

PEPKOR HOLDINGS LIMITED
(Incorporated in the Republic of South Africa)
(Registration number: 2017/221869/06)
Share Code: PPH
Debt Code: PPHI
ISIN: ZAE000259479
LEI: 378900D677C34F69875
("Pepkor" or "the Group" or the "Company")

VOLUNTARY ANNOUNCEMENT RELATING TO THE DISPOSAL OF THE BUILDING COMPANY PROPRIETARY LIMITED ("TBCO")

1. INTRODUCTION

Pepkor shareholders and noteholders are hereby advised that the Company has entered into a sale agreement with respect to the disposal of the entire share capital of Pepkor's wholly owned subsidiary, TBCo, for a purchase consideration of c. R1.2 billion (the "Proposed Transaction") to Capitalworks Private Equity and selected members of TBCo management. The Proposed Transaction is subject to the conditions precedent as detailed in paragraph 3.2 below.

2. RATIONALE FOR THE TRANSACTION

TBCo has continued to expand its value proposition which includes an attractive portfolio of well-known brands, under Pepkor's ownership, while refining its strategy and consolidating its operational structure. The disposal of TBCo will streamline Pepkor's portfolio of businesses, enhancing the Group's return on capital and optimise shareholder returns.

Following the Proposed Transaction, TBCo will be well positioned strategically and operationally to pursue growth.

3. PRINCIPLE TERMS OF THE PROPOSED TRANSACTION

3.1. PURCHASE PRICE

The total consideration payable on closing of the Proposed Transaction will be c. R1.2 billion subject to an escalation rate of 8.5% per annum from 1 October 2023 until the Proposed Transaction's closing date.

Pursuant to the required approvals and conclusion of the Proposed Transaction, Pepkor intends to use the net disposal proceeds to reduce debt, in line with the Group's ambition to maintain a flexible capital structure and to fund strategic growth and value accretive initiatives.

3.2. CONDITIONS PRECEDENT

The implementation of the Proposed Transaction is subject to the usual regulatory approvals, including from the South African competition authorities, being obtained.

4. CLASSIFICATION OF THE PROPOSED TRANSACTION

The Proposed Transaction is not a categorised transaction for the purposes of the JSE Limited (“JSE”) Listings Requirements.

Parow
29 February 2024

JSE Equity Sponsor
Investec Bank Limited

Debt sponsor
Rand Merchant Bank (a division of FirstRand Bank Limited)

Corporate Broker and Financial advisor to Pepkor
Rand Merchant Bank (a division of FirstRand Bank Limited)

Legal advisor to Pepkor
Werksmans