

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

TRADING STATEMENT AND VOLUNTARY ANNOUNCEMENT RELATING TO KAELO ACQUISITION

In terms of the Listings Requirements of the JSE Limited ("JSE"), a company is required to issue a trading statement once it is satisfied that a reasonable degree of certainty exists that the financial results for the period to be reported upon will differ by at least 20% from the financial results for the previous corresponding period.

Accordingly, shareholders are advised that in respect of the six-months ended 31 August 2021, the Company is expecting to announce earnings per share ("EPS") and headline earnings per share ("HEPS") of between 47.7c and 49.5c. This is an increase of between 32.6% and 37.6% compared to the published EPS and HEPS number of 36.0c for the six-months ended 31 August 2020.

	1H21	1H22 expected	% change
EPS	36.0c	47.7c – 49.5c	32.6% to 37.6%
HEPS	36.0c	47.7c – 49.5c	32.6% to 37.6%

KAELO ACQUISITION

Shareholders are referred to the announcement released by Dis-Chem on 21 December 2020 wherein it was communicated that it had entered into agreements with the founding shareholders and management of Kaelo Holdings ("Kaelo"), in terms of which it will acquire 25% of the issued share capital and shareholder claims of Kaelo ("the Transaction").

Dis-Chem is pleased to announce that approval for the Transaction was received from the Competition Tribunal on 8 October 2021. Subject to final conditions being fulfilled, the effective date for the Transaction will be 1 November 2021.

This Transaction, together with previous investments and acquisitions, positions Dis-Chem to augment the provision of care in a rapidly evolving primary care landscape. Dis-Chem and Kaelo are both committed to playing leading roles in the ubiquitous access to affordable and quality private primary healthcare.

Kaelo houses a complimentary portfolio of health assets, including benefit-rich gap and primary health insurance products, occupational health clinics, and is the owner of the AskNelson psychological wellbeing platform. With there being 12.4 million employed yet medically uninsured people in South Africa, the primary health insurance market opportunity to offer affordable and quality primary health insurance, is significant.

Dis-Chem will pay a total purchase consideration of up to R195 million, subject to company performance hurdles in the FY22 period. Upon closure of the transaction, R160 million will be payable.

The transaction mentioned in this announcement is not deemed to be a categorised transaction in terms of the Listings Requirements of the JSE Limited.

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

Dis-Chem will release its results for the six-months ended 31 August 2021 on 3 November 2021. There will be a pre-recorded webcast at 10:00 am which can be accessed using the following link:

<https://www.corpcam.com/Dischem03112021>. The recording will be available on the Group's website shortly after the presentation at www.dischemgroup.com.

Midrand
18 October 2021

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The Standard Bank of South Africa Limited