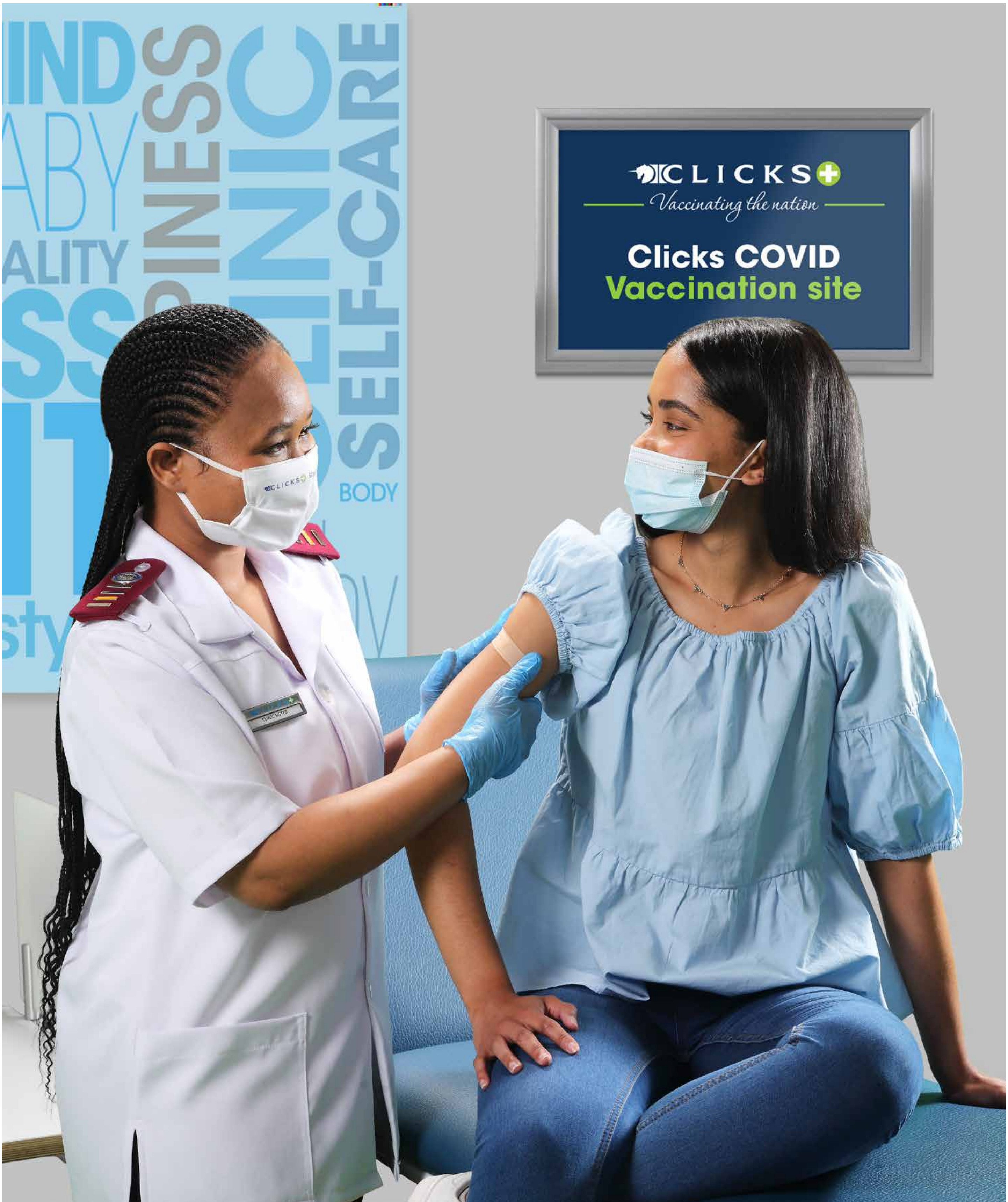


CLICKS GROUP
LIMITED

INTEGRATED ANNUAL REPORT 2021

CONTENTS

ADDITIONAL ONLINE REPORTING

The integrated report is the group's primary reporting medium and this is supplemented by additional reports and information which is also available online at www.clicksgroup.co.za.

Financial reporting
- Annual financial statements 2021
- Five-year financial review
- Annual results 2021
- Annual results 2021 presentation

Governance
- Corporate governance and King IV report 2021

Annual general meeting
- Notice to shareholders
- Form of proxy

Sustainability
- Sustainability report 2021
- Social and ethics committee report 2021

Page reference

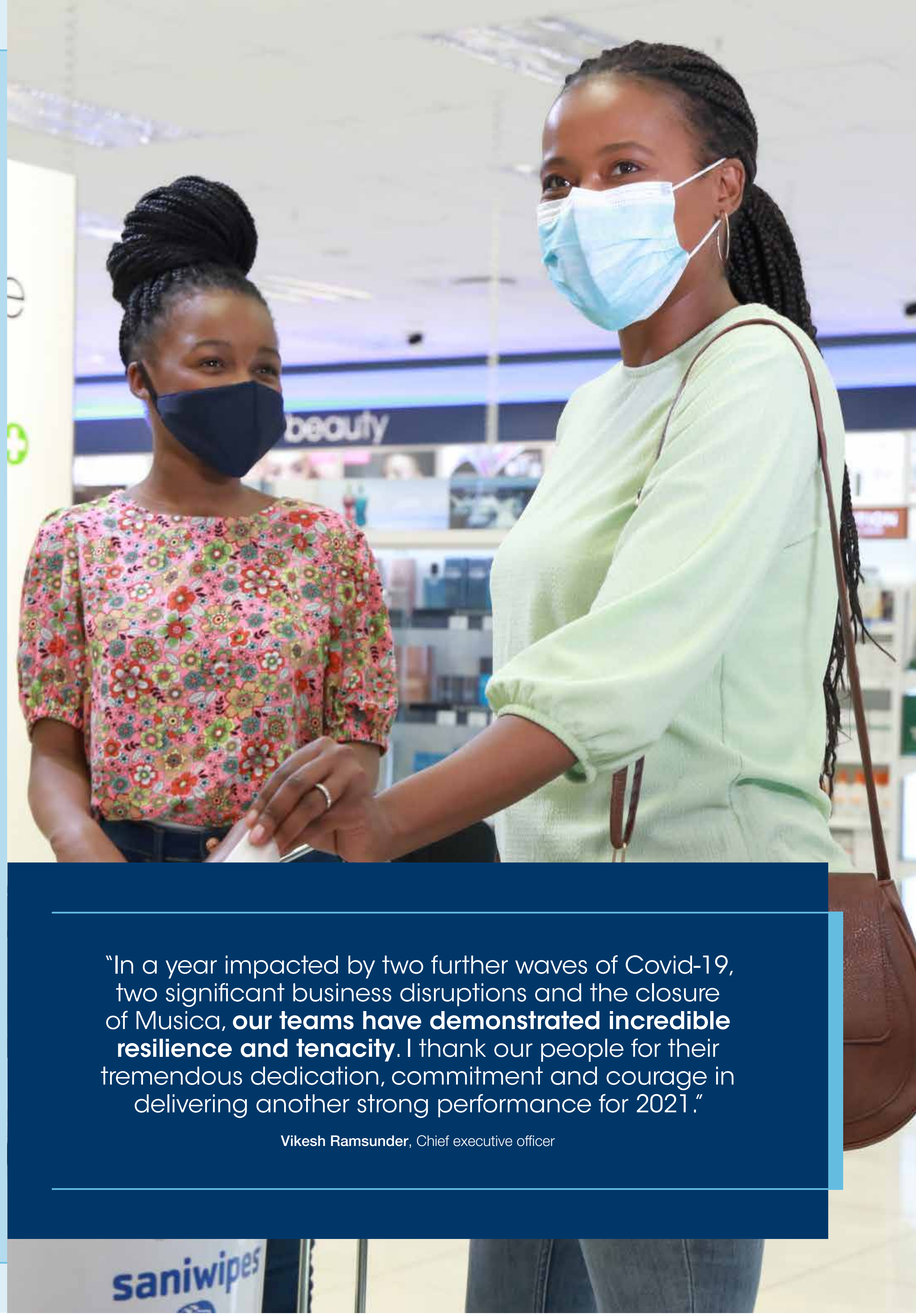
Website reference

FORWARD-LOOKING STATEMENTS

The integrated report includes forward-looking statements which relate to the possible future financial position and results of the group's operations. These statements by their nature involve risk and uncertainty as they relate to events and depend on circumstances that may or may not occur in the future.

Forward-looking statements are not statements of fact, but statements by the management of the Clicks Group based on its current estimates, expectations and assumptions regarding the group's future performance.

The group does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information or future events or otherwise. The forward-looking statements have not been reviewed or reported on by the group's independent auditor.



"In a year impacted by two further waves of Covid-19, two significant business disruptions and the closure of Musica, **our teams have demonstrated incredible resilience and tenacity**. I thank our people for their tremendous dedication, commitment and courage in delivering another strong performance for 2021."

Vikesh Ramsunder, Chief executive officer

Introducing the
INTEGRATED REPORT

The **Covid-19 pandemic continued to impact on the economy and the lives of many South Africans** as the second and third waves of infection proved more severe than the initial outbreak of the pandemic in March 2020.

While managing the impact of Covid-19 on our business and continuing to ensure the health and safety of our stakeholders, we strived to meet our responsibility to protect as many South Africans as possible by participating on a wide scale in the national Covid-19 vaccination programme.

The impact of the pandemic on the group's performance has been compounded by two further issues. Early in the financial year trading was disrupted for several days due to protest action across the Clicks store network in response to a supplier haircare advertisement featured on the Clicks digital platform. In July 2021 the unprecedented wave of civil unrest which swept parts of KwaZulu-Natal and Gauteng resulted in extensive violence, looting and damage to property, with devastating social and economic consequences (refer to the chief executive's report on page 34).

Against this background, our 2021 integrated report aims to demonstrate in a balanced way how the group has continued to create value for shareholders during these uncertain times while meeting our responsibilities towards our other stakeholders.

The integrated report is targeted at our shareholders, who are our primary providers of capital, and the broader investment community, while we also acknowledge the role of our customers, staff, suppliers, industry regulators and funding institutions in the process of value creation, preservation and erosion.

REPORTING SCOPE AND BOUNDARY

The report covers material information relating to the business model, strategy, material issues and related risks and opportunities, financial performance, the continued impact of Covid-19, corporate governance and directors' remuneration for the period 1 September 2020 to 31 August 2021.

Forward-looking information focuses on the strategic objectives, operating plans and prospects for the 2022 financial year as well as the group's medium-term financial targets. The integrated report is supplemented by the sustainability report and the annual financial statements which are also available on the website.

The financial reporting boundary covers the group's main operating businesses Clicks and UPD and focuses on the operations in South Africa where the majority of revenue is generated.

MATERIALITY

The report includes information which we believe is material to investors' understanding of the group's ability to create value. The materiality test applied by the board is based on internal and external matters, both positive and negative, that substantively affect the group's ability to deliver its strategy and which could have a material impact of 5% or more on the group's profit before taxation.

REPORTING AND GOVERNANCE COMPLIANCE

The report has been prepared in accordance with the Integrated Reporting Framework of the Value Reporting Foundation. All financial reporting complies with International Financial Reporting Standards.

The directors confirm that the group has in all material respects applied the principles of the King IV Report on Corporate Governance (King IV) throughout the 2021 financial year. The application of King IV is covered in the corporate governance and King IV report 2021 which is available on our website.

INTEGRATED REPORTING PROCESS

Confirming the group's commitment to integrated reporting, the annual process of preparing the integrated report is the responsibility of a working group led by the chief executive officer and comprising the chief financial officer, group corporate affairs director, senior members of the finance, marketing and sustainability teams, and the external investor relations consultants.

The integrated report working group aims to enhance the reporting and disclosure each year. The process commences with an evaluation of the previous year's integrated report to identify opportunities to enhance disclosure and continually align with best reporting practices. The content is prepared based on interviews and submissions from executive directors, business unit heads, the company secretary and divisional executives.

Draft reports are initially reviewed by the CFO and then the CEO, with specific reports being reviewed and approved by the board chairman and the respective board committee chairmen.

The draft of the integrated report is provided to all board members for review and their feedback, advice and suggestions are then incorporated into the final report. The chairman of the audit committee is responsible for the final approval of the report on behalf of the board, whereafter the integrated report is released to shareholders.

INDEPENDENT ASSURANCE

The integrated report has been reviewed by the board but has not been independently assured. The annual financial statements have been assured by the group's independent auditor, Ernst & Young Inc.

The sustainability information in the report has been approved by the board's social and ethics committee. Accredited service providers have determined selected non-financial performance metrics, including market share statistics and the group's broad-based black economic empowerment (BBBEE) rating. Management has verified the processes for measuring all other non-financial information.

CORPORATE GOVERNANCE STATEMENT

Sound corporate governance practices and an ethical culture form the foundation for sustainable value creation for shareholders and other stakeholders.

Good governance supports value creation through improved reporting to shareholders, greater transparency and disclosure, improved quality of management reporting to the board and enhanced accountability to shareholders.

The group's approach to governance extends beyond regulatory compliance, with open and balanced disclosure being core to our governance framework. Transparent and credible financial reporting forms an essential element of our governance framework.

Management welcomes the opportunity to engage with shareholders on the group's governance philosophy, processes and practices. We believe our governance practices are robust and this is confirmed in leading independent assessments of our governance standards.

BOARD APPROVAL

The board is responsible for ensuring the integrity of the integrated report. The directors have collectively assessed the content and confirm the report addresses all material issues, the integrated performance and the group's strategy, as well as the short, medium and long-term prospects.

The audit and risk committee has oversight responsibility for integrated reporting and recommended the report for approval by the directors. The 2021 integrated report was unanimously approved by the board on 11 November 2021.

David Nurek
Independent non-executive chairman

Vikesh Ramsunder
Chief executive officer

Michael Fleming
Chief financial officer

Creating stakeholder VALUE IN 2021

The group demonstrated its resilience throughout the Covid-19 pandemic. The challenging trading conditions were compounded by the outbreak of civil unrest across KwaZulu-Natal and Gauteng in July 2021. However, despite these severe headwinds, **the group continued to create value for stakeholders**, including shareholders, customers, employees, suppliers and communities.

SHAREHOLDERS

Shareholders are the group's principal providers of financial capital.

Diluted headline earnings per share up **2.6%** to **774 cents**

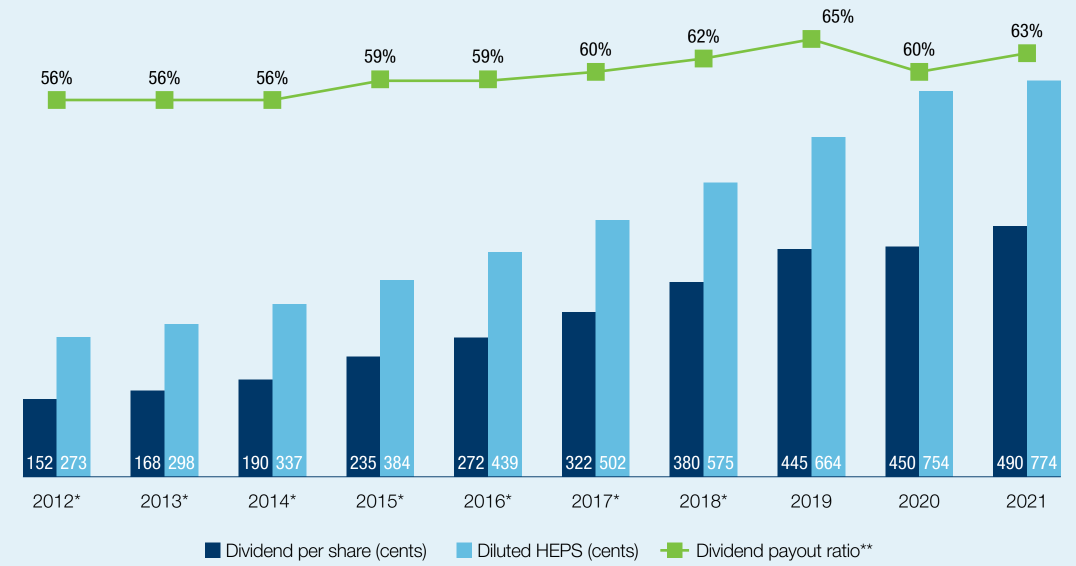
Diluted headline earnings per share adjusted for impact of civil unrest up **8.8%** to **837 cents**

R2.2 billion returned to shareholders in dividends and share buy-backs

Dividend per share **490 cents**

Reinvested **R690 million** in capital expenditure

GROWTH IN EARNINGS AND DIVIDENDS



10-YEAR CAGRs

Total shareholder return^: **24.5%**

Diluted HEPS: **12.0%**

Dividend per share: **14.6%**

* Pre-IFRS 16   ** Based on HEPS   ^ Based on reinvestment of dividends paid and the closing share price

CUSTOMERS

Retail and wholesale customers are the group's primary source of revenue.

Opened **39 Clicks stores** and expanded footprint to **782** stores

36 new Clicks pharmacies, increased network to **621** pharmacies

50% of customers now live within 5.5 km of a Clicks pharmacy

596 180 vaccinations administered across 300 Clicks stores

R545 million cashback paid to ClubCard members

EMPLOYEES

All permanent and part-time employees across the group.

R3.8 billion paid to employees

R217 million invested in **employee training** and development

Company-funded healthcare cover available to all employees

SUPPLIERS

Local and international suppliers of products and services, including landlords.

R33 billion paid to suppliers of goods and services, including landlords

74% weighted BEE procurement expenditure, with continued transformation of the supplier base

Launched **SMME supplier listing portal** and purchased more than **R1.2 billion** from small and medium-sized businesses

R73 million invested in **enterprise and supplier development** programmes

R44 million paid to **65 small enterprise owner-drivers** contracted to UPD

COMMUNITIES

Beneficiaries of social investment in the communities in which the group operates.

R23 million invested in **socio-economic development** projects aligned to the group's focus on health and well-being

100 bursaries awarded to pharmacy students in 2021

Free clinic services for customers with no medical cover extended to five days a week at the start of the Covid-19 lockdown

VACCINATING
the nation

1.5 million vaccinations administered by end October 2021	**531** vaccination sites at end October 2021	
596 180 vaccinations administered by year-end	Capacity to administer 600 000 vaccinations each month	Largest private-sector vaccination provider in South Africa

The **Covid-19 pandemic continued to impact the country and its people over the past year**, particularly during the second and third waves of infection. The restrictions imposed on economic activity and freedom of movement during varying stages of lockdown continued to change consumer shopping patterns and significantly reduced customer footfall in malls.

Clicks Group recognises that the fastest and safest way to economic recovery from the damaging effects of the pandemic is to vaccinate as many citizens as possible, in this way protecting lives and helping to accelerate growth.

The group therefore committed to support the government's national vaccination programme from the start by making its pharmacies available as vaccination sites to ensure access to all people living in South Africa.

As the availability of vaccines improved, the programme gained momentum and by year-end Clicks had administered 596 180 vaccinations across 300 Clicks stores.

Capacity continued to be expanded through the opening of additional sites, with Clicks reaching 531 sites and administering over 1.5 million vaccinations by the end of October 2021.

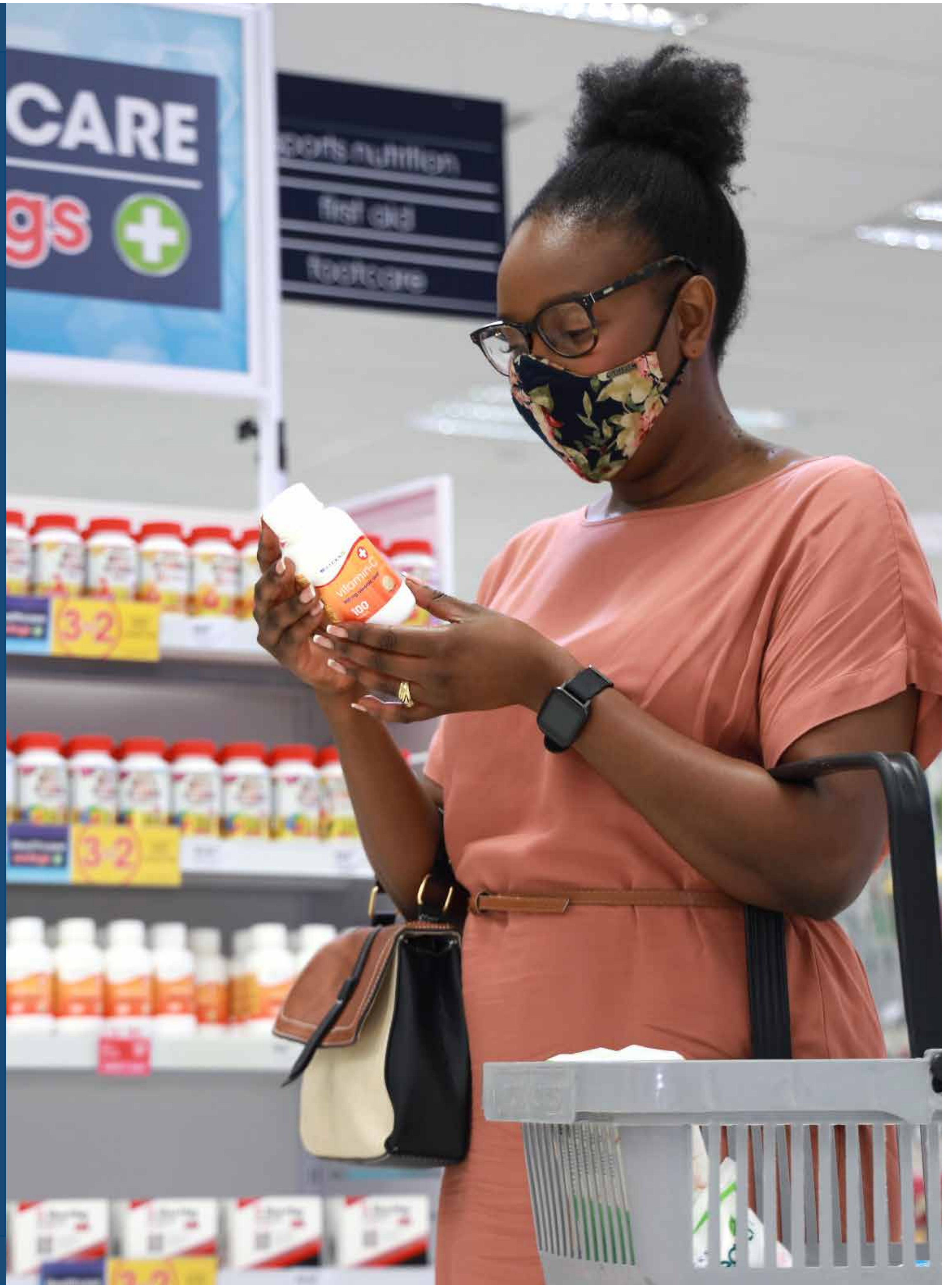
As the largest private-sector vaccination provider in South Africa, Clicks has the capacity to administer 600 000 vaccinations each month.

The convenience of the Clicks pharmacy network and the quality of the specialist healthcare staff have been the major drivers of the success of the vaccination programme.

Extending the convenience of the vaccination service, Clicks launched its online Covid-19 vaccination booking portal "bookings.clicks.co.za" in August which allows customers to book appointments at their nearest Clicks vaccination site.

About
CLICKS GROUP

The group is a leader in the South African healthcare market, with Clicks being the foremost health and beauty retailer and UPD the leading full-range pharmaceutical wholesaler.

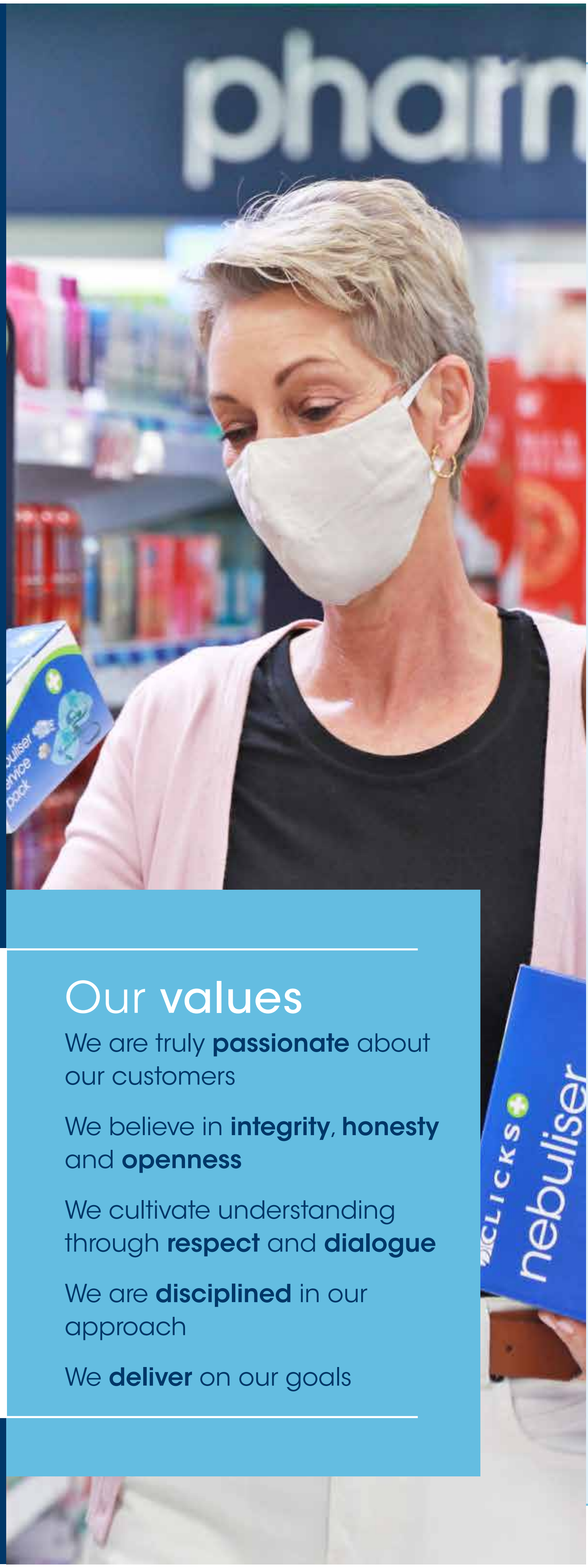


Group PROFILE

Clicks Group is a **retail-led healthcare group** which is listed in the Personal Care, Drug and Grocery Stores sector on the JSE.

Founded over 53 years ago in 1968, the group has been listed on the JSE since 1996. Following changes in South African legislation in 2003 to allow corporate pharmacy ownership, the group entered the retail pharmacy market with the opening of the first Clicks pharmacy in 2004. Today the group is a leader in the healthcare market, in both retail pharmacy through Clicks and pharmaceutical wholesaling through UPD.

An overview of the group's history is available at **www.clicksgroup.co.za**



Our values

We are truly **passionate** about our customers

We believe in **integrity**, **honesty** and **openness**

We cultivate understanding through **respect** and **dialogue**

We are **disciplined** in our approach

We **deliver** on our goals

CLICKS
feel good **pay less**

782	531	621	192
stores	vaccination sites	pharmacies	clinics

The anchor brand, Clicks, is **South Africa's leading health and beauty retailer**, offering value for money in convenient locations and appealing formats.

- Clicks targets consumers in the growing middle to upper-income markets (LSM 6 – 10)
- Clicks ClubCard is one of the largest loyalty programmes in South Africa with over 9.2 million active members
- Differentiated product offering through wide ranges of private label and exclusive brands, comprising 24.5% of sales

The health and beauty franchise brands were introduced through exclusive franchise agreements to provide further differentiation to the Clicks offering:

2001	**The Body Shop**, which sells natural, ethically-produced beauty products
2014	**GNC**, the largest global specialty health and wellness retailer
2015	**Claire's**, the leading specialty retailers of fashionable jewellery and accessories for young women and girls
2016	The group partnered with Sorbet Holdings to develop **Sorbet**-branded products for sale in Clicks stores and Sorbet salons

Market share

23.4% of retail pharmacy

32.5% of front shop health

19.6% of baby

40.7% of skincare

30.9% of haircare

STORE FOOTPRINT	Standalone stores South Africa	Standalone stores Rest of Africa	Standalone stores Total	Pharmacies	Presence in Clicks stores
Clicks	740	42	782	621	
The Body Shop	55	4	59		239
Claire's	–	–	–		88
GNC	–	–	–		606
Total	795	46	841		

Stores outside South Africa are in the neighbouring countries of Namibia, Botswana, Eswatini and Lesotho.

UPD
WE DELIVER HEALTHCARE

UPD is **South Africa's leading full-range pharmaceutical wholesaler** and was acquired in 2003 to provide the distribution capability for the group's healthcare strategy.

UPD fulfils the pharmaceutical supply needs of Clicks, major private hospital groups and over 1 350 independent pharmacies. UPD also provides bulk distribution services to pharmaceutical manufacturers.

6 distribution centres	**R28.4** billion total managed turnover
417 million units of medicine distributed	**26** bulk distribution clients

Market share

31.2%
of private pharmaceutical fine wholesale market

Environmental, Social and Governance (ESG)

The group recognises the importance of ESG practices in **creating a sustainable business** and has been included in the FTSE4Good Index for the past five years, as well as the FTSE/JSE Responsible Investment Top 30 Index.

The sustainability strategy is based on four focus areas:

Building a trusted, accessible healthcare network	Empowering motivated, passionate people
Sourcing products that uphold the integrity of our brand	Minimising our environmental footprint

GROUP ACHIEVEMENTS

- Level 4 **BBBEE** rating
- 64% **black** and 36% **female** representation on the board
- 95% **black** and 64% **female employees**
- **Carbon Disclosure** Project rating of A
- Launched a SMME supplier listing portal and investment programme to accelerate **local procurement**

Our core business creates meaningful social impact through the provision of health products and improving access to reliable and affordable healthcare. This supports South Africa's national development goals by promoting healthy lives and well-being for all ages.

We align our ESG practices with the United Nations Sustainable Development Goals (UN SDGs) to ensure that our activities meet the standards of the universal global drive to achieve the specified targets by 2030. The SDGs where we believe we can have the biggest impact are as follows:

1 NO POVERTY	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
End poverty in all its forms	*Good health and well-being*	*Quality education*	*Affordable and clean energy*	*Decent work and economic growth*	*Sustainable consumption and production*	*Climate action*

Group STRATEGY

Clicks Group's strategy is to **create sustainable long-term shareholder value** through a retail-led health, beauty and wellness offering.

CLICKS GROUP VISION

To be the leading health and beauty retailer in targeted markets within southern Africa.

GROUP STRATEGIC OBJECTIVES

1 Grow the retail footprint by expanding the store base and online presence

2 Accelerate pharmacy market share gains in South Africa

3 Promote UPD's national pharmaceutical wholesale and distribution services to grow market share

4 Deliver operational excellence with an efficient centralised supply chain

5 Create an inclusive and transformed organisation with a strong talent pipeline to support business growth

6 Ensure the sustainability of the business through robust environmental, social and governance practices

STRATEGIC DRIVERS OF LONGER-TERM GROWTH

These strategic drivers of longer-term organic growth should ensure continued competitive advantage in the health and beauty markets in which the group operates.

FAVOURABLE MARKET DYNAMICS

18

- Healthcare markets are defensive and offer long-term growth opportunities in South Africa.
- The increasing use of generic medicines will continue to make healthcare more affordable.
- Improving living standards, increasing urbanisation and longer life expectancy is contributing to a growing market for health and beauty products.

CONVENIENCE

18

- Goal to expand the Clicks store base in South Africa to 900 in the long term, with a pharmacy operating in every store.
- Goal to achieve retail pharmacy market share of 30% in the long term.
- The online store and a national pharmacy delivery service model increase customer convenience.

DIFFERENTIATION

18

- Private label and exclusive brands offer differentiated ranges at higher margins.
- Clicks is a brand that consumers trust and the brand has demonstrated its ability to transcend product categories and markets.
- Exclusive franchise brands The Body Shop, Claire's, GNC and Sorbet augment Clicks' private label brands in the health and beauty categories.

PERSONALISATION

19

- 9.2 million active members makes Clicks ClubCard one of the largest retail loyalty programmes in South Africa.
- Migrating these ClubCard members onto the Clicks app enables personalised communication and offers.
- Influence customer behaviour and personalise communication through digital engagement via the ClubCard, website, online store and mobile app.
- ClubCard offers customers attractive and convenient cashback rewards and an increasing range of affinity partner benefits.

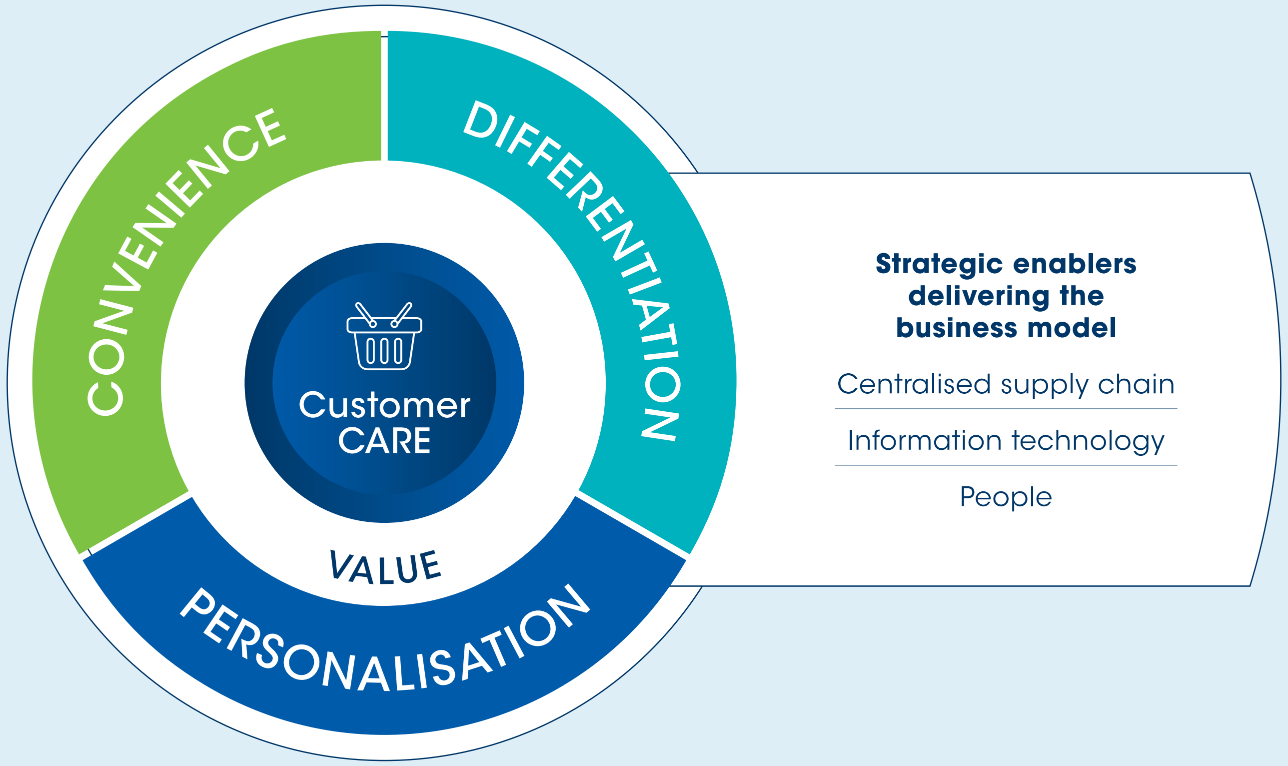
GROWTH OPPORTUNITIES FOR UPD

18

- UPD provides an efficient healthcare supply chain which supports the growth of the Clicks business.
- UPD offers national wholesale services to private hospitals and independent pharmacy, including Link pharmacies.
- The business offers a distribution service to local and international pharmaceutical manufacturers based on price, quality control and speed to market.
- UPD has targeted a 35% share of the fine wholesale market and 40% share of the bulk distribution market.

Value-creating BUSINESS MODEL

Clicks Group's strategy is realised through a **value-adding retail-led business model** which appeals to the group's predominantly female, middle to upper-income customer base.



Convenience
An extensive store footprint and pharmacy network in convenient locations allows for easy access to customers. The convenience of the retail footprint is complemented by an online shop offering in-store collection or home delivery, and a national pharmacy delivery service.

Differentiation
The product offering is differentiated through a wide range of private label and exclusive brands. Exclusive health and beauty franchise brands further differentiate the offering. Private label scheduled medicine ranges offer customers choice for quality generic medicines at a lower price.

Personalisation
ClubCard enables Clicks to personalise its engagement and communication with customers, particularly in an increasingly digital and technology-driven retail environment, supporting the aim of the loyalty programme to increase basket size and value, and frequency of shopping.

Great customer care from engaging and knowledgeable staff in the front shop and pharmacy.

Consistently good **value-for-money** products delivered through competitive prices and effective promotions.

Investment CASE

Clicks Group offers **sustainable long-term growth prospects** for equity investors seeking non-cyclical exposure to the retail and healthcare sectors in South Africa.

HEALTHCARE MARKETS ARE DEFENSIVE AND GROWING

- Over 80% of group turnover is in defensive merchandise categories
- Trading through the Covid-19 pandemic has demonstrated the resilience of the business and the markets in which it operates
- Improving living standards, increasing urbanisation and longer life expectancy is contributing to a growing market for health and beauty products

MARKET LEADERSHIP

- Clicks is the largest retail pharmacy chain in South Africa
- UPD is the country's leading national full-range pharmaceutical wholesaler

CONVENIENT AND EXPANDING RETAIL FOOTPRINT

Goal to expand Clicks store base in South Africa to 900 in the long term

- Over 780 Clicks stores
- More than 70% of stores located in convenience and neighbourhood shopping centres, which has proved beneficial during the Covid-19 pandemic as customers shopped closer to home
- Targeting to open 25 – 30 stores each year

EXPANDING PHARMACY NETWORK

Objective to operate a pharmacy in every Clicks store in South Africa

- 621 pharmacies in Clicks stores
- Targeting to open 30 – 35 pharmacies each year
- Retail pharmacy market share goal of 30% in the long term (2021: 23.4%)
- Accessibility of the pharmacy network enabled Clicks to rapidly scale vaccination sites in over 500 pharmacies

DIFFERENTIATED PRODUCT OFFER

Private label and exclusive brands offer differentiated ranges at higher margins

- Target to grow private label to 25% of total health and beauty sales; currently 24.5%
- Clicks offer differentiated products with exclusive health and beauty brands such as The Body Shop, GNC and Claire's

This investment case should be considered together with the group strategy report on pages 14 and 15 which outlines the group's strategic objectives and drivers of longer-term growth.

ROBUST SUPPLY CHAIN

Centralised supply from company-owned distribution centres to all retail stores (97.9% of product through centralised distribution)

- UPD provides an efficient healthcare supply chain channel for Clicks
- UPD also offers wholesale and distribution services to pharmaceutical manufacturers

GLOBALLY COMPETITIVE OPERATING MARGINS

Retail and UPD operating margins rank in the upper quartile of global drugstores and pharmaceutical wholesalers

- Retail: 9.5% (medium-term target 9.0% – 10.0%)
- UPD: 3.3% (medium-term target 2.8% – 3.3%)

GROWING PERSONALISATION AND ENGAGEMENT

ClubCard is one of the largest retail loyalty programmes in South Africa

- 9.2 million active ClubCard members generate 80.2% of sales
- Online store offers full Clicks product range for in-store collection or home delivery as well as online-only offers
- Investment in online and digital capability has positioned Clicks to manage the significant growth in e-commerce during Covid-19

EFFICIENT CASH AND CAPITAL MANAGEMENT

- Highly cash-generative business
- R13.4 billion cash generated from operating activities before dividends paid over past five years
- Returns enhanced through active capital management
- R6.4 billion returned to shareholders in dividends and share buy-backs in past five years
- Well-invested store base and supply chain
- R3.1 billion capital expenditure in past five years

COMMITMENT TO SOUND ENVIRONMENTAL, SOCIAL AND GOVERNANCE PRACTICES

- ESG practices aligned with selected United Nations Sustainable Development Goals
- Inclusion in the FTSE4Good Index recognises the standard of the group's ESG practices
- R675 million invested in training and development over past five years
- Experienced, independent, diverse and well-balanced board

Managing MATERIAL ISSUES

MATERIAL ISSUES are identified each year which could **significantly impact positively or negatively on the group's ability to create and sustain value**.

1. CIVIL UNREST
2. COVID-19
3. BRAND REPUTATION
4. TRADING ENVIRONMENT
5. COMPETITION
6. REGULATION
7. PEOPLE
8. INFORMATION TECHNOLOGY

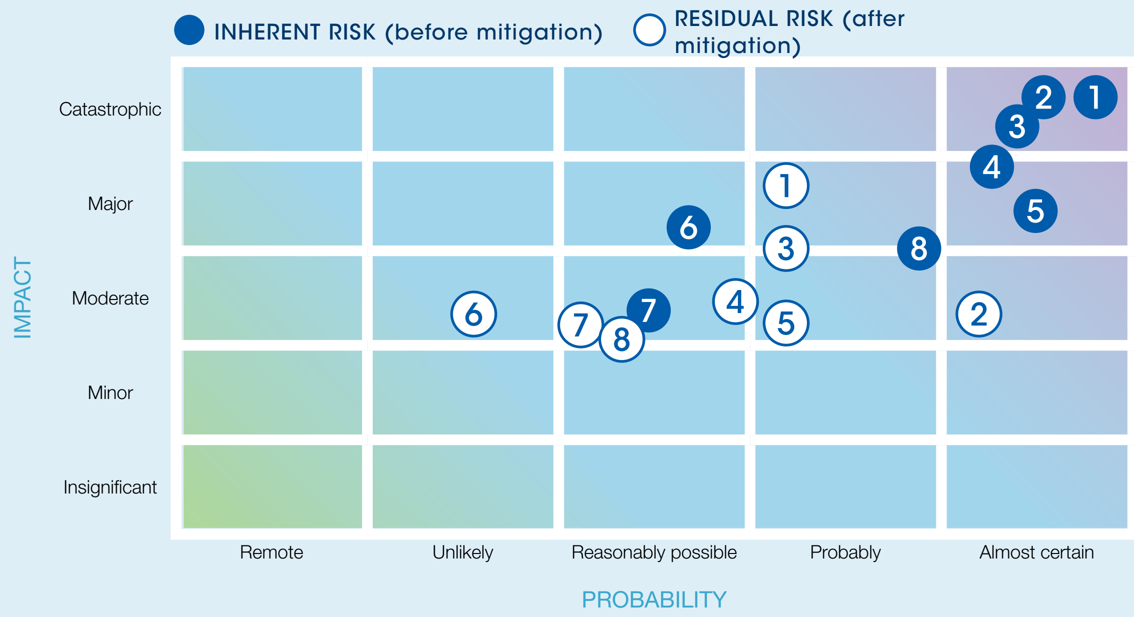
The material issues are reviewed annually by the board and management where all relevant internal, industry and macroeconomic factors are evaluated. The needs, expectations and concerns of the stakeholder groups that are most likely to influence the group's ability to create sustainable value, notably customers, suppliers, regulators, staff, shareholders and providers of financial capital are central to determining the material issues.

Following the review for the 2022 financial year, the directors advise that civil unrest has been included as an additional material issue.

RISKS relating to each material issue are based on the major risks on the group's register. The accompanying risk heat map indicates the levels of risk before (inherent risk) and after (residual risk) mitigation plans have been implemented.

OPPORTUNITIES are presented for each material issue to indicate how the group is using its competitive advantage to manage the impacts of the material issues on value creation.

MATERIAL RISKS



1 Civil unrest

Why material? Incidents of civil unrest causing physical damage, business interruption or loss of revenues are becoming an increasingly significant risk in the current environment.

RISKS

- Increase in the number of riots, demonstrations and vandalism as a means of civil unrest becomes the main political risk exposure for companies, resulting in significant losses and insurance claims.
- Impact of civil and political violence can cause business disruption beyond physical property damage, which along with the Covid-19 pandemic is likely to fuel further disturbances.
- Disruption to the South African economy, transport networks, companies, distribution centres, malls and stores resulting in possible loss of life, and increased hardship.
- Increased cost of doing business as a result of higher insurance premiums and security requirements to safeguard against and recover from incidents of civil unrest.

OPPORTUNITIES

- Improved business continuity planning that explicitly addresses civil unrest across the distribution centres, transport and stores network.
- Insurance cover requirements to meet specialist civil and political violence risks.
- Increased co-operation with government, civil society groups and the industry to mitigate and manage threats of civil unrest.
- Implementation of improved, tested and co-ordinated national supply chain capabilities to respond to incidents of civil unrest.
- Enhanced financial cash flow and liquidity facilities to mitigate short-term working capital dislocations in the event of disruption.
- Leverage online capability to meet customer needs.

2 Covid-19

Why material? The impact of the Covid-19 pandemic and the related lockdown restrictions negatively impact the group's trading environment, stock availability, supply chain, employee and customer health and safety, as well as increase legislative compliance requirements.

RISKS

- Temporary closure of stores to safeguard employees and customers.
- Potential supply chain disruption owing to possible factory closures impacting product availability.
- Delays in stock from foreign suppliers owing to lockdown constraints.
- South Africa reverting to stricter lockdown levels in the event of further waves of infection.

OPPORTUNITIES

- Group-wide health and safety protocols implemented, including personal protective equipment and cleaning materials.
- Inventory levels increased in community and neighbourhood stores.
- Supply chain adapted to source alternative suppliers and secure stock.
- Capacity of Clicks online distribution increased to accommodate greater demand for online ordering and delivery.
- Cost base rapidly reduced to off-set the impact of slower sales during lockdown.
- UPD actively sourced new product lines required by hospital groups in the treatment of Covid-19.
- Covid-19 vaccine service provided by Clicks pharmacies and clinics, with cold chain storage and delivery to Clicks by UPD.

3 Brand reputation

Why material? Reputational damage to the group, its operating brands and products could result in a loss of brand equity having an adverse financial impact on the business.

RISKS

- Breakdown in financial and governance controls and reporting could cause serious reputational damage and impact the company's rating on the JSE, as well as incurring fines and censure from regulators.
- Poor product quality, product recalls or customer claims could negatively impact trust in the brand.
- Harmful content or imagery being displayed on online platforms or printed marketing material could impact on brand equity.
- Exponential growth in social media usage with its immediacy and reach can seriously damage the image of brands, regardless of the accuracy of the content.
- Increasing consumer activism and potential brand or product boycotts.
- Inability to attract and retain quality employees if the company has suffered reputational damage.

OPPORTUNITIES

- Robust governance framework and financial controls implemented across the group, with oversight from the board, executive management and internal audit.
- Protocols established to ensure content on group's social media and online platforms is authorised by the responsible executive to limit the impact of potentially viral comments, images or videos.
- Resources to monitor online and social media to respond rapidly.
- Consultants retained by the group to advise on reputational management.
- Strict quality assurance processes to limit risk of product failure.
- Insurance and indemnity cover for product recalls, customer claims and malicious damage to property.

4 Trading environment

Why material? Low economic growth, poor economic conditions and the resultant weak consumer sentiment are impacting South Africa's retail trading environment, and this has been compounded by Covid-19. Consumer disposable income has been further eroded by rising utility prices, higher health insurance costs and increasing general living costs.

RISKS

- Economic environment remains challenging which has been exacerbated by the Covid-19 pandemic constraining consumer spending.
- Criminal activity, including syndicated crime, escalates during times of economic hardship.
- Currency volatility could impact on the cost of direct and indirect imports and result in price increases which cannot be passed on to consumers.
- Increasing use of generic medicines and the added pressure of low single exit price (SEP) increases will continue to impact on UPD's operating margin.

OPPORTUNITIES

- Clicks will continue to pursue a strategy to improve price competitiveness, grow sales volumes and entrench the perception of the brand as a value retailer.
- Focus on differentiators, including an extensive convenient store and pharmacy network, private label and exclusive ranges, personalised engagement leveraging the Clicks ClubCard loyalty programme and consistently high levels of customer care.
- Grow Clicks online sales and extend online-only product ranges.
- Hedge foreign exchange exposure by purchasing forward cover.
- UPD will continue to drive efficiencies to mitigate the impact of genericisation on the operating margin.

5 Competition

Why material? Clicks faces competition on several fronts, including national food retailers and general merchandise chains, and other pharmacy businesses.

RISKS

- Expansion by corporate pharmacy and retail chains impacting on market share growth in Clicks.
- Increasing price competitiveness and promotional activity of retailers, including competing loyalty schemes, could negatively affect sales and margin in Clicks.
- Customers migrating to alternate online retailers with fast home delivery service.

OPPORTUNITIES

- Clicks has an extensive store network and plans to open 25 to 30 new stores each year, expanding to 900 stores in South Africa in the long term.
- Continued expansion of the pharmacy network with the long-term plan to open dispensaries in all Clicks stores in South Africa.
- Acquisition of Pick n Pay retail pharmacies, subject to competition and regulatory approval.
- Clicks has opened its first baby store-in-store and first standalone baby store with further standalone baby stores to follow, expanding the range of baby products offered.
- Continued recruitment of new members to the Clicks ClubCard and the Clicks mobile app.
- Ongoing improvements in pricing, product offer (store and online) and customer service.

6 Regulation

Why material? Healthcare markets are highly regulated across the world and approximately 50% of the group's turnover is in regulated pharmaceutical products. The group supports regulation that advances the government's healthcare agenda of making medicines more affordable and more accessible but opposes regulation which inhibits access to affordable healthcare and limits customer choice.

RISKS

- Healthcare legislative and regulatory changes introduced by the Department of Health (DoH), SA Pharmacy Council (SAPC) and SA Health Products Regulatory Authority (SAHPRA) could impact on Clicks' and UPD's turnover and margins.
- Impacts include the ability to obtain pharmacy licences and to launch private label and exclusive scheduled and complementary medicines.
- Introduction of National Health Insurance (NHI) would impact on the private and public healthcare markets.
- Non-compliance with current and emerging legislation, including the Companies Act, Consumer Protection Act, Protection of Personal Information Act, labour law and copyright legislation, could result in monetary sanctions.

OPPORTUNITIES

- Ensure Clicks and UPD are operating efficiently to maintain margins and profitability.
- Continue management engagement with the DoH, SAPC and SAHPRA on legislation and regulation, and to accelerate the granting of pharmacy licences and approval of generic medicines to broaden access to affordable healthcare.
- As the market leaders in retail pharmacy and pharmaceutical wholesaling, position Clicks and UPD to benefit from market consolidation arising from changes in legislation and regulation.
- Partner with government to be a preferred service provider to the NHI scheme.

7 People

Why material? Retail and healthcare skills are scarce and in high demand locally and internationally. Attracting and retaining talent is therefore critical to the group's continued success. As the largest employer of pharmacy staff in the private sector in South Africa the group is actively building capacity to address the critical shortage of pharmacists.

RISKS

- Inability to recruit, attract and retain talent for core business needs, including merchandise and planning, store management, information technology and pharmacy.
- Strike action causing disruption to operations, damage to property and financial loss.
- Inability to secure business as a result of not achieving required transformation targets.

OPPORTUNITIES

- Salaries and incentives are externally benchmarked to ensure the group remains competitive.
- Bursary and internship programmes to attract pharmacy graduates.
- Retail graduate and IT learnership programmes offered.
- Accredited training programmes for store management, key store roles, and merchandise and planning roles.
- Senior leadership development programme strengthens pool of management talent and provides candidates for succession planning.
- Group resourcing function established, including specialist pharmacy team.

8 Information technology

Why material? Real-time, uninterrupted IT systems are essential in today's technology-driven business environment while robust IT security and governance processes are required to limit breaches of customer privacy and loss of data to avoid legal liability and reputational damage.

RISKS

- Confidential customer or sensitive internal data compromised as a result of undetected data security breach or cyberattack.
- IT systems and architecture no longer appropriate in an environment of ever-increasing scale and requirement for real-time information.
- Inability to restore business operations and IT systems, including UPD automated picking system, in the event of a disaster.
- Power outages impacting the ability to trade and resulting in loss of sales.

OPPORTUNITIES

- Improved information security practices and compliance as a result of increased online presence.
- Planned implementation roadmap for new IT systems with improved system efficiencies and cost savings that support the organic growth strategy.
- Migration to cloud-based business continuity plan.
- Ensure continued trading during power outages by connecting to mall generators where available and back-up power through uninterrupted power solutions.

Leadership and PERFORMANCE

Clicks Group continues to drive organic growth to deliver sustained financial performance which generates competitive returns and creates long-term value for shareholders.

CHAIRMAN'S Report

The year was marked by a series of **unprecedented challenges** which severely tested the group's resolve and capability.

During the course of the year, the group experienced protest action in the aftermath of the social media haircare advertisement incident; continued levels of Covid-19 restrictions imposed by government for lengthy periods; and the civil unrest in KwaZulu-Natal and parts of Gauteng. Against this background, it is pleasing to report that the resilience of the business and the competence of the executive team again came to the fore to ensure a highly competitive financial and operating performance for the year.

Group turnover increased by 10.2%, diluted headline earnings per share (HEPS), adjusted for the impact of the civil unrest, grew by 8.8% and a dividend of 490 cents per share was declared to shareholders.

The market capitalisation on the JSE increased by R17.1 billion to R74.3 billion, ensuring our continued inclusion in the FTSE/JSE Top 40 Index.

The performance should also be seen in the context of the group's sustained shareholder value creation over the past decade. Excellent growth rates have translated into strong cash returns which have not only been reinvested in the business but have allowed the board to progressively increase the dividend payout ratio from 50% in 2011 to the current targeted payout ratio of 60% to 65%.

Over this time the group has generated a compound annual total shareholder return of 24.5% per annum with diluted HEPS growing by a compound rate of 12.0% and the dividend per share by 14.6% per annum.

Supporting this growth is the group's commitment to reinvesting in the business, with capital expenditure of R4.8 billion over the past 10 years and over R9.7 billion being returned to shareholders in dividends and share buy-backs, underpinning the quality of the Clicks Group share.

APPOINTMENT OF NEW CEO

Our CEO, Vikesh Ramsunder, has resigned from the group with effect from 31 December 2021 to take up a career opportunity as the head of a listed healthcare company in Australia.

Over the past three years Vikesh has led the business through a number of challenges including, in particular, those outlined above. Under his leadership Clicks and UPD have entrenched their market-leading positions, the group has expanded its retail store presence to over 800 stores and 600 pharmacies, and is recognised as the most transformed and empowered retailer in the country. The group's share price has increased by 60% over this period, despite markets being severely impacted by Covid-19.

Over many years, the group has built a strong executive leadership team and we are confident in their ability to maintain the current momentum in the business. We are sorry to say goodbye to Vikesh and wish him and his family well. He will continue to act as a strategic adviser to the group until 31 August 2022.

Flowing from our succession planning process, we were pleased to appoint an internal successor in Bertina Engelbrecht as our new CEO from 1 January 2022. Bertina is our group corporate affairs director and will be the first black female to lead a listed retail group in South Africa. She has been part of the executive leadership team for the past 15 years and been integrally involved in the development of the group's strategy and growth of the business over this time. Bertina has served on the board as an executive director since 2008.

The group is on a sustained growth trajectory thanks largely to the quality of our highly experienced executive team and we extend our congratulations to Bertina as she prepares to assume her new role in January next year.

GOVERNANCE AND BOARD SUCCESSION

Governance is a crucial constituent of the group's overarching environmental, social and governance (ESG) framework that contributes to sustainability and long-term value creation. Our governance practices continue to be reviewed and enhanced on a regular basis.

Historically, the board has conducted a self-evaluation of its effectiveness. In the past year an independent assessment of board effectiveness was conducted by Deloitte. This evaluation rated the board, its committees, the chairman and each of the directors as being highly effective. All suggestions for improvement have been implemented.

This year, the board pursued its succession plan by appointing a new director, Dr Penny Moumakwa, as an independent non-executive director, in April. Penny is a medical doctor with extensive senior executive experience in both the private and public sectors and her healthcare experience is proving highly relevant to our board.

In September, after the end of the reporting period, we appointed Sango Ntsaluba as an independent non-executive director. Sango is a highly accomplished businessman with over 30 years' experience in the auditing profession and in corporate leadership positions and is a seasoned non-executive director.

Both Penny and Sango will be proposed for election at the annual general meeting to be held in January 2022 and Sango will also be recommended for election to the audit and risk committee.

In implementing the succession plan, the board has also addressed the issue of long-tenured directors. While we consider that the group has derived substantial benefits from having a stable board of directors with deep knowledge of the group's affairs (which has been particularly relevant during the challenges of the past year), we are also cognisant of the benefits of bringing new skills and inputs into our board deliberations, hence the new appointments we have made in the recent past.

We have determined that all directors who have served at least three terms of three years each will retire when their current term comes to an end unless the board otherwise determines. This policy will result in the long-tenured board members retiring over a three-year period, allowing the group to continue to derive the benefit of a stable and knowledgeable core of directors whilst the new directors are integrated into our processes.

Fatima Daniels, who has served as a non-executive director for 13 years, will retire from the board in January 2022. Fatima has made an outstanding contribution to both the board and the audit and risk committee and we will miss her robust debate, rigorous oversight and extensive board experience.

While I have served as a non-executive director for many years, the remaining members of the board believe that it will be in the best interests of the group that I stand for an additional period to provide stability to the board during this transitional phase and to support the new CEO. I have therefore accepted the board's nomination for re-election as a director and, if elected by shareholders, will serve as much of my three-year term as required to identify a suitable candidate to assume the leadership of the board.

BOARD DIVERSITY POLICY

The group has adopted a policy to ensure diversity on the board, specifically relating to race and gender but also in respect of broader diversity attributes such as skills, qualifications and experience, age and culture. The appointments of Penny Moumakwa and Sango Ntsaluba were both made in line with this policy.

The board exceeds its voluntary targets in respect of race and gender representation, with 64% black (target 50%) and 36% women representation (target 25%).

We believe that the diversity of our directors ensures that the board considers the needs of all our stakeholders and interest groups.

ACKNOWLEDGEMENTS

Thank you to our CEO and the group executive committee for their leadership of the business during a particularly challenging and disrupted trading year. Our 15 900 employees at head office, stores and distribution centres across the country continued to show how teamwork, discipline and passion for our customers enabled the group to deliver another strong financial and operational performance.

The collective insight and wisdom of my fellow non-executive directors proved invaluable during these uncertain times and I thank them for their continuing support.

Thank you to our external stakeholders, including our customers, shareholders, suppliers and regulators, for their continued support and engagement.

David Nurek
Independent non-executive chairman

Board of DIRECTORS

INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive chairman

Dip Law, Grad Dip Company Law

Appointed 1996

David Nurek (71)

Member of the remuneration and nominations committee

Member of the social and ethics committee

Directorships: Non-executive chairman of Trencor.

Expertise and experience: Legal, commercial and governance. David practised as an attorney with Sonnenberg Hoffman Galombik for 32 years, including 23 years as a partner and director. He joined Investec Group in 2000 and was regional chairman of the group's Western Cape businesses and global head of legal risk for the Investec Group. David retired from the Investec Group in 2019. He has served as non-executive director and chairperson on boards of listed companies for many years, including as chairperson of The Foschini Group and Lewis Group, and non-executive director of Aspen Pharmacare and Pick n Pay Stores.

Independent non-executive director

B Econ (Hons) (cum laude), M Com, D Com

Appointed 2008

Prof. Fatima Abrahams (59)

Chairperson of the remuneration and nominations committee

Chairperson of the social and ethics committee

Directorships: Lewis Group and The Foschini Group. Chairperson of TSiBA Education.

Expertise and experience: Human resources and remuneration. Prof. Abrahams is an academic, experienced company director and a registered industrial psychologist. She is currently a senior professor (part time) at the University of the Western Cape, having also served as dean of the Faculty of Economic and Management Sciences.

Lead independent non-executive director

B Com (Hons), CA (SA), CMS (Oxon)

Appointed 2008

John Bester (75)

Chairman of the audit and risk committee

Member of the remuneration and nominations committee

Directorships: Non-executive director of HomeChoice South Africa, Intembeko Investment Administrators, Personal Trust and Tower Property Fund. Trustee of the Children's Hospital Trust and the Children's Hospital Foundation Trust.

Expertise and experience: Accounting and finance. John spent 16 years in the accounting profession, including serving as a partner of Ernst & Young for 10 years. He has been involved in commerce and industry for a further 40 years.

Independent non-executive director

B Sc, CA (SA)

Appointed 2008

Fatima Daniels (61)

Member of the audit and risk committee

Directorships: Momentum Metropolitan Holdings, Rand Refinery, AfriSam and various MTN subsidiaries.

Expertise and experience: Accounting and finance. After spending six years in the auditing profession Fatima went on to lecture in financial accounting and then spent over a decade in various positions in corporate South Africa. She has served on the boards of JSE-listed companies since 1995.

Independent non-executive director

MB ChB, MAP (Wits), GMP (Harvard)

Appointed April 2021

Dr Penny Moumakwa (56)

Directorships: Growthpoint Healthcare Property Holdings, RCL Foods, Wits University Donald Gordon Medical Centre and the Witkoppen Health and Welfare Centre.

Expertise and experience: Medical and healthcare. Penny is a medical doctor with extensive senior executive experience in the private and public healthcare sectors. She was previously an executive director of Discovery Health and an executive committee member of Discovery Holdings. She is the founding CEO of Mohau Equity Partners.

Independent non-executive director

B Com, B Compt (Hons), CA (SA), H Dip Tax

Appointed March 2020

Mfundiso Njeke (63)

Member of the audit and risk committee

Directorships: Datatec, Delta Property Fund and Motus Holdings.

Expertise and experience: Accounting and finance. Mfundiso ("JJ") is a chartered accountant by profession. After serving as an audit partner at PricewaterhouseCoopers for six years he co-founded Kagiso Trust Investments where he was group managing director from 1994 to 2010. JJ is currently the chairperson of investment company Dlondlobala Capital, which he co-founded in 2012. He is a past chairman of the SA Institute of Chartered Accountants.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Independent non-executive director

B Com, B Compt (Hons), M Com (Development Finance), H Dip Tax Law, CA (SA)

Appointed September 2021

Sango Ntsaluba (61)

Member of the remuneration and nominations committee

Member of the social and ethics committee

Directorships: Non-executive chairman of Thungela Resources and non-executive director of Kumba Iron Ore and Goldplat plc, and previously served on the Black Economic Empowerment Commission.

Expertise and experience: Accounting and finance. Sango was a founding partner of SizweNtsalubaGobodo (now SNG Grant Thornton), one of the largest auditing firms in South Africa. In 1997 he joined Transnet as general manager of group finance before being appointed as an executive director responsible for restructuring, a position he held until 2002. He served as executive chairman of NMT Capital from 2002 until 2020. He is the founding CEO of investment holding company Aurelian Capital.

Independent non-executive director

Appointed 2006

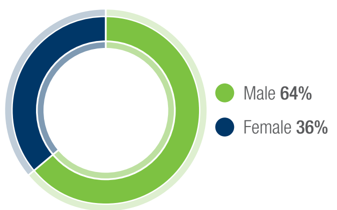
Martin Rosen (71)

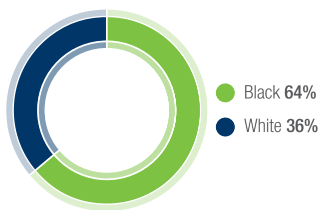
Member of the remuneration and nominations committee

Expertise and experience: Retail and marketing. Martin is an accomplished retailer and marketer, having spent 33 years with Pick n Pay before starting his own marketing consultancy in 2004.

BOARD DIVERSITY POLICY

The group has adopted a policy to ensure diversity on the board, specifically relating to race and gender but also in respect of broader diversity attributes such as skills, qualifications and experience, age and culture. In line with the policy the board appointed two non-executive directors during the year, namely Penny Moumakwa and Sango Ntsaluba. These appointees will be proposed to shareholders for election at the annual general meeting in January 2022. The board exceeds its voluntary targets in respect of race and gender representation, with 64% of directors being black (target 50%) and 36% of directors being women (target 25%).





EXECUTIVE DIRECTORS

Group corporate affairs director

B Proc, LL M, admitted attorney

Appointed as a director in 2008

Bertina Engelbrecht (58)

Expertise and experience: Corporate affairs, strategic planning, stakeholder engagement and human resources. Bertina will be appointed as chief executive officer in January 2022. She joined the group as group human resources director in March 2006 and her responsibilities were expanded in December 2020 to include strategic stakeholder engagement. She was previously general manager for Shell SA Energy and regional human resources manager for Shell Oil Products Africa. Prior to this she was director of organisational effectiveness at Sea Harvest, managed her own consultancy practice and spent eight years with Transnet.

Chief financial officer

B Com, CTA, CA (SA)

Appointed as a director in 2011

Michael Fleming (54)

Expertise and experience: Accounting, finance and investor relations management. Michael was previously chief financial officer of Tiger Brands Limited. He joined the Tiger Brands group in 2000, was appointed as financial executive of the Tiger Brands consumer brands division in 2005 and promoted to chief financial officer in June 2008. While CFO of Tiger Brands, he also served as a non-executive director of Oceana Group Limited.

Chief executive officer

B Com, MBL

Appointed as a director in 2019

Vikesh Ramsunder (50)

Member of the social and ethics committee

Expertise and experience: Retail and commercial. Vikesh was appointed chief executive officer in January 2019. Prior to this he was chief operating officer of the Clicks brand from 2015, and was managing director of UPD, the group's pharmaceutical wholesaler, from 2010, where he was instrumental in driving UPD's integrated pharmaceutical wholesale and distribution strategy. He has served in store, logistics and management positions across the group since joining in 1993.

CHIEF EXECUTIVE'S Report

Clicks Group produced **another resilient performance** despite the trading disruption from the KwaZulu-Natal (KZN) civil unrest, store protests and the ongoing impact of Covid-19 on consumer shopping behaviour.

The group's defensive business model continued to adapt to the changing market dynamics which contributed to robust turnover growth from Clicks and UPD, market share gains and the continued expansion of the store and pharmacy network.

One of the highlights of the year was the launch of the national Covid-19 vaccination programme. We recognise that the fastest way to economic recovery and to reduce human suffering is to fully vaccinate as many members of the population as possible, in this way protecting lives and helping to accelerate growth.

Clicks is the largest private-sector vaccination provider in South Africa and by the end of October 2021 had administered over 1.5 million vaccinations across 531 Clicks pharmacies.

The civil unrest in KZN in July 2021 had a significant impact on the group's earnings. A total of 53 of our stores – or 6% of the store base – as well as the Clicks and UPD distribution centres in the province were looted and vandalised. Business continuity plans were activated immediately and products were supplied from our distribution centres in other regions to customers in KZN. Private security services were contracted to protect the distribution centres while aircraft were chartered to supply life-saving medicines from Johannesburg to UPD customers in the region, particularly the large hospital groups, during the third wave of the Covid-19 pandemic.

It was most encouraging to witness the local communities and our teams working together to restore our operations so quickly. The UPD distribution facility opened within two weeks of the unrest and the Clicks distribution centre two weeks later. Only eight of our stores remain closed. The financial impact of the civil unrest and the related insurance claim is detailed in the chief financial officer's report.

The constrained trading environment unfortunately accelerated the closure of our heritage entertainment brand Musica in May 2021. The business had been operating in a declining market for several years owing to the shift in the digital consumption of music, movies and games. Musica was the country's leading music and entertainment retail brand for several decades. The inevitable demise of the brand was a sad moment for the group, although we were fortunate to have been able to save jobs by redeploying Musica staff elsewhere in the group.

DELIVERING ON OUR STRATEGY

The group's strategy was consistently applied over the past year despite the many headwinds in the external environment. Our organic growth strategy continues to be supported by favourable market dynamics and the drivers of our longer-term growth are outlined in the group strategy report on pages 14 and 15.

Our retail health and beauty strategy is focused on the three pillars of convenience, differentiation and personalisation, supported by our value offering, and pleasing progress has made been in the past year.

Clicks opened its 750th store during the year, expanding its retail footprint to 782 with the opening of 39 new stores. The store opening programme was again accelerated beyond the targeted 25 to 30 stores owing to opportunities for new space becoming available in existing shopping centres.

While Covid-19 accelerated the growth in online purchases, customers have returned to shopping in-store as lockdown restrictions have been relaxed and online growth has slowed. The Clicks strategy is focused on offering the total range of products to customers via the online store. This enables the chain to enter product categories that are sold online only, including premium beauty, health mobility and baby hardware such as prams, car seats and cots.

Based on the international trend of baby accessories increasingly being bought online, we are opening specialist baby stores as showrooms to stimulate online sales. The first two Clicks Baby stores have been opened and a further nine are planned for major malls across the country. The baby category is a strategic growth area for Clicks where we already hold a 19.6% share of the market.

Clicks is the country's largest retail pharmacy chain and a further 36 pharmacies were opened, extending the national pharmacy presence to 621. The convenience and accessibility of the pharmacy network is highlighted by the fact that 50% of the country's population now live within 5.5 kilometres of a Clicks pharmacy.

> *"Clicks ClubCard was again rated as the best loyalty programme in the South African Loyalty Awards for 2021."*

Extending the convenience strategy, the group acquired 25 Pick n Pay pharmacies during the year. The transaction was approved by the Competition Commission after the end of the reporting period and the application process for the transfer of the licences is under way.

The convenience of the Clicks pharmacy network has been instrumental in supporting the national vaccination programme and by year-end Clicks had administered over 596 000 vaccinations across 300 sites.

Our iconic Clicks ClubCard remains one of the most popular loyalty programmes in the country. ClubCard active membership increased by 600 000 to 9.2 million in the past year and accounted for 80.2% of the brand's sales. The Clicks mobile app, which incorporates the digital ClubCard, has been downloaded by 2.3 million customers. Clicks ClubCard was again rated as the best loyalty programme in the South African Loyalty Awards for 2021.

> *"The convenience of the Clicks pharmacy network has been instrumental in supporting the national Covid-19 vaccination programme."*

Through private label and exclusive brands Clicks offers an extensive range of trusted quality, great value products which are a significant alternative to a branded product.

The contribution from private label and exclusive products increased from 23.8% to 24.5% of total sales, with the goal to increase this to 25% of total sales.

The Body Shop, which sells natural, ethically-produced beauty products through 59 standalone stores and 239 Clicks stores, continues to differentiate our beauty offering and our franchise agreement with The Body Shop International has again been renewed.

UPD is the country's leading pharmaceutical wholesaler and is a significant service provider in the distribution agency business, with a portfolio of 26 clients. UPD's total managed turnover, which combines wholesale and bulk distribution, increased by 20.6% to R28.4 billion. Clicks and the private hospital groups account for over 85% of UPD's wholesale turnover, supporting the long-term sustainability of the business.

Supporting our strategy has been the extensive investment in core information technology (IT) systems in Clicks and UPD, and the ongoing investment in digital technology to enhance our online platform, ClubCard engagement and the trialling of digital pharmacy lockers in stores.

Our extensive store network and integrated supply chain provide competitive advantages which we aim to maintain through the continued investment of over R2 billion in the next three years.

The group's financial performance is covered in the chief financial officer's report starting on page 38, and the trading performance of Clicks and UPD is covered on pages 45 to 55.

STRENGTHENING EXECUTIVE MANAGEMENT

During the year we appointed new managing executives for our two main operating businesses, Clicks and UPD.

Vikash Singh, previously the managing executive of UPD, was promoted to managing executive of Clicks in February 2021. His 15-year career with the group has spanned financial, operational and supply chain responsibilities, with extensive experience in logistics management in Clicks and UPD.

Trevor McCoy joined the group as managing executive of UPD in April 2021. Trevor has 25 years' experience in the pharmaceutical sector including senior roles at Sanofi, Pfizer and Alcon.

We are pleased to have executives of the calibre and experience of Vikash and Trevor heading our two business units while also enhancing the diversity of our most senior leadership team.

COMMITMENT TO SUSTAINABLE ESG PRACTICES

Environmental, social and governance (ESG) practices are integrated into our value system and the way in which we operate. The Covid-19 pandemic has highlighted the value of companies integrating effective ESG practices into their businesses to ensure longer-term sustainability and we welcome the increasing use being made by investors of ESG metrics in their company analysis.

The group was included in the FTSE4Good Index Series for the fifth consecutive year in 2021, recognising companies with strong ESG practices measured against global standards. In the index ratings the group far outperformed the sector and industry averages which include major international healthcare companies.

As a proudly South African company with a diverse workforce and a predominantly female customer base, inclusive transformation has always been integrated into our strategic plans. The group's sustained rating as the top broad-based black economic empowerment (BBBEE) and gender empowered company in the health, pharmaceutical and retail sector bears testimony to our commitment to transformation. Our BBBEE rating improved further to level 4 in 2021.

Further supporting the local economy, Clicks introduced a supplier listing portal focused on developing small and medium-sized suppliers. Our commitment to this strategy is reflected in purchases of over R1.2 billion from small and medium-sized businesses, growing by 69% on the previous year.

Refer to the creating value through good citizenship report on page 58 and the sustainability report 2021 for detail on the group's ESG focus areas.

OUTLOOK

Trading conditions will continue to be constrained owing to the ongoing impact of Covid-19, while store turnover in the civil unrest areas of KZN is still well below the levels of the prior year.

However, the relaxation of lockdown restrictions and the acceleration of the national vaccination programme is expected to aid the recovery in the economy. Clicks has the capacity to administer 600 000 vaccinations per month and will continue to play a key role in supporting this national priority.

Management is confident in the group's ability to achieve its medium-term financial and operating targets, and has increased its operating margin targets for the retail and distribution divisions and the group, which confirms the organic growth prospects in the business.

APPRECIATION AND FAREWELL

In a year impacted by Covid-19, two significant business disruptions and the closure of Musica, our teams have demonstrated incredible resilience and tenacity. I thank our people for their tremendous dedication, commitment and courage which has made these results possible.

After 28 stimulating and fulfilling years I will be leaving the Clicks Group at the end of December 2021 to take up a position in Melbourne, Australia. It has been an honour to lead the group and to have been part of such a dynamic and transformed business which has presented me with career-defining opportunities.

Starting out as a cashier in Clicks I am proud of what I have achieved and am grateful to the many outstanding leaders and mentors who have helped shape my career.

Thank you to the board for their support over many years and for entrusting me to lead the company. My group executive colleagues have been unwavering in their commitment which has contributed directly to the group's performance.

My successor, Bertina Engelbrecht, has been with the group for 15 years and has played an integral role in developing and supporting the execution of the group strategy. She is a seasoned executive with a diverse skill set and I wish her continued success in her new role.

It is with a heavy heart that I say farewell to the company and the country, and our amazing people who have been the pillar of success of the group. I have many wonderful memories and will miss the business dearly.

Vikesh Ramsunder
Chief executive officer

Executive MANAGEMENT

Left to right: Vikash Singh, Bertina Engelbrecht, Vikesh Ramsunder, Trevor McCoy and Michael Fleming

Vikesh Ramsunder (50)
Chief executive officer
B Com, MBL
Joined the group in 1993
Appointed as chief executive officer in January 2019

- Chief operating officer of Clicks from 2015 to 2018.
- Managing director of UPD from 2010 to 2015, where he was instrumental in driving UPD's integrated pharmaceutical wholesale and distribution strategy.
- Served in store, logistics and management positions across the group since joining the group in 1993.

Michael Fleming (54)
Chief financial officer
B Com, CTA, CA (SA)
Joined the group in February 2011

- Previously chief financial officer of Tiger Brands Limited.
- Joined the Tiger Brands group in 2000, appointed as financial executive of the Tiger Brands consumer brands division in 2005 and promoted to chief financial officer in June 2008.

Bertina Engelbrecht (58)
Group corporate affairs director
B Proc, LL M, admitted attorney
Joined the group as group human resources director in March 2006

- Appointed chief executive officer from January 2022.
- Responsibilities expanded in December 2020 to include strategic stakeholder engagement.
- Previously general manager for Shell SA Energy and regional human resources manager for Shell Oil Products Africa.
- Prior to this she was director of organisational effectiveness at Sea Harvest, managed her own consultancy practice and spent eight years with Transnet.

Vikash Singh (48)
Managing executive: Clicks
B Com (Acc), MBA
Joined the group in 2006
Appointed as managing executive in February 2021

- Managing executive of UPD from 2015 to 2021.
- Career has spanned financial, operational, supply chain and logistics responsibilities, with extensive experience in logistics management in both Clicks and UPD.

Trevor McCoy (51)
Managing executive: UPD
B Sc, PGDMM, MBA
Joined the group in April 2021

- Previously head of public affairs for Sanofi South Africa.
- 25 years' experience in the pharmaceutical sector.
- Previous roles include serving as business unit head in diverse portfolios and therapeutic classes in Sanofi, Pfizer and Alcon.

CHIEF FINANCIAL OFFICER'S Report

Clicks Group delivered another resilient performance with robust turnover growth in Clicks and UPD, **efficient cost management and sustained strong cash generation** despite significant headwinds in the trading environment.

The civil unrest in KwaZulu-Natal (KZN) in July 2021 had a major financial impact on the group. Operating profit was reduced by R148 million and headline earnings by R107 million, equating to a reduction of 43.1 cents in diluted headline earnings per share (HEPS) for the year.

Diluted HEPS from continuing operations increased by 2.6% to 793.7 cents. Adjusting for the impact of the civil unrest, diluted HEPS increased by 8.8% to 836.8 cents.

The group declared a total dividend of 490 cents per share based on a 63.3% payout ratio. The final cash dividend of R853 million will be paid to shareholders in January 2022.

After returning R2.2 billion to shareholders in dividends and share buy-backs, cash on hand totalled R2.2 billion at year-end.

IMPACTS ON FINANCIAL REPORTING

The group is reporting financial information separately for continuing and discontinued operations following the closure of Musica in May 2021. The civil unrest in KZN in July 2021 had a significant impact on the group's financial results and the disclosure of the performance has been adjusted for this impact. The current reporting period includes the impact of Covid-19 for 12 months compared to six months in the prior reporting period.

IMPACT OF CIVIL UNREST

The group is fully insured against the risk of civil unrest as well as being covered for business interruption. The total South African Special Risks Insurance Association (SASRIA) claim for damages in the recent civil unrest amounts to R726 million:

- inventory of R522 million (carrying value R334 million);
- fixed assets of R181 million (carrying value R61 million); and
- additional costs of R23 million covered under the SASRIA policy.

The group incurred additional costs for private security services to protect the UPD and Clicks distribution centres and air transportation costs to supply UPD customers in KZN.

The first interim payment of the insurance claim of R217 million (excluding VAT) has been received and is accounted for in the 2021 financial year. The balance of the insurance proceeds are expected to be recognised in the 2022 financial year. The business interruption claim has not yet been finalised.

The impact on the major line items in the statement of comprehensive income are as follows:

Continuing operations R'million	Reported 2021	Adjustments for civil unrest		Adjusted 2021
Turnover	37 339	–		37 339
Gross profit	7 272	334	Stock written off	7 606
Other income	2 609	(217)	Insurance claim received to date	2 392
Expenses	(6 984)	31	Costs relating to civil unrest	(6 953)
Operating profit	2 897	148		3 045
Impairment of property, plant and equipment	(61)	61		–
Taxation	(728)	(58)		(786)
Headline earnings	1 961	107		2 068 +7.4%
Diluted headline earnings per share (cents)	793.7	43.1		836.8 +8.8%

FINANCIAL PERFORMANCE

The analysis of the group's financial performance for the year ended 31 August 2021 focuses on the key line items of the statements of comprehensive income and financial position which management considers material to shareholders' understanding of the group's performance.

The following review should be read together with the annual financial statements as well as the summary statements of comprehensive income and financial position, and the five-year analysis of financial performance on pages 42 and 44 respectively.

STATEMENT OF COMPREHENSIVE INCOME

Turnover

Group turnover increased by 10.2% to R37.3 billion (2020: R33.9 billion). Selling price inflation averaged 2.7% for the year.

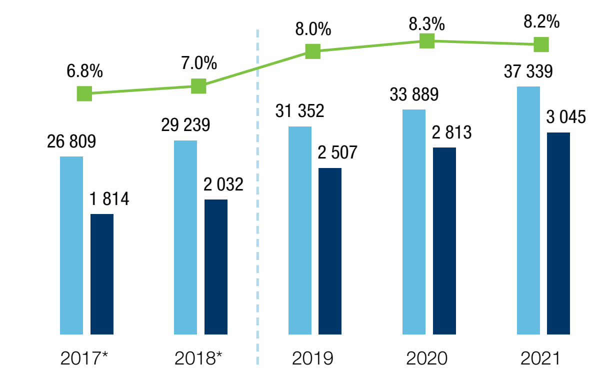
Retail health and beauty turnover, including Clicks, The Body Shop, GNC and Claire's, increased by 8.3% despite the impact of Covid-19 and the civil unrest in KZN. Retail selling price inflation averaged 3.2%. Comparable stores sales grew by 5.1%.

Growth in trading space accounted for 3.2% of the retail turnover growth, with the net opening of 39 Clicks stores and 36 pharmacies.

Distribution turnover grew by 12.3%, driven mainly by medicine sales in the third wave of the Covid-19 pandemic from June to August 2021.

The trading performances of Clicks and UPD are covered in the business review on pages 45 to 55.

Turnover, operating profit and margin



Turnover (R'million) Operating profit (R'million)
Operating margin
* Pre-IFRS 16 operating profit and margin.

Total income

Total income on an adjusted basis grew by 8.4% to R10.0 billion (2020: R9.2 billion).

The retail total income margin was 10 basis points lower owing to the impact of product mix changes and promotions. The increased proportion of private label sales partially compensated for lower sales of higher-margin beauty products.

UPD's total income margin strengthened by 10 basis points to 8.6% due to the growth in the bulk distribution business. This off-set the lower medicine single exit price (SEP) increase of 3.68% in February 2021 compared to 4.53% in February 2020.

The faster growth of the distribution business resulted in a mix change which contributed to the group's total income margin declining by 40 basis points to 26.8%.

Operating expenditure

Retail operating expenditure as a percentage of turnover improved to 23.7% (2020: 23.8%) reflecting the increasing efficiency in the retail cost base.

Adjusted retail expenses were held below turnover growth and grew by 7.7%. Costs include the addition of new space, with 39 Clicks stores and 36 pharmacies opened during the year.

Comparable retail costs were contained to an increase of only 4.0%.

UPD expenses on an adjusted basis increased by 14.9%, well below the 20.6% growth in UPD's total managed turnover. Additional wholesale and distribution contracts have resulted in higher labour and transport costs and UPD has rented a third-party distribution warehouse to accommodate the increased volumes.

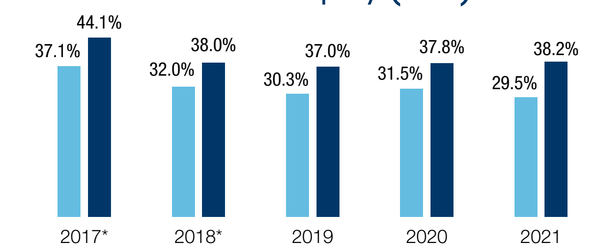
The group's operating expenses increased by 9.0%.

Operating profit

Adjusted group operating profit increased by 8.2% to exceed R3 billion (2020: R2.8 billion) for the first time, with the group's operating margin 10 basis points lower at 8.2%.

The retail and distribution businesses both maintained margin despite the headwinds in the trading environment, with the faster growth of UPD marginally reducing the group margin.

Return on equity (ROE)



Average ROE of other JSE-listed food and drug retailers
Clicks Group ROE

* Pre-IFRS 16.

STATEMENT OF FINANCIAL POSITION

The ratio of shareholders' interest to total assets declined from 34.0% to 28.0% as the group returned R2.2 billion to shareholders. The ratio of current assets to current liabilities at year-end was 1.1 times (2020: 1.2 times), indicating that working capital remains adequately funded. Other current assets include R2.2 billion in cash.

The group continues to hedge direct exposures to foreign exchange rate fluctuations which impact approximately 8% of the cost of sales in the retail business. In addition, the group hedged elements of the long-term incentive scheme for the 2021 to 2023 period. Further detail on the respective hedges and risk management is contained in note 27 in the annual financial statements on the group's website.

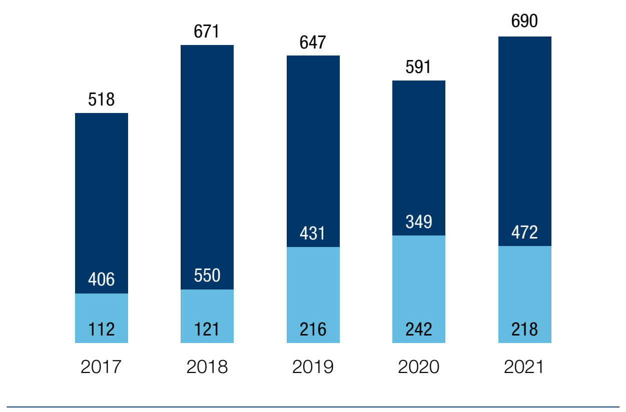
Working capital

The group's net working capital days improved from 37 to 30 days.

Group inventory days were consistent with the prior year at 66 days. Retail inventory days were higher at 74 days (2020: 71 days) owing to the restocking of the Clicks distribution centre in KZN following the civil unrest. UPD reduced stock days from 38 to 35 days.

Capital expenditure

R'million



Maintenance
Expansion

Cash and capital management

Cash generated from operating activities before dividends paid totalled R3.8 billion and increased by 61.6% on the prior year.

The group secured short-term extended creditor terms on stock looted in the KZN civil unrest while waiting for the settlement of the insurance claim from SASRIA.

The group's capital management strategy is focused on investing in the organic growth of the business and returning surplus funds to shareholders through dividends and share buy-backs:

- Capital expenditure of R690 million was reinvested across the group. This included R306 million for new stores, pharmacies and the refurbishment of 41 Clicks stores; R77 million on distribution centres; and R307 million on information technology (IT) and retail infrastructure.
- The group returned R2.2 billion to shareholders through dividend payments of R1 469 million and share buy-backs of R752 million.

At year-end, the group held cash resources of R2.2 billion.

INFORMATION TECHNOLOGY

Management aims to ensure IT systems and infrastructure are well maintained and remain relevant to future needs of the business.

During the year the group invested R72 million on computer hardware and R163 million on computer software.

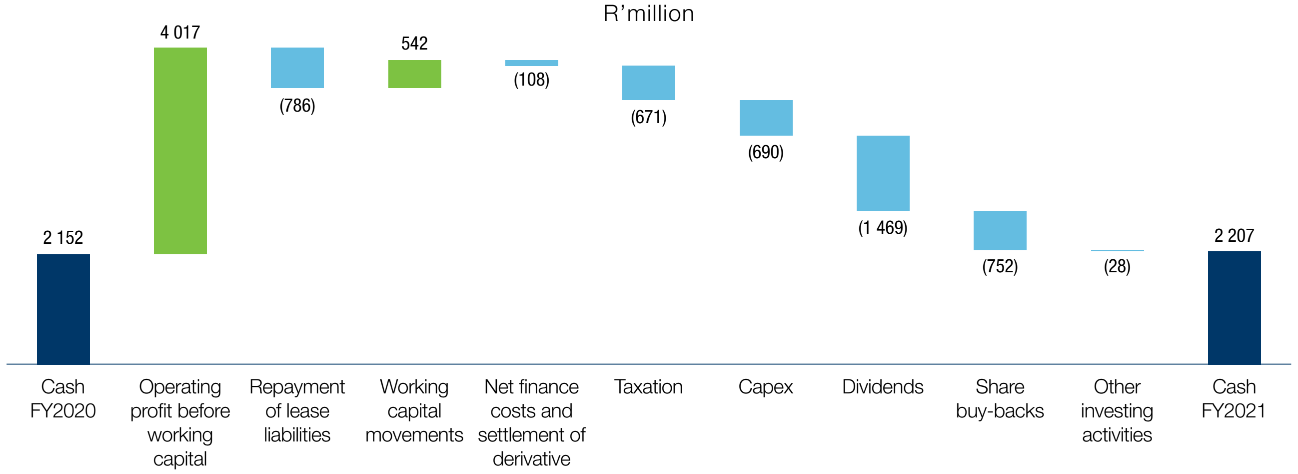
The group is focusing the major portion of IT investment on replacement software solutions for certain core systems within the retail and distribution businesses.

The design, development and implementation of these new best-in-class systems have commenced and will continue during 2022 on a risk-mitigated basis. These investments comprise three projects:

- integrated retail merchandising system incorporating modules for demand forecasting and fulfilment, pricing and promotions, category assortment optimisation and space management;
- UPD warehouse management system; and
- cloud-hosted enterprise resource planning (ERP) upgrade for UPD.

Cash flow analysis

R'million



DIVIDEND

A dividend of 490 cents per share (2020: 450 cents) was declared for the financial year, based on a dividend payout ratio of 63.3% (2020: 60%) of HEPS.

SUMMARY STATEMENT OF COMPREHENSIVE INCOME

R'million	2021	% of turnover	Restated* 2020	% of turnover	% change
Turnover	37 339		33 889		10.2
Retail	26 329	70.5	24 310	71.7	8.3
Distribution	17 378	29.5	15 474	28.3	12.3
Intragroup	(6 368)		(5 895)		
Total income	9 881	26.5	9 221		7.2
Operating expenses	(6 984)	18.7	(6 408)		9.0
Retail	(6 263)		(5 789)		8.2
Distribution	(930)		(804)		15.7
Intragroup	209		185		
Operating profit	2 897	7.8	2 813	8.3	3.0
Retail	2 398	9.1	2 306	9.5	4.0
Distribution	533	3.1	513	3.3	3.9
Intragroup	(34)		(6)		
Loss on disposal of property, plant and equipment	(4)		(6)		
Impairment of property, plant and equipment	(61)		–		
Loss on disposal of business	–		(1)		
Net financing expense	(186)		(169)		
Share of (loss)/profit of associates	(4)		2		
Income tax	(728)		(720)		1.1
Loss from discontinued operations, net of tax	(76)		(39)		
Profit for the year	1 838		1 880		(2.2)

*Restatement relating to the disclosure of the Musica business as a discontinued operation.

SUMMARY STATEMENT OF FINANCIAL POSITION

R'million	2021	2020	% change
Non-current assets	5 935	5 531	7.3
Property, plant and equipment	2 138	2 121	0.8
Right-of-use assets	2 602	2 371	9.7
Other non-current assets	1 195	1 039	15.0
Current assets	11 238	9 743	15.3
Inventories	5 449	4 921	10.7
Trade and other receivables	3 473	2 567	35.3
Other current assets	2 316	2 255	2.7
Total assets	17 173	15 274	12.4
Equity	4 805	5 194	(7.5)
Non-current liabilities	2 173	1 940	12.0
Current liabilities	10 195	8 140	25.2
Trade and other payables	8 752	6 747	29.7
Other current liabilities	1 443	1 393	3.6
Total equity and liabilities	17 173	15 274	12.4

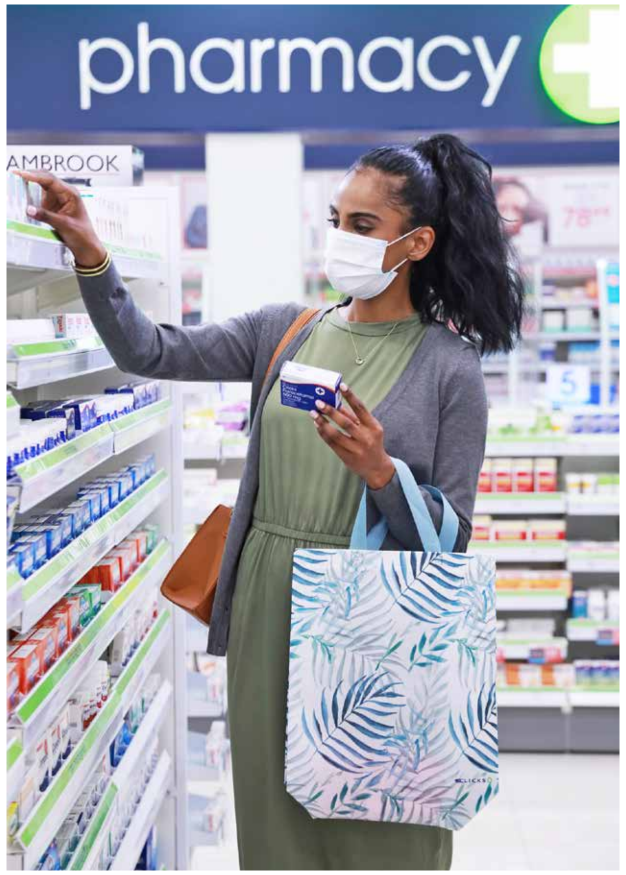
CHIEF FINANCIAL OFFICER'S REPORT (CONTINUED)

FINANCIAL PLANS FOR 2022

Capital expenditure of R846 million is planned for the 2022 financial year. This includes R168 million for the replacement of assets damaged in the KZN unrest and R46 million carried forward due to delays caused by the impact of Covid-19.

- R495 million will be invested in the store portfolio. This includes 25 to 30 new Clicks stores, 30 to 35 new pharmacies, 45 store refurbishments to ensure stores remain modern and relevant to customers as well as completing the restoration of stores damaged in the civil unrest.
- R351 million for IT systems and infrastructure which includes R277 million in retail systems and infrastructure, and R74 million on UPD IT systems and warehouse equipment.

Retail trading space is expected to increase by approximately 5% in 2022.



MEDIUM-TERM FINANCIAL TARGETS

Financial targets are disclosed to provide guidance to shareholders on the group's medium-term performance expectations.

The group's medium-term financial targets rank in the upper quartile relative to comparable global health and beauty retailers such as Walgreens Boots Alliance (USA), CVS (USA), Raia Drogasil (Brazil) and McKesson Europe.

In the 2021 financial year the group achieved its medium-term targets with the exception of the return on equity which is marginally outside the range. Management is confident that over the medium term this return metric will improve to within the targeted range.

Medium-term targets	2021 performance	Medium-term target
Return on equity (%)	38.2	40 – 50
Return on invested capital (%)	25.9	20 – 30
Return on assets (%)	11.8	11 – 15
Net working capital days	30	30 – 35
Group operating margin (%)	8.2*	8.0 – 9.0
Retail	9.5*	9.0 – 10.0
Distribution	3.3*	2.8 – 3.3
Dividend payout ratio (%)	63.3	60 – 65

* Continuing operations, adjusted for impact of civil unrest.

The targets are reviewed annually to take account of the group's current performance and the medium-term outlook for trading.

The operating margin target range for the retail and distribution divisions and the group have been increased, confirming the organic growth prospects in the business. While the distribution division is currently delivering a margin of 3.3% which is at the top end of the targeted range, management believes this is a sustainable margin range given the ongoing impact of genericisation.

APPRECIATION

Thank you to our shareholders and the broader investor community for your virtual engagement with the group over the past year and we look forward to resuming in-person meetings where possible in the months ahead. I also extend my thanks to the finance teams across the business for their support in ensuring that the group meets the highest standards of disclosure and corporate reporting.

Michael Fleming
Chief financial officer

FIVE-YEAR PERFORMANCE review FOR THE YEAR ENDED 31 AUGUST

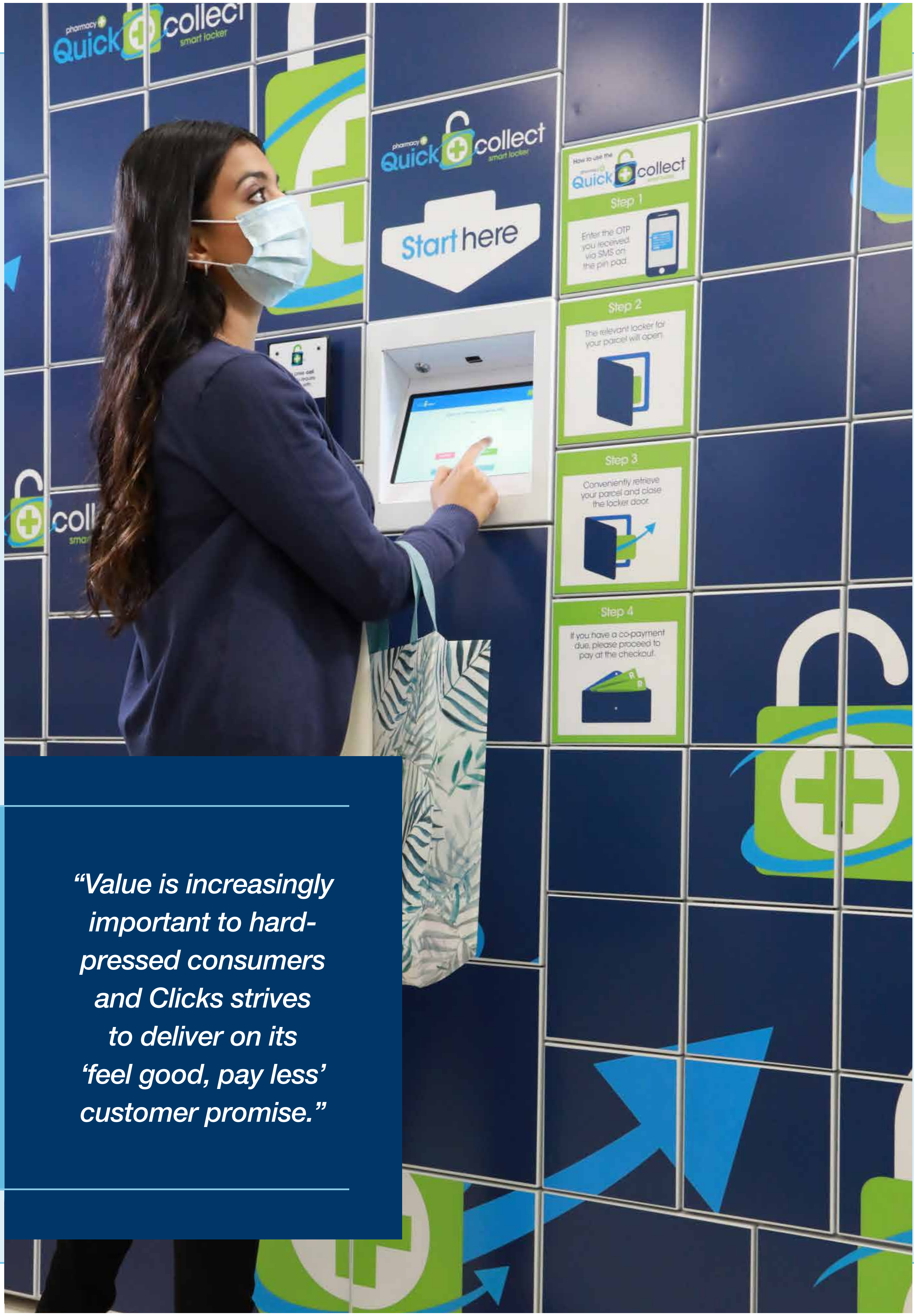
		5-year compound growth (%)	2021	2020[1]	2019[2]	2018[2]	2017
Statements of comprehensive income							
Turnover	(Rm)	9.1%	**37 339**	33 889	31 352	29 239	26 809
Operating expenses	(Rm)	7.8%	**(6 984)**	(6 408)	(6 143)	(5 853)	(5 333)
Operating profit	(Rm)	13.0%	**2 897**	2 813	2 507	2 032	1 814
Profit before tax	(Rm)	11.8%	**2 642**	2 639	2 333	2 036	1 775
Headline earnings from continuing operations	(Rm)	12.3%	**1 961**	1 925	1 682	1 469	1 269
Statements of financial position							
Right-of-use assets[3]	(Rm)	13.2%	**2 602**	2 371	2 046	1 796	–
Other non-current assets	(Rm)	5.9%	**3 333**	3 161	2 999	3 273	2 857
Trade and other receivables	(Rm)	11.5%	**3 473**	2 567	2 568	2 257	2 212
Inventories	(Rm)	9.4%	**5 449**	4 921	4 710	4 251	3 777
Other current assets	(Rm)	68.9%	**109**	102	133	249	200
Cash and cash equivalents	(Rm)	42.9%	**2 207**	2 152	2 614	1 524	700
Total assets	(Rm)	15.4%	**17 173**	15 274	15 070	13 350	9 746
Total equity	(Rm)	14.4%	**4 805**	5 194	4 788	4 322	3 296
Non-current lease liabilities[3]	(Rm)	16.3%	**1 976**	1 795	1 489	1 256	–
Other non-current liabilities	(Rm)	(13.5%)	**197**	145	199	245	402
Current lease liabilities[3]	(Rm)	5.2%	**947**	890	853	814	–
Other current liabilities	(Rm)	10.9%	**9 248**	7 250	7 741	6 713	6 048
Total equity and liabilities	(Rm)	15.4%	**17 173**	15 274	15 070	13 350	9 746
Statements of cash flows							
Cash inflow from operating activities before dividends paid	(Rm)	23.8%	**3 781**	2 339	3 481	2 313	1 520
Dividends paid	(Rm)	20.2%	**1 469**	822	981	812	677
Capital expenditure	(Rm)	9.7%	**690**	591	646	671	518
Returns and margin performance		5-year average					
Total income margin	(%)	27.0	**26.5**	27.2	27.6	27.0	26.7
Operating margin	(%)	7.6	**7.8**	8.3	8.0	7.0	6.8
Return on assets	(%)	12.9	**11.8**	12.4	12.6	13.8	14.0
Return on shareholders' interest	(%)	39.0	**38.2**	37.8	37.0	38.0	44.1
Return on invested capital	(%)	28.2	**25.9**	25.1	24.7	30.1	35.3
Inventory days		66.8	**66**	66	70	67	65
Asset turnover	(times)	2.4	**2.2**	2.2	2.1	2.5	2.8
Return on net assets	(%)	103.1	**111.7**	105.5	97.6	102.2	98.6
Shareholders' interest to total assets	(%)	33.2	**28.0**	34.0	31.8	38.2	34.0
Share performance		5-year compound growth (%)					
Headline earnings per share from continuing operations – basic	(cents per share)	11.4%	**793.7**	769.2	675.2	609.5	536.3
Headline earnings per share from continuing operations – diluted	(cents per share)	12.6%	**793.7**	769.2	663.6	575.3	502.1
Cash equivalent earnings from continuing operations	(cents per share)	17.5%	**1 290.6**	1 184.5	1 332.5	858.1	630.0
Net asset value per share	(cents per share)	13.5%	**1 957**	2 089	1 903	1 767	1 395
Dividends declared	(cents per share)	12.5%	**490.0**	450.0	445.0	380.0	322.0
Weighted average number of shares in issue (net of treasury shares)	('000)		**247 084**	250 212	249 125	241 073	236 526
Weighted average diluted number of shares in issue (net of treasury shares)	('000)		**247 084**	250 212	253 471	255 385	252 641
Shares repurchased	(Rm)		**752**	653	211	–	–
Shares repurchased	('000)		**3 106**	2 862	1 115	–	–

1 Restatement relating to the disclosure of the Musica business as a discontinued operation.
2 In the prior year the statement of comprehensive income and statement of cash flows for 2019 and statement of financial position for 2019 and 2018 were restated for the adoption of IFRS 16.
3 A three-year compounded growth is presented due to IFRS 16 only affecting 2021 – 2018.

A comprehensive five-year review is available on the website at www.clicksgroup.co.za.

Business REVIEW

Clicks and UPD both occupy market-leading positions in South Africa and their operating margins rank in the upper quartile of global drugstores and pharmaceutical wholesalers.



"Value is increasingly important to hard-pressed consumers and Clicks strives to deliver on its 'feel good, pay less' customer promise."

CLICKS
feel good pay less

Competitive pricing, product differentiation, convenience and new stores ensured that Clicks delivered another resilient and defensive performance in the pandemic-impacted trading environment of the past year, with health and beauty sales increasing by 8.3%.

Covid-19 continued to influence customer purchasing behaviour and shopping patterns as well as impacting the performance of certain product categories within Clicks.

Clicks has played a major role in supporting the national Covid-19 vaccination programme. After a slow start, the roll-out gained momentum and Clicks administered 596 180 vaccinations across 300 sites nationally by year-end. Further detail on the vaccination programme is included on pages 6 and 7.

Health and beauty sales*	% increase	% contribution to sales
Pharmacy	**10.2**	29.5
Front shop health	**14.8**	27.7
Beauty and personal care	**4.5**	27.9
General merchandise	**1.0**	14.9
Total turnover	**8.3**	100.0

* Includes Clicks, The Body Shop, GNC and Claire's.

"The convenience is illustrated by the fact that 50% of the country's population now live within 5.5 kilometres of a Clicks pharmacy."

SALES PERFORMANCE

Customers continued to focus on preventative healthcare to boost their immunity levels in response to Covid-19. The robust growth in the vitamins and supplements category contributed to front shop health sales increasing by 14.8%. Front shop health market share increased from 31.8% to 32.5%.

This was supported by continued good sales in baby products which increased 14.7%. The baby category is strategically important in attracting new customers and grew market share from 18.5% to 19.6%.

Pharmacy reported improved sales growth of 10.2%, bolstered by the national Covid-19 vaccination programme and strong growth in sales of over-the-counter medicines. Performance continued to be adversely impacted by the low incidence of colds and flu owing to social distancing and the wearing of masks for personal protection. Value growth in the pharmacy category was further suppressed by the continued commitment by Clicks to switching patients to lower-priced generic medicines.

Retail pharmacy market share declined slightly from 23.6% to 23.4% due mainly to consumers choosing to stay away from shopping malls and opting for home delivery of medicines which benefited independent pharmacies.

Beauty and personal care sales growth of 4.5% was also impacted by the lack of social engagement, South Africans working from home and the compulsory wearing of masks, with colour cosmetics' sales 6% lower.

The general merchandise category underperformed, with growth of only 1.0%. This was attributable to the high base effect from the previous year and the poor growth in confectionery, with impulse categories being negatively impacted by the lower frequency of customer store visits.

Market share (%)	2021	2020
Health		
Retail pharmacy*	**23.4**	23.6
Front shop health**	**32.5**	31.8
Baby**	**19.6**	18.5
Beauty and personal care		
Skincare**	**40.7**	40.3
Haircare**	**30.9**	30.8
Personal care	**18.8**	18.0
General merchandise		
Small electrical appliances***	**17.1**	19.0

* IQVIA (Private retail pharmacy S1-6; restated).
** AC Nielsen (restated).
*** GfK.

MAINTAINING VALUE

Value is increasingly important to hard-pressed consumers and Clicks strives to deliver on its "feel good, pay less" customer promise. The brand offers competitive everyday pricing and appealing promotions, with Clicks being price competitive with all national retailers. Health and beauty markets are promotionally driven and in the past year promotional sales increased by 11.7%, accounting for 41.5% (2020: 40.2%) of turnover.

Value is also offered through the generous loyalty benefits of the ClubCard, with R545 million being returned to customers in cashback rewards in the past year and R2.4 billion over the past five years.

The brand is also committed to offering patients a lower-priced generic alternative to originator medicines in Clicks pharmacies to save customers money and extend their medical funding benefits. Generic medicines account for 56% (2020: 56%) of sales and 69% (2020: 68%) of pharmacy volume.

EXTENDING CONVENIENCE

Clicks expanded its footprint to 782 with the opening of 39 stores as the brand continues to focus on convenience format stores, which account for 74% of the store portfolio.

The pharmacy network was increased to 621 as a further 36 pharmacies were opened. The convenience of the network is illustrated by the fact that 50% of the country's population now live within 5.5 kilometres of a Clicks pharmacy.

Customer convenience is being further enhanced by installing digital self-service lockers in stores. This allows repeat prescription service customers to collect their pre-prepared medicine parcels when visiting a store using a secure digital code. Customers no longer wait for medicines to be dispensed and this allows them more time to browse in the front shop. This service is being piloted in a limited number of stores and the scalability of the project is currently being assessed.

The Covid-19 lockdown accelerated the growth in online purchases, with the online store growing by 47% and is the largest and fastest-growing store in the chain. However, as customers have returned to shopping in-store as lockdown restrictions have been relaxed, online growth slowed to 3% in the second half of the year.

The online store extends customer convenience and has enabled Clicks to enter product categories that are sold online only, including premium beauty, health mobility and baby hardware.

While online is expected to continue to gain momentum over the next decade, online currently only accounts for 1.4% of front shop sales in Clicks.

ENGAGING CUSTOMERS THROUGH PERSONALISATION

ClubCard is central to the Clicks personalised engagement strategy which enables the brand to use digital technology to personalise communications with customers and influence their shopping behaviour.

ClubCard was again voted by customers as South Africa's best programme in the annual South African Loyalty Awards in 2021.

Active membership increased by 600 000 to 9.2 million, despite the reduced footfall in stores during the pandemic, with members accounting for 80.2% (2020: 78.2%) of sales in Clicks.

The Clicks mobile app has been downloaded by 2.3 million customers. The app incorporates a virtual ClubCard which allows customers to receive personalised offers, monitor reward points and cash back in real time, submit scripts and order repeat medication.

The ClubCard extends into other key customer markets, with the Baby Club membership at 464 000 and the Seniors Club at 1.3 million members.

> *"The online store extends customer convenience and has enabled Clicks to enter product categories that are sold online only."*

DIFFERENTIATED PRODUCT OFFER

Private label and exclusive brands offer differentiated ranges across all merchandise categories at competitive prices while increasing the appeal of the Clicks brand and enhancing margin. The international franchise brands, The Body Shop, GNC and Claire's, further differentiate the Clicks offer.

Clicks follows a private label tiering strategy, with the PayLess brand being the entry point, Clicks being the mid-tier brand and Expert the higher tier.

The contribution from private label increased from 23.8% to 24.5% of total sales in Clicks, with front shop sales at 30.1% (2020: 29.2%) and pharmacy 9.7% (2020: 8.6%).

Online is integral to the differentiation strategy. The online store enables Clicks to offer the total range of products to customers, including baby hardware such as prams, car seats and cots. The purchase of baby accessories is expected to move increasingly online as is being experienced in several international markets. In anticipation of this changing consumer behaviour, Clicks is opening standalone Clicks Baby stores as showrooms to stimulate online purchases. The first specialist baby store was opened in the Gateway Shopping Centre in KwaZulu-Natal and the second store opened recently in the Mall of Africa in Gauteng. A further nine stores are planned.

GROWTH PLANS FOR 2021

Clicks is committed to expanding its store footprint in South Africa to 900 over the long term, with a pharmacy in each store. In the new financial year R495 million will be invested in the store and pharmacy network as the chain is again targeting to open 25 to 30 new stores and 30 to 35 pharmacies. This is in addition to the 25 pharmacies to be acquired from Pick n Pay. A further 45 stores will be refurbished or expanded and the remaining stores damaged in the civil unrest will be restored.

The contribution of private label, exclusive and franchise brands to front shop sales is targeted to increase to 30.5% in 2022 as Clicks continues to innovate and introduce new products in line with market trends.

ClubCard membership is targeted to grow to 9.5 million with the focus on migrating new and existing customers to the Clicks app and virtual ClubCard to accelerate the personalisation and digital engagement strategy.

Capital expenditure of R277 million will be invested in retail information technology systems and infrastructure in the new financial year to support the increased scale of the business by improving efficiencies in the distribution centres and across the supply chain.

PERFORMANCE AGAINST OBJECTIVES IN 2021 AND PLANS FOR 2022

DELIVER A COMPETITIVE AND DIFFERENTIATED FRONT SHOP PRODUCT OFFER

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Increase front shop private label and exclusive brand sales to 30.2%	Front shop private label and exclusive sales 30.1% of total sales	Increase front shop private label and exclusive brand sales to 30.5%

CREATE A GREAT CUSTOMER EXPERIENCE

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Expand private label scheduled generic medicines range to 188 products	185 private label medicines	Expand private label medicines range to 205 products
Increase repeat prescription service to 53% of repeat scripts	51% of scripts now on repeat prescription service	Repeat prescription service at 53% of repeat scripts

GROW THE RETAIL FOOTPRINT TO ENHANCE CONVENIENCE

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Open 25 to 30 new Clicks stores	Net 39 stores opened 782 stores at year-end	Open 25 to 30 new Clicks stores
45 stores to be expanded or refurbished	41 stores expanded or refurbished	45 stores to be expanded or refurbished
Open 30 to 35 new pharmacies	Net 36 pharmacies opened 621 pharmacies at year-end	Open 30 to 35 new pharmacies in addition to the 25 pharmacies acquired from Pick n Pay
Personalisation of the Clicks website and mobile app	Personalisation journey implemented	Enhance personalisation of the Clicks website and mobile app

DRIVE CUSTOMER LOYALTY THROUGH PERSONALISATION AND REWARDS

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Increase membership to 9.0 million	9.2 million members	Increase membership to 9.5 million
Grow Baby Club to 505 000 members	464 000 Baby Club members	Grow Baby Club to 550 000 members
Grow Seniors Club to 1.35 million members	1.27 million Seniors Club members	Grow Seniors Club to 1.35 million members
Enrol 1.25 million customers to virtual ClubCard	2.3 million customers enrolled to virtual ClubCard	Enrol 2.7 million customers to virtual ClubCard

ENSURE SUPPLY CHAIN EXCELLENCE

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Centurion Distribution Centre phase 2 expansion to be completed in the 2021 financial year once planning approval has been received	The build was delayed to 2022 due to municipal clearance delays	Centurion Distribution Centre phase 2 expansion to be completed in the 2022 financial year

MAINTAIN A MOTIVATED AND SKILLED WORKFORCE

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
440 pharmacy assistants to be enrolled	440 pharmacy assistants enrolled	440 pharmacy assistants to be enrolled
100 pharmacy bursary students	100 pharmacy bursary students	100 pharmacy bursary students
70 pharmacy internships	62 pharmacy internships	70 pharmacy internships
10 graduates to be enrolled on graduate development programme	8 graduates enrolled on graduate development programme	10 graduates to be enrolled on graduate development programme

UPD

WE DELIVER HEALTHCARE

UPD continued to gain share and maintained its market-leading positions in both the pharmaceutical wholesale and bulk distribution markets over the past year.

Turnover increased by 12.3% as UPD benefited from the strong growth in medicines related to Covid-19. This growth was achieved despite the absence of the traditional winter cold and flu season and many patients deferring elective surgical procedures at private hospitals during lockdown.

Operating profit increased by 11.0% to R569 million and the operating margin was maintained at a world-class level of 3.3%.

Total managed turnover, combining fine wholesale turnover with the turnover managed on behalf of bulk distribution clients, increased by 20.6% to R28.4 billion.

WHOLESALE TURNOVER BY CHANNEL

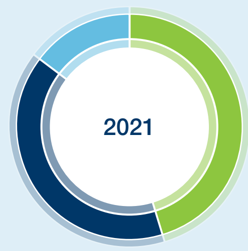
Wholesale turnover increased by 15.1% as UPD generated strong growth in sales to private hospital groups in the second and third waves of the Covid-19 pandemic.

Private hospitals was the fastest-growing channel and increased sales by 37.5%, accounting for 40.2% of wholesale turnover.

Both Clicks and the independent pharmacy channel experienced slower growth rates as the use of masks, social distancing and lack of social interaction over the past year reduced acute infections. However, this trend is expected to reverse as increasing numbers of South Africans are vaccinated and lifestyles normalise with the relaxation of lockdown restrictions.

Clicks remains UPD's largest single customer and increased sales by 6.3%, comprising 45.3% of wholesale turnover.

"UPD remains committed to its strategic objective of growing market share in fine wholesale to 35% and bulk distribution to 40%."



- 45.3% Clicks
- 40.2% Private hospitals
- 14.5% Independent pharmacies and other channels

UPD services over 1 350 independent pharmacies which account for 14.5% of turnover.

The strong performance from UPD's core customer base contributed to wholesale market share increasing from 28.9% to 31.2% (source IQVIA).

UPD faces ongoing margin pressure from the faster growth in lower-priced generic medicines, with sales of generics increasing by 17.3% and now accounting for 71% of wholesale turnover volume.

Product availability, which is core to offering superior range and service to customers, averaged 96.8% for the year, while on-time deliveries were at 95.8%.

UPD owns distribution centres located in Gauteng (Lea Glen), Cape Town, Durban, Bloemfontein and Port Elizabeth. All the distribution centres are ISO9001:2015 certified. Owing to the increasing scale and size of the third-party distribution business, the additional rented distribution warehouse in Gauteng is being extended and an additional facility is being rented in Cape Town.

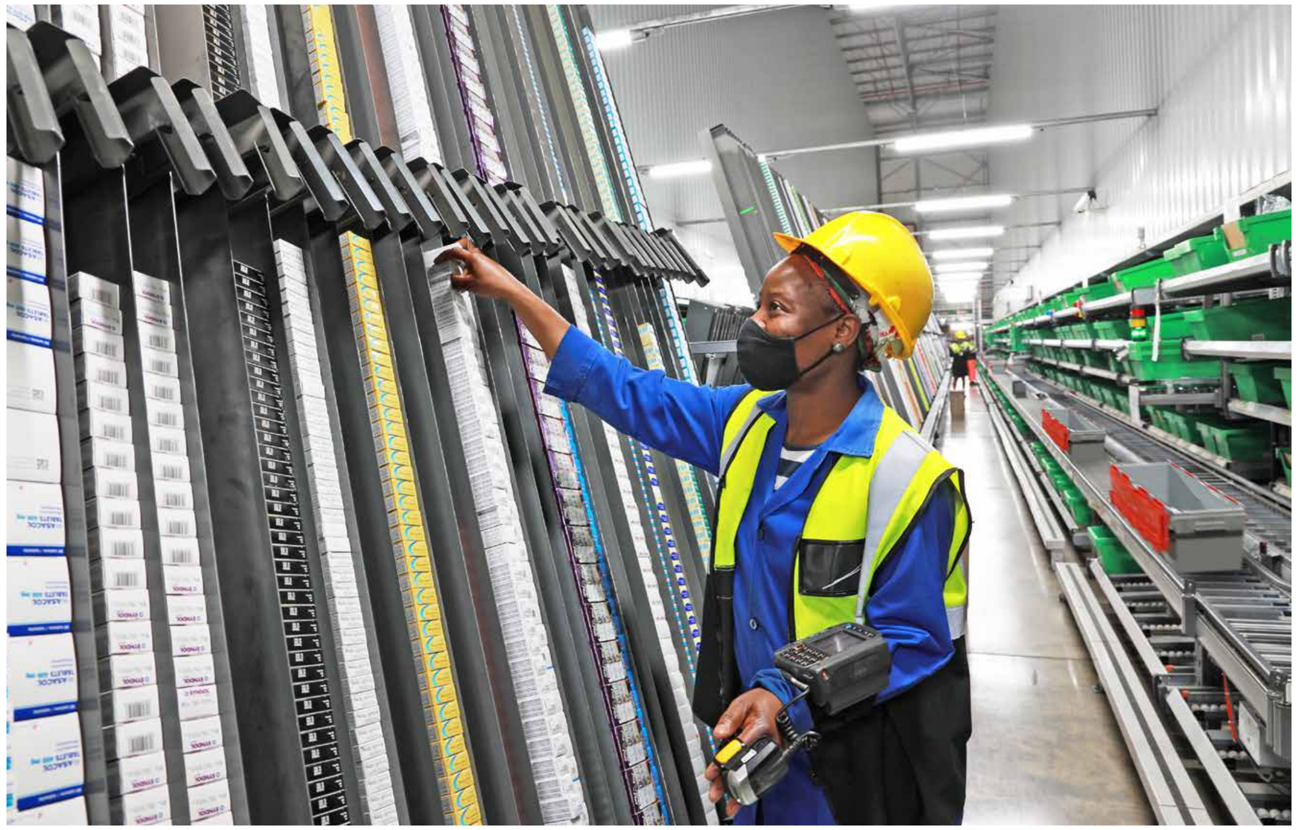
The UPD distribution facility in Durban was severely damaged and looted in the civil unrest in KwaZulu-Natal (KZN) in July 2021. Business continuity plans were implemented to ensure continued supply to customers in KZN through the UPD distribution facilities in Johannesburg and Port Elizabeth. Owing to the initial disruption to road transport networks, medicines were flown from Johannesburg to Durban to supply the hospital groups across KZN. The damaged facility was restored and reopened within two weeks.

GROWTH PLANS FOR 2022

UPD has secured two new bulk distribution contracts which commence in the first half of the new financial year. The business aims to increase wholesale market share through the growth of the Clicks pharmacy channel benefiting from the planned opening of 30 to 35 new pharmacies, purchases from independent pharmacies and service to the private hospital groups.

Capital expenditure of R74 million has been committed for warehouse equipment and information technology (IT) in the year ahead. This includes the implementation of the new ERP system which will go live in the first facility in October 2021 and enable UPD to extract further efficiencies and provide world-class reporting to distribution clients.

UPD remains committed to its strategic objective of growing market share in fine wholesale to 35% and bulk distribution to 40%.



PERFORMANCE AGAINST OBJECTIVES IN 2021 AND PLANS FOR 2022

GROWING MARKET SHARE

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Increase market share to 30.5%	Market share increased to 31.2%	Increase market share to 33.4%
Grow volume of business with private hospital groups	Sales to hospital groups grew by 37.5% owing to increased demand during the second and third waves of the Covid-19 pandemic	Grow volume of business with private hospital groups
Clicks' buying levels from UPD at 99%	Clicks' buying levels from UPD at 98.4%	Clicks' buying levels from UPD at 99%
Tender for new agency distribution contracts	Two new agency distribution contracts secured for 2022 financial year; 26 distribution clients managed at year-end	Tender for new agency distribution contracts

PROTECTING INCOME

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Maintain licences	Licences maintained	Maintain licences

OPTIMISING EFFICIENCY

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Target 98% on-time deliveries	95.8% on-time deliveries	Target 98% on-time deliveries
Drive further productivity initiatives across the business	Improved labour productivity with expanded distribution warehouse footprint	Drive further productivity initiatives across the business
Achieve order fulfilment to 98%	Order fulfilment of 98.8% achieved	Achieve order fulfilment of 98%

BUILDING CAPACITY

PLANS AND TARGETS FOR 2021	ACHIEVED IN 2021	PLANS AND TARGETS FOR 2022
Reduce employee turnover to 5%	Employee turnover 6.0%	Employee turnover below 5.0%
Maintain Transported Asset Protection Association (TAPA) certification for transport fleet	Achieved TAPA Level 1 accreditation	Maintain accreditation
Expand learners through UPD training academy to 70	155 learners enrolled	68 new learners
Design IT system solution and prepare roll-out	New IT system ready for implementation at Durban distribution centre in October 2021	New system to go live on a phased basis at all facilities by May 2022

SUSTAINABILITY

Clicks Group creates meaningful social impact through the provision of health products and improving access to reliable and affordable healthcare.

Creating value through GOOD CITIZENSHIP

Clicks Group's strategy recognises the importance of **corporate citizenship as a key enabler in creating long-term value** for all stakeholders.

Responsible environmental and social practices support business resilience, enhance the reputation of our brand and benefit all stakeholders including employees, customers, shareholders, suppliers and the communities in which we trade.

The group's environmental, social and governance (ESG) practices are aligned with the United Nations Sustainable Development Goals (SDGs) to ensure that our activities meet the standards of the global drive to achieve SDG targets by 2030.

The commitment to continually improve ESG practices within the business was again recognised with Clicks Group's inclusion in the FTSE4Good Index. The group's rating was unchanged at 4.1 out of five, with scores of 3.0 for the environmental pillar, 4.1 for social and 5.0 for governance practices.

Business plays a key role in driving socio-economic development and transformation. This is achieved by providing and creating decent work through learning and development opportunities, enterprise and supplier development initiatives as well as corporate social investment. These contributions are particularly relevant in supporting the recovery of business and society post Covid-19.

We recognise that the fastest and safest way to economic recovery from the damaging effects of the pandemic is to vaccinate as many people as possible to protect lives and help to accelerate growth.

The group committed to supporting the government's national Covid-19 vaccination programme by making its pharmacies available to ensure the broadest possible access to vaccination sites. Clicks is the largest private-sector vaccination provider in the country and by the end of October 2021 had administered over 1.5 million vaccinations from 531 sites. Further detail on Clicks' contribution is included in the vaccinating the nation report on pages 6 and 7.

On the environmental front, we have developed strategies to reduce our carbon footprint through more efficient energy and water usage, waste management, distribution network optimisation and recycling activities across the supply chain. We also acknowledge our responsibility in relation to single-use plastics and packaging, and are committed over the long term to working with our suppliers to ensure that 100% of plastic packaging used in our stores is reusable, recyclable or compostable.

Social sustainability is focused mainly on our employees, the upliftment of communities and support of the local supply chain. The group invested R217 million in the training and development of employees. Clicks provided R5.8 million in bursaries to 100 pharmacy students, with 98% of bursary recipients being black and 57% female. The company

continues to fund the cost of primary health insurance for over 9 000 employees not covered by medical aid. These factors have contributed to the group again being recognised as the top employer in the retail sector in South Africa for the fifth consecutive year by the Top Employers Institute.

Governance practices are entrenched across the group and are constantly reviewed and enhanced where necessary. In the evaluation for the FTSE4Good Index Series the group again attained the maximum score for the governance component, confirming that our governance standards are in line with international best practice.

The group's sustainability activities are detailed in the 2021 sustainability report which is available at www.clicksgroup.co.za.

APPROACH TO SUSTAINABILITY

The group's core business creates meaningful social impact through the provision of health products and improving access to quality and affordable healthcare. This supports South Africa's national development goals by promoting healthy lives and well-being for all.

The sustainability strategy is based on four focus areas:

- **Building a trusted, accessible healthcare network**
- **Empowering motivated, passionate people**
- **Sourcing products that uphold the integrity of our brand**
- **Minimising our footprint**

The sustainability strategy is guided by the following principles:

Integrity and governance: We conduct business with integrity. Through effective governance and controls, including our code of conduct, we seek to ensure that our group is accountable and remains responsive to evolving norms governing the conduct of businesses in the countries in which we operate.

Healthcare: We are committed to building a trusted, accessible healthcare network, aiding in providing cost-effective, quality primary healthcare to all sectors of our society through our retail footprint and by promoting the use of generic medicines.

Environment: We endeavour, even as we grow, to lighten our footprint through reducing consumption, deployment of resources and waste.

Stakeholders: We acknowledge and consider our stakeholders in our decision-making, seek to engage with our stakeholders, and to understand their interests and imperatives in ensuring that our business is sustainable.

SUSTAINABLE DEVELOPMENT GOALS

The United Nations SDGs were adopted with the global goal to eliminate poverty, reduce inequality, safeguard the environment, and ensure fairness and justice for all. Clicks Group supports the goals and aims to align its practices and principles with the SDGs, and is also a formal signatory of the United Nations Global Compact.

The group has identified seven of the 17 SDGs where the business can have the most impact and play a role in contributing to the ultimate attainment of these goals.

SDG	Clicks Group's approach
1 NO POVERTY	**End poverty in all its forms everywhere** Clicks Group aligns to legislated minimum living wages and pursues equity in pay and empowerment of women through socio-economic development programmes.
3 GOOD HEALTH AND WELL-BEING	**Ensure healthy lives and promote well-being for all at all ages** Clicks Group offers a comprehensive employee wellness programme. Clicks provides free clinic tests and family planning through the Helping Hand Trust. Clicks plays a key role in administering Covid-19 vaccines in South Africa to support the health and wellness of the population.
4 QUALITY EDUCATION	**Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all** Clicks offers equal opportunity for education at university level to employees, including youth in the workforce through internships and permanent employment. The group also offers pharmacy bursaries that assist in developing capacity for the pharmacy sector in South Africa.
7 AFFORDABLE AND CLEAN ENERGY	**Ensure access to affordable, reliable, sustainable and modern energy for all** Clicks Group is committed to implementing alternative energy sources for its operations.
8 DECENT WORK AND ECONOMIC GROWTH	**Promote inclusive and sustainable economic growth, employment and decent work for all** The group promotes decent work and economic growth through job creation and by providing good benefits with decent working conditions.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	**Ensure sustainable consumption and production patterns** The group is committed to reducing pollution, waste and resource usage by setting targets to continuously improve and implement solutions beyond regulatory requirements.
13 CLIMATE ACTION	**Take urgent action to combat climate change and its impacts** In line with the Paris Agreement on reducing global emissions, the group has been setting greenhouse gas emission reduction targets since 2008.

EMPOWERMENT AND TRANSFORMATION

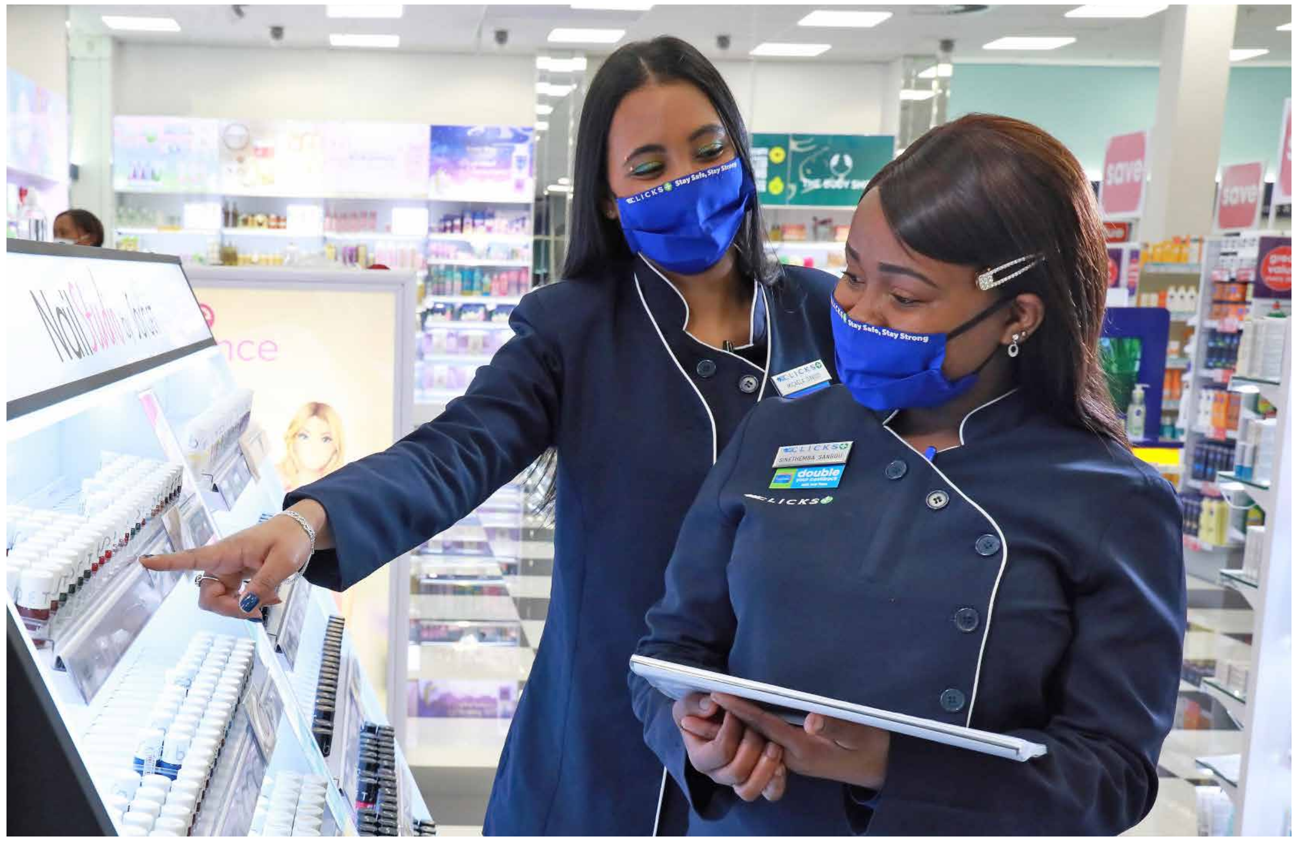
Empowerment and transformation are critical aspects of sustainability and the group is committed to the spirit and targets set out in the Broad-based Black Economic Empowerment (BBBEE) Act.

Transformation is overseen by the board's social and ethics committee and managed by an internal transformation committee, which is chaired by the chief executive and co-ordinated by the group corporate affairs director. Business unit transformation forums are responsible for the implementation of transformation at an operational level.

The group's transformation strategy is aligned to the Department of Trade, Industry and Competition's Codes of Good Practice. The group achieved a level 4 BBBEE rating in the 2021 financial year (2020: level 5) on the amended BBBEE codes, with a score of 83.54 points (2020: 75.27 points).

The employment equity and diversity profile of the group reflects 95% black employees and 64% female employees. The executive management team has 80% black and 20% female representation, while the board comprises 64% black and 36% women directors.

BBBEE element	Points available	2021	2020	2019
Ownership	25	**17.48**	14.76	13.41
Management and employment equity	19	**14.06**	13.58	13.27
Skills development	25	**16.98**	13.81	18.43
Preferential procurement, enterprise and supplier development	44	**30.02**	28.12	26.37
Socio-economic development	5	**5.00**	4.99	5.00
Total	118	**83.54**	75.27	76.49
BBBEE level		4	5	6



CREATING VALUE THROUGH GOOD CITIZENSHIP (CONTINUED)

SUPPORTING LOCAL SUPPLIERS

As a proudly South African company we are committed to supporting local suppliers and have continued to transform our supply base. Only 8% of our retail products are imported directly.

As part of our support of the local economy, we launched a small, medium and micro enterprise (SMME) supplier listing portal to assist small and medium-sized suppliers. Our commitment to this strategy is reflected in the 69% growth in purchases from small and medium-sized businesses to R1.2 billion.

The group invested R73 million in enterprise and supplier development programmes while R44 million was paid to 65 small enterprise owner-drivers contracted to UPD.

We are targeting purchases of over R7 billion through black-owned businesses in the next three years, including R4.5 billion through black women-owned suppliers.

SOCIO-ECONOMIC DEVELOPMENT

In the past year the group invested R23 million (2020: R19 million) in socio-economic development projects aligned to its focus on health and well-being.

The Clicks Helping Hand Trust aims to benefit the lives of ordinary South Africans by providing access to quality healthcare by offering free preventative testing and wellness services through the footprint of over 190 Clicks clinics countrywide.

As part of the response to the Covid-19 pandemic, the Clicks Helping Hand Trust donated 126 000 masks and 119 000 bottles of sanitiser to over 20 000 beneficiaries. The trust also extended the time allocated to free services at selected Clicks clinics to help the most vulnerable people in our communities. The services contribute to reducing foot traffic in state facilities and ensure that Covid-19 co-morbidities such as diabetes, blood pressure and HIV/AIDS are better managed.

The Clicks Helping Hand Trust also assists mothers and babies who cannot access government facilities through the mother and baby programme, which provides mothers with nutritional education, health checks and vaccinations for children.

Over the past six years Clicks has provided more than 500 000 free healthcare consultative and treatment services for conditions including diabetes, HIV/AIDS, blood pressure and cholesterol.

The Girls on the Go programme, which was created to prevent girls missing school due to a lack of access to sanitary products, has provided over 3 000 reusable and more than 150 000 disposable sanitary pads to schoolgirls across the country.

ENVIRONMENTAL SUSTAINABILITY

While the group's activities do not have a significantly negative impact on the environment, as a responsible retailer the group is committed to addressing environmental and climate change challenges.

Environmental management systems are embedded into all business practices and operations. The group participates in the voluntary Carbon Disclosure Project and in the latest assessment achieved an A rating for the first time.

We are committed to achieving environmental and biodiversity goals by 2030. These include reducing carbon emissions intensity by 10%, energy consumption by 5% and water consumption at the head office and distribution centres by 5%.

Clicks is a founding member of the South African Plastics Pact which was initiated in 2020 to promote a circular economy for plastics. We support the goal of the SA Plastics Pact to drive for 100% reusable, recyclable or compostable plastic packaging by 2025.

In response to customers being increasingly aware of the environmental impact of the products they consume, Clicks introduced the MyEarth range of eco-friendly products, aligning to the group's sustainability drive. The MyEarth range of daily essential products use recyclable plastic packaging or plastic-free packaging made from sustainable paper, all with recycled content where possible. MyEarth also offers reusable products made from bamboo, hemp, natural rubber and organic cotton as well as personal care items such as bamboo combs and hairbrushes, and toothbrushes made from recycled plastic waste.

Refer to the 2021 sustainability report for detail on the group's environmental management strategy, approach to climate change, carbon emissions data and the management of electricity, water and waste.

CONCLUSION

We are encouraged by our progress across several areas of ESG, particularly in relation to social and governance practices, and recognise the enormity of the task to improve our reporting on climate change and to mitigate the risks of climate change on our business.

The group understands that sustainability risks translate into business risks and we are aware of the potential impacts on our operations. We are committed to addressing investors' concerns in aligning with climate change risks and opportunities through the adoption of the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.

Bertina Engelbrecht
Group corporate affairs director

GOVERNANCE

Good governance contributes to value creation and Clicks Group's governance philosophy is founded on the principles of accountability, transparency, ethical management and fairness.

Creating value through GOOD GOVERNANCE

Good corporate governance remains a pillar on which the Clicks Group builds value for all its stakeholders, **ensuring the sustainability of the business and enhancing long-term equity performance**.

The group's governance and compliance framework, premised on the principles of accountability, transparency, ethical management and fairness, has been tested and has been shown to be robust and capable of withstanding a multitude of factors in a particularly difficult year.

From a governance perspective, the group's focus over the past year has been decidedly forward looking. In addition to its normal work, and despite the significant extraordinary pressures that the business has faced in the form of the September 2020 controversy surrounding a supplier haircare advertisement placed on the Clicks website, the Covid-19 pandemic and the July 2021 civil unrest in KwaZulu-Natal, the board has:

- considered appropriate criteria to be applied when selecting new non-executive directors to ensure broad diversity on the board (a formal broader board diversity policy is presently under consideration);
- engaged in succession planning, and more particularly plotted a course for the medium term to bring new non-executive directors onto the board, and expose these new directors to the board and its committees and to the group, as part of the ongoing process of refreshing the board. Long-tenured non-executive directors will leave the board gradually, serving out the remainder of their current terms of office, resulting in one or two long-tenured directors retiring each year in 2022, 2023 and 2024. The chairman will be recommended to shareholders for re-election at the January 2022 annual general meeting (AGM), so as to provide for stability in leadership during this transitional phase, and if re-elected will serve as much of his three-year term as is required in order for the group to identify his replacement;
- appointed Dr Penny Moumakwa to the board as a non-executive director, effective 1 April 2021, and in July 2021 resolved that Sango Ntsaluba should join the board from 1 September 2021. Both individuals will be recommended by the board for election by shareholders as non-executive directors, and Mr Ntsaluba will be recommended for election to the audit and risk committee, at the AGM in January 2022;
- appointed Mfundiso Njeke to the audit and risk committee effective 21 September 2020. Mr Njeke was subsequently elected by shareholders in January 2021 as a non-executive director and as a member of the audit and risk committee; and
- after the reporting period, accepted the resignation of group CEO, Vikesh Ramsunder, and appointed his successor, Bertina Engelbrecht, to take the helm from 1 January 2022.

The depth of understanding of the business that the board has built up over years has served the group well in responding to the challenges in the past 18 months. Among other benefits, the board's sage advice and guidance has helped to ensure that the group stayed on course in advancing its medium and long-term strategic objectives.

The increased use of technology in support of the group's governance processes has remained a theme for the past year.

- The board induction for Dr Moumakwa, as was the case with Mr Njeke in the preceding year, was conducted primarily by way of virtual meetings, which proved effective and efficient from a time and cost perspective. Although as the group has become more familiar with safe ways of working and assessing and adapting to the risks posed by Covid-19, safe physical site visits to our facilities were possible in between waves of Covid-19 infection, and these were attended by both Mr Njeke and Dr Moumakwa. A similarly constructed induction programme was conducted for Mr Ntsaluba in September and October 2021.
- The AGM was held in January 2021, as a hybrid physical and virtual meeting. A limited number of shareholders and directors, and the company secretary, attended the meeting in person, and electronic participation was available for shareholders, analysts, the media and the other directors to join the meeting. This proceeded smoothly and will likely be the format employed for the January 2022 AGM.

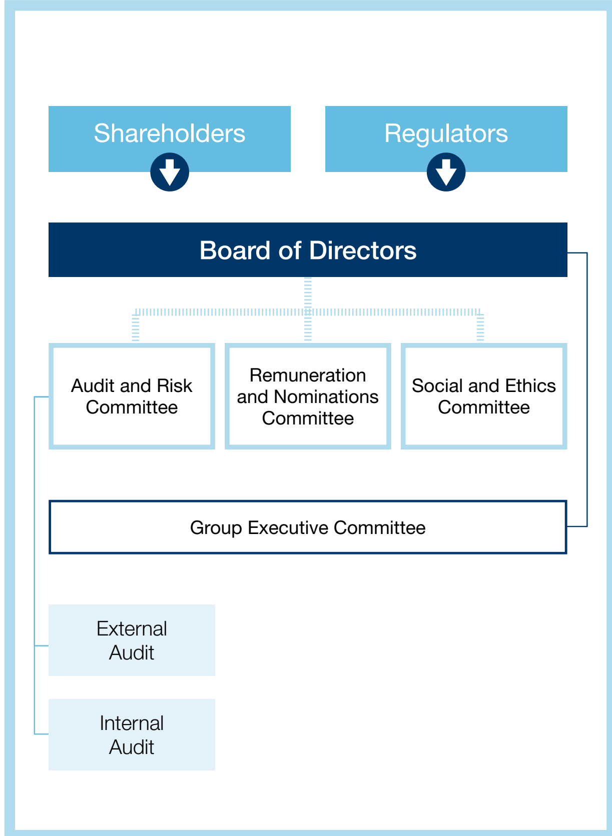
The group has applied the King IV report throughout the 2021 financial year and the directors confirm that the group has in all material respects voluntarily applied the principles of the code. The application of King IV is covered in the corporate governance report 2021 published on the website.

ROLE OF THE BOARD

Elected by the shareholders, the directors are responsible for the sustainability of the business within the triple context of the economy, society and the environment. The board's composition, authority, responsibilities and functioning are detailed in the board charter.

The board fulfils a range of legal duties, while being the primary source of effective, ethical leadership for the group. In executing its mandate the board is required to approve strategic plans, monitor operational performance, ensure that risk management and internal controls are effective, monitor regulatory compliance and promote good governance. It must also approve significant accounting policies and the annual financial statements, monitor transformation and empowerment, manage the process of selection and appointment of directors, and ensure that the group's remuneration policies and practices are effective and fair. Certain of these functions are delegated to board committees.

GOVERNANCE STRUCTURE



KEY ISSUES ADDRESSED IN 2021

In addition to the matters set out above, the board addressed the following key issues during the year:

- approved the group's three-year strategic plans and budgets, including capital investment, cognisant of the rapid changes to the trading environment brought on by the pandemic. Continued attention was paid to the significant investment in updating the group's IT infrastructure, and the investment needed to support the rapid growth of the Clicks omni-channel offering and digital marketing;
- enhanced the group's capacity to drive its ESG agenda. The group's excellent Carbon Disclosure Project rating, its BBBEE performance and its track record of strong corporate governance are seen as a solid foundation on which to build the group's sustainability programme, and to this end the group human resources director's role was expanded to become the group corporate affairs director, and senior management was given increased responsibility in ESG matters as part of a renewed focus on sustainability. The group has introduced ESG performance criteria into its short and long-term incentive schemes for executives;
- monitored the group's compliance with the Protection of Personal Information Act (POPIA), which came into force during the year. The group had largely completed the work required to ensure that it was compliant with the new regulation, but the significance of the legislation to the group's business required that the board remain vigilant in this regard;
- resolved to close the Musica business in an orderly manner, although this was earlier than had previously been envisaged and was accelerated by the impact of the pandemic;
- ensuring that the group's accounting policies are appropriate;
- reviewing talent and succession plans for the business;
- supported management's acquisition strategy, which included the purchase of 25 Pick n Pay retail pharmacies;
- reappointing John Bester as lead independent director; and
- ensuring the group is prepared for mandatory auditor rotation when this becomes compulsory in 2023 and recommending EY for reappointment as the group's auditor at the January 2022 AGM, noting that EY has served as the auditor for nine years.

BOARD COMPOSITION

The board consists of eleven directors, with three salaried executive directors and eight independent non-executive directors. The age, tenure, experience and expertise of each director is briefly set out in the board of directors' report on page 30.

INDEPENDENCE OF DIRECTORS

All the directors, both executive and non-executive, understand their legal duty to act with independence of mind in the best interests of the company.

David Nurek has served as a non-executive director for 24 years, Martin Rosen for 14 years and Fatima Abrahams, John Bester and Fatima Daniels have each served for 12 years. Mr Nurek and Ms Daniels are to retire from the board immediately prior to the AGM in January 2022, and only Mr Nurek will stand for re-election at that AGM. The board has taken the view that it would be prudent to retain Mr Nurek as chairman to provide stability to the board as a number of new non-executive directors take office, and if elected to serve as much of his three-year term as is necessary to identify a suitable candidate to take over leadership of the board.

The remuneration and nominations committee conducted an evaluation of the independence of the chairman and non-executive directors during the year. Factors which could impact on their independence and performance were considered, in particular the factors contained in King IV and the JSE Listings Requirements. In the opinion of the remuneration and nominations committee there are no factors which prevent the directors from exercising objective, unfettered judgement or acting in an independent manner. All of the non-executive directors, including the chairman, are therefore appropriately classified as being independent.

The company has no controlling shareholder or group of shareholders and there is no direct shareholder representation on the board.

BOARD DIVERSITY

The directors are diverse in terms of gender, race and professional backgrounds, contributing to strong decision-making and ensuring that a range of perspectives are brought to bear on matters under consideration by the board. The directors have extensive experience and specialist skills across a range of sectors, including retail, commercial, governance, human resources remuneration, accounting and finance, legal, healthcare and marketing. The board race and gender diversity policy sets voluntary targets of 25% black and 25% female representation at board level. Currently 64% of the directors are black and 36% are female, which exceeds these targets.

DIRECTOR ELECTION

A third of non-executive directors are required to resign at each AGM, and executive directors are required to resign on the third anniversary of their appointment or most recent re-election to the board. This provides shareholders with the ability to hold directors to account and to appoint directors to the board whom shareholders believe will add value to the business.

ANNUAL PERFORMANCE EVALUATION

Instead of conducting an internal assessment of the board's effectiveness (as would ordinarily take place annually), an independent external assessment of the board effectiveness was commissioned from a respected external consultant, Deloitte. To periodically obtain an external assessment is in keeping with best practice in ensuring good governance. Deloitte rated the board, its committees, its chairman and directors, and the company secretary as highly effective. A separate, internal assessment of the company secretary was also conducted, which agreed with the external assessment of his effectiveness.

BOARD AND EXECUTIVE RELATIONSHIP

The roles of the chairman and the chief executive officer are formalised, separate and clearly defined. This division of responsibilities at the helm of the company ensures a balance of authority and power, with no individual having unrestricted decision-making powers. The chairman leads the board and the chief executive officer is responsible for the executive management of the group. While the board and executive management collectively determine the strategic objectives of the group, the board is responsible for approving the group's strategy, and the executive is responsible for executing this strategy and for the ongoing management of the business. Regular reporting by the executive on progress made in executing its mandate allows the board to monitor implementation of strategy and to assess the effectiveness thereof. Non-executive directors have direct access to management and may meet with management independently of the executive directors.

BOARD OVERSIGHT

The board discharges its oversight function both directly and through its three committees. The board and its committees are each chaired by independent non-executive directors. The composition of the committees conformed to regulatory requirements and King IV for the reporting period. Detailed disclosure on the roles, functions and composition of the committees is contained in the corporate governance report available on the website.

RISK GOVERNANCE

While the board recognises that certain risks are necessary to ensure sustainable growth and competitive returns, the directors acknowledge that the group and its stakeholders should be protected from avoidable risks. Risk management and governance processes are therefore aimed at creating an appropriate balance between risk and reward. The audit and risk committee is responsible for overseeing risk management for the board, with particular focus on combined assurance arrangements, ensuring that the group has implemented an effective policy and mitigation plan for risk, and that disclosure of these risks and mitigation plans is comprehensive, timely and relevant.

CREATING VALUE THROUGH GOOD GOVERNANCE (CONTINUED)

BOARD AND COMMITTEE MEETING ATTENDANCE

	Board	Audit and risk	Remuneration and nominations	Social and ethics
Number of meetings	5	4	4	2
David Nurek	5^{+}	(4)	4^	2
Fatima Abrahams	5		4^^$^{+}$	2^{+}
John Bester	5	4^{+}	4	
Fatima Daniels	4	4		
Bertina Engelbrecht	5	(4)	(4)	(2)
Michael Fleming	5	(4)		
Penelope Moumakwa (appointed 1 April 2021)	2			
Mfundiso Njeke	4	4		
Vikesh Ramsunder	5	(4)	(4)	2
Martin Rosen	5		4	
Meeting attendance 2021 (%)	96	100	100	100
Meeting attendance 2020 (%)	98	100	100	100

(•) Indicates number of meetings attended as an invitee.
$^{+}$ Chair.
^ Chairs nominations agenda items.
^^ Chairs remuneration agenda items.

The committee is tasked with ensuring that the combined assurance model provides a co-ordinated approach to assurance activities, and that the combined assurance received addresses all significant risks facing the group. The group and business unit risk registers are regularly reviewed and updated, containing current and emerging risks as well as risks associated with future strategic initiatives and identifying mitigating measures to address specific risks. Risk registers are updated as the nature of the risk changes over time or as mitigation measures take effect. Refer to the major group risks detailed in the managing material issues report on pages 21 to 25.

Group internal audit monitors the progress of the group and business units in managing risks and reports its findings to the audit and risk committee. Any significant weaknesses in the design, implementation or execution of the group's internal financial controls which could result in material financial loss, fraud, corruption or error, are reported to the audit and risk committee and this information will be disclosed in the audit and risk committee report. No material issues were brought to the attention of the committee during the reporting period.

ETHICS AND VALUES

The group subscribes to high ethical standards of business practice. A set of values and a behavioural code of conduct require staff to display integrity, mutual respect and openness. Members of staff have an obligation to challenge others who are not adhering to these values. The social and ethics committee is responsible for monitoring ethical practices. The group has various documented policies which require all employees to adhere to ethical business practices in their relationships with one another, suppliers, intermediaries, shareholders and investors. These policies also set stringent standards relating to the acceptance of gifts from third parties and declarations of potential conflicts of interests. A fraud prevention policy ensures that a firm stance is taken against fraud and the prosecution of offenders.

ANTI-COMPETITIVE CONDUCT

Oversight, governance and risk management processes are in place to promote compliance with statutory prescripts relating to competition, and the effectiveness of these processes is borne out by the fact that the group has not been sanctioned for anti-competitive conduct.

The group has market-leading positions in healthcare retailing and supply. This emphasises the need for the group to remain vigilant in guarding against engaging in anti-competitive practices.

GOVERNANCE FOCUS AREAS IN 2022

The execution of the board's succession plan will continue to be a focus area in 2022. So too will be the difficult task of continuing to steer the group through the pandemic, with the health and safety, social and economic risks that the pandemic has brought with it. The fact that the incoming CEO brings immense credibility and considerable understanding of the business gained from her many years as an executive director of the group will serve to ensure stability of leadership in a time of change.

Increased focus on ESG, and specifically environmental sustainability, is a priority. It is a global imperative to take action to mitigate global warming and climate change, and the group has committed to make meaningful reductions to its carbon footprint by 2030. Despite being the leading retailer on the JSE in relation to environmental performance, the group recognises that it will require sustained effort to achieve its goals.

Rewarding VALUE CREATION

Clicks Group's remuneration policy is aimed at driving a high-performance culture that creates sustainable value for shareholders.

The remuneration policy, which is outlined in part 1 of this report, will again be proposed to shareholders for a non-binding vote at the annual general meeting (AGM) in January 2022. The application of the remuneration policy in 2021, which details how the group has rewarded value creation, is covered in part 2 of this report. In accordance with the King IV governance code, this implementation report will be tabled separately to shareholders for a non-binding vote at the AGM.

Clicks Group values the views and insights of investors, and encourages shareholders to proactively engage with management on remuneration issues to enable informed decisions to be made when voting on the group's remuneration policy.

In addition to this commitment, and in accordance with King IV, in the event that either the remuneration policy or the implementation report receives 25% or more dissenting votes from shareholders voting at the AGM, management will engage directly with these shareholders to:

- determine the reasons for the dissenting votes; and
- address legitimate and reasonable objections or concerns by clarifying or amending the remuneration policy, its implementation or processes, or reviewing the remuneration governance, or taking other steps to resolve the concerns.

At the AGM held in January 2021 the requisite majority of shareholders did not endorse the group's remuneration policy or implementation report, which received 71.66% and 73.21% support respectively and not the required 75% in a non-binding advisory vote.

Following the AGM dissenting shareholders were invited to engage with management in relation to the remuneration policy and the remuneration implementation report. No shareholders responded to this invitation.

In the prior reporting period, shareholders had raised concerns regarding the requirement to include malus and clawback provisions in respect of variable compensation for executives. Provisions related to malus and clawback have been duly incorporated in the rules of the long-term and short-term incentive schemes of the group and apply to all executives.

The board approved amendments to the rules of the group's long-term incentive (LTI) scheme to include environmental, social and governance (ESG) metrics to confirm its commitment to pursue a sustainability agenda which contributes to long-term enterprise value creation.

The LTI scheme rules were amended as of 1 September 2021 to incorporate a 15% consolidated weighted allocation to the ESG performance measurement scorecard. The amendment affects all qualifying executives. The approved amendments include:

- Composite measure: Leadership positioning on FTSE4Good Index relative to the sub-sector average for drug retailers and the consumer services industry average.
- Environmental measure: Carbon -A rating and inclusion in Carbon Disclosure Project (CDP) Index.
- Social measure: BBBEE leadership positioning relative to the retail industry.
- Governance measure: Zero breaches of customer privacy and data security.

In response to shareholder concerns, the board also considered the inclusion of ESG-linked metrics in the short-term incentive (STI) scheme and approved a prospective amendment to the STI scheme. The STI scheme rules will be amended to incorporate a 15% consolidated weighted allocation to the ESG performance measurement scorecard. The amendment affects all senior managers and will be effective as of 1 September 2022 to allow sufficient time to educate the scheme participants.

The remuneration philosophy and reward principles are largely consistent with prior years except for the inclusion of the ESG-linked metrics which have been incorporated into the LTI scheme. The remuneration policy is aligned to King IV and outlines the group's approach to fair, responsible and transparent remuneration practices across the business.

This report provides an overview of the remuneration of all group employees as well as disclosing executive director remuneration and the alignment with shareholder value creation. The remuneration paid to executive and non-executive directors for the 2021 financial year is detailed on pages 75 and 76.

PART 1: REMUNERATION POLICY

Introduction

The group's remuneration policy is based on the total rewards model and integrates the five key elements that the group believes attracts, motivates and retains human capital to achieve the desired business results:

- compensation;
- benefits;
- performance and recognition;
- learning and development; and
- work-life integration.

The reward principles of fair and responsible remuneration, market competitiveness, and pay-for-performance are entrenched in the policy. The policy is transparent and incorporates a pay framework that clearly differentiates between occupational levels and pay grades that facilitate remuneration benchmarking for each job within a skill pool.

The remuneration mix includes a combination of monetary and non-monetary rewards for employees in exchange for their time, efforts, talent and performance at an individual, team and company level.

Monetary rewards include annual guaranteed pay, variable pay such as short-term and long-term incentives that relate to performance against agreed targets, as well as other benefits.

Non-monetary rewards are less tangible and range from formal and informal recognition programmes, training and job rotation opportunities and exposure to stimulating work assignments, all of which are designed to motivate, affiliate and retain employees.

Employees receive a total reward statement annually which provides a personalised comprehensive view of all their rewards.

Pay levels are benchmarked on national and retail market benchmark data. The 2021 benchmarking process and the resultant pay framework was peer reviewed by independent reward consultant, 21st Century, who verified the accuracy of the benchmarking process and outcomes, as well as compliance to King IV. A market-related adjustment has been applied to the pay framework for 2022 and verified against survey benchmarks to ensure that the group's pay remains competitive. Premiums are paid for scarce and critical skills such as pharmacy, buying and planning, finance and IT skills, based on the relevant market data.

Annual salary increases are merit based, with increases being directly related to each employee's annual performance rating. The range of increase percentages per performance rating is applied consistently across the group, including to the executive directors. The annual increase for an employee in the bargaining unit is based on a collective bargaining process (refer to the section on remuneration of management and staff on page 71).

Remuneration structure

The total rewards framework provides flexibility to meet the differing needs of employees.

Annual guaranteed pay is determined by considering the following factors:

- the size of the job, based on the Hay job evaluation methodology;
- the nature of the job relative to its defined market position, including any market premiums for scarce and critical skills;
- individual performance as assessed during the performance review process; and
- individual position in the pay band range relative to competence and talent positioning.

The remuneration and nominations committee (the committee) reviews the group's overall pay framework annually against defined market benchmarks per job grade, job size or skill pool.

The group's benchmarking and market information is based on independent surveys, including the Old Mutual REMchannel, Deloitte Top Executive and the Korn Ferry surveys. These benchmarking exercises recognise the complexity in the group's business model and the regulatory environment within which the group operates.

The group also participates in a biennial benchmarking exercise to maintain a competitive remuneration position in respect of pharmacists and pharmacy managers.

The annual performance review of all employees focuses on both financial and non-financial levers across the following metrics:

- financial performance;
- business process improvement metrics, including transformation targets, where these can be influenced by the employee;
- customer satisfaction; and
- learning and growth.

Executives are also measured against the objectives set by the social and ethics committee in relation to all the elements of the BBBEE scorecard.

All employees are required to achieve a satisfactory performance rating to qualify for full participation in the STI scheme.

EXECUTIVE DIRECTORS' REMUNERATION

The group's remuneration policy has been reviewed by the committee to ensure that executive directors' remuneration is fair and responsible in the context of overall employee remuneration, particularly given the nature of the retail industry and considering South Africa's socio-economic landscape.

The policy prescribes that the levels of pay and incentives awarded to executive directors are set rationally and impartially, and are free from discrimination, self-interest, prejudice or favouritism. Executive pay is linked to value creation and positive outcomes, is subject to independent oversight and approval by the committee, and is considered by the directors to be sustainable and responsible.

To align with shareholder interests, executive remuneration is linked to the group's performance, with clearly defined and measurable one-year and three-year deliverables.

The remuneration of executive directors consists of three components:

Guaranteed remuneration	Variable and performance-related remuneration	
Annual guaranteed pay, comprising base salary, retirement and other benefits; allows for flexible retirement fund contributions	Annual short-term cash-based incentive bonus	Long-term incentive schemes
Performance measurement		
Annual individual performance review	Average monthly return on net assets (RONA) Operating profit	Diluted headline earnings per share growth over a three-year period subject to performance hurdles and ESG modifiers. Total shareholder return (TSR) growth over a three-year period subject to performance hurdles and ESG modifiers.

The performance of the chief executive officer is assessed by the committee, while the performance of the other executive directors is evaluated by the chief executive officer and reviewed by the committee.

The annual pay increase of the executive directors is directly related to individual performance ratings and aligned to the annual increase ranges per performance rating as determined by the committee and applied consistently across the group. The sustainability of the group's business is critical in determining remuneration and the board is satisfied that the performance targets do not encourage increased risk-taking by the executives.

Incentive schemes

A significant portion of executive remuneration is variable and designed to incentivise executives. Short-term and long-term incentives are an integral part of the total rewards framework and aim to align employee performance with the interests of shareholders. LTI schemes are aimed at aligning executive remuneration with shareholder interests by rewarding executives for the creation of shareholder value over the medium term. Participation in the LTI scheme is limited to senior employees including executive directors. The LTI scheme is regularly reviewed and enhanced to align with evolving best practice locally and internationally. In 2020 the board approved the inclusion of malus and clawback provisions in relation to variable compensation payable to executives, for short-term and long-term incentives. These provisions have been included in the applicable scheme rules prospectively from 1 September 2020 in respect of the STI scheme as well as new tranches awarded to executives in terms of the LTI scheme.

In 2021 the board reviewed and approved the inclusion of ESG-linked targets to the LTI scheme which will apply to all new tranches awarded to participants in terms of the LTI scheme.

Should executive directors not meet the targets set by the committee for the STI and LTI schemes, then no amounts will be payable under the schemes and executive directors will only receive their guaranteed remuneration. Performance hurdles and caps for both the STI and LTI schemes apply to the participants, including the executive directors, which are set out below and on pages 71 to 73 respectively.

The purpose of the incentive schemes (which are aligned to the group's strategic objectives and shareholder interests) is to:

- create an effective method of aiding the recruitment and retention of key employees by allowing them to participate in the growth of the diluted headline earnings per share (DHEPS) and the compounded TSR of the group; and
- provide participants with short-term and long-term financial incentives to maximise their contribution to the group's continued growth and profitability and to deliver sustained performance over a three-year rolling period.

As a result of the significant impact of the civil unrest in KwaZulu-Natal on the group's financial results, the committee applied its discretion (as provided for in the group's STI rules) to approve STI bonuses to qualifying employees. The endorsement was based on the following factors:

- The civil unrest in July 2021 was an uncontrollable insured event that could not have been foreseen or mitigated by the group.
- The group has adequate South African Special Risks Insurance Association (SASRIA) and general insurance cover for material damage to assets, stock and business interruption.
- The group's retail and distribution businesses responded swiftly, resulting in the group's supply chain network being fully restored by 16 August 2021.

The 2021 STI bonuses were based on the year-end RONA and profit results, adjusted for the financial impact of the civil unrest.

In addition to the approval of the 2021 STI bonuses, the committee applied its discretion and approved the STI targets and budgets for the 2022 financial year (adjusted for the impact of the civil unrest).

In August 2021 the committee resolved to retrospectively amend the LTI scheme rules to accommodate an extraordinary insured event, such as the July 2021 civil unrest, by adjusting the DHEPS. In this case the adjustment was 67.3 cents per share for the financial impact of the civil unrest which included the inventory write-offs, additional costs of working, insurance recoveries received and an apportionment of the estimated insured gross profit impact for the seven weeks post the civil unrest disruption until the end of the financial year. This was necessary as the majority of the insurance proceeds will only be received in the 2022 financial year.

The effect of the DHEPS adjustment described above increased the amount payable to participants in respect of the DHEPS portion of the LTI 2018 – 2021 tranche and will similarly be used to reduce the amount payable to participants in respect of the DHEPS portion of the LTI 2019 – 2022 tranche. Furthermore, the DHEPS base in respect of the LTI 2022 – 2024 tranche (which commenced on 1 September 2021) was also adjusted by the aforementioned adjustment in order to ensure participants would not be unfairly advantaged by a lower base due to the impact of the civil unrest.

The civil unrest had no impact on the group's TSR as the gain in the volume weighted average price (VWAP) of the group is calculated with reference to the market price over 20 business days inclusive of and preceding the group's financial year-end.

Short-term incentive scheme

In terms of the short-term incentive scheme design a percentage of annual guaranteed pay is paid on the achievement of an on-target performance, with performance hurdles of at least 95% of the targeted group RONA and operating profit. After the committee reviewed the STI scheme rules, the chief executive officer's on-target bonus remains at 60% of annual guaranteed pay and at 50% of annual guaranteed pay for the other executive directors.

- Performance exceeding the targeted performance may result in the payment of a higher bonus. This is self-funded and only paid if the group exceeds the targeted operating profit.
- The scheme provides for a stretch performance incentive to drive extraordinary performance. The stretch performance hurdle is met when the targeted group RONA is achieved and the targeted operating profit has been exceeded by at least 5%.
- Bonus payments are capped at 120% of annual guaranteed remuneration for the chief executive officer and at 100% for the other executive directors.

The achievement of targets is reviewed by the committee before any incentive payments are made.

Long-term incentive scheme

Executive directors participate in the cash-settled LTI scheme which is detailed on pages 72 and 73.

REMUNERATION OF MANAGEMENT AND STAFF

Senior managers receive an annual guaranteed salary and participate in the STI bonus scheme. Salaries may include premiums for scarce and critical skills. A limited number of senior managers participate in the LTI scheme, based on their strategic contribution, the retention of key talent and their individual performance levels.

An annual performance-based salary increase is paid to all permanent monthly paid non-bargaining unit employees. The annual increase date is 1 September which is aligned with the start of the group's financial year and budgeting period.

Collective salary increases are negotiated with the representative trade union for the Clicks bargaining unit. The negotiation team is headed by the Clicks human resources executive. Trade union membership comprises 13% of the total group employees (2020: 12%). The employees in the bargaining unit also participate in the group's STI schemes.

All store employees' compensation complies with the Sectoral Determination 9: Wholesale & Retail Sector, South Africa and is above the national minimum wage or statutory requirements in all countries in which the group operates and the minimum rates of pay as determined for the retail industry are either met or exceeded.

Healthcare benefits

The company funds the cost of employee contributions to the Flexicare scheme for staff with six months' continuous service in customer service, clerical and supervisory roles. Employees have the option to include their spouse and child dependants at their own cost through a monthly payroll deduction. The plan provides comprehensive primary and trauma care, including unlimited access to a general practitioner, optical and dental benefits, ambulance and casualty services. The introduction of this health benefit in January 2019 has contributed to reducing the inequality in healthcare services provided to the group's employees, as well as improving the health and well-being of employees and their family members.

The healthcare needs of all other permanent employees are catered for through membership of one of the company's approved medical aid schemes:

- Discovery Health Medical Scheme; and
- Profmed Medical Aid Scheme.

Group retention scheme

The group retention scheme is aimed at retaining talented employees by providing them with a long-term financial incentive which is aligned with shareholders' interests.

The scheme targets high-potential employees, black staff and employees with scarce and critical skills. There are currently 50 employees participating in the schemes, of whom 44% are black and 26% are women.

INCENTIVE SCHEMES

Short-term and long-term incentives are an integral part of the total rewards framework and aim to align employee performance with the interests of shareholders.

Short-term incentive schemes

All permanent employees in the group participate in the STI schemes which reward the achievement of performance targets of the business.

- ***RONA-based STI scheme***
  Performance for the group's RONA-based STI scheme is measured at the group, business unit and team level against agreed targets. Although the scheme rewards team performance, individual performance as measured through the group's annual performance appraisal process may limit the value of the payment should an employee not meet individual performance targets.

  Performance exceeding the targeted performance may result in the payment of a higher incentive, provided this is funded by an increase in the operating profit. Incentives for management and staff are capped at two times the value of an on-target bonus.

- ***Retail store incentive scheme***
  The retail store incentive scheme rewards staff in retail stores for outperforming quarterly store sales targets.

Long-term incentive scheme

The LTI scheme is aimed at aligning executive remuneration with shareholder interests by rewarding executives for the creation of shareholder value. The LTI scheme has a three-year term, with performance hurdles. Successive annual allocations ensure that the executives and senior managers who participate in the scheme are incentivised based on the sustained performance of the group measured by the increase in diluted headline earnings per share (HEPS) and the increase in total shareholder return (TSR).

The LTI scheme is regularly reviewed and enhanced to align with evolving best practice locally and internationally, and based on engagement with major shareholders.

- The scheme is cash settled and based on share appreciation units. As there are no shares issued in terms of the LTI scheme, there is no share dilution.
- The remuneration multiple used to determine the number of appreciation units granted is unchanged.
- A cap limits the value payable for the normal vesting of each LTI tranche at the end of the three-year performance period to a maximum of five times the annual guaranteed pay of participants in the scheme.
- The scheme rules provide that, subject to remuneration committee approval, in the event of the retirement, disability or death of a participant, the settlement amount for outstanding LTI tranches shall be calculated based on the HEPS and TSR appreciation unit values as at the most recently completed financial year. Such settlement will be subject to a separate cap of a maximum of five times the participant's annual guaranteed pay.
- The group has implemented a programme to hedge against the economic risk linked to the share price based on the anticipated payout of the TSR portion of the LTI.

Currently 11 (2020: 14) executives participate in the scheme. The relevant amounts are expensed through the statement of comprehensive income.

- ***2019, 2020 and 2021 LTI scheme***
  The LTI scheme aligns executive and long-term investor interests by including both an earnings performance metric as well as exposing participants to market volatility.

  The design of the 2019, 2020 and 2021 tranches of the LTI scheme are unchanged, with the value of appreciation units being subject to performance hurdles.

  The value of appreciation units is apportioned equally between two performance components:

  (1) diluted HEPS; and

  (2) total shareholder return (TSR).

  In addition the 2021 LTI tranche will incorporate ESG modifiers as outlined on page 68.

The group adopted IFRS – 16 Leases in 2020 using the full retrospective approach. As a result of this adoption, diluted HEPS was restated and accordingly the base value of this component for the respective tranches in the existing LTI scheme was also restated. The restatement of the base values was approved by the remuneration committee and forms part of the group's annual financial statements on which Ernst & Young has issued an unqualified audit opinion.

(1) Diluted HEPS appreciation units

The base value for the diluted HEPS appreciation units is calculated at the date of allocation by multiplying the group's reported diluted HEPS by an internal price-earnings ratio of 12.

An exercise value is determined at the end of the three-year period by multiplying the published diluted HEPS for the year by the same factor of 12.

The difference between the exercise value and the base value is the amount paid out in cash.

The performance hurdles for the diluted HEPS appreciation units have remained unchanged and are as follows:

Diluted headline earnings per share

Performance hurdle	Range (based on three-year CAGR in diluted HEPS)	Percentage of LTI payout
Weak	0% or negative growth	0%
Below target	Up to 7.9% growth	70%
On target	8% to 14.9% growth	100%
Above target	15% to 19.9% growth	150%
Exceptional	Above 20% growth	200%

(2) TSR appreciation units

The base value for the TSR appreciation units is the 20-day volume weighted average price (VWAP) of the Clicks Group shares, measured over the 20 business days at the end of the previous financial year.

The exercise value is the corresponding 20-day VWAP at the end of the three-year period. The financial incentive received by the participants is the appreciation in the Clicks Group share price over the three-year period.

TSR is defined as: "The overall return to shareholders, being the appreciation in the 20-day VWAP of the Clicks Group share, plus dividend payments reinvested over the three-year performance period, divided by the VWAP of the Clicks Group share at the commencement of the period, expressed as a percentage."

The performance hurdles for the TSR appreciation units have remained unchanged as follows:

Total shareholder return

Performance hurdle (based on three-year CAGR in TSR)	Percentage of LTI payout
Below 9%	Unit allocation forfeited
Above 12%	Unit allocation increased by 50%
Above 15%	Unit allocation increased by 100%

Directors' participation in the LTI

Executive directors have been awarded the following appreciation units:

	2019 – 2022 scheme		2020 – 2023 scheme		2021 – 2024 scheme	
	HEPS units allocated at R79.63[1] per unit	TSR units allocated at R199.01 per unit	HEPS units allocated at R90.52 per unit	TSR units allocated at R237.77 per unit	HEPS units allocated at R100.91[2] per unit	TSR units allocated at R288.97 per unit
Bertina Engelbrecht	111 579	45 224	105 391	40 123	109 666	38 296
Michael Fleming	161 914	65 625	152 894	58 208	145 381	50 768
Vikesh Ramsunder[3]	255 703	103 638	262 373	99 886	–	–

[1] Restated for the adoption of IFRS 16 (refer to page 73 above).
[2] DHEPS base adjusted by 67.3 cents per share in respect of the financial impact of the civil unrest in 2021 (refer to page 71).
[3] In light of Mr Ramsunder's resignation as group CEO no new LTI appreciation units have been awarded to him. Mr Ramsunder's existing LTI appreciation units in respect of the 2019 – 2022 scheme and 2020 – 2023 scheme will be forfeited in 2022.

In line with best governance practice, non-executive directors do not participate in incentive schemes.

EXECUTIVE SERVICE CONDITIONS

The chief executive officer is subject to a 12-month notice period and the other executive directors to a six-month period. Vikesh Ramsunder will continue to act as a strategic adviser to the group until 31 August 2022. The retirement age for executive directors is 63 years. None of the executive directors are appointed on fixed-term contracts.

NON-EXECUTIVE DIRECTORS' FEES

The fee structure for non-executive directors is based on a review of a number of internal, economic and market factors. The group's policy is to pay non-executive director fees in a range of 80% to 120% of the median of a comparator group of JSE-listed retail companies. The median is based on the number of board and committee meetings held per annum. Following the independent benchmarking conducted in 2020 and resultant increases proposed to the non-executive directors' fees for 2021, the group's fee structure is aligned to the comparator group and the group's policy. The fee structure for non-executive directors was benchmarked for application in the 2022 year to consider the economic impact of the pandemic on fees in 2020 and the impact of greater board oversight and time commitments in 2021. An independent specialist reward consultancy, 21st Century, was appointed to conduct the market benchmarking survey. The survey results indicated that the group's inclusive fee for the chairman and fees for the social and ethics committee chairman and members were below the market benchmarks to the extent that these required adjustments which formed the basis for the proposed increases. Consequently, the proposed average fee increase of 7.0% for directors on a comparable basis is aligned to the benchmarks. In accordance with the policy, benchmarking of non-executive directors' fees will be conducted every three years in conjunction with the calibration of the group's pay frameworks. For intervening years the average pay increase awarded to the group's employees will be applied to the non-executive directors' fees.

Non-executive directors receive a base fee for serving on the board or any committee, together with an attendance fee per meeting. The base fee comprises 75% of the total fee. The chairman of the board or any committee receives a higher fee. Directors' fees are determined for a calendar year.

REMUNERATION GOVERNANCE

The remuneration committee (the committee), operating under the authority delegated by the board, is responsible for overseeing the establishment and maintenance of the group's remuneration policy, policy outcomes and pay practices. The committee assists the board in ensuring the group has a competitive remuneration policy and governance framework which is aligned with the group's strategic and organisational performance objectives.

In line with the recommendations of King IV the committee comprises only independent non-executive directors, namely Professor Fatima Abrahams (chair), John Bester, David Nurek and Martin Rosen. The chief executive officer and the group corporate affairs director attend committee meetings by invitation but are recused from discussions that relate to their own performance appraisal and remuneration. Detail on the committee meeting attendance is included on page 67 of the integrated report.

The members of the committee have independent access to an adviser and may request professional advice on any remuneration issue.

The primary responsibilities of the committee include:

- ensuring the remuneration policy is aligned to and promotes the achievement of the group's strategic objectives and encourages individual performance;
- ensuring the critical elements of the remuneration policy, including annual guaranteed pay, scarce skills premiums, benefits and incentives, are appropriately benchmarked to ensure the group is competitive in the employment market;
- ensuring all benefits, including retirement benefits and other financial arrangements, are justified and correctly valued;
- reviewing and approving the performance evaluation of the chief executive officer and executive directors against agreed deliverables;
- reviewing incentive schemes to ensure alignment to shareholder value creation and that the schemes are administered in terms of the rules; and
- reviewing the remuneration of non-executive directors and recommending adjustments to the fees at the AGM.

PART 2: REMUNERATION IMPLEMENTATION REPORT 2021

Annual salary increase

The average performance-linked increase effective from 1 September 2021 is 3.9% (2020: 4.7%).

Negotiations regarding the salary increase for the bargaining unit employees in South Africa in 2018 resulted in a two-year agreement. In 2020 the average salary increase for bargaining unit staff (effective annually in July) was 5.7%. Due to the national lockdown the finalisation of the current wage negotiation process (implementation date of 1 July annually) has been delayed and will be implemented retrospectively.

The annual guaranteed pay of the chief executive officer was determined by the committee within the group's pay range, after reviewing the benchmarks prepared by Deloitte based on the group's comparator group of listed retail companies in South Africa. The surveys indicated that the chief executive officer's annual guaranteed pay was appropriate to the median pay within the comparator group.

Short-term incentive schemes

The remuneration committee reviewed and approved the group's and businesses' RONA-based STI achievements which were adjusted for the financial impact of the civil unrest.

The remuneration committee approved R118.3 million be paid to qualifying employees (2020: R98.9 million). This includes incentives paid in terms of the retail store incentive scheme where R27.0 million (2020: R28.7 million) was paid to retail store staff for the 2021 financial year.

Group retention scheme

During the financial year R39.7 million (2020: R51.8 million) was paid out to participants in the scheme.

Long-term incentive scheme

For the three-year performance period ended 31 August 2021 the group achieved the following compound annual growth rates (CAGR):

- Diluted HEPS (adjusted for the financial impact of the civil unrest – refer to page 71): 14.0% CAGR: This represents an on-target performance.
- TSR: 16.4% CAGR: This exceeds the "above 15%" performance hurdle and the TSR appreciation units allocated to participants were increased by 100% in accordance with the rules of the scheme.

The payout of the TSR portion has been fully hedged to limit the cost to the group.

The committee approved the LTI payment of R78.4 million (2020: R105.3 million) to the scheme participants.

DIRECTORS' REMUNERATION

Executive directors' remuneration

Director (R'000)	Salary	Pension fund	Other benefits	Total annual guaranteed pay	RONA short-term incentive	Performance-based long-term incentive[1]	Total variable pay	Total
2021								
Bertina Engelbrecht[2]	**4 267**	**503**	**356**	**5 126**	**2 385**	**12 203**	**14 588**	**19 714**
Michael Fleming	**6 353**	**510**	**57**	**6 920**	**3 460**	**17 810**	**21 270**	**28 190**
Vikesh Ramsunder	**9 076**	**424**	**–**	**9 500**	**5 700**	**14 673**	**20 373**	**29 873**
Total	**19 696**	**1 437**	**413**	**21 546**	**11 545**	**44 686**	**56 231**	**77 777**
2020								
Bertina Engelbrecht	4 025	475	–	4 500	2 279	15 828	18 107	22 607
Michael Fleming	6 044	429	57	6 530	3 307	23 133	26 440	32 970
Vikesh Ramsunder	7 892	358	–	8 250	5 014	18 871	23 885	32 135
Total	17 961	1 262	57	19 280	10 600	57 832	68 432	87 712

[1] Payments relating to the performance for the year ended 31 August are paid in November. The expense is provided for over the three-year vesting period in the relevant financial year.

[2] Ms Engelbrecht's other benefits comprise a long-service award for 15 years' service in accordance with the group's remuneration policy.

Non-executive directors' remuneration

	2021 directors' fees			2020 directors' fees		
Director (R'000)	Holding company	Subsidiary companies	Total	Holding company	Subsidiary companies	Total
David Nurek	1 603	–	1 603	1 419	–	1 419
Fatima Abrahams[1]	751	163	914	693	155	848
John Bester	881	–	881	796	–	796
Fatima Daniels[2]	595	163	758	530	155	685
Nonkululeko Gobodo[3]	42	–	42	555	–	555
Martin Rosen	533	–	533	465	–	465
Mfundiso Njeke[4]	588	–	588	222	–	222
Penelope Moumakwa[5]	183	–	183	–	–	–
Total	5 176	326	5 502	4 680	310	4 990

1 The fees paid to Fatima Abrahams include fees for her appointment as director of Clicks Retailers Proprietary Limited and New Clicks South Africa Proprietary Limited.
2 The fees paid to Fatima Daniels include fees for her appointment as director of Clicks Retailers Proprietary Limited and New Clicks South Africa Proprietary Limited.
3 Resigned as a non-executive director effective 14 September 2020.
4 Appointed as non-executive director effective 1 March 2020.
5 Appointed as non-executive director effective 1 April 2021.

None of the non-executive directors have service contracts with the group and no consultancy fees were paid to directors during the year.

Total directors' remuneration

R'000	2021	2020
Executive directors (including the long-term incentive scheme)	77 777	87 712
Non-executive directors	5 502	4 990
Total directors' remuneration	83 279	92 702

Directors' shareholdings at 31 August

	2021 beneficial shares			2020 beneficial shares		
Director	Direct	Indirect	Total	Direct	Indirect	Total
David Nurek	45 000	55 000	100 000	–	100 000	100 000
John Bester	12 000	10 000	22 000	12 000	10 000	22 000
Bertina Engelbrecht	75 068	–	75 068	75 068	–	75 068
Michael Fleming	–	–	–	30 421	–	30 421
Vikesh Ramsunder	11 116	–	11 116	11 116	–	11 116
Martin Rosen	–	2 000	2 000	–	2 000	2 000
Total	143 184	67 000	210 184	128 605	112 000	240 605

The total number of ordinary shares in issue is 245 557 066 and the percentage of issued share capital held by directors is 0.09% (2020: 0.10%). Details of dealings in Clicks Group shares by directors during the financial year are contained in the directors' report in the annual financial statements on the website.

NON-EXECUTIVE DIRECTORS' FEES

The fee structure for non-executive directors is based on a review of a number of internal, economic and market factors. The group's policy is to pay non-executive director fees in a range of 80% to 120% of the median of a comparator group of JSE-listed retail companies. The median is based on the number of board and committee meetings held per annum. Following the independent benchmarking conducted in 2020 and resultant increases proposed to the non-executive directors' fees for 2021, the group's fee structure is aligned to the comparator group and the group's policy. The fee structure for non-executive directors was benchmarked for application in the 2022 year to consider the economic impact of the pandemic on fees in 2020 and the impact of greater board oversight and time commitments in 2021.

An independent specialist reward consultancy, 21st Century, was appointed to conduct the market benchmarking survey. The survey results indicated that the group's inclusive fee for the chairman and fees for the social and ethics committee chairman and members were below the market benchmarks to the extent that these required adjustments which formed the basis for the proposed increases. Consequently, the proposed average fee increase of 7.0% for directors is aligned to the benchmarks. In accordance with the policy, benchmarking of non-executive directors' fees will be conducted every three years in conjunction with the calibration of the group's pay frameworks. For intervening years the average pay increase awarded to the group's employees will be applied to the non-executive directors' fees.

Dr Moumakwa joined the board in April 2021 and Sango Ntsaluba will join the board at the commencement of the 2022 financial year. The skill set and unique experiences of these two most recent appointments progress the revitalisation of the board and further enhance the eminence and diversity of the board.

Non-executive directors receive a base fee for serving on the board or any committee, together with an attendance fee per meeting. The base fee comprises 75% of the total fee. The chairman of the board or any committee receives a higher fee. Directors' fees are paid for a calendar year.

The fees for the 2022 calendar year are subject to approval by shareholders at the AGM in January 2022.

	2022*			2021*		
Board position	Proposed base fee R	Proposed meeting fee R	Proposed total fee R	Base fee R	Meeting fee R	Total fee R
Board chairman**	1 130 000	410 000	1 640 000	1 138 612	379 538	1 518 150
Board member	330 000	110 000	440 000	314 100	104 500	418 800
Chair: Audit and risk committee	300 000	100 000	400 000	265 022	88 340	353 362
Member: Audit and risk committee	150 000	50 000	200 000	138 989	46 330	185 319
Chair: Remuneration and nominations committee	142 500	47 500	190 000	141 345	47 115	188 460
Member: Remuneration and nominations committee	67 500	22 500	90 000	66 746	22 249	88 995
Chair: Social and ethics committee	112 500	37 500	150 000	91 089	30 363	121 452
Member: Social and ethics committee	52 500	17 500	70 000	n/a	n/a	n/a

* Fees relate to the calendar year.
** Fees for the board chairman are inclusive of all committee memberships.

Shareholder
INFORMATION

Clicks Group has proven to be increasingly attractive to international investors over the past decade and almost 70% of the group's shares are held by offshore fund managers.

Shareholder ANALYSIS

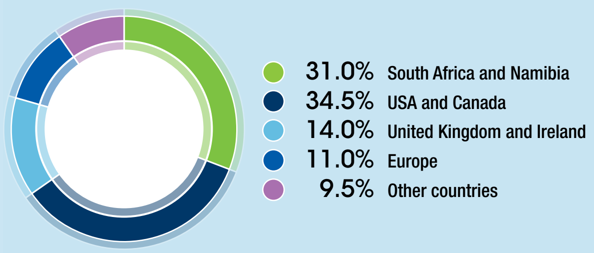
AT 31 AUGUST 2021

Public and non-public shareholders	Number of shares	Percentage of shares
Public shareholders	245 346 882	99.9%
Non-public shareholders		
Shares held by directors	210 184	0.1%
Total shareholders	245 557 066	100.0%

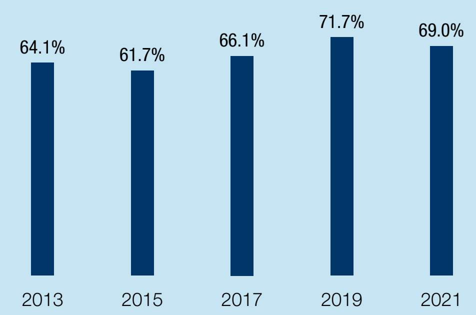
According to the company's register of shareholders, read in conjunction with the company's register of disclosure of beneficial interests made by registered shareholders acting in a nominee capacity, the following fund managers managed 3% or more of the issued share capital at 31 August 2021:

Major fund managers managing 3% or more	2021 Percentage of shares	2020 Percentage of shares
Public Investment Corporation (SA)	15.0%	13.7%
JPMorgan Asset Management (UK and US)	6.8%	6.1%
RBC Global Asset Management (UK)	5.5%	5.8%
BlackRock (US and UK)	4.9%	6.1%
Fidelity Management & Research (US)	4.9%	6.1%
GIC Asset Management (Singapore)	4.1%	3.9%
The Vanguard Group (US)	3.7%	3.7%
Federated Hermes (UK)	3.6%	–
T Rowe Price (UK and US)	3.3%	3.6%
William Blair (US)	3.2%	2.5%
No longer managing 3% or more:		
BMO Financial Group (UK)	2.8%	3.8%

Geographic distribution of shareholders



Offshore shareholding



Shareholders' DIARY

Annual general meeting	26 January 2022
Preliminary results announcements	
Interim results to February 2022	on or about 28 April 2022
Final results to August 2022	on or about 20 October 2022
Publication of 2022 Integrated Report	November 2022
Ordinary share dividend	
2021 final dividend	
Last day to trade with dividend included	25 January 2022
Date of dividend payment	31 January 2022
2022 interim dividend	
Last day to trade with dividend included	July 2022
Date of dividend payment	July 2022
2022 final dividend	
Last day to trade with dividend included	January 2023
Date of dividend payment	January 2023

Corporate INFORMATION

Clicks Group Limited
Incorporated in the Republic of South Africa
Registration number 1996/000645/06
Income tax number 9061/745/71/8

JSE share code: CLS
ISIN: ZAE000134854
ADR ticker symbol: CLCGY
ADR CUSIP code: 18682W205

Registered address
Cnr Searle and Pontac Streets
Cape Town 8001
Telephone: +27 (0)21 460 1911

Postal address
PO Box 5142
Cape Town 8000

Company secretary
Matthew Welz, LLB
E-mail: companysecretary@clicksgroup.co.za

Auditors
Ernst & Young Inc. (EY)

Principal bankers
The Standard Bank of South Africa

JSE sponsor
Investec Bank Limited

Transfer secretaries
Computershare Investor Services Proprietary Limited
Business address: Rosebank Towers,
15 Biermann Avenue, Rosebank 2196
Postal address: Private Bag X9000, Saxonwold 2132
Telephone: +27 (0)11 370 5000

Investor relations consultants
Tier 1 Investor Relations
Telephone: +27 (0)21 702 3102
E-mail: ir@tier1ir.co.za

For more information, please visit our website at
www.clicksgroup.co.za

www.clicksgroup.co.za

CLICKS GROUP

LIMITED