

PEPKOR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2017/221869/06)

Share Code: PPH

Debt Code: PPHI

ISIN: ZAE000259479

("Pepkor", the "Company" or the "Group")



RESULTS OF ACCELERATED BOOKBUILD OFFERING OF PEPKOR HOLDINGS LIMITED ORDINARY SHARES

RESULTS

Shareholders are referred to the announcement released on the Stock Exchange News Service of the JSE Limited (the "JSE") on 23 June 2020, relating to the issue of 172,500,000 new ordinary no par value shares in the authorised but unissued share capital of the Company (the "Placement Shares") through an accelerated bookbuild (the "Bookbuild") under and in accordance with the Company's existing general authority to issue shares for cash, granted by shareholders at the annual general meeting held on 11 March 2020 (the "Placement").

Pepkor is pleased to announce the successful completion of the Bookbuild. The Placement Shares were issued at a price of R11.00 per share, a 6.2% discount to the pre-launch 30 business day volume weighted average price of R11.73 per share as at market close on 23 June 2020, in compliance with section 5.52(d) of the Listings Requirements of the JSE. The Placement raised gross proceeds of R1.9 billion for the Company.

The Placement Shares being issued represent in aggregate 4.95% of the Company's issued ordinary share capital prior to the Placement. The Placement Shares when issued will be fully paid and will rank pari passu in all respects with the Company's existing ordinary shares in issue, including the right to receive all dividends and other distributions declared, made or paid after the date of issue of the Placement Shares.

An application will be made to the JSE for the listing of the Placement Shares. Subject to approval by the JSE, listing and trading of the Placement Shares are expected to occur on the JSE on Monday, 29 June 2020, and dealings in the Placement Shares are expected to commence at the same time.

Rand Merchant Bank, a division of FirstRand Bank Limited and Morgan Stanley & Co. International Plc acted as joint global coordinators and joint bookrunners of the Placement (the "Bookrunners").

USE OF PROCEEDS

The proceeds from the Placement will be used specifically to:

- reduce Pepkor's current gearing level to move towards its stated target of 1 times net debt-to-EBITDA. As of March 2020, the Company's gearing ratio is 1.7 times.;
- support securing of the business against the current and future uncertainties from both a macro and economic perspective; and
- provide investors with an opportunity to invest in the future growth and success of Pepkor.

The Placement is a precautionary measure to strengthen Pepkor's financial flexibility and liquidity position in the light of the continuing COVID-19 pandemic and resulting macro-economic pressure. In addition to other cash-saving initiatives already undertaken by the Group, the Placement will help Pepkor to further enhance the liquidity profile and increase resilience of its balance sheet, should a more negative macro-economic scenario realise.

24 June 2020

Joint Global Coordinators and Joint Bookrunners

Rand Merchant Bank (a division of FirstRand Bank Limited)

Morgan Stanley & Co International plc

Legal adviser to Pepkor

Bowman Gilfillan (as to South African law)

Shearman & Sterling London LLP (as to US and English law)

Legal advisers to the Joint Global Coordinators and Joint Bookrunners

Webber Wentzel (as to South African law)

Davis Polk & Wardwell London LLP (as to US and English law)

Equity Sponsor

PSG Capital

Debt Sponsor and Corporate Broker

Rand Merchant Bank, a division of FirstRand Bank Limited

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In South Africa, the Placement will only be made by way of separate private placement to: (i) selected persons falling within one of the specified categories listed in section 96(1)(a) of the South African Companies Act, No. 71 of 2008, as amended ("the **South African Companies**

Act"); or (ii) selected persons, acting as principal, acquiring Placement Shares for a total acquisition cost of ZAR1,000,000 or more, as contemplated in section 96(1)(b) of the South African Companies Act ("South African Qualifying Investors"). This announcement is only being made available to such South African Qualifying Investors. Accordingly: (i) the Placement is not an "offer to the public" as contemplated in the South African Companies Act; (ii) this announcement does not, nor does it intend to, constitute a "registered prospectus" or an "advertisement", as contemplated by the South African Companies Act; and (iii) no prospectus has been filed with the South African Companies and Intellectual Property Commission (the "**CIPC**") in respect of the Placement. As a result, this announcement does not comply with the substance and form requirements for a prospectus set out in the South African Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the CIPC, or any other South African authority.

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In terms of the Exchange Control Regulations of South Africa, any share certificates that might be issued to non-resident shareholders will be endorsed 'Non-Resident'. Any new share certificates, dividend and residual cash payments based on emigrants' shares controlled in terms of the Exchange Control Regulations, will be forwarded to the Authorised Dealer controlling their remaining assets. The election by emigrants for the above purpose must be made through the Authorised Dealer controlling their remaining assets. Such share certificates will be endorsed 'Non- Resident'. Dividend and residual cash payments due to non-residents are freely transferable from South Africa.

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The distribution of this announcement and the offering of the Placement Shares in certain jurisdictions may be restricted by law. No action has been taken by the Company or the Bookrunners that would permit an offering of such shares or possession or distribution of this announcement or any other offering or publicity material relating to such shares in any jurisdiction where action for that purpose is required. Persons into whose possession this announcement comes are required by the Company and the Bookrunners to inform themselves about, and to observe, such restrictions.

This announcement includes "forward-looking statements" within the meaning of the "safe harbour" provisions of the United States Private Securities Litigation Reform Act of 1995. Forward-looking statements may be identified by the use of words such as "target", "will", "forecast", "expect", "potential", "intend", "estimate", "anticipate", "can" and other similar expressions that predict or indicate future events or trends or that are not statements of historical matters. The forward-looking statements set out in this announcement involve a number of known and unknown risks, uncertainties and other factors, many of which are difficult to predict and generally beyond the control of the Company, that could cause the Company's actual results and outcomes to be materially different from historical results or from any future results expressed or implied by such forward-looking statements. These forward-looking statements speak only as of the date of this announcement. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this announcement or to reflect the occurrence of unanticipated events, save as required by applicable law.

This announcement does not identify or suggest, or purport to identify or suggest, the risks (direct or indirect) that may be associated with an investment in the Placement Shares. Any investment decision to buy Placement Shares in the Placement must be made solely on the basis of publicly available information, which has not been independently verified by the Bookrunners.

This announcement does not represent the announcement of a definitive agreement to proceed with the Placement and, accordingly, there can be no certainty that the Placement will proceed. The Company reserves the right not to proceed with the Placement or to vary any terms of the Placement in any way.

The Placement Shares to be issued pursuant to the Placement will not be admitted to trading on any stock exchange other than the JSE.

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