



NAMPAK LIMITED
Registration number 1968/008070/06
Incorporated in the Republic of South Africa
Share Code: NPK ISIN: ZAE000322095
Share Code: NPP1 ISIN: ZAE000004966
Share Code: NPKP ISIN: ZAE000004958
LEI: 3789003820EC27C76729
("Nampak" or the "Company")

CATEGORY 2 ANNOUNCEMENT: DISPOSAL OF NAMPAK ZIMBABWE LIMITED

INTRODUCTION

Shareholders are hereby advised that the Company, through its wholly owned subsidiary, Nampak Southern Africa Holdings Limited ("**Seller**"), has entered into negotiations which have culminated in the acceptance by the Seller of a binding offer from TSL Limited, registration number 778/1957, the issued shares of which are listed on the Zimbabwe Stock Exchange ("**Purchaser**")¹ for the acquisition by the Purchaser of the Seller's 51.43% shareholding in Nampak Zimbabwe Limited ("**Nampak Zimbabwe**"), for a maximum purchase consideration of US\$25,000,000 ("**Purchase Consideration**"), ("**Disposal**").

Nampak Zimbabwe is a holding company, the shares of which are listed on the Zimbabwean Stock Exchange. Nampak Zimbabwe manufactures paper, plastic, and metal packaging products and forms part of the Nampak group of companies.

RATIONALE FOR THE DISPOSAL

The Disposal is in accordance with the Company's asset disposal plan. Nampak Zimbabwe is an identified asset in terms of the asset disposal plan, the disposal of which will significantly contribute to the reduction of the group's net debt and eliminate the associated risk and volatility of this economy. The Purchase Consideration will be applied towards the further settlement of debt of Nampak.

PURCHASE CONSIDERATION

The Purchase Consideration will be payable as follows:

- US\$23,000,000 within 10 (ten) business days following fulfilment or waiver of the last Condition Precedent (defined below) ("**Initial Purchase Consideration**"); and
- US\$2,000,000 payable in equal tranches of US\$1,000,000 at the end of the first and second anniversaries after the payment of the Initial Purchase Consideration.

The Purchase Consideration will be payable in United States dollars to the Seller or its nominee being another wholly owned subsidiary of Nampak.

¹ The beneficial owners of the Purchaser hold their shares on the Zimbabwe Stock Exchange, further details of which are recorded in the annual report of the Purchaser accessible at https://drive.google.com/file/d/12dGJ_G1r4ulHiKX3qsyx1UZRIf30t3LE/view.

CONDITIONS PRECEDENT

The Disposal is subject to the fulfilment or waiver (to the extent legally permissible), of the following material conditions precedent (“**Conditions Precedent**”):

- execution of a share purchase agreement in respect of the Disposal (“**Agreement**”) which shall contain, in addition to stating further details of the terms and conditions stated in the binding offer letter, standard representation and warranties regarding the balance sheet of Nampak Zimbabwe as at 31 July 2024 including but not limited to recoverability of debtors, stock obsolescence and liability disclosures, covenants, conditions precedent, and provisions for indemnity and non-compete clauses, and such Agreement becoming unconditional in accordance with its terms;
- approval by the shareholders of the Purchaser in a general meeting;
- the granting of all necessary regulatory approvals including approval by the Competition and Tariff Commission and the Exchange Control authorities; and
- delivery of such things necessary to give Nampak further comfort about the ability of the Purchaser to complete the transaction.

FINANCIAL INFORMATION

The book value of Nampak’s 51.43% share of the net assets of Nampak Zimbabwe as at 30 September 2023, being the date of the last audited annual financial statements of Nampak, which are consolidated into Nampak, was R292.5 million.

The audited profits after tax attributable to Nampak’s 51.43% share of Nampak Zimbabwe for the period ended 30 September 2023, was R84.8 million, based on the audited annual financial statements of Nampak Zimbabwe for the year ending 30 September 2023, which are consolidated into Nampak and were prepared in terms of hyperinflationary environment requirements of IFRS.

WARRANTIES AND OTHER SIGNIFICANT TERMS OF THE AGREEMENT

Nampak has granted the Purchaser exclusivity until the date of execution of the Agreement or formal termination of negotiations regarding the Disposal.

The final terms of the Agreement will be announced once concluded, to the extent that it contains any significant terms, but it is anticipated to include representations and warranties by the Seller in favour of the Purchaser which are standard for a transaction of this nature.

ZIMBABWEAN REGULATORY PROCESS

In terms of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange (“**ZSE**”) Listings Rules, the Purchaser is required to make an offer to the remaining shareholders of Nampak Zimbabwe following the Disposal being implemented (“**Mandatory Offer**”). The Purchaser has confirmed that it has the capacity to undertake the Mandatory Offer within the regulated timeframes, through settlement by either cash or by way of a share swap using its own shares. For the avoidance of doubt, the Mandatory Offer will be implemented by the Purchaser independently, following the implementation of the Disposal and without any involvement of Nampak.

CLASSIFICATION OF THE DISPOSAL

The Disposal constitutes a category 2 transaction in terms of the JSE Listings Requirements.

Bryanston
22 October 2024

Transaction Advisor and Sponsor
PSG Capital



PSG CAPITAL