

City Lodge Hotels Limited
(Incorporated in the Republic of South Africa)
(Reg. No. 1986/002864/06)
Share Code: CLH ISIN Code: ZAE000117792
("City Lodge" or the "Company" or the "Group")

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RESULTS OF THE RIGHTS OFFER

1. Introduction

City Lodge shareholders are referred to the finalisation announcement released on the Stock Exchange News Service ("SENS") on Thursday, 30 July 2020 relating to a fully underwritten renounceable rights offer to qualifying City Lodge shareholders to raise, in aggregate, gross proceeds of R1.2 billion (the "Rights Offer").

The Rights Offer consisted of an issue of 566,460,609 renounceable rights to subscribe for new City Lodge ordinary shares ("Rights Offer Shares") in the ratio of 13 Rights Offer Shares for every 1 City Lodge ordinary share held on the record date of the Rights Offer, at a subscription price of R2.12 per Rights Offer Share and was fully underwritten by The Standard Bank of South Africa Limited ("the Underwriter"), subject to customary terms and conditions.

Capitalised terms used in this announcement bear the same meaning as the capitalised and defined terms used in the Rights Offer Circular.

2. Results of the Rights Offer

The Rights Offer closed at 12:00 (South African Standard Time) on Friday, 21 August 2020. The results of the Rights Offer are set out below:

	Number of Rights Offer Shares	Percentage of Rights Offer (%)
Rights Offer Shares available for subscription	566,460,609	100
Subscription of Rights Offer Shares	551,419,156	97.3
Applications for excess Rights Offer Shares	291,615,438	51.5
Excess Rights Offer Shares allocated	15,041,453	2.7

As the Rights Offer was fully subscribed after taking into account excess applications received, the Underwriter was not required to subscribe for any Rights Offer Shares in terms of its underwriting commitment.

City Lodge CEO Andrew Widegger commenting on the results of the Rights Offer "We are delighted that shareholders have shown such strong support for our capital raise, resulting in a well-subscribed transaction. The capital raised will bring much needed stability to our financial standing and allow management to focus fully on operational matters as we continue to navigate these highly uncertain times."

3. Issue of Rights Offer Shares

Share certificates are to be posted to holders of certificated City Lodge ordinary shares or their renounees or purchasers of their letters of allocation, who have followed their Rights, on Monday, 24 August 2020.

The CSDP or broker accounts of holders of dematerialised City Lodge ordinary shares or their renounees or purchasers of their letters of allocation, who have followed their rights, will be credited with the Rights Offer Shares and debited with the payments due on Monday, 24 August 2020.

4. Excess applications

City Lodge received applications for 291,615,438 excess Rights Offer Shares of which 15,041,453 excess Rights Offer Shares were allocated. Excess Rights Offer Shares were allocated on a pro rata basis to Qualifying Shareholders who applied for excess Rights Offer Shares by taking into account the number of shares held by the Qualifying Shareholder as at the Record Date and the number of excess applications applied for by such Qualifying Shareholder.

Share certificates will be posted to holders of certificated City Lodge ordinary shares, who have been allocated excess Rights Offer Shares on or about Wednesday, 26 August 2020.

The CSDP or broker account of holders of dematerialised City Lodge ordinary shares who have been allocated excess Rights Offer Shares will be credited with the Rights Offer Shares and debited with the payments due on or about Wednesday, 26 August 2020.

Refund payments in respect of unsuccessful applications for excess Rights Offer Shares will be made to the relevant applicants on or about Wednesday, 26 August 2020.

Johannesburg
24 August 2020

**Financial Advisor, Underwriter, Bookrunner
and JSE Transaction Sponsor to City Lodge**

The Standard Bank of South Africa Limited

**Legal Adviser to Standard Bank
as to South African law**

Allen & Overy (South Africa) LLP

**Legal Adviser to Standard Bank
as to US and English law**

Allen & Overy LLP

**Independent Reporting Accountants and
Auditors**

KPMG Inc.

**Legal Adviser to City Lodge
as to South African law**

Edward Nathan Sonnenbergs Inc.

**Legal Adviser to City Lodge
as to US and English law**

Shearman & Sterling (London) LLP

Transfer Secretaries of City Lodge

Computershare Investor Services Proprietary Limited

**Independent Corporate Adviser to the Independent
Board of City Lodge**

Questco Proprietary Limited

IMPORTANT NOTICE

The Rights Offer is being made in accordance with the South African Companies Act No. 71 of 2008, as amended (the "**Companies Act**") and is only addressed to persons to whom it may lawfully be made. By subscribing for any Rights Offer Shares or purchasing any Letters of Allocation, you will be deemed to have represented and agreed that: (i) you are not (and any person for whom you are acting is not) a Restricted Shareholder or otherwise (a) a resident in any jurisdiction in which such offer would be unlawful or (b) a person to whom the Rights Offer may not lawfully be made; and (ii) you have received all necessary information required to make an informed investment decision.

This Announcement is not an offer of new City Lodge Ordinary Shares, or an invitation to exercise any of the Rights pursuant to the Letters of Allocation, in any jurisdiction in which such offer would be unlawful. In a number of countries, in particular in the United States and the Restricted Territories, the distribution of this Announcement, the exercise of Rights pursuant to the Letters of Allocation, the offer of the Rights Offer Shares, as well as the sale of the Rights Offer Shares, are subject to restrictions imposed by law (such as registration, admission or other regulations). No action has been or will be taken by City Lodge or by the Underwriter to permit the possession or distribution of this Announcement (or any Letter of Allocation) in any jurisdiction where such distribution may otherwise lead to a breach of any law or regulatory requirement. The Rights Offer Shares have not been and will not be registered under the US Securities Act, or under any securities laws of any state or other jurisdiction of the United States.

