

NAMPAK LIMITED

(Incorporated in the Republic of South Africa)

(Registration number 1968/008070/06)

Ordinary Share Code: NPK

Ordinary share ISIN: ZAE000322095

6.0% Preference Share Code: NPKP ISIN: ZAE000004958

6.5% Preference Share Code: NPP1 ISIN: ZAE000004966

LEI: 3789003820EC27C76729

("Nampak" or "Company")

CATEGORY 1 DISPOSAL ANNOUNCEMENT

1. INTRODUCTION

Shareholders are advised that on 25 March 2024 ("**Signature Date**") the Company, through its wholly-owned subsidiary Nampak Products Limited ("**Nampak Products**"), and together with Nampak International Limited ("**Nampak International**"), Nampak Southern Africa Holdings Limited ("**Nampak Southern Africa Holdings**") and Transmar (Isle of Man) Limited ("**Transmar**") (all of which are Nampak group companies) (together, the "**Nampak Group**"), entered into an agreement with Corvest 15 Proprietary Limited ("**Corvest 15**"), Diversified Liquid Packaging Group Proprietary Limited ("**M/Z Purchaser**") and Liquid Cartons Proprietary Limited ("**SA Purchaser**") (collectively the "**Purchasers**") on behalf of a consortium ("**Consortium**") that is represented by Corvest 15 and Dlondbola Capital Proprietary Limited acting in its capacity as fund manager of D Capital Fund 1 Proprietary Limited ("**Dlondbola Capital**") in terms of which the Nampak Group will dispose of:

- 1.1. its liquid cartons business in South Africa (more fully described below) by way of a sale of the SA Business (defined below) to the SA Purchaser as a going concern ("**Sale of Business Agreement**"); and
- 1.2. the issued shares of, and certain shareholder claims in, Nampak (Zambia) Limited ("**Nampak Zambia**") and Nampak Malawi Limited ("**Nampak Malawi**") (the "**Zambia Share Sale Agreement**" and "**Malawi Share Sale Agreement**" respectively) to the SA Purchaser and the M/Z Purchaser,

through an Implementation Agreement, the Sale of Business Agreement, the Zambia Share Sale Agreement, the Malawi Share Sale Agreement and a customary Restraint Undertaking, collectively defined as the "**Transaction Agreements**", (collectively, the "**Disposal**").

2. DETAILS OF THE CONSORTIUM

- 2.1. Corvest 15 is a private equity company and an indirect subsidiary of FirstRand Bank Limited. It forms part of the RMB Corvest private equity group of companies which was founded in 1989. The RMB Corvest group of companies invests in established, well-managed, medium-sized businesses across South Africa and Sub-Saharan Africa with a proven track record of solid performance.

- 2.2. Dlundlobala Capital is a majority black owned investment holding company and private equity fund manager that invests in mid-size BEE related opportunities, buyouts, and growth capital investments, predominantly in South Africa. The current key Nampak Group management members (specifically, Raymond Dube and Shaun Du Plessis) will become shareholders into the acquired liquid cartons business as a result of the Disposal. The beneficial owners of the purchaser are Corvest 15, Dlundlobala Capital and the abovementioned key management members.

3. DESCRIPTION OF THE ASSETS

- 3.1. Nampak Liquid Cartons is a separate business division under Nampak Products which manufactures, sells and supplies paper liquid packaging products, including Pure-Pak and Conipak liquid cartons, in South Africa ("**SA Business**").
- 3.2. Nampak Zambia manufactures, sells and supplies conical cartons, the provision of total packaging solutions ranging from filling equipment to technical support, and supplemented by the manufacture, sale and supply of self opening bags, crates, plastic bottles, closures and steel drums, in Zambia.
- 3.3. Nampak Malawi receives semi-processed conical cartons from Nampak Zambia for processing to a saleable product as well as delivering marketing services for the direct sale of tobacco cases and corrugated cartons by Nampak Zimbabwe (Hunyani), in Malawi.

4. RATIONALE FOR THE DISPOSAL

Shareholders are referred to the announcement made by the Company on 29 August 2023 whereby the board of directors of the Company and management have undertaken to implement various turn-around initiatives, including the implementation of an asset disposal plan to raise approximately R2.6 billion, seeking to shift the Company from being a conglomerate to a business that is more focused on specific packaging operations delivering a higher quality of earnings, reduced risk and an improved cash generative ability, and thus better positioned to deliver returns to the shareholders of the Company.

5. DISPOSAL CONSIDERATION

The Disposal is for a base aggregate consideration of R450,000,000, and is being implemented on a locked-box construct with effect from 1 October 2023, with consequent permitted adjustments until the effective date. The further terms of the locked-box construct shall be set out in the circular referred to in paragraph 12.

6. APPLICATION OF THE DISPOSAL CONSIDERATION

The Disposal Consideration will be applied towards the settlement of debt within the Nampak group of companies.

7. CONDITIONS PRECEDENT

The Disposal is subject to the fulfilment of, *inter alia*, the following outstanding conditions precedent

(“Conditions Precedent”):

- 7.1. by no later than the Signature Date, each of the Transaction Agreements being duly entered into by each of the parties thereto, and each such agreement subsequently becoming unconditional in accordance with its respective terms;
- 7.2. each relevant competition authority approving the implementation of the Disposal and the Transaction Agreements or if conditionally approved, the relevant parties accept the relevant conditions in accordance with the provisions of the Implementation Agreement;
- 7.3. to the extent required under the Exchange Control Regulations, 1961 written approval from the Financial Surveillance Department of the South African Reserve Bank being obtained for the implementation of the Disposal;
- 7.4. the shareholders of Nampak approve the Disposal as a Category 1 transaction in terms of the JSE Listings Requirements and, by no later than 90 days following the Signature Date, a circular which complies with the JSE Listings Requirements and incorporating a notice of general meeting has been posted to shareholders of Nampak;
- 7.5. the license agreement between Nampak Products and Elopak AS is ceded and assigned by Nampak Products to the SA Purchaser with effect from closing of the Disposal, and certain other consents required under material contracts are obtained;

The details of the Conditions Precedent shall be more fully set out in the Circular as detailed in paragraph 12. The Conditions Precedent must be fulfilled by not later than 30 September 2024 or such earlier date as specified above, which date may be extended by the parties in writing.

8. EFFECTIVE DATE OF THE DISPOSAL

Delivery and payment in respect of the SA Business and the shares, and applicable shareholder claims, in Nampak Zambia and Nampak Malawi will take place on the first day of the calendar month following the calendar month in which Conditions Precedent are fulfilled or, where applicable, waived, and certain other pre closing attendances are complete, provided that if this occurs after the 25th day of any calendar month, then the closing of the Disposal shall be commencement of business on the first day of the second calendar month following the calendar month in which such matters are complete, provided further that the closing of the Disposal shall be adjusted to ensure that at least 30 days (but not more than 60 days) has lapsed since publication of the last of the statutory notices required in terms of section 34 of the Insolvency Act.

9. FINANCIAL INFORMATION

The value of the net assets comprising the assets that are the subject of the Disposal as at 30 September 2023, being the date of the last audited annual financial statements of Nampak Limited, was R399 065 316.

The audited profits after tax attributable to the assets that are the subject of the Disposal was R104 686 894, based on the audited annual financial statements of Nampak Limited for the year ended

30 September 2023, which were prepared in terms of IFRS.

10. WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE TRANSACTION AGREEMENTS

- 10.1. The Transaction Agreements contain representations, warranties, specific indemnities and undertakings by the Nampak Group in favour of the Purchasers which are standard for transactions of this nature.
- 10.2. Full details of the Disposal will be set out in the circular referred to in paragraph 12 below.

11. CLASSIFICATION OF THE DISPOSAL

- 11.1. As the value of the Disposal exceeds 30% of the Company's market capitalisation as at the date of the signature of the Transaction Agreements, it meets the definition of a category 1 transaction as contemplated in section 9 of the JSE Limited Listings Requirements.
- 11.2. As a result, the Disposal is required to be approved by an ordinary resolution of the shareholders of the Company and accordingly a general meeting of the shareholders of the Company will be convened.

12. CIRCULAR

A circular containing the full details of the Disposal, incorporating a notice convening the required general meeting of the shareholders of the Company, will be distributed to shareholders in due course, at which time the salient dates and times of the Disposal, including the date of the general meeting, will be announced on SENS.

Bryanston
26 March 2024

Corporate Advisor and Sponsor
PSG Capital

Legal Advisor
Bowmans