

Shoprite Holdings Limited

(Incorporated in the Republic of South Africa)

Registration no. 1936/007721/06

ISIN: ZAE000012084

JSE share code: SHP

NSX share code: SRH

LuSE share code: SHOPRITE

("Shoprite Holdings" or the "Company" or the "Group")

VOLUNTARY ANNOUNCEMENT RELATING TO THE ACQUISITION OF SELECT BUSINESSES FROM MASSMART HOLDINGS LIMITED ("MASSMART HOLDINGS")

1. INTRODUCTION

Shoprite Holdings' shareholders ("Shareholders") are referred to the announcement released on the Stock Exchange News Service by Massmart Holdings this afternoon and are hereby advised that the Company, through a subsidiary ("Shoprite Supermarkets Proprietary Limited") of Shoprite Checkers Proprietary Limited has entered into a sale of business agreement ("Agreement") with certain wholly-owned subsidiaries of Massmart Holdings in terms of which Shoprite Supermarkets Proprietary Limited will acquire –

- the Cambridge Food business and Rhino Cash and Carry business (collectively, "Cambridge Food Business"), comprising 56 grocery stores in total (including 43 adjacent liquor stores);
- the Fruitspot business and Massfresh Meat business (collectively, "Massfresh Business"), comprising 4 facilities in total; and
- 12 Masscash Cash and Carry stores (collectively, "Selected Masscash Cash and Carry Assets"),

(collectively, the "Target Businesses") ("the Transaction").

2. TRANSACTION RATIONALE

Shoprite Holdings views the acquisition of the Cambridge Food Business, the Massfresh Business and Selected Masscash Cash and Carry Assets as an ideal opportunity to utilise its operational capabilities to benefit these businesses and the Group's customers, staff, suppliers and shareholders.

The Target Businesses' turnover for the 52 weeks ended 27 December 2020 measured approximately R10.8 billion. The Transaction has been structured in a manner that ensures the sustainability of jobs in the Target Businesses, with all applicable staff of the Target Businesses becoming Group staff following the conclusion of the Transaction.

Commenting on the Transaction, Shoprite Holdings Chief Executive Officer, Pieter Engelbrecht, said "We are focused on our low-price leadership position and furthering our reach in terms of getting closer to more of our customers. Our plans in this regard incorporate both organic and acquisitive growth. The rationale for this transaction is not just premised on the fact that, as a result of our operational expertise, we believe we can profitably run these operations; it also gives us immediate access to opportunities that were on our medium-term to-do list. We are well positioned to integrate and grow these businesses and as a result, Shoprite can ensure the sustainability of employment of the staff within these businesses."

3. IMPLEMENTATION

The maximum consideration payable on closing of the Transaction will be R1.4 billion.

The targeted effective date is subject to the fulfilment of both regulatory and commercial suspensive conditions which includes competition authority approval.

4. CATEGORISATION OF THE TRANSACTION

The Transaction is not a categorised transaction in terms of the JSE Limited Listings Requirements and this announcement has been voluntarily released by Shoprite Holdings.

Cape Town
20 August 2021

Financial Advisor and Transaction Sponsor: Investec Bank Limited

Legal Advisor: DLA Piper Advisory Services Proprietary Limited