



## PPC REACHES AGREEMENT FOR THE SALE OF PPC LIME TO KGATELOPELE LIME FOR R515 MILLION

**03 May 2021** - PPC Ltd (“PPC”) and Kgatelopele Lime Proprietary Limited (“Kgatelopele Lime”) are pleased to announce that they have agreed a transaction whereby Kgatelopele Lime will acquire PPC Lime.

PPC Lime is a wholly-owned subsidiary of PPC which commenced operations in 1954 in Lime Acres, Northern Cape on an extensive reserve of metallurgical quality limestone and dolomite. The business mines, manufactures and distributes reactive lime, hard burnt lime, hydrated lime, burnt dolomitic lime and raw limestone.

The divestment forms part of PPC’s ongoing capital restructuring and the effective net proceeds of c.R500 million will be used to de-gear PPC’s South African balance sheet. In terms of the capital restructuring project, PPC’s South African lenders agreed to review the need for a Group capital raise of a minimum amount of R750 million if the South African businesses continue to de-gear towards a sustainable debt metric of around 2x EBITDA.

Roland van Wijnen, CEO of PPC commented: **“This divestment from our lime assets, which we consider non-core to our business, is timely and plays a vital role in our capital restructuring strategy to reduce our South African debt. This will support the South African business to reach a sustainable debt to EBITDA position which the South African lenders view as being necessary to remove the need for the originally contemplated rights issue at Group level. With the announcement of this divestment, we have completed another commitment in line with our communicated restructuring plan. Equally important, we consider Kgatelopele Lime to be well-placed to continue to develop and strengthen the position of the lime business in South Africa.”**

Kgatelopele Lime’s representative companies collectively have significant experience in mining-related operations and investments, and in particular, the global trading, mining, marketing and financing of a wide variety of bulk commodities related to the iron and steel sector. By acquiring PPC Lime, Kgatelopele Lime aims to continue to be a responsible custodian of this asset, just as PPC has been for almost 70 years, and ensure the operations can continue for many more decades to come. ***“We are excited to be part of the consortium acquiring this foundational asset from PPC. We understand its importance to the region, the country and its customers; and will ensure it continues to be mined responsibly and for the benefit of all stakeholders. Commodities like this will continue to remain essential to ensuring global growth and the development of societies around the world. We are excited to have been afforded the opportunity to acquire a long established and efficient mining operation, that will continue to provide this essential resource for years to come,”*** said Anirudh Misra, Chairman of IMR on behalf of Kgatelopele Lime.

Post the conclusion of the divestment, PPC Lime is expected to be 39% black-owned, being 29% owned by strategic BEE investors, 5% owned by relevant PPC Lime employees and 5% owned by host communities of PPC Lime, in accordance with the requirements of the Mining Charter.

**“We are pleased to have secured a highly credible new owner that has the required mining, operational and financial strength, as well as BEE credentials, to successfully take the business forward based on an ownership structure that will satisfy the Mining Charter’s requirements,”** added Con Schoombie, MD of PPC Lime.

In terms of the agreement, the rights, benefits and advantages of PPC Lime transfer to Kgatelopele Lime on 1 April 2021. The divestment is expected to reach a close by the end of this year subject to a number of conditions precedent that are usual for a transaction of this nature, including approval by the Department of Mineral Resources and Energy and the Competition Commission.

**“As Kgatelopele Lime, we are excited to be acquiring this asset and look forward to working with all stakeholders to continue this asset’s legacy into the future.”** concluded Billy Mawasha, CEO of Kolobe Nala Investment Lime on behalf of Kgatelopele Lime.

ENDS

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NOTES TO EDITORS

About PPC Ltd

PPC is an iconic material and solutions provider of quality and consistent cement, aggregates, metallurgical-grade lime, burnt dolomite, limestone, readymix and fly ash. We also provide technical support to our customers. PPC’s story stretches back over 129 years to where we were first incorporated on the outskirts of Pretoria in 1892. As the first cement plant in South Africa, we have established ourselves as a resilient organisation by adapting to ever-changing economic, operating and political environments. We are proud to be a leading provider of quality building materials and solutions to empower people to experience a better quality of life.

Follow PPC on Twitter @PPC\_Africa, like us on [www.facebook.com/PPC.Cement](http://www.facebook.com/PPC.Cement) and visit us at [www.ppc.africa](http://www.ppc.africa).

About Kgatelopele Lime

Kgatelopele Lime comprises a consortium of investors including:

- IMR Resources South Africa Proprietary Limited – part of the IMR Group, a privately held international minerals resources mining and trading company based in Switzerland involved in global trading, mining, marketing and financing of a wide variety of bulk commodities related to the iron and steel sector. Established in 2004, IMR has grown its global footprint, generating c.US\$3 billion in annual revenue while also expanding downstream/upstream to

own and manage a number of industrial and mining assets across several geographical locations. Detailed information on the Company and progress to date can be accessed on the website [www.imr-resources.com](http://www.imr-resources.com);

- Kolobe Nala Investment Lime Proprietary Limited – a 100% black-owned, mining-focused investment holding company. KNI is indirectly owned by Mr. Billy Mawasha. Mr. Mawasha has extensive experience in the South African mining sector having held various executive positions at AngloGold Ashanti, Kumba Iron Ore and Rio Tinto. Mr. Mawasha currently serves as an independent non-executive Director of Murray & Roberts Limited and Metair Investments Limited;
- HEX2M Energy Holdings Proprietary Limited – a 100% black youth owned mining-focused investment holding company wholly owned by Mr. Sizwe Mngomezulu. Together with Mr Mawasha, Mr. Mngomezulu owns and manages NPL Mining Solutions Proprietary Limited, a chemical and minerals trading and beneficiation business; and
- JJL Mining Proprietary Limited – an entity that is 100% owned by Mr. Johannes Claassen, the previous Chief Executive Officer of PPC. Mr. Claassen has an in-depth understanding of PPC Lime and its operations.