

Woolworths Holdings Limited
(Incorporated in the Republic of South Africa)
Registration number 1929/001986/06
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Share code: WHL
ISIN: ZAE000063863
Bond code: WHLI
("WHL" or the "Group")

VOLUNTARY ANNOUNCEMENT: SALE OF SHAREHOLDING IN DAVID JONES

WHL is pleased to announce that the Group has entered into an agreement to sell its entire shareholding in its Australian subsidiary David Jones to Anchorage Capital Partners, an Australian private equity fund. As part of the transaction WHL will retain ownership of the flagship property asset in Bourke Street, Melbourne, which will be leased to David Jones on a long-term basis on market-related terms. A transitional services agreement will remain in place for a period of time to ensure an orderly separation of David Jones from the Group. The agreement is subject to terms and conditions customary for transactions of this nature, and WHL anticipates the transaction to complete by the end of March 2023, with the final proceeds to be determined based on completion accounts to be prepared in due course pursuant to the agreement. Management expects to realise value in excess of the carrying value of the David Jones assets.

The transaction will materially improve the return on capital of the Group by further transforming its balance sheet through the removal of c.R17bn in liabilities relating to the David Jones store portfolio. Importantly, this also enables the reallocation of capital and management focus towards value-accretive initiatives across other areas of the Group.

This transaction concludes a comprehensive strategic review by WHL in relation to the David Jones business. This was undertaken in parallel to a refresh of the Group's capital allocation framework, in-line with its commitment to driving long-term value creation for all stakeholders. Notwithstanding the commendable progress made in the turnaround of David Jones over the past two years, which has resulted in a significant improvement in the underlying operational and financial health of the business, WHL concluded that the David Jones business was no longer aligned to the strategic objectives of the Group.

Roy Bagattini, Group Chief Executive Officer said: "This is a major milestone in the repositioning of WHL for growth, while simultaneously improving return on capital for our shareholders. The strategic rationale at the time of the acquisition did not materialise to the extent originally envisaged. While David Jones has successfully executed on its turnaround, notwithstanding the Covid-19 disruptions, now is the right time for the business to operate under new ownership, while WHL refocuses on its core South African and Australian Country Road Group businesses."

Further to the above, Roy Bagattini invites investors to a Q&A Investor call, at 09h00 South African time (GMT + 2), today. To join the Chorus Call please follow the [registration link](#).

Cape Town
19 December 2022

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