

## **Shoprite Holdings Limited**

(Incorporated in the Republic of South Africa)

Registration no. 1936/007721/06

ISIN: ZAE000012084

JSE share code: SHP

NSX share code: SRH

LuSE share code: SHOPRITE

("Shoprite Holdings" or the "Company" or "the Group")

### **VOLUNTARY ANNOUNCEMENT IN RELATION TO SOUTH AFRICAN SOCIAL AND POLITICAL UNREST**

Following a week of political and social unrest in South Africa impacting our operations in the KwaZulu-Natal and Gauteng provinces, this announcement serves to update shareholders of our assessment of the impact of this event on our operations as at 18 July 2021.

It is noteworthy that, as a result of exceptionally strong turnover in the remainder of the Group's nation-wide operations, the Group's Supermarkets RSA segment achieved positive sales growth last week. This is despite the direct impact of this unrest on our store base in the KwaZulu-Natal and Gauteng provinces, precautionary measures taken by the Group to close additional stores and our LiquorShop business being closed due to lockdown regulations.

The Group is adequately insured for material damage to assets, stock and business interruption. Whilst some necessary irrecoverable one-off costs have been incurred in relation to protecting our operations, they are not expected to be material at a Group level and will be highlighted as part of our routine reporting.

In terms of understanding the context of stores impacted in our Supermarkets RSA segment:

- Of the 1 189 supermarkets trading under the Shoprite, Usave, Checkers and Checkers Hyper banners, 119 stores (69 Shoprite, 44 Usave and six Checkers, including one Checkers Hyper) have been severely impacted as a result of looting and/or fire damage;
- Of the Group's 537-store RSA LiquorShop business, currently restricted from trading under COVID-19 Alert Level 4 lockdown regulations, 54 stores have been impacted;
- The Group's Freshmark (fresh produce) distribution centre (DC) in Durban was looted however its operational capacity has been fully restored since Sunday, 18<sup>th</sup> July;
- Our KwaZulu-Natal dry goods DC resumed deliveries to our stores in the province from Thursday last week;
- The Gauteng based DC has operated seamlessly throughout to the extent that it delivered goods to our KwaZulu-Natal operations from as early as Thursday last week in support of our stores re-opening in a phased approach throughout the province;

- The majority of the stores closed on a precautionary basis have been reopened. Despite constraints in certain instances from store closures due to landlords keeping centres closed, the Group is committed to rebuilding and restoring operations as quickly as possible and with each passing day we add to our count of stores re-opening for business.

Of the Furniture division's base of 340 stores in South Africa:

- 35 stores experienced severe damage either from vandalism, looting and/or fire;
- Furthermore, a considerable number of stores in the affected regions were closed during the week for precautionary reasons, the majority of which have been re-opened as reflected by 292 stores currently trading. Stores not directly impacted that remain closed are almost entirely a result of landlords keeping centres closed.

Context of how the Group's Other operating segments were affected:

- Of the 444 RSA based OK franchise stores, 16 were damaged due to either vandalism, looting and/or fire. We can report that all but two of these stores have since re-opened;
- Transpharm, the Group's wholesale pharmaceutical business did not experience any disruption to its operations in KwaZulu-Natal or Gauteng. It remains fully operational and, together with our MediRite Pharmacies business, is serving a critical role with regards the supply of medicine to hospitals in KwaZulu-Natal.

The information contained in this announcement has not been reviewed or reported on by the Group's external auditors.

**Group CEO Pieter Engelbrecht:**

"Our sincere thanks go out to our colleagues in particular to our regional teams in the affected areas. Their efforts, together with world class execution by our loss prevention, supply chain and fleet management teams were unsurpassed.

To our loyal Usave, Shoprite and Checkers customers your resounding show of support collectively contributed to our ability to re-open and rebuild our business and serve our communities in KwaZulu-Natal and Gauteng last week. We cannot thank you enough."

We remain proudly Shoprite.

Cape Town

20 July 2021

Sponsor: Nedbank Corporate and Investment Banking. A division of Nedbank Limited.