

MEDIA RELEASE

EDCON BUSINESS RESCUE PRACTITIONERS ANNOUNCE THE SIGNING OF HEADS OF AGREEMENT IN RESPECT OF THE SALE OF PARTS OF EDGARS TO RETAILABILITY

06 July 2020: The Edcon Business Rescue Practitioners today announce the signing of a “Heads of Agreement” to sell parts of Edgars to Retailability (Pty) Ltd. Retailability is a fashion retailer and the holding company of store brands including Legit, Beaver Canoe and Style, operating in over 460 stores across South Africa, Namibia, Botswana, Lesotho, and eSwatini. The transaction will be subject to various conditions precedent and regulatory approvals, including the Competition Authorities.

The transaction, if successfully concluded, will be a positive outcome for the business rescue process, as Edgars with its great brands, product offerings and retail footprint, will be well served in the hands of an experienced Retailability team. Through this transaction, Retailability plans to utilise Edgars’ unique value proposition, and large attractive target market, to ensure the growth and continuity of a proudly South African Edgars’ brand. The terms of the potential sale were presented to stakeholders at various business rescue Committee meetings.

The business rescue practitioners commented, “This significant step will not only save a significant number of jobs, but importantly, will lead to the sustainability of a proudly South African iconic brand, whose continuity would serve the greater economy. The details of the transaction will be finalised on the signing of definitive agreements and the fulfilment of the various conditions precedent.

The practitioners added that “the business rescue plan in respect of the other Edcon businesses/or parts thereof is in its advanced stages. As you would anticipate, the nature of such transactions are complex, and formal announcements will be made once we are able to do so.”

The closing of the Edgars transaction is targeted for this quarter. All stakeholders will be updated as the business rescue plan and the sales transactions progress.

Ends.

About Edcon

Edcon is one of southern Africa's largest non-food retailers. We have been in operation for 90 years, and operate our business under four principal divisions throughout southern Africa:

- Edgars is South Africa's leading fashion retailer offering a wide variety of Fashion, Beauty and Homeware. Showcasing a portfolio of desired and recognisable international and local brands Edgars enables South Africans to express themselves for all occasions
- Jet addresses the lifestyle needs of the value conscious customer in clothing, home and beauty without compromising aspirations.
- Our Thank U division is a newly formed Operating Division focused on enhancing the customer journey through convenient, personalised, access to products and services through both physical and digital channels. It includes credit, insurance, cellular, e-commerce and our loyalty programme, thank U, which is one of the largest rewards programmes in sub-Saharan Africa.

For more information, please visit the Edcon website: www.edcon.co.za