	151	118
<b>Total non-current assets</b>		<b>16,111</b>	<b>16,116</b>	<b>15,913</b>
<b>Total assets</b>		<b>20,392</b>	<b>20,294</b>	<b>20,199</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables		4,178	4,637	4,208
Interest-bearing liabilities	8	300	150	150
Income tax payable		-	-	27
Provisions	7	1,085	894	836
Lease liabilities		928	928	914
Other		283	247	284
<b>Total current liabilities</b>		<b>6,774</b>	<b>6,856</b>	<b>6,419</b>
<b>NON-CURRENT LIABILITIES</b>				
Interest-bearing liabilities	8	2,118	1,834	2,126
Provisions	7	383	381	362
Lease liabilities		7,226	7,415	7,525
Other		8	2	3
<b>Total non-current liabilities</b>		<b>9,735</b>	<b>9,632</b>	<b>10,016</b>
<b>Total liabilities</b>		<b>16,509</b>	<b>16,488</b>	<b>16,435</b>
<b>Net assets</b>		<b>3,883</b>	<b>3,806</b>	<b>3,764</b>
<b>EQUITY</b>				
Contributed equity		1,716	1,704	1,683
Reserves		89	106	92
Retained earnings		2,078	1,996	1,989
<b>Total equity</b>		<b>3,883</b>	<b>3,806</b>	<b>3,764</b>

The accompanying notes form part of the Half Year Financial Report.

## Statement of Changes in Equity

For the 27 weeks ended 4 January 2026

	Share capital	Shares held in trust	Share-based payments reserve	Cash flow hedge reserve	Retained earnings	Total
	\$m	\$m	\$m	\$m	\$m	\$m
<b>1H26</b>						
<b>Balance at beginning of half year</b>	1,786	(82)	90	16	1,996	3,806
Profit for the half year	-	-	-	-	511	511
Other comprehensive income	-	-	-	(1)	-	(1)
<b>Total comprehensive income for the half year</b>	-	-	-	(1)	511	510
Dividends paid	-	-	-	-	(429)	(429)
Issue of shares to satisfy the dividend reinvestment plan	20	-	-	-	-	20
Transfer of shares to employees under the employee equity incentive plan	-	30	(30)	-	-	-
Transfer of shares to employees under the employee share purchase plan	-	7	-	-	-	7
Purchase of shares to satisfy the employee equity incentive plan	-	(45)	-	-	-	(45)
Share-based payments expense	-	-	14	-	-	14
<b>Balance at end of half year</b>	1,806	(90)	74	15	2,078	3,883
<b>1H25</b>						
<b>Balance at beginning of half year</b>	1,750	(78)	93	10	1,842	3,617
Profit for the half year	-	-	-	-	576	576
Other comprehensive income	-	-	-	4	-	4
<b>Total comprehensive income for the half year</b>	-	-	-	4	576	580
Dividends paid	-	-	-	-	(429)	(429)
Issue of shares to satisfy the dividend reinvestment plan	17	-	-	-	-	17
Transfer of shares to employees under the employee equity incentive plan	-	31	(30)	-	-	1
Transfer of shares to employees under the employee share purchase plan	-	5	-	-	-	5
Purchase of shares to satisfy the employee equity incentive plan	-	(40)	-	-	-	(40)
Purchase of shares to satisfy the employee share purchase plan	-	(2)	-	-	-	(2)
Share-based payments expense	-	-	15	-	-	15
<b>Balance at end of half year</b>	1,767	(84)	78	14	1,989	3,764

The accompanying notes form part of the Half Year Financial Report.

## Cash Flow Statement

For the 27 weeks ended 4 January 2026

	Notes	CONSOLIDATED	
		1H26	1H25
		\$m	\$m
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers		24,919	24,332
Payments to suppliers and employees		(23,408)	(22,940)
Interest paid		(50)	(62)
Interest component of lease payments		(212)	(210)
Interest received		1	2
Income tax paid		(242)	(272)
<b>Net cash flows from operating activities</b>		<b>1,008</b>	<b>850</b>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment and intangibles		(706)	(657)
Proceeds from sale of property, plant and equipment		113	125
Net investments in joint venture and associate		(28)	(16)
Net advances to related parties		(18)	(37)
Other loans		-	(25)
Payments for acquisition of businesses, net of cash acquired		(41)	-
<b>Net cash flows used in investing activities</b>		<b>(680)</b>	<b>(610)</b>
<b>CASH FLOWS USED IN FINANCING ACTIVITIES</b>			
Repayment of borrowings		(150)	-
Net proceeds from revolving facilities		635	618
Payment of principal elements of lease payments		(466)	(453)
Dividends paid		(409)	(412)
Purchase of shares to satisfy the employee equity incentive and share plans		(45)	(43)
<b>Net cash flows used in financing activities</b>		<b>(435)</b>	<b>(290)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(107)</b>	<b>(50)</b>
Cash at the beginning of half year		705	675
<b>Cash at the end of half year</b>	6	<b>598</b>	<b>625</b>

The accompanying notes form part of the Half Year Financial Report.

# Notes to the Consolidated Financial Statements

The Half Year Financial Report of Coles Group Limited ('the Company') in respect of the Company and its controlled entities (collectively, 'the Group') for the 27 weeks ended 4 January 2026 was authorised for issue in accordance with a resolution of the Directors of Coles Group Limited on 27 February 2026.

References in this report to 'half year' are to the 27 week period from 30 June 2025 to 4 January 2026 (1H25: 27 weeks from 1 July 2024 to 5 January 2025) unless otherwise stated.

## Reporting entity

Coles Group Limited is a for-profit company limited by shares which is incorporated and domiciled in Australia and listed on the Australian Securities Exchange (ASX). The nature of the operations and principal activities of the Group are described in Note 2. Segment reporting.

## 1. Basis of preparation and accounting policies

The Half Year Financial Report for the 27 weeks ended 4 January 2026 has been prepared in accordance with AASB 134 Interim Financial Reporting (AASB 134) and the *Corporations Act 2001* (Cth).

In accordance with AASB 134, the Half Year Financial Report does not include all the note disclosures normally included in an annual financial report. Therefore, this report is to be read in conjunction with the 2025 Financial Report and any public announcements made by the Group during the half year reporting period in accordance with the continuous disclosure requirements of the ASX listing rules.

The accounting policies adopted are consistent with those of the previous financial year and corresponding half year reporting period.

The Half Year Financial Report is presented in Australian dollars and all values are rounded to the nearest million dollars unless otherwise stated, in accordance with *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191*. The Company is an entity to which this legislative instrument applies.

This Half Year Financial Report presents reclassified comparative information where required for consistency with the current half year's presentation.

### Key judgements, estimates and assumptions

The preparation of the financial statements requires judgement and the use of estimates and assumptions in applying the Group's accounting policies, which affect amounts reported for assets, liabilities, income and expenses. Actual results may differ from these judgements, estimates and assumptions.

The judgements, estimates and assumptions applied in the Half Year Financial Report, including the key sources of estimation uncertainty are the same as those applied in the 2025 Financial Report.

### New and amended standards and interpretations adopted from 30 June 2025

There are amendments and interpretations that apply for the first time in this period. These did not have a material impact on the consolidated financial statements of the Group.

### New and revised Australian accounting standards and interpretations on issue but not yet effective

AASB 18 Presentation and Disclosure in Financial Statements was released in June 2024 and is effective for annual reporting periods beginning on or after 1 January 2027. AASB 18 replaces AASB 101 Presentation of Financial Statements. The Group is assessing the impact of the standard, which is expected to result in a change in presentation of the Income Statement and associated Notes to the Financial Statements.

There are no other standards issued but not yet effective that would be expected to have a material impact on the Group in the current or future reporting periods.

### Seasonality of operations

The financial performance of the Group is affected by seasonality whereby earnings are typically greater in the half year due to Christmas trading.

## Notes to the Consolidated Financial Statements (continued)

### 2. Segment reporting

The Group has identified its operating segments based on internal reporting to the Managing Director and Chief Executive Officer (the chief operating decision maker). The Managing Director and Chief Executive Officer regularly reviews the Group's internal reporting to assess performance and allocate resources across the operating segments. The segments identified offer different products and services and are managed separately.

The Group's reportable segments are set out below:

Supermarkets	Fresh food, groceries and general merchandise retailing. Includes Coles Online, Coles Financial Services and Coles 360 retail media services
Liquor	Liquor retailing, including online services

Other comprises Property, Coles' share of the Flybuys loyalty program and a product supply arrangement that are not separately reportable, as well as costs associated with enterprise functions which include Insurance and Treasury.

There are varying levels of integration between operating segments. This includes the common usage of property, services, and administration functions. Financing costs and income tax are managed on a Group basis and are not allocated to operating segments.

EBIT is the key financial measure by which management monitors the performance of the segments.

The Group does not have material operations in other geographic areas or economic exposure to any individual customer that is in excess of 10% of sales revenue.

	Supermarkets \$m	Liquor \$m	Other \$m	Total \$m
<b>1H26</b>				
Sales revenue	21,365	1,939	314	23,618
Cost of sales <sup>1</sup>	(15,510)	(1,488)	(308)	(17,306)
<b>EBITDA</b>	<b>2,129</b>	<b>113</b>	<b>(37)</b>	<b>2,205</b>
Depreciation and amortisation	(895)	(71)	(8)	(974)
<b>Segment EBIT</b>	<b>1,234</b>	<b>42</b>	<b>(45)</b>	<b>1,231</b>
Significant items				(235)
<b>EBIT</b>				<b>996</b>
Financing costs				(269)
<b>Profit before income tax</b>				<b>727</b>
Income tax expense				(216)
<b>Profit for the half year</b>				<b>511</b>
Share of net profit of equity accounted investments included in EBIT				1
<b>1H25</b>				
Sales revenue	20,629	2,004	402	23,035
Cost of sales <sup>1</sup>	(15,106)	(1,542)	(394)	(17,042)
<b>EBITDA</b>	<b>1,935</b>	<b>135</b>	<b>(25)</b>	<b>2,045</b>
Depreciation and amortisation	(858)	(68)	(2)	(928)
<b>Segment EBIT</b>	<b>1,077</b>	<b>67</b>	<b>(27)</b>	<b>1,117</b>
Significant items				(35)
<b>EBIT</b>				<b>1,082</b>
Financing costs				(271)
<b>Profit before income tax</b>				<b>811</b>
Income tax expense				(235)
<b>Profit for the half year</b>				<b>576</b>
Share of net loss of equity accounted investments included in EBIT				(2)

<sup>1</sup> Included in cost of sales is depreciation and amortisation of \$130 million (1H25: \$129 million).

## Notes to the Consolidated Financial Statements (continued)

### 2. Segment reporting (continued)

#### Significant items

Significant Items are large gains, losses, income, expenditures or events that are not in the ordinary course of business. They typically arise from events that are not considered part of the core operations of the Group. These items have been highlighted below to help users of the Financial Report understand the financial performance of the Group.

#### Award covered salaried team member review - employee benefits provision

On 5 September 2025, judgment was received in the Fair Work Ombudsman (FWO) proceedings and associated class action, heard in the Federal Court of Australia in June 2023. Orders are yet to be determined. As a result of the FWO's interpretation of a number of GRIA and Fair Work Act provisions being upheld by the Federal Court, the Net profit before tax for 1H26 includes a provision of \$235 million (recognised in 'Administration expenses'). Refer to Note 7 Provisions for discussion on the Award covered salaried team member review, the potential penalties and impact of the related class action.

#### Coles supply chain modernisation - restructuring provision

On 31 October 2024, the Company announced the development of a new ambient Automated Distribution Centre (ADC) in Truganina, Victoria. Net profit before tax for 1H25 includes a provision of \$35 million (recognised in 'Administration expenses') relating to future closure and site reconfiguration costs.

### 3. Earnings per share (EPS)

	1H26	1H25
<b>EPS attributable to equity holders of the Company</b>		
Basic EPS (cents)	38.2	43.1
Diluted EPS (cents)	38.1	43.0
<b>Profit for the half year (\$m)</b>	<b>511</b>	<b>576</b>
Weighted average number of ordinary shares for basic EPS (shares, million)	1,337	1,336
Weighted average number of ordinary shares for diluted EPS (shares, million)	1,341	1,339

#### Calculation methodology

EPS is the profit after tax attributable to ordinary equity holders of Coles Group Limited, divided by the weighted average number of ordinary shares during the half year.

Diluted EPS is calculated on the same basis except that it includes the impact of any potential commitments the Group has to issue shares in the future.

Between the half year reporting date and the issue date of this Half Year Financial Report, there have been no transactions involving ordinary shares or potential ordinary shares that would impact the calculation of EPS disclosed in the table above.

### 4. Financing costs

	CONSOLIDATED	
	1H26	1H25
	\$m	\$m
Interest on debt and borrowings	42	48
Interest on lease liabilities	212	210
Other finance related costs	15	13
<b>Total financing costs</b>	<b>269</b>	<b>271</b>

Financing costs directly attributable to the acquisition, construction or production of an asset, that necessarily takes more than 12 months to get ready for its intended use or sale, are capitalised as part of the cost of the asset. All other financing costs are expensed in the period in which they are incurred.

## Notes to the Consolidated Financial Statements (continued)

### 5. Income tax

The major components of income tax expense in the Income Statement are set out below:

	CONSOLIDATED	
	1H26	1H25
	\$m	\$m
Current income tax expense	267	226
Deferred income tax relating to origination and reversal of temporary differences	(51)	9
	<b>216</b>	<b>235</b>

The components of income tax expense recognised in other comprehensive income (OCI) are set out below:

	CONSOLIDATED	
	1H26	1H25
	\$m	\$m
Deferred tax related to items recognised in OCI during the period:		
Net profit/(loss) on revaluation of cash flow hedges	1	(2)
Deferred tax charged to OCI	1	(2)

### Reconciliation of the Group's applicable tax rate to the effective tax rate

	CONSOLIDATED	
	1H26	1H25
	\$m	\$m
Profit before income tax	727	811
At Australia's corporate tax rate of 30% (5 January 2025: 30%)	218	243
Share of results of joint venture	-	1
Non-deductible expenses for income tax purposes	-	1
Non-assessable income for income tax purposes	(2)	(1)
Utilisation of previously unrecognised capital losses	-	(9)
<b>Income tax expense reported in the Income Statement<sup>1</sup></b>	<b>216</b>	<b>235</b>

<sup>1</sup> At an effective income tax rate of 29.7% (5 January 2025: 29.0%).

### Global minimum tax

Coles Group Limited is subject to the Organization for Economic Cooperation and Development (OECD) Pillar Two model rules (Pillar Two rules). Pillar Two legislation received royal assent in Australia on 10 December 2024 and is effective for the Group's financial years beginning 1 July 2024. Of the foreign jurisdictions where Coles has a presence, Singapore has enacted Pillar Two legislation, whereas China and Hong Kong have not. Pillar Two rules impose a minimum 15% effective tax rate applicable in each jurisdiction in which the Group has a presence. Coles expects that the Pillar Two rules will not have a material impact on the Group's income tax expense.

### 6. Cash and cash equivalents

Cash and cash equivalents are comprised of the following:

	CONSOLIDATED	
	4 JANUARY 2026	29 JUNE 2025
	\$m	\$m
Cash in transit	365	370
Cash on hand	201	165
Cash at bank and on deposit	32	170
<b>Total cash and cash equivalents</b>	<b>598</b>	<b>705</b>

All receivables from EFT, credit card and debit card point of sale transactions during the period are classified as cash equivalents.

For the purpose of the Cash Flow Statement, cash and cash equivalents includes cash on hand and in transit, at bank and on deposit, net of outstanding bank overdrafts which are repayable on demand.

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits earn interest at the respective short-term deposit rates.

## Notes to the Consolidated Financial Statements (continued)

### 7. Provisions

Provisions have increased during the period due to updated assessments of existing obligations and the recognition of new expected future costs, primarily related to the Award covered salaried team member review.

#### Award covered salaried team member review

In February 2020, Coles announced it was conducting a review into the pay arrangements for all team members who received a salary and were covered by the General Retail Industry Award 2010 (GRIA). The review assessed the remuneration paid to 15,011 team members against the GRIA. Coles conducted a remediation program, and has paid \$31 million of remediation costs to date.

In December 2021, the FWO filed proceedings in the Federal Court of Australia which include issues relating to the interpretation and application of various provisions of the GRIA. The FWO alleges that Coles is obligated to pay a further \$108 million in remediation payments to 7,687 team members for the period 1 January 2017 to 31 March 2020. This group is a subset of the award covered salaried employees which were assessed as part of the 2020 review by Coles. Additionally, the period of time covered in the proceedings is a lesser period than the period covered in Coles' remediation.

The FWO matter was heard in a seven week trial from 5 June 2023. Class action proceedings, filed in the Federal Court of Australia in May 2020, in relation to payment of Coles managers employed in supermarkets was heard at the same time. Judgment was received on 5 September 2025 with orders yet to be determined. Following the determination of orders an opportunity to appeal will exist for all parties to the proceeding.

As a result of the FWO's interpretation of a number of GRIA and Fair Work Act provisions being upheld by the Federal Court, an additional provision of \$235 million has been recognised in the current period, refer to Note 2. Segment reporting, bringing the total provision as at 4 January 2026 to \$254 million (29 June 2025: \$19 million).

There is a risk that the determination of orders and/or appeals may impact the Group's current assessment of the position and require the Group to make further remediation payments.

Any potential penalties remain uncertain at the date of this report, as does the impact of the class action.

### 8. Interest-bearing liabilities

	CONSOLIDATED	
	4 JANUARY 2026	29 JUNE 2025
	\$m	\$m
<b>CURRENT</b>		
Capital market debt	300	150
<b>Total current interest-bearing liabilities</b>	<b>300</b>	<b>150</b>
<b>NON-CURRENT</b>		
Bank debt	628	-
Capital market debt	1,490	1,834
<b>Total non-current interest-bearing liabilities</b>	<b>2,118</b>	<b>1,834</b>
<b>Total interest-bearing liabilities</b>	<b>2,418</b>	<b>1,984</b>

Interest-bearing loans and borrowings are initially recorded at fair value, net of attributable transaction costs. Subsequent to initial recognition, interest-bearing loans and borrowings are measured at amortised cost using the effective interest method. Gains and losses are recognised in the Income Statement when the liabilities are derecognised.

The carrying values of liabilities that are the hedged items in fair value hedge relationships, which are otherwise carried at amortised cost, are adjusted to record changes in the fair values attributable to the risks that are being hedged. Fair value gains and losses are recognised in financing costs in the Income Statement.

## Notes to the Consolidated Financial Statements (continued)

### 9. Dividends paid and proposed

	Cents per share		Total \$m	
	1H26	1H25	1H26	1H25
<b>Fully franked dividends determined and paid during the period</b>				
Prior year final dividend	32.0	32.0	429	429
	<b>32.0</b>	<b>32.0</b>	<b>429</b>	<b>429</b>
<b>Fully franked dividends proposed and unrecognised at reporting date</b>				
Interim dividend proposed <sup>1</sup>	41.0	37.0	550	496
	<b>41.0</b>	<b>37.0</b>	<b>550</b>	<b>496</b>

<sup>1</sup> Estimated interim dividend payable, subject to variations in the number of shares up to the record date.

The Company operates a Dividend Reinvestment Plan (DRP) under which eligible holders of ordinary shares are able to reinvest all or part of their dividend payments into additional fully paid Coles Group Limited shares.

### 10. Financial instruments

#### Financial assets and liabilities measured at fair value

The following table sets out the fair value measurement hierarchy and fair value of the Group's derivative financial instruments:

	Fair value hierarchy	4 JANUARY 2026		29 JUNE 2025	
		Asset	Liability	Asset	Liability
		\$m	\$m	\$m	\$m
<b>CASH FLOW HEDGES</b>					
Forward exchange contracts	Level 2	1	(6)	9	(4)
Foreign currency options	Level 2	3	-	5	-
Power Purchase Agreement	Level 3	22	(2)	18	(3)
<b>FAIR VALUE HEDGES</b>					
Interest rates swaps	Level 2	3	(7)	41	-
<b>Total</b>		<b>29</b>	<b>(15)</b>	<b>73</b>	<b>(7)</b>

The Group measures certain financial instruments, such as derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data is available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

<b>Level 1</b>	Fair value is calculated using quoted prices in active markets for identical assets or liabilities
<b>Level 2</b>	Fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
<b>Level 3</b>	Fair value is estimated using inputs for the asset or liability that are not based on observable market data (unobservable inputs)

For financial instruments that are carried at fair value on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

There were no transfers between levels during the period.

## Notes to the Consolidated Financial Statements (continued)

### 10. Financial instruments (continued)

#### Derivatives

The Group enters into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Foreign exchange forward contracts, foreign currency options, interest rate swap contracts and power purchase agreements are valued using forward pricing techniques. This includes the use of market observable inputs, such as foreign exchange spot and forward rates and volatilities, yield curves of the respective currencies, interest rate curves and electricity futures. In addition, the valuation of the power purchase arrangement includes an unobservable input relating to forward electricity price assumptions.

#### Carrying amounts versus fair values

The carrying amount and fair value of the Group's financial assets and financial liabilities recognised in the financial statements for the reporting period are materially the same as disclosed in the Financial Report for the period ended 29 June 2025.

### 11. Commitments

Capital expenditure commitments of the Group are set out below:

	CONSOLIDATED	
	4 JANUARY 2026	29 JUNE 2025
	\$m	\$m
Within one year	476	169
Between one and five years	295	449
More than five years	25	24
<b>Total capital commitments for expenditure</b>	<b>796</b>	<b>642</b>

The commitment amounts disclosed above represent the maximum amounts that the Group is obliged to pay.

### 12. Contingencies

The following matters are disclosed as contingent liabilities and, given the status of matters, it is not possible to provide a range of possible outcomes or a reliable estimate of potential future exposures unless otherwise stated. Future developments in matters for which a contingent liability is disclosed could have a material adverse impact upon the Group's earnings and financial position.

#### ACCC proceedings

On 23 September 2024, the Australian Competition and Consumer Commission (ACCC) commenced civil proceedings against Coles Supermarkets Australia Pty Ltd in the Federal Court of Australia alleging contraventions of the Australian Consumer Law regarding the Coles Down Down program between February 2022 and May 2023.

The ACCC proceedings allege Coles increased the prices of at least 245 products before placing them on Down Down promotions at prices that were higher than, or the same as, the price at which each product had ordinarily been offered for sale before the price increase. It is alleged that Coles made representations that the prices of the products were discounted and that these representations were false and misleading. Coles filed its evidence in November 2025 and the matter was heard in the Federal Court in February 2026 with the outcome pending.

In November 2024, Coles was notified that a class action proceeding against Coles had been filed in the Federal Court of Australia alleging misleading conduct in relation to the same products that are the subject of the ACCC proceedings.

Coles is defending the ACCC and class action proceedings. Given the status of the proceedings, the potential outcome including penalty, and total costs associated with these matters remain uncertain.

#### Other contingencies

From time to time, entities within the Group are party to various legal actions as well as inquiries from regulators and government bodies that have arisen in the ordinary course of business. Consideration has been given to such matters and it is expected that the resolution of these contingencies will not have a material impact on the financial position of the Group, or are not at a stage to support a reasonable evaluation of the likely outcome. Refer to Note 7. Provisions for discussion on the Award covered salaried team member review, the potential penalties and impact of the related class action.

## Notes to the Consolidated Financial Statements (continued)

### 13. Related party disclosures

#### Parent entity

The ultimate parent entity within the Group is the Company, which is domiciled and incorporated in Australia.

#### Transactions with subsidiaries

Intercompany transactions, assets and liabilities between entities within the Group have been eliminated in the consolidated financial statements.

#### Transactions with joint venture and associates

Various transactions occurred between the Group and Loyalty Pacific Pty Ltd (operator of Flybuys) during the half year ended 4 January 2026, including:

- sale of goods to members of Flybuys
- payments for loyalty program
- reimbursement of costs incurred.

Transactions remain materially the same as disclosed in the Financial Report for the period ended 29 June 2025.

Various transactions occurred between the Group and Queensland Venue Co Pty Ltd (QVC) during the half year ended 4 January 2026, including:

- service fees paid
- sales of inventory to QVC.

Transactions remain materially the same as disclosed in the Financial Report for the period ended 29 June 2025.

Various transactions occurred between the Group and the HUG unlisted property trusts during the half year ended 4 January 2026, including:

- sale of property to the trust
- contributions to the trust.

#### Terms and conditions of transactions with related parties

Sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the reporting date are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

As at 4 January 2026, the Group has not recognised a provision for expected credit losses relating to amounts owed by related parties (29 June 2025: \$nil).

### 14. Events after the reporting period

Other than events disclosed elsewhere in this report, the Group is not aware of any matter or circumstance that has occurred since the end of the half year reporting date that has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in subsequent reporting periods.

# Directors' Declaration

The Directors of Coles Group Limited (the 'Company') declare that, in their opinion:

- a) the financial statements and notes of the Group for the half year ended 4 January 2026 are in accordance with the *Corporations Act 2001*, including:
  - I. giving a true and fair view of the financial position as at 4 January 2026 and the performance for the half year ending on that date of the Group; and
  - II. complying with Australian Accounting Standards and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the Directors of Coles Group Limited.



**Peter Allen**  
Chairman  
27 February 2026



**Leah Weckert**  
Managing Director and Chief Executive Officer  
27 February 2026



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with confidence

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## Independent Auditor's Review Report to the Members of Coles Group Limited

### Conclusion

We have reviewed the accompanying half-year financial report of Coles Group Limited (the Company) and its subsidiaries (collectively the Group), which comprises the Balance Sheet as at 4 January 2026, the Income Statement, Statement of Changes in Equity and Cash Flow Statement for the half-year ended on that date, explanatory notes and the Directors' Declaration.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of the Group does not comply with the *Corporations Act 2001*, including:

- a. Giving a true and fair view of the consolidated financial position of the Group as at 4 January 2026 and of its consolidated financial performance for the half-year ended on that date; and
- b. Complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

### Basis for conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity* (ASRE 2410). Our responsibilities are further described in the *Auditor's responsibilities for the review of the half-year financial report* section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

### Directors' responsibilities for the half-year financial report

The directors of the Company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.



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## **Auditor's responsibilities for the review of the half-year financial report**

Our responsibility is to express a conclusion on the half-year financial report based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including giving a true and fair view of the Group's financial position as at 4 January 2026 and its performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

A handwritten signature in black ink, appearing to read 'Ernst &amp; Young', written over a faint, larger version of the same text.

Ernst & Young

A handwritten signature in black ink, appearing to read 'David Shewring', written over a faint, larger version of the same text.

David Shewring  
Partner

A handwritten signature in black ink, appearing to read 'Justin Law', written over a faint, larger version of the same text.

Justin Law  
Partner

Melbourne  
27 February 2026

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