

PICK N PAY STORES LIMITED

Registration number: 1968/008034/06

Incorporated in the Republic of South Africa

Share code: PIK

ISIN code: ZAE000005443

(“Pick n Pay” or “the Company” or “the Group”)

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RIGHTS OFFER DECLARATION ANNOUNCEMENT

1. Introduction

Shareholders of the Company (“**Shareholders**”) are referred to the announcement released on the Stock Exchange News Service (“**SENS**”) of the JSE Limited (“**JSE**”) and the A2X News Service (“**ANS**”) of the A2X Market on Monday, 27 May 2024, wherein the Company announced the publication and distribution of its notice of extraordinary general meeting (“**EGM**”), with the intention to seek shareholder approval to pass the resolutions necessary to pursue a ZAR4.0 billion fully underwritten, renounceable rights offer (“**Rights Offer**”).

As further announced on SENS and ANS on Wednesday, 26 June 2024, all resolutions proposed at the EGM were approved by the requisite majority of Shareholders and Shareholders are hereby advised that the Company accordingly intends to launch the Rights Offer on the terms described further below.

2. Rationale for the Rights Offer

As set out in Pick n Pay’s announcement released on Monday, 27 May 2024, a deterioration in the performance of the Group’s core Pick n Pay supermarket business resulted in a substantial trading loss in the Pick n Pay division of ZAR1.5 billion and an overall loss for the period at Group level of ZAR3.2 billion, including asset impairments, for the 52 weeks ended 25 February 2024 (“**FY2024**”).

The decline in Pick n Pay’s earnings and an escalation in the Group’s net debt position resulted in net debt / (net cash) increasing from 1.1 to 6.3 times EBITDA for FY2024 (excluding the impact of IFRS 16 leases). The FY2024 losses incurred also resulted in the need for a non-cash asset impairment amounting to ZAR2.8 billion. The increased gearing, together with this impairment, put significant pressure on the Group’s liquidity and solvency.

The board of directors of Pick n Pay (“**Board**”) undertook several key steps to safeguard the Group’s liquidity position and to strengthen the underlying performance of the Pick n Pay supermarket business, including the appointment of new CEO, Sean Summers, to lead the Pick n Pay turnaround strategy and the restructuring of senior leadership and operational structures. This included, *inter alia*, a full covenant waiver for the twelve months ended February 2024 and a debt Restructuring Agreement with all its short-term and long-term funders in May 2024 to secure the availability of its debt facilities until 1 September 2025.

Alongside the immediate action taken at an operational level, the Board prioritised the development of a sustainable capital structure for the Group, which would reduce debt levels, provide sufficient support for investment in the turnaround of Pick n Pay’s supermarket business and unlock shareholder value

embedded in the Group. To this end, the Group announced an intended two-step recapitalisation plan on SENS and ANS on 22 February 2024 which comprises the Rights Offer, followed by an offering and listing of shares in the Group's Boxer business on the Main Board of the JSE (“**Boxer IPO**”) (and together with the Rights Offer, “**the Recapitalisation Plan**”).

3. Use of proceeds

The Rights Offer is being implemented pursuant to the Recapitalisation Plan and the net proceeds of the Rights Offer, combined with the net proceeds of the intended Boxer IPO, will be primarily used to settle the Group's outstanding debt as well as for considered re-investment to secure the turnaround of the Group's Pick n Pay supermarket business.

Having considered its near-term capital requirements, its level of debt and taking into account prevailing market conditions, the Group believes that the Rights Offer, in conjunction with working capital improvements and the Boxer IPO, will assist the Group in raising sufficient liquidity to:

- reduce the Group's long-term debt levels which will improve liquidity and save on interest costs currently being charged by the Group's lending banks;
- facilitate the delivery of the turnaround strategy of the Pick n Pay supermarket business;
- unlock shareholder value embedded in the Group; and
- deliver the incremental operational funding needed for the remainder of the 2025 financial year.

4. Terms of the Rights Offer

Pick n Pay is targeting gross proceeds of ZAR4.0 billion through the Rights Offer which will constitute an offer of renounceable rights to subscribe for new Pick n Pay ordinary shares (“**Rights Offer Shares**”) to Shareholders (excluding Shareholders resident or located in certain restricted jurisdictions to be set out in the Rights Offer Circular) (as defined below) recorded in the register on the record date for the Rights Offer (“**Qualifying Shareholders**”), expected to be on or about Friday, 19 July 2024 (“**Record Date**”).

The final terms of the Rights Offer, including the Rights Offer price and ratio of entitlement, will be announced on SENS and ANS by Pick n Pay on the finalisation date, expected to be on or about Thursday, 11 July 2024.

Application will be made to the JSE for the listing on the securities exchange of the JSE of:

- the Letters of Allocation in respect of the Rights Offer which are expected to be listed from the commencement of business on Wednesday, 17 July 2024 until the close of business on Tuesday, 30 July 2024, both days inclusive, under the JSE share code: PIKN and ISIN: ZAE000336145; and
- the Rights Offer Shares which will be listed with effect from the commencement of business on Wednesday, 31 July 2024.

The Rights Offer Shares will, upon issue, rank *pari passu* with all other shares of the same class.

Acquiring the Rights Offer Shares involves risks and Shareholders are advised to examine all the risks and legal requirements that might be relevant in connection with the Rights Offer and the Rights Offer Shares. Any decision in relation to the Rights Offer should be made on the basis of the information contained in the rights offer circular to be issued by the Company in connection with the Rights Offer (the “**Rights Offer Circular**”), which Rights Offer Circular is anticipated to be made available on Pick n Pay's website, www.picknpayinvestor.co.za, on Monday, 15 July 2024, and will be posted, together

with a form of instruction in respect of the Letters of Allocation, to certificated Shareholders on Thursday, 18 July 2024 and to dematerialised shareholders by Monday, 22 July 2024.

5. Underwriting

As noted in the 27 May 2024 announcement referred to above, the Company has concluded a standby underwriting agreement with Absa Bank Limited, Rand Merchant Bank, a division of FirstRand Bank Limited and The Standard Bank of South Africa Limited, subject to customary terms and conditions (“**the Joint Global Coordinators and Joint Underwriters**”) in terms of which they have severally agreed, subject, *inter alia*, to the conclusion of an underwriting agreement on customary terms, to underwrite the Rights Offer amount in equal proportions.

6. Excess applications

Qualifying Shareholders will be permitted to apply for Rights Offer Shares not taken up in excess of their *pro rata* entitlement in terms of the Rights Offer (“**Excess Shares**”), should there be Excess Shares available for allocation. Such Excess Shares will be allocated equitably, taking into consideration the number of Shares held by the Qualifying Shareholder that applies for Excess Shares prior to such allocation, including Rights Offer Shares taken up as a result of the Rights Offer, and the number of Excess Shares applied for by such Qualifying Shareholder.

7. Entitlement

The allocation of Rights Offer Shares will be such that Qualifying Shareholders will not be allocated a fraction of a Rights Offer Share and only whole numbers of Rights Offer Shares will be issued. Rights Offer Shares of 0.5 or greater will be rounded up and fractional entitlements of Rights Offer Shares of less than 0.5 will be rounded down.

8. Conditions precedent

The implementation of the Rights Offer is subject to the JSE granting a listing of the Letters of Allocation and the Rights Offer Shares on the securities exchange of the JSE in respect of the Rights Offer.

9. Foreign Shareholders

Foreign Shareholders, who have registered addresses outside South Africa, or who are resident, or located, in, or citizens of, countries other than South Africa, may be affected by the laws of the relevant jurisdiction. In addition to carefully considering the disclaimers and restrictions set out in the Rights Offer Circular, such foreign Shareholders should inform themselves with regard to and observe any applicable legal requirements of such jurisdiction in relation to all aspects of this announcement that may affect them, including the Rights Offer. It is the responsibility of each foreign Shareholder to satisfy himself as to the full observation of the laws and regulatory requirements of the relevant foreign jurisdiction in connection with the Rights Offer, including obtaining any governmental, exchange or other consents or the making of any filing which may be required, the compliance with any other necessary formalities and the payment of any issue, transfer or other taxes or other requisite payments due in such jurisdictions. The Rights Offer is governed by the laws of South Africa and is subject to applicable laws and regulations, including Exchange Control Regulations promulgated under the Currency and Exchanges Act, 9 of 1933, as amended. Nothing in this declaration announcement or the Rights Offer Circular referred to herein constitutes an offer of securities for sale in any jurisdiction where it is unlawful to do so.

10. Securities Transfer Tax (“STT”)

STT of 0.25% of the applicable taxable amount is payable in respect of every “transfer” of securities issued by a company incorporated in South Africa. “Transfer” as a general rule includes any cancellation or redemption of a security, but does not include the issue of a security or any event that does not result

in a change in beneficial ownership of a security. Consequently, the issue of the Rights Offer Shares by PIK will not be subject to STT. Similarly, the issue of the Rights as well as the dealing in them will not be subject to STT.

A purchase of the Rights Offer Shares from or through the agency of a JSE-registered Broker is subject to STT of 0.25% of the purchase consideration. The STT is payable by the Broker which may recover it from the transferee. Where the Rights Offer Shares are not purchased from or through the agency of a Broker, but the change in beneficial ownership is effected by a CSDP, STT of 0.25% of the greater of the declared purchase consideration or the JSE closing price of the Rights Offer Shares on the date of the transaction is payable by the CSDP, which may recover it from the transferee.

In any other case of a change in beneficial ownership of the Rights Offer Shares, as a general rule, STT of 0.25% of the greater of the declared purchase consideration or the JSE closing price of the Rights Offer Shares is payable by the transferee through the Broker or participant, which holds the Rights Offer Shares in custody or through the company.

11. Salient dates and times

Unless otherwise defined in this announcement, capitalised terms used in the table below have the same meanings given in the circular sent to shareholders in respect of the EGM.

	2024
Declaration announcement released on SENS and ANS on	Tuesday, 9 July
Finalisation announcement released by 11:00 (SAST) on SENS and ANS on or about	Thursday, 11 July
Rights Offer Circular including form of instruction made available on Pick n Pay's website, www.picknpayinvestor.co.za, on or about	Monday, 15 July
Last day to trade in Shares in order to qualify to participate in the Rights Offer (<i>cum</i> rights) on	Tuesday, 16 July
Ordinary Shares commence trading ex-rights on the securities exchange of the JSE and ANS at 09:00 (SAST) on	Wednesday, 17 July
Listing of and trading in the Letters of Allocation commences under JSE Share Code: PIKN and ISIN: ZAE000336145 at 09:00 (SAST) on	Wednesday, 17 July
Rights Offer Circular and form of instruction emailed / posted to Qualifying Certificated Shareholders on or about	Thursday, 18 July
Record Date for the Rights Offer	Friday, 19 July
Rights Offer opens at 09:00 (SAST) on	Monday, 22 July
In respect of Qualifying Certificated Shareholders, Letters of Allocation credited to an electronic account held with the Transfer Secretaries at 09:00 (SAST) on	Monday, 22 July
Rights Offer Circular and form of instruction emailed/posted to Qualifying Dematerialised Shareholders on	Monday, 22 July
In respect of Qualifying Dematerialised Shareholders, CSDP (as defined below) or Broker accounts credited with Letters of Allocation at 09:00 (SAST) on	Monday, 22 July
Last day for trading Letters of Allocation on the JSE in order to participate in the Rights Offer	Tuesday, 30 July

In respect of Qualifying Certificated Shareholders (or their renounees) wanting to sell all or some of their Letters of Allocation, form of instruction to be lodged with the Transfer Secretaries by 12:00 (SAST) on	Tuesday, 30 July
Listing of Rights Offer Shares on the securities exchange of the JSE and A2X commences at 09:00 (SAST) on	Wednesday, 31 July
In respect of Qualifying Certificated Shareholders or Qualifying Dematerialised Shareholders (or their renounees) wishing to exercise all or some of their rights, payment to be made and (in the case of Qualifying Certificated Shareholders (or their renounees)) their form of instruction to be lodged with the Transfer Secretaries by 12:00 (SAST) on	Friday, 2 August
Rights Offer closes at 12:00 (SAST) on	Friday, 2 August
Record date for Letters of Allocation on	Friday, 2 August
Rights Offer Shares issued on	Monday, 5 August
Results of the Rights Offer and basis of allocation of excess Rights Offer Shares announced on SENS and ANS on or about	Monday, 5 August
In respect of Qualifying Dematerialised Shareholders (or their renounees or purchasers of their Letters of Allocation), CSDP or Broker accounts debited with the aggregate Rights Offer Price and updated with Rights Offer Shares at 09:00 (SAST) on	Monday, 5 August
In respect of successful excess applications, CSDP or Broker accounts of Qualifying Dematerialised Shareholders (or their renounees) will be updated with the Rights Offer Shares on	Wednesday, 7 August
In respect of successful excess applications, accounts of Qualifying Certificated Shareholders (or their renounees) will be credited with the Rights Offer Shares at 09:00 (SAST) on	Wednesday, 7 August
In respect of unsuccessful excess applications, if applicable, refunds made to Qualifying Certificated Shareholders on or about	Wednesday, 7 August

Notes:

- (1) Share certificates in respect of Shares may not be Dematerialised or rematerialised in the case of Shares listed on the JSE, between Wednesday, 17 July 2024 and Friday, 19 July 2024 both days inclusive.
- (2) CSDPs effect payment on a delivery versus payment (DvP) basis in respect of Dematerialised Shares.
- (3) Qualifying Dematerialised Shareholders are required to inform their CSDP or Brokers of their instructions in terms of the Rights Offer in the manner and time stipulated in the custody agreement governing the relationship between the Qualifying Dematerialised Shareholder and their CSDP or Broker. Qualifying Dematerialised Shareholders are advised to contact their CSDP or Broker as early as possible to establish what the cut-off dates and times are for acceptance of the Rights Offer, as set out in the custody agreement, as this may be earlier than the proposed closing time of the Rights Offer.
- (4) All of the above dates and times have been determined based on certain assumptions in relation to the Rights Offer and are subject to change. Shareholders will be notified of any amendments to the above dates and times on SENS and ANS.
- (5) Qualifying Certificated Shareholders must complete the Form of Instruction attached to the Circular and dispatch their Form of Instruction to the Transfer Secretaries so that it is received by no later than 12:00 (SAST) on Tuesday, 30 July 2024 if they wish to dispose of a part or all of their rights. The Transfer Secretaries will endeavour to procure the sale of their Rights on the JSE on their behalf and to remit the proceeds less any fees paid to the Transfer Secretaries and any applicable taxes, withholdings or other costs in accordance with their instructions. Qualifying Certificated Shareholders who wish to renounce all or part of their rights in favour of any named renounee, must complete Form B in the Form of Instruction in the Circular, and the renounee must complete Form C in the Form of Instruction in the Circular, and return it to the Transfer Secretaries so as to be received by no later than 12:00 (SAST) on Tuesday, 30 July 2024.

- (6) The Rights Offer Shares, including Rights Offer Shares to be issued pursuant to excess applications, may only be issued in Dematerialised form. Accordingly, Qualifying Certificated Shareholders (or their renounees) will be required to open an account with a Broker or CSDP (if they do not already have one). Alternatively, Qualifying Certificated Shareholders (or their renounees) will be afforded the option to “rematerialise” their Rights Offer Shares and replace them with a physical Document of Title, provided that such persons have elected as such on their form of instruction (grey) and lodged same with the Transfer Secretaries on or before 12:00 on Tuesday, 30 July 2024. The Documents of Title in respect of the Rights Offer Shares (if applicable) will be posted to such persons, at their own risk, as soon as possible following implementation of the Rights Offer.

Cape Town
9 July 2024

Joint Global Coordinators and Joint Underwriters

Absa Bank Limited
(acting through its Corporate and Investment Banking Division)

Rand Merchant Bank
(a division of FirstRand Bank Limited)

The Standard Bank of South Africa Limited
(acting through its Corporate and Investment Banking division)

Transaction Sponsor

Rand Merchant Bank
(a division of FirstRand Bank Limited)

Legal advisers to Pick n Pay as to South African law

Bowman Gilfillan Inc.

Legal advisers to Pick n Pay as to US and English law

Milbank LLP

Legal advisers to the Joint Global Coordinators and Joint Underwriters as to South African law

Webber Wentzel

Legal advisers to the Joint Global Coordinators and Joint Underwriters as to US and English law

Linklaters LLP

DISCLAIMER

Forward-looking information contained in this announcement

This announcement contains certain forward-looking statements which relate to the Group’s possible future actions, long-term strategy, performance, liquidity position and financial position. All forward- looking statements are solely based on the views and considerations of Pick n Pay, and in particular as at the date hereof. These statements involve risk and uncertainty as they relate to events and depend on circumstance that may or may not occur in the future.

Pick n Pay does not undertake to update or revise any of these forward-looking statements publicly, whether to reflect new information, future events or otherwise. These forward-looking statements have not been reviewed or reported on by Pick n Pay’s external auditors.

Important information

This announcement is provided for information purposes only in accordance with the JSE Listings Requirements.

This announcement is not for release, publication or distribution, directly or indirectly, in or into Australia, Canada, the People’s Republic of China, Hong Kong or Japan or any other jurisdiction in which the distribution or release would be unlawful. This announcement does not constitute or form a part of any offer

or solicitation to purchase or subscribe for securities in any jurisdiction, including the United States, Australia, Canada, the People's Republic of China, Hong Kong or Japan, in which such offer, solicitation or sale would be unlawful. The securities mentioned herein (the "**Securities**") have not been, and will not be, registered under the United States Securities Act of 1933 (the "**Securities Act**").

The Securities may not be offered or sold in the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. There will be no public offer of securities in the United States, Canada, Australia, the People's Republic of China, Hong Kong and Japan.

The issue or sale of Securities in the offerings mentioned herein are subject to specific legal or regulatory restrictions in certain jurisdictions. Pick n Pay assumes no responsibility in the event there is a violation by any person of such restrictions.

This announcement does not constitute or form a part of any offer or solicitation or advertisement to purchase and/or subscribe for Securities in South Africa, including an offer to the public for the sale of, or subscription for, or the solicitation or advertisement of an offer to buy and/or subscribe for, shares as defined in the South African Companies Act, No. 71 of 2008 (as amended) or otherwise (the "**Companies Act**") and will not be distributed to any person in South Africa in any manner that could be construed as an offer to the public in terms of the Companies Act. As a result, this announcement does not comply with the substance and form requirements for a prospectus set out in Companies Act and the South African Companies Regulations of 2011, and has not been approved by, and/or registered with, the with the South African Companies and Intellectual Property Commission or any other South African authority. Nothing in this announcement should be viewed, or construed, as "advice", as that term is used in the South African Financial Markets Act, No. 19 of 2012, as amended, and/or Financial Advisory and Intermediary Services Act, No. 37 of 2002, as amended (the "**FAIS Act**").

The announcement constitutes factual, objective information about Pick n Pay and nothing contained herein should be construed as constituting any form of investment advice or recommendation, guidance or proposal of a financial nature as contemplated in the FAIS Act in respect of Pick n Pay or any transaction in relation thereto. Pick n Pay and/or its representatives and advisors are not (and are not required to be) Financial Services Providers as contemplated in the FAIS Act in South Africa and the contents of this announcement must not be construed as constituting the canvassing for, or marketing or advertising of, financial services by Pick n Pay and/or its representatives and advisors in South Africa. To the extent that any of Pick n Pay's representatives and/or advisors, including Rand Merchant Bank (a division of FirstRand Bank Limited), Absa Bank Limited (acting through its Corporate and Investment Banking Division) and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) (the "**Joint Global Coordinators and Joint Underwriters**"), are registered Financial Services Providers, none of them purport to provide, market or advertise financial services to any person in respect of Pick n Pay and this announcement does not constitute financial advice, or financial services, provided by the aforesaid to any person who is in possession of this announcement.

Further information pertaining to the Rights Offer will be provided in due course pursuant to the Rights Offer Circular, which will be made available in due course, subject to applicable securities laws, on Pick n Pay 's website www.picknpayinvestor.co.za. Any decision in relation to the Rights Offer must be made on the basis of the information contained in the Rights Offer Circular.

In the United Kingdom, this communication is being distributed to and is only directed at persons who are "qualified investors" within the meaning of Article 2(e) of Regulation EU 2017/1129 as it forms part of retained EU law by virtue of the European Union (Withdrawal) Act 2018 who are also; (i) investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"); (ii) high net worth entities falling within Article 49(2)(a) to (d) of the Order; and (iii) other persons to whom it may be lawfully communicated (all such persons in (i), (ii) and (iii) above, together being referred to as "**relevant persons**"). In the United Kingdom, any invitation, offer or agreement to subscribe for, purchase or otherwise acquire securities will be engaged in only with relevant

persons. Any person in the United Kingdom who is not a relevant person should not act or rely on this communication or any of its contents.

In any member state of the European Economic Area, this communication is only addressed to and is only directed at qualified investors in such member state within the meaning of the Prospectus Regulation EU 2017/1129, and no person that is not a qualified investor may act or rely on this communication or any of its contents.

Further, the content of this announcement should not be construed as business, legal or tax advice. It is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by Pick n Pay or any of the Joint Global Coordinators and Joint Underwriters that any recipient of this announcement should acquire any of Pick n Pay's securities. Neither Pick n Pay nor any of the Joint Global Coordinators and Joint Underwriters is making any representation to any prospective investor regarding the legality of an investment in Pick n Pay by such prospective investor under the laws and regulations applicable to such prospective investor. Prospective investors should consult their own professional adviser before making any investment decision with regard to Pick n Pay and in making an investment decision, prospective investors must rely on their own analysis, enquiry and examination of Pick n Pay, including the merits and risks therein. All investment is subject to risk. The value of the securities offered may go down as well as up. Past performance is no guarantee of future returns.

The contents of this announcement have not been verified by the Joint Global Coordinators and Joint Underwriters in connection with the Rights Offer or any of their respective affiliates. Each Joint Global Coordinator and Underwriter is acting on behalf of the Pick n Pay and no one else in connection with the Rights Offer. They will not regard any other person as their client in relation to the Rights Offer and will not be responsible to anyone other than Pick n Pay for providing the protections afforded to their respective clients nor for providing advice in relation to the Rights Offer, the contents of this announcement or any transaction, arrangement or other matter referred to herein. Neither the Joint Global Coordinators and Joint Underwriters, nor any of their respective directors, officers, employees, advisers, agents, alliance partners or any other entity or person accepts any responsibility or liability whatsoever for, or makes any representation, warranty or undertaking, express or implied, as to the truth, accuracy, completeness or fairness of the information or opinion in this announcement (or whether any information has been omitted from this announcement) or any other information relating to Pick n Pay, its subsidiaries or associated companies, whether written, oral or in a visual or electronic form, and howsoever transmitted or made available or for any loss howsoever arising from any use of this announcement or its contents or otherwise arising in connection therewith. Accordingly, the Joint Global Coordinators and Joint Underwriters disclaim, to the fullest extent permitted by applicable law, all and any liability, whether arising in tort, delict or contract or that they might otherwise be found to have in respect of this announcement and/or any such statement.

Solely for the purposes of the product governance requirements of Chapter 3 of the FCA Handbook Product Intervention and Product Governance Sourcebook (the "**UK Product Governance Requirements**"), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any "manufacturer" (for the purposes of the UK Product Governance Requirements) may otherwise have with respect thereto, the securities which are the subject of the Rights Offer have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in Chapter 3 of the FCA Handbook Conduct of Business Sourcebook; and (ii) eligible for distribution through all permitted distribution channels (the "**Target Market Assessment**"). Notwithstanding the Target Market Assessment, "distributors" (for the purposes of the UK Product Governance Requirements) should note that: the price of the securities may decline and investors could lose all or part of their investment; the securities offer no guaranteed income and no capital protection; and an investment in the securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Offer. Furthermore, it is noted that, notwithstanding the Target

Market Assessment, the Joint Global Coordinators and Joint Underwriters (as defined below) will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the Target Market Assessment does not constitute: (i) an assessment of suitability or appropriateness for the purposes of Chapters 9A or 10A, respectively, of the FCA Handbook Conduct of Business Sourcebook; or (ii) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the securities. Each distributor is responsible for undertaking its own target market assessment in respect of the securities and determining appropriate distribution channels.

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the securities have been subject to a product approval process, which has determined that such securities are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all permitted distribution channels as are permitted by MiFID II (the “**MiFID II Target Market Assessment**”). Notwithstanding the MiFID II Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) should note that: the price of the securities may decline and investors could lose all or part of their investment; the securities offer no guaranteed income and no capital protection; and an investment in the securities is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The MiFID II Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Rights Offer. Furthermore, it is noted that, notwithstanding the MiFID II Target Market Assessment, the Joint Global Coordinators and Joint Underwriters will only procure investors who meet the criteria of professional clients and eligible counterparties. For the avoidance of doubt, the MiFID II Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the securities. Each distributor is responsible for undertaking its own target market assessment in respect of the securities and determining appropriate distribution channels.