

Dis-Chem Pharmacies Limited
(Incorporated in the Republic of South Africa)
(Registration number 2005/009766/06)
JSE share code: DCP
ISIN: ZAE000227831
("Dis-Chem" or "the Group")

ANNOUNCEMENT RELATING TO:

- **TRADING UPDATE AND TRADING STATEMENT;**
- **CEO AND CFO SUCCESSION; AND**
- **ACQUISITION OF A DISTRIBUTION CENTRE**

TRADING UPDATE AND TRADING STATEMENT FOR THE PERIOD 1 MARCH 2022 TO 28 FEBRUARY 2023

- Group revenue excluding COVID-19 vaccines and testing up 9.0%
- Retail revenue excluding COVID-19 vaccines and testing up 8.4%
- External wholesale revenue up 20.7%

For the 12 month period ended 28 February 2023, the Group recorded revenue growth (excluding the contribution of COVID-19 vaccines and testing) of 9.0% compared to the corresponding financial period.

The Group is expecting to announce Earnings Per Share ("EPS") and Headline Earnings Per Share ("HEPS") of between 115.6 cents and 118 cents. This is an increase of between 16.5% and 19.0% compared to the EPS and HEPS for the 12 month period ended 28 February 2022.

The financial information contained above has not been audited, reviewed or reported on by the Group's external auditors Mazars.

Dis-Chem's results for the 12 months ended 28 February 2023 will be released on SENS on Friday, 19 May 2023, at around 7:05 am.

CEO AND CFO SUCCESSION

Shareholders are advised that Ivan Saltzman, who co-founded Dis-Chem with his wife Lynette in 1978, has announced that he will step down as Chief Executive Officer ("CEO") at the end of June 2023. Saltzman will remain an executive director on the Board and continue to serve as an active member of the executive management team, with his role including an emphasis on the Group's commitment to accelerate retail space growth, together with a concentrated focus on the trade of the retail store network.

Rui Morais (38), who is currently the Group's Chief Financial Officer ("CFO"), and in August 2021 was announced as the successor to CEO Saltzman, will assume the role of CEO effective from the 1st of July 2023. Morais joined the Group in 2010 and has been in the role of CFO and a member of the executive leadership team since August 2012. He has been integrally involved in the development of the Group's strategy over the past 11 years.

Julia Pope (42), current executive head of finance, will succeed Morais as CFO. The Group's commitment to inclusion, diversity, and transformation, ensured that Pope's period of six years with

the Group prepared her for this leadership and management role. Pope, who has 19 years of retail experience, and has been working side-by-side with, and under the supervision of Morais since her appointment in 2017, will assume her new role as CFO and an executive director on the Board effective from the 1st of July 2023.

Dis-Chem has built a strong executive leadership team that is capable of building on the success achieved by Saltzman, and further realising his ambitions for the Group. To deliver on the Group's strategic priorities over the long-term, Saltzman has committed to divest 32,25 million Dis-Chem ordinary shares owned by the Saltzman family, representing 3.75% of Dis-Chem's issued share capital, to Morais and a group of key senior executives, ensuring their ongoing commitment.

Dis-Chem Chairman, Larry Nestadt, said: "Saltzman is one of the extraordinary retailers of his generation, who has transformed retail pharmacy. Under his leadership, Dis-Chem evolved from a family business to a leading listed, and proudly South African, corporate business. Dis-Chem's leadership succession has been carefully planned and very well managed by Saltzman, and we are confident in the leadership team's ability, under Morais' stewardship, to deliver on the strategic ambitions of the Group."

Outgoing CEO, Ivan Saltzman, said: "Over the course of the past 45 years, Lynette and I have grown the business from a single store to what is today, the largest retail pharmacy chain by market share in South Africa, with a network of over 300 retail stores and over 20 000 staff. I am confident in, and supportive of the future leadership of the Group who share the same commitment to the brand fundamentals that Lynette and I do. Together with Lynette, I look forward to doing what I enjoy – spending time in the stores, and ensuring that our staff continue to provide the value and service that has made the brand what it is today. I will continue to identify opportunities to expand our store footprint."

Incoming CEO, Rui Morais said: "I am excited and privileged to be given the opportunity to lead the Dis-Chem Group. I thank the Saltzman family, the founding shareholders, and the Board, for entrusting me with this responsibility. During my time with the Group, I have experienced the leadership philosophy that has built the Dis-Chem brand – obsessive focus on delivering value and access to healthcare for our patients and customers. That philosophy, which is well entrenched within our management team and staff, together with recent strategic investments, underpin our ambition of building an integrated healthcare ecosystem. As an important healthcare service provider, and the 'front door' to healthcare delivery, the Group is well positioned to deliver on its mandate of increasing access to quality and affordable private healthcare to more South Africans, and in so doing, reinforcing the Dis-Chem brand as South Africa's healthcare authority and delivering differentiated returns to our shareholders who share this long-term vision."

Incoming CFO, Julia Pope, said: "I am deeply honoured and excited to take on the role of CFO and be a part of this transformative healthcare journey. I have learnt a significant amount in my six years at Dis-Chem, but what has always stood out is the commitment and dedication to the Dis-Chem brand that Ivan and Lynette have entrenched throughout the business. I look forward to playing an integral part in the continued success of the business and working with Rui and the executive team to achieve our long-term strategy."

ACQUISITION OF A DISTRIBUTION CENTRE

The Group is in the final stages of entering into an agreement to acquire a 63,000m² distribution centre ("the property") in Gauteng, for a purchase consideration of R502 million. With the acquisition of this property, the Group will increase its warehouse space by 75%. The rapid growth of the Group has

necessitated the need for additional warehouse capacity to service increased demand from both our own retail stores and the independent market. The Group's intention to significantly step change the rate at which it rolls out its own retail stores, coupled with market share gains in independent pharmacy distribution, were key considerations in the decision to acquire the property. The acquisition is not deemed to be a categorised transaction in terms of the JSE Listings Requirements.

Midrand
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