

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 FINALISATION ANNOUNCEMENT AND WITHDRAWAL OF CAUTIONARY ANNOUNCEMENT

1. Introduction

Pick n Pay shareholders are referred to the declaration 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 Tuesday, 9 July 2024, relating to a fully underwritten renounceable rights offer to qualifying Pick n Pay shareholders ("Rights Offer").

Pick n Pay shareholders are advised that the Group has received all the necessary approvals to implement the Rights Offer and the Rights Offer is now unconditional as the terms of the Rights Offer have now been finalised and all conditions precedent to the Rights Offer have been fulfilled.

2. Terms of the Rights Offer

Pick n Pay shareholders are advised that the board of directors of Pick n Pay has resolved to proceed with the Rights Offer to raise gross proceeds of ZAR4.0 billion. The JSE has granted the listing of the associated letters of allocation and the Rights Offer shares on the securities exchange of the JSE.

The Rights Offer is fully underwritten by Absa Bank Limited (acting through its Corporate and Investment Banking Division), Rand Merchant Bank (a division of FirstRand Bank Limited) and The Standard Bank of South Africa Limited (acting through its Corporate and Investment Banking Division) (together, the "Joint Global Coordinators and Joint Underwriters"), pursuant to and subject to the customary terms and conditions of a written underwriting agreement between Pick n Pay and the Joint Global Coordinators and Joint Underwriters.

The Rights Offer will consist of an offer of 252,206,809 renounceable rights to subscribe for new Pick n Pay ordinary shares ("Rights Offer Shares") in the ratio of 51.11 Rights Offer Shares for every 100 Pick n Pay ordinary shares held by Pick n Pay shareholders (excluding Pick n Pay shareholders resident or located in the restricted jurisdictions to be set out in the Rights Offer Circular (as defined below) on the record date of the Rights Offer, being Friday, 19 July 2024 ("Record Date"), and/or such proportionate lower number of Rights Offer Shares in respect of a holding of less than 100 Pick n Pay ordinary shares, offered for a subscription price of 1,586.0 cents (ZAR15.86) per Rights Offer Share.

The Rights Offer issue price represents a discount of approximately 32.48% to the Theoretical Ex-rights Price calculated using the closing price on Wednesday, 10 July 2024, being ZAR27.39 per share. The Rights Offer Shares will constitute approximately 33.8% of Pick n Pay's post-Rights Offer share capital.

The salient dates and times of the Rights Offer remain unchanged from those published in the declaration announcement on SENS on Tuesday, 9 July 2024.

Acquiring the letters of allocation and 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, letters of allocation, 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 on or about 15 July 2024 (the "Rights Offer Circular").

Pick n Pay shareholders may commence trading the letters of allocation from 09:00 (South African Standard Time) on Wednesday, 17 July 2024 until the close of business on Tuesday, 30 July 2024, both days inclusive, under the JSE code PIKN and ISIN ZAE000336145 and the Rights Offer Shares from 09:00 (South African Standard Time) on Wednesday, 31 July 2024.

3. Shareholder commitments

Pick n Pay has received a firm commitment from its controlling shareholder, Ackerman Investment Holdings (RF) Proprietary Limited (“AIH”), in terms of which, subject to its reasonable satisfaction with the terms and conditions of the Rights Offer, it will follow its rights up to a maximum amount of ZAR1,011 million.

Certain other Pick n Pay shareholders have also entered into irrevocable undertakings in favour of Pick n Pay to subscribe for, and/or to recommend to their clients to subscribe for, and pay for in full, all of the Rights Offer Shares which such Pick n Pay shareholders are entitled to as of the Record Date. The undertakings of AIH and such Pick n Pay shareholders represent approximately 45% of the current Pick n Pay ordinary shares in issue.

4. 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 Pick n Pay ordinary shares held by each 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.

5. Rights Offer Circular

Further details of the Rights Offer will be disclosed in the Rights Offer Circular to be made available on Pick n Pay’s website, www.picknpayinvestor.co.za, on Monday, 15 July 2024, and 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 on Monday, 22 July 2024.

6. Withdrawal of cautionary announcement

Shareholders are referred to the cautionary announcements published on SENS and ANS on 22 February 2024, 27 March 2024, 13 May 2024 and 26 June 2024 and are advised that following the publication of this announcement, shareholders are no longer required to exercise caution when dealing in Pick n Pay securities.

Cape Town
11 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, 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, 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, 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, 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 the South African 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.