

16 August 2021

ASX Announcement

Successful completion of \$200m Off-Market Buy-Back

Metcash Limited (ASX: MTS) today announces that it has successfully completed an Off-Market Buy-Back of \$200 million of its ordinary shares ("Buy-Back"). Following strong support for the Buy-Back, Metcash has elected to buy back \$25 million more than the indicative \$175 million announced on 28 June 2021.

The results of the Buy-Back are as follows:

Value of shares bought back (\$ million)	\$200.0
Market Price ¹ (per share)	\$4.0969
Buy-Back Discount	14%
Buy-Back Price (per share)	\$3.52
Capital Component of the Buy-Back Price (per share)	\$0.85
Fully franked Dividend Component (for Australian taxation purposes) (per share)	\$2.67
Tax Market Value ² (per share)	\$3.66
Number of shares bought back (million)	56.8
Percentage of issued capital bought back	5.6%
Scale back ³	83.1%

The Buy-Back Price was \$3.52 per share which represents a discount of 14% to the Market Price.

Metcash bought back 56.8 million shares (5.6% of Metcash's issued share capital), for total consideration of \$200 million. All shares bought back by Metcash will be cancelled.

Due to strong demand for the Buy-Back, a scale back of 83.1% in relation to successful tenders was required. The scale back was designed to minimise disadvantaging smaller shareholders by accepting Small Holding Tenders⁴ in full as well as accepting Priority Allocations⁵. The strong shareholder support meant only shares tendered at a 14% Tender Discount or as Final Price Tenders were accepted.

Shares tendered at discounts of less than or equal to 13% were not bought back. Shares that were tendered but not bought back are expected to be released into shareholders' holdings by the close of business today.

¹ The Market Price of \$4.0969 per share is the volume weighted average price of Metcash ordinary shares on the ASX over the five trading days up to and including 13 August 2021, calculated to four decimal places, as determined by Metcash.

² In accordance with Tax Determination TD 2004/02, Metcash has made a preliminary determination that the Tax Market Value for the Buy-Back will be \$3.66 per share which is expected to be confirmed by the ATO in its Class Ruling for the Buy-Back. Detailed methodology for determining the Tax Market Value is contained within the Buy-Back Booklet.

³ The scale back of 83.1% reflects a total of 315.5 million shares successfully tendered at a 14% tender discount or as Final Price Tenders, of which 53.4 million shares were bought back and 262.1 million were rejected. A further 3.4 million shares were successfully tendered and bought back as either Priority Allocations or Small Holding Tenders.

⁴ A Small Holding Tender is a tender submitted by an eligible shareholder who has tendered all of their shares at one of the Tender Discounts greater than or equal to the Buy-Back Discount or as a Final Price Tender and who would otherwise be left with 500 shares or less as a result of the scale back. No scale back will apply to Small Holding Tenders.

⁵ In the event of a scale back, Metcash will buy back the first 1,000 shares successfully tendered by each eligible shareholder. The scale back will only apply to the tendered shares remaining after the Priority Allocation has been acquired.

For shareholders who successfully tendered their shares, \$2.67 per share of the Buy-Back Price is expected to be treated as a fully franked dividend for taxation purposes. For Australian capital gains tax purposes, the deemed capital proceeds are expected to be \$0.99 per share, being the \$0.85 Capital Component plus \$0.14 representing the excess of the Tax Market Value over the Buy-Back Price. It is expected that both the Dividend Component and the deemed capital proceeds will be confirmed by the Australian Taxation Office (“ATO”) in its Class Ruling for the Buy-Back. The ATO has advised that they intend to issue their Class Ruling by early September 2021.

Dispatch of cheques and direct crediting of Buy-Back proceeds to participating shareholders’ bank accounts is expected to be completed by 23 August 2021.

This announcement has been authorised by a Committee of the Board of Directors of Metcash Limited.

Ends

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