

# SENS ANNOUNCEMENT



Nampak Limited  
(Incorporated in the Republic of South Africa)  
Registration Number: 1968/008070/06  
Share Code: NPK           ISIN: ZAE 000071676  
Share Code: NPP1         ISIN: ZAE000004966  
Share Code: NPKP         ISIN: ZAE000004958  
LEI: 3789003820EC27C76729

("Nampak" or the "Company")

## **DISPOSAL OF CERTAIN NAMPAK EQUIPMENT**

### **1. Introduction**

Shareholders are advised that Nampak, via its wholly-owned subsidiary, Nampak Products Limited ("Nampak Products" or the "Seller"), has entered into a sale of equipment agreement ("Sale Agreement") with Mpack Plastic Containers Castleview Proprietary Limited ("Mpack Plastic Containers" or the "Purchaser"), to dispose of certain equipment relating to its crates manufacturing business and ancillary plant and equipment ("Equipment") (the "Disposal").

Mpack Plastic Containers is an indirect subsidiary of JSE-listed Mpack Limited.

### **2. Rationale**

Nampak has wound down and closed its crates manufacturing business and the Disposal relates to the Equipment that is no longer used by Nampak.

The Disposal is in line with Nampak's active portfolio optimisation strategy and will assist Nampak in its focus on the balance of its portfolio and to reduce its interest bearing debt.

### **3. Details of the Equipment**

The Disposal relates to certain selected Equipment as expressly described and specified in the Sale Agreement. The Equipment is located at Nampak sites in Olifantsfontein, Gauteng; Pinetown, Kwazulu-Natal

and Epping, Western Cape. The Equipment mainly consists of injection moulding and recycling equipment, ancillary equipment and spares.

Mpact Plastic Containers is not acquiring or otherwise taking over any other aspect of relating to Nampak's crates business, including any of Nampak's contracts, supply agreements with its customers and/or goodwill, all of which shall remain with Nampak Products. The Equipment is being sold voetstoots.

#### **4. Disposal consideration and application of proceeds**

The consideration payable for the Disposal amounts to R40 000 000 (exclusive of VAT) ("Consideration"), which will be paid in cash by the Purchaser in 3 (three) tranches as follows:

- 4.1 the first tranche, in an amount equal to 50% of the Consideration, shall be paid on the date upon which the Purchaser takes delivery of the Equipment in the manner contemplated in the Sale Agreement ("Delivery Date"), which date shall occur within 3 business days after the effective date of the Sale Agreement ("Effective Date"), being the second business day after the date on which the last of the conditions precedent is fulfilled or waived, as the case may be);
- 4.2 the second tranche, in an amount equal to 25% of the Consideration shall be paid no later than 15 (fifteen) business days after the Delivery Date in respect of the equipment located at the Pinetown and Epping sites; and
- 4.3 the third tranche, in an amount equal to 25% of the Consideration, shall be paid on completion of decommissioning and removal of the Equipment located at the Olifantsfontein site.

The Consideration shall be paid in full by no later than 3 (three) months after the Delivery Date.

The proceeds from the Disposal shall be used primarily to reduce the Company's interest-bearing debt.

#### **5. Conditions precedent to the Disposal**

The Disposal is subject to the fulfilment, or where applicable, waiver of the following conditions precedent:

- 5.1 Nampak having published (the notices required to be published in relation to the proposed sale of the Equipment, in terms of section 34 of the Insolvency Act), and for a period of 30 (thirty) days after such publication either: (i) no legal proceedings having

being instituted or claim having being made against the Seller in connection with the Equipment (together, "Claims"); or (ii) if a Claim is made, the Seller having either: (a) discharged any such Claim made against it in full; or (b) secured the release of any attached Equipment and the return of such Equipment to the relevant site; and

- 5.2 on or before the date on which the condition precedent in paragraph 5.1 above has been fulfilled or waived (as applicable), Nampak Products not having been placed in business rescue, liquidation or judicial management or similar process, whether provisional or final, and whether compulsory or voluntary.

The Disposal shall furthermore be subject to the resolute condition that between the Effective Date and the Delivery Date, Nampak has not received or otherwise become aware of any Claims in respect of the Equipment, as contemplated by section 34(3) of the Insolvency Act and that if any Claims are made, Nampak having either: (i) discharged any such Claims made against it in full; or (ii) secured the release of any attached Equipment and the return of such Equipment to the relevant site.

The Sale Agreement contains representations, indemnities and warranties by Nampak Products which are standard for transactions of this nature.

## **6. Financial information**

The book value of the Equipment is R4,5 million and the profit on the Disposal of the Equipment amounts to R35,5 million. The financial information has been extracted from Nampak's unaudited management accounts for the period ended 28 February 2023 which were prepared in terms of International Financial Reporting Standards.

## **7. Categorisation**

The Disposal is categorised as a Category 2 transaction in terms of the JSE Listings Requirements and accordingly no shareholder approval is required.

Bryanston  
22 March 2023

Sponsor  
Nedbank Corporate and Investment Banking, a division of Nedbank Limited