



SAB Zenzele Kabili Holdings (RF) Limited

(Registration number: 2019/616052/06)

Interim financial statements

for the 6 months ended 30 June 2021

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Company information

Registration number	2019/616052/06
Entity domicile	South Africa
Legal form	Public company
Country of incorporation	South Africa
Date of incorporation	5 December 2019
Address of registered office	65 Park Lane Sandown 2196
Principal activity	Acquiring and holding ordinary shares in Anheuser Busch InBev SA/NV
Active directors	Moss Ngoasheng* (Chairman) Ernest Kwindu* Itumeleng Dlamini* Lucia Swartz Richard Rivett-Carnac <i>*Independent non-executive director</i>
Company secretary	Rilapax Proprietary Limited (t/a William Radcliffe)
Auditors	PricewaterhouseCoopers Inc.
JSE Sponsor	Tamela Holdings Proprietary Limited

The financial statements have been prepared by William Karuhije (CA) SA under the supervision of the Board of directors.

Directors' statement of responsibility

The directors are responsible for the preparation, integrity and fair presentation of the condensed interim financial statements of SAB Zenzele Kabili Holdings (RF) Limited ("SAB Zenzele Kabili" or "the Company").

The condensed interim financial statements have been reviewed by the independent auditing firm PricewaterhouseCoopers Inc. which was given unrestricted access to all financial records and related data, including minutes of meetings of shareholders, the board and committee of the board. The directors believe that all representations made to the independent auditors during their review were valid and appropriate. The auditor's review report is presented on pages 5 to 6.

The condensed interim financial statements for the period ended 30 June 2021 presented on pages 7 to 16 have been prepared in accordance with the framework concepts, the recognition and measurement criteria of International Financial Reporting Standards ("IFRS") and in accordance with and containing the information required by the International Accounting Standard 34: Interim Financial Reporting ("IAS 34") as issued by the International Accounting Standards Board ("IASB"), the Financial Reporting Guides as issued by the South African Institute of Chartered Accountants ("SAICA") Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the Johannesburg Stock Exchange ("JSE") Listings Requirements and the requirements of the Companies Act of 2008, as amended. They are based on appropriate accounting policies which have been consistently applied, and which are supported by reasonable and prudent judgements, including judgements involving estimations. The going concern basis has been adopted in preparing the condensed interim financial statements. The directors have no reason to believe that the Company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

The directors confirm that the internal financial controls are adequate and effective and can be relied upon in compiling the condensed interim financial statements, having fulfilled their role and function within the combined assurance model of the King Code on Corporate Governance 2016 ("King IV"), in terms of which assurance is obtained from management and from internal and external assurance providers. Where the directors are not satisfied, deficiencies in the design and operational effectiveness of the internal financial controls and any fraud that involves directors was disclosed to the audit committee and the auditors, and the necessary remedial action implemented.

The condensed interim financial statements were approved by the board on 28 September 2021 and are signed on its behalf:



Moss Ngoasheng



Ernest Kwinda

Results overview

Performance for the six months ended 30 June 2021

SAB Zenzele Kabili's financial performance is based mainly on the Anheuser-Busch InBev SA/NV ("AB InBev") share price and any dividend declared and received from AB InBev during the period.

As SAB Zenzele Kabili's only material investment and asset consist of AB InBev shares, the Company is entirely dependent on the receipt of dividends from AB InBev.

For the 6-months to 30 June 2021, the Company recognised a loss of R200 873 601 (30 June 2020: R247 592). The loss for the 6-months ended 30 June 2021 is largely attributable to the impairment loss on financial assets of R128 508 700, share loan fee of R58 034 328 and finance costs relating to preference shares amounting to R13 576 341.

The AB InBev share price as at 30 June 2021 was R1 033,65. The decrease in the AB InBev share price from R1 058,82 has had a direct impact on the impairment of financial assets of R128 508 700 recognised in the condensed statement of profit or loss and other comprehensive income.

For details of movement in the fair value of the financial assets refer to Note 2.



INDEPENDENT AUDITOR'S REVIEW REPORT ON INTERIM FINANCIAL STATEMENTS

To the Shareholders of SAB Zenzele Kabili Holdings (RF) Limited

We have reviewed the condensed interim financial statements of SAB Zenzele Kabili Holdings (RF) Limited in the accompanying interim report, which comprise the condensed statement of financial position as at 30 June 2021 and the related condensed statement of profit or loss and other comprehensive income and changes in equity for the six-months then ended, and selected explanatory notes.

Directors' Responsibility for the Interim Financial Statements

The directors are responsible for the preparation and presentation of these interim financial statements in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa, and for such internal control as the directors determine is necessary to enable the preparation of interim financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on these interim financial statements. We conducted our review in accordance with International Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. ISRE 2410 requires us to conclude whether anything has come to our attention that causes us to believe that the interim financial statements are not prepared in all material respects in accordance with the applicable financial reporting framework. This standard also requires us to comply with relevant ethical requirements.

A review of interim financial statements in accordance with ISRE 2410 is a limited assurance engagement. We perform procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluate the evidence obtained.

The procedures in a review are substantially less than and differ in nature from those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these interim financial statements.

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Chief Executive Officer: L S Machaba

The Company's principal place of business is at 4 Lisbon Lane, Waterfall City, Jukskei View, where a list of directors' names is available for inspection.
Reg. no. 1998/012055/21, VAT reg.no. 4950174682.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of SAB Zenzele Kabili Holdings (RF) Limited for the six months ended 30 June 2021 are not prepared, in all material respects, in accordance with the International Financial Reporting Standard, (IAS) 34 *Interim Financial Reporting*, the SAICA Financial Reporting Guides as issued by the Accounting Practices Committee and Financial Pronouncements as issued by the Financial Reporting Standards Council and the requirements of the Companies Act of South Africa.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.
Director: MM Mokone
Registered Auditor
Johannesburg, South Africa
28 September 2021

The examination of controls over the maintenance and integrity of the Company's website is beyond the scope of the review of the financial statements. Accordingly, we accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Condensed statement of financial position

	Notes	As at 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Assets				
Non-current assets				
Financial asset at fair value through profit or loss	2	5 277 491 300	–	–
Total non-current assets		5 277 491 300	–	–
Related party receivable: SAB Zenzele Holdings (RF) Limited		4 216 834	–	–
Shareholder's loan	8	–	–	–
Total current assets		4 216 834	–	–
Total assets		5 281 708 134	–	–
Equity and Liabilities				
Share capital	3	1 622 000 000	–	–
Capital reserves attributable to the owners of SABZenzele Kabili (RF) Limited	4	811 000 000	–	–
Accumulated losses		(201 426 442)	(247 592)	(552 841)
		2 231 573 558	(247 592)	(552 841)
Non-current liabilities				
Preference shares – cumulative redeemable	5	2 973 000 000	–	–
Total non-current liabilities		2 973 000 000	–	–
Current liabilities				
Preference shares – dividend accrual	11	13 576 341	–	–
Trade and other payables	7	59 341 401	247 592	552 841
Payable to shareholders		4 216 834	–	–
Total current liabilities		77 134 576	247 592	552 841
Total liabilities		3 050 134 576	–	–
Total equity and liabilities		5 281 708 134	–	–

Condensed statement of profit or loss and other comprehensive income

	Notes	Six months ended 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Operating expenses	9	(58 788 560)	(247 592)	(552 841)
Impairment loss on financial asset	12	(128 508 700)	–	–
Operating loss		(187 297 260)	(247 592)	(552 841)
Finance costs	11	(13 576 341)	–	–
Loss before taxation		(200 873 601)	(247 592)	(552 841)
Taxation	13	–	–	–
Loss for the period		(200 873 601)	(247 592)	(552 841)
Other comprehensive income:		–	–	–
Other comprehensive income				
Total comprehensive loss for the period		(200 873 601)	(247 592)	(552 841)
Basic loss per share	6	(4,95)	(247 592)	(552 841)
Diluted loss per share	6	(4,95)	(247 592)	(552 841)

Condensed statement of changes in equity

	Notes	Share capital Rand	Capital reserves Rand	Accumulated losses Rand	Total equity Rand
Balance at 05 December 2019		–	–	–	–
Loss from incorporation to 30 June 2020		–	–	(247 591)	(247 591)
Other comprehensive income		–	–	–	–
Balance at 30 June 2020 – unaudited		–	–	(247 591)	(247 591)
Loss from incorporation to 31 December 2020		–	–	(305 250)	(305 250)
Other comprehensive income		–	–	–	–
Balance at 31 December 2020 – audited		–	–	(552 841)	(552 841)
Issue of shares during the period	3	1 622 000 000	–	–	1 622 000 000
The South African Breweries Proprietary					
Limited contribution	4	–	811 000 000	–	811 000 000
Loss for the period to 30 June 2021		–	–	(200 873 601)	(200 873 601)
Total contributions by owners of the company recognised directly in equity		–	–	–	–
Balance at 30 June 2021 – reviewed		1 622 000 000	811 000 000	(201 426 442)	2 231 573 558

Notes to the condensed financial statements

1. Basis of preparation

These condensed interim financial statements have been prepared in accordance with the framework concepts, the recognition and measurement criteria of IFRS and in accordance with and containing the information required by IAS 34: Interim Financial Reporting as issued by the IASB, the Financial Reporting Guides as issued by the SAICA Accounting Practices Committee, Financial Pronouncements as issued by the Financial Reporting Standards Council, the JSE Listings Requirements and the requirements of the Companies Act of 2008, as amended. They have been prepared on the historical cost basis, except for certain financial instruments which are measured at fair value or at amortised cost, and are presented in South African rand, which is the Company's functional and presentation currency. The condensed interim financial statements only have one reportable segment for the 6 months ended 30 June 2021.

The significant accounting policies are consistent in all material respects with those applied for the year ended 31 December 2020. The Company adopted the new, revised or amended accounting pronouncements as issued by the IASB, which were effective and applicable to the Company from 1 January 2021, none of which had any material impact on the Company's financial results for the period. Significant accounting policies are available for inspection at the Company's registered office.

A statement of cash flows has not been prepared as there were no cash transactions to the end of reporting periods, 30 June 2020, 31 December 2020 and 30 June 2021.

2. Financial asset at fair value through profit or loss

In 2010, The South African Breweries Proprietary Limited ("SAB") implemented a B-BEEE transaction known as SAB Zenzele (the "Existing Empowerment Transaction"). The Existing Empowerment Transaction involved SAB issuing approximately 3.52% of its total issued shares at the time to SAB Zenzele, who in turn offered to issue SAB Zenzele Shares to qualifying black people who are retail liquor license holders, retail liquor license applicants or registered customers of Amalgamated Beverage Industries ("ABI"), the previous soft drinks division of SAB. It also involved an issue of shares in SAB to The SAB Zenzele Employee Trust established for the benefit of the SAB Group employees and to The SAB Foundation Trust for the benefit of the broader South African community.

The Existing Empowerment Transaction was established as a 10-year scheme to, amongst other things, give Qualifying Retailers and employees a chance to indirectly own shares in SAB through their ownership of SAB Zenzele Shares and to participate in, and become entitled to, the profits of SAB and, at the end of the 10-year transaction term, to become direct shareholders of SABMiller, the ultimate shareholder of SAB.

In 2016, following implementation of the Existing Empowerment Transaction, SABMiller entered into a combination transaction with AB InBev in terms of which, amongst other things, SABMiller and AB InBev merged into a new entity under the name AB InBev. This resulted in an amendment to the scheme where AB InBev replaced SABMiller in the arrangement.

In conjunction with the contemplated unwind of the Existing Empowerment Transaction, SAB had received consistent feedback from Retailer shareholders that they wish to be provided with an opportunity to reinvest a portion of the value to which they will be entitled to on the unwind of the Existing Empowerment Transaction.

As a result of the decision made by the Independent Board of SAB Zenzele, SAB and SAB Zenzele Kabili on 23 March 2020 (due to the impact of the COVID-19 pandemic) it was resolved that each SAB Zenzele Retailer Shareholder would be paid an amount equal to 77.4% of its entitlement in the form of cash from the unwind of the existing empowerment transaction. The balance of the entitlement would be retained to allow the shareholders a reinvestment opportunity into SAB Zenzele Kabili when the SAB Zenzele Board calls another general meeting to ask shareholders to vote on the implementation of the new scheme.

AB InBev and SAB have implemented the proposed new empowerment transaction which was conditional on certain approvals and implementation of the conditions as set out in the prospectus document circulated to the retailers during April 2021. The implementation of the new empowerment transaction was concluded in May 2021.

The New Empowerment Transaction proposed by AB InBev and SAB was designed, amongst other things, to facilitate a reinvestment opportunity for SAB Zenzele Retailer Shareholders of their respective rights and entitlements to receive AB InBev Shares on the unwind of the 2010 Empowerment Transaction.

The SAB Zenzele Scheme proposed by the SAB Zenzele Board between SAB Zenzele and the SAB Zenzele Retailer Shareholders, in terms of which SAB Zenzele Retailer Shareholder cedes to SAB Zenzele Kabili 63.5% of its right and entitlement to receive AB InBev shares pursuant to the unwind of the 2010 Empowerment Transaction, in exchange for SAB Zenzele Kabili Ordinary Shares of proportional value, which was conditional on the SAB Zenzele Scheme being duly approved and implemented.

AB InBev and SAB implemented the proposed New Empowerment Transaction through SAB Zenzele Kabili, by means of the following core elements:

- **The Reinvestment Offer:** SAB Zenzele Kabili made an offer to SAB Zenzele Retailer Shareholders to cede all or a portion of their rights and entitlements (less their SAB Zenzele Scheme Entitlements) to receive AB InBev Shares pursuant to the unwind of the 2010 Empowerment Transaction to SAB Zenzele Kabili, in exchange for SAB Zenzele Kabili Ordinary Shares of Proportional Value. This resulted in the SAB Zenzele Retailers contributing R723 301 680 which equates to 683 121 AB InBev shares in exchange for 18 082 542 SAB Zenzele Kabili shares.
- **New ESOP subscription:** SAB Zenzele Employee Trust II ("The New ESOP") transferred to the SAB Zenzele Kabili the equivalent of R600 000 000 worth of the AB InBev Shares contributed to it by SAB in exchange for 15 000 000 SAB Zenzele Kabili shares.
- **The SAB Foundation subscription:** The SAB Foundation has contributed R299 million which equates to 282 105 AB InBev shares in exchange for 7 467 458 new SAB Zenzele Kabili Ordinary Shares.
- **SAB Vendor Funding:** SAB subscribed for SAB Zenzele Kabili Preference Shares for cash representing vendor funding of R2 973 000 000 from SAB. The cash will be used by SAB Zenzele Kabili to acquire AB InBev Shares in terms of the Stock Lending Agreement.
- **Discount Shares:** As an incentive to the SAB Zenzele Retailer Shareholders to participate in the New Empowerment Transaction, SAB contributed the equivalent of AB InBev Shares to the value of approximately R811 000 000 to SAB Zenzele Kabili at no further cost to SAB Zenzele Kabili.

Notes to the condensed financial statements

2. Financial asset at fair value through profit or loss (continued)

The sources of the funding for the initial investment were as follows:

Source of funding	Rand
Discount shares	811 000 000
Equity contribution – SAB Zenzele Retailer Shareholders	723 301 680
Equity contribution – SAB Zenzele Employee Trust II (New "ESOP") – on behalf of SAB	600 000 000
Equity contribution – The SAB Foundation	298 698 320
Vendor funding from SAB – Note 5	2 973 000 000
	5 406 000 000

As a result of the above, the Company holds 5 105 685 shares in AB InBev. There was no movement in the number shares held from acquisition.

	As at 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Investment in Anheuser-Busch InBev SA/NV (AB InBev)			
Cost	5 406 000 000	–	–
Accumulated fair value adjustment (refer Note 12)	(128 508 700)	–	–
	5 277 491 300	–	–

The investment is categorised as level 1 in the fair value hierarchy. Therefore the investment in AB InBev and subsequent remeasurement of the fair value adjustments will be dependent on the performance of the AB InBev share price.

The fair value was determined using the JSE listed share price as below:

	As at 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
JSE listed closing share price	1 033.65	–	–

3. Share capital

	As at 30 June 2021 Reviewed and	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Authorised share capital			
50 000 000 ordinary shares of no par value	–	–	–
1 000 000 cumulative redeemable no par value preference shares	–	–	–
Issued share capital			
40 550 000 ordinary shares issued at R40 per share (2020: 1 ordinary share of R0.10 each)	1 622 000 000	0.10	0.10
5 946 preference shares issued at R500 000 per preference share	2 973 000 000	–	–

The 1 ordinary share of R0.10 was issued in the prior financial period to The South African Breweries Proprietary Limited ("SAB"). 9 450 000 (2020: 49 999 999) ordinary shares and 993 937 (2020: 1 000 000) Class A preference shares are under the control of the directors.

Notes to the condensed financial statements

4. Capital reserves

	As at 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Capital reserve	811 000 000	–	–
Total capital reserve	811 000 000	–	–

The South African Breweries Proprietary Limited contributed R811 million AB InBev shares at no cost to the Company as part of the New Empowerment Transaction implemented on 28 May 2021. Refer to Note 2 for further details.

5. Preference shares – cumulative redeemable

	As at 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Class A preference share – cumulative, redeemable, non-participating	2 973 000 000	–	–
Total preference shares	2 973 000 000	–	–

5 946 Class A preference shares were issued to The South African Breweries Proprietary Limited at R500 000 per preference share on 28 May 2021. The preference shares are held at amortised cost.

The preference shares rank in priority to the ordinary shares in relation to distributions but behind all debt of the Company.

The preference shareholder has security over all the shares held by the Company in AB InBev (refer note 2) and a negative pledge.

The preference shares are to be redeemed 10 years and 1 day after the issue date which comes to 29 May 2031.

The dividend rate on the preference shares is calculated as 70% of prime rate, nominal, annual and compounded monthly.

6. Loss per share

	Six months ended 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Basic loss per share	(4,95)	(247 592)	(552 841)
Diluted loss per share	(4,95)	(247 592)	(552 841)

There were no adjustments required to losses attributable to equity shareholders in the determination of headline losses. Therefore, headline losses per share is the same as basic losses per share disclosed above.

There are no potential ordinary shares that would have a dilutive effect on the losses per share. Therefore, diluted losses per share and diluted headline losses per share is the same as basic losses per share disclosed above.

Losses per share calculations are based on losses and the weighted average number of ordinary shares outstanding as set out below:

	Six months ended 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Losses attributable to equity shareholders	(200 873 601)	(247 592)	(552 841)
Weighted average number of shares	40 550 001	1	1

Notes to the condensed financial statements

7. Trade and other payables

	As at 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Accrual for directors' remuneration	–	121 667	271 666
Related party payable (refer Note 8)	858 091	125 925	281 175
Other payables	448 982	–	–
Share loan fee payable	58 034 328	–	–
	59 341 401	247 592	552 841

8. Related party transactions

During the period, the Company incurred expenses and set out in Note 9 in the ordinary course of business. These expenses were paid for by related parties and charged to the Company. These related party payables are included in trade and other payables in the statement of financial position.

	As at 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Related party balances			
Other receivables			
The South African Breweries Proprietary Limited	0.10	0.10	0.10
SAB Zenzele Holdings (RF) Limited	4 216 834	–	–
Other payables			
The South African Breweries Proprietary Limited	(858 091)	(125 925)	(281 175)

Relationships:

Holding company/Preference shareholder: The South African Breweries Proprietary Limited
Follow subsidiary: SAB Zenzele Holdings (RF) Limited

9. Operating expenses

	Six months ended 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Operating expenses consists of:			
Share loan fee	58 034 328	–	–
Directors' remuneration (refer Note 10)	305 250	247 591	552 841
Administration fees	262 091	–	–
Auditors' remuneration	150 000	–	–
Other costs	36 891	–	–
	58 788 560	247 591	552 841

The share loan fee is determined as a fee equal to 0.66% of the Market Value of the shares determined at close of market on the business day immediately preceding 18 December 2019. The share loan fee is included in operating expenses.

Notes to the condensed financial statements

10. Directors' remuneration

	Six months ended 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Moss Ngoasheng*	155 250	125 925	281 175
Ernest Kwindia	75 000	60 833	135 833
Itumeleng Dlamini	75 000	60 833	135 833
	305 250	247 591	552 841

*This director's remuneration includes 15% VAT charged on directors' fees.

RT Rivett-Carnac and Lucia Swartz are SAB nominee directors and full time employees of SAB. The SAB nominee directors are not paid any amount by the Company and no material portion of their salaries paid by SAB is attributable or allocated to fulfilling the function as director of the Company. For this reason, no remuneration is disclosed for these directors.

11. Finance costs

	Six months ended 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
70% of prime rate cumulative redeemable preference shares	13 576 341	–	–
	13 576 341	–	–

The dividend rate on the preference shares is calculated as 70% of prime rate, nominal, annual and compounded monthly.

12. Impairment loss on financial asset

	Six months ended 30 June 2021 Reviewed Rand	From incorporation to 30 June 2020 Unaudited Rand	From incorporation to 31 December 2020 Audited Rand
Fair value loss on investment in AB InBev shares	128 508 700	–	–
	128 508 700	–	–

The loss on fair value of AB InBev shares in the respective period resulted in the decrease of the Anheuser-Busch InBev share price. Refer to Note 2 for detail on the share price.

13. Taxation

No provision has been made for taxation as the Company has no taxable income. The estimated assessed loss available for set-off against future taxable income is R72 917 742.

A deferred taxation asset has not been recognised in respect of the assessed loss as management believes in following a prudent approach and does not consider it probable, at this time, that future taxable profit will be available against which the Company can utilise the benefits there from in the next three years.

Notes to the condensed financial statements

14. **Going concern**

The Company had an accumulated loss of R201 426 442 as at 30 June 2021 (December 2020: R552 841). As at 30 June 2021 the Company's current liabilities exceed its current assets by R72 917 742.

The condensed interim financial statements have been prepared on the basis of accounting policies applicable to a going concern. This basis presumes that funds will be available to finance future operations and that the realisation of assets and settlement of liabilities, contingent obligations and commitments will occur in the ordinary course of business.

The South African Breweries (Pty) Ltd advanced a facility amount of R12,0 million to SAB Zenzele Kabili Holdings (RF) Limited to assist the Company in meeting its immediate liquidity shortfall. This advance was provided to assist the Company in meeting its operational obligations until the intended receipt of the next dividend from AB InBev.

In addition, the Company has issued preference shares on 1 September 2021 in order to settle the share loan fee payable. Refer note 15 for further details.

15. **Subsequent events**

On 8 August 2021 the Company signed a facility agreement with SAB where SAB would provide SAB Zenzele Kabili with a facility of R12 000 000. The duration of this agreement is for 2 years and all principal and any accrued interest must be repaid by 7 August 2023.

Effective 1 September 2021 the Company issued 117 preference shares to SAB for a total amount of R58 500 000. The preference shares are issued in order to settle the share loan fee payable.

There are no other material events that occurred during the period subsequent to 30 June 2021 and prior to these financial results being authorised for issue.