

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 of the Company (**Shareholders**) are referred to the joint announcements made by Heidelberg Materials AG, formerly HeidelbergCement AG ("**Heidelberg Materials**") and AfriSam Mauritius Investment Holdings Limited ("**AfriSam**") on 26 October 2021, 1 July 2022, 1 September 2022, 4 October 2022 and 18 January 2023 ("**the Previous Announcements**") in relation to the proposed acquisition by Scancem International DA ("**Scancem**"), a subsidiary of Heidelberg Materials, of 43,504,403 ordinary shares in Tanga, constituting AfriSam's 68.33% shareholding in Tanga ("**the Acquisition**"). Shareholders are also referred to the related cautionary announcements released by Tanga in this regard, dated 27 October 2021, 2 September 2022 and 17 April 2023.

The Acquisition is subject to the fulfilment or, if applicable, waiver of a number of conditions precedent ("**the Conditions**"). Details of the Conditions are set out in the Previous Announcements.

Scancem submitted a new merger application with the revised acquisition terms and updated market and economic data pertaining to the Acquisition to the Fair Competition Commission ("FCC") in December 2022 ("**the Revised Acquisition Terms**"). The FCC granted an unconditional approval for the Acquisition on the Revised Acquisition Terms on 28 February 2023 ("**the FCC Approval**").

There were various proceedings launched before the Fair Competition Tribunal and the Tanzania High Court to challenge the FCC Approval. Shareholders are informed that all proceedings challenging the FCC Approval and/or the implementation of the Acquisition, have now either been dismissed or withdrawn and, accordingly, this particular Condition to the Acquisition has now been fulfilled.

Shareholders are cautioned that there are still other Conditions to the Acquisition which must be fulfilled, or waived, and there is no certainty this will occur timeously. The remaining regulatory approvals are those required from the Capital Markets and Securities Authority, the Dar es Salaam Stock Exchange and the Tanzanian Revenue Authority.

As highlighted in the announcement of 4 October 2022, the Revised Acquisition Terms of the Acquisition include an enterprise value of an aggregate amount of USD 155 million for Tanga Cement. This translates to an indicative price of TZS 2,265 per Tanga share at the prevailing exchange rate shortly before the announcement was released on 4 October 2022. Shareholders are reminded that the final acquisition price remains subject to adjustments relating to debt, working capital and other expenses.

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.



Patrick Rutabanzibwa
Chairman of the Board
21 September 2023