

# SENS ANNOUNCEMENT



Nampak Limited  
(Incorporated in the Republic of South Africa)  
Registration Number: 1968/008070/06  
Share Code: NPK           ISIN: ZAE000322095  
Share Code: NPP1          ISIN: ZAE000004966  
Share Code: NPKP          ISIN: ZAE000004958  
LEI: 3789003820EC27C76729  
(**"Nampak"**)

## DISPOSAL OF PROPERTY AND EQUIPMENT IN NIGERIA

### 1. Introduction

Shareholders are advised that Nampak, via its wholly-owned subsidiary, Nampak Nigeria Limited (**"Nampak Nigeria"** or the **"Seller"**), has entered into a sale and purchase agreement (**"SPA"**) with Twinings Ovaltine Nigeria Limited (**"Twinings Ovaltine"** or the **"Purchaser"**), to dispose of its Nigeria Metals (being the non-beverage can business of Nampak Nigeria) property (**"Nigeria Property"**) and various equipment, tools and machinery (**"Equipment"**) (the **"Disposal"**).

The effective date of the Disposal will be on registration of transfer of the Nigeria Property into the Purchaser's name, which is expected to be in the first half of FY2024.

### 2. Rationale

Nampak made a decision to close its Nigeria Metals business with effect from 31 July 2023 due primarily to subdued demand for metal can products manufactured by this operation and this decision is in line with Nampak's active portfolio optimisation strategy and asset disposal plan. The Disposal will assist Nampak in its focus on the balance of its portfolio and to reduce its interest bearing debt.

### 3. Details of the Disposal

3.1 The Disposal relates to:

- the Nigeria Property measuring approximately 3.611 hectares, situated at number 3-7 Metal Box Road, Ogba Industrial Estate, Ikeja, Lagos State, Nigeria and comprising a single factory

building measuring 19,250 m<sup>2</sup>, as well as a reception and a clinic, boardroom and administration offices, and a canteen; and

- the Equipment listed in the SPA including two existing KVA transformers, the bore hole system, water pipes, the gas meter station and air conditioners.

3.2 In terms of the SPA, the parties will further enter into a renewable leaseback agreement for the period commencing on the date upon which the documents necessary to pass transfer of the Nigeria Property are delivered to the Purchaser and ending on 31 December 2023, to allow Nampak Nigeria the opportunity to remove such equipment which does not form part of the Disposal (the "**Leaseback Period**").

3.3 The ultimate beneficial shareholder of Twinings Ovaltine is Associated British Foods Plc. The Purchaser is not a 'related party' in terms of the JSE Limited Listings Requirements.

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

The consideration receivable by Nampak for the Nigeria Property and the Equipment amounts to Nigerian Niara ("**NGN**") 7.3 billion and NGN200 million, respectively, being a total of NGN7,50 billion (approximately ZAR180 million at the NGN:US Dollar and US Dollar:ZAR exchange rates on the day before this announcement) ("**Disposal Consideration**"). The Disposal Consideration will be paid in cash by the Purchaser in two installments as follows:

4.1 the sum of NGN6.75 billion to be paid within five days of receipt of various closing documents referred to in schedule 3 of the SPA; and

4.2 the sum of NGN0.75 billion to be paid within fourteen days after the Leaseback Period, subject to the following:

4.2.1 The parties agree that the Purchaser shall be entitled to set off against the sum of NGN0.75 billion in 4.2 above, the costs of insurance over the Nigeria Property during the Leaseback Period, as well as any amounts due to the Purchaser in terms of the Leaseback Period agreement such as costs incurred to repair any damage discovered on the Nigeria Property during the final inspection; and

4.2.2 The Purchaser is entitled to withhold half of the NGN0.75 billion in 4.2 above, being an amount of NGN0.375 billion, in the event that any planning permits or registrations remain outstanding at the end of the Leaseback Period. In such circumstances the Purchaser shall pay this outstanding amount once it is satisfied that all planning permits or

registrations have been obtained and no costs, fines or penalties will be incurred by the Purchaser for the delayed permits or registrations.

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

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

The Disposal is subject to Nampak agreeing to execute in favour of the Purchaser a deed of assignment ("**Deed of Assignment**"), assigning its legal title and proprietary rights in and over the Nigeria Property to the Purchaser and to execute any and all documents that may be required under any statute, the Lagos State Lands Bureau and/or any other agency/parastatal of the Lagos State Government in connection with obtaining the consent of the Governor of Lagos State to the Deed of Assignment and registration of the Deed of Assignment at the Lands Registry at the Lands Registry Office, Alausa, Lagos.

## **6. Representations, undertakings and warranties**

The SPA contains representations, undertakings and warranties which are standard for transactions of this nature.

## **7. Financial information**

The book value of the Nigeria Property and Equipment is ZAR 29 million and the profit attributable to the Property and Equipment before selling expenses and capital gains tax amounts to ZAR 151 million. The financial information has been extracted from Nampak's interim results for the six months ended 31 March 2023 ("**Interim Results**") which were prepared in terms of International Financial Reporting Standards.

## **8. Categorisation**

Nampak approached the JSE for a ruling in terms of paragraph 9.7 of the JSE Listings Requirements to allow for an alternative categorisation measure on the basis that:

- 8.1 Nampak has already closed the Nigerian Metals business that used to operate on the Nigeria Property with effect from 31 July 2023;
- 8.2 it is the Nigeria Property and Equipment and not the business that is being sold; and
- 8.3 the Nigeria Metals business only contributed 1.47% to Nampak's revenue as reflected in the Interim Results.

The JSE has agreed that the Disposal may be categorised with reference to Nampak's net asset value as disclosed in the Interim Results. The Disposal is therefore a Category 2 transaction and accordingly no shareholder approval is required.

Bryanston  
30 August 2023

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