



Pick n Pay Stores Limited  
Incorporated in the Republic of South Africa  
Registration number: 1968/008034/06  
JSE Share Code: PIK  
ISIN code: ZAE000005443  
("Pick n Pay" or "the Group")

## **Voluntary announcement relating to the acquisition of the operations of the Tomis group of companies**

### **1. Introduction**

Pick n Pay is pleased to announce that the Group has concluded a sale and purchase agreement to acquire 100% of the business operations of the Tomis group of companies ("Tomis") for a purchase consideration of R340 million ("the Acquisition").

### **2. Description of Tomis**

Established in 1993, Tomis is a state-of-the-art abattoir and meat processing and packaging business, supplying lamb, beef and other quality fresh meat products to wholesalers and retailers, including Pick n Pay. Tomis' production facilities are situated near Wellington, approximately 100km from Cape Town. Tomis' key assets include a 15,000m<sup>2</sup> under-roof lamb feedlot, lamb and beef abattoirs, and a meat packaging plant situated on a 140-hectare farm. Tomis has approximately 320 employees, and recorded sales of R720 million for their 2022 financial year. It operates under the highest animal welfare, food hygiene, ethical, and environmental standards. Tomis owns the 'TOMIS' and 'Roam Free' trademarks, which are being acquired as part of the transaction.

### **3. Rationale for the Acquisition**

Meat and butchery is a key product category for both Pick n Pay and Pick n Pay QualiSave under the Group's Ekuseni strategy. The Acquisition will significantly enhance the Group's fresh meat offer to customers, while providing the Group with the following benefits:

- A higher-quality, more consistent, red meat offer, a category that is a key element of our customer value proposition;
- An enhanced ability to develop and roll out innovative, value-added, products for customers;
- A reduced cost for red meat, unlocking the ability to give customers greater value;
- Centralised meat packaging, providing a more reliable supply, and unlocking synergies through the Group's centralised supply chain distribution network; and
- Sales growth opportunities, with the potential to supply Pick n Pay franchisees, Boxer, and other retailers and wholesalers.

#### **4. Key terms of the Acquisition**

The Group will acquire 100% of the Tomis business operations. This will be split into an upfront cash consideration of R323 million, and a fixed capped deferred price of R17 million payable on the third anniversary of the transaction. Tomis' managing director, Laurie Terblanche, is to remain with the Group.

#### **5. Conditions precedent**

The Acquisition remains subject to a number of conditions precedent, including the relevant regulatory approvals (Competition Commission and others).

#### **6. Classification of the Acquisition**

The Acquisition is not a categorised transaction for the purposes of the JSE Listing Requirements and therefore shareholder approval is not required.

By order of the Board  
Cape Town  
28 June 2023

Sponsor: Investec Bank Limited