

Clicks Group Limited
(Incorporated in the Republic of South Africa)
Registration number: 1996/000645/06
JSE share code: CLS
ISIN: ZAE000134854
CUSIP: 18682W205
LEI: 378900E967958A677472
("the group")

VOLUNTARY UPDATE ON IMPACT OF CIVIL UNREST

The civil unrest and destruction in KwaZulu-Natal (KZN) and Gauteng last week impacted the group's stores, pharmacies and distribution centres while also limiting the provision of essential healthcare services in the midst of the third wave of the COVID-19 pandemic.

At the peak of the violence on Tuesday last week, 339 Clicks and 26 The Body Shop stores were closed as a precautionary measure to protect employees and customers and to limit potential losses.

A total of 54 stores were looted and vandalised, representing 6% of the group's store base. As at 22 July 2021, 7 of these stores have already been reopened. 38 of the 47 stores that remain closed have pharmacies.

The unrest also impacted the COVID-19 vaccination programme, with 127 Clicks vaccination sites being forced to close during last week and currently 15 remain closed. Clicks is now operating over 280 vaccination sites nationally.

The Clicks and UPD distribution centres in KZN were both looted and damaged. Business continuity plans were implemented to ensure continued supply to customers in KZN through the Clicks distribution centres in Centurion and Cape Town and the UPD distribution facilities in Johannesburg and Port Elizabeth. Owing to the initial disruption to road transport networks, medicines were flown from Johannesburg to Durban to supply the hospital groups across KZN.

The distribution centres are currently being cleaned and repaired before being replenished. Management expects the UPD distribution centre to be operational by Monday, 26 July 2021 while the Clicks distribution centre, which sustained minor fire damage, is expected to be operational in the first week of August 2021.

The group has adequate South African Special Risks Insurance Association (SASRIA) and general insurance cover for material damage to assets, stock and business interruption. Additional costs have been incurred for private security services to protect the distribution centres as well as air transportation costs to supply medicines from Johannesburg to UPD customers in KZN. These costs are

not expected to be material to the group and will be disclosed in the year end results reporting.

The operations teams are currently assessing the extent of the damage together with the group's insurers. It is too early to quantify the damages or the loss of sales due to store closures.

The group has adequate cash and borrowing facilities available to manage liquidity requirements during the recovery and rebuilding phase.

The board extends its sincere thanks to all the employees, stakeholders and service providers involved in ensuring the continued supply of merchandise and medicines, protecting the group's distribution facilities and for their support in restoring the group's operations.

Cape Town
23 July 2021

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