



CLICKS GROUP  
LIMITED

2025

Annual financial  
statements



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## Reporting suite 2025



The integrated report is the group's primary reporting medium and is supplemented by additional reports and information.

All reports are available online at [www.clicksgroup.co.za](http://www.clicksgroup.co.za)

### Financial reporting

- Annual financial statements 2025
- Five-year financial review
- Annual results 2025
- Annual results 2025 presentation

### Governance

- Corporate governance and KING IV report 2025

### Annual general meeting

- Notice to shareholders
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### Sustainability

- Sustainability report 2025
- Social and ethics committee report 2025

### Annual financial statements

#### For the year ended 31 August 2025

These are the annual financial statements of the group and the company for the year ended 31 August 2025.

They have been prepared under the supervision of the chief financial officer, GD Traill (CA).



### Report navigation

- Page reference
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As a leader in the healthcare market Clicks Group is committed to increasing access to affordable healthcare for all South Africans. Clicks is the country's leading health, wellness and beauty retailer and foremost pharmacy chain, with an expanding network of over 990 stores and 780 pharmacies supported by a growing digital presence. UPD is the country's leading full-range pharmaceutical wholesaler, providing the distribution capability for the group's healthcare strategy.





# Directors' responsibility statement

The directors are responsible for the preparation and fair presentation of the annual financial statements and group annual financial statements of Clicks Group Limited,

comprising the statements of financial position at 31 August 2025; the statements of comprehensive income, changes in equity and cash flows for the year then ended, and the notes to the financial statements which include a summary of material accounting policies and other explanatory notes, in accordance with IFRS® Accounting Standards and the requirements of the Companies Act of South Africa and including the audit and risk committee report on page 4. In addition, the directors are responsible for preparing the directors' report.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the company and the group to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead. The financial statements have accordingly been prepared on this basis.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

## Approval of annual financial statements

The consolidated and separate annual financial statements of Clicks Group Limited, as identified in the first paragraph, were approved by the board of directors on 6 November 2025 and signed by:



**Mfundiso Njeke**  
Independent non-executive chairman



**Bertina Engelbrecht**  
Chief executive officer



**Gordon Traill**  
Chief financial officer

Cape Town  
6 November 2025

# Certificate by the company secretary

I certify that Clicks Group Limited has filed all Clicks Group returns and notices as required by a public company in terms of section 88(2)e of the Companies Act No. 71 of 2008, as amended, and that such returns and notices are, to the best of my knowledge and belief, true, correct and up to date.



**Annalize Barnard**  
Company secretary

Cape Town  
6 November 2025

# Directors' responsibility

The chief executive officer and the chief financial officer hereby confirm, in accordance with the JSE Listings Requirements section 3.84(k) that:

- a) the annual financial statements set out on pages 9 to 49, fairly present in all material respects the financial position, financial performance and cash flows of the group in terms of IFRS;

b) to the best of our knowledge and belief, no facts have been omitted or untrue statements made that would make the annual financial statements false or misleading;

c) internal financial controls have been put in place to ensure that material information relating to the group and its consolidated subsidiaries have been provided to effectively prepare the financial statements of the group;

d) the internal financial controls are adequate and effective and can be relied upon in compiling the annual financial statements, having fulfilled our role and function as executive directors with primary responsibility for implementation and execution of controls;

e) where we are not satisfied, we have disclosed to the audit committee and the auditor any deficiencies in design and operational effectiveness of the internal financial controls and, where required, have taken steps to remedy the deficiencies; and

f) we are not aware of any fraud involving directors.
-   
**Bertina Engelbrecht**  
Chief executive officer

  
**Gordon Traill**  
Chief financial officer

Cape Town  
6 November 2025

# Directors' report

## Nature of business

The company is an investment holding company listed in the Food and Drug Retailers sector of the JSE Limited. Its subsidiaries house South Africa's leading health and beauty retailer and its leading pharmaceutical distributor and wholesaler, amongst other businesses. The company operates in southern Africa.

## Group financial results

The results of operations for the year are set out in the consolidated statement of comprehensive income on page 9. The profit attributable to ordinary shareholders for the year is R3 236.3 million (2024: R2 837.1 million).

## Share capital

During the year under review the company had the following movements in share capital:

|             |                                                                     |
|-------------|---------------------------------------------------------------------|
| 238 062 465 | Ordinary shares issued at 31 August 2024                            |
| (2 131 526) | Repurchase and cancellation of shares: September 2024 – August 2025 |
| 235 930 939 | Ordinary shares issued at 31 August 2025                            |

## Dividends to shareholders

### Interim

The directors approved an interim dividend of 238.0 cents per ordinary share (2024: 210.0 cents per ordinary share).

### Final

The directors have approved a final ordinary dividend of 648.0 cents per ordinary share (2024: 566.0 cents per ordinary share).

The source of such dividends will be from distributable reserves. The dividend will be payable on 26 January 2026 to shareholders registered on 23 January 2026.

## Events after the financial year-end

The following significant event took place between the end of the financial year and the date of this report:

- the declaration of the final dividend; and
- the group repurchased and cancelled 1 435 079 Clicks Group Limited ordinary shares to the value of R526.6 million. Refer note 35.

## Directors and secretary

The names of the directors in office at the date of this report are:

### Independent non-executive directors

Mfundiso Njeke (chairman)  
Richard Inskip  
Nomgando Matyumza  
Penelope Osiris (née Moumakwa)  
Sango Ntsaluba  
Christine Ramon

## Executive directors

Chief executive officer: Bertina Engelbrecht

Chief financial officer: Gordon Traill

The company secretary's details are set out on page 52.

## Retirement and re-election of directors

Nomgando Matyumza, Mfundiso Njeke and Gordon Traill retire by rotation and are recommended to shareholders for re-election to the board.

## Directors' interest in shares

Gordon Traill – on-market purchase of 2 498 shares on 3 December 2024 by a subsidiary for the benefit of the director in terms of the Company's Minimum Shareholding Requirement policy.

Bertina Engelbrecht – on-market purchase of 10 200 shares on 27 January 2025.

Gordon Traill – on-market purchase of 2 032 shares on 16 April 2025.

Gordon Traill – on-market purchase of 3 361 shares on 24 July 2025.

## Incentive schemes

Information relating to the incentive schemes is set out on pages 34 to 37.

## Special resolutions

Special resolutions passed at the annual general meeting held on 30 January 2025:

**Special Resolution No. 1:**  
General authority to repurchase shares

**Special Resolution No. 2:**  
Approval of directors' fees

**Special Resolution No. 3:**  
General approval to provide financial assistance

## Subsidiary companies

The names of the company's main subsidiaries and financial information relating thereto appear on page 49.



# Audit and risk committee report

The Clicks Group audit and risk committee is a formal statutory committee in terms of the Companies Act and sub-committee of the board. The committee functions in accordance to the board-approved terms of reference and complies with relevant legislation, regulation and governance codes. This report of the audit and risk committee is presented to shareholders in compliance with the requirements of the Companies Act and the revised King Code of Governance Principles (King IV).

### Role of the committee

The audit and risk committee (the committee) has an independent role with accountability to both the board and to shareholders. The committee’s responsibilities include the statutory duties prescribed by the Companies Act, activities recommended by King IV as well as additional responsibilities assigned by the board.

The responsibilities of the committee are as follows:

### Integrated reporting

- Review the annual financial statements, interim reports, preliminary results announcement and summarised integrated information and ensure compliance with International Financial Reporting Standards;
- Monitor the adequacy and effectiveness of the internal control framework on financial reporting to support the CEO and CFO annual attestation;
- Consider the frequency of interim reports and whether interim results should be assured;
- Review and approve the appropriateness of accounting and tax policies, disclosure policies and the effectiveness of internal financial controls;

- Recommend the interim and final dividend proposal to the board;
- Perform an oversight role on the group’s integrated reporting and consider factors and risks that could impact on the integrity of the integrated report;
- Review sustainability disclosure in the integrated report and ensure it does not conflict with financial information;
- Consider external assurance of material sustainability issues; and
- Recommend the integrated report for approval by the board.

### Combined assurance

- Ensure the combined assurance model addresses all significant risks facing the group; and
- Monitor the relationship between external and internal assurance providers and the group.

### Finance function

- Consider the expertise and experience of the chief financial officer; and
- Consider the expertise, experience and resources of the group’s finance function.

### Internal audit

- Oversee the functioning of the internal audit department and approve the appointment and performance assessment of the group head of internal audit;
- Approve the annual internal audit plan; and
- Ensure the internal audit function is subject to independent quality review as appropriate.

### Risk management

- Ensure the group maintains an effective enterprise risk management framework that is fully embedded across the business and promotes a strong, risk-awareness culture;
- Monitor the group’s key and emerging risks to confirm risk mitigation and response strategies are adequate and consistent with the defined risk appetite;
- Monitor implementation of the risk management policy and plan;
- Review the group’s IT strategic plan and monitor the operational activities in line with business priorities;
- Make recommendations to the board on levels of risk tolerance and risk appetite; and
- Review the group’s insurance arrangements to ensure that the key risks are appropriately covered and aligned to business needs.

### External audit

- Nominate the external auditor for appointment by shareholders;
- Approve the terms of engagement and remuneration of the auditor;
- Ensure the appointment of the auditor complies with relevant legislation;
- Monitor and report on the independence of the external auditor;
- Define a policy for non-audit services which the auditor may provide and approve non-audit service contracts;

- Review the quality and effectiveness of the external audit process; and
- Ensure a process is in place for the committee to be informed of any reportable irregularities identified by the external auditor.

### Composition of the committee

The committee comprised four independent non-executive directors during the period. These directors include suitably skilled directors having recent and relevant financial experience. The committee is elected by shareholders at the annual general meeting.

The following directors served on the committee during the period under review:

| Independent non-executive director | Qualifications                                                          |
|------------------------------------|-------------------------------------------------------------------------|
| Sango Ntsaluba                     | BCom, BCompt (Hons), H Dip Tax Law, MCom (Development Finance), CA (SA) |
| Nomgando Matyumza                  | BCom, BCompt (Hons), CA (SA), LLB                                       |
| Richard Inskip                     | BCom                                                                    |
| Christine Ramon                    | BCompt, BCompt (Hons), CA (SA), Senior Executive Programme (Harvard)    |

At the 2026 annual general meeting Mr Inskip, Ms Matyumza, Mr Ntsaluba and Ms Ramon will be recommended to shareholders for election to the audit and risk committee.

Biographical details of the committee members appear on pages 29 and 30 of the integrated annual report, with supplementary information contained in annexures to the notice of annual general meeting.

Fees paid to the committee members for 2025 and the proposed fees for 2026 are disclosed on page 15 of the remuneration report.

The executive directors, group head of internal audit and senior management attend meetings at the invitation of the committee, together with the external auditor.

The committee also meets separately with the external and internal auditors, without members of executive management being present.

The effectiveness of the committee is assessed as part of the annual board and committee self-evaluation process.

### Internal audit

The internal audit function provides information to assist in the establishment and maintenance of an effective system of internal control to manage the risks associated with the business. The role of internal audit is contained in the internal audit charter. The charter is reviewed annually and is aligned with the recommendations of King IV and the Global Internal Audit Standards.

Internal audit is responsible for assessing the adequacy and effectiveness of the following:

- governance processes, including ethics;
- the risk methodology and internal financial controls; and
- business processes and associated controls in accordance with the annual audit plan and combined assurance model.

The internal audit function is established by the board and its responsibilities are determined by the committee. Administratively the group head of internal audit reports to the chief financial officer who, in turn, reports to the chief executive officer. The group head of internal audit has direct and unrestricted access to the chairman of the committee. The group head of internal audit is appointed and removed by the committee, which also determines and recommends remuneration for the position. The chairman of the committee meets with the group head of internal audit on a regular basis.



Audit and risk committee report *continued*

Internal control

Systems of internal control are designed to manage, rather than eliminate, the risk of failure to achieve business objectives and to provide reasonable, but not absolute, assurance against misstatement or loss.

While the board is responsible for the internal control systems and for reviewing their adequacy and effectiveness, responsibility for their actual implementation and maintenance rests with executive management. The systems of internal control are based on established organisational structures, together with written policies and procedures, and provide for suitably qualified employees, segregation of duties, clearly defined lines of authority and accountability. They also include cost and budgeting controls, and comprehensive management reporting.

**Internal financial controls**

The committee has considered the results of the formal documented review of the company's system of internal financial controls and risk management, including the design, implementation and effectiveness of the internal financial controls, conducted by the internal audit function during the 2025 financial year. The committee has also assessed information and explanations given by management and discussions with the external auditor on the results of the audit. Through this process no material matter has come to the attention of the audit and risk committee or the board that has caused the directors to believe that the company's system of internal financial controls and risk management is not effective and that the internal financial controls do not form a sound basis for the preparation of reliable financial statements.

External audit

The committee appraised the independence, expertise and objectivity of KPMG Inc. as the external auditor, as well as approving the terms of engagement and the fees paid to KPMG.

The external auditor has unrestricted access to the group's records and management. The auditor furnishes a written report to the committee on significant findings arising from the annual audit and is able to raise matters of concern directly with the chairman of the committee.

The group has received confirmation from KPMG that the partners and staff responsible for the audit comply with all legal and professional requirements with regards to rotation and independence. The committee is satisfied that KPMG is independent of the company and complies with the JSE Listings Requirements.

The audit partner in charge of the audit is Ivan Engels.

This is KPMG's second year as auditor of the group and is considered independent. The audit and risk committee members are satisfied with the quality of work produced by the external auditors and are not aware of any adverse quality indicators.

**Policy on non-audit services**

Non-audit services provided by the external auditor may not exceed 25% of the total auditors' remuneration. These services should exclude any work which may be subject to external audit and which could compromise the auditor's independence. All non-audit services undertaken during the year were approved in accordance with this policy.

During the year KPMG will receive fees of R1.4 million (2024: R1.3 million) for non-audit services, equating to 10.4% (2024: 10.8%) of the total audit remuneration. These services related mainly to agreed-upon procedures for third-party confirmation, advisory services and the assurance (ISA E3402) of the systems related to distribution services provided by UPD to third parties.

KPMG satisfied the committee that appropriate safeguards have been adopted to maintain the independence of the external auditor when providing non-audit services.

**Activities of the committee**

The committee met four times during the financial year and attendance at the meetings is detailed in the corporate governance report in the integrated annual report on page 33. Members of the committee, the external auditor and the group head of internal audit may request a non-scheduled meeting if they consider this necessary. The chairman of the committee will determine if such a meeting should be convened.

Minutes of the meetings of the committee, except those recording private meetings with the external and internal auditors, are circulated to all directors and supplemented by an update from the committee chairman at each board meeting. Matters requiring action or improvement are identified and appropriate recommendations made to the board.

The chairman of the committee attends all statutory shareholder meetings to answer any questions on the committee's activities.

The committee performed the following activities relating to the audit function during the year under review, with certain of these duties being required in terms of the Companies Act:

- recommended to the board and shareholders the appointment of the external auditors, approved their terms of engagement and remuneration, and monitored their independence, objectivity and effectiveness;
- determined the nature and extent of any non-audit services which the external auditor may provide to the group and preapproved any proposed contracts with the external auditor;
- reviewed the group's internal financial control and financial risk management systems;
- monitored and reviewed the effectiveness of the group's internal audit functions;
- reviewed and recommended to the board for approval the integrated annual report and annual financial statements; and
- evaluated the effectiveness of the committee.

An overview of the risk management process and function is set out in the corporate governance report on the Clicks website.

**Evaluation of chief financial officer and finance function**

The committee is satisfied that the expertise and experience of the chief financial officer is appropriate to meet the responsibilities of the position. This is based on the qualifications, levels of experience, continuing professional education and the board's assessment of the financial knowledge of the chief financial officer.

The committee is also satisfied as to the appropriateness, expertise and adequacy of resources of the finance function and the experience of senior members of management responsible for the finance function.

**Approval of the audit and risk committee report**

The committee confirms that it has functioned in accordance with its terms of reference for the 2025 financial year and that its report to shareholders has been approved by the board.



**Christine Ramon**  
Chairman: Audit and risk committee

6 November 2025



# Independent auditor's report

To the shareholders of Clicks Group Limited

## Report on the audit of the consolidated and separate financial statements

### Opinion

We have audited the consolidated and separate financial statements of Clicks Group Limited (the group and company) set out on pages 9 to 49, which comprise the consolidated statement of financial position at 31 August 2025, consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows for the year then ended, notes to the consolidated statement of cash flows, segmental analysis, material accounting policies, notes to the financial statements, the company statement of financial position at 31 August 2025, company statement of comprehensive income, company statement of changes in equity, company statement of cash flows for the year then ended, notes to the company statement of cash flows and interest in subsidiary companies.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of Clicks Group Limited at 31 August 2025, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) and the requirements of the Companies Act of South Africa.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with the Independent Regulatory Board for Auditors' Code of Professional Conduct for Registered Auditors (IRBA Code) and other independence requirements applicable to performing audits of financial statements in South Africa. We have fulfilled our other ethical responsibilities in accordance with the IRBA Code and in accordance with other ethical requirements applicable to performing audits in South Africa. The IRBA Code is consistent with the corresponding sections of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards). We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In terms of the IRBA Rule on Enhanced Auditor Reporting for the Audit of Financial Statements of Public Interest Entities, published in Government Gazette No. 49309 dated 15 September 2023 (EAR Rule), we report:

### Final materiality

The scope of our audit was influenced by our application of materiality. We set quantitative thresholds and overlay qualitative considerations to help us determine the scope of our audit and the nature, timing and extent of our procedures, and in evaluating the effect of misstatements, both individually and in the aggregate, on the consolidated and separate financial statements as a whole.

Based on our professional judgement, we determined materiality for the consolidated and separate financial statements as a whole as follows:

|                                                | Consolidated financial statements                                                                                                                                                                                                                                                                                                                                                       | Separate financial statements                                                                                                                                                                                                                             |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Final materiality                              | R221 million which represents 5% (rounded) of profit before tax                                                                                                                                                                                                                                                                                                                         | R35 million which represents 1% (rounded) of total assets                                                                                                                                                                                                 |
| Rationale for benchmark and percentage applied | We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the group is most commonly measured by users and is a generally accepted benchmark.<br><br>The percentages applied to the benchmarks were based on our professional judgement after consideration of qualitative factors that impact both the group and company. | We chose total assets as the benchmark because, in our view, it is the benchmark against which the performance of the company is most likely to be measured by users when evaluating an investment holding company and is a generally accepted benchmark. |

### Group audit scope

Our risk assessment procedures performed determined our audit scope considering which components of the group are likely to include risks of material misstatement to the consolidated financial statements. In performing this assessment, we considered the size and risk profile of the components in the group, the organisational structure, the group's system of internal controls and the effectiveness of group-wide controls, and any changes in the business environment.

In establishing our overall approach to the group audit, we determined the type of work that needed to be performed at each component either by us, as the group auditor, or by component auditors under our instruction to address the identified risks of material misstatement. In total, we identified 25 components, having considered our evaluation of the risks of material misstatement to the consolidated financial statements.

Of those, we identified four components at which further audit procedures were performed on the entire financial information of the component, either because audit evidence needed to be obtained on all or a significant proportion of the component's financial information, or that component represents a pervasive risk of material misstatement to the consolidated financial statements.

We also identified one component at which further audit procedures were performed on one or more classes of transactions, account balances or disclosures based on the assessed risks of material misstatement to the consolidated financial statements.

Accordingly, we performed audit procedures on five components, of which we involved component auditors in performing the audit work on one component. The five components represented 94% of the group's profit before tax and 97% of the group's total assets.

We also performed an analysis at an aggregate group level on the remaining financial information, where procedures were not performed, to re-examine our assessment that there is less than a reasonable possibility of a material misstatement in this remaining financial information.

We considered the scope of the audit, as communicated to the audit and risk committee, to be an appropriate basis for our audit opinion.

### Group auditor oversight

As part of establishing the overall group audit strategy and plan, we conducted risk assessment and planning discussion meetings with component auditors to discuss the group audit risks relevant to the respective components.

As group auditor, we engaged with the component auditors to assess the audit

risks and strategy relating to their respective components. During these engagements the results of the planning procedures and further audit procedures communicated to us were discussed in more detail, and any further audit procedures required by us was then performed by the component auditors.

We also inspected the work performed by component auditors for the purpose of the group audit and evaluated the appropriateness of conclusions drawn from the audit evidence obtained and consistencies between communicated findings and work performed.

### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in respect of the separate financial statements.

In terms of the EAR Rule, we are required to report the outcome of audit procedures or key observations with respect to the key audit matters and these are included below.



Independent auditor's report *continued*

Inventory valuation and vendor contracts

Refer to the Significant accounting estimates and judgements – Allowance for net realisable value of inventories, Rebates received from vendors and the accounting policy for revenue with reference to advertising income and notes 1 – Revenue and 17 – Inventories to the financial statements.

| Key audit matter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | How the matter was addressed in our audit                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>At 31 August 2025 the group held inventory at a carrying value of R7 819 million.</p> <p>In accordance with IAS 2 – Inventories (IAS 2), the group holds inventory at the lower of cost or net realisable value.</p> <p>The group sells a wide range of pharmaceutical, front shop health, beauty and personal care and general merchandise products. This increases the risk that, as demands change, inventories may need to be sold at a discount below their recorded cost.</p> <p>In arriving at the carrying value of inventory at the lower of cost or net realisable value, management has identified slow moving and obsolete inventories (inventory allowances) and made adjustments to the carrying value of these items, the calculation of which requires certain estimates and assumptions.</p> <p>These judgements include projected likely future sales, using factors existing at the reporting date.</p> <p>The valuation of inventory is also impacted by rebates received from vendors, which are off-set against the cost of inventory or recognised as a reduction in cost of merchandise sold.</p> <p>Contracts with vendors also give rise to amounts recognised as “Cost recoveries and other income” for distinct services provided in accordance with IFRS 15 – Revenue from Contracts with Customers (IFRS 15).</p> <p>As a result of the significant audit effort required to assess the judgements made by management with regard to the inputs used to arrive at the net realisable value of inventory and the complexity involved in determining the classification of income and rebates received from vendors, the inventory valuation and classification of vendor income were considered a key audit matter in our audit of the consolidated financial statements.</p> | <p>Our procedures included the following:</p> <p><b>Assessment of inventory valuation</b></p> <ul style="list-style-type: none"><li>• We obtained an understanding of the process followed by management to estimate the inventory allowances, and tested the design and implementation of certain key controls related to the recognition of the inventory allowances.</li><li>• We assessed management’s application of the inventory allowance methodology and principles in line with IAS 2.</li><li>• We analysed the group's obsolescence allowance as a percentage of the total inventory on hand and compared this to prior periods to assess whether this was reasonable and in line with expectations based on current and expected future market conditions.</li><li>• We evaluated the integrity of management’s calculations for determining the obsolescence allowance by agreeing the inputs used to the inventory system, including performing mathematical accuracy checks of the formulas used within the calculations and challenged management’s assumptions with reference to the triggers in relation to their obsolescence allowance.</li></ul> <p>We assessed the accounting treatment of inventory rebates and other related costs, and evaluated whether these were appropriately recognised in accordance with IAS 2.</p> <p>We recalculated management’s inventory rebates and other related costs calculation including the months of inventory on hand at year-end and used this criterion to calculate the allocation of rebate income and other related costs to year-end inventory and cost of merchandise sold.</p> <p><b>Assessment of vendor income classification</b></p> <ul style="list-style-type: none"><li>• We obtained a sample of signed trading agreements between the group and its vendors, and identified the corresponding financial statement captions where vendor income was classified.</li><li>• For these trading agreements, we evaluated management’s classification of the various vendor income by analysing the nature and substance of the related income to determine whether they should be presented as revenue in line with the requirements of IFRS 15, as a reduction in cost of merchandise sold or a reduction in cost of year-end inventory in line with the requirements of IAS 2.</li><li>• We compared management’s classification of vendor income with our independent assessment thereof to determine whether differences in classification were noted.</li><li>• We inspected management’s workings to identify whether any reclassification adjustments were made relating to vendor income in the consolidated financial statements.</li></ul> <p>We evaluated the appropriateness of the disclosures and presentation included in the consolidated financial statements against the requirements of IAS 2.</p> <p>Based on the above procedures performed, we found the valuation of inventory and the classification of vendor income to be appropriate.</p> |

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled “Clicks Group Limited 2025 Annual Financial Statements”, which includes the Directors’ report, the Audit and risk committee report and the Certificate by the company secretary as required by the Companies Act of South Africa, which we obtained prior to the date of this report, and the 2025 Integrated Annual Report, which is expected to be made available to us after that date.

The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



Independent auditor's report *continued*

**Responsibilities of the directors for the consolidated and separate financial statements**

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board (IFRS® Accounting Standards) and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the directors are responsible for assessing the group's and company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group and company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the consolidated and separate financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's and company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit

evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group and company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group, as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters.

We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on other legal and regulatory requirements**

In terms of the IRBA Rule published in Government Gazette Number 39475 dated 4 December 2015, we report that KPMG Inc. has been the auditor of Clicks Group Limited for two years.

**KPMG Inc.**

**KPMG Inc.**  
Registered Auditor

**Per IM Engels**  
Chartered Accountant (SA)  
Registered Auditor  
Director

The Halyard  
4 Christiaan Barnard Street  
Cape Town  
8000

6 November 2025



# Consolidated statement of comprehensive income

for the year ended 31 August

|                                                                                | Notes | 2025<br>R'000 | 2024<br>R'000 |
|--------------------------------------------------------------------------------|-------|---------------|---------------|
| Revenue                                                                        | 1     | 51 426 992    | 48 609 808    |
| Turnover                                                                       | 1     | 47 828 079    | 45 437 640    |
| Cost of merchandise sold                                                       |       | (36 428 426)  | (34 805 221)  |
| Gross profit                                                                   |       | 11 399 653    | 10 632 419    |
| Other income                                                                   | 1     | 3 461 208     | 3 082 302     |
| Total income                                                                   |       | 14 860 861    | 13 714 721    |
| Expenses                                                                       |       | (10 182 338)  | (9 542 869)   |
| Depreciation and amortisation                                                  | 2     | (1 811 683)   | (1 681 320)   |
| Occupancy costs                                                                | 3     | (212 044)     | (212 505)     |
| Employment costs                                                               | 4     | (5 282 102)   | (4 907 022)   |
| Other costs                                                                    | 5     | (2 873 327)   | (2 729 748)   |
| Impairment allowance – IFRS 9 ECL                                              | 18    | (3 182)       | (12 274)      |
| Trading profit                                                                 |       | 4 678 523     | 4 171 852     |
| Profit/(Loss) on disposal of property, plant and equipment                     |       | 2 810         | (5 415)       |
| Profit on disposal of business                                                 |       | –             | 180           |
| Profit before financing costs                                                  |       | 4 681 333     | 4 166 617     |
| Net financing expense                                                          | 6     | (242 970)     | (265 172)     |
| Financial income                                                               | 1, 6  | 137 705       | 89 866        |
| Financial expense                                                              | 6     | (380 675)     | (355 038)     |
| Profit before earnings from associate                                          |       | 4 438 363     | 3 901 445     |
| Share of loss of associate                                                     | 13    | (4 935)       | (7 637)       |
| Profit before taxation                                                         |       | 4 433 428     | 3 893 808     |
| Income tax expense                                                             | 7     | (1 197 095)   | (1 056 751)   |
| Profit for the year                                                            |       | 3 236 333     | 2 837 057     |
| Other comprehensive income:                                                    |       |               |               |
| Items that will not be subsequently reclassified to profit or loss, net of tax |       |               |               |
| Remeasurement of post-employment benefit obligations                           |       | 2 892         | 7 076         |
| Items that may be subsequently reclassified to profit or loss, net of tax      |       |               |               |
| Exchange differences on translation of foreign subsidiaries                    | 22    | (10 702)      | (8 326)       |
| Cash flow hedges                                                               |       | 16 125        | 21 267        |
| Cost of hedging reserve                                                        |       | (19 921)      | (19 824)      |
| Other comprehensive income for the year, net of tax                            |       | (11 606)      | 193           |
| Total comprehensive income for the year                                        |       | 3 224 727     | 2 837 250     |
| Earnings per share (cents)                                                     | 8     | 1 362.6       | 1 190.3       |
| Diluted earnings per share (cents)                                             | 8     | 1 362.6       | 1 190.3       |

# Consolidated statement of financial position

at 31 August

|                                                       | Notes | 2025<br>R'000 | 2024<br>R'000 |
|-------------------------------------------------------|-------|---------------|---------------|
| ASSETS                                                |       |               |               |
| Non-current assets                                    |       | 8 351 031     | 7 930 394     |
| Property, plant and equipment                         | 9     | 3 087 950     | 2 845 032     |
| Right-of-use assets                                   | 25    | 3 685 047     | 3 505 081     |
| Intangible assets                                     | 10    | 941 551       | 946 363       |
| Goodwill                                              | 11    | 215 371       | 209 114       |
| Deferred tax assets                                   | 12    | 72 968        | 85 157        |
| Investment in associate                               | 13    | 12 501        | 17 436        |
| Loans receivable                                      | 14    | 127 980       | 141 436       |
| Financial assets at fair value through profit or loss | 15    | 207 663       | 180 775       |
| Current assets                                        |       | 14 240 885    | 12 886 747    |
| Inventories                                           | 17    | 7 818 704     | 7 063 280     |
| Trade and other receivables                           | 18    | 3 139 516     | 3 057 282     |
| Income tax receivable                                 |       | 2 011         | 1 831         |
| Loans receivable                                      | 14    | 24 884        | 29 960        |
| Cash and cash equivalents                             |       | 3 255 770     | 2 704 961     |
| Derivative financial assets                           | 16    | –             | 29 433        |
| Total assets                                          |       | 22 591 916    | 20 817 141    |
| EQUITY AND LIABILITIES                                |       |               |               |
| Equity                                                |       | 6 857 593     | 6 285 539     |
| Share capital                                         | 19    | 2 360         | 2 381         |
| Share premium                                         | 19    | 1 064 953     | 1 064 953     |
| Cash flow hedge reserve                               | 20    | (2 937)       | (8 532)       |
| Cost of hedging reserve                               |       | (4 233)       | (4 950)       |
| Foreign currency translation reserve                  | 22    | (19 535)      | (8 833)       |
| Distributable reserve                                 |       | 5 816 985     | 5 240 520     |
| Non-current liabilities                               |       | 2 922 669     | 2 702 036     |
| Lease liabilities                                     | 25    | 2 708 327     | 2 536 701     |
| Deferred tax liabilities                              | 12    | 26 922        | 14 480        |
| Employee benefits                                     | 24    | 187 420       | 150 855       |
| Current liabilities                                   |       | 12 811 654    | 11 829 566    |
| Trade and other payables                              | 26    | 10 912 537    | 10 030 903    |
| Lease liabilities                                     | 25    | 1 334 154     | 1 249 585     |
| Employee benefits                                     | 24    | 400 710       | 386 633       |
| Income tax payable                                    |       | 155 572       | 146 085       |
| Derivative financial liabilities                      | 16    | 8 681         | 16 360        |
| Total equity and liabilities                          |       | 22 591 916    | 20 817 141    |



# Consolidated statement of changes in equity

for the year ended 31 August

|                                                             | Number<br>of shares<br>(Note 19)<br>'000 | Share<br>capital<br>(Note 19)<br>R'000 | Share<br>premium<br>(Note 19)<br>R'000 | Cash flow<br>hedge reserve<br>(Note 20)<br>R'000 | Cost of<br>hedging<br>reserve<br>R'000 | Foreign<br>currency<br>translation<br>reserve<br>(Note 22)<br>R'000 | Distributable<br>reserve<br>R'000 | Total<br>equity<br>R'000 |
|-------------------------------------------------------------|------------------------------------------|----------------------------------------|----------------------------------------|--------------------------------------------------|----------------------------------------|---------------------------------------------------------------------|-----------------------------------|--------------------------|
| Balance at 1 September 2023                                 | 241 161                                  | 2 412                                  | 1 064 953                              | (2 984)                                          | (6 166)                                | (507)                                                               | 4 907 106                         | 5 964 814                |
| Transactions with owners, recorded directly in equity       |                                          |                                        |                                        |                                                  |                                        |                                                                     |                                   |                          |
| Dividends paid to shareholders (refer note 27)              | -                                        | -                                      | -                                      | -                                                | -                                      | -                                                                   | (1 675 960)                       | (1 675 960)              |
| Shares repurchased and cancelled                            | (3 099)                                  | (31)                                   | -                                      | -                                                | -                                      | -                                                                   | (834 759)                         | (834 790)                |
| Total transactions with owners                              | (3 099)                                  | (31)                                   | -                                      | -                                                | -                                      | -                                                                   | (2 510 719)                       | (2 510 750)              |
| Total comprehensive income for the year                     | -                                        | -                                      | -                                      | 21 267                                           | (19 824)                               | (8 326)                                                             | 2 844 133                         | 2 837 250                |
| Profit for the year                                         | -                                        | -                                      | -                                      | -                                                | -                                      | -                                                                   | 2 837 057                         | 2 837 057                |
| Remeasurement of post-employment benefit obligations        | -                                        | -                                      | -                                      | -                                                | -                                      | -                                                                   | 7 076                             | 7 076                    |
| Cash flow hedge reserve                                     | -                                        | -                                      | -                                      | 21 267                                           | -                                      | -                                                                   | -                                 | 21 267                   |
| Cost of hedging reserve                                     | -                                        | -                                      | -                                      | -                                                | (19 824)                               | -                                                                   | -                                 | (19 824)                 |
| Exchange differences on translation of foreign subsidiaries | -                                        | -                                      | -                                      | -                                                | -                                      | (8 326)                                                             | -                                 | (8 326)                  |
| Transfer of reserves to inventories                         | -                                        | -                                      | -                                      | (26 815)                                         | 21 040                                 | -                                                                   | -                                 | (5 775)                  |
| Balance at 31 August 2024                                   | 238 062                                  | 2 381                                  | 1 064 953                              | (8 532)                                          | (4 950)                                | (8 833)                                                             | 5 240 520                         | 6 285 539                |
| Transactions with owners, recorded directly in equity       |                                          |                                        |                                        |                                                  |                                        |                                                                     |                                   |                          |
| Dividends paid to shareholders (refer note 27)              | -                                        | -                                      | -                                      | -                                                | -                                      | -                                                                   | (1 911 348)                       | (1 911 348)              |
| Shares repurchased and cancelled                            | (2 131)                                  | (21)                                   | -                                      | -                                                | -                                      | -                                                                   | (751 412)                         | (751 433)                |
| Total transactions with owners                              | (2 131)                                  | (21)                                   | -                                      | -                                                | -                                      | -                                                                   | (2 662 760)                       | (2 662 781)              |
| Total comprehensive income for the year                     | -                                        | -                                      | -                                      | 16 125                                           | (19 921)                               | (10 702)                                                            | 3 239 225                         | 3 224 727                |
| Profit for the year                                         | -                                        | -                                      | -                                      | -                                                | -                                      | -                                                                   | 3 236 333                         | 3 236 333                |
| Remeasurement of post-employment benefit obligations        | -                                        | -                                      | -                                      | -                                                | -                                      | -                                                                   | 2 892                             | 2 892                    |
| Cash flow hedge reserve                                     | -                                        | -                                      | -                                      | 16 125                                           | -                                      | -                                                                   | -                                 | 16 125                   |
| Cost of hedging reserve                                     | -                                        | -                                      | -                                      | -                                                | (19 921)                               | -                                                                   | -                                 | (19 921)                 |
| Exchange differences on translation of foreign subsidiaries | -                                        | -                                      | -                                      | -                                                | -                                      | (10 702)                                                            | -                                 | (10 702)                 |
| Transfer of reserves to inventories                         | -                                        | -                                      | -                                      | (10 530)                                         | 20 638                                 | -                                                                   | -                                 | 10 108                   |
| Balance at 31 August 2025                                   | 235 931                                  | 2 360                                  | 1 064 953                              | (2 937)                                          | (4 233)                                | (19 535)                                                            | 5 816 985                         | 6 857 593                |



# Consolidated statement of cash flows

for the year ended 31 August

The statement of cash flows has been prepared by applying the indirect method.

|                                                                                          | Notes | 2025<br>R'000    | 2024<br>R'000    |
|------------------------------------------------------------------------------------------|-------|------------------|------------------|
| <b>Cash effects from operating activities</b>                                            |       |                  |                  |
| Profit before working capital changes                                                    |       | 6 533 617        | 5 901 873        |
| Working capital changes                                                                  |       | 72 848           | 99 357           |
| Cash generated by operations                                                             |       | 6 606 465        | 6 001 230        |
| Interest income                                                                          |       | 136 070          | 89 229           |
| Interest paid                                                                            | 6     | (363 958)        | (340 206)        |
| Taxation paid                                                                            |       | (1 166 561)      | (1 068 149)      |
| Settlement of derivative financial asset used to hedge the long-term incentive scheme    |       | 29 224           | –                |
| Cash inflow from operating activities before dividends paid                              |       | 5 241 240        | 4 682 104        |
| Dividends paid to shareholders                                                           | 27    | (1 911 348)      | (1 675 960)      |
| Net cash effects from operating activities                                               |       | 3 329 892        | 3 006 144        |
| <b>Cash effects from investing activities</b>                                            |       |                  |                  |
| Investment in property, plant and equipment and intangible assets to maintain operations |       | (311 839)        | (337 022)        |
| Investment in property, plant and equipment and intangible assets to expand operations   |       | (672 689)        | (553 838)        |
| Proceeds from disposal of property, plant and equipment                                  |       | 3 903            | 3 736            |
| Acquisition of investments                                                               |       | (7 046)          | (7 389)          |
| Disposal of investments                                                                  |       | –                | (1 079)          |
| Investment in associate                                                                  |       | –                | (5 975)          |
| Loan advanced to associate                                                               |       | –                | (30 000)         |
| Repayment of loan by associate                                                           |       | 2 500            | –                |
| Other loans receivable repaid                                                            |       | 17 667           | 17 668           |
| Insurance proceeds on property, plant and equipment                                      |       | 5 986            | –                |
| Net cash effects from investing activities                                               |       | (961 518)        | (913 899)        |
| <b>Cash effects from financing activities</b>                                            |       |                  |                  |
| Shares repurchased                                                                       |       | (751 433)        | (834 790)        |
| Repayment of lease liabilities                                                           |       | (1 066 132)      | (1 007 670)      |
| Net cash effects from financing activities                                               |       | (1 817 565)      | (1 842 460)      |
| Net increase in cash and cash equivalents                                                |       | 550 809          | 249 785          |
| Cash and cash equivalents at the beginning of the year                                   |       | 2 704 961        | 2 455 176        |
| <b>Cash and cash equivalents at the end of the year</b>                                  |       | <b>3 255 770</b> | <b>2 704 961</b> |



# Notes to the consolidated statement of cash flows

for the year ended 31 August

|                                                                                 | 2025<br>R'000 | 2024<br>R'000 |
|---------------------------------------------------------------------------------|---------------|---------------|
| <b>Cash flow information</b>                                                    |               |               |
| <b>Profit before working capital changes</b>                                    |               |               |
| Profit before taxation                                                          | 4 433 428     | 3 893 808     |
| Adjustment for:                                                                 |               |               |
| Non-cash flow items:                                                            | 1 860 029     | 1 737 478     |
| Depreciation and amortisation                                                   | 1 881 982     | 1 742 293     |
| Fair value adjustments on financial assets at fair value through profit or loss | (26 888)      | (17 369)      |
| Net loss of associate                                                           | 4 935         | 9 753         |
| Release of cash flow hedge to profit or loss                                    | -             | 2 981         |
| Profit on disposal of business                                                  | -             | (180)         |
| Items presented elsewhere in the consolidated statement of cash flows:          | (2 810)       | 5 415         |
| (Profit)/Loss on disposal of property, plant and equipment                      | (2 810)       | 5 415         |
| Net financing expense                                                           | 242 970       | 265 172       |
|                                                                                 | 6 533 617     | 5 901 873     |
| <b>Working capital changes</b>                                                  |               |               |
| Increase in inventories                                                         | (753 496)     | (755 849)     |
| Increase in trade and other receivables                                         | (82 234)      | (54 530)      |
| Increase in trade and other payables                                            | 870 691       | 790 574       |
| Increase in employee benefits                                                   | 37 887        | 119 162       |
|                                                                                 | 72 848        | 99 357        |
| <b>Tax paid</b>                                                                 |               |               |
| Income tax payable at the beginning of the year                                 | (144 254)     | (146 735)     |
| Normal tax charged to profit or loss                                            | (1 175 868)   | (1 065 668)   |
| Income tax payable at the end of the year                                       | 153 561       | 144 254       |
|                                                                                 | (1 166 561)   | (1 068 149)   |
| <b>Cash and cash equivalents at the end of the year</b>                         |               |               |
| Current accounts                                                                | 602 818       | 392 823       |
| Short-term deposits                                                             | 25 352        | 112 138       |
| Money market fund*                                                              | 2 627 600     | 2 200 000     |
|                                                                                 | 3 255 770     | 2 704 961     |

\* Low-risk corporate money market fund convertible into cash within one business day and held for short-term requirements.

|                                                                                                         | 2025<br>R'000 | 2024<br>R'000 |
|---------------------------------------------------------------------------------------------------------|---------------|---------------|
| <b>Acquisition of investment in subsidiaries</b>                                                        |               |               |
| Sorbet Group Proprietary Limited acquired corporate stores during the current and prior financial year. |               |               |
| The cash paid was as follows:                                                                           |               |               |
| Total purchase price paid in cash                                                                       | 7 046         | 7 389         |
| Less: Cash of corporate stores                                                                          | -             | -             |
| <b>Cash paid to obtain control net of cash acquired</b>                                                 | 7 046         | 7 389         |
| <b>Disposal of investments</b>                                                                          |               |               |
| The group disposed of Unicorn Pharmaceuticals Proprietary Limited during the prior financial year.      |               |               |
| The cash disposed of was as follows:                                                                    |               |               |
| Cash of Unicorn Pharmaceuticals Proprietary Limited                                                     | -             | 1 079         |



Segmental analysis

for the year ended 31 August

|                                                |    | Retail (Note 34) <sup>1</sup> |                | Distribution (Note 34) |                | Intragroup elimination |                | Total operations |                |
|------------------------------------------------|----|-------------------------------|----------------|------------------------|----------------|------------------------|----------------|------------------|----------------|
| R'000                                          |    | 31 August 2025                | 31 August 2024 | 31 August 2025         | 31 August 2024 | 31 August 2025         | 31 August 2024 | 31 August 2025   | 31 August 2024 |
| <b>Statement of financial position</b>         |    |                               |                |                        |                |                        |                |                  |                |
| Property, plant and equipment                  |    | 2 707 259                     | 2 486 154      | 380 691                | 358 878        | -                      | -              | 3 087 950        | 2 845 032      |
| Right-of-use assets                            |    | 3 671 255                     | 3 473 435      | 13 792                 | 31 646         | -                      | -              | 3 685 047        | 3 505 081      |
| Intangible assets                              |    | 761 496                       | 760 710        | 180 055                | 185 653        | -                      | -              | 941 551          | 946 363        |
| Goodwill                                       |    | 119 095                       | 112 837        | 96 276                 | 96 277         | -                      | -              | 215 371          | 209 114        |
| Inventories                                    |    | 5 612 761                     | 5 244 745      | 2 264 789              | 1 999 675      | (58 846)               | (181 140)      | 7 818 704        | 7 063 280      |
| Trade and other receivables                    |    | 886 244                       | 705 625        | 3 331 882              | 3 265 654      | (1 078 610)            | (913 997)      | 3 139 516        | 3 057 282      |
| Cash and cash equivalents                      |    | 3 213 931                     | 2 659 663      | 41 839                 | 45 298         | -                      | -              | 3 255 770        | 2 704 961      |
| Other assets                                   |    | 938 552                       | 960 541        | 4 561 820              | 4 239 574      | (5 052 365)            | (4 714 087)    | 448 007          | 486 028        |
| <b>Total assets</b>                            |    | 17 910 593                    | 16 403 710     | 10 871 144             | 10 222 655     | (6 189 821)            | (5 809 224)    | 22 591 916       | 20 817 141     |
| Lease liabilities                              |    | 4 028 763                     | 3 758 394      | 13 718                 | 27 892         | -                      | -              | 4 042 481        | 3 786 286      |
| Employee benefits – non-current                |    | 172 946                       | 139 201        | 14 474                 | 11 654         | -                      | -              | 187 420          | 150 855        |
| Trade and other payables                       |    | 7 519 079                     | 6 435 703      | 4 478 955              | 4 516 082      | (1 085 497)            | (920 882)      | 10 912 537       | 10 030 903     |
| Employee benefits – current                    |    | 365 734                       | 349 957        | 34 976                 | 36 676         | -                      | -              | 400 710          | 386 633        |
| Other liabilities                              |    | 4 736 769                     | 4 384 279      | 504 805                | 504 805        | (5 050 399)            | (4 712 159)    | 191 175          | 176 925        |
| <b>Total liabilities</b>                       |    | 16 823 291                    | 15 067 534     | 5 046 928              | 5 097 109      | (6 135 896)            | (5 633 041)    | 15 734 323       | 14 531 602     |
| <b>Net assets</b>                              |    | 1 087 302                     | 1 336 176      | 5 824 216              | 5 125 546      | (53 925)               | (176 183)      | 6 857 593        | 6 285 539      |
| <b>Statement of comprehensive income</b>       |    |                               |                |                        |                |                        |                |                  |                |
| Turnover                                       |    | 37 554 480                    | 35 438 490     | 18 658 096             | 17 749 616     | (8 384 497)            | (7 750 466)    | 47 828 079       | 45 437 640     |
| Gross profit                                   |    | 11 047 800                    | 10 383 574     | 217 069                | 265 293        | 134 784                | (16 448)       | 11 399 653       | 10 632 419     |
| Other income                                   |    | 2 204 423                     | 1 880 774      | 1 625 918              | 1 503 110      | (369 133)              | (301 582)      | 3 461 208        | 3 082 302      |
| Total income                                   |    | 13 252 223                    | 12 264 348     | 1 842 987              | 1 768 403      | (234 349)              | (318 030)      | 14 860 861       | 13 714 721     |
| Expenses                                       |    | (9 320 813)                   | (8 636 237)    | (1 218 133)            | (1 194 984)    | 356 608                | 288 352        | (10 182 338)     | (9 542 869)    |
| Depreciation and amortisation                  |    | (1 730 655)                   | (1 606 430)    | (81 028)               | (74 890)       | -                      | -              | (1 811 683)      | (1 681 320)    |
| Occupancy costs                                |    | (210 499)                     | (210 203)      | (3 231)                | (3 977)        | 1 686                  | 1 675          | (212 044)        | (212 505)      |
| Employment costs                               |    | (4 897 092)                   | (4 529 412)    | (385 025)              | (377 640)      | 15                     | 30             | (5 282 102)      | (4 907 022)    |
| Other costs                                    |    | (2 478 855)                   | (2 287 718)    | (749 379)              | (728 677)      | 354 907                | 286 647        | (2 873 327)      | (2 729 748)    |
| Impairment (allowance)/recovery - IFRS 9 ECL   |    | (3 712)                       | (2 474)        | 530                    | (9 800)        | -                      | -              | (3 182)          | (12 274)       |
| <b>Trading profit/(loss)</b>                   |    | 3 931 410                     | 3 628 111      | 624 854                | 573 419        | 122 259                | (29 678)       | 4 678 523        | 4 171 852      |
| <b>Ratios</b>                                  |    |                               |                |                        |                |                        |                |                  |                |
| Increase in turnover                           | %  | 6.0                           | 11.7           | 5.1                    | 3.3            | 8.2                    | 6.5            | 5.3              | 9.2            |
| Selling price inflation                        | %  | 2.6                           | 6.3            | 1.3                    | 3.0            | -                      | -              | 2.1              | 5.2            |
| Comparable stores turnover growth              | %  | 4.3                           | 8.4            | -                      | -              | -                      | -              | 4.3              | 8.4            |
| Gross profit margin                            | %  | 29.4                          | 29.3           | 1.2                    | 1.5            | -                      | -              | 23.8             | 23.4           |
| Total income margin                            | %  | 35.3                          | 34.6           | 9.9                    | 10.0           | -                      | -              | 31.1             | 30.2           |
| Operating expenses as a percentage of turnover | %  | 24.8                          | 24.4           | 6.5                    | 6.7            | -                      | -              | 21.3             | 21.0           |
| Increase in operating expenses                 | %  | 7.9                           | 12.5           | 1.9                    | 7.4            | -                      | -              | 6.7              | 11.8           |
| Increase in trading profit                     | %  | 8.4                           | 14.8           | 9.0                    | 17.6           | -                      | -              | 12.1             | 15.1           |
| Trading profit margin                          | %  | 10.5                          | 10.2           | 3.3                    | 3.2            | -                      | -              | 9.8              | 9.2            |
| Inventory days                                 |    | 77                            | 76             | 45                     | 42             | -                      | -              | 78               | 74             |
| Trade debtor days                              |    | 5                             | 3              | 48                     | 50             | -                      | -              | 29               | 31             |
| Trade creditor days                            |    | 64                            | 58             | 71                     | 72             | -                      | -              | 73               | 70             |
| Number of stores <sup>2</sup>                  |    | 1 060                         | 1 002          | -                      | -              | -                      | -              | 1 060            | 1 002          |
| as at 31 August 2023/2024                      |    | 1 002                         | 950            | -                      | -              | -                      | -              | 1 002            | 950            |
| opened/acquired                                |    | 63                            | 61             | -                      | -              | -                      | -              | 63               | 61             |
| closed                                         |    | (5)                           | (9)            | -                      | -              | -                      | -              | (5)              | (9)            |
| Number of pharmacies                           |    | 780                           | 720            | -                      | -              | -                      | -              | 780              | 720            |
| as at 31 August 2023/2024                      |    | 720                           | 711            | -                      | -              | -                      | -              | 720              | 711            |
| new/converted                                  |    | 62                            | 12             | -                      | -              | -                      | -              | 62               | 12             |
| closed                                         |    | (2)                           | (3)            | -                      | -              | -                      | -              | (2)              | (3)            |
| Total leased area                              | m² | 591 002                       | 557 648        | -                      | -              | -                      | -              | 591 002          | 557 648        |
| Weighted retail trading area                   | m² | 474 516                       | 448 255        | -                      | -              | -                      | -              | 474 516          | 448 255        |
| Weighted annual sales per m²                   | R  | 78 432                        | 77 666         | -                      | -              | -                      | -              | 78 432           | 77 666         |
| Number of permanent employees                  |    | 19 601                        | 19 129         | 501                    | 492            | -                      | -              | 20 102           | 19 621         |

The intragroup turnover elimination for the year comprises R8 384.5 million (2024: R7 416.9 million) of sales from Distribution to Retail and RNil million (2024: R333.5 million) of sales from Retail to Distribution.

<sup>1</sup> Retail includes Clicks + The Body Shop + Group Services + Sorbet + 180 Degrees Marketing.

<sup>2</sup> Total stores excludes 190 Sorbet franchise stores, but includes 14 corporate stores.



# Material accounting policies

Clicks Group Limited is a company domiciled in South Africa. The consolidated financial statements as at and for the year ended 31 August 2025 comprise the company, its subsidiaries and associates (collectively referred to as “the group”).

## Basis of preparation

The consolidated financial statements for the group and the separate financial statements for the company are prepared in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board, the Financial Pronouncements as issued by the Financial Reporting Standards Council, the SAICA Financial Reporting guides as issued by the Accounting Practices Committee, the JSE Listings Requirements and the South African Companies Act.

The financial statements are presented in South African Rands (Rands), rounded to the nearest thousand. They are prepared on the basis that the group and the company are going concerns, using the historical cost basis of measurement, except for certain financial instruments which have been measured at fair value. The accounting policies set out below have been applied consistently in all material respects to all periods presented in these consolidated financial statements.

The preparation of financial statements in accordance with IFRS® Accounting Standards requires management to make estimates, judgements and assumptions that affect the accounting policies and the reported amounts of assets, liabilities, income and expenses. Such estimates and assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods. Estimates and the underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised.

## Significant accounting estimates and judgements

Estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below and disclosed in the relevant notes to the financial statements.

### Allowance for net realisable value of inventories

The group evaluates its inventory to ensure that it is carried at the lower of cost or net realisable value. Provision is made against slow moving, obsolete and damaged inventories. Damaged inventories are identified and written down through the inventory counting procedures conducted within each business. Allowance for slow moving and obsolete inventories is assessed by each business as part of their ongoing financial reporting. Obsolescence is assessed based on comparison of the level of inventory holding to the projected likely future sales less selling costs using factors existing at the reporting date. Refer to note 17 for further detail.

### Rebates received from vendors

The group enters into agreements with many of its vendors providing for inventory purchase rebates based upon achievement of specified volumes of purchases, with many of these agreements applying to the calendar year. For certain agreements, the rebates increase as a proportion of purchases as higher quantities or values of purchases are made relative to the prior period. The group accrues the receipt of vendor rebates as part of its cost of sales for products sold, taking into consideration the cumulative purchases of inventory to date. Rebates are accrued

monthly, with an extensive reassessment of the rebates earned being performed at the reporting date. Consequently, the rebates actually received may vary from that accrued in the financial statements.

### Impairment of financial assets

At the reporting date the group recognises a loss allowance for financial assets.

**Trade receivables:** The loss allowances for financial assets recognised by the group at the reporting date are based on the assumptions about risk of default and expected loss rates. The group uses judgement in making these assumptions. These assumptions are based on the group’s history, existing market conditions as well as forward-looking information at the end of each reporting period.

The group uses a provision matrix to calculate expected credit losses (ECLs) for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (by product type and revenue stream, i.e. pharmacy, wholesale and rebate debtors).

The provision matrix is initially based on the group’s historical observed default rates. The group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. pharmaceutical regulations) are expected to deteriorate over the next year which can lead to an increased number of defaults in pharmacy debtors, the historical default rates are adjusted. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The group’s historical credit loss experience and forecast of economic conditions may also not be representative of customers’ actual default in the future. The information about the ECLs on the group’s trade receivables is disclosed in note 18.

The determination of recoverability is established using the ECL model. Refer to note 18 for further detail.

### Impairment of non-financial assets

Goodwill and intangible assets with an indefinite useful life are tested for impairment at least annually.

Intangible assets with a finite useful life and property, plant and equipment are considered for impairment when an indication of possible impairment exists. In determining the recoverable amount, defined as the fair value less costs of disposal, recent market transactions are considered. If no such transactions can be identified an appropriate valuation model is used.

**Intangible assets with an indefinite useful life:** The group assesses intangible assets with an indefinite useful life for impairment annually or whenever there is an indication of potential impairment. The group evaluates the carrying value of intangible assets with an indefinite useful life by comparing their recoverable amount to their carrying amounts. The recoverable amount is determined based on the higher of the asset’s fair value less costs to sell or its value in use. Fair value



Material accounting policies *continued*

is determined using appropriate valuation techniques. Value in use is calculated by discounting estimated future cash flows generated by the asset.

Details of the assumptions used in the intangible assets' impairment test are disclosed in note 10.

**Goodwill:** Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated.

The value-in-use calculation requires the directors to estimate the future cash flows expected to arise from the cash-generating unit and a suitable pre-tax discount rate that is reflective of the cash-generating unit's risk profile, in order to calculate the value in use. Details of the assumptions used in the impairment test are disclosed in note 11.

**Assessment of useful lives and residual values of property, plant and equipment and right-of-use assets:** Assessments of estimated useful lives and residual values are performed annually after considering factors such as technological innovation, maintenance programmes, relevant market information and management consideration. In assessing residual values, the group considers the remaining life of the asset, its projected disposal value and future market conditions. The group assesses the right-of-use assets for impairment upon identification of any impairment indicators.

**Income tax**

The group is subject to income tax in numerous jurisdictions. Significant judgement is required in determining the provision for tax as there are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary

course of business. The group recognises liabilities for anticipated tax issues based on estimates of the taxes that are likely to become due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. Refer to note 7 for further detail.

**Deferred tax**

The group recognises the net future tax benefit related to deferred income tax assets to the extent that it is probable that the deductible temporary differences will reverse in the foreseeable future. Assessing the recoverability of deferred income tax assets requires the group to make significant estimates related to expectations of future taxable income. Estimates of future taxable income are based on forecast cash flows from operations and the application of existing tax laws in each jurisdiction. To the extent that future cash flows and taxable income differ significantly from estimates, the ability of the group to realise the net deferred tax assets recorded at the end of the reporting period could be impacted. The group assesses how uncertain tax positions affect the determination of income tax and deferred income tax. The group also considers whether tax authorities will accept certain tax treatments, determines the probabilities of the acceptance and the impact on income tax and deferred income tax. Refer to note 12 for further detail.

**Employee benefits liabilities**

Post-retirement defined benefits are provided for certain existing and former employees. Actuarial valuations are performed to assess the financial position of the relevant funds and are based on assumptions which include

mortality rates, healthcare inflation, the expected long-term rate of return on investments, the discount rate and current market conditions. Additionally, the group operates a long-term incentive scheme, which involves significant estimates. Valuation of the scheme is based on performance metrics, expected payout rates and other relevant assumptions. Refer to note 24 for further detail, including the valuation methodology, key assumptions and any sensitivity analysis conducted.

**Measurement of share-based payments**

The cumulative expense recognised in terms of the group's share-based payment scheme reflects the extent, in the opinion of management, to which the vesting period has expired and the number of rights to options granted that will ultimately vest. At the end of each reporting date the unvested rights are adjusted by the number forfeited during the period to reflect the actual number of instruments outstanding. Management is of the opinion that this represents the most accurate estimate of the number of instruments that will ultimately vest. The fair value attached to share options granted is valued using the Monte Carlo option pricing model. The key assumptions used in the calculation include estimates of the group's expected share price volatility, dividend yield, risk-free interest rate and forfeiture rate.

**Clicks ClubCard customer loyalty scheme**

The ClubCard points earned by customers provide them with a material right to obtain a credit in future, which results in a performance obligation on the group to fulfil. The transaction price is allocated to the product and the points on a relative standalone selling price basis. When estimating the standalone selling price of the loyalty points, the group considers the

likelihood that the customer will redeem the points. The redemption rate is based on historical experience, which is subject to uncertainty.

**Insurance cell captive**

The group has determined that it does not have control over its insurance cell captive as the assets and liabilities are considered to belong to the insurer and not the investee. The cell captive has therefore not been consolidated and, as the group is exposed to financial risk rather than insurance risk, the group has accounted for its investment as a financial asset at fair value through profit or loss in accordance with IFRS 9.

**Measurement of financial instruments**

The fair value of financial instruments that are not traded in an active market and are material to the group, is determined by using valuation techniques outlined in note 29, which may include the use of external independent valuers to value these unquoted financial instruments.

**Valuation of lease liabilities and right-of-use assets**

The application of IFRS 16 requires the group to make judgements and estimates that affect the valuation of lease liabilities and the valuation of right-of-use assets. These include determining contracts in the scope of IFRS 16, determining the lease term and determining the interest rate used for discounting future cash flows.

The group generally enters into property leases with renewal options. The lease term determined by the group generally comprises non-cancellable periods of lease contracts, periods covered by an option to extend the lease if the group is reasonably certain to

exercise that option and periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option. The same term is applied as economic useful life of right-of-use assets.

The group applies judgement in evaluating whether it is reasonably certain or not to exercise the option to renew or terminate the lease. It considers all relevant factors that create an economic incentive to exercise either the renewal or termination. The group has concluded that at the inception of the lease, there are significant uncertainties as to whether the group may exercise the extension options. Therefore, renewal periods for property leases are generally not included as part of the lease term as these are not reasonably certain to be exercised at the commencement date.

After the commencement date the group will reassess the lease term upon the occurrence of a significant event or change in circumstances that are within the control of the group and affect whether the group is reasonably certain or not to exercise an option not previously included in its determination of the lease term. The group will also reassess its estimation of the non-cancellable period for any lease terminating within 12 months. Any change to the non-cancellable period will be considered a change in estimate and will be applied prospectively. The carrying amount of the lease liability is adjusted to reflect the payments to be made over the revised term, which are discounted at the revised discount rate. An equivalent adjustment is made to the carrying value of the right-of-use asset, with the revised carrying amount being depreciated over the remaining (revised) lease term.



Material accounting policies *continued*

The group cannot readily determine the interest rate implicit in the lease, therefore it uses its incremental borrowing rate (IBR) to measure lease liabilities. The IBR is the rate of interest that the group would have to pay to borrow, over a similar term and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the group could borrow at, which requires estimation when no observable rates are available.

The group uses a portfolio approach when determining the discount rate as lease terms are similar and are concluded under similar economic conditions. The majority of leases are concluded in South Africa and are negotiated at a group level. The group estimates the IBR using observable inputs (such as the Johannesburg Interbank Average Rate (JIBAR)) and adjusts it with certain entity-specific estimates such as a credit spread applicable to the lease term and a group specific discount, taking into account the group's credit rating observed in the period when the lease contract commences or is modified.

**Basis of consolidation**

The group financial statements include the financial statements of the company and subsidiaries that it controls. Control is achieved when the group is exposed, or has rights, to variable returns from its involvement with the investee and could affect those returns through its power over the investee.

The group considers all relevant facts and circumstances in assessing whether it has the power over an investee and reassesses whether it controls an investee if facts and circumstances indicate that there are changes

to one or more of the elements of control. The financial results of subsidiaries are included in the consolidated financial statements from the date that control was obtained and, where applicable, up to the date that control ceased. All intragroup transactions and balances, including any unrealised gains and losses arising from intragroup transactions, are eliminated on consolidation. Unrealised losses are eliminated in the same way as unrealised gains but only to the extent that there is no evidence of impairment. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company using consistent accounting policies. The company carries its investments in subsidiaries at cost less accumulated impairment.

**Fair value measurement**

The group measures financial instruments, such as derivatives and certain investments at fair value, at each reporting date. The fair values of financial instruments measured at amortised cost are disclosed should it be determined that the carrying value of these instruments does not reasonably approximate their fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability; or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. A fair value measurement of a non-financial asset considers a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use. The group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input (other than quoted prices included in Level 1) that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the group determines whether transfers have occurred between the levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of

each reporting period. For the purpose of fair value disclosures, the group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

**Goodwill**

Goodwill is initially measured at cost, being the excess of the consideration transferred over the group's net identifiable assets acquired and liabilities assumed.

If this consideration is lower than the fair value of the net assets of the subsidiary acquired, the gain from a bargain purchase is recognised in profit or loss. After initial recognition goodwill is measured at cost less any accumulated impairment losses.

**Contingent consideration**

In accordance with IFRS 3, Business Combinations, the group recognises and accounts for a contingent consideration arising from business combinations. The group's contingent consideration represents obligations that arise from the group's commitment to transfer additional assets to the acquiree upon the occurrence of specified future events. The group's contingent consideration is initially recognised at fair value at the acquisition date as part of the purchase consideration. Subsequent changes in the fair value of the contingent consideration are recognised in profit or loss. The group periodically reassesses the fair value of the contingent consideration, taking into account any new information and developments that may affect the probability of the contingency's outcome. Any adjustments resulting from these reassessments are recorded in the financial statements in the reporting period in which they occur.

**Investment in associates**

An associate is an entity in which the group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. The group's interests in its associates are accounted for using the equity method. On initial recognition the investment in associates is recognised at cost and subsequently the carrying amount is increased or decreased to recognise the group's share of the net assets of the associates after the date of acquisition. Goodwill relating to the associates is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The group's share of the associates' profit or loss is recognised in profit or loss, outside of trading profit and represents profit or loss after tax of the associates. Where there has been a change recognised directly in other comprehensive income or equity of the associates, the group recognises its share of any changes and discloses this, where applicable, in the group statement of other comprehensive income or group statement of changes in equity. Distributions received from the associates reduce the carrying amount of the investment. Unrealised gains and losses resulting from transactions between the group and the associates are eliminated to the extent of the group's interest in the associates. After application of the equity method the group determines whether it is necessary to recognise any additional impairment loss with respect to its net investment in the associates. The group determines at each reporting date whether there is objective evidence that the investment in associates is impaired. If there is such evidence the group calculates the amount of impairment as the difference



Material accounting policies *continued*

between the recoverable amount of the investment and its carrying value and then recognises the loss in profit or loss. Where the group's interest in associates is reduced but the equity method continues to be applied, the group reclassifies to profit or loss the proportion of the gain or loss previously recognised in other comprehensive income (where appropriate) relative to that reduction in ownership interest. The use of the equity method should cease from the date that significant influence is lost. The company carries its investments in associates at cost less accumulated impairment in its separate financial statements.

Foreign currency

Functional and presentation currency

All items in the financial statements of the group's subsidiaries are measured using the currency of the primary economic environment in which the subsidiary operates (the functional currency). The group's consolidated financial statements are presented in Rands, which is the company's functional and the group's presentation currency.

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of group entities at rates of exchange ruling at the transaction date. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the rates of exchange ruling at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for

the effective interest and payments during the period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are translated to the functional currency at the exchange rate at the date that the fair value was determined. Foreign exchange differences arising on translation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated to Rands at exchange rates at the reporting date. The income and expenses of foreign operations are translated to Rands at the average exchange rates for the period. Gains and losses on translation are recognised in other comprehensive income and presented within equity in the foreign currency translation reserve (FCTR). When a foreign operation is disposed of, in part or in full, the related amount in the FCTR is transferred to profit or loss.

Financial instruments

Initial recognition and measurement

The group recognises a financial asset or financial liability when it becomes a party to the contractual provisions of the instrument.

Financial assets

A financial asset is classified at initial recognition and subsequently measured at amortised cost, fair value through other comprehensive income (OCI) or fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. The group initially measures a financial asset at its fair value plus transaction costs, in the case of a financial asset not at fair value through profit or loss. Trade receivables that do not contain a significant financing component or for which the group has applied the practical expedient are measured at the transaction price determined under IFRS 15.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace (regular way trades) are recognised on the trade date, i.e. the date that the group commits to purchase or sell the asset.

Financial liabilities

Classification of financial liabilities

A financial liability is classified at initial recognition in either of the following categories:

Financial liability at fair value through profit or loss

Financial liabilities classified at fair value through profit or loss are initially recognised at fair value and any gains or losses arising on remeasurement are recognised in profit or loss. This category includes financial instruments, such as forward exchange contracts; or

Financial liabilities at amortised cost

Financial liabilities classified at amortised cost are recognised at fair value plus transaction costs, in the case of a financial liability not at fair value through profit or loss. This category includes trade and other payables and lease liabilities.

Subsequent measurement

For purposes of subsequent measurement, the group's financial assets are classified into the following categories:

- financial assets at amortised cost (debt instruments); and
- financial assets at fair value through profit or loss.

Financial assets at amortised cost (debt instruments)

This category is the most relevant to the group. The group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are SPPIs on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The group's financial assets at amortised cost includes trade receivables, cash and cash equivalents and loans receivable.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not SPPIs are classified and measured at fair value through profit or loss, irrespective of the business model.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

This category includes derivative instruments, investments in collective investment schemes and the insurance cell captive.

Cash and cash equivalents

Cash and cash equivalents are categorised as a financial asset at amortised cost and, subsequent to initial recognition, are measured at amortised cost.



Material accounting policies *continued*

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks and investments in money market instruments, net of bank overdrafts, all of which are available for use by the group unless otherwise stated.

**Interest-bearing borrowings**

Interest-bearing borrowings are financial liabilities with fixed or determinable payments. Subsequent to initial recognition these financial instruments are measured at amortised cost, with any difference between cost and redemption value being recognised in profit or loss over the period of the borrowings on an effective interest basis.

**Trade and other payables**

Subsequent to initial recognition trade and other payables are measured at amortised cost.

**Derivative financial instruments and hedging activities**

The group uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational activities, as well as market risk arising on cash-settled share-based compensation schemes and employee benefits. In accordance with its treasury policy, the group does not hold or issue derivative financial instruments for trading purposes. Subsequent to initial recognition derivatives are measured at fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument and, if so, the nature of the item being hedged. Where a derivative financial instrument is used to hedge the variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in a firm commitment, the hedge is classified as a cash flow hedge.

Hedge relationships are formally documented and designated at inception. The documentation includes identification of the hedged item and the hedging instrument and details the risk that is being hedged and the way in which effectiveness will be assessed at inception and during the period of the hedge. If the hedge is not highly effective in off-setting changes in fair values or cash flows attributable to the hedged risk, consistent with the documented risk management strategy, hedge accounting is discontinued.

**Cash flow hedges**

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction, the effective portion of the gain or loss on the hedging instrument is recognised in OCI. The ineffective portion is recognised in profit or loss.

When the forecast transaction results in the recognition of a financial asset or financial liability the cumulative gain or loss is reclassified from OCI in the same period in which the hedged forecast cash flows/hedged item affect profit or loss. Otherwise, the cumulative gain or loss is removed from OCI and recognised in profit or loss at the same time as the hedged transaction. When the forecast transaction that is hedged results in the recognition of a non-financial asset (for example, inventory or property, plant and equipment) the gains and losses previously deferred in equity are transferred from equity and included in the initial measurement of the cost of the asset. The deferred amounts are ultimately recognised in cost of goods sold in the case of inventory or in depreciation in the case of property, plant and equipment. Hedge accounting is discontinued if the hedge no longer meets the criteria for hedge

accounting; if the hedging instrument expires or is sold, terminated or exercised; if the forecast transaction is no longer expected to occur; or if hedge designation is revoked. On the discontinuance of hedge accounting (except where a forecast transaction is no longer expected to occur), the cumulative unrealised gain or loss recognised in OCI is reclassified to profit or loss when the forecast transaction occurs and affects profit or loss. Where a forecast transaction is no longer expected to occur the cumulative unrealised gain or loss is recognised immediately in profit or loss.

The group designates the spot element of forward contracts as a hedge instrument. As such, the hedging relationship of the hedge instruments to the hedged risk components is equal but opposite.

Hedge effectiveness testing is based on the hypothetical derivative method and compares the changes in the fair value of the hedging instruments against the changes in fair value of the hedged items. Hedge ineffectiveness arises from differences in the timing of the cash flows of the hedged items and the hedging instruments, as well as changes to the forecast amount of cash flows of hedged items and hedging instruments. The forward element is recognised directly in a separate cost of hedging reserve under equity. The forward contracts hedge foreign currency risk relating to inventory purchases. Upon recognition of the inventory the amount accumulated in the cost of hedging reserve is removed from the reserve and recognised directly in the initial cost of inventory. This does not constitute a reclassification adjustment and will therefore be transferred directly out of equity and not through OCI.

**Derivatives not qualifying for hedge accounting**

Certain derivative instruments do not qualify for hedge accounting. Such derivatives are classified as at fair value through profit or loss and changes in the fair value of any derivative instruments that do not qualify for hedge accounting are recognised immediately in profit or loss.

**Derecognition**

**Financial assets**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership or control of the financial asset are transferred. Where the group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

**Financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or

modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

**Off-set**

Financial assets and financial liabilities are off-set and the net amount reported in the statement of financial position when the group has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

**Property, plant and equipment**

**Recognition and measurement**

Items of property, plant and equipment, including owner-occupied buildings, are stated at historical cost less accumulated depreciation and accumulated impairment losses. Land is stated at cost less impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Installation and other costs, which comprise materials and direct labour costs necessarily incurred in order to acquire property, plant and equipment, are also included in cost. When parts of property, plant and equipment have different useful lives they are accounted for as separate items (major components) of property, plant and equipment. Borrowing costs are capitalised in line with the accounting policy outlined under financial expenses. Gains or losses on the disposal of property, plant and equipment, comprising the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss.



Material accounting policies *continued*

Subsequent costs

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits embodied within the item will flow to the group and its cost can be measured reliably. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful life of each part of the asset in order to reduce the cost of the asset to its residual value. Residual value is the amount that an entity could receive for the asset at the reporting date if the asset were already of the age and the condition that it will be in when the entity expects to dispose of it. Residual value does not include expected future inflation. Land is not depreciated.

The estimated useful lives for the current and comparative periods are as follows:

|                        |               |
|------------------------|---------------|
| Buildings              | 50 years      |
| Computer equipment     | 3 to 7 years  |
| Equipment              | 3 to 10 years |
| Furniture and fittings | 5 to 10 years |
| Motor vehicles         | 5 years       |

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

Leases

Initial recognition and measurement

The group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as lessee

The group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The election for short-term leases are made by class of the underlying asset to which the right of use relates. The election for leases where the underlying asset is of low value is made on a lease-by-lease basis. The group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The group recognises lease payments in respect of leases of low-value assets and short-term leases that have a lease term of 12 months or less as an expense on a straight-line basis over the lease term.

A right-of-use asset and a lease liability are recognised at the commencement date of the contract for all leases conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially measured at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date, less any lease incentives; and
- any initial direct cost incurred by the group.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. These include:

- fixed payments, less any lease incentive receivables;
- variable lease payments that depend on a rate, initially measured using the rate as at the commencement date;

- the exercise price of a purchase option if the group is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the group exercising an option to terminate the lease.

The lease payments exclude variable elements which are dependent on external factors such as sales volume. Variable payments not included in the initial measurement of the lease liability are recognised directly in profit or loss in the period in which the event or condition that triggers payment occurs.

In calculating the present value of lease payments, the group uses its incremental borrowing rate at the lease commencement date since the interest rate implicit in the lease is not readily determinable. After the commencement date the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The lease term determined by the group comprises:

- non-cancellable periods of lease contracts;
- periods covered by an option to extend the lease if the group is reasonably certain to exercise that option at the inception of the lease; and
- periods covered by an option to terminate the lease if the group is reasonably certain not to exercise that option at the inception of the lease.

Subsequent measurement

After the commencement date the right-of-use assets are measured at cost less any accumulated depreciation, any accumulated impairment losses and adjusted for any remeasurement of the lease liability.

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The lease liability is measured by increasing the carrying value to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any lease modifications.

Intangible assets (other than goodwill)

Intangible assets (other than goodwill) are initially recognised at cost if acquired externally, or at fair value if acquired as part of a business combination. Expenditure on internally generated development activity is capitalised if the product or process is technically and commercially feasible, the group has sufficient resources to complete development, the group has intention to complete and use or sell it, it is probable that future economic benefits relating to the asset will flow to the group and the cost can be measured reliably. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the associated intangible asset. Other research and development expenditure is recognised in profit or loss as an expense when incurred. No value is attached to internally developed and maintained trademarks or brand names. Expenditure incurred to maintain trademarks and brand

names is recognised in profit or loss as incurred. Intangible assets which have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment. Intangible assets that are assessed as having a finite useful life are amortised over their useful lives on a straight-line basis from the date they become available for use and are tested for impairment if indications exist that they may be impaired. Intangible assets with indefinite useful lives are not amortised and are tested annually for impairment. The estimated useful lives of intangible assets for the current and comparative periods are as follows:

|                                                                  |                        |
|------------------------------------------------------------------|------------------------|
| Capitalised software development and purchased computer software | 3 to 10 years          |
| Contractual rights                                               | 5 years                |
| Trademarks                                                       | Indefinite useful life |
| Other trademarks                                                 | 10 to 20 years         |

Amortisation methods, residual values and remaining useful lives of intangible assets with finite useful lives are reassessed annually.

Inventories

Merchandise for resale is valued on the weighted average cost basis and is stated at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition and is stated net of purchase incentives.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs to complete and sell the product. The cost of merchandise sold includes normal shrinkage, wastage and



Material accounting policies *continued*

inventory losses. Obsolete, redundant and slow-moving inventories are identified on a regular basis and are written down to their net realisable value. The carrying amount of inventory is recognised as an expense in the period in which the related revenue is recognised.

Impairment of assets

Non-financial assets

The carrying amounts of the group’s non-financial assets other than inventories (see accounting policy note for inventories) and deferred tax assets (see accounting policy note for deferred tax), are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset’s recoverable amount is estimated. For goodwill and intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each reporting date. Whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount, an impairment loss is recognised in profit or loss. As goodwill is not capable of generating cash flows independently of other assets, in assessing the recoverable amount of goodwill, it is allocated to cash-generating units on a reasonable and consistent basis. Where appropriate, corporate assets are also allocated to cash-generating units on a reasonable and consistent basis. The recoverable amount of the cash-generating unit (including an allocation of goodwill and corporate assets) is assessed with reference to the future cash flows of the cash-generating unit. Where an impairment is identified for a cash-generating unit, the impairment is applied first to the goodwill allocated to the cash-generating unit and

then to other assets on a pro rata basis comprising the cash-generating unit, provided that each identifiable asset is not reduced to below its recoverable amount.

Recoverable amount

The recoverable amount of an asset is the greater of its fair value less costs of disposal and its value in use. Recoverable amounts are estimated for individual assets or, if an asset does not generate largely independent cash flows, for a cash-generating unit. A cash-generating unit is the smallest collection of assets capable of generating cash flows independent of other assets or other cash-generating units. The fair value less costs of disposal is the amount obtainable from the sale of an asset or cash-generating unit in an orderly transaction between market participants at the measurement date. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset or cash-generating unit and from its disposal at the end of its useful life. The estimated future cash flows are discounted using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Reversal of impairment losses

Impairment losses recognised in prior years are assessed at each reporting date for any indicators that the losses have decreased or no longer exist. Reversal of impairment losses recognised in prior years are recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased, either as a result of an event occurring after the impairment loss was recognised or if there has been a change in the estimates used to calculate the recoverable amount.

An impairment loss is reversed only to the extent that the carrying amount of the affected asset is not increased to an amount higher than the carrying amount that would have been determined, net of depreciation or amortisation, had no impairment loss been recognised in prior years. The reversal is recorded as income in profit or loss. An impairment loss in respect of goodwill is never reversed.

Financial assets

The group applies the expected credit loss (ECL) model for recognition of the loss allowance on financial instruments at amortised cost. The ECL represents a probability-weighted estimate of credit losses over the expected useful life of the financial instrument. Credit losses are defined as the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the group expects to receive. The ECL is calculated as the present value of these expected cash shortfalls, discounted at the financial asset’s original effective interest rate if discounting is material. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in profit or loss for financial assets at amortised cost.

The group applies the simplified approach for ECLs on trade receivables. The simplified approach uses the lifetime ECLs for each class of receivables. A loss rate for each class of receivables is established, based on past losses for retail and distribution debtors. The loss rate is adjusted for forward-looking information, reflecting reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions, and forecasts of future economic conditions. This rate is applied to each class of receivables to calculate the allowance.

The group established the following macroeconomic factors to influence its forward-looking assessment:

- **Retail:** The group identified pharmacy/ medical regulations, inflation and foreign currency movements as items considered when the loss rates were determined.
- **Distribution:** The group identified inflation, interest rates and petrol prices as items considered when the loss rates were determined.

The macroeconomic factors considered are those factors which might influence the ability of the counterparty to settle their debt and cause the group not to recover the debt.

The group applies the general approach for establishing the allowance in terms of the ECL model for loans and other receivables. ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL). The group determines whether the credit risk of a financial instrument has increased significantly since initial recognition by considering reasonable and supportable information that is available without undue cost or effort. This information includes both quantitative and qualitative factors. Refer to note 29 for further detail.

Share capital

Share capital

Ordinary share capital represents the value of ordinary shares issued.

Share premium

Share premium represents the excess consideration received by the company over the par value of ordinary shares issued and the accumulated IFRS 2 share-based payment expense relating to the employee share ownership scheme and is classified as equity.

Share repurchases

Ordinary shares in Clicks Group Limited have been acquired by the group in terms of an approved share repurchase programme. Immediately after the repurchases an instruction letter is sent to the JSE to cancel these shares. The cost of these shares is deducted from distributable reserves, the share capital is reduced with the issued ordinary share value and the number of shares is deducted from both the number of shares in issue and the weighted average number of shares.

Employee benefits

Short-term employee benefits

The cost of all short-term employee benefits is recognised as an expense during the period in which the employee renders the related service. Accruals for employee entitlements to wages, salaries, bonuses and annual leave represent the amount which the group has a present obligation to pay as a result of employees’ services provided up to the reporting date.

The accruals have been calculated at undiscounted amounts based on current wage and salary rates.



Material accounting policies *continued*

Other long-term employee benefits

Liabilities for long-term employee benefits, other than pension plans, which are not expected to be settled within 12 months, are discounted to present value using the market yields at the reporting date on government bonds with maturity dates that most closely match the terms of maturity of the group's related liabilities.

Defined contribution retirement funds

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The group operates a retirement scheme comprising a number of defined contribution funds in South Africa, the assets of which are held in separate trustee administered funds. The retirement schemes are funded by payments from employees and the relevant group entity. Contributions to these funds are recognised as an expense in profit or loss as incurred.

Prepaid contributions are recognised as an asset to the extent that a cash refund or reduction in future payments are available.

Post-retirement medical aid benefits – defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

The group's obligation to provide post-retirement medical aid benefits to certain employees is calculated by estimating the amount of future benefit that qualifying employees have earned in return for their service in the current and prior periods. This benefit is discounted to determine its present value using a discount rate based on the market yields at the reporting date

on government bonds with maturity dates that most closely match the terms of maturity of the group's obligation.

The calculation is performed by a qualified actuary using the projected unit credit method.

Current service costs represent the increase in the defined benefit plan resulting from employee services in the current year and is recognised in profit or loss as employee services are rendered. Past service costs are recognised in profit or loss at the earlier of the date of the plan amendment or curtailment, and the date that the group recognises restructuring-related costs. The group recognises actuarial gains or losses from defined benefit plans immediately in OCI.

Cash-settled share-based compensation benefits

The group grants cash-settled appreciation rights to management in terms of a long-term incentive scheme. The value of these appreciation rights is linked to the total shareholder return (capital gain plus dividends) over the vesting period. The cost of cash-settled transactions is measured initially at fair value at the grant date, further details of which are given in note 24.1. This fair value is expensed over the period until the vesting date with recognition of a corresponding liability. The liability is remeasured to fair value at each reporting date up to and including the settlement date, with changes in fair value recognised in employee benefits expense (see note 4).

Cash-settled earnings-based compensation benefits

The group grants cash-settled appreciation rights to management in terms of a long-term incentive scheme. The value of these appreciation rights is linked to the performance of diluted headline earnings per share (HEPS).

The liability, which is not expected to be settled within 12 months, is discounted to present value using market yields at the reporting date on government bonds with maturity dates that most closely match the terms of maturity of the group's related liabilities. Any difference between projected performance and actual performance is recognised through an actuarial gain or loss based on the projected unit credit method which is recognised immediately in profit or loss.

Financial guarantees

Financial guarantee contracts are recognised as a financial liability at the time the guarantee is issued. The liability is initially measured at fair value and subsequently at the higher of:

- the amount determined in accordance with the ECL model under IFRS 9 – Financial Instruments; and
- the amount initially recognised less, where appropriate, the cumulative amount of income recognised in accordance with the principles of IFRS 15 – Revenue from Contracts with Customers.

The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instrument and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assuming the obligations.

Revenue

Revenue from contracts with customers

Revenue from contracts with customers is recognised upon the satisfaction of a performance obligation, when control of all goods and services are transferred to the customer and is measured at the consideration to which the group is entitled.

Turnover

Revenue from sale of retail and wholesale goods are recognised at the point when goods are transferred to the customer. The revenue is measured at the amount to which the group expects to be entitled to with regards to the sale and is therefore the consideration less any rebates, discounts and deferred revenue.

Distribution and logistics fee income

Distribution and logistics fee income are recognised at the point when the goods are delivered to the client, on delivery of the service and are measured at the consideration receivable less rebates and discounts.

Advertising income

Where advertising income represents payment for a distinct service (as in co-operative agreements), income received is recognised at the point when the performance obligation in terms of the contract is satisfied, when the service is provided to the customer. Advertising income is measured at the amount as entitled by the group in terms of the contract with the customer.

Variable consideration/deferred revenue  
Right of return

Customers have the right to return goods purchased from the group, within the time frame as set out in the group's returns policy. The group uses the expected value method to estimate the goods that will not be returned since this method best predicts the amount of variable consideration to which the group will be entitled. For goods that are expected to be returned, instead of revenue, the group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Loyalty cards

The group operates a loyalty scheme through Clicks ClubCard. The card allows customers to accumulate ClubCard points that entitle them, subject to certain criteria, to vouchers that may be used in-store.

The loyalty points give rise to a performance obligation as they provide a material right to the customer to claim a future credit. A portion of the transaction price is allocated to the loyalty points awarded to customers based on relative standalone selling price and recognised as a contract liability until the points are redeemed. Revenue is recognised upon redemption of the points by the customer and upon expiration of the points.

When estimating the standalone selling price of the loyalty points, the group considers the likelihood that the customer will redeem the points. The group updates its estimates of the points that will be redeemed and any adjustments to the contract liability balance are charged against revenue.

Gift cards/vouchers

Customers have the option of buying gift cards and vouchers at all retail stores. The vouchers may be used in-store. On purchase, the fair value (cash value) of the vouchers is recognised as a liability and is recognised as revenue on redemption of the gift cards/vouchers by the customers as well as upon expiration of the gift cards/vouchers.

Assets and liabilities arising from revenue from contracts with customers

Right of return assets

The sale of certain goods provides the customer with a right to return the asset in terms of the group's returns policy. The right of return provides the group with a probable right to receive return assets. These assets are recognised as part of inventory and are measured at the cost of assets sold that will, in all probability, be returned to the group.



Material accounting policies *continued*

Refund liabilities

The customer's right to return certain goods sold provides the group with a probable obligation to refund the customer with the consideration received. The refund liability is recognised as part of trade and other payables and is recognised at the consideration received for the sale of the goods, including value-added tax (VAT).

Financial income

Financial income comprises interest income and dividend income. Interest income is recognised in profit or loss on a time proportion basis, taking account of the principal outstanding and the effective interest rate over the period to maturity when it is probable that such income will accrue to the group.

Dividend income is recognised when the right to receive payment is established. In the statement of cash flows the group and the company classifies interest received as operating activities and the company classifies dividends received from subsidiaries as investing activities.

Financial expenses

Financial expenses comprise interest payable on lease liabilities, interest payable on borrowings calculated using the effective interest method and unwinding of the discount on provisions and long-term employee benefits. Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. In the statement of cash flows the group classifies interest paid as operating activities.

Income tax

Income tax expense on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in profit or loss except to the extent that it relates to items recognised in OCI or directly in equity in which case the tax is recognised in OCI or in equity, respectively. Current tax is the expected tax payable on the taxable profit for the current year using tax rates enacted or substantively enacted at the reporting date and any adjustment to tax payable in respect of previous years.

Deferred tax

Deferred tax is recognised for all temporary differences between the tax value of an asset or liability and the carrying amount for financial reporting purposes, except for the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit, and differences relating to investments in subsidiaries and jointly controlled entities, to the extent that they will probably not reverse in the foreseeable future. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted at the reporting date. Deferred tax assets and liabilities are off-set if there is a legally enforceable right to off-set current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis, or their tax assets and liabilities will be realised simultaneously. Deferred tax assets are recognised for all deductible temporary differences and tax losses to the extent that it is probable that

future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Dividends withholding tax

Dividends withholding tax is levied on the beneficial owner of the shares instead of the group. The tax is withheld by the group and paid over to the South African Revenue Service (SARS) on the beneficiaries' behalf. The resultant tax expense and liability has been transferred to the shareholder and is no longer accounted for as part of the tax charge for the group. Amounts not yet paid over to SARS are included in trade and other payables and the measurement of the dividend amount is not impacted by the withholding tax. In the statement of cash flows the group classifies dividends paid as operating activities.

Segment reporting

The group has adopted the "management approach" to reporting segment information, basing this on the group's internal management reporting data used internally by the chief operating decision-maker (CODM). An operating segment is defined as a component of an entity that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity) whose operating results are regularly reviewed by the entity's CODM to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available. The group has identified its Retail and Distribution segments as reporting segments.

Earnings per share

The group presents basic and diluted earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to the ordinary shareholders by the weighted average number of ordinary shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding for the dilutive effects of all dilutive potential ordinary shares. Headline earnings Circular 1/2023 issued by the SAICA is taken into account when calculating EPS.

Recent accounting developments

Standards, amendments and interpretations issued but not yet effective and under review as to their effect on the group

The International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) have issued several standards, amendments and interpretations, with an effective date after the date of these financial statements, which management believes could impact the group in future periods.

Financial instruments classification and measurement

Amendments made to IFRS 9 and IFRS 7 will clarify how financial assets and financial liabilities are recognised and derecognised at settlement date, except for regular purchases or sales of financial assets and financial liabilities that meet the new exception. The new exception allows early derecognition of certain financial liabilities settled via electronic payments systems. Additional amendments provide guidance on financial assets with ESG-linked features and contracts referencing nature-dependent electricity.

The above amendments are effective for periods beginning on or after 1 January 2026. The group has elected not to early adopt this amendment.

Presentation and disclosure in financial statements

IFRS 18 introduces a more structured income statement with three distinct categories of income and expenses, requiring the presentation of a "trading profit" subtotal. It mandates detailed disclosures of management's performance measures, integrating non-GAAP measures into audited financial statements. Investors will benefit from greater consistency of presentation in the income and cash flow statements and more disaggregated information. The enhanced disaggregation guidance will ensure better insight into the financial performance of the group.

The above amendments are effective for periods beginning on or after 1 January 2027. The group has elected not to early adopt this amendment.



Notes to the financial statements

for the year ended 31 August

|                                                                                                                                                                                                                                                             | Group             |               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
|                                                                                                                                                                                                                                                             | 2025<br>R'000     | 2024<br>R'000 |
| <b>1 Revenue</b>                                                                                                                                                                                                                                            |                   |               |
| Revenue from contracts with customers                                                                                                                                                                                                                       |                   |               |
| Goods sold to customers                                                                                                                                                                                                                                     | 47 828 079        | 45 437 640    |
| Other income                                                                                                                                                                                                                                                | 3 461 208         | 3 082 302     |
| Distribution and logistics fees                                                                                                                                                                                                                             | 1 452 233         | 1 349 266     |
| Cost recoveries and other income                                                                                                                                                                                                                            | 2 008 975         | 1 733 036     |
| <b>Total revenue from contracts with customers</b>                                                                                                                                                                                                          | <b>51 289 287</b> | 48 519 942    |
| Financial income                                                                                                                                                                                                                                            | 137 705           | 89 866        |
| <b>Total revenue</b>                                                                                                                                                                                                                                        | <b>51 426 992</b> | 48 609 808    |
| Retail turnover can be further disaggregated between the following retail categories:                                                                                                                                                                       |                   |               |
| Pharmacy <sup>1</sup>                                                                                                                                                                                                                                       | 10 058 622        | 9 745 692     |
| Front shop health                                                                                                                                                                                                                                           | 9 625 386         | 8 951 836     |
| Beauty and personal care                                                                                                                                                                                                                                    | 12 202 074        | 11 369 375    |
| General merchandise                                                                                                                                                                                                                                         | 5 668 398         | 5 371 587     |
| <b>Total Retail turnover</b>                                                                                                                                                                                                                                | <b>37 554 480</b> | 35 438 490    |
| Distribution turnover can be further disaggregated between the following categories:                                                                                                                                                                        |                   |               |
| Fine wholesale                                                                                                                                                                                                                                              | 13 888 770        | 13 205 444    |
| Clicks                                                                                                                                                                                                                                                      | 8 116 146         | 7 414 243     |
| Private hospitals                                                                                                                                                                                                                                           | 5 024 752         | 4 958 817     |
| Independent pharmacies and other                                                                                                                                                                                                                            | 747 872           | 832 384       |
| Bulk wholesale                                                                                                                                                                                                                                              | 4 769 326         | 4 544 172     |
| <b>Total Distribution turnover</b>                                                                                                                                                                                                                          | <b>18 658 096</b> | 17 749 616    |
| Intragroup elimination                                                                                                                                                                                                                                      | (8 384 497)       | (7 750 466)   |
| <b>Total Group turnover</b>                                                                                                                                                                                                                                 | <b>47 828 079</b> | 45 437 640    |
| <sup>1</sup> Pharmacy turnover growth excluding Unicorn Pharmaceuticals Proprietary Limited (2024: R333.5 million) in the prior year is 6.9%. Total Retail turnover growth excluding Unicorn Pharmaceuticals Proprietary Limited in the prior year is 7.0%. |                   |               |
| <b>2 Depreciation and amortisation</b>                                                                                                                                                                                                                      |                   |               |
| Depreciation of property, plant and equipment (see note 9)                                                                                                                                                                                                  | 596 866           | 563 232       |
| Depreciation of right-of-use assets (see note 25)                                                                                                                                                                                                           | 1 142 361         | 1 049 269     |
| Amortisation of intangible assets (see note 10)                                                                                                                                                                                                             | 142 755           | 129 793       |
| <b>Total depreciation and amortisation</b>                                                                                                                                                                                                                  | <b>1 881 982</b>  | 1 742 294     |
| Depreciation included in cost of merchandise sold                                                                                                                                                                                                           | (70 299)          | (60 974)      |
| <b>Depreciation and amortisation included in expenses</b>                                                                                                                                                                                                   | <b>1 811 683</b>  | 1 681 320     |

|                                                                                                                                                                                                                 | Group            |               |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|
|                                                                                                                                                                                                                 | 2025<br>R'000    | 2024<br>R'000 |
| <b>3 Occupancy costs</b>                                                                                                                                                                                        |                  |               |
| Turnover rental expense                                                                                                                                                                                         | 47 562           | 48 651        |
| Other rental expenses <sup>1</sup>                                                                                                                                                                              | 164 482          | 163 854       |
| <b>Total occupancy cost</b>                                                                                                                                                                                     | <b>212 044</b>   | 212 505       |
| <sup>1</sup> Other rental expenses include expenses paid to landlords related to property leases not qualifying for IFRS 16 recognition, other than the turnover rental expense, which is separately disclosed. |                  |               |
| <b>4 Employment costs</b>                                                                                                                                                                                       |                  |               |
| Directors' emoluments (excluding incentives, see note 4.1)                                                                                                                                                      | 26 468           | 24 732        |
| Non-executive fees                                                                                                                                                                                              | 7 114            | 7 083         |
| Executive                                                                                                                                                                                                       | 19 354           | 17 649        |
| Salary                                                                                                                                                                                                          | 17 770           | 16 207        |
| Other benefits                                                                                                                                                                                                  | 1 584            | 1 442         |
| Long-term incentive scheme – TSR (see note 24)                                                                                                                                                                  | (11 504)         | 45 786        |
| Release of gain on cash flow hedge to profit or loss                                                                                                                                                            | –                | 2 981         |
| Long-term incentive scheme – HEPS (see note 24)                                                                                                                                                                 | 41 861           | 35 729        |
| Long-term incentive scheme – ROIC (see note 24)                                                                                                                                                                 | 30 946           | 10 869        |
| Staff salaries and wages                                                                                                                                                                                        | 4 853 276        | 4 473 546     |
| Contributions to defined contribution plans                                                                                                                                                                     | 271 507          | 250 150       |
| Leave pay costs (see note 24)                                                                                                                                                                                   | 26 065           | 26 862        |
| Bonuses (see note 24)                                                                                                                                                                                           | 265 906          | 242 304       |
| Post-retirement medical aid benefit (see note 24)                                                                                                                                                               | 722              | 702           |
| <b>Total employment costs</b>                                                                                                                                                                                   | <b>5 505 247</b> | 5 113 661     |
| Employment costs included in cost of merchandise sold and inventories                                                                                                                                           | (223 145)        | (206 639)     |
| <b>Employment costs included in expenses</b>                                                                                                                                                                    | <b>5 282 102</b> | 4 907 022     |
| For further detail of directors' emoluments refer to the Remuneration report available on the group's website.                                                                                                  |                  |               |
| Included in total employment costs are the following aggregate amounts (including directors' emoluments) relating to transactions with key management personnel:                                                |                  |               |
|                                                                                                                                                                                                                 | 95 104           | 90 702        |
| Short-term employee benefits                                                                                                                                                                                    | 42 331           | 36 118        |
| Post-employment benefits                                                                                                                                                                                        | 3 373            | 2 959         |
| Short-term incentive scheme                                                                                                                                                                                     | 24 313           | 18 122        |
| Long-term incentive scheme                                                                                                                                                                                      | 25 087           | 33 503        |
| Retirement benefits                                                                                                                                                                                             | –                | –             |
| Non-executive directors' fees                                                                                                                                                                                   | 7 114            | 7 083         |
|                                                                                                                                                                                                                 | 102 218          | 97 785        |



Notes to the financial statements *continued*

4 Employment costs *continued*

4.1 Directors' remuneration

Executive directors' remuneration

| Director            |               |              |                | Total annual guaran-<br>teed pay | RONA short-term<br>incentive | Perfor-<br>mance based<br>long-term<br>incentive <sup>1</sup> | Total<br>variable<br>pay | Total         |
|---------------------|---------------|--------------|----------------|----------------------------------|------------------------------|---------------------------------------------------------------|--------------------------|---------------|
| (R'000)             | Salary        | Pension fund | Other benefits |                                  |                              |                                                               |                          |               |
| <b>2025</b>         |               |              |                |                                  |                              |                                                               |                          |               |
| Bertina Engelbrecht | 11 143        | 711          | –              | 11 854                           | 8 891                        | 10 133                                                        | 19 024                   | 30 878        |
| Gordon Traill       | 6 627         | 873          | –              | 7 500                            | 4 500                        | 5 072                                                         | 9 572                    | 17 072        |
| <b>Total</b>        | <b>17 770</b> | <b>1 584</b> | <b>–</b>       | <b>19 354</b>                    | <b>13 391</b>                | <b>15 205</b>                                                 | <b>28 596</b>            | <b>47 950</b> |
| <b>2024</b>         |               |              |                |                                  |                              |                                                               |                          |               |
| Bertina Engelbrecht | 10 223        | 653          | –              | 10 876                           | 6 573                        | 15 654                                                        | 22 227                   | 33 103        |
| Gordon Traill       | 5 984         | 789          | –              | 6 773                            | 3 411                        | 3 594                                                         | 7 005                    | 13 778        |
| <b>Total</b>        | <b>16 207</b> | <b>1 442</b> | <b>–</b>       | <b>17 649</b>                    | <b>9 984</b>                 | <b>19 248</b>                                                 | <b>29 232</b>            | <b>46 881</b> |

<sup>1</sup> Payments relating to the performance for the year ended 31 August are paid in December. The expense is provided for over the three-year vesting period and two-year retention period in the relevant financial year.

The total number of ordinary shares in issue is 235 930 939 (2024: 238 062 465). Percentage of issued share capital held by directors is 0.1% (2024: 0.1%).

4.1 Directors' remuneration *continued*

Non-executive directors' remuneration

| Director (R'000)                            | 2025 directors' fees |                    |               | 2024 directors' fees |                    |               |
|---------------------------------------------|----------------------|--------------------|---------------|----------------------|--------------------|---------------|
|                                             | Holding company      | Subsidiary company | Total         | Holding company      | Subsidiary company | Total         |
| David Nurek <sup>1</sup>                    | 828                  | –                  | 828           | 1 846                | –                  | 1 846         |
| John Bester <sup>2</sup>                    | –                    | –                  | –             | 250                  | –                  | 250           |
| Mfundiso Njeke <sup>3</sup>                 | 1 808                | –                  | 1 808         | 1 045                | –                  | 1 045         |
| Penelope Osiris (née Moumakwa) <sup>4</sup> | 593                  | 100                | 693           | 568                  | 189                | 757           |
| Sango Ntsaluba <sup>5</sup>                 | 1 001                | –                  | 1 001         | 932                  | –                  | 932           |
| Richard Inskip                              | 828                  | –                  | 828           | 630                  | –                  | 630           |
| Nomgando Matyumza                           | 933                  | –                  | 933           | 884                  | –                  | 884           |
| Christine Ramon                             | 1 023                | –                  | 1 023         | 739                  | –                  | 739           |
| <b>Total</b>                                | <b>7 014</b>         | <b>100</b>         | <b>7 114</b>  | <b>6 894</b>         | <b>189</b>         | <b>7 083</b>  |
| <b>Total directors' remuneration</b>        |                      |                    |               |                      |                    |               |
| Executive directors                         |                      |                    | 47 950        |                      |                    | 46 881        |
| Non-executive directors                     |                      |                    | 7 114         |                      |                    | 7 083         |
| <b>Total directors' remuneration</b>        |                      |                    | <b>55 064</b> |                      |                    | <b>53 964</b> |

<sup>1</sup> Retired as a non-executive director and chair 30 January 2025.  
<sup>2</sup> Retired as a non-executive director 1 February 2024.  
<sup>3</sup> Appointed as Independent non-executive chairman effective 30 January 2025.  
<sup>4</sup> Includes fees for serving as a director of New Clicks South Africa Proprietary Limited.  
<sup>5</sup> Appointed as lead independent director effective 30 January 2025.



Notes to the financial statements *continued*

|                                                                                          | Group          |               |
|------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                          | 2025<br>R'000  | 2024<br>R'000 |
| <b>5 Other costs</b>                                                                     |                |               |
| Other operating costs include: <sup>1</sup>                                              |                |               |
| Fees paid for outside services                                                           |                |               |
| Technical services                                                                       | 66 792         | 56 079        |
| Foreign exchange losses realised                                                         | 1 975          | 2 089         |
| Water and electricity <sup>2</sup>                                                       | 433 051        | 408 052       |
| Advertising expenses                                                                     | 424 354        | 417 637       |
| Transport fees                                                                           | 238 733        | 254 148       |
| Data fees                                                                                | 268 384        | 261 194       |
| Commissions expense                                                                      | 240 478        | 214 322       |
| Auditors' remuneration                                                                   | 13 407         | 13 045        |
| Financial statements audit                                                               | 12 045         | 11 748        |
| Other assurance work <sup>3</sup>                                                        | 1 155          | 1 100         |
| Non-audit services                                                                       | 207            | 197           |
| <sup>1</sup> Other costs have been further disaggregated to provide enhanced disclosure. |                |               |
| <sup>2</sup> Water and electricity costs include generator fuel costs.                   |                |               |
| <sup>3</sup> Relates to ISAE 3402 reasonable assurance work for distribution business.   |                |               |
| <b>6 Net financing expense</b>                                                           |                |               |
| Recognised in profit or loss:                                                            |                |               |
| Interest income on bank deposits and investments                                         | 115 593        | 68 490        |
| Other interest income                                                                    | 22 112         | 21 376        |
| Financial income                                                                         | 137 705        | 89 866        |
| Interest expense on financial liabilities measured at amortised cost                     | 363 958        | 340 206       |
| Cash interest expense                                                                    | 24 125         | 58 181        |
| Lease liability interest expense (see note 25)                                           | 339 833        | 282 025       |
| Other interest expense (see note 24.2)                                                   | 16 717         | 14 832        |
| Financial expense                                                                        | 380 675        | 355 038       |
| <b>Net financing expense</b>                                                             | <b>242 970</b> | 265 172       |

|                                                                 | Group            |               | Company       |               |
|-----------------------------------------------------------------|------------------|---------------|---------------|---------------|
|                                                                 | 2025<br>R'000    | 2024<br>R'000 | 2025<br>R'000 | 2024<br>R'000 |
| <b>7 Income tax expense</b>                                     |                  |               |               |               |
| South African normal tax                                        |                  |               |               |               |
| Current tax                                                     |                  |               |               |               |
| Current year                                                    | 1 164 916        | 1 042 258     | 617           | 569           |
| Capital gains tax                                               | 682              | 3 773         | -             | -             |
| Prior-year overprovision                                        | (21 043)         | (12 211)      | -             | -             |
| Deferred tax                                                    |                  |               |               |               |
| Current year                                                    | 3 216            | (23 231)      | -             | -             |
| Prior-year underprovision/(overprovision)                       | 7 374            | (4 080)       | -             | -             |
| Foreign tax                                                     |                  |               |               |               |
| Current tax                                                     |                  |               |               |               |
| Current year                                                    | 15 639           | 9 848         | -             | -             |
| Withholding tax                                                 | 15 674           | 22 000        | 3 500         | 3 500         |
| Deferred tax                                                    |                  |               |               |               |
| Current year                                                    | 10 141           | 17 540        | -             | -             |
| Change in foreign tax rate                                      | -                | 865           | -             | -             |
| Prior-year underprovision/(overprovision)                       | 496              | (11)          | -             | -             |
| <b>Income tax expense per statement of comprehensive income</b> | <b>1 197 095</b> | 1 056 751     | <b>4 117</b>  | 4 069         |
| Deferred tax – current year                                     | 3 404            | 1 016         | -             | -             |
| Cash flow hedge recognised in other comprehensive income        | 5 964            | 7 866         | -             | -             |
| Cash flow hedge recognised in equity                            | (3 895)          | (9 918)       | -             | -             |
| Remeasurement of post-employment benefit obligations            | 1 070            | 2 618         | -             | -             |
| Cost of hedging reserve                                         | 265              | 450           | -             | -             |
| <b>Total income tax charge</b>                                  | <b>1 200 499</b> | 1 057 767     | <b>4 117</b>  | 4 069         |
| <i>Reconciliation of rate of tax</i>                            | <b>%</b>         | %             | <b>%</b>      | %             |
| Standard rate – South Africa                                    | 27.00            | 27.00         | 27.00         | 27.00         |
| Adjusted for:                                                   |                  |               |               |               |
| Disallowable expenditure*                                       | 0.37             | 0.34          | -             | -             |
| Exempt income and allowances**                                  | (0.45)           | (0.50)        | (26.98)       | (26.98)       |
| Foreign tax rate variations                                     | (0.02)           | (0.02)        | -             | -             |
| Foreign withholding tax                                         | 0.35             | 0.56          | 0.14          | 0.14          |
| Prior-year net overprovision                                    | (0.30)           | (0.41)        | -             | -             |
| Capital gains tax                                               | 0.02             | 0.10          | -             | -             |
| Change in foreign tax rate                                      | -                | 0.02          | -             | -             |
| Share of loss in associate                                      | 0.03             | 0.05          | -             | -             |
| <b>Effective tax rate</b>                                       | <b>27.00</b>     | 27.14         | <b>0.16</b>   | 0.16          |

\* Disallowable expenditure consists of expenses not in the production of income and expenditure of a capital nature, which includes legal fees, consulting fees, share-related expenses and donations.

\*\* Exempt income and allowances consist of tax-free allowances received such as the employment tax incentive and the learnership tax allowance.

One of the subsidiaries of the group has an estimated tax loss of R15.4 million (2024: R53.4 million) available for set-off against future taxable income of that subsidiary. A deferred tax asset of R4.2 million (2024: R16.5 million) has been recognised in respect of the total estimated tax loss (see note 12).

The group falls within the scope of the OECD Pillar Two global minimum top-up tax and has applied the IAS 12 exception regarding the recognition and disclosure of deferred tax assets and liabilities related to Pillar Two income taxes. Since at least one Transitional Safe Harbour test has been satisfied in each jurisdiction, the top-up tax is considered nil for the group.



Notes to the financial statements *continued*

8 Earnings per share

The calculation of basic and headline earnings per share at 31 August 2025 was based on profit for the year attributable to ordinary shareholders of Clicks Group Limited of R3 236.3 million (2024: R2 837.1 million) and headline earnings of R3 234.3 million (2024: R2 844.6 million) divided by the weighted average number of ordinary shares as follows:

|                                                                                                                  | Group            |               |
|------------------------------------------------------------------------------------------------------------------|------------------|---------------|
|                                                                                                                  | 2025<br>R'000    | 2024<br>R'000 |
| <b>Reconciliation of headline earnings</b>                                                                       |                  |               |
| Profit attributable to equity holders of the parent                                                              | 3 236 333        | 2 837 057     |
| Adjusted for:                                                                                                    | (2 051)          | 7 541         |
| (Profit)/Loss on disposal of property, plant and equipment                                                       | (2 810)          | 5 415         |
| Profit on disposal of business                                                                                   | –                | (180)         |
| Total tax effect of adjustments                                                                                  | 759              | 2 306         |
| <b>Headline earnings</b>                                                                                         | <b>3 234 282</b> | 2 844 598     |
|                                                                                                                  | 2025<br>cents    | 2024<br>cents |
| Earnings per share                                                                                               | 1 362.6          | 1 190.3       |
| Headline earnings per share                                                                                      | 1 361.7          | 1 193.5       |
| Diluted earnings per share                                                                                       | 1 362.6          | 1 190.3       |
| Diluted headline earnings per share                                                                              | 1 361.7          | 1 193.5       |
|                                                                                                                  | 2025<br>'000     | 2024<br>'000  |
| <b>Reconciliation of shares in issue to weighted average number of shares in issue</b>                           |                  |               |
| Total number of shares in issue at the beginning of the year                                                     | 238 062          | 241 161       |
| Shares purchased and cancelled during the year weighted for the period held                                      | (550)            | (2 815)       |
| <b>Weighted average number of shares in issue for the year</b>                                                   | <b>237 512</b>   | 238 346       |
| <b>Reconciliation of weighted average number of shares to weighted average diluted number of shares in issue</b> |                  |               |
| Weighted average number of shares in issue for the year                                                          | 237 512          | 238 346       |
| Dilution                                                                                                         | –                | –             |
| <b>Weighted average diluted number of shares in issue for the year</b>                                           | <b>237 512</b>   | 238 346       |

|                                        | Group            |                                                         |               |                                                         |
|----------------------------------------|------------------|---------------------------------------------------------|---------------|---------------------------------------------------------|
|                                        | 2025             |                                                         | 2024          |                                                         |
|                                        | Cost<br>R'000    | Accumulated depreciation and impairment losses<br>R'000 | Cost<br>R'000 | Accumulated depreciation and impairment losses<br>R'000 |
| <b>9 Property, plant and equipment</b> |                  |                                                         |               |                                                         |
| Land                                   | 25 809           | –                                                       | 25 809        | –                                                       |
| Buildings                              | 660 066          | (96 941)                                                | 618 233       | (91 184)                                                |
| Computer equipment                     | 939 861          | (581 176)                                               | 839 216       | (524 484)                                               |
| Equipment                              | 861 600          | (424 576)                                               | 725 485       | (356 942)                                               |
| Furniture and fittings                 | 3 606 156        | (1 951 726)                                             | 3 443 408     | (1 870 830)                                             |
| Motor vehicles                         | 84 364           | (35 487)                                                | 69 641        | (33 320)                                                |
|                                        | <b>6 177 856</b> | <b>(3 089 906)</b>                                      | 5 721 792     | (2 876 760)                                             |

All group property is owner-occupied.

The carrying amount of the group's property, plant and equipment is reconciled as follows:

|                                          | Land<br>R'000 | Buildings<br>R'000 | Computer equipment<br>R'000 | Equipment<br>R'000 | Furniture and fittings<br>R'000 | Motor vehicles<br>R'000 | Total<br>R'000   |
|------------------------------------------|---------------|--------------------|-----------------------------|--------------------|---------------------------------|-------------------------|------------------|
| Carrying amount at 1 September 2023      | 25 809        | 522 241            | 284 097                     | 317 578            | 1 456 798                       | 36 613                  | 2 643 136        |
| Additions                                | –             | 12 364             | 131 938                     | 121 782            | 500 621                         | 5 867                   | 772 572          |
| Additions due to acquisitions            | –             | –                  | 42                          | 456                | 3 333                           | –                       | 3 831            |
| Disposals                                | –             | (596)              | (406)                       | (3 309)            | (6 666)                         | (298)                   | (11 275)         |
| Depreciation                             | –             | (6 960)            | (100 939)                   | (67 964)           | (381 508)                       | (5 861)                 | (563 232)        |
| <b>Carrying amount at 31 August 2024</b> | <b>25 809</b> | <b>527 049</b>     | <b>314 732</b>              | <b>368 543</b>     | <b>1 572 578</b>                | <b>36 321</b>           | <b>2 845 032</b> |
| Additions                                | –             | 44 219             | 158 260                     | 153 033            | 468 218                         | 22 734                  | 846 464          |
| Additions due to acquisitions            | –             | –                  | 10                          | 64                 | 204                             | –                       | 278              |
| Disposals                                | –             | (2 088)            | (1 214)                     | (367)              | (828)                           | (2 461)                 | (6 958)          |
| Depreciation                             | –             | (6 055)            | (113 103)                   | (84 249)           | (385 742)                       | (7 717)                 | (596 866)        |
| <b>Carrying amount at 31 August 2025</b> | <b>25 809</b> | <b>563 125</b>     | <b>358 685</b>              | <b>437 024</b>     | <b>1 654 430</b>                | <b>48 877</b>           | <b>3 087 950</b> |



Notes to the financial statements *continued*

|                                                         | Group         |                                                                     |               |                                                                     |
|---------------------------------------------------------|---------------|---------------------------------------------------------------------|---------------|---------------------------------------------------------------------|
|                                                         | 2025          |                                                                     | 2024          |                                                                     |
|                                                         | Cost<br>R'000 | Accumulated<br>amortisation<br>and<br>impairment<br>losses<br>R'000 | Cost<br>R'000 | Accumulated<br>amortisation<br>and<br>impairment<br>losses<br>R'000 |
| <b>10 Intangible assets</b>                             |               |                                                                     |               |                                                                     |
| Clicks trademark (see note 10.1)                        | 272 000       | -                                                                   | 272 000       | -                                                                   |
| Link trademark                                          | 6 000         | (6 000)                                                             | 6 000         | (6 000)                                                             |
| Contractual rights                                      | 27 939        | (23 902)                                                            | 27 939        | (20 756)                                                            |
| Purchased and capitalised computer software development | 1 246 048     | (654 511)                                                           | 1 109 366     | (520 881)                                                           |
| Other trademarks                                        | 85 694        | (11 717)                                                            | 85 694        | (6 999)                                                             |
|                                                         | 1 637 681     | (696 130)                                                           | 1 500 999     | (554 636)                                                           |

The carrying amount of the group’s intangible assets is reconciled as follows:

|                                            | Clicks<br>trademark<br>R'000 | Contractual<br>rights<br>R'000 | Purchased<br>and<br>capitalised<br>software<br>development<br>R'000 | Other<br>trademarks<br>R'000 | Total<br>R'000 |
|--------------------------------------------|------------------------------|--------------------------------|---------------------------------------------------------------------|------------------------------|----------------|
| <b>Carrying amount at 1 September 2023</b> | 272 000                      | 17 199                         | 594 295                                                             | 84 713                       | 968 207        |
| Additions                                  | -                            | 7 448                          | 110 839                                                             | -                            | 118 287        |
| Amortisation                               | -                            | (7 126)                        | (116 649)                                                           | (6 018)                      | (129 793)      |
| Disposals                                  | -                            | (10 338)                       | -                                                                   | -                            | (10 338)       |
| <b>Carrying amount at 31 August 2024</b>   | 272 000                      | 7 183                          | 588 485                                                             | 78 695                       | 946 363        |
| Additions                                  | -                            | -                              | 138 064                                                             | -                            | 138 064        |
| Amortisation                               | -                            | (3 146)                        | (134 891)                                                           | (4 718)                      | (142 755)      |
| Disposals                                  | -                            | -                              | (121)                                                               | -                            | (121)          |
| <b>Carrying amount at 31 August 2025</b>   | 272 000                      | 4 037                          | 591 537                                                             | 73 977                       | 941 551        |

Assessment of impairment of intangible assets

**10.1** The Clicks trademark is part of the Clicks cash-generating unit and is considered to have an indefinite useful life. There is no apparent legal or other restriction to the use of the trademark or risk of technical or other obsolescence. Given the strategic importance of the trademark to the future sustainability of the group, the group’s intention is to continue to use the trademark indefinitely. The directors consider that there is no foreseeable limit to the period over which this asset is expected to generate cash inflows for the group and, on this basis, the directors have concluded that the indefinite useful life assumption is appropriate.

In accordance with the group’s accounting policy, an impairment test was performed on the carrying values of intangible assets with indefinite useful lives at year-end. The recoverable amount was determined based on the value in use.

Budgeted operating cash flows for the related business units were projected and discounted at the group’s weighted average pre-tax cost of capital. The impairment calculations performed indicated that the trademarks were not impaired.

The following key assumptions were made in determining the value in use:

- i) A forecast horizon of three years was used. The forecast horizon comprises the three-year plan drafted in the last quarter of the 2025 financial year, whereafter a perpetuity growth rate of 7.0% (2024: 7.0%) is used.
- ii) The values assigned to the three-year plan revenue and cost growth assumptions reflect current trends, anticipated market developments and management’s experience.
- iii) The key assumptions for the recoverable amount are the long-term growth rate and the discount rate. The long-term growth rate used is purely for the impairment testing of intangible assets under IAS 36 – Impairment of Assets and does not reflect long-term planning assumptions used by the group for investment proposals or for any other assessments.
- iv) A discount rate of 12.4% (2024: 11.4%) per annum, being the group’s pre-tax weighted average cost of capital, was used. The group’s pre-tax weighted average cost of capital is deemed appropriate as, together with the Distribution business, both businesses largely operate within South Africa and are subject to similar market risks.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts to exceed their recoverable amounts.



Notes to the financial statements *continued*

|                                                                                             | Group          |               |
|---------------------------------------------------------------------------------------------|----------------|---------------|
|                                                                                             | 2025<br>R'000  | 2024<br>R'000 |
| <b>11 Goodwill</b>                                                                          |                |               |
| Balance at the beginning of the year                                                        | <b>209 114</b> | 204 829       |
| Acquired in business acquisition                                                            | <b>6 257</b>   | 4 285         |
| Balance at the end of the year                                                              | <b>215 371</b> | 209 114       |
| Goodwill comprises:                                                                         |                |               |
| United Pharmaceutical Distributors Proprietary Limited (UPD) (see note 11.1)                | <b>96 277</b>  | 96 277        |
| Amalgamated Pharmacy Group Proprietary Limited (Amalgamated Pharmacy Group) (see note 11.2) | <b>6 529</b>   | 6 529         |
| The Sorbet Experience Proprietary Limited (see note 11.3)                                   | <b>24 919</b>  | 18 662        |
| 180 Degrees Marketing Proprietary Limited (see note 11.2)                                   | <b>66 589</b>  | 66 589        |
| H. Mallach and Associates Proprietary Limited (see note 11.4)                               | <b>21 057</b>  | 21 057        |

Assessment of impairment of goodwill

**11.1** Budgeted operating cash flows for the UPD business unit were projected and discounted at the group’s weighted average pre-tax cost of capital. The impairment calculations performed indicated that the goodwill was not impaired.

The following key assumptions were made in determining the value in use of the UPD cash-generating unit:

- i) A forecast horizon of three years was used. The forecast horizon comprises the three-year plan drafted in the last quarter of the 2025 financial year, whereafter a perpetuity growth rate of 6.5% (2024: 6.5%) is used.
- ii) The values assigned to the three-year plan revenue and cost growth assumptions reflect current trends, anticipated market developments and management's experience.
- iii) The key assumptions for the recoverable amount are the long-term growth rate and the discount rate. The long-term growth rate used is purely for the impairment testing of goodwill under IAS 36 – Impairment of Assets and does not reflect long-term planning assumptions used by the group for investment proposals or for any other assessments.
- iv) A discount rate of 12.4% (2024: 11.4%) per annum, being the group’s pre-tax weighted average cost of capital, was used. The group’s pre-tax weighted average cost of capital is deemed appropriate as, together with the Clicks business, both businesses largely operate within South Africa and are subject to similar market risks.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts to exceed their recoverable amounts.

**11.2** Due to the synergies that arose on acquisition, goodwill relating to the purchase of the pharmacy business from Amalgamated Pharmacy Group and 180 Degrees Marketing Proprietary Limited has been attributed to the Clicks business as a cash-generating unit, which represents the lowest level within the group at which goodwill is monitored for internal management purposes.

Applying IAS 36, goodwill relating to the above acquisitions has been tested for impairment at the same level as the Clicks business unit.

Budgeted operating cash flows for the related business units were projected and discounted at the group’s weighted average pre-tax cost of capital. The impairment calculations performed indicated that goodwill was not impaired.

The following key assumptions were made in determining the value in use:

- i) A forecast horizon of three years was used. The forecast horizon comprises the three-year plan drafted in the last quarter of the 2025 financial year, whereafter a perpetuity growth rate of 7.0% (2024: 7.0%) is used.
- ii) The values assigned to the three-year plan revenue and cost growth assumptions reflect current trends, anticipated market developments and management’s experience.
- iii) The key assumptions for the recoverable amount are the long-term growth rate and the discount rate. The long-term growth rate used is purely for the impairment testing of goodwill under IAS 36 – Impairment of Assets and does not reflect long-term planning assumptions used by the group for investment proposals or for any other assessments.
- iv) A discount rate of 12.4% (2024: 11.4%) per annum, being the group’s pre-tax weighted average cost of capital, was used. The group’s pre-tax weighted average cost of capital is deemed appropriate as, together with the Clicks business, both businesses largely operate within South Africa and are subject to similar market risks.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts to exceed their recoverable amounts.



Notes to the financial statements *continued*

11 Goodwill *continued*

**11.3** Due to the synergies that arose on acquisition, goodwill relating to the purchase of the salon beauty franchise has been attributed to The Sorbet Experience Proprietary Limited as a cash-generating unit, which represents the lowest level within the group at which goodwill is monitored for internal management purposes.

Applying IAS 36, goodwill relating to the above acquisition has been tested for impairment at the same level as the Sorbet business unit.

Budgeted operating cash flows for the related business units were projected and discounted at the group’s weighted average pre-tax cost of capital. The impairment calculations performed indicated that goodwill was not impaired.

The following key assumptions were made in determining the value in use:

- i) A forecast horizon of three years was used. The forecast horizon comprises the three-year plan drafted in the last quarter of the 2025 financial year, whereafter a perpetuity growth rate of 7.0% (2024: 7.0%) is used.
- ii) The values assigned to the three-year plan revenue and cost growth assumptions reflect current trends, anticipated market developments and management’s experience.
- iii) The key assumptions for the recoverable amount are the long-term growth rate and the discount rate. The long-term growth rate used is purely for the impairment testing of goodwill under IAS 36 – Impairment of Assets and does not reflect long-term planning assumptions used by the group for investment proposals or for any other assessments.
- iv) A discount rate of 12.4% (2024: 11.4%) per annum, being the group’s pre-tax weighted average cost of capital, was used. The group’s pre-tax weighted average cost of capital is deemed appropriate as the business largely operates within South Africa and is subject to similar market risks.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts to exceed their recoverable amounts.

**11.4** Due to the synergies that arose on acquisition, goodwill relating to the purchase of the 24-hour pharmacy business has been attributed to H. Mallach and Associates Proprietary Limited as a cash-generating unit, which represents the lowest level within the group at which goodwill is monitored for internal management purposes.

Applying IAS 36, goodwill relating to the above acquisition has been tested for impairment at the same level as the H. Mallach and Associates Proprietary Limited business unit.

Budgeted operating cash flows for the related business unit was projected and discounted at the group’s weighted average pre-tax cost of capital. The impairment calculations performed indicated that goodwill was not impaired.

The following key assumptions were made in determining the value in use:

- i) A forecast horizon of three years was used. The forecast horizon comprises the three-year plan drafted in the last quarter of the 2025 financial year, whereafter a perpetuity growth rate of 7.0% (2024: 7.0%) is used.
- ii) The values assigned to the three-year plan revenue and cost growth assumptions reflect current trends, anticipated market developments and management’s experience.
- iii) The key assumptions for the recoverable amount are the long-term growth rate and the discount rate. The long-term growth rate used is purely for the impairment testing of goodwill under IAS 36 – Impairment of Assets and does not reflect long-term planning assumptions used by the group for investment proposals or for any other assessments.
- iv) A discount rate of 12.4% (2024: 11.4%) per annum, being the group’s pre-tax weighted average cost of capital, was used. The group’s pre-tax weighted average cost of capital is deemed appropriate as the business largely operates within South Africa and is subject to similar market risks.

Management believes that any reasonably possible change in any of these assumptions would not cause the carrying amounts to exceed their recoverable amounts.



Notes to the financial statements *continued*

|                                                                                           | Group         |               | Company       |               |
|-------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                                           | 2025<br>R'000 | 2024<br>R'000 | 2025<br>R'000 | 2024<br>R'000 |
| <b>12 Deferred tax assets/(liabilities)</b>                                               |               |               |               |               |
| Deferred tax assets                                                                       | 72 968        | 85 157        | -             | -             |
| Deferred tax liabilities                                                                  | (26 922)      | (14 480)      | -             | -             |
|                                                                                           | 46 046        | 70 677        | -             | -             |
| Balance at the beginning of the year                                                      | 70 677        | 70 423        | -             | -             |
| Deferred tax on disposal of subsidiary                                                    | -             | (7 647)       | -             | -             |
| Current deferred tax charge to profit or loss (see note 7)                                | (21 227)      | 8 917         | -             | -             |
| Current deferred tax (debit)/credit to other comprehensive income and equity (see note 7) | (3 404)       | (1 016)       | -             | -             |
| <b>Balance at the end of the year</b>                                                     | <b>46 046</b> | <b>70 677</b> | <b>-</b>      | <b>-</b>      |
| Arising as a result of:                                                                   |               |               |               |               |
| Capital gains tax                                                                         | (46 392)      | (46 392)      | -             | -             |
| Derivative financial assets and liabilities                                               | 2 344         | (9 672)       | -             | -             |
| Employee obligations                                                                      | 125 282       | 119 522       | -             | -             |
| Income and expense accrual                                                                | 148 162       | 161 657       | -             | -             |
| Inventories                                                                               | 43 792        | 50 032        | -             | -             |
| Lease assets and liabilities:*                                                            | 120 594       | 100 849       | -             | -             |
| Lease liabilities                                                                         | 1 115 557     | 1 047 221     | -             | -             |
| Right-of-use assets                                                                       | (994 963)     | (946 372)     | -             | -             |
| Prepayments                                                                               | (48 147)      | (37 457)      | -             | -             |
| Property, plant and equipment and intangible assets                                       | (230 298)     | (211 063)     | -             | -             |
| Tax losses                                                                                | 4 161         | 16 653        | -             | -             |
| Trademarks                                                                                | (73 452)      | (73 452)      | -             | -             |
| <b>Balance at the end of the year</b>                                                     | <b>46 046</b> | <b>70 677</b> | <b>-</b>      | <b>-</b>      |

The capital gains deferred tax liability arises on the revaluation of a forward purchase of shares by the company in a subsidiary company.

In respect of the deferred tax asset recognised by one (2024: four) subsidiary company(ies), the directors consider that sufficient future taxable income will be generated by the subsidiary company to utilise the deferred tax assets recognised.

\* Lease assets and liabilities have been disaggregated to provide enhanced disclosure.

**13 Investment in associate**

The group acquired a 22.67% economic interest in Mistragystix Proprietary Limited in the 2021 financial year for R13 million, paid on signing of the contract. There were no additional investments made during the 2025 financial year (2024: R6.0 million). The increase in the investment in the prior financial year is proportionate to the shareholding, therefore the shareholding percentage remained the same. The group’s interest in Mistragystix is accounted for using the equity method in the consolidated financial statements.

The following amounts represent the group’s interest in the associate:

|                                                  | Group          |               |
|--------------------------------------------------|----------------|---------------|
|                                                  | 2025<br>R'000  | 2024<br>R'000 |
| <b>Group’s carrying amount of the investment</b> | <b>12 501</b>  | 17 436        |
| Group’s proportionate share of loss for the year | <b>(4 935)</b> | (7 637)       |



Notes to the financial statements *continued*

|                                                            | Group         |               |
|------------------------------------------------------------|---------------|---------------|
|                                                            | 2025<br>R'000 | 2024<br>R'000 |
| <b>14 Loans receivable</b>                                 |               |               |
| Mistragystix Proprietary Limited (see note 14.1)           | 127 980       | 126 000       |
| Abbott Laboratories SA Proprietary Limited (see note 14.2) | –             | 15 436        |
| <b>Non-current loans receivable</b>                        | 127 980       | 141 436       |
| Mistragystix Proprietary Limited (see note 14.1)           | 10 000        | 14 000        |
| Abbott Laboratories SA Proprietary Limited (see note 14.2) | 14 884        | 15 960        |
| <b>Current loans receivable</b>                            | 24 884        | 29 960        |
| <b>Total loans receivable</b>                              | 152 864       | 171 396       |

**14.1** The loan carries interest at three-month JIBAR plus 5.36% and is fully repayable by 1 March 2029. The loan is secured by a pledge and cession of the shareholders of Mistragistix Proprietary Limited’s shares and underlying company assets (including moveable assets and stock) in favour of K2021423995 (South Africa) Proprietary Limited, a subsidiary of Clicks Group Limited.

**14.2** The loan is unsecured and interest free and is repayable in monthly instalments of R1.5 million. The loan will be fully repaid on 14 August 2026.

**15 Financial assets at fair value through profit or loss**

|                                                                                     | Group         |               |
|-------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                     | 2025<br>R'000 | 2024<br>R'000 |
| Investment in Guardrisk Insurance Company Limited (Cell number 171) (see note 15.1) | 16 564        | 14 688        |
| Collective investment scheme funds (see note 15.2)                                  | 191 099       | 166 087       |
| <b>Total financial assets at fair value through profit or loss</b>                  | 207 663       | 180 775       |

**15.1** The investment in Guardrisk Insurance Company Limited is the net investment in the group’s insurance cell captive which is not deemed to be in the group’s control in accordance with IFRS 10 – Consolidated Financial Statements.

**15.2** The New Clicks Foundation Trust invests in collective investment schemes.

**16 Derivative financial instruments**

|                                      | Group           |                      |                 |                      |
|--------------------------------------|-----------------|----------------------|-----------------|----------------------|
|                                      | 2025            |                      | 2024            |                      |
|                                      | Assets<br>R'000 | Liabilities<br>R'000 | Assets<br>R'000 | Liabilities<br>R'000 |
| Equity derivative hedge – current    | –               | –                    | 29 433          | –                    |
| Forward exchange contracts – current | –               | (8 681)              | –               | (16 360)             |
|                                      | –               | (8 681)              | 29 433          | (16 360)             |

**Forward exchange contracts**

For currency derivatives, fair values are calculated using standard market calculation conventions with reference to the relevant closing market spot rates, forward foreign exchange and interest rates. The notional principal amounts of the outstanding forward foreign exchange contracts at 31 August 2025 was R642 million (2024: R780 million). Refer to note 20 detailing the foreign exchange hedging impact on profit or loss and other comprehensive income.



Notes to the financial statements *continued*

17 Inventories

|                                                                                                                                 | Group            |                  |
|---------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                 | 2025<br>R'000    | 2024<br>R'000    |
| Inventories comprise:                                                                                                           |                  |                  |
| Goods for resale                                                                                                                | 7 430 090        | 6 650 232        |
| Right of return asset                                                                                                           | 17 325           | 16 942           |
| Goods in transit                                                                                                                | 371 289          | 396 106          |
| <b>Total inventories</b>                                                                                                        | <b>7 818 704</b> | <b>7 063 280</b> |
| Inventories stated at net realisable value <sup>1</sup>                                                                         | 22 322           | 43 482           |
| Cost of inventories recognised as cost of sales                                                                                 | 36 428 426       | 34 805 221       |
| The group's inventory balances is stated net of impairment allowances.<br>The analysis of impairment allowances are as follows: |                  |                  |
| Balance at the beginning of the year                                                                                            | 104 049          | 108 284          |
| Inventory allowance raised during the year                                                                                      | 40 093           | 64 880           |
| Inventory allowance derecognised on sale of goods                                                                               | (77 629)         | (69 115)         |
| Balance at the end of the year                                                                                                  | 66 513           | 104 049          |

<sup>1</sup> The value of inventories stated at net realisable value is determined based on management's best estimate of the likely selling price at which the inventories in question could be sold in the ordinary course of business less the directly attributable selling costs.

18 Trade and other receivables

Trade and other receivables comprise:

|                                                                                                                                                                                                                                                               | Group            |                  |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                                                                                                                                                                                               | 2025<br>R'000    | 2024<br>R'000    |
| Trade receivables                                                                                                                                                                                                                                             | 1 916 048        | 1 993 790        |
| Less: impairment of trade receivables                                                                                                                                                                                                                         | (19 035)         | (23 292)         |
| Trade receivables – net                                                                                                                                                                                                                                       | 1 897 013        | 1 970 498        |
| Prepayments                                                                                                                                                                                                                                                   | 233 374          | 195 203          |
| Income accruals                                                                                                                                                                                                                                               | 485 534          | 416 950          |
| Logistics fees and other receivables                                                                                                                                                                                                                          | 523 595          | 474 631          |
| <b>Total trade and other receivables</b>                                                                                                                                                                                                                      | <b>3 139 516</b> | <b>3 057 282</b> |
| The carrying amount of trade and other receivables approximates their fair value. Trade and other receivables are predominantly non-interest bearing. Refer to note 29.4 for the credit risk management of trade and other receivables.                       |                  |                  |
| Impairment losses are recorded in the allowance account until the group is satisfied that the amount is irrecoverable and is written off against the financial asset directly. Impairment losses have been included in the statement of comprehensive income. |                  |                  |
| The movement in the allowance for impairment loss in respect of trade receivables during the year was as follows:                                                                                                                                             |                  |                  |
| Balance at 1 September                                                                                                                                                                                                                                        | 23 292           | 22 263           |
| Impairment provision (reversed)/raised                                                                                                                                                                                                                        | (3 948)          | 2 287            |
| Impairment loss utilised                                                                                                                                                                                                                                      | (309)            | (1 258)          |
| Balance at 31 August                                                                                                                                                                                                                                          | 19 035           | 23 292           |
| The impairment allowance can be reconciled as follows:                                                                                                                                                                                                        |                  |                  |
| Trade receivables expected credit loss reversed/(recognised)                                                                                                                                                                                                  | 3 948            | (2 287)          |
| Other receivables impairment allowance                                                                                                                                                                                                                        | (7 130)          | (9 987)          |
|                                                                                                                                                                                                                                                               | (3 182)          | (12 274)         |



Notes to the financial statements *continued*

19 Share capital and share premium

|                                                                                                                        | Group and Company |               |
|------------------------------------------------------------------------------------------------------------------------|-------------------|---------------|
|                                                                                                                        | 2025<br>R'000     | 2024<br>R'000 |
| Authorised – group and company<br>600 million (2024: 600 million) ordinary shares of one cent each                     | 6 000             | 6 000         |
| Issued ordinary shares – group and company<br>235.931 million (2024: 238.062 million) ordinary shares of one cent each | 2 360             | 2 381         |
| Share premium – group                                                                                                  | 1 064 953         | 1 064 953     |
| Share premium – company                                                                                                | 3 301 189         | 3 301 189     |

The company and the group have different values for share premium due to the issue of ordinary shares at the 30-day volume-weighted average price (VWAP) on 2 February 2018 which was settled by The Clicks Group Employee Share Ownership Trust, a subsidiary of the group. Other differences arose in previous years, being preliminary expenses written off against share premium related to the acquisition of certain businesses in 1996 and the cancellation of shares at a holding company level at market value, while on consolidation the cancellation was carried out at cost.

|                                                                                           | Group and Company     |                       |
|-------------------------------------------------------------------------------------------|-----------------------|-----------------------|
|                                                                                           | Total<br>2025<br>'000 | Total<br>2024<br>'000 |
| <b>Ordinary shares</b>                                                                    |                       |                       |
| <b>Reconciliation of total number of shares in issue to net number of shares in issue</b> |                       |                       |
| Total number of shares in issue at the end of the year                                    | 235 931               | 238 062               |
| <b>Net number of shares in issue at the end of the year</b>                               | <b>235 931</b>        | <b>238 062</b>        |

During the year, the group repurchased and cancelled 2 131 526 Clicks Group Limited ordinary shares.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company.

20 Cash flow hedge reserve

The cash flow hedge reserve represents the effective portion of fair value gains or losses in respect of cash flow hedges.

|                                                                                    | Group          |                |
|------------------------------------------------------------------------------------|----------------|----------------|
|                                                                                    | 2025<br>R'000  | 2024<br>R'000  |
| Reconciliation of cash flow hedging reserve                                        |                |                |
| Balance at the beginning of year                                                   | (8 532)        | (2 984)        |
| Movement relating to forward exchange contracts                                    | 5 595          | (23 322)       |
| Total gain for the year recognised in other comprehensive income                   | 16 125         | 3 493          |
| Gains reclassified to inventories directly from the statement of changes in equity | (10 530)       | (26 815)       |
| Movement relating to the equity derivative hedge                                   | –              | 17 774         |
| Total profit for the year in other comprehensive income                            | –              | 14 989         |
| Losses reclassified to employment cost in other comprehensive income               | –              | 2 785          |
| <b>Balance at the end of the year</b>                                              | <b>(2 937)</b> | <b>(8 532)</b> |

Refer to note 16 – Derivative financial instruments for further information.

21 Cost of hedging reserve

The cost of hedging reserve represents the cumulative gains or losses associated with the time value of options and forward points on derivatives used for hedging.

22 Foreign currency translation reserve

|                                                                                                                                               | Group           |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------|-----------------|----------------|
|                                                                                                                                               | 2025<br>R'000   | 2024<br>R'000  |
| Unrealised loss on the translation of assets and liabilities of subsidiaries whose financial statements are denominated in foreign currencies | (19 535)        | (8 833)        |
|                                                                                                                                               | (19 535)        | (8 833)        |
| Reconciliation of foreign currency translation reserve                                                                                        |                 |                |
| Balance at the beginning of the year                                                                                                          | (8 833)         | (507)          |
| Exchange differences on translation of foreign subsidiaries                                                                                   | (10 702)        | (8 326)        |
| <b>Balance at the end of the year</b>                                                                                                         | <b>(19 535)</b> | <b>(8 833)</b> |

23 Distributable reserves

The reserves represent retained earnings available for distribution to shareholders, subject to the provisions of the Companies Act No. 71 of 2008 and any other applicable regulations.



Notes to the financial statements *continued*

|                                                                                                  | Group          |                                                                   |
|--------------------------------------------------------------------------------------------------|----------------|-------------------------------------------------------------------|
|                                                                                                  | 2025<br>R'000  | 2024<br>R'000                                                     |
| <b>24 Employee benefits</b>                                                                      |                |                                                                   |
| Long-term incentive schemes                                                                      | 130 852        | 93 706                                                            |
| Post-retirement medical obligations                                                              | 56 568         | 57 149                                                            |
| <b>Total long-term employee benefits</b>                                                         | <b>187 420</b> | 150 855                                                           |
| Accounted for as follows:                                                                        |                |                                                                   |
| Long-term employee benefits recognised in terms of IFRS 2 – Share-based Payments (see note 24.1) | 11 189         | 37 772                                                            |
| Long-term employee benefits recognised in terms of IAS 19 – Employee Benefits (see note 24.2)    | 176 231        | 113 083                                                           |
| <b>Total long-term employee benefits</b>                                                         | <b>187 420</b> | 150 855                                                           |
| <b>Long-term employee benefits recognised in terms of IFRS 2 – Share-based Payments</b>          |                |                                                                   |
|                                                                                                  |                | Long-term<br>incentive<br>scheme –<br>TSR<br>(Note 24.1)<br>R'000 |
| <b>Long-term cash-settled share-based payment liability</b>                                      |                |                                                                   |
| Balance at 1 September 2023                                                                      |                | 14 835                                                            |
| Expense from cash-settled share-based payment                                                    |                | 45 786                                                            |
| Reclassification to short-term benefits                                                          |                | (22 849)                                                          |
| <b>Balance at 31 August 2024</b>                                                                 |                | <b>37 772</b>                                                     |
| Release from cash-settled share-based payment                                                    |                | (11 504)                                                          |
| Reclassification to short-term benefits                                                          |                | (15 079)                                                          |
| <b>Balance at 31 August 2025</b>                                                                 |                | <b>11 189</b>                                                     |

**24.1 Long-term incentive scheme – total shareholder return (TSR)**

In the prior year, the group replaced the TSR element of its long-term incentive scheme with a return on invested capital model to align the interests of executives with those of shareholders by including both an earnings performance metric as well as efficient management of the group’s capital.

Tranche 17 is the only tranche in issue with options where the TSR performance measure applies. The group has 0.3 million cash-settled appreciation rights issued to management.

The value of these appreciation rights are linked to the TSR (capital gain plus dividends) over a three-year, four-year and five-year vesting period. These appreciation rights are classified as cash-settled share-based payment benefits and the liability has been valued using the Monte Carlo option pricing model by an independent, external valuator.

The September 2021 (tranche 16) options were settled during the year. 60% of the September 2022 (tranche 17) options outstanding at year-end are due for settlement. The contractual life of the remaining 40% September 2022 (tranche 17) options outstanding at year-end is two years for 20% and three years for the remaining 20%.

**Details of share option allocations – 2025:**

|                        | Option price  | Balance at the beginning of the year | Granted during the year | Delivered during the year <sup>1</sup> | Forfeited during the year | Balance at the end of the year |
|------------------------|---------------|--------------------------------------|-------------------------|----------------------------------------|---------------------------|--------------------------------|
| September 2021 options | <b>R18.79</b> | <b>329 707</b>                       | –                       | <b>(329 707)</b>                       | –                         | –                              |
| September 2022 options | <b>R83.86</b> | <b>400 337</b>                       | –                       | –                                      | <b>(64 616)</b>           | <b>335 721</b>                 |

<sup>1</sup> The exercise date VWAP was R375.64.

The assumptions used in estimating the fair value at year-end are listed below:

|                                                  | Share price at grant date | Risk-free rate (%) | Expected dividend yield (%) | Expected volatility (%) | Expected forfeiture rate (%) |
|--------------------------------------------------|---------------------------|--------------------|-----------------------------|-------------------------|------------------------------|
| September 2021 options three-year vesting period | <b>R288.97</b>            | <b>7.62</b>        | <b>1.80</b>                 | <b>26.13</b>            | <b>4.00</b>                  |
| September 2022 options five-year vesting period  | <b>R298.29</b>            | <b>7.95</b>        | <b>2.35</b>                 | <b>20.69</b>            | <b>4.00</b>                  |



Notes to the financial statements *continued*

24 Employee benefits *continued*

24.1 Long-term incentive scheme – total shareholder return (TSR) *continued*

Details of share option allocations – 2024:

|                        | Option price | Balance at the beginning of the year | Granted during the year | Delivered during the year <sup>1</sup> | Forfeited during the year | Balance at the end of the year |
|------------------------|--------------|--------------------------------------|-------------------------|----------------------------------------|---------------------------|--------------------------------|
| September 2020 options | R0.00        | 246 587                              | –                       | –                                      | (246 587)                 | –                              |
| September 2021 options | R18.79       | 345 655                              | –                       | –                                      | (15 948)                  | 329 707                        |
| September 2022 options | R83.86       | 408 755                              | –                       | –                                      | (8 418)                   | 400 337                        |

<sup>1</sup> The exercise date VWAP was R358.27.

The assumptions used in estimating the fair value at year-end are listed below:

|                                                  | Share price at grant date | Risk-free rate (%) | Expected dividend yield (%) | Expected volatility (%) | Expected forfeiture rate (%) |
|--------------------------------------------------|---------------------------|--------------------|-----------------------------|-------------------------|------------------------------|
| September 2021 options three-year vesting period | R288.97                   | 7.62               | 1.80                        | 26.13                   | 4.00                         |
| September 2022 options five-year vesting period  | R298.29                   | 7.95               | 2.35                        | 20.69                   | 4.00                         |

The risk-free rate is derived from the zero coupon curve published by the Bond Exchange of South Africa.

The dividend yield is the 12-month trailing yield (nominal annual and compounded annuity).

The implied volatility is the 180-day historic volatility of the share price.

The expected exercise rate is based on the historic trend of option forfeitures and excludes options already exercised or forfeited.

24.2 Long-term employee benefits recognised in terms of IAS 19 – Employee Benefits

|                                                         | Long-term incentive scheme – HEPS (Note 24.3) R'000 | Long-term incentive scheme – ROIC (Note 24.4) R'000 | Post-retirement medical obligations (Note 24.5) R'000 | Total R'000     |
|---------------------------------------------------------|-----------------------------------------------------|-----------------------------------------------------|-------------------------------------------------------|-----------------|
| Long-term employee benefits                             |                                                     |                                                     |                                                       |                 |
| Balance at 1 September 2023                             | 40 114                                              | –                                                   | 62 958                                                | 103 072         |
| Current service cost                                    | 40 738                                              | 11 413                                              | 702                                                   | 52 853          |
| Benefit payments                                        | –                                                   | –                                                   | (3 758)                                               | (3 758)         |
| Interest expense                                        | 6 979                                               | 913                                                 | 6 940                                                 | 14 832          |
| Actuarial gain recognised in profit or loss             | (5 009)                                             | (544)                                               | –                                                     | (5 553)         |
| Actuarial gain recognised in other comprehensive income |                                                     |                                                     |                                                       |                 |
| – financial assumptions                                 | –                                                   | –                                                   | (1 153)                                               | (1 153)         |
| Actuarial gain recognised in other comprehensive income |                                                     |                                                     |                                                       |                 |
| – demographical assumptions                             | –                                                   | –                                                   | (8 540)                                               | (8 540)         |
| Reclassification to short-term employee benefits        | (38 670)                                            | –                                                   | –                                                     | (38 670)        |
| <b>Balance at 31 August 2024</b>                        | <b>44 152</b>                                       | <b>11 782</b>                                       | <b>57 149</b>                                         | <b>113 083</b>  |
| Current service cost                                    | <b>54 549</b>                                       | <b>30 946</b>                                       | <b>722</b>                                            | <b>86 217</b>   |
| Benefit payments                                        | <b>–</b>                                            | <b>–</b>                                            | <b>(3 263)</b>                                        | <b>(3 263)</b>  |
| Interest expense                                        | <b>7 679</b>                                        | <b>3 115</b>                                        | <b>5 923</b>                                          | <b>16 717</b>   |
| Actuarial gain recognised in profit or loss             | <b>(12 687)</b>                                     | <b>–</b>                                            | <b>–</b>                                              | <b>(12 687)</b> |
| Actuarial gain recognised in other comprehensive income |                                                     |                                                     |                                                       |                 |
| – financial assumptions                                 | <b>–</b>                                            | <b>–</b>                                            | <b>(3 849)</b>                                        | <b>(3 849)</b>  |
| Actuarial loss recognised in other comprehensive income |                                                     |                                                     |                                                       |                 |
| – demographical assumptions                             | <b>–</b>                                            | <b>–</b>                                            | <b>(114)</b>                                          | <b>(114)</b>    |
| Reclassification to short-term employee benefits        | <b>(19 873)</b>                                     | <b>–</b>                                            | <b>–</b>                                              | <b>(19 873)</b> |
| <b>Balance at 31 August 2025</b>                        | <b>73 820</b>                                       | <b>45 843</b>                                       | <b>56 568</b>                                         | <b>176 231</b>  |



Notes to the financial statements *continued*

24 Employee benefits *continued*

24.3 Long-term incentive scheme – headline earnings per share (HEPS)

During 2025 the group issued 0.9 million (2024: 0.8 million) cash-settled appreciation rights to management. The value of these appreciation rights are linked to the performance of diluted HEPS over a three-year period. The amount to be provided in the current year is over a three-year measurement for tranche 16 and is based on a three-year projection of 60%, a four-year measurement of 20% and a five-year measurement of 20% of diluted HEPS for tranches 17 and 18.

Any difference between projected performance and actual performance is recognised through an actuarial gain/loss based on the projected unit credit method which is taken to profit or loss.

The exercise price of each appreciation right was determined as R143.22 (2024: R125.34) per right (base value). In order to determine the amount to be provided a fixed factor of 12 is applied to the HEPS at the end of the three-year period. The differential between the factor multiplied by HEPS and the base value is the amount that will be paid out per right.

Should employees leave during the vesting period the rights will be forfeited.

24.4 Long-term incentive scheme – return on invested capital (ROIC)

During 2025 the group issued an allocation of R66.4 million (2024: R52.4 million) cash-settled ROIC incentives to management. The participant’s settlement value is linked to the performance of ROIC over a three-year period, combined with a four-year and five-year retention-related vesting period. The amount provided in the current year is based on a three-year measurement of 60%, a four-year measurement of 20% and a five-year measurement of 20% of ROIC.

Any difference between projected performance and actual performance is recognised through an actuarial gain/loss based on the projected unit credit method which is taken to profit or loss.

Should employees leave during the vesting period the rights will be forfeited.

24.5 Post-retirement medical obligations

The group subsidises a portion of the medical aid contributions of certain retired employees.

An actuarial valuation of the Clicks post-retirement medical aid scheme has determined that the unfunded liability in respect of pensioner post-retirement medical benefits amounts to R56.6 million (2024: R57.1 million). Provision has been made for the full unfunded liability.

The principal actuarial assumptions at the last valuation date (31 August 2025) are:

- i) a discount rate of 12.3% (2024: 11.8%) per annum;
- ii) general increases to medical aid contributions of 7.9% (2024: 7.8%);
- iii) a retirement age of 65 (2024: 65);
- iv) husbands are on average four (2024: four) years older than their spouses;
- v) mortality of pensioners determined in accordance with PA90 ultimate tables; and
- vi) mortality of in-service members determined in accordance with SA 85-90 (Light) ultimate table.

24.5 Post-retirement medical obligations *continued*

The post-retirement medical aid provision is sensitive to assumptions around medical aid inflation, discount rate, retirement age and life expectancy. A change in any of these factors would have a significant impact on the amount to be provided (expense/(income) to other comprehensive income):

|                                                                                                                          | 2025<br>R'000 | 2024<br>R'000 |
|--------------------------------------------------------------------------------------------------------------------------|---------------|---------------|
| - Medical aid inflation increases by 1% per annum over assumptions made                                                  | 6 321         | 6 791         |
| - Medical aid inflation decreases by 1% per annum over assumptions made                                                  | (5 447)       | (5 816)       |
| - Discount rate increases by 1% per annum over assumptions made                                                          | (5 109)       | (5 493)       |
| - Discount rate decreases by 1% per annum over assumptions made                                                          | 5 996         | 6 492         |
| - Retirement age decreases by two years                                                                                  | 4 887         | 4 664         |
| - Life expectancy of male pensioners increases by one year                                                               | 423           | 414           |
| - Life expectancy of male pensioners decreases by one year                                                               | (414)         | (404)         |
| - Life expectancy of female pensioners increases by one year                                                             | 820           | 863           |
| - Life expectancy of female pensioners decreases by one year                                                             | (816)         | (856)         |
| The following undiscounted payments are expected contributions in future years from post-retirement medical obligations. |               |               |
| Within 12 months                                                                                                         | 3 622         | 3 263         |
| Between 1 and 5 years                                                                                                    | 16 849        | 15 405        |
| Between 5 and 10 years                                                                                                   | 31 417        | 29 875        |
| Between 10 and 20 years                                                                                                  | 107 763       | 108 534       |
| Between 20 and 30 years                                                                                                  | 123 072       | 129 133       |
| Between 30 and 40 years                                                                                                  | 80 780        | 87 812        |
| Beyond 40 years                                                                                                          | 24 157        | 29 102        |
| Total expected payments                                                                                                  | 387 660       | 403 124       |

The average duration of the post-retirement medical obligations at year-end is 11.4 years (2024: 11.6 years).

Notes to the financial statements *continued*

24 Employee benefits *continued*

24.5 Post-retirement medical obligations *continued*

Amounts for the current and previous four periods are as follows:

| Post-retirement medical obligations               |                                                                   |                                                                    |                                              |                                          |                                             |                |
|---------------------------------------------------|-------------------------------------------------------------------|--------------------------------------------------------------------|----------------------------------------------|------------------------------------------|---------------------------------------------|----------------|
|                                                   | 2025<br>R'000                                                     | 2024<br>R'000                                                      | 2023<br>R'000                                | 2022<br>R'000                            | 2021<br>R'000                               |                |
| Defined benefit obligation                        | 56 568                                                            | 57 149                                                             | 62 958                                       | 58 844                                   | 56 454                                      |                |
|                                                   | Long-term<br>incentive<br>scheme –<br>TSR<br>(Note 24.1)<br>R'000 | Long-term<br>incentive<br>scheme –<br>HEPS<br>(Note 24.3)<br>R'000 | Leave pay<br>accrual<br>(Note 24.6)<br>R'000 | Bonus<br>accrual<br>(Note 24.7)<br>R'000 | Overtime<br>accrual<br>(Note 24.8)<br>R'000 | Total<br>R'000 |
| Short-term employee benefits                      |                                                                   |                                                                    |                                              |                                          |                                             |                |
| Balance at 1 September 2023                       | –                                                                 | 29 595                                                             | 103 737                                      | 152 002                                  | 10 608                                      | 295 942        |
| Reclassification from long-term employee benefits | 22 849                                                            | 38 670                                                             | –                                            | –                                        | –                                           | 61 519         |
| Benefit payments                                  | –                                                                 | –                                                                  | (17 756)                                     | (200 050)                                | (37 272)                                    | (255 078)      |
| Charge included in profit or loss                 | –                                                                 | (22 553)                                                           | 26 862                                       | 242 304                                  | 37 637                                      | 284 250        |
| Balance at 31 August 2024                         | 22 849                                                            | 45 712                                                             | 112 843                                      | 194 256                                  | 10 973                                      | 386 633        |
| Reclassification from long-term employee benefits | 15 079                                                            | 19 873                                                             | –                                            | –                                        | –                                           | 34 952         |
| Benefit payments                                  | (23 267)                                                          | (45 435)                                                           | (15 142)                                     | (224 423)                                | (26 900)                                    | (335 167)      |
| Charge included in profit or loss                 | –                                                                 | –                                                                  | 26 065                                       | 265 906                                  | 22 321                                      | 314 292        |
| Balance at 31 August 2025                         | 14 661                                                            | 20 150                                                             | 123 766                                      | 235 739                                  | 6 394                                       | 400 710        |

- 24.6 The leave pay accrual is based on actual leave days by an employee multiplied by the employee’s current total daily cost to company.
- 24.7 The bonus accrual includes a guaranteed thirteenth cheque and an incentive bonus based on the business or group’s performance. The bonus is provided for all employees who qualify in respect of the expected cash payment.
- 24.8 The overtime accrual is in respect of overtime worked in August 2025 which is paid in September 2025.

24.9 Pension and provident funds

Three funds, which are registered and governed in terms of the Pension Funds Act, No. 24 of 1956, are operated by the group.

These funds are:

- the Clicks Group Retirement Fund;
- the Clicks Group Negotiated Pension Fund; and
- the Clicks Group Negotiated Provident Fund.

All permanent full-time staff members in South Africa, Lesotho and Eswatini are obliged to join one of the funds. Employees in Namibia are members of the Namflex Umbrella Pension Fund and those in Botswana are members of the Senthlaga Pension Fund.

The funds are all defined contribution schemes and the group carries no liability in relation to these funds. All funds provide death and disability cover, while the negotiated funds also include a funeral benefit. Combined membership across the funds was 19 415 (2024: 18 951) at year-end.

24.10 Medical aid funds

Membership of one of the Discovery Health Medical Aid Scheme benefit options is actively encouraged.

At year-end 16 398 (2024: 15 456) South African employees were principal members of a medical aid scheme, of which 16 360 (2024: 15 414) were principal members of a Discovery Health medical aid scheme and 38 (2024: 42) were principal members of various other medical aid schemes.

At year-end six (2024: three) Botswana employees were principal members with BOMaid, 22 (2024: 21) Namibian employees were principal members of Namibia Health Plan and 19 (2024: 20) Eswatini employees were principal members of Oracle Health.

At year-end 82.5% (2024: 79.6%) of the permanent full-time employees were members of a medical aid scheme. Increasing the health benefits available to employees will be a focus area for the group in the years ahead.

Employee and company contributions to the above funds are included in employment costs detailed in note 4.



Notes to the financial statements *continued*

25 Leases

The group enters into lease agreements for all of its retail stores, its distribution administration building and other equipment items. The group accounts for its leases of retail stores and its distribution administration building in terms of IFRS 16 and applies the “short-term leases” and “low-value items” exemptions to its equipment leases, assessed by class of underlying asset and on a lease-by-lease basis, respectively. Leases of the group's retail stores have an average lease term of five years (2024: five years), although leases could be negotiated with varying terms. Several of these lease contracts include renewal options. The group assesses on a contract-by-contract basis whether it is probable that these options will be entered into and whether the options should be capitalised to the lease term 12 months prior to the option being exercisable. The group discounts future lease payments at the group’s average incremental borrowing rate on inception of the lease, which was 8.4% at 31 August 2025 (9.6% at 31 August 2024). The group entered into lease contracts for stores which have not opened yet, amounting to R133.1 million (2024: R107.8 million).

Reconciliation of right-of-use assets

|                                                | Total<br>R’000     |
|------------------------------------------------|--------------------|
| <b>As at 1 September 2023</b>                  | 2 999 297          |
| Additions                                      | 1 499 886          |
| New stores                                     | 327 246            |
| Renewals                                       | 1 172 640          |
| Depreciation                                   | (1 049 269)        |
| Remeasurements, modifications and terminations | 55 167             |
| <b>As at 31 August 2024</b>                    | <b>3 505 081</b>   |
| Additions                                      | <b>1 251 319</b>   |
| New stores                                     | <b>314 983</b>     |
| Renewals                                       | <b>936 336</b>     |
| Depreciation                                   | <b>(1 142 361)</b> |
| Remeasurements, modifications and terminations | <b>71 008</b>      |
| <b>As at 31 August 2025</b>                    | <b>3 685 047</b>   |

Reconciliation of lease liabilities

|                                                |                    |
|------------------------------------------------|--------------------|
| <b>As at 1 September 2023</b>                  | 3 238 925          |
| Additions                                      | 1 499 886          |
| New stores                                     | 327 246            |
| Renewals                                       | 1 172 640          |
| Interest                                       | 282 025            |
| Payments                                       | (1 289 695)        |
| Remeasurements, modifications and terminations | 55 145             |
| <b>As at 31 August 2024</b>                    | <b>3 786 286</b>   |
| Additions                                      | <b>1 251 319</b>   |
| New stores                                     | <b>314 983</b>     |
| Renewals                                       | <b>936 336</b>     |
| Interest                                       | <b>339 833</b>     |
| Payments                                       | <b>(1 405 965)</b> |
| Remeasurements, modifications and terminations | <b>71 008</b>      |
| <b>As at 31 August 2025</b>                    | <b>4 042 481</b>   |

|                               | 2025<br>R’000    | 2024<br>R’000 |
|-------------------------------|------------------|---------------|
| Non-current lease liabilities | <b>2 708 327</b> | 2 536 701     |
| Current lease liabilities     | <b>1 334 154</b> | 1 249 585     |
|                               | <b>4 042 481</b> | 3 786 286     |

The group’s rental agreements include both fixed and variable payments. The fixed rental payments relate to base rentals that are paid to landlords based on the contractual obligation on the group. The variable rental payments consist of both other lease-related costs not included in the lease liability, as well as turnover rentals, which represents lease payments calculated as a percentage of the turnover of the specific store. The percentage payable is determined as part of the rental agreement. Turnover rental averages 0.1% (2024: 0.1%) of turnover.

|                                                          | 2025<br>R’000    | 2024<br>R’000 |
|----------------------------------------------------------|------------------|---------------|
| Fixed rental payments reducing the lease liability       | <b>1 405 965</b> | 1 289 695     |
| Rental payments as a result of short-term leases         | <b>32 541</b>    | 21 708        |
| Rental payments as a result of low-value assets          | <b>12 091</b>    | 13 703        |
| Variable lease payments not reducing the lease liability | <b>201 350</b>   | 199 990       |
| Total cash outflow                                       | <b>1 651 947</b> | 1 525 096     |

Maturity of lease commitments

The group leases all its retail premises and certain of its pharmaceutical distribution centre sites.

The lease agreements provide for minimum payments together, in certain instances, with contingent rental payments determined on the basis of achieving a specified threshold turnover.

The leases are discounted at the group’s average borrowing rate.

Future minimum lease payments under non-cancellable leases due:

|                                                  | 2025<br>R’000    | 2024<br>R’000 |
|--------------------------------------------------|------------------|---------------|
| – Not later than one year                        | <b>1 411 925</b> | 1 313 733     |
| – Later than one year, not later than five years | <b>3 331 887</b> | 3 091 296     |
| – Later than five years                          | <b>243 934</b>   | 248 228       |
|                                                  | <b>4 987 746</b> | 4 653 257     |

Notes to the financial statements *continued*

|                                                                                                                  | Group         |               |
|------------------------------------------------------------------------------------------------------------------|---------------|---------------|
|                                                                                                                  | 2025<br>R'000 | 2024<br>R'000 |
| <b>26 Trade and other payables</b>                                                                               |               |               |
| The following are included in trade and other payables:                                                          |               |               |
| Trade payable (see note 26.1)                                                                                    | 8 366 717     | 7 636 203     |
| Loyalty programme deferred income (see note 26.2)                                                                | 204 396       | 180 619       |
| Refund liability                                                                                                 | 24 212        | 23 709        |
| Non-trade payables and accruals (see note 26.3)                                                                  | 2 317 212     | 2 190 372     |
|                                                                                                                  | 10 912 537    | 10 030 903    |
| The following are excluded from financial liabilities (see note 29.5), but included in trade and other payables: |               |               |
| Loyalty programme deferred income (see note 26.2)                                                                | (204 396)     | (180 619)     |
| Other deferred income (see note 26.4)                                                                            | (377 671)     | (243 466)     |
| Value-added tax                                                                                                  | (259 002)     | (378 557)     |
| Financial liabilities (see note 29.5)                                                                            | 10 071 468    | 9 228 261     |

26.1 Supplier finance arrangements

Trade payables also consist of amounts due to suppliers who have entered into a supplier finance arrangement. Suppliers have the option to receive a discounted advance payment from the finance provider instead of being paid according to the originally agreed-upon payment terms for the supply of goods and services. If this option is chosen the finance provider assumes ownership of the group’s liability from the supplier. The group continues to recognise the trade payable liability up until the point in time when the group pays the finance provider. The value and terms of the liabilities remain unchanged at year-end. The group has not provided any security nor incurred any additional cost in securing the finance arrangement.

|                                                         | Group         |               |
|---------------------------------------------------------|---------------|---------------|
|                                                         | 2025<br>R'000 | 2024<br>R'000 |
| Trade payables subject to supplier finance arrangements | 695 605       | 601 666       |

The range of payment due dates are as follows:

|                                                           |                             |
|-----------------------------------------------------------|-----------------------------|
| Trade payables subject to supplier finance arrangements   | 90 – 120 days after invoice |
| Trade payables not subject to supplier finance agreements | 30 – 60 days after invoice  |

See note 28 for details on liquidity risk management and note 29.5 for details on maturity analysis of the group’s financial liabilities.

26.2 Loyalty programme deferred income

The deferred income relating to points is determined based on the value of unredeemed vouchers in issue, as well as the value of points on qualifying sales that have not been converted into vouchers. Based on the historic redemption rate, it is assumed that 90% of all points in issue are ultimately redeemed. Estimates are made based on historic trends regarding the value of points on qualifying sales that will ultimately convert into vouchers issued.

Revenue recognised during the current year which was included in the loyalty programme deferred income opening balance amounted to R181 million (2024: R164 million).

Revenue recognised during the current year which was included in the other deferred income opening balance amounted to R243 million (2024: R203 million).

26.3 Non-trade payables and accruals consist of expense and payroll accruals, value-added tax, unredeemed gift cards and income received in advance.

26.4 Relating to non-applicant marketing and distribution fees that United Pharma Marketing Proprietary Limited receives from the supplier.



Notes to the financial statements *continued*

|                                                                                                                                                                                                      | Group            |               |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|---------------|
|                                                                                                                                                                                                      | 2025<br>R'000    | 2024<br>R'000 |
| <b>27 Dividends to shareholders</b>                                                                                                                                                                  |                  |               |
| Previous year final cash dividend out of distributable reserves – 566.0 cents per share paid 27 January 2025<br>(2024: 494.0 cents per share paid 29 January 2024 out of distributable reserves)     | <b>1 347 433</b> | 1 176 029     |
| A current-year interim cash dividend of 238.0 cents per share was paid 7 July 2025 out of distributable reserves<br>(2024: 210.0 cents per share was paid 1 July 2024 out of distributable reserves) | <b>563 915</b>   | 499 931       |
| <b>Total dividends to shareholders</b>                                                                                                                                                               | <b>1 911 348</b> | 1 675 960     |

On 21 October 2025 the directors approved the final proposed dividend of 648.0 cents per share.

The source of such a dividend will be from distributable reserves and paid in cash and will be recognised in the statement of changes in equity in 2026.

**Dividend payout ratio**

The dividend payout ratio is 65%.

For further details refer to the directors’ report on page 3.

**28 Financial risk management**

The group’s activities expose it to a variety of financial risks: market risk (including currency risk, price risk, interest rate risk), credit risk and liquidity risk.

This note presents information about the group’s exposure to each of the above risks, the group’s objectives, policies and processes for measuring and managing risk, and the management of capital. Further quantitative disclosures are included throughout these consolidated financial statements.

The group’s overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the group’s financial performance. The group uses derivative financial instruments to hedge certain risk exposures.

The group treasury functions within the parameters of the treasury policy and reports to a sub-committee of management.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and equity prices, will affect the group’s income or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

The group buys derivatives to hedge economic exposures in the ordinary course of business to manage certain market risks.

**Currency risk**

The group is exposed to foreign exchange risk through its imports of merchandise.

The currencies in which these transactions are primarily denominated are USD, EUR, GBP and CNY.

The group’s treasury risk management policy is to take out forward exchange contracts, to cover both committed and anticipated exposures.

The impact of a 10% strengthening or weakening of the currency against the USD, EUR, GBP and CNY with all other variables held constant is disclosed in note 29.2. The effect of this movement is based on the outstanding forward foreign exchange contracts held by the group at year-end.

**Interest rate risk**

The group has interest-bearing assets and liabilities in the form of call deposits, money market investments and short-term borrowings. Interest-bearing assets and liabilities have variable rates which are impacted by market factors and expose the group to cash flow interest rate risk.

There were no material interest rate sensitivities at year-end.

**Price risk**

The group’s exposure to other price risk relates to fluctuations in the share price of the company as a result of the options that have been granted to employees in terms of the long-term incentive scheme (refer note 24.1).

**Credit risk**

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the group’s receivables. Credit risk is managed on a group basis. Credit risk arises from cash and cash equivalents, money market investments, derivative financial instruments, and deposits with banks and financial institutions, as well as credit exposures to Distribution and Retail customers, including outstanding receivables and committed transactions.

Notes to the financial statements *continued*

28 Financial risk management *continued*

Trade and other receivables

The group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. In relation to the Retail business, trade receivables primarily relate to recoverables from vendors with which the group has a trading relationship and medical aids with respect to pharmacy recoverables, while in Distribution, customers (excluding intercompany) are primarily hospitals and independent pharmacists.

In relation to the Distribution business, the risk management has been delegated to the management of the subsidiary business.

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers.

Credit Guarantee Insurance Corporation of Africa Limited is utilised to cover the majority of wholesale customers with a credit balance over a predetermined amount.

Goods are sold subject to retention of title clauses in Distribution so that in the event of non-payment the group may have a secured claim.

The group establishes an allowance for impairment that represents its estimate of expected credit losses in respect of trade and other receivables.

The main components of this allowance are specific loss components that relate to individually significant exposures and a collective loss component established for groups of similar assets in respect of losses that have been expected but not yet identified.

The collective loss allowance is determined based on historical data of payment statistics of similar financial assets and forward-looking information.

**Liquidity risk**

Liquidity risk is the risk that the group will not be able to meet its financial obligations as they fall due.

The group’s approach is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to the group’s reputation. Due to the dynamic nature of the underlying businesses, group treasury maintains flexibility in funding by holding availability through credit lines. At year-end the group’s total uncommitted facilities available were R4 166 million and USD64 million (2024: R4 139 million and USD62 million).

See note 29.5 for details for maturity analysis of the group’s financial liabilities.

The group's supply chain finance facility is R1 300 million (2024: R1 300 million). There were no material business combinations or foreign exchange differences in either period or other non-cash transfers relating to trade payables under supply chain financing arrangements. Refer to note 26 for more detail of the group’s trade and other payables under supply chain financing.

**Capital risk management**

The group’s objectives when managing capital are to safeguard the group’s ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the group may adjust the amount of dividends paid to shareholders, return capital to shareholders and issue new shares. The group’s target of maintaining a ratio of shareholders’ interest to total assets is in the range of 30% to 35%. This is obtained through achieving the group’s earnings targets, management of working capital, share buybacks and dividends.

In 2025 the shareholders’ interest to total assets was 30.4% (2024: 30.2%).

29 Financial instruments

Market risk

29.1 Treasury risk management

The treasury committee meets on a regular basis to analyse currency and interest rate exposures and re-evaluate treasury management strategies.

29.2 Foreign exchange risk management

The group is exposed to foreign currency risk as it imports merchandise. This risk is mitigated by entering into forward exchange contracts. These contracts are matched with anticipated future cash flows in foreign currencies.

The group does not use forward exchange contracts for speculative purposes.

The group has measured these instruments at fair value (see note 16).

Exposure to currency risk – foreign exchange contracts

|                                                            | 2025        |             |             |             | 2024        |             |             |             |
|------------------------------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
|                                                            | USD<br>'000 | GBP<br>'000 | EUR<br>'000 | CNY<br>'000 | USD<br>'000 | GBP<br>'000 | EUR<br>'000 | CNY<br>'000 |
| Forecast purchases and payables due at the end of the year | 24 387      | 3 523       | 6 465       | 112 353     | 23 369      | 4 226       | 8 212       | 91 198      |
| Forward exchange contracts subject to cash flow hedging    | 17 604      | 2 056       | 2 392       | 88 050      | 21 229      | 2 809       | 4 305       | 91 558      |
| Net exposure                                               | 6 783       | 1 467       | 4 073       | 24 303      | 2 140       | 1 417       | 3 907       | (360)       |

The following exchange rates applied during the year:

|     | Average rate |       | Reporting date mid-spot rate |       |
|-----|--------------|-------|------------------------------|-------|
|     | 2025         | 2024  | 2025                         | 2024  |
| USD | 18.09        | 18.66 | 17.73                        | 17.75 |
| GBP | 23.59        | 23.53 | 23.93                        | 23.38 |
| EUR | 19.90        | 20.16 | 20.68                        | 19.66 |
| CNY | 2.51         | 2.58  | 2.47                         | 2.51  |



Notes to the financial statements *continued*

29 Financial instruments *continued*

29.2 Foreign exchange risk management *continued*

Foreign exchange rate sensitivity analysis

The following table details the group’s sensitivity to a 10% strengthening in the South African Rand against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to management personnel and represents management’s assessment of a reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and their adjusted translation for a 10% change in foreign currency rates.

|                                         | USD impact    |               | GBP impact    |               | EUR impact    |               | CNY impact    |               |
|-----------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
|                                         | 2025<br>R’000 | 2024<br>R’000 | 2025<br>R’000 | 2024<br>R’000 | 2025<br>R’000 | 2024<br>R’000 | 2025<br>R’000 | 2024<br>R’000 |
| Decrease in other comprehensive income* | (23 243)      | (28 576)      | (3 660)       | (4 819)       | (3 618)       | (6 327)       | (16 361)      | (17 246)      |
| Increase in profit before tax           | 12 024        | 3 799         | 3 510         | 3 312         | 8 424         | 7 682         | 6 013         | (91)          |

For a 10% weakening of the South African Rand against the relevant currency, there would be an equal but opposite increase in equity.

\* Comparatives have been restated to show the decrease in other comprehensive income post-tax.

29.3 Fair values of financial instruments

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

|                                                                             |                                                          | 2025                       |                        | 2024                       |                        |
|-----------------------------------------------------------------------------|----------------------------------------------------------|----------------------------|------------------------|----------------------------|------------------------|
|                                                                             |                                                          | Carrying<br>value<br>R’000 | Fair<br>value<br>R’000 | Carrying<br>value<br>R’000 | Fair<br>value<br>R’000 |
| <b>Financial assets</b>                                                     |                                                          |                            |                        |                            |                        |
| Trade receivables (see note 18)                                             | Amortised cost                                           | 1 897 013                  | 1 897 013              | 1 970 498                  | 1 970 498              |
| Logistics fees and other receivables (see note 18)                          | Amortised cost                                           | 523 595                    | 523 595                | 474 631                    | 474 631                |
| Loans receivable (see note 14)                                              | Amortised cost                                           | 152 864                    | 152 864                | 171 396                    | 171 396                |
| Financial assets at fair value through profit or loss (see note 15)         | Financial assets at fair value through profit or loss    | 207 663                    | 207 663                | 180 775                    | 180 775                |
| Cash and cash equivalents                                                   | Amortised cost                                           | 3 255 770                  | 3 255 770              | 2 704 961                  | 2 704 961              |
| Equity derivative contracts designated as hedging instruments (see note 16) | Financial assets at fair value through OCI               | -                          | -                      | 29 433                     | 29 433                 |
| <b>Financial liabilities</b>                                                |                                                          |                            |                        |                            |                        |
| Trade and other payables (see note 26)                                      | Financial liabilities measured at amortised cost         | 10 071 468                 | 10 071 468             | 9 228 261                  | 9 228 261              |
| Forward exchange contracts designated as hedging instruments (see note 16)  | Financial liabilities measured at fair value through OCI | 8 681                      | 8 681                  | 16 360                     | 16 360                 |

Basis for determining fair values

The following summarises the significant methods and assumptions used in estimating the fair values of financial instruments reflected in the table above.

Derivatives

Fair values of currency derivatives are calculated using standard market calculation conventions with reference to the relevant closing market spot rates, forward foreign exchange, interest rates and share price.

Notes to the financial statements continued

29 Financial instruments continued

29.3 Fair values of financial instruments continued

Non-derivative financial assets and liabilities

Fair value is calculated based on the present value of future principal and interest cash flows, discounted at the market rate of interest at the reporting date except for the insurance cell captive where fair value is determined based on the net asset value at the reporting date.

The fair value of unit trusts are determined by reference to the quoted price in an active market.

The table below provides the valuation method of financial instruments carried at fair value. The different levels have been defined as follows:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets and liabilities.

Level 2 – Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets and financial liabilities measured at fair value

| Group                                                                                                                   | Level 1<br>R'000 | Level 2<br>R'000 | Level 3<br>R'000 | Total<br>R'000 |
|-------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|----------------|
| <b>2025</b>                                                                                                             |                  |                  |                  |                |
| <b>Financial assets</b>                                                                                                 |                  |                  |                  |                |
| Financial assets at fair value through profit or loss – Investment in Guardrisk Insurance Company Limited (see note 15) | -                | 16 564           | -                | 16 564         |
| Financial assets at fair value through profit or loss – collective investment schemes (see note 15)                     | 191 099          | -                | -                | 191 099        |
| Total                                                                                                                   | 191 099          | 16 564           | -                | 207 663        |
| <b>Financial liabilities</b>                                                                                            |                  |                  |                  |                |
| Forward exchange contracts designated as hedging instruments (see note 16)                                              | -                | (8 681)          | -                | (8 681)        |

| Group                                                                                                                   | Level 1<br>R'000 | Level 2<br>R'000 | Level 3<br>R'000 | Total<br>R'000 |
|-------------------------------------------------------------------------------------------------------------------------|------------------|------------------|------------------|----------------|
| <b>2024</b>                                                                                                             |                  |                  |                  |                |
| <b>Financial assets</b>                                                                                                 |                  |                  |                  |                |
| Financial assets at fair value through profit or loss – Investment in Guardrisk Insurance Company Limited (see note 15) | -                | 14 688           | -                | 14 688         |
| Financial assets at fair value through profit or loss – collective investment schemes (see note 15)                     | 166 087          | -                | -                | 166 087        |
| Equity derivative contracts designated as hedging instruments (see note 16)                                             | -                | 29 433           | -                | 29 433         |
| Total                                                                                                                   | 166 087          | 44 121           | -                | 210 208        |
| <b>Financial liabilities</b>                                                                                            |                  |                  |                  |                |
| Forward exchange contracts designated as hedging instruments (see note 16)                                              | -                | (16 360)         | -                | (16 360)       |

There have been no transfers between levels 1, 2 and 3 during the period.

29.4 Credit risk management

Credit risk refers to the risk that a counterparty may default on its contractual obligation resulting in financial loss to the group. The group is exposed to credit risk arising from cash equivalents, a money market investment, derivative financial instruments, and deposits with banks and financial institutions, as well as credit exposures to Distribution and Retail customers, including outstanding receivables and committed transactions. Management has a formal credit policy in place as a means of mitigating the risk of financial loss to the group.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

|                                                    | Carrying amount |               |
|----------------------------------------------------|-----------------|---------------|
|                                                    | 2025<br>R'000   | 2024<br>R'000 |
| Derivative financial assets (see note 16)          | -               | 29 433        |
| Trade receivables (see note 18)                    | 1 897 013       | 1 970 498     |
| Logistics fees and other receivables (see note 18) | 523 595         | 474 631       |
| Cash and cash equivalents                          | 3 255 770       | 2 704 961     |
| Loans receivable (see note 14)                     | 152 864         | 171 396       |
|                                                    | 5 829 242       | 5 350 919     |



Notes to the financial statements *continued*

29 Financial instruments *continued*

29.4 Credit risk management *continued*

Trade receivables

The group’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. Management has a credit policy in place and exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers who purchase from the group. The group uses the expected credit loss model whereby a provision matrix is performed on the simplified method to calculate the provision.

Trade receivables can be categorised into Distribution customers and Retail customers.

|                        | Carrying amount |               |
|------------------------|-----------------|---------------|
|                        | 2025<br>R’000   | 2024<br>R’000 |
| Retail customers       | 169 285         | 90 750        |
| Distribution customers | 1 727 728       | 1 879 748     |
|                        | 1 897 013       | 1 970 498     |

Expected credit loss model

At each reporting date the group performs an impairment analysis using a provision matrix to determine the expected credit loss of trade receivables. The receivables balances are disaggregated according to similar characteristics and loss patterns, being pharmacy and wholesale debtors. The group used historical loss rates, adjusted for forward-looking information as per the group accounting policy to determine the loss rate as outlined below:

The group’s trade receivables are stated net of impairment losses. An analysis of impairment losses are as follows:

|                                                                | Retail        |               | Distribution  |               |
|----------------------------------------------------------------|---------------|---------------|---------------|---------------|
|                                                                | 2025<br>R’000 | 2024<br>R’000 | 2025<br>R’000 | 2024<br>R’000 |
| Balance at the beginning of the year                           | (9 028)       | (8 990)       | (14 264)      | (13 273)      |
| Impairment allowance reversed/(recognised) during the year     | 660           | (38)          | 3 288         | (2 249)       |
| Trade receivables written off during the year as uncollectable | -             | -             | 309           | 1 258         |
| Balance at the end of the year                                 | (8 368)       | (9 028)       | (10 667)      | (14 264)      |

The creation of impairment losses have been included in note 18.

Amounts charged to the allowance account are generally written off to the financial asset when there is no expectation of recovery.

Retail customers

The ageing of trade receivables at the reporting date was:

|              | 2025        |                                                  |                            |           | 2024        |                                                  |                            |           |
|--------------|-------------|--------------------------------------------------|----------------------------|-----------|-------------|--------------------------------------------------|----------------------------|-----------|
|              | Loss rate % | Estimated gross carrying amount at default R’000 | Expected credit loss R’000 | Net R’000 | Loss rate % | Estimated gross carrying amount at default R’000 | Expected credit loss R’000 | Net R’000 |
| Not past due | 4.7         | 177 653                                          | (8 368)                    | 169 285   | 9.0         | 99 778                                           | (9 028)                    | 90 750    |

Retail trade receivables mainly relate to receivables from medical aids with respect to pharmacy debtors.

Trade debtors are classified as past due when they have passed their payment date by one day.

Distribution customers

The ageing of trade receivables at the reporting date was:

|                            | 2025        |                                                  |                            |           | 2024        |                                                  |                            |           |
|----------------------------|-------------|--------------------------------------------------|----------------------------|-----------|-------------|--------------------------------------------------|----------------------------|-----------|
|                            | Loss rate % | Estimated gross carrying amount at default R’000 | Expected credit loss R’000 | Net R’000 | Loss rate % | Estimated gross carrying amount at default R’000 | Expected credit loss R’000 | Net R’000 |
| Not past due               | 0.4         | 1 001 965                                        | (3 653)                    | 998 312   | 0.5         | 1 788 762                                        | (8 226)                    | 1 780 536 |
| Past due 0 – 30 days       | 0.1         | 500 537                                          | (610)                      | 499 927   | 0.5         | 57 993                                           | (273)                      | 57 720    |
| Past due more than 31 days | 2.7         | 235 893                                          | (6 404)                    | 229 489   | 12.2        | 47 257                                           | (5 765)                    | 41 492    |
| Total                      | 0.6         | 1 738 395                                        | (10 667)                   | 1 727 728 | 0.8         | 1 894 012                                        | (14 264)                   | 1 879 748 |

Distribution customers are primarily hospitals and independent pharmacists. The Distribution business minimises its exposure to credit risk by insuring debtors with balances greater than a predetermined amount. There is an excess (which varies between hospitals and independent pharmacists) that is carried by the Distribution business with the balance being covered by Credit Guarantee Insurance Corporation of Africa Limited.

Notes to the financial statements *continued*

29 Financial instruments *continued*

29.4 Credit risk management *continued*

The split between insured and uninsured debtors is as follows:

|         | Gross amount  |               |
|---------|---------------|---------------|
|         | 2025<br>R'000 | 2024<br>R'000 |
| Insured | 1 738 395     | 1 894 012     |

Uninsured debtors consist mainly of a concentration of debtors with a monthly turnover of less than R40 000 and low-risk debtors such as government debtors.

The exposure to credit risk in respect of these debtors is managed through credit evaluations. Expected credit losses are immaterial.

Cash and cash equivalents

The group's banking facilities are with reputable institutions, all of which have a strong credit rating and expected credit losses are immaterial.

Other loans

Other loans are reviewed at least on an annual basis to assess their recoverability. The recoverability of the loans have been assessed and no impairments have been noted. Expected credit losses on loans are immaterial.

29.5 Liquidity risk management

Liquidity and interest risk tables

The following tables detail the group's remaining contractual maturity for its financial liabilities, including interest payments and excluding the impact of netting agreements:

|                                                | Carrying<br>amount<br>R'000 | Contractual<br>cash flows<br>R'000 | Not later<br>than one<br>year<br>R'000 | Later than<br>one year,<br>not later<br>than<br>five years<br>R'000 | Later than<br>five years<br>R'000 |
|------------------------------------------------|-----------------------------|------------------------------------|----------------------------------------|---------------------------------------------------------------------|-----------------------------------|
| <b>2025</b>                                    |                             |                                    |                                        |                                                                     |                                   |
| <b>Liabilities</b>                             |                             |                                    |                                        |                                                                     |                                   |
| Derivative financial liabilities (see note 16) | 8 681                       | 8 681                              | 8 681                                  | -                                                                   | -                                 |
| Trade and other payables (see note 26)         | 10 071 468                  | 10 071 468                         | 10 071 468                             | -                                                                   | -                                 |
| Lease liabilities (see note 25)                | 4 042 481                   | 4 987 746                          | 1 411 925                              | 3 331 887                                                           | 243 934                           |
|                                                | 14 122 630                  | 15 067 895                         | 11 492 074                             | 3 331 887                                                           | 243 934                           |
| <b>2024</b>                                    |                             |                                    |                                        |                                                                     |                                   |
| <b>Liabilities</b>                             |                             |                                    |                                        |                                                                     |                                   |
| Derivative financial liabilities (see note 16) | 16 360                      | 16 360                             | 16 360                                 | -                                                                   | -                                 |
| Trade and other payables (see note 26)         | 9 228 261                   | 9 228 261                          | 9 228 261                              | -                                                                   | -                                 |
| Lease liabilities (see note 25)                | 3 786 286                   | 4 653 257                          | 1 313 733                              | 3 091 296                                                           | 248 228                           |
|                                                | 13 030 907                  | 13 897 878                         | 10 558 354                             | 3 091 296                                                           | 248 228                           |

30 Capital commitments

|                                               | Group         |               |
|-----------------------------------------------|---------------|---------------|
|                                               | 2025<br>R'000 | 2024<br>R'000 |
| Capital expenditure approved by the directors |               |               |
| Contracted                                    | 147 764       | 102 054       |
| Not contracted                                | 1 108 747     | 922 891       |
|                                               | 1 256 511     | 1 024 945     |

Capital commitments relate to the group's investment in property, plant and equipment and intangible assets to maintain and expand operations.

The capital expenditure will be financed from internally generated funds and borrowings.

31 Financial guarantees

Group companies provide surety for other group companies to the value of R4 166 million and USD64 million (2024: R4 139 million and USD62 million) with respect to facilities held with various banks. At year-end these facilities had no drawings by group companies (2024: nil). The fair values of the financial guarantees are considered negligible.

32 Related party transactions

32.1 Group

Clicks Group Limited is the ultimate holding company of the group.

Transactions between group subsidiaries

During the year, in the ordinary course of business, certain companies within the group entered into transactions with one another. These intragroup transactions have been eliminated on consolidation. For a list of the group's subsidiaries, see page 49.

Related party transactions include:

- i) dividends paid and received from subsidiary companies and associate;
- ii) interest received from or paid to subsidiary companies;
- iii) loans to or from subsidiary companies;
- iv) sale of goods between subsidiary companies; and
- v) administration fees received from or paid to subsidiary companies.

Directors and key management

Certain non-executive directors are also non-executive directors of other public companies which transact with the group. The relevant directors do not believe that they have control, joint control or significant influence over the financial or operating policies of those companies.

Executive directors' employment contracts do not provide for a defined period of employment, but specify a notice period for the chief executive officer of 12 months and six months for the other executive directors. During this notice period all standard benefits accrue to the directors in question. Contracts do not provide for predetermined compensation on termination other than that accorded to employees in terms of the group's remuneration policies.

Employee benefits paid to directors and key management personnel are detailed in note 4.



Notes to the financial statements *continued*

32 Related party transactions *continued*

32.1 Group *continued*

Shares held by directors and their related entities

The audited percentage of shares held by directors of the company at year-end is disclosed on page 50.

|                                                           | Group         |               |
|-----------------------------------------------------------|---------------|---------------|
|                                                           | 2025<br>R'000 | 2024<br>R'000 |
| <b>Transactions with Mystragystix Proprietary Limited</b> |               |               |
| Interest income                                           | 18 125        | 17 505        |
| Loan receivable                                           | 137 980       | 140 000       |

Other related parties

The group has identified The Clicks Helping Hand Trust as a related party because of the group's involvement in the charitable and developmental activities of the trust. The group has not consolidated the trust as it is not exposed to variable returns from them and any non-financial benefit is considered to be insignificant. The total net assets for the trust is R13.0 million (2024: R14.6 million) and a net surplus of R1.6 million (2024: R2.9 million). Donations to the trust during the year from subsidiary companies were:

|                               | Group         |                |
|-------------------------------|---------------|----------------|
|                               | 2025<br>R'000 | 2024*<br>R'000 |
| The Clicks Helping Hand Trust | 25 384        | 19 635         |

No financial benefits were derived by the group from this relationship.

\* Comparatives have been restated to include the donated nurses' time.

Contributions to pension and provident fund

Contributions paid to pension and provident funds are included in note 4 and additional information in note 24.

32.2 Company

The company has the following related party transactions:

|                                             | Company       |               |
|---------------------------------------------|---------------|---------------|
|                                             | 2025<br>R'000 | 2024<br>R'000 |
| <b>32.2.1 Dividend income</b>               |               |               |
| New Clicks South Africa Proprietary Limited | 2 415 000     | 2 450 000     |
| Clicks Group Eswatini Proprietary Limited   | 35 000        | 35 000        |
| Total dividend income from related parties  | 2 450 000     | 2 485 000     |
| <b>32.2.2 Loans by subsidiary companies</b> |               |               |
| New Clicks South Africa Proprietary Limited | 2 872 003     | 3 087 763     |
| Clicks Centurion Proprietary Limited        | 9 000         | 9 000         |
| Clicks Group Eswatini Proprietary Limited   | 35 000        | 31 500        |
|                                             | 2 916 003     | 3 128 263     |

A schedule of the loans and investments in related parties is included on page 49.

33 Borrowing powers

In terms of the memorandum of incorporation, the borrowing powers of the company are unlimited.

34 Operating segments

The group has identified two reportable segments, as described below. For each of the operating brands, the group's chief decision-makers review internal management reports on a monthly basis. The following describes the operations in each of the group's reportable segments:

Retail

Retail comprises Clicks, a specialist health, beauty and homeware retailer; Sorbet, a franchising of hair and beauty salons; 180 Degrees Marketing, a software development company; and The Body Shop, which specialises in naturally inspired luxury toiletries, cosmetics, gifting and grooming, with stores in the Republic of South Africa, Namibia, Eswatini, Botswana and Lesotho.

The revenue, assets and liabilities recognised in countries outside of South Africa are not significant in relation to those recognised locally.

Distribution

UPD is a national full-range pharmaceutical wholesaler and also provides distribution capability for the Clicks Group. UPD operates within the Republic of South Africa.

The information regarding the results of each reportable segment is included on page 13. Performance is measured based on segment trading profit, as included in the internal management reports that are reviewed by the group's chief operating decision-makers. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries. Inter-segment transactions are on an arm's length basis.

Major customers

There are no external customers that account for more than 10% of the group's revenue.

35 Events after reporting date

Post year-end the group repurchased and cancelled 1 435 079 Clicks Group Limited ordinary shares to the value of R526.6 million.

On 23 October 2025 a final gross cash dividend of 648.0 cents per share (R1 519.5 million) was declared out of distributable reserves.

## Company statement of comprehensive income

for the year ended 31 August 2025

|                                                     | Notes  | 2025<br>R'000    | 2024<br>R'000 |
|-----------------------------------------------------|--------|------------------|---------------|
| Dividend income from subsidiary                     | 32.2.1 | 2 450 000        | 2 485 000     |
| Bank charges                                        |        | (13)             | (10)          |
| Operating costs                                     |        | (56)             | (64)          |
| <b>Profit before financing income</b>               |        | <b>2 449 931</b> | 2 484 926     |
| Financial income                                    |        | 2 298            | 2 180         |
| <b>Profit before taxation</b>                       |        | <b>2 452 229</b> | 2 487 106     |
| Income tax expense                                  | 7      | (4 117)          | (4 069)       |
| <b>Profit for the year</b>                          |        | <b>2 448 112</b> | 2 483 037     |
| Other comprehensive income for the year, net of tax |        | -                | -             |
| <b>Total comprehensive income for the year</b>      |        | <b>2 448 112</b> | 2 483 037     |

## Company statement of financial position

at 31 August 2025

|                                                | Notes | 2025<br>R'000    | 2024<br>R'000 |
|------------------------------------------------|-------|------------------|---------------|
| <b>ASSETS</b>                                  |       |                  |               |
| <b>Non-current assets</b>                      |       |                  |               |
| Interest in subsidiary companies (see page 49) |       | 3 540 753        | 3 753 013     |
| <b>Current assets</b>                          |       | <b>9 131</b>     | 2 155         |
| Cash and cash equivalents                      |       | 9 131            | 2 155         |
| <b>Total assets</b>                            |       | <b>3 549 884</b> | 3 755 168     |
| <b>Equity</b>                                  |       | <b>3 530 234</b> | 3 744 903     |
| Share capital                                  | 19    | 2 360            | 2 381         |
| Share premium                                  | 19    | 3 301 189        | 3 301 189     |
| Distributable reserve                          |       | 226 685          | 441 333       |
| <b>Current liabilities</b>                     |       | <b>19 650</b>    | 10 265        |
| Trade and other payables                       |       | 11 610           | 2 268         |
| Income tax payable                             |       | 8 040            | 7 997         |
| <b>Total equity and liabilities</b>            |       | <b>3 549 884</b> | 3 755 168     |

## Company statement of changes in equity

for the year ended 31 August 2025

|                                                     | Number<br>of shares<br>(Note 19)<br>'000 | Share<br>capital<br>(Note 19)<br>R'000 | Share<br>premium<br>(Note 19)<br>R'000 | Distributable<br>reserve<br>R'000 | Total<br>R'000   |
|-----------------------------------------------------|------------------------------------------|----------------------------------------|----------------------------------------|-----------------------------------|------------------|
| <b>Balance at 1 September 2023</b>                  | 241 161                                  | 2 412                                  | 3 301 189                              | 469 015                           | 3 772 616        |
| Total comprehensive income for the year             | -                                        | -                                      | -                                      | 2 483 037                         | 2 483 037        |
| Shares repurchased and cancelled                    | (3 099)                                  | (31)                                   | -                                      | (834 759)                         | (834 790)        |
| Dividends declared to shareholders<br>(see note 27) | -                                        | -                                      | -                                      | (1 675 960)                       | (1 675 960)      |
| <b>Balance at 31 August 2024</b>                    | <b>238 062</b>                           | <b>2 381</b>                           | <b>3 301 189</b>                       | <b>441 333</b>                    | <b>3 744 903</b> |
| Total comprehensive income for the year             | -                                        | -                                      | -                                      | 2 448 112                         | 2 448 112        |
| Shares repurchased and cancelled                    | (2 131)                                  | (21)                                   | -                                      | (751 412)                         | (751 433)        |
| Dividends declared to shareholders<br>(see note 27) | -                                        | -                                      | -                                      | (1 911 348)                       | (1 911 348)      |
| <b>Balance at 31 August 2025</b>                    | <b>235 931</b>                           | <b>2 360</b>                           | <b>3 301 189</b>                       | <b>226 685</b>                    | <b>3 530 234</b> |



## Company statement of cash flows

for the year ended 31 August 2025

|                                                                       | 2025<br>R'000 | 2024<br>R'000 |
|-----------------------------------------------------------------------|---------------|---------------|
| <b>Cash effects of operating activities</b>                           |               |               |
| Loss before working capital changes                                   | (69)          | (74)          |
| Working capital changes                                               | 9 342         | 993           |
| Cash generated by operations                                          | 9 273         | 919           |
| Interest income                                                       | 2 298         | 2 180         |
| Taxation paid                                                         | (4 074)       | (4 133)       |
| Cash inflow/(outflow) from operating activities before dividends paid | 7 497         | (1 034)       |
| Dividends paid to shareholders                                        | (1 911 348)   | (1 675 960)   |
| Net cash effects of operating activities                              | (1 903 851)   | (1 676 994)   |
| <b>Cash effects of investing activities</b>                           |               |               |
| Loans from subsidiaries repaid                                        | 247 260       | 59 947        |
| Dividends income from subsidiary                                      | 2 415 000     | 2 453 500     |
| Net cash effects of investing activities                              | 2 662 260     | 2 513 447     |
| <b>Cash effects of financing activities</b>                           |               |               |
| Shares repurchased                                                    | (751 433)     | (834 790)     |
| Net cash effects of financing activities                              | (751 433)     | (834 790)     |
| Net movement in cash and cash equivalents                             | 6 976         | 1 663         |
| Cash and cash equivalents at the beginning of the year                | 2 155         | 492           |
| Cash and cash equivalents at the end of the year                      | 9 131         | 2 155         |

## Notes to the company statement of cash flows

for the year ended 31 August 2025

|                                                 | 2025<br>R'000 | 2024<br>R'000 |
|-------------------------------------------------|---------------|---------------|
| <b>Loss before working capital changes</b>      |               |               |
| Profit before taxation                          | 2 452 229     | 2 487 106     |
| Adjustment for:                                 |               |               |
| Dividend income                                 | (2 450 000)   | (2 485 000)   |
| Interest income                                 | (2 298)       | (2 180)       |
|                                                 | (69)          | (74)          |
| <b>Working capital changes</b>                  |               |               |
| Increase in trade and other payables            | 9 342         | 993           |
|                                                 | 9 342         | 993           |
| <b>Taxation paid</b>                            |               |               |
| Income tax payable at the beginning of the year | 7 997         | 8 061         |
| Current tax charge                              | 4 117         | 4 069         |
| Income tax payable at the end of the year       | (8 040)       | (7 997)       |
|                                                 | 4 074         | 4 133         |

# Interest in subsidiary companies

at 31 August

| Name of company/entity and nature of business                        | Country of incorporation | Ordinary issued share capital/<br>trust capital <sup>1</sup> | Shares at cost less amounts written off |               | Amount owing by subsidiaries <sup>2</sup> |               |
|----------------------------------------------------------------------|--------------------------|--------------------------------------------------------------|-----------------------------------------|---------------|-------------------------------------------|---------------|
|                                                                      |                          |                                                              | 2025<br>R'000                           | 2024<br>R'000 | 2025<br>R'000                             | 2024<br>R'000 |
| <b>Directly held</b>                                                 |                          |                                                              |                                         |               |                                           |               |
| i) Trading<br>New Clicks South Africa Proprietary Limited            | South Africa             | R500                                                         | 272 439                                 | 272 439       | 2 872 003                                 | 3 087 763     |
| ii) Clicks Centurion Proprietary Limited                             | South Africa             | R10                                                          | *                                       | *             | 9 000                                     | 9 000         |
| iii) New Clicks Foundation Trust                                     | South Africa             | R5 000                                                       | -                                       | -             | -                                         | -             |
| <b>Indirectly held</b>                                               |                          |                                                              |                                         |               |                                           |               |
| i) Trading<br>Clicks Group (Eswatini) Proprietary Limited            | Eswatini                 | E2                                                           | -                                       | -             | 35 000                                    | 31 500        |
| Clicks Group (Botswana) Proprietary Limited                          | Botswana                 | BWP3 000                                                     | -                                       | -             | -                                         | -             |
| Clicks Group (Namibia) Proprietary Limited                           | Namibia                  | N\$100                                                       | -                                       | -             | -                                         | -             |
| Clicks Group (Lesotho) Proprietary Limited                           | Lesotho                  | M1 000                                                       | -                                       | -             | -                                         | -             |
| Clicks Retailers Proprietary Limited                                 | South Africa             | R200                                                         | -                                       | -             | -                                         | -             |
| Clicks Investments Proprietary Limited                               | South Africa             | R16 685 175 000                                              | -                                       | -             | -                                         | -             |
| 180 Degrees Services Proprietary Limited                             | South Africa             | R120                                                         | -                                       | -             | -                                         | -             |
| K2021423995 (South Africa) Proprietary Limited                       | South Africa             | R100                                                         | -                                       | -             | -                                         | -             |
| 180 Degrees Marketing Proprietary Limited                            | South Africa             | R100                                                         | -                                       | -             | -                                         | -             |
| Sorbet Group Proprietary Limited                                     | South Africa             | R11 200 400                                                  | -                                       | -             | -                                         | -             |
| H. Mallach and Associates Proprietary Limited (trading as M-Kem)     | South Africa             | R100                                                         | -                                       | -             | -                                         | -             |
| United Pharma Marketing Proprietary Limited                          | South Africa             | R1 000                                                       | -                                       | -             | -                                         | -             |
| ii) Name protection and dormant<br>One company (2024: two companies) |                          |                                                              | -                                       | -             | -                                         | -             |
|                                                                      |                          |                                                              | 272 439                                 | 272 439       | 2 916 003                                 | 3 128 263     |
| Shares at cost less amounts written off                              |                          |                                                              | 272 439                                 | 272 439       |                                           |               |
| Amounts owing by subsidiary companies                                |                          |                                                              | 2 916 003                               | 3 128 263     |                                           |               |
| Share-based payments capitalised                                     |                          |                                                              | 352 311                                 | 352 311       |                                           |               |
| Interest in subsidiaries                                             |                          |                                                              | 3 540 753                               | 3 753 013     |                                           |               |

All other loans are interest free, unsecured and repayable by agreement.

\* Values less than R1 000.

<sup>1</sup> All directly and indirectly owned subsidiaries are wholly owned by the group.

<sup>2</sup> There is no intention for the company to recall the loans in the next 12 months after the reporting date.



# Analysis of shareholders

at 31 August 2025

|                                    | Number of shares | Percentage of shares |
|------------------------------------|------------------|----------------------|
| Public and non-public shareholders |                  |                      |
| Public shareholders                | 235 803 849      | 99.9                 |
| Non-public shareholders            |                  |                      |
| Shares held by directors           | 127 090          | 0.1                  |
| Total non-public shareholders      | 127 090          | 0.1                  |
| Total shareholders                 | 235 930 939      | 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 2025:

|                                          | Percentage of shares |             |
|------------------------------------------|----------------------|-------------|
|                                          | August 2025          | August 2024 |
| Major fund managers managing 3% or more: |                      |             |
| Public Investment Corporation (ZA)       | 19.1                 | 17.9        |
| BlackRock (US and UK)                    | 4.9                  | 4.8         |
| GIC Asset Management (Singapore)         | 4.5                  | 4.5         |
| The Vanguard Group (US)                  | 4.2                  | 4.0         |
| RBC Global Asset Management (UK and US)  | 3.8                  | 3.8         |
| JPMorgan Asset Management (US and UK)    | 3.5                  | 5.4         |
| Funds no longer managing 3% or more:     |                      |             |
| Ninety One Asset Management (ZA)         | 1.8                  | 5.1         |
| Federated Hermes (UK)                    | 0.9                  | 3.4         |





Analysis of shareholders *continued*

|                                                         | Number of<br>shares | Percentage<br>of shares |
|---------------------------------------------------------|---------------------|-------------------------|
| <b>Major beneficial shareholders holding 3% or more</b> |                     |                         |
| Government Employees Pension Fund                       | 49 074 496          | 20.8                    |
| GIC Asset Management                                    | 10 694 813          | 4.5                     |
| <b>Classification of registered shareholdings</b>       |                     |                         |
| Banks/Brokers                                           | 112 842 619         | 47.8                    |
| Retirement funds                                        | 65 634 924          | 27.8                    |
| Mutual funds                                            | 42 002 912          | 17.8                    |
| Individuals                                             | 5 572 590           | 2.4                     |
| Insurance companies                                     | 4 481 257           | 1.9                     |
| Trusts                                                  | 2 314 241           | 1.0                     |
| Endowment funds                                         | 1 223 684           | 0.5                     |
| Other                                                   | 1 858 712           | 0.8                     |
|                                                         | 235 930 939         | 100.0                   |

|                                 | 2025                           |                                  |                | 2024                           |                                  |         |
|---------------------------------|--------------------------------|----------------------------------|----------------|--------------------------------|----------------------------------|---------|
|                                 | Direct<br>beneficial<br>shares | Indirect<br>beneficial<br>shares | Total          | Direct<br>beneficial<br>shares | Indirect<br>beneficial<br>shares | Total   |
| <b>Directors' shareholdings</b> |                                |                                  |                |                                |                                  |         |
| Bertina Engelbrecht             | 100 268                        | –                                | 100 268        | 90 068                         | –                                | 90 068  |
| Sango Ntsaluba                  | 492                            | –                                | 492            | 492                            | –                                | 492     |
| Gordon Traill                   | 20 512                         | 5 818                            | 26 330         | 15 119                         | 3 320                            | 18 439  |
| <b>Total</b>                    | <b>121 272</b>                 | <b>5 818</b>                     | <b>127 090</b> | 105 679                        | 3 320                            | 108 999 |

The total number of ordinary shares in issue is 235 930 939 (2024: 238 062 465). Percentage of issued share capital held by directors is 0.05% (2024: 0.07%). Details of all dealings in Clicks Group shares by directors during the financial year are contained in the directors’ report on page 3. There were no changes in directors’ shareholding between the end of the financial year and the date of approval of the annual financial statements.

|                                                 | Number<br>of holders | Percentage<br>of holders | Number<br>of shares | Percentage<br>of shares |
|-------------------------------------------------|----------------------|--------------------------|---------------------|-------------------------|
| <b>Distribution of registered shareholdings</b> |                      |                          |                     |                         |
| 1 – 1 000                                       | 23 793               | 89.8                     | 3 822 682           | 1.6                     |
| 1 001 – 10 000                                  | 1 925                | 7.3                      | 5 822 533           | 2.5                     |
| 10 001 – 100 000                                | 530                  | 2.0                      | 17 004 117          | 7.2                     |
| 100 001 – 1 000 000                             | 195                  | 0.7                      | 54 284 845          | 23.0                    |
| 1 000 001 shares and over                       | 40                   | 0.2                      | 154 996 762         | 65.7                    |
|                                                 | 26 483               | 100.0                    | 235 930 939         | 100.0                   |



# 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: CLGY  
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

Annalize Barnard, CA (SA)  
E-mail: companysecretary@  
clicksgroup.co.za

## Auditors

KPMG Inc.

## Principal bankers

FirstRand Bank Limited

## 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  
E-mail: ir@tier1ir.co.za

# Shareholders' diary

Annual general meeting 29 January 2026

## Preliminary results announcements

Interim results to February 2026 on or about 23 April 2026  
Final results to August 2026 on or about 22 October 2026

Publication of 2026 integrated report November 2026

## Ordinary share dividend

2025 final dividend  
Last day to trade with dividend included 20 January 2026  
Date of dividend payment 26 January 2026



For more information, please visit  
our website at [www.clicksgroup.co.za](http://www.clicksgroup.co.za)

