

## THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

The definitions and interpretations contained on pages 9 to 11 (both inclusive) of this Circular apply to this Circular in its entirety.

If you are in any doubt as to the action that you should take arising from this Circular, please consult your custodian, Broker, banker, legal advisor, accountant or other professional advisor immediately.

### ACTION REQUIRED

1. This entire Circular is important and should be read with particular attention to the section entitled "Action required by Shareholders", on page 6 of this Circular.
2. If you have disposed of some or all of your Shares, this Circular together with the accompanying notice convening the General Meeting and Form of Proxy, should be forwarded to the purchaser to whom, or the Broker, agent or custodian through whom, you disposed of your Shares.
3. **NBL does not accept responsibility and will not be held liable for any failure on the part of the custodian, Broker, banker, investment dealer or other agent of a Shareholder to notify such Shareholder of the General Meeting or any business to be conducted thereat.**



## Namibia Breweries Limited

Namibia Breweries Limited  
("NBL")  
(incorporated in the Republic of Namibia)  
(registration number 1920/0002)  
NSX Share code: NBS  
ISIN: NA0009114944

## CIRCULAR TO SHAREHOLDERS

### relating, among other things, to:

- the approval of the acquisition by NBL of the entire shareholding in the Distell Namibia Companies from Newco which transaction constitutes a related party and a Category 3 transaction in terms of the Listings Requirements;

### and incorporating:

- a Fair and Reasonable Opinion in respect of the Distell Namibia Acquisition, as prepared by an Independent Expert, being KPMG;
- a notice convening the General Meeting of NBL (*yellow*); and
- a Form of Proxy to attend and vote at the General Meeting in respect of the General Meeting of NBL (*green*).

#### Transaction Sponsor to NBL



Member of the NSX

#### Legal Advisors to NBL



#### Joint Corporate Advisors to NBL



#### Independent Reporting Accountants and Auditor to NBL



#### Joint Corporate Advisors to NBL



#### Independent Expert to NBL



This circular is available in English only. Copies of this circular may be obtained from NBL's registered office between 09:00 and 16:30 on business days from Friday, 25 March 2022 to Thursday, 28 April 2022, both days inclusive. This Circular will also be available on NBL's website ([www.nambrew.com](http://www.nambrew.com)) from Friday, 25 March 2022.

Date of issue: 25 March 2022

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## CORPORATE INFORMATION

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### **Directors of NBL**

Marco Wenk (Managing Director)  
Waldemar von Lieres (Finance Director)  
Sven Thieme (Chairman) #  
Hendrik van der Westhuizen #  
Hans-Bruno Gerdes #  
Peter Grüttemeyer #  
Günther Hanke (*alternate to S Thieme*) #  
Laura McLeod-Katjirua #  
Vetumbuavi Mungunda \* #  
Roland Pirmez #  
Afra Schimming-Chase \* #  
Steven Siemer #  
Pascal Sabrie (*alternate to R Pirmez*) #  
\* *Independent # Non-Executive*

### **Transaction Sponsor to NBL**

PSG Wealth Management (Namibia) (Proprietary) Limited  
(Registration number 98/528)  
A Member of the NSX  
PSG @ SPACE, c/o Thorer and Feld Street  
Windhoek, Namibia  
(P.O. Box 196, Windhoek, Namibia)  
e-mail: brian@psg.com.na

### **Legal advisors to NBL**

Engling, Stritter & Partners  
12 Love Street  
Windhoek, Namibia  
(P.O. Box 43, Windhoek, Namibia)  
e-mail: hgerdes@englinglaw.com.na

### **Independent Reporting Accountant and Auditor to NBL**

Deloitte & Touche  
Registered Accountants and Auditors  
ICAN Practice number 9407  
Deloitte Building, Maerua Mall complex, Jan Jonker Road, Windhoek, Namibia  
(P.O. Box 47, Windhoek, Namibia)  
e-mail: mailnamibia@deloitte.co.za

### **Company Secretary and registered address of NBL**

Ohlthaver & List Centre (Proprietary) Limited  
Alexander Forbes House, 7th Floor - South Block,  
23-33, Fidel Castro Street  
Windhoek, Namibia  
(P.O. Box 16, Windhoek, Namibia)  
e-mail: #Legal@ol.na

### **Transfer Secretaries of NBL**

Transfer Secretaries (Proprietary) Limited  
4 Robert Mugabe Avenue  
Entrance from Burg Street  
Windhoek, Namibia  
(P.O. Box 2401, Windhoek, Namibia)  
e-mail: ts@nsx.com.na

### **Joint Corporate Advisors to NBL**

Deloitte Capital Proprietary Limited  
(Registration number 2010/009339/07)  
5 Magwa Crescent, Waterfall City  
Midrand, 2090  
South Africa  
(Private Bag X6, Gallo Manor, 2052)  
e-mail: rkopparapu@deloitte.co.za

### **Joint Corporate Advisors to NBL**

SOM Group Proprietary Limited  
(Registration number 2018/275827/07)  
Hertford Office Park  
Building J, First Floor, 90 Bekker Road  
Vorna Valley, 1686, South Africa  
e-mail: mike@som.co.za

### **Independent Expert to NBL**

KPMG Services Proprietary Limited  
(Registration number 1999/012876/07)  
KPMG Crescent, 85 Empire Road  
South Africa  
(Private Bag 9, Parkview, 2122, South Africa)  
e-mail: heather.carswell@kpmg.co.za

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## **IMPORTANT LEGAL NOTICES**

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Where any term is defined within the context of any particular clause or section in this Circular, the term so defined, unless it is clear from the clause or section in question that the term so defined has limited application to the relevant clause or section, shall bear the meaning ascribed to it for all purposes in this Circular, unless the context otherwise requires. Expressions defined in this Circular shall bear the same meanings in supplements to this Circular which do not themselves contain their own definitions.

NBL certifies that to the best of its knowledge and belief there are no facts that have been omitted which would make any statement false or misleading, that all reasonable enquiries to ascertain such facts have been made and that this Circular contains all information required by applicable laws and the NSX listing requirements. The directors of NBL accept full responsibility for the accuracy of the information contained in this Circular, the annual financial statements and the annual reports of NBL and any amendments or supplements to the aforementioned documents, except as otherwise stated therein.

The NSX, Transaction Sponsor and any of their professional advisors take no responsibility for the contents of this Circular, the annual financial statements or the annual reports of NBL or the Distell Companies and any amendments or supplements to the aforementioned documents. The NSX makes no representation as to the accuracy or completeness of this Circular, the annual financial statements or the annual reports of NBL or the Distell Companies and any amendments or supplements to the aforementioned documents and expressly disclaims any liability for any loss arising from or in reliance upon the whole or any part of the aforementioned documents. The NSX approval of this Circular and listings of the NBL shares is not to be taken in any way as an indication of the merits of NBL or the NBL shares and that, to the extent permitted by law, the NSX and Transaction Sponsor will not be liable for any claim whatsoever.

NBL, having made all reasonable enquiries, confirms that this Circular contains or incorporates by reference all information which is material in the context of this Circular, that the information contained or incorporated by reference in this Circular is true and accurate in all material respects and is not misleading, that the opinions and the intentions expressed in this Circular are honestly held and that there are no other facts the omission of which would make this Circular or any such information or expression of any such opinions or intentions misleading in any material respect and that all proper enquiries have been made to verify the foregoing.

None of the Transaction Sponsor, the NSX nor any of their professional advisors have separately verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility is accepted by any of the Transaction Sponsor, the NSX or other professional advisors as to the accuracy or completeness of the information contained in this Circular or any other information provided by NBL. None of the Transaction Sponsor, the NSX nor any of their professional advisors accept any liability in relation to the information contained in this Circular or any other information provided by NBL in connection with the public offer.

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Circular or any other information supplied in connection with the public offer and, if given or made, such information or representation must not be relied upon as having been authorised by NBL, the Transaction Sponsor or any of the professional advisors.

Each Shareholder should make its own independent investigation of the financial condition and affairs, and its own appraisal of the Distell Namibia Acquisition.

The delivery of this Circular does not at any time imply that the information contained herein concerning NBL is correct at any time subsequent to the date hereof or that any other financial statements or other information supplied in connection with this Circular is correct as at any time subsequent to the date indicated in the document containing the same.

### **FORWARD-LOOKING STATEMENTS**

This Circular contains statements about NBL and the Distell Namibia Companies that are or may be forward-looking statements. All statements other than statements of historical fact are, or may be deemed to be, forward-looking statements. These forward-looking statements are not based on historical facts, but rather reflect current expectations concerning future results and events and generally may be identified by the use of forward-looking words or phrases such as "believe", "aim", "expect", "anticipate", "intend", "foresee", "forecast", "likely", "should", "planned", "may", "estimated", "potential" or similar words and phrases.

By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. NBL cautions that forward-looking statements are not guarantees of future performance. Actual results, financial and operating conditions, liquidity and the developments within the industries in which NBL and the Distell Namibia Companies operates may differ materially from those made in, or suggested by, the forward-looking statements contained in this Circular.

All these forward-looking statements are based on estimates and assumptions made by NBL. Although NBL believes them to be reasonable, they are inherently uncertain. Such estimates, assumptions or statements may not eventuate. Factors which may cause the actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied in those statements or assumptions include other matters not yet known to NBL and the Distell Namibia Companies or not currently considered material by NBL or the Distell Namibia Companies.

Shareholders should keep in mind that any forward-looking statement made in this Circular or elsewhere is applicable only at the date on which such forward-looking statement is made. New factors that could cause the business of NBL or the Distell Namibia Companies not to develop as expected may emerge from time to time and it is not possible to predict all of them. Further, the extent to which any factor or combination of factors may cause actual results to differ materially from those contained in any forward-looking statement is not known. NBL has no duty to, and does not intend to, update or revise the forward-looking statements contained in this Circular after the date of this Circular, except as may be required by law. Any forward-looking statement have not been reviewed nor reported on by the Company's external auditors or Reporting Accountants.

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### Enclosure

- a notice convening the General Meeting of NBL (*yellow*); and
- a Form of Proxy to attend and vote at the General Meeting in respect of the General Meeting of NBL (*green*).

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## **ACTION REQUIRED BY SHAREHOLDERS REGARDING THE GENERAL MEETING**

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*The definitions and interpretations contained on pages 9 to 11 (both inclusive) of this Circular apply to this section.*

This Circular is important and requires your immediate attention. Please take careful note of the following provisions regarding the action required by Shareholders. If you are in any doubt as to what action you should take, you should consult your Broker, custodian, banker, legal advisor, accountant or other professional advisor immediately.

If you have disposed of some or all of your Shares, this Circular together with the accompanying notice convening the General Meeting and Form of Proxy, should be forwarded to the purchaser to whom, or the Broker, agent or custodian through whom, you disposed of your Shares.

This Circular contains information relating to the Distell Namibia Acquisition. You should read this Circular carefully and decide if you wish to approve the Acquisition Resolutions to be proposed at the General Meeting.

### **GENERAL MEETING**

**The General Meeting of all Shareholders will be held entirely through electronic means on Thursday, 28 April 2022, at 10:00 for the purpose of considering and, if deemed fit, passing without modification, the Acquisition Resolutions set out below in the manner required by the Companies Act and the Listings Requirements. The notice of General Meeting is attached to and forms part of this Circular. Please refer to paragraph 1 to 4 below for the relevant details regarding Shareholders' electronic participation in the deliberations of the General Meeting and the voting process at the General Meeting.**

#### **1. SHAREHOLDERS WITH OWN-NAME REGISTRATION**

- 1.1. You may listen in to, speak during and vote at the General Meeting through an electronic participation platform.
- 1.2. If you are unable to attend the General Meeting, but wish to be represented thereat, you must complete and return the attached Form of Proxy (*green*), in accordance with the instructions contained therein, and lodging it, posting it or sending it via e-mail to the Transfer Secretaries at the details below so as to be received by them by no later than 10:00 on Tuesday, 26 April 2022, before the appointed proxy exercises any of the relevant Shareholder's rights at the General Meeting (or any adjournment of the General Meeting):  
*Transfer Secretaries (Proprietary) Limited*  
*4 Robert Mugabe Avenue, Entrance from Dr Theo-Ben Gurirab Street, Windhoek, Namibia*  
*P.O. Box 2401, Windhoek, Namibia*  
*e-mail: [ts@nsx.com.na](mailto:ts@nsx.com.na)*

#### **2. SHAREHOLDERS WITHOUT OWN-NAME REGISTRATION**

- 2.1. You may listen in to, speak during, and vote and vote at the General Meeting through an electronic participation platform.
- 2.2. Voting at the General Meeting:
  - 2.2.1. Your custodian or Broker should contact you to ascertain how you wish to cast your vote at the General Meeting and should thereafter cast your vote in accordance with your instructions.
  - 2.2.2. If your custodian or Broker has not contacted you, it is advisable for you to contact your custodian or Broker and furnish them with your voting instructions.
  - 2.2.3. If your custodian or Broker does not obtain voting instructions from you, they will be obliged to vote in accordance with the instructions contained in the Custody Agreement concluded between you and your custodian or Broker.
  - 2.2.4. You must **NOT** complete the attached Form of Proxy (*green*).
- 2.3. Attendance and representation at the General Meeting
  - 2.3.1. In accordance with the Custody Agreement between you and your custodian or Broker, you must advise your custodian or Broker if you wish to:
    - 2.3.1.1. attend, speak and vote at the General Meeting; or
    - 2.3.1.2. appoint a proxy to represent you at the General Meeting.
  - 2.3.2. Your custodian or Broker should then issue the necessary letter of representation to you for you or your proxy to attend, speak and vote at the General Meeting.

**NBL does not accept responsibility and will not be held liable for any failure on the part of the custodian or Broker of a Shareholder to notify such Shareholder of the General Meeting or any business to be conducted thereat.**

### **3. ELECTRONIC PARTICPATION AT THE GENERAL MEETING**

- 3.1. In terms of Article 1 (d) of the Articles of Association of NBL, a meeting called in accordance with section 188 of the Companies Act, at which voting will be conducted or documents tabled, may be held and attended by electronic means.
- 3.2. Shareholders who are registered as such in the Register of NBL on the record date, being Friday, 22 April 2022, will be provided with a unique link and user guide via e-mail to allow them to participate via electronic means in the General Meeting on Monday, 25 April 2022.
- 3.3. Certificated Shareholders without own-name registration, should contact their Custodian or Broker in the manner and time stipulated in their agreement with their custodian or Broker:
  - 3.3.1. to furnish them with their voting instructions; or
  - 3.3.2. in the event that they wish to attend the meeting, to obtain the necessary authority to do so.
- 3.4. Shareholders will be able to vote during the General Meeting through an electronic participation platform.
- 3.5. The cost of the Shareholder's phone call or data usage will be at his/her own expense and will be billed separately by his/her own service provider.

### **4. THE GENERAL MEETING**

Shareholders may attend, speak and vote at the General Meeting via electronic means, or if unable or unwilling to attend the General Meeting may appoint a proxy to represent them at the General Meeting by completing the relevant Form of Proxy (*green*), attached to this Circular, in accordance with the instructions therein and return it to the Transfer Secretaries by 10:00 on Tuesday, 26 April 2022.

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## SALIENT DATES AND TIMES

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The definitions and interpretations contained on pages 9 to 11 (both inclusive) of this Circular apply to these salient dates and times.

	2022
Record date to receive this Circular and the notice of General Meeting ( <i>yellow</i> )	Friday, 18 March
Circular incorporating the Notice of General Meeting ( <i>yellow</i> ) and Form of Proxy ( <i>green</i> ), distributed to Shareholders via post and e-mail on	Friday, 25 March
Announcement of distribution of Circular and notice convening the General Meeting released on NENS on	Friday, 25 March
Announcement of distribution of Circular and notice convening the General Meeting published in the Namibian press on	Monday, 28 March
Last day to trade Shares in order to be recorded in the Register to vote at the General Meeting (see note 3 below) on	Wednesday, 13 April
General Meeting record date, being the date on which a Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, by close of trade on	Friday, 22 April
Shareholders to receive a unique link and user guide via e-mail to allow them to participate via electronic means in the General Meeting	Monday, 25 April
For administrative reasons, Forms of Proxy ( <i>green</i> ) in respect of the General Meeting to be received by the Transfer Secretaries by no later than 10:00 on	Tuesday, 26 April
General Meeting held at 10:00 on	Thursday, 28 April
Results of the General Meeting published on NENS on	Friday, 29 April

### Notes:

1. All dates and times indicated above are local dates and times in Namibia.
2. The above dates and times are subject to amendment at the discretion of NBL. Any such amendment will be released on NENS.
3. Shareholders should note that transactions in Shares are settled five Business Days after such trade. Therefore, Shareholders who acquire Shares after close of trade on Wednesday, 13 April 2022, will not be eligible to attend, participate in and vote at the General Meeting.
4. Shareholders without own-name registration must provide their custodian or Broker with their instructions for voting at the General Meeting by the cut-off time and date stipulated by their custodian or Broker in terms of their respective Custody Agreements between them and their custodian or Broker.
5. If the General Meeting is adjourned or postponed, the above dates and times will change, but Forms of Proxy (*green*) submitted for the initial General Meeting will remain valid in respect of any such adjournment or postponement of the General Meeting.



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## DEFINITIONS

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In this Circular, annexures and attachments hereto, unless the context indicates otherwise, references to the singular include the plural and *vice versa*, words denoting one gender include the others, expressions denoting natural persons include juristic persons and associations of persons and *vice versa*, and words in the first column hereunder have the meanings stated opposite them in the second column, as follows:

<b>“Acquisition Resolutions”</b>	the ordinary shareholders resolutions to be considered at the General Meeting to approve Ordinary Resolution 1, the Acquisition, and Ordinary Resolution 2, Authority Granted to Directors, as recorded in the notice convening the General Meeting ( <i>yellow</i> ) and forming part of this Circular;
<b>“Broker”</b>	any person registered as a “broking member (equities)” in terms of the rules of the NSX made in accordance with the provisions of the SECA;
<b>“Business Day”</b>	any day other than a Saturday, Sunday or official public holiday in Namibia;
<b>“Circular”</b>	this document, dated 25 March 2022;
<b>“Companies Act”</b>	the Companies Act, 2004 (Act 28 of 2004), as amended and applied in Namibia;
<b>“Competition Commission”</b>	means the Competition Commission of Namibia, a statutory body established in terms of the Competition Act, 2003 (Act 2 of 2003), or any relevant government, governmental, national, supranational, competition or antitrust body or other authority, in any jurisdiction, which is responsible for applying merger control or other competition or antitrust legislation in Namibia;
<b>“Conditions Precedent to the Distell Namibia Acquisition”</b>	the conditions precedent to the Distell Namibia Acquisition referred to in paragraph 3.2 of this Circular;
<b>“Distell”</b>	Distell Group Holdings Limited (registration number: 2016/394974/06), a public company incorporated under the laws of South Africa;
<b>“Distell Circular”</b>	the circular issued by Distell on 17 January 2022 to its shareholders and available on the Distell website at <a href="https://www.distell.co.za/Investor-Centre/heineken-deal-site/">https://www.distell.co.za/Investor-Centre/heineken-deal-site/</a> ;
<b>“Distell Material Scheme Conditions”</b>	the Distell Scheme Conditions, excluding the conditions detailed in paragraphs 5.2.5.1 and 5.2.7 of the Distell Circular;
<b>“Distell Namibia”</b>	Distell Namibia Limited (registration number 68/15689), a company incorporated in accordance with the company laws of Namibia;
<b>“Distell Namibia Acquisition”</b>	the acquisition by NBL of all the Distell Namibia Companies Shares, from the Sellers, in terms of the Distell Namibia Agreement, for the Purchase Consideration and on the terms set out in paragraph 2 of this Circular;
<b>“Distell Namibia Agreement” or “Sale Agreement”</b>	the share purchase agreement entered into between the Sellers, Newco, the Distell Namibia Companies and NBL in terms of which the Sellers have agreed to sell the Distell Namibia Companies Shares to NBL for the Purchase Consideration;
<b>“Distell Namibia Companies”</b>	collectively, (i) Distell Namibia; (ii) Distillers Corporation Namibia; and (iii) Namibia Wines and Spirits;
<b>“Distell Namibia Companies Shares”</b>	all the issued ordinary shares in the share capital of the Distell Namibia Companies;
<b>“Distell Scheme”</b>	a scheme of arrangement proposed by Distell to its shareholders in accordance with South African law, and to which Heineken International and Newco are parties as detailed in the Distell Circular;
<b>“Distell Scheme Conditions”</b>	the Distell Scheme Conditions, detailed in paragraph 5.2 of the Distell Circular;
<b>“Distell Scheme Longstop Date”</b>	as detailed and defined in the Distell Circular;
<b>“Distillers Corporation Namibia”</b>	Distillers Corporation Namibia (Proprietary) Limited (registration number 85/061), a company incorporated in accordance with the company laws of Namibia;
<b>“EBIT”</b>	Earnings before interest and tax;
<b>“EBITDA”</b>	Earnings before interest, tax, depreciation and amortisation;
<b>“Effective Date”</b>	the fourth business day after the date on which the last of the Distell Material Scheme Conditions is fulfilled, or if applicable, waived (or such other date as may be agreed on in writing by the parties to the Implementation Agreement);
<b>“Effective Time”</b>	at 09:00 (Namibian time) on the Effective Date;
<b>“Fair and Reasonable Opinion”</b>	the opinion of the Independent Expert, dated 2 March 2022, that the Distell

<b>in respect of the Distell Namibia Acquisition”</b>	Namibia Acquisition is fair and reasonable to the Shareholders, a copy of which is included with this Circular in Annexure 3;
<b>“Form of Proxy”</b>	for purposes of the General Meeting, the form of proxy ( <i>green</i> ) for use by Shareholders with own-name registration;
<b>“General Meeting”</b>	the General Meeting of NBL to be held entirely through electronic means on Thursday, 28 April 2022, at 10:00 to consider, and if deemed fit, pass the Acquisition Resolutions contained in the Notice of General Meeting;
<b>“General Meeting Record Date”</b>	being the date on which a Shareholder must be registered in the Register in order to be eligible to attend and participate in the General Meeting and to vote thereat, namely by close of trade on Friday, 22 April 2022;
<b>“Heineken”</b>	Heineken International N.V (registration number: 33011433), a public company incorporated under the laws of the Netherlands, the holding company of Heineken International;
<b>“Heineken International”</b>	Heineken International B.V (registration number: 33103545), a public company incorporated under the laws of the Netherlands, a wholly owned subsidiary of Heineken and the holder of 75% of the issued ordinary shares in Heineken SA and being the controlling shareholder of Heineken SA;
<b>“Heineken SA”</b>	Heineken South Africa (RF) Proprietary Limited (registration number 2003/026165/07), an associate company of NBL, a private company incorporated under the laws of South Africa;
<b>“Implementation Agreement”</b>	the agreement concluded between Distell, Heineken International, Newco, NBL, NBLIH and O&L on or about 14 November 2021, which regulates the terms of, amongst other, the Distell Scheme;
<b>“Independent Committee”</b>	independent committee of the NBL Board, comprising of Vetumbuavi Mungunda and Afra Schimming-Chase;
<b>“Independent Expert”</b>	being KPMG;
<b>“Initial Purchase Price”</b>	the amount of N\$ 1 638 698 661;
<b>“KPMG”</b>	KPMG Services Proprietary Limited (registration number 1999/012876/07), a private company incorporated under the laws of South Africa, the particulars of which appear in the “Corporate Information” section of this Circular;
<b>“Last Practicable Date”</b>	the last practicable date prior to the finalisation of this Circular, being Friday, 4 March 2022;
<b>“the Listings Requirements”</b>	the Listings Requirements of the NSX, as amended from time to time;
<b>“Longstop Date”</b>	the earlier of: the Distell Scheme Longstop Date; and the date on which the last of the Distell Material Scheme Conditions, is fulfilled or, if applicable, waived in accordance with the Implementation Agreement;
<b>“MAC”</b>	a material adverse change in the financial position, affairs, operations and results of any of the Distell Namibia Companies as reflected in their respective financial statements;
<b>“Namibia”</b>	the Republic of Namibia;
<b>“Namibia Wines and Spirits”</b>	Namibia Wines and Spirits Limited (registration number 79/037), a company incorporated in accordance with the company laws of Namibia;
<b>“NBL” or “the Company”</b>	Namibia Breweries Limited (registration number 1920/0002), a public company incorporated under the laws of Namibia and a 25% shareholder in Heineken SA;
<b>“NBL Board”</b>	the board of directors of NBL, further details of whom appear in the “Corporate Information” section of this Circular;
<b>“NBLIH”</b>	NBL Investment Holdings (Proprietary) Limited (registration number 1998/0546), a private company incorporated under the laws of Namibia;
<b>“NENS”</b>	the Stock Exchange News Service of the NSX;
<b>“Newco”</b>	Sunside Acquisitions Limited (registration number 2020/811071/06), a public company incorporated under the laws of South Africa and a newly incorporated unlisted subsidiary of Heineken International;
<b>“Notice of General Meeting”</b>	the notice of the General Meeting of Shareholders, forming part of this Circular;
<b>“NSX”</b>	the Namibian Stock Exchange, which is licensed as an exchange in terms of the Stock Exchange Control Act 1 of 1985, as amended;
<b>“N\$”</b>	the official currency of Namibia;
<b>“O&amp;L”</b>	Ohlthaver & List Beverage Company (Proprietary) Limited (registration number 1933/0142), a private company incorporated under the laws of Namibia;

<b>“Proposed Disposal”</b>	the proposed disposal by NBL of the 25% of the issued ordinary shares of Heineken SA, which is held by NBL, on the terms set out in paragraph 2 of the circular issued to Shareholders on 15 November 2021;
<b>“Purchase Consideration”</b>	the Initial Purchase Price, as adjusted in terms of the provisions of the Distell Namibia Agreement, which adjustment is described in paragraph 2.7.2 of this Circular, being the total consideration due by NBL to the Sellers in terms of the Distell Namibia Acquisition;
<b>“Register”</b>	the register of all Shareholders maintained by NBL in terms of the Companies Act;
<b>“SECA”</b>	Stock Exchange Control Act 1 of 1985, as amended;
<b>“Sellers”</b>	the Distell applicable subsidiaries, being South African Distilleries and Wines (SA) Limited (registration number 1958/000725/06) and Sedgwick Taylor Holdings (Proprietary) Limited (registration number 1945/019577/07);
<b>“Shareholders”</b>	all the Shareholders of NBL, recorded in the Register on the Record Date;
<b>“Shares”</b>	ordinary shares with no par value each in the issued capital of NBL, which are listed on the NSX;
<b>“South Africa”</b>	the Republic of South Africa;
<b>“Special Dividend”</b>	the special dividend of N\$26.35 per Share payable to Shareholders in terms of paragraph 5.85 and 5.87 of the Listings Requirements, subject to changes in Namibian tax legislation, as fully set out in the circular issued by NBL dated 15 November 2021;
<b>“Supply and Licensing Agreement”</b>	a written supply (distribution) and licensing agreement to be entered, into between NBL, the Distell Namibia Companies and Newco, in terms of which, inter alia, (i) Newco and its subsidiaries will grant NBL and its subsidiaries an exclusive right to market, promote and distribute all products in the portfolio of Newco and its subsidiaries from time to time, other than any beer, ale or stout products in Namibia, (ii) Newco and its subsidiaries undertake that they will not supply or sell such products to anyone but NBL, and (iii) NBL and its relevant subsidiaries are granted the intellectual property licenses required to enable them to manufacture the said products in Namibia; and
<b>“Transfer Secretaries”</b>	Transfer Secretaries (Proprietary) Limited (registration number: 93/713), a private company incorporated under the laws of Namibia.



## Namibia Breweries Limited

Namibia Breweries Limited  
("NBL")  
(incorporated in the Republic of Namibia)  
(registration number 1920/0002)  
NSX Share code: NBS  
ISIN: NA0009114944

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### Directors of NBL

Marco Wenk (Managing Director)	Laura McLeod-Katjirua #
Waldemar von Lieres (Financial Director)	Vetumbuavi Mungunda * #
Sven Thieme (Chairman) #	Roland Pirmez #
Hendrik van der Westhuizen #	Afra Schimming-Chase * #
Hans-Bruno Gerdes #	Steven Siemer #
Peter Grüttemeyer #	Pascal Sabrie ( <i>alternate to R Pirmez</i> ) #
Günther Hanke ( <i>alternate to S Thieme</i> ) #	

\* Independent # Non-Executive

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### CIRCULAR TO SHAREHOLDERS

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*The salient features and actions to be taken forms an integral part of this Circular. The definitions and interpretations contained on pages 9 to 11 (both inclusive) of this Circular also apply to these salient features and actions to be taken.*

#### 1. INTRODUCTION AND PURPOSE OF THIS CIRCULAR

- 1.1. Shareholders are referred to the announcement by NBL released on NENS on Friday, 4 March 2022, whereby Shareholders were informed that the NBL Board has approved the entering into the Sale Agreement with the Sellers, regarding, *inter alia*, the proposed acquisition by NBL of the Distell Namibia Companies Shares from the Sellers.
- 1.2. Shareholders are further referred to the circular issued by NBL dated 15 November 2021 and the Distell Circular.
- 1.3. NBL previously established an Independent Committee, for purposes of considering the Proposed Disposal, which is described in the circular issued by NBL dated 15 November 2021, and this Independent Committee has also been appointed to and is considering the Distell Namibia Acquisition and related matters, including, evaluating the terms and conditions of the Distell Namibia Acquisition and advising Shareholders thereon, as required under the Companies Act and the Listings Requirements. The Independent Committee comprises of:
  - 1.3.1. Vetumbuavi Mungunda; and
  - 1.3.2. Afra Schimming-Chase.
- 1.4. The purpose of this Circular is to provide Shareholders with:
  - 1.4.1. the prescribed information in relation to the Distell Namibia Acquisition in order to enable Shareholders to make an informed decision on the Distell Namibia Acquisition as to whether or not they should vote in favor of the Acquisition Resolutions;
  - 1.4.2. the Fair and Reasonable Opinion in respect of the Distell Namibia Acquisition;
  - 1.4.3. the opinion of the Independent Committee on the Distell Namibia Acquisition;
  - 1.4.4. the prescribed information on whether or not there has been any material change in the financial position, state of affairs or business of NBL since the end of the most recent financial period ended 30 June 2021; and
  - 1.4.5. to convene the General Meeting to consider and if deemed fit, pass resolutions approving the Distell Namibia Acquisition by passing and approving the Acquisition Resolutions.

## 2. THE DISTELL NAMIBIA ACQUISITION

2.1. In terms of the Sale Agreement entered into between NBL, Newco and the Sellers, the NBL Board has approved the agreement for NBL to acquire the Distell Namibia Companies for the Purchase Consideration subject to the fulfilment or, if applicable, waiver of the Conditions Precedent to the Distell Namibia Acquisition.

2.2. Subsequent to the signature of the Sale Agreement, NBL will enter into the Supply and Licensing Agreement which provides, *inter alia*:

2.2.1. that Newco grants NBL and its subsidiaries the exclusive right to market, promote and distribute in Namibia all products in the portfolio of Newco and its subsidiaries from time to time, other than any beer, ale or stout products; and

2.2.2. that the parties to the Supply and Licensing Agreement will combine their respective resources and capabilities in Namibia for the said distribution and if required, local manufacturing of the contemplated products by NBL and its subsidiaries under license from Newco and its subsidiaries.

2.3. The Distell Namibia Acquisition is conditional on the Conditions Precedent to the Distell Namibia Acquisition being fulfilled or, if applicable, waived, which includes receiving the required Shareholder and regulatory approvals and the Distell Material Scheme Conditions being fulfilled or, if applicable, waived.

2.4. It is important to note that the Distell Namibia Acquisition will not proceed unless the Distell Material Scheme Conditions are fulfilled or, if applicable, waived.

### 2.5. Rationale for the Distell Namibia Acquisition

2.5.1. The Distell Namibia Acquisition enables several key benefits for NBL, these being, *inter alia*:

2.5.1.1. strategic and operational alignment with Newco, creating a stronger and more broad-based business in Namibia, with NBL being the exclusive partner of Newco in Namibia across the alcoholic beverage products portfolio controlled by Newco;

2.5.1.2. the combination of the well-known brands which the Distell Namibia Companies distribute and NBL's beer portfolio, would create a highly complementary portfolio of products able to reach more consumers across more occasions;

2.5.1.3. the opportunity to use NBL's manufacturing infrastructure to locally produce some of the major cider and wine products which the Distell Namibia Companies currently import, thereby improving NBL's position as one of the key manufacturing hubs of Newco's business; and

2.5.1.4. the potential for meaningful synergies to be realised in areas such as logistics, manufacturing, support and revenue, further detailed in paragraph 2.6 of this Circular.

### 2.6. Synergy potential for the Distell Namibia Acquisition

2.6.1. A significant driver supporting the Distell Namibia Acquisition is the potential to realise significant synergies between NBL and the Distell Namibia Companies.

2.6.2. Independent commercial consultants were commissioned by NBL to perform an independent synergy analysis between NBL and the Distell Namibia Companies to identify the synergy potential between these two complementary businesses.

2.6.3. The identified synergies are expected to be delivered in the following key areas:

2.6.3.1. **Logistics** (expected to account for c.30% of total synergies) – relating to the in-country consolidation and optimization of an overlapping depot network and an uplift in the bottle returns for Distell products in the NBL network;

2.6.3.2. **Manufacturing** (expected to account for c.40% of total synergies) – relating to the opportunity to bottle and package cider and wine products in Namibia, opening the possibility of optimizing existing capacity at NBL;

2.6.3.3. **Support** (expected to account for c.20% of total synergies) – relating to savings arising from the de-duplication of commercial and support functions; and

2.6.3.4. **Revenue** (expected to account for c.10% of total synergies) – relating to the revenue uplift arising as a result of combining the route-to-market and shifting the product mix to more profitable categories.

2.6.4. The above synergy areas have varying periods of implementation but it is envisioned that full pre-tax synergies equivalent to between c. 10.5% and 12.5% of the Distell Namibia Companies' revenues will accrue to NBL in a phased manner over a 5-year period.

2.6.5. In addition to the above-mentioned synergies, it is envisioned that adjusted procurement terms between NBL and Newco after the Distell Namibia Acquisition could have a positive pre-tax impact for NBL of between c. 4.4% and 5.3% of the Distell Namibia Companies' revenues.

2.6.6. The envisioned financial effects of the above-mentioned synergies and procurement terms adjustments have been presented for illustrative purposes only and, due to their nature, are not guarantees of future performance, nor have they been reviewed or reported on by the Company's external auditors or Reporting Accountants and are solely the responsibility of the Directors.

## **2.7. Distell Namibia Acquisition Purchase Consideration and Payment Mechanism**

- 2.7.1. In terms of the Sale Agreement, NBL shall acquire the Distell Namibia Companies Shares for the Initial Purchase Price, subject to the adjustments as detailed in paragraph 2.7.2 and 3.1 of this Circular.
- 2.7.2. The Initial Purchase Price is subject to a downward adjustment reflecting the impact of the change in procurement terms with Newco, that will come into effect following the implementation of the Distell Namibia Acquisition and as governed by the Supply and Licensing Agreement, on the cash accumulation of the Distell Namibia Companies between 30 June 2021 and the Effective Date of the Distell Namibia Acquisition.
- 2.7.3. NBL will fund the Purchase Consideration through financing facilities to be arranged for the purposes of the implementing the Distell Namibia Acquisition. The management and NBL Board continue to investigate the most appropriate form of financing to be utilised for the Distell Namibia Acquisition and will take into consideration the opportunity to enhance the capital structure of NBL.

## **3. SALIENT TERMS OF THE DISTELL NAMIBIA ACQUISITION**

### **3.1. Significant Terms of the Distell Namibia Acquisition**

- 3.1.1. Subject to, and conditional upon, the fulfilment or, if applicable, waiver of the Conditions Precedent to the Distell Namibia Acquisition on or before the Longstop Date, NBL will acquire from the Sellers the Distell Namibia Companies Shares, in respect of which the risk, benefit and ownership will pass to NBL on the Effective Date at the Effective Time, against payment of the Initial Purchase Price to the Sellers;
- 3.1.2. The Initial Purchase Price will be adjusted by reducing it on a N\$ for N\$ basis by an amount equal to 4.4% of the net revenue, determined on an agreed basis, of each of the Distell Namibia Companies on the Effective Date;
- 3.1.3. Any adjustment to the Initial Purchase Price is payable by the Sellers to NBL within five business days following the day on which the amount of such an adjustment is agreed or determined in accordance with the relevant provisions of the Distell Namibia Agreement;
- 3.1.4. If, NBL is of the opinion, acting reasonably, that a MAC has occurred, it is entitled to deliver written notice to the Sellers and Newco, by no later than twenty business days prior to the Effective Date, setting out the detail of the MAC and terminating the Distell Namibia Agreement, subject to completion of a dispute resolution in the event of the Seller or Newco disputing that a MAC has occurred;
- 3.1.5. No party may cancel the Distell Namibia Agreement after the Effective Date;
- 3.1.6. The Distell Namibia Agreement will terminate automatically if:
  - 3.1.6.1. prior to the Effective Date, it is clear that the Distell Scheme will no longer be implemented for any reason whatsoever; or
  - 3.1.6.2. on or after the Effective Date, the Distell Scheme is not implemented in accordance with the terms of the Implementation Agreement;
- 3.1.7. Any amounts which any of the Sellers, the Sellers' holding companies, or any of such holding companies' subsidiaries, may owe to any of the Distell Namibia Companies as at the Effective Time (at 30 June 2021, an amount equal to N\$471 452 600) shall be repaid in full to the Distell Namibia Companies within five business days from the Effective Date;
- 3.1.8. Any amounts which any of the Distell Namibia Companies may owe to any of the Sellers, the Sellers' holding companies, or any of such holding companies' subsidiaries, as at the Effective Time (including capital, any interest accrued and costs), being as at 30 June 2021, an amount equal to N\$211 064 owed by Distillers Corporation Namibia to Distell and an amount equal to N\$1 768 000, owed by Namibia Wines and Spirits to Distell shall be repaid in full by the Distell Namibia Companies within five business days from the Effective Date;
- 3.1.9. Appropriate warranties are provided in favour of NBL by the Sellers in respect of the Distell Namibia Companies Shares and the relevant financial statements of the Distell Namibia Companies;
- 3.1.10. Newco has undertaken to NBL that it shall not and shall procure that no other member of the Newco group shall, without the prior written consent of NBL or other than as contemplated in the Supply and Licensing Agreement, in Namibia carry on or be engaged or concerned or interested in any business which is in competition with:
  - 3.1.10.1. the business of NBL and its subsidiaries, as carried on at the Effective Time, and
  - 3.1.10.2. the business that NBL and its subsidiaries will carry on from time to time with regard to any and all products which now or in future form part of the portfolio of products of Newco and its subsidiaries.

### **3.2. Conditions Precedent to the Distell Namibia Acquisition**

- 3.2.1. The Distell Namibia Acquisition is subject to, and conditional upon, the fulfilment or, if applicable, waiver of the Conditions Precedent to the Distell Namibia Acquisition, on or before the Longstop Date, which include:
  - 3.2.1.1. the Distell Material Scheme Conditions are fulfilled or, if applicable, waived;
  - 3.2.1.2. the Competition Commission granting such approvals as are required to implement the Distell Namibia Acquisition, either unconditionally, or subject to conditions acceptable to the party upon whom the relevant conditions are imposed and/or will apply, acting reasonably;
  - 3.2.1.3. NBL notifying the Sellers in writing that it is satisfied with the results of a due diligence investigation which it

has undertaken into the Distell Namibia Companies, acting reasonably;

- 3.2.1.4. the NBL Board passing a resolution unconditionally approving the terms of Sale Agreement;
- 3.2.1.5. the Independent Expert provides a "fair and reasonable" opinion in relation to the Distell Namibia Acquisition;
- 3.2.1.6. each of the resolutions required to be adopted by the Shareholders to approve the Distell Namibia Acquisition are approved by the requisite majority of votes of the Shareholders;
- 3.2.1.7. the Distell Namibia Acquisition is approved by the requisite majority of votes of the Distell shareholders, and the prior written consent of the Takeover Regulation Panel established in terms of section 196 of the South African Companies Act, 2008 (Act 71 of 2008) is obtained, as required in terms of section 126 of the South African Companies Act, 2008 (Act 71 of 2008);
- 3.2.1.8. to the extent required, the shareholders of each of the Sellers approve the disposal of the Distell Namibia Companies Shares in terms of sections 112 read with 115(2) of the South African Companies Act, 2008 (Act 71 of 2008);
- 3.2.1.9. NBL securing, and notifying the Sellers in writing that it has secured, such funding as may be required to enable it to pay the aggregate purchase consideration due to the Sellers in accordance with the Sale Agreement;
- 3.2.1.10. the Supply and Licensing Agreement is entered into on terms acceptable to NBL, the Sellers and Newco, and becomes unconditional (except for any condition therein relating to the Sale Agreement becoming unconditional); and
- 3.2.1.11. the written consent for the disposal of the Distell Namibia Companies Shares to NBL is obtained from Distell's funders.
- 3.2.2. Shareholders are advised that the Conditions Precedent to the Distell Namibia Acquisition detailed in paragraphs 3.2.1.3 and 3.2.1.4 of this Circular have been fulfilled.
- 3.2.3. Shareholders are further advised, in relation to the Condition Precedent to the Distell Namibia Acquisition detailed in paragraph 3.2.1.7 of this Circular, that the requisite majority of Distell Shareholders have approved the Distell Namibia Acquisition.

### **3.3. Implementation**

- 3.3.1. The Distell Namibia Acquisition will become effective and be implemented on the Effective Date against payment of the Purchase Consideration.
- 3.3.2. NBL is required to pay the Initial Purchase Price to the Sellers by the Effective Time on the Effective Date or as soon thereafter once the Sellers have complied with their respective closing obligations, including the delivery of original share certificates, signed share transfer forms, resolutions and books, records and agreements.

### **3.4. Classification of the Distell Namibia Acquisition**

The Distell Namibia Acquisition constitutes a related party transaction and a category 3 transaction in terms of the Listings Requirements as the Initial Purchase Price for the Distell Namibia Acquisition is between 10% and 20% of the market capitalisation of NBL as at the Last Practicable Date.

### **3.5. Articles of Association of the Distell Namibia Companies**

As the Distell Namibia Companies will become subsidiaries of NBL, NBL confirms that the articles of association of the Distell Namibia Companies will be amended to conform to Schedule 10 of the Listings Requirements.

## **4. NATURE OF BUSINESS**

### **4.1. NBL**

NBL is a leading beverage manufacturing company in Namibia. Its full portfolio includes a range of alcoholic beers, low and non-alcoholic beverages and soft drinks and water products. NBL's products are exported to 17 countries outside Namibia and South Africa. As at the Last Practicable Date, NBL forms part of the O&L Group of companies, the largest privately held group in Namibia. The Windhoek brewery is one of only a few large-scale commercial breweries in Africa that brew according to the German Reinheitsgebot ("Purity Law") of 1516, which prescribes that malted barley, hops and water are the only ingredients used in brewing. NBL's commitment to the Reinheitsgebot guarantees quality beer brewed only from natural ingredients.

### **4.2. Distell Namibia Companies**

The operations of the Distell Namibia Companies consist of the sales, marketing and distribution relating to a strong portfolio of Distell brands in Namibia, primarily in the wines, flavoured alcoholic beverages and spirits categories. Key brands in the portfolio include Tassenberg, 4th Street, Castello, Savanna, Hunters and Richelieu. At present all products are manufactured by Distell and imported from South Africa. The Distell Namibia Companies own and operate 4 distribution depots across Namibia (Windhoek, Oshakati, Walvis Bay and Keetmanshoop).

#### 4.2.1. **Distell Namibia**

Distell Namibia is responsible for carrying on the majority of Distell's operations in Namibia, with the majority of the portfolio channeled through the entity.

#### 4.2.2. **Distillers Corporation Namibia**

Distillers Corporation Namibia is a property investment company, with its only property being the Windhoek distribution depot of Distell's Namibian operations. The property is rented to Distell Namibia and Namibia Wines and Spirits. Apart from the intergroup property rental there are no other operations within Distillers Corporation Namibia.

#### 4.2.3. **Namibia Wines and Spirits**

Namibia Wines and Spirits distributes selected spirits brands within the Distell portfolio, representing a small portion of the overall Namibia portfolio.

### 4.3. **Newco**

Newco is a wholly-owned subsidiary of Heineken International, created for the purpose of acquiring the Distell In-Scope Assets, Heineken SA, Heineken South African Export Company Proprietary Limited and a controlling interest in NBL, in terms of the Distell Scheme and all as contemplated and defined in the Distell Circular.

## 5. **PROSPECTS**

### 5.1. **NBL**

NBL is continuously developing the business to:

- grow volumes and market share within Namibia;
- grow volumes beyond Namibian borders;
- reshape its portfolio, focusing on profitable, growing brands while innovating into new liquids based on consumer preferences and demand;
- find non-liquid growth opportunities in the value chain;
- optimise and build its digital capabilities;
- benchmark and adjust its overall costs to ensure overall bottom-line growth; and
- balance its responsibilities between maximising volumes and ensuring responsible behaviour and consumption.

### 5.2. **Distell Namibia Companies**

A favourable growth outlook for the Distell Namibia Companies is predicated on:

- a multi-category portfolio consisting of strong brands catering to different consumer preferences- and occasions;
- a well established route-to-consumer network;
- access to world class manufacturing facilities of the holding group in South Africa which are in close geographic proximity to Namibia; and
- access to world class product innovation capabilities of the holding group in South Africa to continuously evolve and improve the product portfolio to meet consumer demands in a profitable manner.



## 6. APPROVALS REQUIRED

- 6.1. The Distell Namibia Acquisition requires Shareholder approval by way of the Acquisition Resolutions.
- 6.2. Since the Distell Namibia Acquisition falls within the ambit of a related party transaction of the Listing Requirements, approval of the Acquisition Resolutions must be resolved upon at a duly constituted General Meeting of NBL, by more than 50% of all Shareholders present or represented by proxy at the General Meeting, excluding any controlling Shareholder (NBLIH), its associates, and any party acting in concert, and/or any other party which the NSX deems appropriate, all of whose votes may not be counted. This will include the directors appointed to the board of NBL by O&L, Heineken International and directors of O&L or Heineken International.
- 6.2.1. As at the Last Practicable Date, the following Shares will be excluded from voting at the General Meeting:

Shareholder	Number of Shares held
NBLIH	122 620 298
Ohlthaver & List Finance and Trading Corporation Limited	268 814
Peter Grüttemeyer	100 000
The Werner List Trust	50 000
Sven Thieme	16 000
Günther Hanke	8 747
The Museler Family Trust	3 250
Udo Manfred Stritter	1 500
<b>Total</b>	<b>123 068 609</b>

- 6.2.2. Based on the total number of Shares in issue and the Shares that will not be allowed to vote at the General Meeting, the total number of voting Shares at the Last Practicable Date is 83 460 391.
- 6.3. In terms of section 10.9 (f) of the Listings Requirements, NBLIH, its associates, and any party acting in concert, will be taken into account in determining a quorum at the General Meeting, but their votes, as referred to above, will not be taken into account in determining the results of the voting at the General Meeting.

## 7. REPORT OF THE INDEPENDENT EXPERT IN RESPECT OF THE DISTELL NAMIBIA ACQUISITION

- 7.1. The Fair and Reasonable Opinion in respect of the Distell Namibia Acquisition is provided in Annexure 3 to this Circular and has not been withdrawn prior to the publication of this Circular.
- 7.2. Having considered the terms and conditions of the Distell Namibia Acquisition and based on the information set out in the Independent Expert Report, the Independent Expert has concluded that the terms and conditions of the Distell Namibia Acquisition are both fair and reasonable to Shareholders.

## 8. OPINION AND RECOMMENDATION ON THE DISTELL NAMIBIA ACQUISITION

- 8.1. The Independent Committee has evaluated the Distell Namibia Acquisition in light of the Fair and Reasonable Opinion for purposes of determining the fairness and reasonableness of the Distell Namibia Acquisition.
- 8.2. The Independent Committee is of the opinion that the Distell Namibia Acquisition is fair and reasonable and that Shareholders should be afforded the opportunity to consider the Distell Namibia Acquisition and recommends that Shareholders vote in favor of the Acquisition Resolutions necessary to approve the Distell Namibia Acquisition.
- 8.3. The NBL Directors who hold Shares and are allowed to vote, in their personal capacities, intend to vote the Shares beneficially owned by them in favor of the Acquisition Resolutions.

## 9. CONFIRMATION OF SUPPORT FOR THE DISTELL NAMIBIA ACQUISITION FROM INSTITUTIONAL SHAREHOLDERS

9.1. NBL has received written confirmation of support from the following shareholders or asset managers, acting as principal and/or on behalf of their clients, confirming their support for the Distell Namibia Acquisition and their intention to vote in favour, or to recommend to their clients that they vote in favour of the Acquisition Resolutions.

Shareholder / Asset Manager	Number of Shares under management as at Last Practicable Date	Percentage holding <sup>(1)</sup>	Voting Percentage <sup>(2)</sup>
Government Institutions Pension Fund	29 954 793	14.5%	35.9%
Allan Gray	9 185 193	4.5%	11.0%
Old Mutual Investment Management	6 591 751	3.2%	7.9%
Sanlam Investment Management	4 970 817	2.4%	6.0%
<b>Total</b>	<b>50 702 554</b>	<b>24.6%</b>	<b>60.8%</b>

Notes:

(1) Based on the total number issued Shares of 206.529m.

(2) Based on exclusion of the Shares held by the Shareholders as disclosed in paragraph 6.2.1 of this Circular from the Shareholder vote and number of voting Shares as disclosed in paragraph 6.2.2 of this Circular.

## 10. FINANCIAL INFORMATION

### 10.1. *Pro forma* financial information of NBL

- 10.1.1. The *pro forma* consolidated financial effects of the Distell Namibia Acquisition following the implementation of the Proposed Disposal, appearing in Annexure 1 of this Circular, are the responsibility of the Directors. The *pro forma* consolidated financial effects are presented in a manner consistent with the basis on which the historical financial information has been prepared and in terms of NBL's accounting policies.
- 10.1.2. The *pro forma* consolidated financial effects have been presented for illustrative purposes only and, because of their nature, may not fairly present NBL's financial position, changes in equity, results of operations or cash flows post the implementation of the Proposed Disposal and the Distell Namibia Acquisition.
- 10.1.3. The *pro forma* consolidated financial effects appearing in Annexure 1 of this Circular should be read in conjunction with the *pro forma* consolidated statement of profit and loss and other comprehensive income and consolidated statement of financial position as set out in Annexure 1 of this Circular, together with the assumptions upon which the financial effects are based, as indicated in the notes thereto in Annexure 1.
- 10.1.4. The Independent Reporting Accountant's report on the *pro forma* financial information of NBL appears in Annexure 2 of this Circular.
- 10.1.5. The *pro forma* consolidated financial effects of the Distell Namibia Acquisition following the implementation of the Proposed Disposal, based on the audited consolidated annual financial statements for the financial year ended 30 June 2021, is based on the assumption, for calculating the net asset value per Share and tangible asset value per Share, that the Proposed Disposal and the Distell Namibia Acquisition was effected on 30 June 2021. In respect of the attributable earnings per Share, headline earnings per Share and recurring headline earnings per Share, it is assumed that the Proposed Disposal and the Distell Namibia Acquisition was effected on 1 July 2020.

### 10.2. Historical financial information of NBL

The audited financial information relating to NBL for the three years ended 30 June 2021, 30 June 2020 and 30 June 2019 are incorporated herein by reference. These financial statements are available for inspection in accordance with paragraph 21 of this Circular. The audited financial statements for NBL are available on its website at [www.nambrew.com](http://www.nambrew.com).

### 10.3. Historical financial information of the Distell Namibia Companies

The audited financial information relating to the Distell Namibia Companies for the three years ended 30 June 2021, 30 June 2020 and 30 June 2019 are incorporated herein by reference. These financial statements are available for inspection in accordance with paragraph 21 of this Circular. The audited financial statements for the Distell Namibia Companies can be requested from the Company Secretary of NBL via e-mail at [Legal@ol.na](mailto:Legal@ol.na).

## 11. INFORMATION RELATING TO NBL

### 11.1. Share Capital

The authorised and issued Share capital of NBL, as at the Last Practicable Date is set out below:

	Number of Shares	Share Capital NS'000
<b>Authorised</b>		
Ordinary shares of no par value	299 000 000	
<b>Issued</b>		
Ordinary shares fully paid up with no par value	206 529 000	1 024

### 11.2. Major Shareholders

11.2.1. As at the Last Practicable Date, insofar as it is known to NBL, the following Shareholders are directly or indirectly beneficially interested in 5% or more of the share capital of NBL:

Name of Shareholder	Number of Shares held	Percentage of issued share capital
NBLIH	122 620 298	59.4%
Government Institutions Pension Fund	29 954 793	14.5%
<b>Total</b>	<b>152 575 091</b>	<b>73.9%</b>

11.2.2. There has been no change in the Controlling Shareholder nor trading objectives of NBL in the five years prior to the Last Practicable Date, nor in respect of any of its subsidiaries. Shareholders are referred to the Proposed Disposal, which is described in the circular issued by NBL dated 15 November 2021, and the possible change in the Controlling Shareholder as a result thereof.

### 11.3. Material Borrowings

Details of the material borrowings of NBL and its subsidiaries as at 30 June 2021, are set out in the audited financial statements for the financial period ending 30 June 2021, incorporated by reference as disclosed in paragraph 10.2 of this Circular.

### 11.4. Material Contracts

Save for the Proposed Disposal and the Distell Namibia Acquisition, as far as the Board is aware, there have been no material contracts entered into, either verbally or in writing, by NBL or its subsidiaries, be it restrictive funding arrangements and/or any contract entered into otherwise than in the ordinary course of the business carried on or proposed to be carried on by NBL and/or its subsidiaries, within the two years preceding the date of this Circular, or concluded at any time, and which contain an obligation or settlement that is material to NBL and/or its subsidiaries at the date of this Circular.

## 12. INFORMATION RELATING TO DIRECTORS

### 12.1. Details of Directors

The full names, ages, business address and capacities of the NBL Board are outlined below:

<b>Full Name</b>	<b>Age</b>	<b>Capacity</b>	<b>Business Address</b>
Marco Wenk	45	Managing Director	Iskor Street, Northern Industrial, Windhoek
Waldemar von Lieres	43	Finance Director	Iskor Street, Northern Industrial, Windhoek
Sven Thieme	53	Chairperson	23-33 Fidel Castro Street, Alexander Forbes House, Windhoek
Hendrik van der Westhuizen	48	Non-Executive Director	23-33 Fidel Castro Street, Alexander Forbes House, Windhoek
Hans-Bruno Gerdes	69	Non-Executive Director	12 Love Street, Windhoek
Peter Grüttemeyer	68	Non-Executive Director	44 Quenta Street, Ludwigsdorf, Windhoek
Günther Hanke	65	Non-Executive Director	23-33 Fidel Castro Street, Alexander Forbes House, Windhoek
Laura McLeod-Katjirua	62	Non-Executive Director	Khomas Regional Council, Pullman Street, Windhoek
Vetumbuavi Mungunda	48	Non-Executive Independent Director	Office 304, 2nd Floor, Hidas Centre, 21 Nelson Mandela Avenue, Klein Windhoek, Windhoek
Roland Pirmez	61	Non-Executive Director	Heineken International, Stadhouderskade 79 1072 Ae, Amsterdam
Afra Schimming-Chase	48	Non-Executive Independent Director	6A Bowker Street, Klein Windhoek, Windhoek
Steven Siemer	55	Non-Executive Director	Tweede Weteringsplansoen 21 1017 Zd, Amsterdam, Netherlands
Pascal Sabrie	60	Non-Executive Director	Heineken International, Stadhouderskade 79 1072 Ae, Amsterdam

## 12.2. NBL Directors' Remuneration

12.2.1. The table below sets out the NBL directors' remuneration for the financial year ended 30 June 2021.

	Guaranteed salary	Retirement funding and Medical aid	Bonus	Other	Total
Executive Directors	N\$'000	N\$'000	N\$'000	N\$'000	N\$'000
Marco Wenk	1 584	539	1 585	1 681	5 389
Waldemar von Lieres	812	470	921	729	2 932
				Fees	Total
				N\$'000	N\$'000
Sven Thieme				204	204
Hendrik van der Westhuizen				228	228
Hans-Bruno Gerdes				207	207
Peter Grüttemeyer				305	305
Günther Hanke				54	54
Laura McLeod-Katjirua				120	120
Vetumbuavi Mungunda				135	135
Roland Pirmez				186	186
Afra Schimming-Chase				112	112
Steven Siemer				231	231
Pascal Sabrie				54	54

12.2.2. The remuneration of the NBL directors will not be varied as a result of the Distell Namibia Acquisition.

## 12.3. NBL Directors' interest in the issued Shares of NBL

12.3.1. The direct and indirect interest of the NBL directors and their associates (including NBL directors who have resigned during the last 18 months) in the share capital of NBL as at the Last Practicable Date, are set out below:

NBL Director	Direct number of Shares held	Indirect number of Shares held	Total number of Shares held	Total Percentage of Shares in issue held
Sven Thieme	16 000	50 000	66 000	0.032%
Hans-Bruno Gerdes	0	69 660	69 660	0.034%
Günther Hanke	8 747	0	8 747	0.004%
Peter Grüttemeyer	100 000	0	100 000	0.048%
Vetumbuavi Mungunda	2 850	0	2 850	0.001%
<b>Total</b>	<b>127 597</b>	<b>119 660</b>	<b>247 257</b>	<b>0.120%</b>

12.3.2. There have been no dealings in respect of beneficial holdings by NBL directors in Shares between 30 June 2021, and the Last Practicable Date.

12.3.3. The NBL directors who hold Shares and are allowed to vote, in their personal capacities, intend to vote the Shares beneficially owned by them in favor of the Acquisition Resolutions to be proposed at the General Meeting.

## 12.4. Service contracts of Executive Directors

12.4.1. The executive NBL directors have concluded service contracts with terms and conditions that are appropriate for such appointment, which are available for inspection in terms of paragraph 21 of this Circular. No service contracts have been entered into or amended within the 12 months prior to the Last Practicable Date.

12.4.2. The duration of each executive director's appointment is determined by the service contracts referred to in paragraph 12.4.1 of this Circular above, whilst the duration of the appointment of non-executive Directors is determined by the Articles of Association which is also available for inspection in terms of paragraph 21 of this Circular.

### 13. MATERIAL CHANGES

There have been no material changes in the financial or trading positions of NBL since the end of its last financial period ended 30 June 2021 up to the Last Practicable Date.

### 14. NBL DIRECTORS' INTERESTS IN TRANSACTIONS

Save as disclosed in the table above, by virtue of each NBL director's (or their Associates') shareholding in NBL, none of the NBL directors and none of the directors of any of its Subsidiaries (including a director who has resigned during the last 18 months), has or had any beneficial interest, directly or indirectly, in any transaction which is, or was, material to the business of NBL and which was effected by NBL during the current financial year or the immediately preceding financial year or in respect of any previous financial year which remains, in any respect, outstanding or unperformed.

### 15. EXPENSES

15.1. The estimated expenses incurred by NBL in respect of the Distell Namibia Acquisition, including the fees payable to professional advisors, exclusive of Value Added Tax, are as follows:

Nature of expense	Payable to	N\$'000
Sponsoring Broker	PSG	224
Legal Services	Engling, Stritter & Partners and Gerdes Consulting	1 918
Corporate Advisor and Due Diligence Fees	See Note (1) below	10 950
Independent Expert	KPMG	450
Accountant Fees	Deloitte Namibia	400
NSX documentation fees	NSX	139
Transfer Secretaries fees	Transfer Secretaries	17
Printing, publication and distribution	John Meinert Printing and Nampost	144
Contingency		2 269
<b>Estimated Total</b>		<b>16 511</b>

Note:

- Corporate Advisor and Due Diligence Fees:
  - NBL Advisors: Deloitte Capital, SOM and Keith Doig
  - Financial Due Diligence: EY
  - Synergy Analysis: Boston Consulting Group
  - Tax Advisors: Deloitte Tax

### 16. EXCHANGE CONTROL APPROVAL

Given that the settlement of the Purchase Consideration will be paid within the Common Monetary Area, no exchange control approval is required.

### 17. LITIGATION STATEMENT

There are no legal or arbitration proceedings, including any proceedings that are pending or threatened of which NBL is aware, which may have or have had a material effect on the financial position of NBL in the last 12 months from the date of issue of this Circular.

### 18. RESPONSIBILITY STATEMENT

The NBL Board, whose names appear in the "Corporate Information" section of this Circular, collectively and individually accept full responsibility for the accuracy of the information in relation to NBL provided in this Circular, and certify that, to the best of their knowledge and belief, there are no other facts in relation to NBL, the omission of which would make any statement in this Circular false or misleading, and that they have made all reasonable inquiries to ascertain such facts, and that this Circular contains all information in relation to NBL required by law and the Listings Requirements. All the NBL Directors have read, and understand and agree with, the contents of this Circular and have authorised the Independent Committee, by way of powers of attorney granted to them, to sign this Circular on their behalf.

## 19. EXPERTS' CONSENTS

Each of the advisors whose names appear on the front cover of this Circular have consented and have not, prior to the Last Practicable Date, withdrawn their written consents to the inclusion of their names and, where applicable, reports in the form and context in which they appear in this Circular.

## 20. GENERAL MEETING AND VOTING

20.1. The General Meeting of Shareholders will be held entirely through electronic means on Thursday, 28 April 2022, at 10:00 for the purpose of considering and, if deemed fit, passing without modification, the Acquisition Resolutions contained in the Notice of General Meeting.

20.2. A notice convening the General Meeting is attached hereto and forms part of this Circular and contains the Acquisition Resolutions to be considered at the General Meeting. Full details of the action required by Shareholders are set out in the "Action required by Shareholders regarding the General Meeting" section of this Circular.

## 21. DOCUMENTS AVAILABLE FOR INSPECTION

21.1. The following documents, or copies thereof, will be available for inspection by Shareholders during normal business hours at the registered office of NBL from the date of issue of this Circular until the date of the General Meeting (both days inclusive):

- 21.1.1. the Memorandum of Association and Articles of Association of NBL;
- 21.1.2. the *pro forma* financial information of NBL, as reproduced in Annexure 1;
- 21.1.3. the Independent Reporting Accountant's report on the *pro forma* financial information of NBL, as reproduced in Annexure 2;
- 21.1.4. the historical financial information of NBL for the financial years ended 30 June 2021, 30 June 2020 and June 2019;
- 21.1.5. the Fair and Reasonable Opinion in respect of the Distell Namibia Acquisition as reproduced in Annexure 3;
- 21.1.6. the historical financial information of the Distell Namibia Companies for the financial years ended 30 June 2021, 30 June 2020 and June 2019;
- 21.1.7. NBL directors' service contracts;
- 21.1.8. written consents of the advisers referred to in paragraph 19 of this Circular to the inclusion of their names in this Circular in the context and form in which they appear; and
- 21.1.9. a signed copy of this Circular and all annexures thereto.

BY ORDER OF THE NBL BOARD SIGNED AT WINDHOEK ON FRIDAY, 25 MARCH 2022 BY VETUMBUAVI MUNGUNDA AND AFRA SCHIMMING-CHASE ON BEHALF OF ALL THE DIRECTORS OF NBL, AS LISTED BELOW, IN TERMS OF A NBL BOARD RESOLUTION PASSED BY SUCH DIRECTORS

Vetumbuavi Mungunda

Afra Schimming-Chase

Marco Wenk (Managing Director), Waldemar von Lieres (Financial Director), Sven Thieme (Chairman) #, Hendrik van der Westhuizen #, Hans-Bruno Gerdes #, Peter Grüttemeyer #, Günther Hanke (*alternate to S Thieme*) #, Laura McLeod-Katjirua #, Vetumbuavi Mungunda \* #, Roland Pirmez #, Afra Schimming-Chase \* #, Steven Siemer #, Pascal Sabrie (*alternate to R Pirmez*) #

\* *Independent # Non-Executive*

## **ANNEXURE 1 – PRO FORMA FINANCIAL INFORMATION OF NBL**

Set out below is the *Pro forma* Consolidated Statement of Financial Position and *Pro forma* Consolidated Statement of Profit and Loss and Other Comprehensive Income of NBL, showing the pro forma effects of the Proposed Disposal and the Distell Namibia Acquisition. The pro forma financial information of NBL has been provided for illustrative purposes only, to provide information on how the Distell Namibia Acquisition following the implementation of the Proposed Disposal may have affected the performance and financial position of NBL, on the assumption that the Proposed Disposal and the Distell Namibia Acquisition took place on 1 July 2020 for the *Pro forma* Consolidated Statement of Profit and Loss and Other Comprehensive Income and 30 June 2021 for the *Pro forma* Consolidated Statement of Financial Position. Because of its nature, the Pro forma financial information may not fairly represent NBL's financial position, changes in equity or results of operations after the Proposed Disposal and the Distell Namibia Acquisition.

The *Pro forma* financial information, including the assumptions on which it is based and the financial information from which it has been prepared, are the responsibility of the directors of NBL.

The *Pro forma* financial information has been prepared in accordance with the Listings Requirements and the accounting policies of NBL.

The *Pro forma* financial information should be read in conjunction with the independent reporting accountant's assurance report thereon, which is presented in Annexure 2 of this Circular.



**Pro forma Consolidated Statement of Financial Position as at 30 June 2021**

	NBL after Proposed Disposal	Distell Namibia Limited as at 30 June 2021	Distillers Corporation Namibia (Pty) Ltd as at 30 June 2021	Namibia Wines and Spirits Limited as at 30 June 2021	Distell Namibia Companies Eliminations		Combined view of Distell Namibia Companies	Provisional Purchase Price Allocation	Transaction costs	Pro-forma Combined Total
	Column 1 N\$'000	Column 2 N\$'000	Column 3 N\$'000	Column 4 N\$'000	Column 5 N\$'000	Notes	Column 6 N\$'000	Column 7 N\$'000	Column 8 N\$'000	Column 9 N\$'000
<b>ASSETS</b>										
<b>Non-current assets</b>										
Property, plant and equipment	937 281	96 087	7 193	2 131	(13 891)	a	91 520	105 722	-	1 134 523
Intangible assets	51 587	-	-	-	-		-	373 000	-	424 587
Right-of-use assets	30 800	-	-	-	-		-	-	-	30 800
Investment in associate	-	-	-	-	-		-	-	-	-
Goodwill	-	-	-	-	-		-	736 612	-	736 612
	<b>1 019 668</b>	<b>96 087</b>	<b>7 193</b>	<b>2 131</b>	<b>(13 891)</b>		<b>91 520</b>	<b>1 215 334</b>	<b>-</b>	<b>2 326 522</b>
<b>Current assets</b>										
Inventories	313 110	1 171	-	1 745	-		2 916	-	-	316 026
Trade and other receivables	508 068	110 958	-	71	-		111 029	-	-	619 097
Financial assets at amortised cost	-	471 453	29 262	24 622	(53 884)	c	471 453	-	-	471 453
Current tax receivable	326	2 290	8	459	-		2 757	-	-	3 083
Cash and cash equivalents	649 738	107 784	1	1	-		107 786	-	(16 511)	741 013
	<b>1 471 242</b>	<b>693 656</b>	<b>29 271</b>	<b>26 898</b>	<b>(53 884)</b>		<b>695 941</b>	<b>-</b>	<b>(16 511)</b>	<b>2 150 672</b>
Non-current assets held for sale	3 846	-	-	-	-		-	-	-	3 846
<b>Total assets</b>	<b>2 494 756</b>	<b>789 743</b>	<b>36 464</b>	<b>29 029</b>	<b>(67 775)</b>		<b>787 461</b>	<b>1 215 334</b>	<b>(16 511)</b>	<b>4 481 040</b>
<b>EQUITY AND LIABILITIES</b>										
<b>Equity</b>										
Share capital	1 024	4	4	100	-		108	(108)	-	1 024
Reserves	66	-	-	-	-		-	-	-	66
Retained earnings	1 245 032	512 578	35 565	27 129	1 176		576 448	(270 066)	(16 511)	1 534 903
<b>Ordinary shareholders' equity</b>	<b>1 246 122</b>	<b>512 582</b>	<b>35 569</b>	<b>27 229</b>	<b>1 176</b>		<b>576 556</b>	<b>(270 174)</b>	<b>(16 511)</b>	<b>1 535 993</b>
<b>Non-current liabilities</b>										
Interest-bearing loans and borrowings	489 920	13 501	-	-	(10 471)	b	3 030	1 167 246	-	1 660 196
Post-employment medical aid and severance pay benefit plan	21 972	24 615	-	-	-		24 615	-	-	46 587
Deferred taxation liability	178 714	462	582	32	-		1 076	(153 191)	-	26 599
	<b>690 606</b>	<b>38 578</b>	<b>582</b>	<b>32</b>	<b>(10 471)</b>		<b>28 721</b>	<b>1 014 055</b>	<b>-</b>	<b>1 733 382</b>
<b>Current liabilities</b>										
Interest-bearing loans and borrowings	128 847	6 582	211	-	(4 596)	b	2 197	471 453	-	602 497
Trade and other payables	404 960	232 001	102	1 768	(53 884)	c	179 987	-	-	584 947
Derivative financial instruments	3 465	-	-	-	-		-	-	-	3 465
Income tax payable	13 695	-	-	-	-		-	-	-	13 695
Dividends payable	7 061	-	-	-	-		-	-	-	7 061
	<b>558 028</b>	<b>238 583</b>	<b>313</b>	<b>1 768</b>	<b>(58 480)</b>		<b>182 184</b>	<b>471 453</b>	<b>-</b>	<b>1 211 665</b>
<b>Total equity and liabilities</b>	<b>2 494 756</b>	<b>789 743</b>	<b>36 464</b>	<b>29 029</b>	<b>(67 775)</b>		<b>787 461</b>	<b>1 215 334</b>	<b>(16 511)</b>	<b>4 481 040</b>
<b>Net Asset Value (NAV)</b>	<b>1 246 122</b>	512 582	35 569	27 229	1 176		<b>576 556</b>	(270 174)	(16 511)	<b>1 535 993</b>
<b>Weighted average ordinary shares in issue</b>	<b>206 529</b>	206 529	206 529	206 529	206 529		<b>206 529</b>	206 529	206 529	<b>206 529</b>
<b>Net Asset Value per share (in cents)</b>	<b>603.4</b>	248.2	17.2	13.2	0.6		<b>279.2</b>	(130.8)	(8.0)	<b>743.8</b>

**Notes:**

**Column 1** represents the NBL Pro forma Consolidated Statement of Financial Position derived from the audited NBL group figures as at 30 June 2021, adjusted for the Proposed Disposal and Special Dividend as presented in the Circular to shareholders issued on 15 November 2021. Management is not aware of any subsequent event from the reporting date to the date of this report.

**Column 2, Column 3 and Column 4** represents the audited historical information of the Distell Namibia Companies as at 30 June 2021.

**Column 5** represents the intercompany eliminations as a result of transactions between the Distell Namibia Companies. The detail of these eliminations is detailed below:

<b>Elimination entry</b>	<b>N\$'000</b>
a Intercompany right of use assets recognised in Distell Namibia Limited	(13 891)
b Intercompany lease liabilities (IFRS 16) recorded in Distell Namibia Limited - Current portion	(4 596)
Intercompany lease liabilities (IFRS 16) recorded in Distell Namibia Limited - Non-current portion	(10 471)
	<b>(15 067)</b>
c Intercompany loan payable to Distillers Corporation Namibia (Pty) Ltd by Distell Namibia Limited	(29 262)
Intercompany loan payable to Namibia Wines and Spirits Limited by Distell Namibia Limited	(24 622)
	<b>(53 884)</b>

**Column 6** represents the Distell Namibia Companies in a combined view. This illustrates the sum of the latest historical figures of the Distell Namibia Companies after accounting for the intercompany eliminations represented in column 5.

**Column 7** represents the provisional purchase price allocation ("PPA") made in respect of the acquisition of the Distell Namibia Companies in accordance with IFRS 3: Business Combinations. The business combination has been accounted for using the acquisition method. Goodwill represents the difference between the fair value of the net assets acquired and the purchase consideration of the acquisition.

As part of the initial management view and assessment of the PPA, goodwill is expected to account for a major portion of the Purchase Consideration, with the remainder being allocated to the fair valued net assets and identified intangible assets. The below table illustrates the allocation of the purchase consideration for the Distell Namibia Companies to the acquired identifiable assets, assumed liabilities and pro forma goodwill:

NAV attributable to NBL prior to the PPA <sup>1</sup>	<b>N\$'000</b> 576 556
Add: Purchase price fair value adjustments:	325 531
Property, plant and equipment <sup>2</sup>	105 722
Intangibles <sup>3</sup>	373 000
Inventories <sup>4</sup>	-
Deferred taxation <sup>5</sup>	(153 191)
<b>Fair value of the net assets acquired</b>	<b>902 087</b>
Purchase consideration	1 638 699
<b>Goodwill</b>	<b>736 612</b>

1. Represents the historical NAV of the Distell Namibia Companies as at 30 June 2021, after considering intercompany eliminations and is presented in Column 5.
2. Represents the fair value adjustment to Property, plant and equipment on the date of acquisition. Revaluations were carried out on the properties by an independent valuer, Pierewiet Property Valuations, using the Income Capitalisation Method, and is considered to be the fair value at 30 June 2021. Refer to 4.2 of this Circular. Fair values for the other categories of property, plant and equipment were not determined, as the fair value of these categories are not considered to be materially different from their carrying amounts as at 30 June 2021.

- As part of management's initial view and assessment of the PPA, goodwill is expected to account for a major part of the Purchase Consideration, with the remainder being allocated to the fair valued net assets and identified intangible assets. A significant intangible asset underpinning the Distell Namibia Acquisition is expected to arise from the Supply and Licensing Agreement entered into between NBL, the Distell Namibia Companies and Newco, which will effectively allow NBL to produce and sell all the in-scope assets of Distell in Namibia into perpetuity (on an evergreen basis).

Management have performed a preliminary valuation of the identified intangible assets and post implementation of the transaction, an independent PPA valuation will be obtained to determine the appropriate fair value of each of the intangible assets as per financial reporting requirements under IFRS 3: Business Combinations.

- The fair value for inventories has not been determined, as the fair value adjustment is unlikely to be material in the context of these pro forma financial statements.
- Represents the deferred taxation effect on the fair value adjustments calculated at an effective rate of 32% based on the Namibian taxation regulations.

As set out in paragraph 2.7 of this Circular, below is a depiction of the additional financing NBL needs to secure in order to finance the purchase consideration of the acquisition:

<b>Interest bearing borrowings</b>	<b>N\$'000</b>
Classified as current <sup>6</sup>	471 453
Classified as non-current <sup>7</sup>	1 167 246
<b>Total</b>	<b>1 638 699</b>

- Represents the settlement to the external lender as soon as this amount is received in line with paragraph 3.1.7 of this Circular.
- Represents the balance of the purchase consideration to be financed after deducting the amount in point 6. The expected interest rate would approximate the 3-month JIBAR plus 2.55%.

**Column 8** represents the total costs relating to the transaction referenced, which have been expensed and will be settled in cash. Cash and cash equivalents and retained earnings are adjusted accordingly.

The expected transaction costs by their nature, as illustrated in 15.1 of this circular, are detailed in the below table:

<b>Nature of transaction cost</b>	<b>N\$'000</b>
Corporate Advisor Fees	10 950
Accountant Fees	400
Sponsoring Broker	224
Independent Expert	450
Legal Services	1 918
Contingency	2 269
NSX documentation fees by NSX	139
Transfer Secretaries fees	17
Printing, publication and distribution-John Meinert Printing and Nampost	144
<b>Total</b>	<b>16 511</b>

**Column 9** represents the pro forma Consolidated Statement of Financial Position of NBL Group after the Proposed Disposal of Heineken SA and acquisition of the Distell Namibia Companies.

**Pro forma Consolidated Statement of Profit and Loss and Other Comprehensive Income for the year ended 30 June 2021**

	NBL subsequent to Proposed Disposal	Distell Namibia Limited	Distillers Corporation Namibia (Pty) Ltd	Namibia Wines and Spirits Limited	Distell Group Intercompany Eliminations	Notes	Combined view of Distell Namibia Companies Column 6 N\$'000	Provisional Purchase Price Allocation Column 7 N\$'000	Transaction costs Column 8 N\$'000	Pro-forma Combined Total Column 9 N\$'000
	Column 1 N\$'000	Column 2 N\$'000	Column 3 N\$'000	Column 4 N\$'000	Column 5 N\$'000		Column 6 N\$'000	Column 7 N\$'000	Column 8 N\$'000	Column 9 N\$'000
<b>Revenue</b>	3 406 110	1 162 368	4 074	8 899	(4 074)	a	1 171 267	-	-	4 577 377
Excise tax expense	(757 534)	-	-	-	-		-	-	-	(757 534)
<b>Net revenue</b>	<b>2 648 576</b>	<b>1 162 368</b>	<b>4 074</b>	<b>8 899</b>	<b>(4 074)</b>		<b>1 171 267</b>	-	-	<b>3 819 843</b>
Operating expenses	(2 061 220)	(1 135 877)	(518)	(6 122)	2 983	b	(1 139 534)	(21 855)	(16 511)	(3 239 120)
<b>Operating profit</b>	<b>587 356</b>	<b>26 491</b>	<b>3 556</b>	<b>2 777</b>	<b>(1 091)</b>		<b>31 733</b>	<b>(21 855)</b>	<b>(16 511)</b>	<b>580 723</b>
Finance costs	(46 854)	(1 954)	-	-	1 505	c	(449)	(78 439)	-	(125 742)
Finance income	21 138	43 436	-	-	-		43 436	-	-	64 574
Equity accounted losses	-	-	-	-	-		-	-	-	-
Profit on disposal of equity accounted financial assets	4 805 465	-	-	-	-		-	-	-	4 805 465
<b>Profit before income tax</b>	<b>5 367 105</b>	<b>67 973</b>	<b>3 556</b>	<b>2 777</b>	<b>414</b>		<b>74 720</b>	<b>(100 294)</b>	<b>(16 511)</b>	<b>5 325 020</b>
Income tax expense	(144 561)	(21 754)	(1 138)	(889)	-		(23 781)	6 994	-	(161 348)
<b>Profit for the year attributable to ordinary shareholders</b>	<b>5 222 544</b>	<b>46 219</b>	<b>2 418</b>	<b>1 888</b>	<b>414</b>		<b>50 939</b>	<b>(93 300)</b>	<b>(16 511)</b>	<b>5 163 672</b>
<b>Other comprehensive income / (loss):</b>										
<b>Items that will not be reclassified subsequently to profit or loss:</b>										
Remeasurement of net defined benefit liabilities	(1 091)	6 257	-	-	-		6 257	-	-	5 166
Income tax relating to items that will not be reclassified	349	-	-	-	-		-	-	-	349
Share of comprehensive income of equity accounted investments	-	-	-	-	-		-	-	-	-
<b>Items that may be reclassified subsequently to profit or loss:</b>	(742)	6 257	-	-	-		6 257	-	-	5 515
Foreign currency translation reserve ("FCTR")	614	-	-	-	-		-	-	-	614
<b>Other comprehensive income for the year net of taxation</b>	<b>(128)</b>	<b>6 257</b>	<b>-</b>	<b>-</b>	<b>-</b>		<b>6 257</b>	<b>-</b>	<b>-</b>	<b>6 129</b>
<b>Total comprehensive income attributable to ordinary shareholders</b>	<b>5 222 416</b>	<b>52 476</b>	<b>2 418</b>	<b>1 888</b>	<b>414</b>		<b>57 196</b>	<b>(93 300)</b>	<b>(16 511)</b>	<b>5 169 800</b>
<b>Weighted average ordinary shares in issue (thousands)</b>	206 529	206 529	206 529	206 529	206 529		206 529	206 529	206 529	206 529
<b>Basic earnings per ordinary share (cents)</b>	2 528.7	22.4	1.2	0.9	0.2		24.7	(45.2)	(8.0)	2 500.2
<b>Reconciliation of headline earnings per share:</b>										
Profit for the year attributable to ordinary shareholders	<b>5 222 544</b>	<b>46 219</b>	<b>2 418</b>	<b>1 888</b>	<b>414</b>		<b>50 939</b>	<b>(93 300)</b>	<b>(16 511)</b>	<b>5 163 672</b>
Profit on sale of fixed assets	(5 189)	59	-	-	-		59	-	-	(5 229)
Profit on sale of Equity Accounted Investments	(4 805 465)	-	-	-	-		-	-	-	(4 805 465)
<b>Headline earnings</b>	<b>411 890</b>	<b>46 278</b>	<b>2 418</b>	<b>1 888</b>	<b>414</b>		<b>50 998</b>	<b>(93 300)</b>	<b>(16 511)</b>	<b>352 978</b>
Headline earnings per ordinary share	199.4	22.4	1.2	0.9	0.2		24.7	(45.2)	(8.0)	170.9

**Notes:**

**Column 1** represents the NBL Pro forma Consolidated Statement of Profit and Loss and other comprehensive income, derived from the audited NBL group figures for the year ended 30 June 2021, adjusted for the Proposed Disposal and Special Dividend as presented in the Circular to shareholders issued on 15 November 2021.

**Column 2, Column 3 and Column 4** represents the audited historical information of the Distell Namibia Companies for the year ended 30 June 2021.

**Column 5** represents the intercompany eliminations as a result of transactions between the Distell Namibia Companies.

The detail of these eliminations is detailed below:

<b>Elimination entry</b>	<b>N\$'000</b>
a Rental income received by Distillers Corporation Namibia (Pty) Ltd from Distell Namibia Limited.	(4 074)
b Depreciation recognised on right of use asset in Distell Namibia Limited	4 630
Rental income received by Namibia Wines and Spirits Limited from Distell Namibia Limited	(1 647)
	<b>2 983</b>
c Finance costs incurred on lease liability in Distell Namibia Limited	1 505

**Column 6** represents the Distell Namibia Companies in a combined view. This illustrates the sum of the latest audited historical figures of the Distell Namibia Companies after accounting for the intercompany eliminations represented in column 5.

**Column 7** represents the provisional purchase price allocation (PPA) made in respect of the acquisition of the business operations of the Distell Namibia Companies in accordance with *IFRS 3: Business Combinations*. The business combination has been accounted for using the acquisition method. Goodwill represents the difference between the fair value of the net assets acquired and the purchase consideration of the acquisition.

Depreciation and amortisation of N\$21 855 000 has been calculated to write off the fair value PPA adjustments in respect of property, plant and equipment and intangible assets using the straight-line method over their estimated useful lives. The estimated useful lives of property, plant and equipment and intangible assets are as follows:

<b>Property plant and equipment</b>	<b>Useful life</b>
Freehold buildings	2%
Leasehold land and buildings	4%
Vehicles	20%
Furniture and equipment	10 - 33%
<b>Intangible assets</b>	<b>Useful life</b>
Distribution rights	5%

Taxation has been calculated at 32%, in accordance with the corporate tax rate in Namibia, on the amortisation and depreciation charges. These adjustments will have a continuing effect on the Group Pro forma Consolidated Statement of Profit and Loss and Other Comprehensive Income.

In line with paragraph 2.7 of this Circular, finance cost of N\$ 78 439 000 has been calculated on the financing raised on the acquisition consideration, where the interest rate has been assumed to be 3-month JIBAR plus 2.55%. This adjustment will have a continuing effect on the Group Pro forma Consolidated Statement of Profit and Loss and Other Comprehensive Income. No taxation effects are expected given the capital nature of the acquisition.

**Column 8** represents the total transaction costs relating to the Distell Namibia Acquisition, which have been expensed. Taxation has not been calculated as tax deductions on these costs are unlikely. This adjustment will not have a continuing effect on the Group Pro Forma Consolidated Statement of Profit and Loss and Other Comprehensive Income.

The expected transaction costs by their nature are detailed in the below table:

<b>Nature of transaction cost</b>	<b>N\$'000</b>
Corporate Advisor Fees	10 950
Accountant Fees	400
Sponsoring Broker	224
Independent Expert	450
Legal Services	1 918
Contingency	2 269
NSX documentation fees by NSX	139
Transfer Secretaries fees	17
Printing, publication and distribution-John Meinert Printing and Nampost	144
<b>Total</b>	<b>16 511</b>

**Column 9** represents the pro forma Statement of Financial Position of NBL Group after the Proposed Disposal of Heineken SA, payment of a Special Dividend and acquisition of the Distell Namibia Companies.

## ANNEXURE 2 – INDEPENDENT REPORTING ACCOUNTANT’S REPORT ON THE PRO FORMA FINANCIAL INFORMATION OF NBL



PO Box 47  
Windhoek  
Namibia

Deloitte & Touche  
Registered Accountants and  
Auditors  
Chartered Accountants (Namibia)  
ICAN practice number: 9407  
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Namibia

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### INDEPENDENT REPORTING ACCOUNTANT’S ASSURANCE REPORT ON THE COMPILATION OF PRO FORMA FINANCIAL INFORMATION INCLUDED IN A CIRCULAR TO THE SHAREHOLDERS OF NAMIBIA BREWERIES LIMITED

To the Directors of Namibia Breweries Limited

#### Introduction

We have completed our assurance engagement to report on the compilation of pro forma financial information of Namibia Breweries Limited (“Company”) by the Directors. The pro forma financial information, as set out in paragraph 10.1 and Annexure 1 of the circular (“the circular”), to be dated on or about 25 March 2022, consists of the consolidated statement of profit or loss and other comprehensive income and consolidated statement of financial position and related notes. The pro forma financial information has been compiled on the basis of the applicable criteria specified in the NSX Listings Requirements.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the corporate action or event, described in Paragraphs 1 and 2 of the circular, on the Company’s consolidated financial position as at 30 June 2021 and the Company’s consolidated financial performance for the period then ended as if the corporate action or event had taken place at 01 July 2020 and for the period then ended. As part of this process, information about the Company’s consolidated financial position and consolidated financial performance has been extracted by the Directors from the Company’s consolidated financial statements for the period ended 30 June 2021 on which an unmodified auditor’s opinion was issued on 14 November 2021.

#### Directors’ Responsibility for the Pro Forma Financial Information

The Directors are responsible for compiling the pro forma financial information on the basis of the applicable criteria specified in the NSX Listings Requirements and described in paragraph 10.1 and Annexure 1 of the circular.

#### Our Independence and Quality Control

We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (including International Independence Standards).

The firm applies the International Standard on Quality Control 1, Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### Reporting Accountant’s Responsibility

Our responsibility is to express an opinion about whether the pro forma financial information has been compiled, in all material respects, by the Directors on the basis specified in the NSX Listings Requirements based on our procedures performed.

We conducted our engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3420, Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Circular. This standard requires that we comply with ethical requirements and plan and perform our procedures to obtain reasonable assurance about whether the pro forma financial information has been compiled, in all material respects, on the basis specified in the NSX Listings Requirements.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in a circular is solely to illustrate the impact of a significant corporate action or event on unadjusted financial information of the entity as if the corporate action or event had occurred or had been undertaken at an earlier date selected for purposes of the illustration. We do not provide any assurance that the actual outcome of the event or transaction would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used in the compilation of the pro forma financial information provides a reasonable basis for presenting the significant effects directly attributable to the corporate action or event, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

Our procedures selected depend on our judgment, having regard to our understanding of the nature of the Company, the corporate action or event in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

Our engagement also involves evaluating the overall presentation of the pro forma financial information.

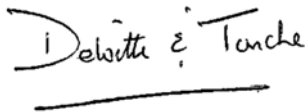
We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion, the pro forma financial information has been compiled, in all material respects, on the basis of the applicable criteria specified by the NSX Listings Requirements and described in paragraph 10.1 and Annexure 1 of the circular.

### **Purpose of the report**

The purpose of the report is for the Circular of Namibia Breweries Limited and is not to be used for any other purpose.

A handwritten signature in black ink that reads "Deloitte & Touche". The signature is written in a cursive style and is underlined with a single horizontal line.

**Deloitte & Touche**  
Registered Accountants and Auditors  
Chartered Accountants (Namibia)  
ICAN Practice Number 9407  
**Per RH Mc Donald**  
*Partner*  
PO Box 47 Windhoek, Namibia

8 March 2022

## ANNEXURE 3 – FAIR AND REASONABLE OPINION IN RESPECT OF THE DISTELL NAMIBIA ACQUISITION



KPMG Services Proprietary Limited  
KPMG Crescent  
85 Empire Road, Parktown, 2193,  
Private Bag 9, Parkview, 2122, South Africa  
Telephone +27 (0)11 647 7111  
Fax +27 (0)11 647 8000  
Docex 472 Johannesburg  
Web <http://www.kpmg.co.za>

The Directors  
Namibia Breweries Limited  
Iskor Street  
Northern Industrial  
Windhoek  
Namibia

Your ref F&R opinion

Our ref 1505422256

2 March 2022

Dear Sirs

### **Independent fair and reasonable opinion regarding the proposed acquisition by Namibia Breweries Limited of the entire shareholding in the Distell Namibia Companies**

#### ***Introduction***

The board of directors (“the NBL board”) of Namibia Breweries Limited (“NBL”) has entered into a share purchase agreement (“the Distell Namibia Agreement”) with South African Distilleries and Wines (SA) Limited, Sedgwick Tayler Holdings (Proprietary) Limited, and Sunside Acquisitions Proprietary Limited (collectively, “the Sellers”) in terms of which the Sellers have agreed to sell all their shares in the Distell Namibia Companies to NBL for the agreed Purchase Consideration (“the Distell Namibia Acquisition”).

Distell Namibia Companies is made up of Distell Namibia Limited, Distillers Corporation Namibia (Proprietary) Limited and Namibia Wines and Spirits Limited.

The Purchase Consideration is comprised of an Initial Purchase Price of N\$1 638 698 661 as adjusted in terms of the provisions of the Distell Namibia Agreement.

Full details of the transaction are contained in the circular to NBL shareholders (“the circular”) to be dated on or about 25 March 2022, which will include a copy of this letter.

#### ***Scope***

An independent fair and reasonable opinion is required to be obtained by the NBL Board in terms of section 10.4 (f) of the Listings Requirements of the Namibia Stock Exchange (“the NSX Listings Requirements”).

KPMG Services (Proprietary) Limited (“KPMG”) has been appointed by the NBL Board as the independent professional expert to advise on whether the terms and conditions of the Distell Namibia Acquisition are fair and reasonable to the shareholders of NBL.

#### ***Responsibility***

The compliance with the NSX Listings Requirements is the responsibility of the NBL Board. Our responsibility is to report on the terms and conditions of the Distell Namibia Acquisition.

#### ***Definition of the terms “fair” and “reasonable”***

A transaction will generally be considered fair to a company’s shareholders if the benefits received by the shareholders, as a result of the transaction, are equal to or greater than the value surrendered by the shareholders.

The assessment of fairness is primarily based on quantitative issues. The Distell Namibia Acquisition may be considered



fair if the fair value of the Distell Namibia Companies is equal to or greater than the value of the Purchase Consideration paid by NBL in terms of the Distell Namibia Acquisition.

The assessment of reasonableness is generally based on qualitative considerations surrounding a transaction. Hence, even though the quantifiable benefits received by NBL may be less than the value surrendered by NBL, the entire Distell Namibia Acquisition may still be reasonable in certain circumstances after considering other significant qualitative factors.

In terms of schedule 5.6 of the NSX Listings Requirements, our opinion relates to both the fairness and reasonableness of the Distell Namibia Acquisition.

### **Information utilised and procedures performed**

#### *Key fairness considerations*

In arriving at our opinion, we have undertaken the following procedures in evaluating the fairness of the Distell Namibia Acquisition:

- Obtained an understanding of the structure of the Distell Namibia Acquisition;
- Considered the terms and conditions of the Distell Namibia Agreement;
- Considered the audited financial statements of the Distell Namibia Companies for the financial years ended 30 June 2018 to 2021 and the unaudited management accounts for the half year period ended 31 December 2021;
- Considered the contents of the synergy assessment report prepared by independent commercial consultants in as far as these related to the Distell Namibia Acquisition;
- Held discussions with the management of the Distell Namibia Companies regarding the synergy assessment report prepared by independent commercial consultants and considered the updated calculations prepared by the management of the Distell Namibia Companies setting out their estimate of the quantum and timing of the synergies applicable to the Distell Namibia Companies;
- Held discussions with the directors and management of both NBL and the Distell Namibia Companies to establish their strategy and considered such other matters as we consider necessary, including assessing the prevailing economic, legal and market conditions in the alcoholic beverages industry;
- Evaluated the risks and expected returns associated with the Distell Namibia Companies;
- Reviewed the Distell Namibia Companies' financial model ("the financial model") and the basis of the assumptions therein including the prospects of the business. This review included an assessment of the recent historical performance to date as well as the reasonableness of the outlook assumed based on discussions with management and the findings of the EY financial due diligence report;
- Reviewed the reasonableness of material assumptions in the financial model relating to:
  - The basis on which the forecast was prepared in as far as the Distell Namibia Companies' transfer pricing policy is concerned post the Distell Namibia Acquisition;
    - Synergies, specifically with regards their probability of realisation and timing thereof;
    - Growth rates in respective of revenue and volumes;
    - Profit margins;
    - Product mix;
    - Capital expenditure ("capex") and depreciation; and
    - Working capital movements.
  - Stress tested the material assumptions applied in the financial model which included, inter alia, the discount rate applied, terminal growth rate, other premiums and discounts and key economic parameters used in order to test the operation of the model;
  - Adjusted the financial model to reflect KPMG's assumptions of synergies, capex and depreciation and net working capital movements;
- Based on the above, performed a valuation of the Distell Namibia Companies. The discounted cash flow ("DCF") methodology was the primary valuation methodology employed. Key value drivers to the valuation are:
  - The discount rate applied;
  - The terminal growth rate assumed; and
  - The forecast cash flows used.
- As a reasonability test to the DCF, we also utilised the market approach based on the Enterprise value ("EV") to earnings before interest, depreciation and amortisation ("EBITDA") multiples from both comparable companies (i.e. trading multiples) and comparable transactions.
- Reviewed certain publicly available information relating to both NBL and Distell Namibia, including company announcements, analyst reports and media articles.

#### *Key qualitative considerations*

In arriving at our opinion, we have also considered the following key qualitative considerations in evaluating the reasonableness of the Distell Namibia Acquisition:

- Consideration of the rationale for the Distell Namibia Acquisition and the benefits thereof to NBL as set out in the circular and based on discussions with members of the NBL Board and NBL management; and

- Our understanding of the transaction process and of the extent of the negotiations and resulting agreements in respect of the Distell Namibia Acquisition.

### **Opinion**

KPMG has considered the terms and conditions of the Distell Namibia Acquisition and, based upon and subject to the conditions set out herein, is of the opinion that the terms and conditions of the Distell Namibia Acquisition are fair to the NBL shareholders.

Based on the qualitative considerations set out above, we are of the opinion that the terms and conditions of the Distell Namibia Acquisition are reasonable in the circumstances.

Our opinion is necessarily based upon the information available to us up to 1 March 2022, including in respect of the financial, regulatory, securities market and other conditions and circumstances existing and disclosed to us at the date thereof. We have furthermore assumed that all conditions precedent, including any material regulatory, other approvals and consents required in connection with the Distell Namibia Acquisition have been or will be timeously fulfilled and/or obtained.

Accordingly, subsequent developments may affect this opinion, which we are under no obligation to update, revise or re-affirm.

### **Limiting conditions**

This opinion is provided to the NBL Board in connection with and for the purposes of the Distell Namibia Acquisition. This opinion is prepared solely for the NBL Board and therefore should not be regarded as suitable for use by any other party or give rise to third party rights. This opinion does not purport to cater for each individual shareholder's perspective, but rather that of the general body of NBL shareholders. Should an NBL shareholder be in doubt as to what action to take, he or she should consult an independent adviser.

An individual NBL shareholder's decision as to whether to vote in favour of any transaction may be influenced by his circumstances. The assessment as to whether the NBL Board decides to recommend the Distell Namibia Acquisition is a decision that can only be taken by the NBL Board.

We have relied upon and assumed the accuracy of the information used by us in deriving our opinion. Where practical, we have corroborated the reasonability of the information provided to us for the purpose of our opinion, whether in writing or obtained in discussion with management of NBL and the Distell Namibia Companies, by reference to publicly available or independently obtained information. While our work has involved an analysis of, inter alia, the annual financial statements, and other information provided to us, our engagement does not constitute, nor does it include, an audit conducted in accordance with generally accepted auditing standards.

Where relevant, the forecasts of the Distell Namibia Companies relate to future events and are based on assumptions that may or may not remain valid for the whole of the forecast period. Consequently, such information cannot be relied upon to the same extent as that derived from audited financial statements for completed accounting periods. We express no opinion as to how closely the actual future results of the Distell Namibia Companies will correspond to those projected. Where practicable, we compared the forecast financial information to past trends and third-party estimates as well as discussing the assumptions inherent therein with the management of the Distell Namibia Companies. Based on these enquiries and such other procedures we consider appropriate to the circumstances; we believe that the forecasts have been prepared with due care and consideration.

We have also assumed that the Distell Namibia Acquisition will have the legal, accounting and taxation consequences described in discussions with, and materials furnished to us by, representatives and advisors of NBL and we express no opinion on such consequences. We have assumed that all agreements that will be entered into in respect of the transaction will be legally enforceable.

### **Independence**

In terms of schedule 5.1 (a) of the NSX Listings Requirements, we confirm that we have no direct or indirect interest in NBL shares or the Distell Namibia Acquisition.

Furthermore, we confirm that our professional fees are not contingent upon the success of the Distell Namibia Acquisition.

### **Consent**

We consent to the inclusion of this letter and the reference to our opinion in the circular to be issued to the shareholders of NBL in the form and context in which it appears.

Yours faithfully

Heather Carswell  
Director

KPMG Services (Proprietary) Limited  
KPMG Crescent  
85 Empire Road  
Parktown  
2193



## Namibia Breweries Limited

Namibia Breweries Limited ("NBL")  
(incorporated in the Republic of Namibia) (registration number 1920/0002)  
NSX Share code: NBS ISIN: NA0009114944

### NOTICE OF GENERAL MEETING

#### Directors of NBL

Marco Wenk (Managing Director)	Laura McLeod-Katjirua #
Waldemar von Lieres (Financial Director)	Vetumbuavi Mungunda * #
Sven Thieme (Chairman) #	Roland Pirmez #
Hendrik van der Westhuizen #	Afra Schimming-Chase * #
Hans-Bruno Gerdes #	Steven Siemer #
Peter Grüttemeyer #	Pascal Sabrie ( <i>alternate to R Pirmez</i> ) #
Günther Hanke ( <i>alternate to S Thieme</i> ) #	

\* Independent # Non-Executive

**Unless specifically otherwise provided herein, all terms defined in this Circular to which this Notice of General Meeting is attached ("Circular") shall bear the same meanings herein.**

Notice is hereby given that a General Meeting of Shareholders will be held entirely through electronic means on Thursday, 28 April 2022, at 10:00 for the purpose of considering and, if deemed fit, passing without modification, the ordinary resolutions set out below in the manner required by the Companies Act and the Listings Requirements.

#### Shareholders are reminded that:

- approval of the below ordinary resolution 1 must be passed at a duly constituted General Meeting (as provided for in the Companies Act and the Articles of Association of NBL), by more than 50% of all Shareholders present or represented by proxy at the General Meeting, excluding the related party (NBLIH) and its associates, all of whose votes may not be counted;
- in terms of section 10.9 (f) of the Listing Requirements, the related party (NBLIH) and its associates will be taken into account in determining a quorum at the General Meeting, but their votes will not be taken into account in determining the results of the voting on ordinary resolution 1 at the General Meeting;
- a Shareholder entitled to attend and vote at the General Meeting is entitled to appoint a proxy to attend, participate and vote at the General Meeting in the place of the Shareholder and Shareholders are referred to the attached Form of Proxy in this regard;
- Shareholders or their proxies can participate in the General Meeting only through electronic means;
- a proxy need not be a Shareholder;
- a Shareholder may appoint up to two proxies to exercise voting rights attached to different Shares held by the Shareholder which entitle the Shareholder to vote at the General Meeting; and
- the proxy may delegate the authority granted to it as proxy, subject to any restriction in the proxy itself.

#### Record date

The directors have determined that the record date on which a Shareholder must be registered in the Register in order to:

- receive notice of the General Meeting is Friday, 18 March 2022; and
- participate in and vote at the General Meeting is Friday, 22 April 2022.

Therefore the Last Day to Trade in order to be able to participate at the General Meeting is Wednesday, 13 April 2022.

#### Identification

NBL may require that, before any person may attend or participate in the General Meeting, that person must present reasonably satisfactory identification and the person presiding at the General Meeting must be reasonably satisfied that the right of the person to participate in and entitled to vote at the General Meeting, either as a Shareholder, or as a proxy for a Shareholder, has been reasonably verified.

## **ORDINARY RESOLUTION 1 – APPROVAL OF THE DISTELL NAMIBIA ACQUISITION**

**“RESOLVED AS AN ORDINARY RESOLUTION THAT**, the Distell Namibia Acquisition in terms of which NBL will acquire the entire shareholding in the Distell Namibia Companies from the Sellers for the Purchase Consideration, on the terms set out in this Circular, be and is hereby approved in terms of the Companies Act and Listings Requirements.”

### ***Reason for and effect of Ordinary Resolution Number 1***

*The reason for and effect of Ordinary Resolution Number 1 is to grant the necessary approval for the Distell Namibia Acquisition in terms of the Companies Act and Listings Requirements.*

## **ORDINARY RESOLUTION 2 – AUTHORITY GRANTED TO DIRECTORS**

**“RESOLVED AS AN ORDINARY RESOLUTION THAT**, subject to Ordinary Resolution 1 being approved, any member of the NBL Board be and is hereby authorised to sign all such documents and do all such things as may be necessary for or incidental to the implementation of Ordinary Resolution 1 (and the transactions contemplated therein) and all such actions taken prior hereto be and are hereby ratified.”

### ***Reason for and effect of Ordinary Resolution Number 2***

*The reason for and effect of Ordinary Resolution Number 2 is to authorise the NBL Board to sign all such documents and do all such things as may be necessary, desirable or incidental to the implementation of the resolutions passed at the General Meeting. The effect of Ordinary Resolution Number 2, if adopted by the requisite majority of Shareholders, will be to grant the requisite authority to any director to sign all such documents and do all such things as may be necessary, desirable or incidental for or to the implementation of the resolutions passed at the General Meeting. The resolution also ratifies actions already taken by Directors in relation to the matters contemplated in this Circular and the notice to the General Meeting.*



Namibia Breweries Limited

Namibia Breweries Limited (“NBL”)  
 (incorporated in the Republic of Namibia) (registration number 1920/0002)  
 NSX Share code: NBS ISIN: NA0009114944

**FORM OF PROXY – FOR USE BY SHAREHOLDERS WITH OWN-NAME REGISTRATION ONLY**

Unless specifically otherwise provided herein, all terms defined in this Circular to which this Form of Proxy is attached (“Circular”) shall bear the same meanings herein..

**FOR USE BY SHAREHOLDERS WITH OWN-NAME REGISTRATION AT THE GENERAL MEETING OF NBL TO BE HELD ENTIRELY THROUGH ELECTRONIC MEANS ON THURSDAY, 28 APRIL 2022, AT 10:00 OR AT ANY POSTPONEMENT OR ADJOURNMENT THEREOF**

Shareholders other than those with own-name registration must inform their custodian or Broker to issue them with the necessary letter of representation to attend the General Meeting in person or provide their custodian or Broker with their voting instructions should they not wish to attend the General Meeting in person, but who wish to be represented thereat. Such Shareholders must not use this Form of Proxy.

A Shareholder who is entitled to attend but not vote or entitled to attend and vote at the General Meeting is entitled to appoint one or more proxies to attend, speak and/or, if applicable, vote in his/her stead. A proxy need not be a Shareholder of NBL.

Although voting will be permitted through an electronic participation platform at the General Meeting, Shareholders are encouraged to make use of proxies for purposes of voting at the General Meeting.

I/We (Full names in block letters)	
Of address	
Telephone number:	Cellphone:
e-mail:	
being the holder(s) of	Shares appoints
1.	or failing him/her
2.	or failing him/her
3. the chairperson of the General Meeting, as my/our proxy to act for me/us on my/our behalf at the General Meeting to be held entirely through electronic means on Thursday, 28 April 2022, at 10:00 and at any adjournment thereof, and [attend but not vote] [attend and vote or to abstain from voting] on my/our behalf on the resolutions to be proposed at the General Meeting, as follows:	

	Number of Votes		
	For	Against	Abstain
Ordinary Resolution Number 1 – Approval of the Distell Namibia Acquisition			
Ordinary Resolution Number 2 – Authority Granted to Directors			

\*Note: One vote per Share held by Shareholders. Shareholders must insert the relevant number of Shares they wish to vote in the appropriate box provided or “X” should they wish to vote all Shares held by them. If this Form of Proxy is returned without an indication as to how the proxy should vote on any particular matter, the proxy will exercise his/her discretion as to whether, and if so, how he/she votes.

Signed at \_\_\_\_\_ on this \_\_\_\_\_ day of \_\_\_\_\_ 2022

\_\_\_\_\_  
 Signature of Shareholder

Assisted by (where applicable)

Each Shareholder is entitled to appoint one or more proxy(ies) (who need not be a Shareholder(s)) to attend, speak and vote in his/her stead at the General Meeting.

**Please read the notes on the reverse side hereof.**

## Notes:

1. A Shareholder may insert the name of a proxy or the names of two alternative proxies of the Shareholder's choice in the space(s) provided with or without deleting "the chairman of the General Meeting", but the Shareholder must initial any such deletion. The person whose name stands first on the Form of Proxy and who is present at the General Meeting will be entitled to act as proxy to the exclusion of those whose names follow.
2. This Form of Proxy must only be used by Shareholders with own-name registration.
3. Shareholders other than those with own-name registration are reminded that the onus is on them to communicate with their custodian or Broker.
4. A Shareholder must, where indicated by square brackets above, indicate whether his proxy will be entitled to attend but not vote at the General Meeting or entitled to attend and vote or abstain at the General Meeting.
5. A Shareholder's instructions to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate box provided. Failure to comply with the above will be deemed to authorise and direct the chairman of the General Meeting, if the chairman is the authorised proxy, to vote in favour of the resolutions, or in the event of any other authorised proxy, to vote or abstain from voting at the General Meeting as he/she deems fit, in respect of all the Shareholder's votes exercisable at the General Meeting.
6. Completed Forms of Proxy and the authority (if any) under which they are signed must be lodged with, posted or sent via e-mail to the Transfer Secretaries, to be received by no later than 48 hours before the General Meeting that is to be held entirely through electronic means on Thursday, 28 April 2022, at 10:00.
7. The completion and lodging of this Form of Proxy will not preclude the relevant Shareholder from attending the General Meeting and speaking and voting in person thereat to the exclusion of any proxy appointed in terms hereof, should such Shareholder wish to do so. In addition to the foregoing, a Shareholder may revoke the proxy appointment by (i) cancelling it in writing or making a later inconsistent appointment of a proxy; and (ii) delivering a copy of the revocation instrument to the proxy, and to the Transfer Secretaries. The revocation of a proxy appointment constitutes a complete and final cancellation of the proxy's authority to act on behalf of the Shareholder as at the later of the date stated in the revocation instrument, if any, or the date on which the revocation instrument is delivered in the required manner.
8. The chairman of the General Meeting may accept or reject any Form of Proxy not completed and/or received in accordance with these notes or in accordance with the Memorandum and Articles of Association of NBL.
9. Any alteration or correction made to this Form of Proxy must be initialled by the signatory(ies).
10. Documentary evidence establishing the authority of a person signing this Form of Proxy in a representative capacity (e.g. for a company, close corporation, trust, pension fund, deceased estate, etc.) must be attached to this Form of Proxy, unless previously recorded by NBL or the Transfer Secretaries.
11. Where this Form of Proxy is signed under power of attorney, such power of attorney must accompany this Form of Proxy, unless it has been registered earlier by NBL or the Transfer Secretaries or waived by the chairman of the General Meeting.
12. Where shares are held jointly, all joint holders are required to sign this Form of Proxy.
13. A Shareholder who is a minor, must be assisted by his/her parent/ guardian, unless the relevant documents establishing his/her legal capacity are produced or have been registered earlier by NBL or the Transfer Secretaries.
14. This Form of Proxy shall be valid at any resumption of an adjourned meeting to which it relates although this Form of Proxy shall not be used at the resumption of an adjourned meeting if it could not have been used at the General Meeting from which it was adjourned for any reason other than that it was not lodged timeously for the meeting from which the adjournment took place. This Form of Proxy shall in addition to the authority conferred by the Companies Act, except insofar as it provides otherwise, be deemed to confer the power generally to act at the General Meeting in question, subject to any specific direction contained in this Form of Proxy as to the manner of voting.
15. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the death or mental disorder of the principal or revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Share in respect of which the proxy is given, provided that no notification in writing of such death, insanity, revocation or transfer as aforesaid shall have been received by the Transfer Secretaries before the commencement of the meeting or adjourned meeting at which the proxy is used.
16. Any proxy appointed pursuant to this Form of Proxy may not delegate her or his authority to act on behalf of the relevant Shareholder.
17. An appointment of a proxy pursuant to this Form of Proxy remains valid only until the end of the General Meeting or until the end of any adjournment of the General Meeting.
18. This form must be approved and accepted by the directors of NBL. They may furthermore require such additional documentary evidence as they may determine in order to establish the validity and/or authenticity of the proxy, including the authority of the person appointing the proxy.