

PEPKOR HOLDINGS LIMITED

(Incorporated in the Republic of South Africa)

(Registration number: 2017/221869/06)

Share Code: PPH

Debt Code: PPHI

ISIN: ZAE000259479

("Pepkor" or the "group")

VOLUNTARY UPDATE ON CIVIL UNREST

Shareholders and noteholders are advised that Pepkor's operations have been impacted by the ongoing civil unrest over the past week which has been concentrated predominantly in the KwaZulu-Natal and Gauteng provinces (the "**affected areas**") of South Africa. As a business we condemn this behaviour and are deeply saddened by not only the destruction of property, infrastructure and assets, but more importantly, the loss of life caused by this situation and the long-term effects this will have on the South African economy and the livelihoods of the group's employees and customers.

To date, 489 retail stores representing approximately 9% of the group's total retail stores have been damaged and looted as well as one of the JD Group's distribution centres in Cato Ridge, KwaZulu-Natal. The JD Group operates a total of 16 distribution centres countrywide and its KwaZulu-Natal stores, once reopened, will be serviced in the short-term from its other distribution centres. As a precautionary measure to ensure the safety of our employees and customers, a varying number of retail stores were intermittently closed across the affected areas over the past week.

Our first priority is the safety and well-being of our employees to ensure the sustainability of our business. A number of contingency plans have been put in place to keep our employees safe and to secure our assets.

The group's supply chain and distribution operations in the affected areas have been severely disrupted and numerous additional measures, including tactical security, have been put in place to safeguard the group's distribution infrastructure and assets. The group continues to closely monitor the situation and is in constant contact with law-enforcement agencies, security service providers and other relevant stakeholders.

The group is not yet in a position to assess and determine the full cost of the damage suffered. The group has insurance cover in place to mitigate the losses incurred.

The process to clean up, reopen and restock stores has commenced on a limited basis and is gaining momentum as the current situation stabilises and logistics operations and infrastructure in affected areas are restored. Project teams have further initiated recovery plans to restore operations as soon as possible.

Leon Lourens, the chief executive officer of Pepkor stated: “The vast majority of the stores across our footprint remain operational and as a group we are focused and determined to rebuild and restore affected operations as quickly as possible. It is a key priority for us to serve all our loyal customers as soon as possible and continue to make a positive difference in their lives - especially during this challenging time.

Thanks to the calibre of our people and culture, the Pepkor team have successfully dealt with enormous challenges over the past few years. It is the courageous, agile and resilient teams that come out on top when facing adversity - we have plenty of that!”

Pepkor will advise stakeholders of any further developments should this be considered necessary.

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16 July 2021

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