

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

SUCCESSFUL CONCLUSION OF THE TWO-STEP RECAPITALISATION PLAN

Pick n Pay is pleased to announce the successful conclusion of its two-step Recapitalisation Plan, first announced in February of this year, a critical milestone in its strategy to restore the performance of Pick n Pay supermarkets and position the Group for long-term sustainable growth.

The Recapitalisation Plan, completed in just nine months, received strong shareholder support. The Pick n Pay Rights Offer, the first step of the plan, was more than double oversubscribed, and raised R4.0 billion in August 2024. The Boxer IPO, the second step, in which Boxer shares worth R8.5 billion were placed at R54, attracted significant investor interest and was multiple times oversubscribed at the very top end of the price range. These results reflect shareholder confidence in the Group's strategy and future potential.

The capital raised enables Pick n Pay to repay all of its long-term debt and to convert interest costs to interest earnings, as the business will hold cash reserves critical for its turnaround - including for investment into new stores and store refurbishments, product range development, technology and innovation, and staff training.

Importantly, strong shareholder support enabled Pick n Pay to retain more than 60% of Boxer, the Group's highly valuable growth asset.

Reflecting on the achievement, Sean Summers, CEO of Pick n Pay, said "Successfully concluding our Recapitalisation Plan in such a short space of time is an extraordinary milestone for Pick n Pay. The outcome reflects not only the individual strength of the Pick n Pay and Boxer brands but also the shared belief of our shareholders in our ability to deliver on our strategic goals. I extend sincere thanks to our advisors for their support during this critical period, their expertise and guidance were instrumental in achieving this outcome."

"I acknowledge the incredible efforts of the Pick n Pay and Boxer management teams who successfully executed this complex plan. To our shareholders, thank you for your confidence in our future. And finally, to our employees, your unwavering commitment to improving our business every day is what will drive our success."

The successful execution of the Recapitalisation Plan provides a solid foundation for the ongoing turnaround of Pick n Pay, which remains a multi-faceted and multi-year strategy. Under the leadership of a refreshed management team, Pick n Pay has made early progress in enhancing its product range, improving its product availability and customer service and advancing its store reset programme, all of which have delivered encouraging early improvements in the underlying performance of the core Pick n Pay business, but with much more to do.

This announcement signifies a pivotal step forward in Pick n Pay's journey to deliver shareholder value and to create a stronger and more competitive future for the Group and all its stakeholders.

By order of the Board
Cape Town
28 November 2024

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