



CAUTIONARY NOTICE TO MEMBERS

PROPOSED ACQUISITION BY SCANCEM INTERNATIONAL DA OF 68.33% OF THE SHARES IN TANGA FROM AFRISAM MAURITIUS INVESTMENT HOLDINGS LIMITED

TANGA CEMENT PUBLIC LIMITED COMPANY (DSE: TCPLC) (Incorporated in the United Republic of Tanzania) ("Tanga" or "the Company")

Shareholders are referred to the joint announcement made by HeidelbergCement AG ("Heidelberg Cement") and AfriSam Mauritius Investment Holdings Limited ("AfriSam") on the 26 October 2021 ("the HeidelbergCement Announcement"), where it was announced that Scancem International DA ("Scancem"), a subsidiary of HeidelbergCement, and AfriSam have finalised the terms upon which Scancem will acquire AfriSam's 68.33% shareholding in Tanga ("the Acquisition"). Shareholders are urged to read the joint announcement by AfriSam and HeidelbergCement.

The Tanga Board of Directors ("Board") was duly informed of the Acquisition by AfriSam shortly after the Acquisition transaction agreements were concluded. The Board will now take appropriate advice and follow the steps required of it in terms of the Capital Markets and Securities (Substantial Acquisitions, Takeovers and Mergers) Regulations, 2006. The Board will communicate further with the shareholders in due course in this regard.

The Acquisition is subject to the fulfillment, or if applicable, waiver of a number of conditions precedent ("the Conditions") by 30 June 2022 or such later date as the parties may agree in writing. These Conditions are set out in detail in the joint announcement by AfriSam and HeidelbergCement. The indicative price per share to be paid by Scancem to AfriSam is TZS 3,157 per Tanga share ("the Acquisition Price"). The Acquisition Price is also subject to potential adjustments relating to debt, working capital and other expenses. HeidelbergCement and AfriSam cautioned that material uncertainty exists on the final Acquisition Price.

If the Acquisition becomes unconditional and is implemented, Scancem will acquire control of the Company. If this occurs, Scancem will, after the final Acquisition Price is determined, make a general offer to acquire the remaining shares in Tanga ("the General Offer").

Shareholders are cautioned that there is no certainty that all the Conditions to the Acquisition will be fulfilled, or waived, timeously. Therefore there is no certainty that the General Offer will be made. There is also material uncertainty on the final Acquisition Price.

The Company is also still trading under the cautionary announcement made on the 31 August 2021. Shareholders are accordingly advised to continue to exercise caution when dealing in Tanga's securities.

Further announcements will be made in due course.

On behalf of the Board.

A handwritten signature in black ink, appearing to read "Lawrence Masha", written over a horizontal line.

Lawrence Masha
Chairman of the Board
27 October 2021

PROPOSED ACQUISITION BY SCANCEM INTERNATIONAL DA OF 68.33% OF THE ISSUED SHARES IN TANGA CEMENT PLC, A COMPANY ORGANIZED UNDER THE LAWS OF THE UNITED REPUBLIC OF TANZANIA, REGISTERED AT BRELA UNDER THE NUMBER 5068 (“TANGA CEMENT”)

Scancem International DA (“Scancem”), a subsidiary of HeidelbergCement AG (“HeidelbergCement”), and AfriSam Mauritius Investment Holdings Limited (“AfriSam”) have finalized the terms upon which Scancem will acquire 68.33% of the issued share capital of Tanga Cement (the “Acquisition”). The Acquisition is subject to the fulfilment or, if applicable, waiver of a number of conditions precedent (the “Conditions”) by 30 June 2022 or such later date as the parties may agree.

Subject to the closing adjustments agreed between Scancem and AfriSam (the “Acquisition Price”), the indicative price per share to be paid by Scancem to AfriSam is TZS 3,157 per share resulting in an aggregate consideration of TZS 137,329 million for the 68.33% of the shares owned by AfriSam in Tanga Cement. The Acquisition Price is subject to adjustments related to debt, working capital, other expenses and other potential adjustments post the closing of the Acquisition. As such, it is important to note that material uncertainty exists currently on the final Acquisition Price.

The key Conditions that must be fulfilled for closing to occur, include among others (i) approval by the Tanzanian Fair Competition Commission (the “FCC”) for the Acquisition being obtained, on terms acceptable to the parties, (ii) approval by the Tanzanian Mining Commission (the “TMC”) for the Acquisition being obtained, on terms acceptable to the parties, (iii) approval by the shareholders of Tanga Cement for the Acquisition being obtained, by way of special resolution passed at a duly convened extraordinary shareholders’ meeting as required in terms of Regulation 9(5) of the Capital Markets and Securities (Substantial Acquisitions, Takeovers and Mergers) Regulations, 2006 (the “Regulations”), (iv) the Tanzania Revenue Authority issuing a tax clearance certificate in relation to the Acquisition, (v) certain mining licences held by Tanga Cement having been validly issued and/or renewed; and (vi) approval by the Financial Surveillance Department of the South African Reserve Bank or, if permissible, the relevant authorised dealer, in respect of the obligations imposed upon AfriSam (South Africa) Proprietary Limited, an affiliate of AfriSam Holdings Proprietary Limited (“AfriSam Group”) as guarantor in terms of the Acquisition, being obtained.

If all Conditions are fulfilled or waived timeously, the Acquisition will become unconditional and be implemented, which is anticipated to be early in the second quarter of 2022.

If the Acquisition becomes unconditional and is implemented, it will provide Scancem with control of Tanga Cement. If this occurs and as required in terms of General Principle 2 of the Regulations, Scancem will, after the final Acquisition Price has been determined, make a general offer to acquire the remaining shares in Tanga Cement (“General Offer”), which General Offer is required to be approved by the Capital Markets and Securities Authority of Tanzania (the “CMSA”). In order to ensure that all shareholders of Tanga Cement receive an amount equal to the price per share paid by Scancem to AfriSam pursuant to the Acquisition as required by the Regulations, the General Offer will only be made after the final price payable by Scancem to AfriSam has been determined.

The parties are engaging with the regulatory authorities, including the CMSA, the Dar es Salaam Stock Exchange (the “DSE”), the FCC and the TMC regarding the Acquisition. Further announcements will be made in due course.

Shareholders of Tanga Cement are cautioned that there can be no certainty that all Conditions will be fulfilled or waived timeously, and the Acquisition implemented, and therefore there is no certainty that the General Offer will be made. Shareholders are advised to exercise caution when dealing in their Tanga Cement shares until a further announcement regarding the completion of the Acquisition is made.

About HeidelbergCement

HeidelbergCement is one of the world's largest integrated manufacturers of building materials and solutions, with leading market positions in aggregates, cement and ready-mixed concrete. Around 53,000 employees at more than 3,000 locations in over 50 countries deliver long-term financial performance through operational excellence and openness for change. At the center of HeidelbergCement's actions lies an acknowledgement of responsibility for the environment. As forerunner on the path to carbon neutrality, HeidelbergCement crafts material solutions for the future. In Tanzania, HeidelbergCement has a long-standing presence through its subsidiary Tanzania Portland Cement Public Limited Company (TPCPLC), which was established in 1966.

About AfriSam Group

AfriSam is a leading supplier of superior quality construction materials and technical solutions. AfriSam's cement, aggregate and ready-mix concrete construction materials have been contributing significantly to infrastructure development in Africa over the last 85 years. In Tanzania, AfriSam is present through Tanga Cement, which is the producer of the Simba Cement brands.

