

12 February 2024

Dear Shareholder

Share Purchase Plan – Letter to Eligible Shareholders

I write to you as a holder of Metcash Limited (**Metcash**) shares (**Shares**) with a registered address in Australia or New Zealand as at 7.00pm (AEDT) on Friday, 2 February 2024 (**Record Date**).

On behalf of the directors of Metcash, I am pleased to offer you the opportunity to participate in Metcash's share purchase plan (**SPP**), announced on Monday, 5 February 2024 and following the successful completion of the institutional placement which raised approximately \$300 million (**Placement**).

The SPP aims to raise up to approximately \$25 million¹ and is not underwritten.

Proceeds of the Placement alongside \$277.5 million of existing cash and available debt facilities will be used to fund the acquisitions of SFG Group Holdings Pty Ltd (**Superior Food**), Bianco Construction Supplies Pty Limited (**Bianco**) and the assets and business of Alpine Truss Pty Ltd (**Alpine Truss**) (together, the **Acquisitions**).

These three strategically aligned Acquisitions strengthen Metcash's Food and Hardware pillars, delivering further diversification and resilience, and accelerate Metcash's strategic growth plans. The Acquisitions are consistent with our focus, replicating successful pillar growth strategies across the Metcash Group and are fully aligned with our purpose of Championing Successful Independents in support of thriving local communities. The Acquisitions are also financially compelling, being accretive to earnings² and accretive to margins,³ and we believe will deliver long term value to shareholders.

Proceeds from the SPP will be used to provide Metcash with additional capacity to support further growth opportunities.

The directors of Metcash intend to participate in the SPP.

For further information on the Placement and SPP, please refer to the investor presentation issued by Metcash on Monday, 5 February 2024. In particular, please have regard to the 'Risks' section in Appendix C of the investor presentation.

New Shares under the SPP (**SPP Shares**) are being offered at the lower of:

- \$3.35, being the price at which the Shares were issued under the Placement;⁴ and
- the 5-day VWAP of Shares up to, and including, the closing date for the SPP (expected to be Friday, 1 March 2024),

(**Issue Price**).

¹ Metcash may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

² EPS accretion excludes the impact of acquisition accounting that will be applied by Metcash at the completion of each acquisition. For further details see slides 40 and 50 of Metcash's investor presentation released to the ASX on Monday, 5 February 2024.

³ The Acquisitions are margin accretive at three levels, each prior to synergies: in respect of the Food business (including Superior Foods), the IHG business (including Bianco and Alpine Truss) and also in relation to the Metcash Group (including all Acquisitions). Margin represents EBIT (excluding synergies) divided by sales (including charge through sales) and is based on the Oct-23 LTM results on slide 40 of Metcash's investor presentation released to the ASX on Monday, 5 February 2024.

⁴ This represents a 6.8% discount to the 5-day VWAP on Wednesday, 31 January 2024. Metcash's shares were in a trading halt on Thursday, 1 February 2024 and Friday, 2 February 2024.

The SPP will allow Eligible Shareholders (as defined below) to apply for up to \$30,000 worth of SPP Shares at the Issue Price.

An offer booklet in relation to the SPP was lodged with ASX today (**Booklet**). This Booklet contains important information about the SPP to assist you in deciding whether to participate in the SPP. You should read this Booklet carefully and in its entirety before deciding whether to apply, and again in particular, the 'Risks' section of Metcash's investor presentation released to the ASX on Monday, 5 February 2024.

A copy of the Booklet along with your personalised Application Form is available at <https://www.investorserve.com.au/>. To access the website, you will need to provide your Shareholder Reference Number or Holder Identification Number and follow the instructions provided. If you are unable to access the website, you can request a copy of this Booklet and your personalised Application Form to be posted or emailed to you by contacting the Registry from 8.15am to 5.30pm (AEDT) Monday to Friday on 1800 655 325 (callers within Australia) or +61 2 9290 9696 (callers outside Australia).

Unless otherwise defined, capitalised terms used in this letter have the meaning given in the Booklet.

Availability of the Share Purchase Plan

The SPP is available to all Shareholders who were registered holders of Shares on the Record Date and whose registered address is in Australia or New Zealand (**Eligible Shareholders**).

Custodians and nominees

The SPP is also being extended to Eligible Shareholders who are Custodians or nominees who wish to apply for SPP Shares on behalf of certain Eligible Beneficiaries. Custodians and nominees are not required to participate on behalf of their Eligible Beneficiaries. Custodians and nominees may choose whether or not to extend the SPP to their Eligible Beneficiaries.

To request a Custodian Certificate or for further information about the custodian application process please contact the Registry from 8.15am to 5.30pm (AEDT) Monday to Friday on 1800 655 325 (callers within Australia) or +61 2 9290 9696 (callers outside Australia).

Key features of the Share Purchase Plan

The SPP allows Eligible Shareholders to apply for SPP Shares in parcels valued at \$1,000, \$2,500, \$5,000, \$7,500, \$10,000, \$12,500, \$15,000, \$20,000, \$25,000 or \$30,000.

Applications and payment of funds must be received by Metcash on or before 5.00pm on Friday, 1 March 2024, unless Metcash extends the Closing Date for applications.

The number of SPP Shares issued to an applicant will be rounded up to the nearest whole number after dividing the application monies by the Issue Price. Applications may be scaled back at the discretion of Metcash.

SPP Shares issued will be fully paid and rank equally with all existing Shares on issue.

Scale back

The amount that each Eligible Shareholder can apply for under the SPP is capped at \$30,000. The SPP aims to raise up to approximately \$25 million. Metcash may decide to accept applications (in whole or in part) that result in the SPP raising more or less than this amount in its absolute discretion.

To the extent Metcash determines to scale back the number of SPP Shares that will be issued to Eligible Shareholders under the SPP, Metcash intends to do so in its discretion, having regard to factors including the pro rata shareholding of Eligible Shareholders (as at the Record Date) who apply for SPP Shares.

If there is a scale back, you may receive less than the parcel of SPP Shares for which you apply.

If a scale back produces a fractional number of SPP Shares when applied to your parcel, the number of SPP Shares you will be issued will be rounded up to the nearest whole number of SPP Shares.

If there is a scale back, the difference between the application monies received from you, and the number of SPP Shares allocated to you multiplied by the Issue Price, will be refunded to you (without interest).

Key Dates

Record Date (the date that eligibility to participate in the SPP was determined)	7.00pm on Friday, 2 February 2024
---	-----------------------------------

Opening Date for applications	Monday, 12 February 2024
--------------------------------------	--------------------------

Closing Date for applications	5.00pm on Friday, 1 March 2024
--------------------------------------	--------------------------------

Results of SPP announced	Wednesday, 6 March 2024
---------------------------------	-------------------------

Issue of SPP Shares	Friday, 8 March 2024
----------------------------	----------------------

SPP Shares commence trading on ASX	Monday, 11 March 2024
---	-----------------------

Despatch of holding statements	Monday, 11 March 2024
---------------------------------------	-----------------------

This timetable is indicative only and subject to change. Metcash reserves the right to alter the dates above at its discretion, subject to the Listing Rules and Corporations Act. All references to times are to Australian Eastern Daylight Time (AEDT).

Actions required by Eligible Shareholders

Eligible Shareholders may participate in the SPP by applying via BPAY® or cheque (or EFT for Eligible Shareholders in New Zealand).

If you have any questions in relation to how to participate in the SPP, please contact the Registry from 8.15am to 5.30pm (AEDT) Monday to Friday on 1800 655 325 (callers within Australia) or +61 2 9290 9696 (callers outside Australia). If you have any questions in relation to whether an investment in Metcash through the SPP is appropriate for you, please contact your stockbroker, accountant or other professional adviser.

Yours sincerely



Julie Hutton

Chief Legal, Risk and Compliance Officer & Company Secretary
Metcash Limited

NOT FOR DISTRIBUTION OR RELEASE IN THE UNITED STATES

This communication is not financial product advice and has not taken into account your objectives, financial situation or needs. This communication has been prepared for release in Australia. This communication does not constitute an offer to sell, or a solicitation of an offer to buy, any securities in the United States or any other jurisdiction in which such an offer or solicitation would be illegal. The SPP Shares have not been, nor will be, registered under the U.S. Securities Act of 1933 (U.S. Securities Act) or the securities laws of any state or other jurisdiction of the United States. Accordingly, the SPP Shares may not be offered or sold to, directly or indirectly, any person in the United States or any person that is, or is acting for the account or benefit of, any person in the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and any other applicable securities law of any state or other jurisdiction of the United States. Metcash does not intend to make any public offering of securities in the United States.

Nothing contained in this communication shall form the basis of any contract or commitment, or constitute investment, legal, tax or other advice. You should make your own assessment and take independent professional advice in relation to the information contained herein and any action taken on the basis of such information.