

Mr Price Group Limited  
Registration number 1933/004418/06  
Incorporated in the Republic of South Africa  
ISIN: ZAE000200457  
LEI number: 378900D3417C35C5D733  
JSE and A2X share code: MRP  
("Mr Price" or "group" or "Mr Price group")

## **FULFILMENT OF CONDITIONS PRECEDENT FOR THE ACQUISITION OF A CONTROLLING SHAREHOLDING IN THE STUDIO 88 GROUP**

Shareholders are referred to the Stock Exchange News Service announcement on 13 April 2022 (Announcement) regarding the acquisition by Mr Price of 70% of the issued share capital of Blue Falcon Trading 188 (Proprietary) Limited, which owns the Studio 88 Group of businesses (Studio 88 Group or Business), from RMB Ventures Six (Proprietary) Limited (RMB Ventures) and current management of the Studio 88 Group (Transaction). All conditions precedent per the Transaction agreements have now been fulfilled, including approval from the relevant competition authorities, and the Transaction has now become unconditional.

In terms of the Transaction agreements, the Transaction will close on Monday 3 October 2022 (Closing Date) with an effective date of 4 October 2022. The final consideration to be paid on the Closing Date is R3.6 billion.

As referenced in the Announcement, Mr Price group's vision is to be the most valuable retailer in Africa. The aspirational value segment within the apparel sector was highlighted as an attractive investment area in which the group is currently under-represented. Mr Price has frequently communicated its acquisition criteria and is confident that the Studio 88 Group meets its strict requirements for investment. The group believes that this immediately earnings accretive acquisition fits well into its strategic plans and aligns with its capital allocation thresholds.

As a reminder to shareholders, the Studio 88 Group is the largest independent retailer of branded leisure, lifestyle and sporting apparel and footwear in South Africa. It is a founder-led business which has been operating in Southern Africa since 2001. The Business owns and operates retail outlets that offer clothing, footwear and accessories, trading through Studio 88, SideStep, Skipper Bar, John Craig and other chains, each of which have substantial growth opportunities. The Business has achieved compound annual growth rates in both revenue and EBITDA in excess of 20% over the last 10 years. Mr Price group management is encouraged by Studio 88 Group's performance for the financial year ending 30 September 2022, which has exceeded expectations, generating revenue of over R6.4 billion through 778 stores\*.

The Studio 88 Group is focused on consumers who make aspirational fashion choices. The merchandise range is a mix of international brands, some of which are under exclusive license agreements, as well as private label ranges. Store operations are predominantly based in South Africa, which are positioned in central business districts, regional malls and rural high streets, and via its e-commerce platforms. The Studio 88 Group is highly cash generative and operates on a cash-only basis, which contributes to its value positioning.

The management team of the Studio 88 Group have a history of maintaining strong brand relationships and customer loyalty and delivering consistent earnings growth over the long term. The team will remain in place and are highly motivated to continue delivering on their impressive track-record. Management's retained shareholding will be acquired over a four-year period post Closing Date.

Mr Price group CEO, Mark Blair, said, "We are grateful to have received such a positive outcome from the regulatory processes, including from the South African competition commission, without any conditions. We are very excited about Studio 88 joining the Mr Price family and look forward to seeing them continue performing and taking hold of opportunities."

\*Based on unpublished, unaudited management accounts provided by Studio 88 to Mr Price group management. Mr Price is satisfied with the quality of the management accounts provided by Studio 88 and reference thereto is the responsibility of the Mr Price Board.

Durban  
30 September 2022

Financial advisor, JSE Equity Sponsor and Corporate Broker: Investec Bank Limited  
Legal advisor: Bowmans Inc.