

Media release: Final

DISTELL RECEIVES OFFER FROM HEINEKEN, CREATING A WORLD CLASS, DIVERSIFIED SOUTHERN AFRICAN ALCOHOLIC BEVERAGES CHAMPION

- The Transaction comprises a scheme of arrangement and certain initial steps. These initial steps will only be implemented if the transaction receives all required regulatory and other approvals.
- One of these initial steps entails an internal restructuring of Distell to create two separate businesses, one containing the cider, ready-to-drink beverages, and spirits and wine business and the other consisting of Distell's remaining assets, including its Scotch whisky business which will be housed in a Distell subsidiary named Capevin.
- As part of the scheme, Distell Shareholders will receive simultaneous offers from Heineken and one of its wholly owned subsidiaries, referred to as Newco, to acquire their Distell Shares and also their Capevin shares which Distell Shareholders will receive as part of the scheme.
- The cider, ready-to-drink beverages, and spirits and wine business will be combined with Heineken's interests in Southern Africa, including Namibia and select export markets in East Africa held by Newco, which will result in a world-class, unlisted, Southern-African focused, alcoholic beverages entity with a leading international beer and cider portfolio, combining the complementary brands, talent and skills of Distell, Heineken and Namibia Breweries to better serve consumers across the Southern Africa region. The combined entity will also have a significant presence in adjacent African markets.
- Strengthened route to market reaching more consumers and customers with a strong multi-category portfolio, led by iconic brands including Heineken®, Savanna and Windhoek.
- Partner for growth in Africa, aiming to make a positive impact on the environment, social sustainability and responsible consumption.
- The proposed offer demonstrates long term commitment to South Africa and Namibia, building on successful track record in Africa, including ongoing investment, employment security, localisation and supplier development, talent development and contribution to the economic development of the region.
- Heineken and Distell are keenly aware of the importance of economic transformation through Broad-Based Black Economic Empowerment ("BBBEE") and intend to enhance the empowerment ownership of the enlarged business post completion of the Transaction.
- Newco will participate in projects and partnerships with proven impact on behavioural change and reducing alcohol related harm, alongside investment in responsible consumption campaigns and ensuring that consumers always have a choice, through broadening the availability of zero alcohol beverages.
- R180 per share offer price values Distell's business at R40.1 billion in aggregate, representing a 35% and 53% premium to 30-day and 90-day VWAP, respectively, ended on 17 May 2021, the day before the date on which Distell first issued a cautionary announcement relating to the Transaction.

Stellenbosch, 15 November 2021 – Distell, the South African-based global drinks company, today announced that it has received a firm offer from Heineken International BV to acquire the entire issued share capital in Distell by way of a scheme of arrangement. The offer of R180 per share values Distell at a market capitalisation of R40.1 billion, recognising the strength of its brands, people, growth prospects and continued resilient performance.

Richard Rushton, Distell CEO said:

“Today marks a major milestone in Distell’s journey. Our resilient business’ stand out performance and the excellence of our people have been recognised by a much-admired Global Brewer in Heineken. The offer is testament to the strength of Distell’s leading position in South Africa and growth in select African markets, alongside the value of our brands and people providing the potential to immediately unlock significant value for our shareholders.

Together, this partnership has the potential to leverage the strength of Heineken’s global footprint with our leading brands to create a formidable, diverse beverage company for Africa. We will have a stronger route-to-market with a unique multi-category portfolio, furthering our sustainable growth trajectory and ability to compete on scale. I am excited for what lies ahead as we look to combine our strong and popular brands and highly complementary geographical footprints to create a world class African company in the alcohol beverage sector. Our combined entity will grow our local expertise and insights to better serve consumers across the region.

Heineken and Distell collectively have family-owned values with strong legacies in South Africa and are committed to continuing to play a strong role in addressing critical social and economic imperatives in the country.”

Heineken’s CEO and Chairman of the Executive Board Dolf van den Brink said:

“We are very excited to bring together three strong businesses to create a regional beverage champion, perfectly positioned to capture significant growth opportunities in Southern Africa.

Distell is a highly regarded, resilient business with leading brands, a talented workforce and a strong track record of innovation and growth in Africa. With Namibia Breweries Limited, there are exciting opportunities to expand premium beer and cider in Namibia and grow the iconic Windhoek brand beyond its home market. Together we will be able to better serve our consumers and customers through a unique combination of multi-category leading brands and a strengthened route-to-market. The businesses share common values derived from their family heritage, long-term perspectives, entrepreneurial spirit, and respect for people and the planet.

We have successfully built our business in Africa over 100 years. Today’s announcement is a vote of confidence in the long-term prospects of South Africa and Namibia and we commit to being a strong partner for growth and to make a positive impact in the communities in which we operate.”

Distell Group CEO, Richard Rushton and Group CFO, Lucas Verwey will be hosting a webcast and call today at 09.30 CAT to discuss the transaction.

The webcast can be accessed via the following link:

<https://services.themediaframe.com/links/distell10040731.html>

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The Transaction: Summary

If the scheme of arrangement receives all required approvals, and as an initial step, Distell will restructure its operations into two separate businesses, namely a cider, ready-to-drink beverages, and spirits and wine business ("In-Scope Assets"); and a business consisting of Distell's remaining assets, including its Scotch whisky spirits business ("Out-of-Scope Assets").

As part of the scheme of arrangement, Distell's Out-of-Scope Assets will be distributed to Distell shareholders as shares in an unlisted company ("Capevin") and, further, Heineken and its wholly owned subsidiary Newco will make two simultaneous and inter-conditional offers, namely:

1. A cash and share offer from Newco to Distell shareholders for all the shares in Distell (which will, after the restructuring, hold the In Scope Assets, with Distell's broad-based black economic empowerment partner continuing to hold 15% of the In Scope Assets located in South Africa); and
2. A cash offer from Heineken to Distell shareholders for the ordinary shares in Capevin (that Distell shareholders will receive in terms of the distribution). This Heineken offer is for a minority shareholding in Capevin, which will hold the Out-of-Scope Assets. This cash offer by Heineken is made in recognition of the fact that not all Distell shareholders can hold shares in an unlisted company, which Capevin will be.

Heineken will own a minimum of 65% of Newco after implementation of the Transaction, but Distell shareholders will be able to reinvest and hold up to 35% in Newco which will, at that time, hold:

1. the In-Scope Assets (with 15% of the In-Scope Assets in South Africa held by a B-BBEE partner); and
2. 100% of Heineken's South African beer business;
3. 100% of Heineken's export business in Botswana, Zambia, Zimbabwe, eSwatini, Lesotho, Tanzania, Uganda, South Sudan and Kenya; and
4. an indirect holding of 59.4% in Namibia Breweries Limited Breweries, a Namibian listed entity.

About Distell

Distell is Africa's leading producer of spirits, wines, ciders and ready-to-drinks (RTDs) as well as the world's second-biggest producer of ciders. Some of the company's top brands include Amarula, Hunter's, Savanna, 4th Street, Klipdrift, Nederburg, Richelieu, Viceroy, and J.C. Le Roux. Distell employs 4 500 people worldwide. Drakensburg trades under ticker code 'DGH' and is listed on the Johannesburg Stock Exchange. For more information go to Distell's website: www.distell.co.za. Follow us on [Facebook](#) / [Twitter](#) / [LinkedIn](#).

About Heineken

HEINEKEN is the world's most international brewer. It is the leading developer and marketer of premium beer and cider brands. Led by the Heineken® brand, the Group has a portfolio of more than 300 international, regional, local and specialty beers and ciders. We are committed to innovation, long-term brand investment, disciplined sales execution and focused cost management. Through "Brewing a Better World", sustainability is embedded in the business. Heineken has a well-balanced geographic footprint with leadership positions in

both developed and developing markets. We employ over 80,000 employees and operate breweries, malteries, cider plants and other production facilities in more than 70 countries. Heineken N.V. and Heineken Holding N.V. shares trade on the euronext in Amsterdam. Prices for the ordinary shares may be accessed on Bloomberg under the symbols HEIA NA and HEIO NA and on Reuters under HEIN.AS and HEIO.AS. HEINEKEN has two sponsored level 1 American Depositary Receipt (ADR) programmes: Heineken N.V. (OTCQX: HEINY) and Heineken Holding N.V. (OTCQX: HKHHY). Most recent information is available on HEINEKEN's website: www.theHEINEKENcompany.com. Follow us on [LinkedIn](#), [Twitter](#) and [Instagram](#).

About Namibia Breweries Limited (NBL)

Established on 29 October 1920, NBL is one of the leading beverage manufacturing companies in Namibia and indeed in Southern Africa. Based in Windhoek, and employing more than 800 people, NBL leads the domestic beer market in Namibia and has significant share of the premium beer category in Southern Africa. It's portfolio includes a range of soft beverages, as well as low and non-alcoholic products. NBL's beer brands are brewed in strict accordance with the Reinheitsgebot "Purity Law" - which only uses three ingredients: malted barley, hops and water. It's brands Windhoek Lager, Tafel Lager, Windhoek Draught and Windhoek Light have earned international recognition for quality and purity. NBL's products are exported to 17 countries outside of Namibia and South Africa.