



Long4Life Limited
(previously Long4Life Proprietary Limited)
(Incorporated in South Africa)
(Registration Number: 2016/216015/06)
("Long4Life" or "the Company")

MEDIA RELEASE

LONG4LIFE ACQUIRES CHILL BEVERAGES (PTY) LTD (CHILL)

Johannesburg, 28 November 2017: Long4Life has announced that it is acquiring 100% of Chill from the existing shareholders, being management, Africa Beverage Venture (Pty) Ltd and Raubenbel (Pty) Ltd.

Chill is a leading producer, packer and distributor of a range of beverages and is based in the Western Cape with storage and distribution facilities located in major cities across South Africa. Chill provides a fully integrated in-house business platform from product conception and development, through production, to sales and marketing.

Chill has an experienced and innovative management team who will remain with the company after the acquisition. Chill owns a portfolio of recognised brands, including Score Energy, Fitch & Leedes, Bashews and Country Club, amongst others. Its operating facility produces beverages in cans, glass and PET and is located in Stellenbosch. Chill targets three revenue categories, namely:

- the production and distribution of its own brands;
- co-packing, which provides numerous beverage companies with production and packaging services; and
- house brands, which are typically large retailers seeking to produce and sell their own in-house brands.

Long4Life's Chief Executive, Brian Joffe, commented, "This acquisition is an exciting opportunity for us to enhance our presence in the growing South African beverage space, which we see as an important component of the lifestyle, wellness and leisure sector, servicing a large part of the South African and African population".

Brian Joffe added, "Chill has a diverse product offering that caters to various LSM market segments. I am excited about the management teams' ability to drive product and brand development, as well as positioning, and further advance the strategy of maintaining a good balance of branded products and co-packing arrangements".

Chill's founding investor and Managing Director, Grant Hobbs, said, "Over the last year, we invested some R100 million of capital expenditure to expand production facilities and

improve efficiencies, which has boosted our class leading capability. With the strategic and balance sheet strength that Long4Life provides, we can further enhance our integrated business model and take advantage of the tremendous growth prospects in the industry. We will also be in a better position to leverage our growing export activities”.

Chill recorded an EBITDA of R86 million equating to a net profit after tax of R46 million for the financial year ended 30 June 2017. The net asset value at that date was R135 million.

Long4Life’s purchase consideration will be determined by reference to the actual EBITDA achieved by Chill for the year ending 30 June 2018 (FY2018).

The minimum purchase consideration for the entire issued share capital of Chill is R452 million, with net of debt of R182 million.

The purchase consideration will be adjusted upwards by 7.05x for each Rand of FY2018 EBITDA achieved, as follows:

FY2018 EBITDA	Maximum purchase consideration adjustment	Maximum purchase consideration
R90 million – R120 million	R211.5 million	R664 million
R120 million – R144 million	Nil	R664 million
R144 million – R154 million	R70.5 million	R734 million

The purchase consideration will be settled as follows:

- 75% in cash; and
- 25% through the issue of Long4Life shares at a price of R5.21 per share (“the Share Issue”).

The Share Issue will be made to management in part settlement of their portion of the purchase consideration. Any disposal of these shares will be subject to certain restrictions over a three-year period.

The acquisition, which is subject to the fulfilment (or waiver) of the normal conditions precedent for a transaction of this nature, has been structured as a “locked-box” with an effective date of 1 July 2017.

ends

NOTE TO EDITORS:

About Long4Life

Long4Life is an investment holding company with a lifestyle focus that seeks to generate superior returns for its shareholders over the medium- to long-term. Long4Life plans to invest primarily in businesses with attractive growth prospects, led by strong, entrepreneurial-minded management teams. The Long4Life Board of Directors are responsible for capital allocation and play an active role in identifying and approving attractive investment opportunities. Long4Life operates a

decentralised management structure, providing financial, strategic and management support to its investee companies.

ISSUED ON BEHALF OF: LONG4LIFE

BY: APRIO STRATEGIC COMMUNICATIONS

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