



ekaterra

ekaterra Tea Kenya PLC
(formerly Unilever Tea Kenya PLC)

Registered Office: Kericho - Nakuru Highway, P.O. Box 20-20200 Kericho, Kenya
T: +254 (0)722 307394/5 | www.ekatterratea.com

THE CAPITAL MARKETS ACT
(Chapter 485A, Laws of Kenya)

Press Notice
under Regulation 4(1) of The Capital Markets (Take-overs and Mergers) Regulations, 2002

Notice of Intention

1. Pursuant to Regulation 4(1) of the Capital Markets (Take-overs & Mergers) Regulations, 2002 (the **Take-over Regulations**), we, ekaterra Tea Kenya PLC, a public limited company incorporated in the Republic of Kenya with registration number C.12/72 (formerly Unilever Tea Kenya Plc) (**ekaterra Kenya**), hereby announce to the public that:

- a. following the successful completion of the Global Transaction (as defined in paragraph 2 below), Puccini Bidco B.V., a limited company incorporated in the Netherlands with registered number 84447559 (**Puccini**) has, under Regulation 3(2)(c) of the Take-over Regulations, indirectly acquired effective control of Limuru Tea Plc, a public limited company incorporated in the Republic of Kenya with registration number C.1/59 (**Limuru Tea**); and
- b. on 4 July 2022, we served on the Board of Directors of Limuru Tea Plc, a notice of intention under Regulation 3(2)(b) of the Take-over Regulations to make a cash offer (the **Offer**) to acquire up to 100% of the ordinary shares in the share capital of Limuru Tea not already legally or beneficially owned by ekaterra Kenya (the **Offer Shares**).

Background

- 2. On 18 November 2021, Puccini agreed to purchase, and Unilever International Holdings B.V., a limited company incorporated in the Netherlands with registered number 70419337, (**Unilever**) agreed to sell the entire issued share capital of ekaterra B.V., a company incorporated in the Netherlands under registered number 81254075 (**ekaterra HoldCo**) (the **Global Transaction**). The Global Transaction was subject to various regulatory approvals globally as specified in the share purchase agreement, and a merger notification in respect of the Global Transaction was also made to the COMESA Competition Commission, which gave authorisation for the Global Transaction on 8 June 2022.
- 3. ekaterra HoldCo owns and operates its tea business in various countries globally, including in Kenya through ekaterra Kenya and Limuru Tea. Prior to completion of the Global Transaction, ekaterra HoldCo was a wholly owned subsidiary of Unilever.
- 4. On 1 December 2021, Puccini published a notice that, upon successful completion of the Global Transaction, Puccini would indirectly acquire effective control and beneficial shareholding of Limuru Tea. Completion of the Global Transaction took place on 1 July 2022, whereby Puccini indirectly acquired the entire shareholding of ekaterra Kenya and, through ekaterra Kenya, it now beneficially owns a majority of the issued share capital of Limuru Tea.
- 5. Puccini had applied to the Capital Markets Authority of Kenya (**CMA**) for an exemption under regulation 5 of the Take-over Regulations from the requirement to make a take-over offer in relation to its indirect acquisition of effective control of Limuru Tea. However, following engagement with the CMA, ekaterra Kenya is meeting the regulatory obligation under the Take-over Regulations, on behalf of its parent company Puccini, to make a mandatory offer for all the voting shares not currently legally or beneficially owned by ekaterra Kenya.

The Offeree

- 6. Limuru Tea Plc owns 282 hectares of tea plantations situated four kilometres to the east of Limuru Town. Limuru Tea's core business is the growing, processing and sale of green leaf tea, primarily to the Mabroukie tea factory in Limuru (**Mabroukie Factory**), which is owned by ekaterra Kenya. Limuru Tea earns revenue from the sale of green leaf at a price per kilogramme that is based on the ultimate export price achieved from sale of made tea processed at the Mabroukie Factory.
- 7. Limuru Tea's shares are currently listed and publicly traded on the Main Investment Market Segment of the Nairobi Securities Exchange (**NSE**). Limuru Tea has 2,400,000 fully paid ordinary shares of par value of Kenya Shillings ten each in issue that were held by 212 shareholders as at 31 December 2021.
- 8. According to the annual report and financial statements of Limuru Tea for the year ended 31 December 2021 Limuru Tea's ten largest shareholders reported as of 31 December 2021 are:

TOP 10 SHAREHOLDERS OF LIMURU TEA AS AT 31 DECEMBER 2021

	Name of Shareholder	Shares	Percentage
1	Unilever Tea Kenya Plc (now renamed ekaterra Tea Kenya Plc)	1,247,976	52.00%
2	Standard Chartered Nominees A/C 9532	611,488	25.48%
3	Africa REIT Limited	110,368	4.60%
4	Hassan Popat	81,444	3.39%
5	Brookshire Limited	80,000	3.33%
6	Alimohamed Adam	60,000	2.50%
7	SBM Bank Nominees Ltd A/C 3018	19,466	0.81%
8	Shardaben Vithaldas Morjaria	12,200	0.51%
9	Ambubhai N Amin & Mrs Kusumben Ambubhai Amin	12,000	0.50%
10	Shantaben Devshi Shah	10,356	0.43%
	TOTAL	2,245,298	93.55%

The Offeror

- 9. ekaterra Kenya is a public limited company incorporated in the Republic of Kenya with registration number C.12/72. It changed its name from Unilever Tea Kenya Plc pursuant to a certificate of change of name dated 13 May 2022. Although ekaterra Kenya is a public limited company, its shares are not listed on any exchange and 98.5592% of its issued share capital is owned by ekaterra Tea HoldCo UK Limited which, in turn, is a 100% subsidiary of ekaterra HoldCo.
- 10. Following completion of the Global Transaction, ekaterra Kenya is effectively controlled by Puccini. Puccini is an investment vehicle that is controlled by certain funds advised by CVC Advisers Limited and its affiliates (**CVC**). CVC is a leading private equity and investment advisory firm with a network of 25 offices throughout Europe, Asia and the US, with approximately €123 billion of assets under management. Since its founding in 1981, CVC has secured commitments in excess of €157 billion from some of the world's leading institutional investors across its private equity and credit strategies. Funds managed or advised by CVC are invested in over 100 companies worldwide, which have combined annual sales of approximately €100 billion and employ more than 500,000 people. For further information about CVC please visit: www.cvc.com.
- 11. Limuru Tea is already a subsidiary of ekaterra Kenya which holds 1,247,976 of the ordinary shares, representing approximately 52% of the total issued share capital of Limuru Tea.

- 12. The following entities incorporated in Kenya are also related to, or associated with ekaterra Kenya:

Name	Subsidiary or Affiliate	Activity	Percentage ownership
Brooke Bond Mombasa Limited	Subsidiary	Dormant. Acts as sole corporate trustee for Unilever Tea Kenya Limited Retirement Savings Plan and Unilever Tea Kenya Limited Staff Pension Scheme	100%
Mabroukie Tea & Coffee Estate Limited	Subsidiary	Land holding company	100%
Limuru Tea Plc	Subsidiary	Outgrower for production of green leaf	approximately 52%

- 13. ekaterra Kenya's main business is growing and processing tea, mainly for export. In addition to the green leaf tea grown on its own estates in Kenya, ekaterra Kenya also buys in tea from its subsidiary Limuru Tea and other outgrowers. The green tea is processed at ekaterra Kenya's factories primarily for export.

The Offer

- 14. ekaterra Kenya intends to offer cash consideration for each Offer Share, the particulars of which will be set out in detail in the offeror statement and offer document (the **Offer Document**) prepared in accordance with the Take-over Regulations.
- 15. As explained in paragraphs 2 and 4, on 1 July 2022 Limuru Tea ceased to be a member of the Unilever group of companies and, instead, has become a member of a group of companies that has Puccini as its ultimate parent company. ekaterra Kenya's primary purpose for making the Offer is to satisfy its requirement to make an offer in accordance with the Take-over Regulations. The Offer will provide those shareholders of Limuru Tea that wish to realise their investment in Limuru Tea shares (following this change in ultimate parent company) with an opportunity to do so. ekaterra Kenya recognises that only relatively few Limuru Tea shares trade on the NSE (only 9,700 shares traded on the exchange in the period between 1 January 2022 and 30 June 2022) and so this Offer provides an opportunity for shareholders to realise their investment if they wish to do so.
- 16. Shareholders of Limuru Tea are not obliged to respond to the Offer should they wish to remain as investors. Because ekaterra Kenya already holds a controlling interest in Limuru Tea and has no current plans to delist the company from the NSE ekaterra Kenya has not set any minimum threshold for acceptances for the Offer and will purchase any Offer Shares that Limuru Tea shareholders wish to sell under the terms of the Offer.
- 17. ekaterra Kenya is a long-term strategic investor in Kenya that expects its primary business to remain that of growing and manufacturing tea for export, and this includes the business of Limuru Tea. Hence, ekaterra Kenya intends to support the Board of Directors of Limuru Tea in implementing its strategic plans over the next few years. These plans aim to return Limuru Tea to profitable operations by both improving green leaf yields and production volumes and by improving leaf quality to achieve higher revenue from green leaf sales. This strategy should also enable Limuru Tea to achieve a marked increase in revenues in the event that Kenyan-made tea fetches higher export prices on global markets, compared to current levels, over the next few years – a scenario that could eventuate under certain market conditions and industry-wide developments. However, as a long-term investor in the tea sector in Kenya, ekaterra Kenya is aware of the commercial challenges and business risks that tea outgrowers face, such as adverse weather conditions, depressed market prices and the increasing cost of labour.

Persons acting in concert, irrevocable undertakings and options to acquire the Offer Shares

- 18. ekaterra Kenya is not acting in concert with any person (whether pursuant to a formal or informal agreement or understanding) in relation to the Offer.
- 19. None of the directors of ekaterra Kenya and none of the directors of Puccini hold any shares in Limuru Tea.
- 20. No irrevocable undertakings have been given and no agreements, arrangements or understandings exist or are proposed between ekaterra Kenya, Puccini or any related company or person associated or acting in concert with it and any existing shareholders of Limuru Tea.

Conditions to the Offer

- 21. The Offer will not be subject to any conditions other than the delivery of acceptances within the offer period that will be stated in the Offer Document.

Delisting and Compulsory Acquisition

- 22. ekaterra Kenya has not set any minimum acceptance threshold and has no immediate intention to delist Limuru Tea from the NSE. However, should ekaterra Kenya acquire 75% or more of the issued ordinary shares of Limuru Tea, then Limuru Tea may no longer meet the criteria to remain listed on the NSE and ekaterra Kenya may in the future be required to take steps to delist the shares of Limuru Tea from the NSE, subject to the receipt of necessary corporate and regulatory approvals.
- 23. If the Offer is accepted by shareholders owning at least 90% of the shares of Limuru Tea to which the Offer relates, and thus ekaterra Kenya's aggregate shareholding in Limuru Tea amounts to 90% or more, ekaterra Kenya may seek to apply the provisions of the Take-over Regulations and Part XXIV, Division 4 of the Companies Act, 2015 to compulsorily acquire the remaining shares of Limuru Tea.

Offer Documentation and Timetable

- 24. Details of the Offer will be set out in the Offer Document prepared in accordance with the Take-over Regulations.
- 25. The Offer Document will include a timetable for the Offer including the period within which the shareholders of Limuru Tea will be able to accept the Offer for a period of thirty (30) days or such longer period as may be specified by ekaterra Kenya (with the approval of the CMA).

By order of the Board.
For and on behalf of:

ekaterra Tea Kenya PLC
Gerridina Ten Den
Chair
Dated: 4 July 2022

Advisors



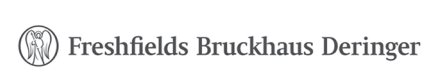
Investment bank transaction advisor to ekaterra Tea Kenya Plc and Puccini Bidco B.V.



Investment bank transaction advisor to ekaterra Tea Kenya Plc and Puccini Bidco B.V.



Legal advisor to ekaterra Tea Kenya Plc and Puccini Bidco B.V.



Legal advisor to Puccini Bidco B.V.