Namibia Breweries Limited

PART OF THE HEINEKEN COMPANY

Integrated **annual report** 2024

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To delight every adult consumer with the best alcoholic and non-alcoholic beverages for every occasion in the most sustainable way.

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Welcome to our integrated annual report

Namibia Breweries Limited (NBL, the company), headquartered in Windhoek, is Namibia's leading beverage manufacturer. NBL is part of the HEINEKEN Group and is listed on the Namibia Securities Exchange (NSX).

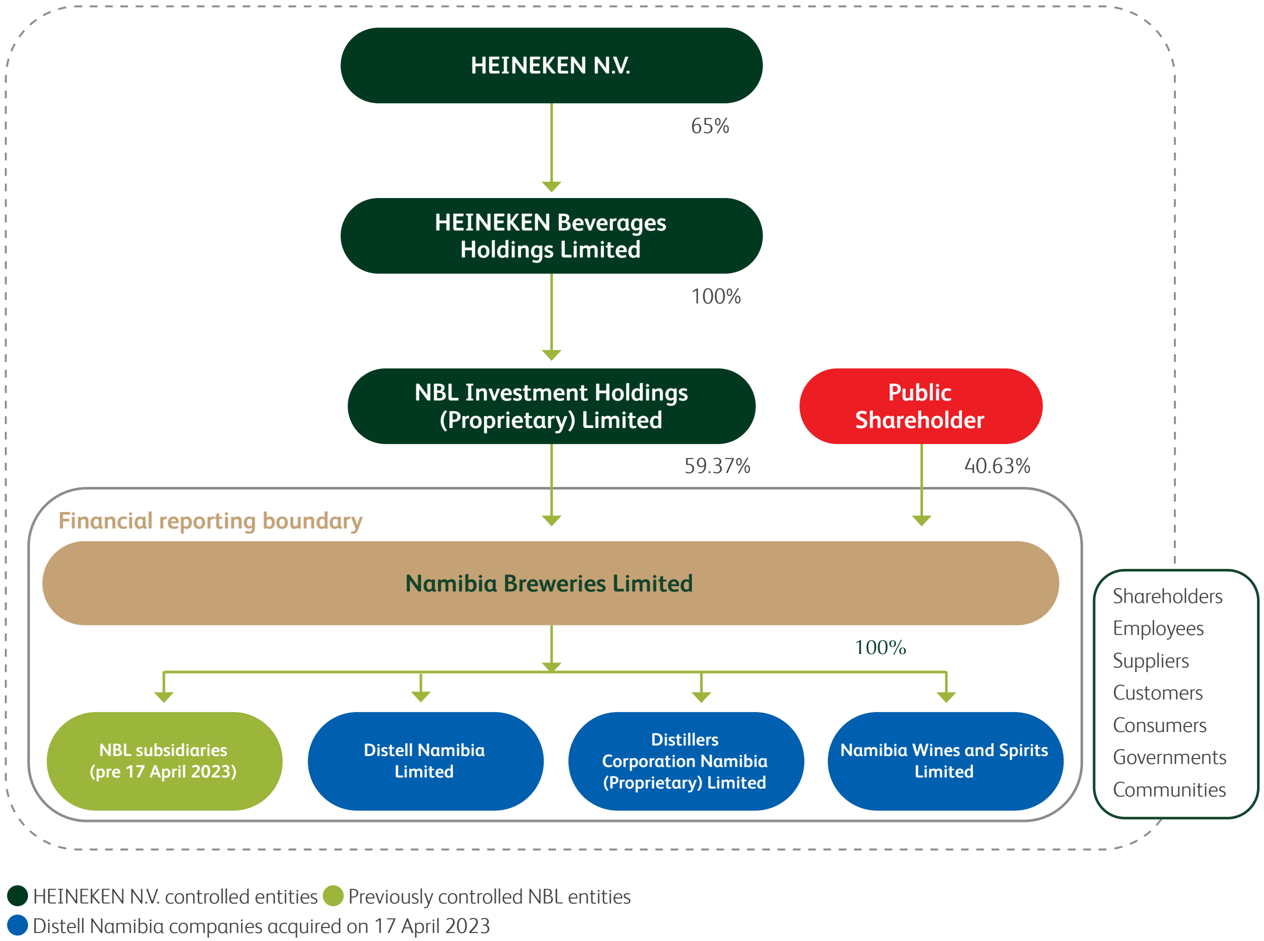
As part of HEINEKEN, we have adopted the purpose: "To brew the joy of true togetherness to inspire a better world."

Reporting scope and boundary

This report covers the 18 months from 1 July 2023 to 31 December 2024 and reflects our performance highlights, challenges, strategies and exciting prospects.

We focus our reporting on Namibia as our primary market of operation, where we sell 78% of volumes. We present information relevant to shareholders and investors and include information of interest to our broader stakeholder community.

Stakeholder universe



An 18-month report

Following the transaction between NBL, Distell Namibia and HEINEKEN on 17 April 2023, NBL became a subsidiary of HEINEKEN Beverages. As a result, NBL changed its financial year-end to December to align with HEINEKEN's reporting requirements.

This integrated annual report reflects the new year-end and, therefore, covers an 18-month financial period. Consequently, not all financial and operational data are directly comparable to the previous report. Financial and non-financial data are in most cases compared over 18 months. Strategic progress is reflected over 18 months.

To enhance comparability, a detailed performance summary has been compiled, providing additional insights beyond those included in the Integrated Report. Refer to page 151 for further details.

Reporting frameworks

This report aligns with the following frameworks and requirements:

- NamCode (Corporate Governance Code for Namibia)
- Namibia Companies Act, 2004 (No. 28 of 2004)
- Namibia Securities Exchange (NSX) Listing Requirements
- International Financial Reporting Standards (IFRS)
- International Integrated Reporting <IR> Framework (January 2021)

Although we do not reference the six capitals required by the <IR> Framework, our stakeholder-inclusive approach addresses all capitals.

We aligned our sustainability reporting with HEINEKEN's Brew a Better World strategy, focusing on NBL's key areas: water, responsible consumption and social impact.

See page 26.

HEINEKEN BREW A BETTER WORLD RAISE THE BAR 2030

Forward-looking statements

This report includes forward-looking statements about NBL's future financial position, profits, cash flows, strategy, capital expenditure and economic factors such as interest and exchange rates.

Forward-looking words include terms like "believe", "expect", "intend", "forecast" and "may". Such statements involve risks and uncertainties depending on future events and conditions. NBL cautions that these statements are not guarantees of future performance.

Assurance and approval

The reporting team collaborated with internal content owners and NBL's Management Team to structure, compile and approve the report.

To ensure integrity and accuracy, NBL follows a combined assurance model aligned with NamCode requirements:

- Deloitte & Touche audited the Annual Financial Statements (pages 47 – 150). See their unqualified opinion on page 55.
- Ernst & Young (EY) performed internal audits, detailed in the governance report (page 34).
- Details on production and process certifications are on page 13.

The Audit and Risk Committee reviewed and confirmed the report's completeness and integrity. The board approved it on 26 March 2025.

Vetumbuavi Mungunda
NBL Chairperson

Waldemar von Lieres
Managing Director

For feedback, contact our Legal Director at:

- Phone: +264 61 320 4022
- Email: nbl.legal@nbl.na

The report, interim results and financial statements are available at https://nambrew.com/investor-hub/archive/

2024 results

18 month financial indicators (2023 comprised 12 months)

Net revenue
N$6 825 million
(2023: N$3 388 million)
▲ 101.4%

Operating profit
N$896 million
(2023: N$421 million)
▲ 112.6%

Headline earnings per share
315.3 cents
(2023: 162.7 cents)
▲ 93.8%

Net asset value per share
1 133.1 cents
(2023: 1 020.4 cents)
▲ 11.0%

Return on assets
24%
(2023: 13%)
▲ 87.5%

Key social and environmental outcomes

We achieved an 1.15% year-on-year reduction in non-renewable electricity use

Climate and Culture Survey: 80% of employees feel engaged

65.9% of our total energy (electrical and thermal) from alternative energy sources (2023: 57.4%)

Zero fatal accidents, one serious injury

9% waste to landfill (2023: 24%)

Deutsche Landwirtschafts Gesellschaft (DLG) Awards

As Namibia's oldest and largest brewery, we are proud of our long-standing reputation for quality, as reflected in numerous international awards.

Four of our brands won prestigious DLG awards in 2024: ***Windhoek Non-Alcoholic, Windhoek Lager, Windhoek Draught*** and ***Tafel Lager***. The latter three maintained their "DLG-Classics" status, awarded for more than five consecutive years of exceptional quality and craftsmanship.

	2020	2021	2022	2023	2024
Windhoek Lager	Gold	Gold	Gold	Gold	Gold
Windhoek Draught	Gold	Gold	Gold	Gold	Gold
Windhoek Non-alcoholic*	Silver	Silver	Silver	Gold	Silver
Tafel Lager	Gold	Gold	Gold	Gold	Gold

Gold Silver

Chairperson's statement

It is an honour to address our stakeholders for the first time as Chairperson of the NBL Board in this report. Over the past 18 months, following the HEINEKEN transaction, NBL has undergone a significant transition from the early stages of integration to a more stable, business-as-usual environment.

Vetumbuavi Mungunda
Chairperson of the Board

The successful integration of the businesses has been a central focus for the Board. Our aim was to ensure that this process enables growth, enhances efficiency and delivers value for all stakeholders, including our over 40% local shareholder base.

The fruits of the NBL Management Team's and employees' efforts are already evident in the turnaround achieved over 18 months. The Board is pleased to see that strategic initiatives translated into robust financial performance, supported by capital investments totalling more than N$700 million. The business gained market share and improved efficiencies across sales, distribution, logistics, marketing and finance. These results validate the vision and strategic objectives set forth at the transaction's inception.

Read more about NBL's financial performance from page 21

A commitment to economic progress

NBL is a proudly Namibian business, committed to supporting local communities and serving as a responsible corporate citizen. The company's performance has underscored its vital role as a key economic contributor, supporting Namibia's development through strategic investments.

A significant milestone over the 18 months was the N$337 million investment in the local bottling and packaging line at the Windhoek production site. This facility enhances local production and allows NBL to package popular beverages such as ***Hunter's Gold, Savanna*** and ***Tassenberg*** locally. The project, which was completed ahead of schedule, involved a dedicated team and 19 suppliers, including 11 Namibian businesses, reflecting NBL's commitment to supporting local enterprise.

In addition, NBL invested N$44 million in upgrading existing beer production lines and a further N$56 million expanding warehouse facilities, further strengthening operations.

For years, NBL has been a beacon of Namibian enterprise, exporting competitively into regional and international markets.

Our relationship with key stakeholders continues to grow stronger, and public sentiment remains positive, underscored by NBL's ongoing commitment to Namibia. This commitment is evident through significant local investment, job creation, and consistent tax contributions. The recent transaction also facilitated a notable inflow of foreign direct investment into the country.

Empowering local entrepreneurs: Our MSME development commitment

As part of the HEINEKEN transaction, Namibia Breweries Limited committed to the establishment of a micro, small and medium enterprise (MSME) development fund designed to support the growth and development of local suppliers within our value chain, focusing on enhancing technical, operational and digital skills and offering support in areas such as packaging, advertising and promotions. The fund's robust governance structure and constitution will guide the allocation of up to N$25 million over the next five years.

Recognising the potential of local entrepreneurs, we are committed to collaborating with the Government and stakeholders to ensure the fund's success and long-term impact. This transformative initiative addresses critical economic challenges by providing funding, skills training, market access and business development support to help MSMEs integrate into formal supply chains and markets. It is scalable and has the potential to extend beyond our industry, with the opportunity to drive broader economic growth across various sectors.

Water sustainability is a national imperative

Water is vital for Namibia and as a brewery, it is essential to NBL's operations. Our country's recent severe drought underscores the need for innovative water conservation and availability solutions.

The NBL Board and Management Team actively participates in national discussions to secure sustainable water access for industrial and human consumption. We advocate for innovative solutions, policy stimulus and coordinated efforts to improve water availability, predictability and affordability.

In partnership with the Ministry of Agriculture, Water and Land Reform, NBL co-sponsored the Water Resource Management Act Conference in October 2024. Additionally, NBL helped unify organisations in the northern industrial area that use or plan to abstract water from the northern aquifer to establish the Northern Industry Forum.

Promoting responsible consumption and moderation

A key focus of the Brew a Better World strategy is promoting responsible consumption and moderation as part of our broader commitment to society. We are dedicated to raising awareness about the responsible use of alcohol, both internally and externally. This effort goes beyond societal well-being. In Namibia, it is crucial to support sustainable communities.

Read more on page 33

A journey of collaboration

As Chairperson, I am honoured to continue NBL's legacy of exceptional leadership. I am grateful to all those who have supported NBL through this transition period, particularly the past and present Directors, most recently the past chairmen Sven Thieme and Roland Pirmez, whose guidance has been invaluable.

I also extend my thanks to our employees for their dedication during the integration process and to the former Managing Director, Peter Simons, for his exceptional leadership in navigating the complexities of the past 18 months.

This year, we welcomed a new Managing Director, Waldemar von Lieres, whose experience and familiarity with NBL will be vital as we transition to steady operations and explore new growth opportunities. The Board fully believes in his ability to lead NBL into its next chapter.

The Board is committed to guiding NBL with integrity, foresight and a focus on sustainable growth. We are determined to ensure NBL remains a key player in Namibia's economy while expanding our regional and global presence.

Our immediate priority is to fully embed the company's culture and values into a cohesive source of competitive advantage, leveraging the combined entities' strengths. In the medium to long term, we will focus on enhancing regional competitiveness, exploring new growth avenues and driving sustainability efforts, particularly in water conservation.

Finally, I express my appreciation to every Namibian who continues to support our products. Together, we will ensure NBL remains a source of pride and growth for our country.

Vetumbuavi Mungunda
Chairperson of the Board

Our profile

Established on 29 October 1920, NBL is one of the leading beverage manufacturing companies in Namibia, employing 983 people. NBL leads the domestic beer market in Namibia and has a significant share of the premium beer category in Southern Africa. From April 2023, NBL forms part of HEINEKEN Beverages, which features a multi-category portfolio driven by the commitment to deliver high-quality beverages to consumers across the continent.

Our beverage portfolio consists mostly of alcoholic beverages. We sell alcoholic beverages exclusively to individuals over 18 and actively promote responsible consumption. Our marketing complies with the Self-Regulating Alcohol Industry Forum (SAIF) Code in Namibia and Aware.org guidelines in South Africa.

Read more on page 33

HEINEKEN BREW A BETTER WORLD RAISE THE BAR 2030

We are well-positioned for growth with a robust balance sheet, a skilled team and an enviable brand portfolio.

Our product portfolio and beverage brands

We offer a diverse range of 55 high-quality beverage brands, encompassing beer, wines, spirits, ciders, fruit juice and more. Our products suit any occasion, allowing consumers to enjoy classic favourites or explore exciting new offerings while trusting the quality synonymous with NBL.

Premiumisation reflects consumers' beverage choice that suit special occasions. In Namibia, this trend also sees more consumers opting for branded drinks over home-brewed alternatives. Our brand portfolio is designed to meet this shift, catering to diverse consumer preferences across segments:

Value segment

Quality beverages at affordable prices, catering to consumers who prioritise value without compromising on quality.

Mainstream segment

The mainstream segment is the cornerstone of our portfolio, offering quality products designed to enhance different occasions and cater to diverse consumer preferences.

Premium segment

Our premium beverages use high-quality ingredients to meet the growing demand for brands that reflect status and individuality.

Low and non-alcoholic segment

This category provides a lighter option for consumers who enjoy refreshment and taste but choose to consume alcohol in moderation or abstain entirely. It caters to those making deliberate lifestyle and health choices, ensuring quality without compromise.

Featured brands

The following are some of our key brands by category. We have many more in our extensive portfolio that cater to diverse preferences.

Beer

We lead Namibia's beer market and hold a strong position in the regional premium beer category. Our state-of-the-art Windhoek brewery follows the German Reinheitsgebot ("Purity Law") of 1516, using only malted barley, hops and water to ensure premium quality from natural ingredients.

Windhoek Draught
is a perfectly balanced beer with a mild hop character and an enticing finish that will keep you returning for more.

The no 1 beer brand by volume in Namibia.

Windhoek Lager
is celebrated for its full-flavoured experience, enhanced by a pleasant and crisp hop note.

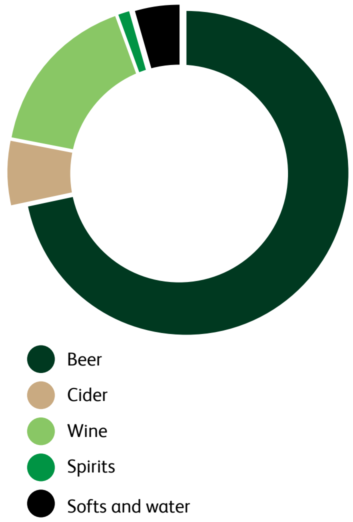
Namibia's first lager beer

Windhoek Non-alcoholic
delivers the same consistent quality and taste as its full-strength counterpart. Brewed with only malted barley, hops and water, it is 100% Pure Beer, without the alcohol.

Tafel Lager
is renowned for its smooth, superior taste, offering an ideal balance of refreshment, flavour and bitterness.

Heineken
is loved and enjoyed in nearly 200 countries. It is NBL's flagship premium brand. Its iconic green bottle and red star are recognised worldwide, symbolising a world-class experience.

Volume contribution by category



Cider

As consumers seek new experiences, apple cider's crisp, refreshing taste is striking gold.

Savanna

a range of dry ciders with a distinctive bottle, was launched in 1996. This South African brand is known for its catchy tagline, "It's dry, but you can drink it" and its crisp, witty take on everyday life.

The most popular cider across Africa.[1]

Hunter's

a celebrated cider range and African pioneer, introduced the cider category in 1988 with its iconic payoff line, "Refreshes like nothing on Earth".

Wine

Our portfolio blends classic, easy-drinking favourites with some of South Africa's most renowned premium wine brands.

Tassenberg

has been enjoyed for generations as an easy-drinking favourite. This smooth Cabernet Sauvignon and Cinsault blend offers a fruity flavour and great value in the mainstream segment.

Namibia is the largest market for *Tassenberg* wines by volume.

Castelo Gingerfizz

is a trusted and affordable sparkling cooler wine known for its refreshing taste and crisp, zesty ginger notes

Spirits

Our range of white and brown spirits and liqueurs offers timeless classics to bold and lively options, blending local and international appeal.

Richelieu Brandy

is a respected, classic brandy established in 1941, featuring a unique bottle and exceptional qualities.

Softs and water

We offer a diverse range of products for consumers who abstain from alcohol, whether by lifestyle choice, on select occasions, or for those under the legal drinking age of 18. This range supports our commitment to responsible drinking.appeal.

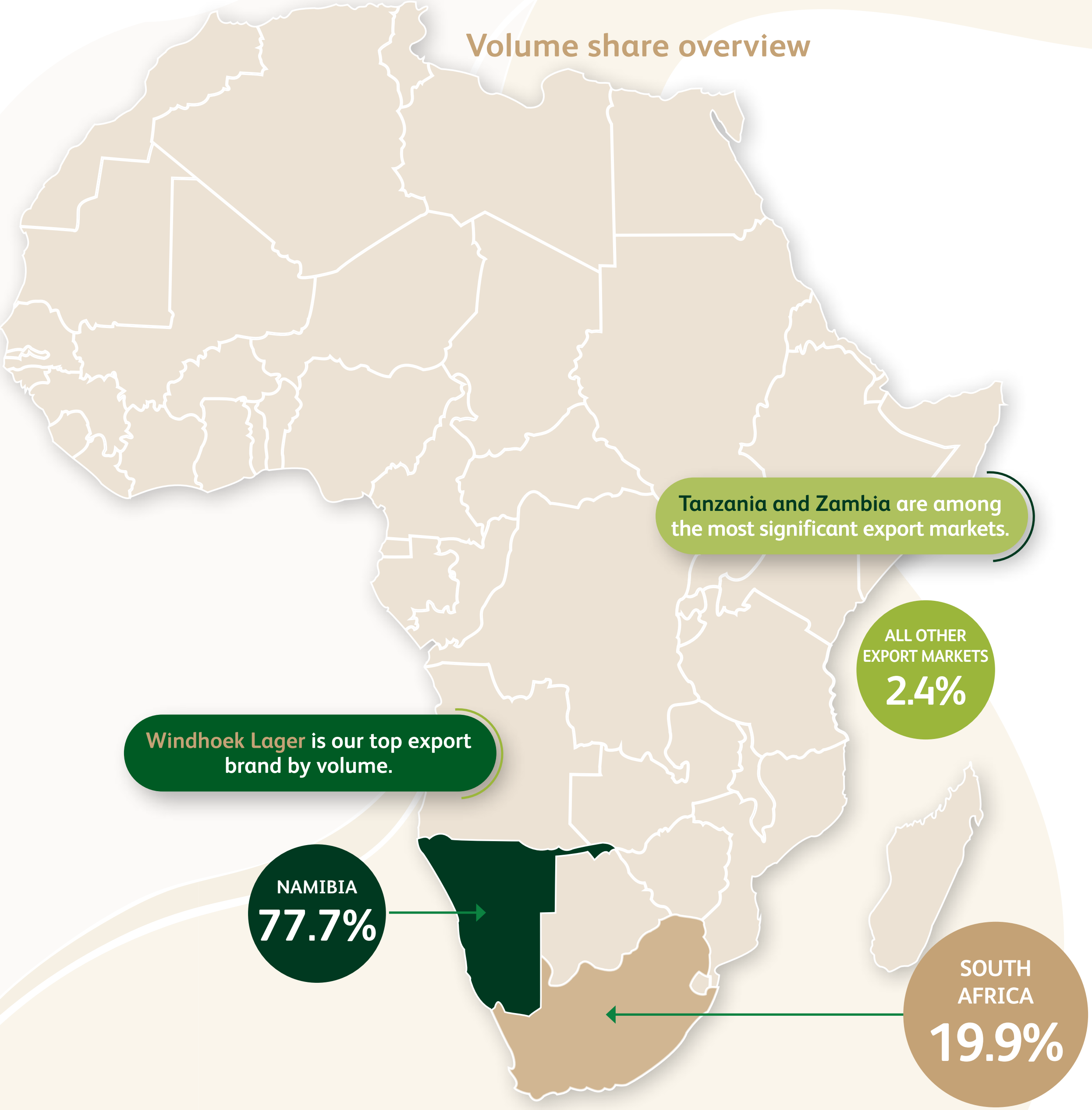
Aqua Splash

is a range of healthy Namibian mineral water available in still, sparkling and flavoured sparkling options.

[1] *https://www.foodbusinessafrica.com/savanna-premium-cider-named-worlds-no-1-cider-by-volume-in-iwsr-report/.*

Our distribution and footprint

Our products are widely distributed across Namibia, the SADC region and most recently Kenya, with exports to 13 countries, including South Africa. HEINEKEN Beverages manages distribution in South Africa, Botswana, Lesotho and Eswatini, while HEINEKEN Beverages International oversees exports to other destinations.



Our value chain

We have a global, integrated value chain and remain committed to developing local and regional suppliers to enhance local capacity.

Inputs

- Raw materials: Malted barley and hops imported from Europe
- Bulk wine and cider concentrate: Sourced from South Africa
- Spirits and premium wine: Packaged products imported from South Africa
- Fruit juice and Heineken beer: Imported from South Africa
- Packaging materials: Glass, cans and crown corks from South Africa, Angola and Europe
- Local packaging: Shrink wrap, plastic labels, paper labels, corrugated packaging, trays, crates
- Local resources: Water from the City of Windhoek, onsite boreholes
- Energy sources: Electricity from NamPower, standby generators, biomass boiler, solar panels
- Fuel: Heavy fuel oil, diesel for generators

Beverages and brewing

- Brewing standards: Brewed according to the German Reinheitsgebot of 1516
- Production: Soft drinks, low and non-alcoholic beverages produced at the Windhoek plant
- Bottled water: ***AquaSplash*** sourced and bottled in Okahandja, Outjo
- Sustainability: Capture and sell surplus CO_2, supporting the circular economy

Packaging

- Production lines: Six beer, wine and cider packaging lines for glass bottles, cans, kegs at Windhoek site
- Sustainable packaging: Designed to reduce waste, enable recycling
- Water reuse: Reclaims primary brewing water for crate washing
- Certifications and audits:
  - ISO 9001:2015 quality system
  - SANS 10330:2007 food safety management
  - HACCP food safety management
  - Environmental impact assessment clearance certificate
  - Environmental management plan
  - Radiation certificate
  - South African Bureau of Standards

Changes in our value chain over the past 18 months

Inputs:
- HEINEKEN Global Procurement: Now sourcing key commodities including hops, malt, trays, bottles, cans, crowns, labels for NBL
- Wine and cider sourcing: Concentrate sourced from South Africa for packaging in Namibia

Beverages and brewing:
- New facilities: Wine and cider production facilities now operational
- Portfolio focus: Prioritised top 16 stock-keeping units generating 80% of net sales for strategic resource allocation

Packaging:

Upgraded packaging: New and enhanced lines cater to a wider variety of glass bottles, cans, kegs, cartons or crates

Our value chain continued

Warehousing and distribution

- Route-to-market: Strong infrastructure supported by a network of depots, trucks, employees
- Delivery network: 7 depots and 4 agencies across Namibia
- Exports: 13 countries, four by road, 9 by sea
- Transport partnerships: Insourced system working with 58 Namibian and 7 South African providers
- Bottle collection: Extensive empty bottle collection network in Namibia
- Labour standards: Uphold labour rights, ensure safe working environments

Retail and consumption

- Customer base: Wholesalers, retailers, distributors, hospitality venues
- Ordering system: Managed digitally, placed online or through representatives
- Consumer reach: Serve all income groups with alcoholic and non-alcoholic beverages
- Customer support: Trade promotions and marketing initiatives
- Responsible drinking: Invest in consumer education, founding member of SAIF

Recycling

- Circular economy: Redesign processes, repurpose waste
- Water conservation: Reclaim, treat and extract beer from spent yeast
- Significant waste reduction: Only 9% waste to landfill in 2024, down from 24% in 2023.
- Waste management: Production waste is sorted, reused, recycled
- Community engagement: Support reuse through community recycling projects, founding member of the Recycle Namibia Forum

Changes in our value chain over the past 18 months

- Logistics improvements: Expanded warehouse space, enhanced logistics capabilities
- Product availability: Improved access for medium and smaller retailers, reducing logistical costs
- Transport management: Insourced system using Transnova, tender-based bidding for cost efficiencies
- Future plans: Optimising route-to-market infrastructure for greater efficiency and reach in 2025

- Updated commercial terms: From 1 July 2024, pay-for-performance terms and a new conditions-for-sale agreement introduced
- Invoice and delivery: Customers receive a single invoice and delivery for the expanded beverage portfolio
- Sales process improvements: Digital tools enhance visibility, collaboration and responsiveness across sales, customer service and supply chain

Expanded returnable packaging: Now applies to a larger part of the portfolio

Our stakeholders

We are committed to meaningful stakeholder engagement, recognising the impact of our decisions. Our long-term success depends on strong, mutually beneficial relationships.

We also aim to enhance the well-being of the societies in which we operate, contribute to socio-economic upliftment and maintain stakeholder loyalty. As a responsible corporate citizen, we focus on long-term sustainability and support numerous community initiatives that benefit our stakeholders.

The NBL Environmental, Social and Governance Committee oversees engagement and stakeholder interests.

Our Management Team addresses issues to ensure proactive communication and involvement.

Our approach to stakeholder engagement is to create a receptive political, social and regulatory environment that enables us to achieve our commercial objectives while ensuring responsible and strategic engagement.

Our stakeholders continued

Our key stakeholders are listed below, with their key engagements, concerns and our responses detailed throughout the report.

Employees

We focus on attracting and retaining talent through career development, training, competitive remuneration and a strong culture. We prioritise safety, diversity and a performance-driven environment supported by digital platforms and HEINEKEN's global expertise to enhance skills. Employee wellness is also a priority, with programmes addressing emotional, physical and financial well-being.

Consumers

Our consumers come from all income levels across Namibia and globally. We engage with them through quality, sustainable brands and experiences that exceed expectations and stay relevant to evolving demands.

Customers

Our customers range from wholesale to retail outlets, many of whom have sold our products for years. We aim to create shared value by understanding their business objectives and supporting their growth. We also work with customers to combat alcohol abuse through educational campaigns.

Suppliers

We partner with many international, regional and local suppliers, focusing on growing small and medium local enterprises. We follow fair procurement processes and prioritise quality, sustainability and ethical standards.

Communities

We are committed to positively impacting Namibian communities by supporting education, skills development, natural resource protection and community health and safety. Our communities provide crucial societal legitimacy and help us identify challenges and solutions.

Shareholders and providers of capital

Our shareholders invest in NBL to grow the long-term value of their shares. They expect responsible growth, risk management and compliance. In return, we provide them with transparent, forward-looking information and regular dividends based on performance.

Government

We support Government initiatives targeted towards realising strategic economic goals for the attainment Vision 2030. We contribute to economic and social development through corporate tax and duties, demonstrating good corporate citizenship and promoting responsible consumption.

Reasons to invest in NBL

Namibia Breweries Limited
PART OF THE HEINEKEN COMPANY

Proud Namibian identity

With over 100 years of history, NBL's deep-rooted Namibian identity sets us apart. This allows us to proudly support local communities and maintain a unique market position.

New energy and leadership

NBL's dynamic leadership, integration of the NBL and Distell teams and support from HEINEKEN position us for sustained innovation and growth.

Strong market position

NBL leads Namibia's beverage market with a solid distribution network and trusted brands, providing a strong foundation for ongoing market dominance and expansion.

Sustainability focus

NBL is dedicated to sustainability through our Brew a Better World 2030 strategy, prioritising natural resources, putting people and communities first and leading the conversation about responsible consumption. We continuously invest in initiatives that benefit our people , the environment and our business.

The HEINEKEN growth opportunity and access to global resources

As HEINEKEN's exclusive partner in Namibia, NBL can leverage global synergies, optimise procurement and access cutting-edge technologies and insights. This drives operational efficiency, enhances innovation and supports growth through cost management, improved production and market expansion.

Product quality and integrity

We prioritise quality with internationally recognised brands crafted from the finest natural ingredients. Our commitment to sustainability is reinforced through environmental optimisations and adherence to global standards.

A portfolio of leading brands

NBL offers a diverse portfolio of iconic brands like the ***Windhoek*** range, ***Heineken, Savanna*** and ***Tassenberg***. These brands lead their segments in Namibia and South Africa, ensuring strong consumer loyalty and growth.

Our operating context

According to the latest Namibia Population and Housing Census report (2023)[1], Namibia has a population of 3 022 401 people. The country is evenly split, with 50% of the population residing in urban areas and the other 50% in rural regions. Namibia spans a vast area with a low population density of just 3.7 people per square kilometre.

This expansive land is known for its stunning open spaces, attracting regional and global tourists.

Macroeconomic context

Namibia's economy is showing signs of recovery, with real GDP per capita growth of 2.15% to US$14.36 billion[2] as of October 2024 and inflation decreasing to 3.0%, driven by lower food and transport costs. The International Monetary Fund projects Namibia's real GDP growth at 4.2% for 2025, with consumer prices rising by 4.5%. In Sub-Saharan Africa, regional growth is expected to increase from 3.6% in 2024 to 4.2% in 2025, suggesting a positive economic outlook for Namibia and the broader Southern African region.[3]

Despite these positive developments, high unemployment and inequality continue to affect consumer purchasing power, limiting opportunities for premiumisation. Only 46.6%[1] of households rely on formal wages and salaries as their primary source of income.

2024 general elections

On the 27 November 2024, Namibia held its general elections whereby Netumbo Nandi-Ndaitwah of SWAPO was declared the country's first female president elect. SWAPO, the ruling party, secured 51 seats in the National Assembly, its weakest performance since independence. Although the elections held in November 2024 were declared free and fair by the African Union, the challenges experienced by the Electoral Commission of Namibia (ECN) during the election have led opposition parties, including the Independent Patriots for Change (IPC), to pursue a legal challenge seeking to nullify the election results.

Namibia's energy opportunity

Namibia has significant energy opportunities that could drive economic growth. Oil and gas discoveries position the country as a possible player in the energy market, with potential for job creation and increased exports. Additionally, Namibia's green hydrogen project, leveraging its vast renewable resources, offers a sustainable energy solution with global export potential.

While these developments present immense growth prospects, Namibia's success will depend on effectively managing energy resources and addressing infrastructure challenges. Strategic investments and sustainable policies will be essential to unlocking the country's full economic potential.

Water security in Namibia

Namibia, the driest country in southern Africa[4], faces severe water scarcity, relying heavily on unpredictable surface and groundwater sources. The central region, including Windhoek, is vital to the economy but struggles with persistent water shortages. During the reporting period, the country experienced one of its worst droughts in over a century, worsened by El Niño, leading to food insecurity, environmental degradation, health risks and rising unemployment[5].

Namibia's Vision 2030, the Fifth National Development Plan (NDP 5) and the Harambee Prosperity Plan (HPP) all prioritise sustainable water management to ensure reliable access to safe water for households, agriculture and industry. Water is a key revenue driver for the City of Windhoek, which sources water from three dams, two reclamation plants and two aquifers:

- Northern aquifer – Serving as a strategic reserve, especially during droughts.
- Southern aquifer – A smaller, artificially recharged aquifer, used as Windhoek's main water source.

NBL's five boreholes access the northern aquifer, which is not connected to the Windhoek supply system.

Read more on page 28

[1] *https://census.nsanamibia.com/*
[2] *https://www.imf.org/external/datamapper/profile/NAM*
[3] *https://www.imf.org/*
[4] *Namibia country brief https://openknowledge.worldbank.org/*
[5] *UN Sustainable Development Group https://unsdg.un.org/*

Beverage and consumer trends

Consumer trends in Namibia and Southern Africa differ from global patterns. Through market research, including a demand-space mapping exercise, we identified key consumer behaviour drivers to help us effectively target premium and mainstream occasions. Key findings include:

Alcohol consumption trends

Namibia has one of the highest per capita alcohol consumption rates in Africa and ranks among the top 10 globally[1]. Despite this, Namibian consumers strongly emphasise maintaining control while drinking, which aligns with the cultural value of social reputation. Affordability plays a crucial role in purchasing decisions, with consumers often balancing price with the product's perceived value.

Responsible drinking and moderation

While the global low- and no-alcohol segment is growing and younger consumers globally are adopting more sober lifestyles, this trend has not yet gained significant traction in Namibia. However, lighter, less bitter and slightly sweeter beverages are becoming more popular, particularly among younger consumers seeking easy-drinking options.

Our research shows that, for Namibians, moderation is focused on maintaining control rather than reducing consumption. This presents an opportunity to promote better drinking habits and encourage responsible consumption. Insights indicate that responsible drinking messages are most effective when based on clear facts and consequences.

Read more on page 33

Premiumisation

Consumers in Namibia are eager to explore new flavours and functional ingredients but tend to favour trusted brands when seeking novel experiences. There is a growing demand for high-quality beverages for special occasions, with premiumisation driving a shift from homebrews to branded drinks. This trend reflects a desire for reliability and status. However, homebrews remain popular, offering an affordable alternative with perceived nutritional and relaxation benefits, especially in the current economic climate. Our diverse portfolio caters to the premiumisation shift, offering a range of options to meet evolving consumer preferences.

An uptick in tourism

Tourism has increased over the past 12 months and indicators suggest that higher tourist activity has positively impacted our performance. To gain deeper insights into this trend, we are engaging directly with key stakeholders in the tourism sector, enabling us to identify opportunities and align strategies to capitalise further on this growth.

[1] *US National Library of Medicine, Namibia Country Report, 2020, https://pmc.ncbi.nlm.nih.gov/*

Our strategy

EverGreen is HEINEKEN's strategy, which we have adopted to help NBL deliver superior and balanced growth for our business.

It is built on a value creation model known as the Green Diamond. This model places growth, profit and capital on equal footing with sustainability and responsibility:

The Green Diamond helps us define what "winning" looks like. Through this framework, we aim to strike the right balance between short-term delivery and long-term sustainability, as well as between top-line growth and stakeholder value creation.

At the heart of EverGreen is a shift from simply achieving superior growth to achieving superior and balanced growth. The Green Diamond encapsulates our ambitions, which we achieve through the following drivers:

Our values underpin the EverGreen strategy

Our values form the core of everything we do, guiding us as we strive for sustainable and responsible growth while delivering long-term value for all stakeholders. They shape the way we conduct our business:

- **PASSION** for consumers and customers
- **CARE** for people and the planet
- **COURAGE** to dream and pioneer
- **ENJOYMENT** of life

HEINEKEN EverGreen

Shape the future of beer and beyond

Focus on driving growth by prioritising consumer needs, expanding the portfolio through innovation and premiumisation and enhancing the route-to-consumer with digital initiatives to help customers thrive.

Managing Director's report, page 22.

Fund the growth, fuel the profit

Achieving balanced growth through strategic investments, while driving efficiency and productivity across the business to free up funds for these investments.

Managing Director's report, page 24.

Raise the bar on sustainability and responsibility

Embedding sustainability with a focus on scaling impact to drive meaningful progress, through the Brew a Better World strategy.

Brew a Better World, page 27.

Become the best-connected brewer

Accelerating digital transformation, leveraging data, automating processes and modernising technology to build a future-proof, digitally enabled organisation.

Managing Director's report, page 25.

Unlock the full potential of our people

Unlocking the full potential of our people, enhancing talent management, prioritising well-being and leveraging technology to drive processes and lead in social sustainability.

Brew a Better World, page 30.

Managing director's report

NBL demonstrated resilience and adaptability over the past 18 months, delivering a strong performance in the second half of 2024.

Waldemar von Lieres
Managing Director

The first six months of the reporting period were challenging, with much of our focus on integrating the NBL and Distell businesses. During this time, we also lost market share in Namibian beer volumes following a price increase in July 2023.

Our interventions stabilised the volume decline and over the next 12 months, improved pricing and focus on excellent commercial execution drove a robust recovery.

The broader NBL portfolio demonstrated its strength by leveraging the wider reach, better price management and coordinated planning with HEINEKEN Beverages South Africa. This positioned NBL to capitalise on shifting consumer preferences and category switching.

NBL achieved volume growth across all key beverage categories, delivering exceptional results reaffirming the strategic vision set at the transaction's inception.

Shaping the future of beer and beyond

Volume trajectory and growth drivers (January – December 2024 vs January – December 2023)

Beer

The beer category faced intense competition. We reset our pricing strategy and avoided price increases, recognising the growing price sensitivity among mainstream beer consumers. This boosted our market share, positioning us for sustainable growth.

Namibian beer volumes increased by 7%, driven by improved economic conditions and pricing adjustments and supported by the refreshed ***Windhoek*** brand proposition and enhanced visual appeal.

Windhoek Draught remained Namibia's top beer brand by volume. We continued supplying Heineken Beverages South Africa with contracted beer volumes, seeing 70% growth in 2024 compared to the 2023 calender year.

Export volumes initially contracted while establishing the export distribution model with Heineken Beverages International. However, momentum picked up in the third and fourth quarters of 2024.

Cider and RTDs

The cider and RTDs category saw growth of 44%, with ***Savanna*** and ***Hunter's*** leading the charge.

Savanna benefited from consistent supply and an expanded distribution footprint, contributing to strong growth. The brand's "So You Think You're Funny" campaign also helped deepen consumer connections through humour.

Bernini also performed strongly, reflecting significant growth in the premium cider segment. Overall, cider remains a key growth driver.

Wine

The mainstream wine category performed well, achieving 10% volume growth, with ***Castelo Gingerfizz*** and ***Tassenberg*** showing strong results.

The category experienced stronger consumer demand, supported by strategic marketing efforts. We maintained our position as a market leader, particularly in the premium segment, with brands like ***Nederburg*** and ***Durbanville Hills***.

Spirits

Spirit volumes increased by 35%. Premium spirits, particularly ***Richelieu***, performed strongly. This success reflects the growing demand for high-quality spirits and our ability to meet consumer preferences with premium offerings.

Softs and water

These beverages presented growth opportunities, with the category showing promising trends with growth of 10%.

Our water offerings performed well, although this segment remains less dynamic than other categories.

We continue to focus on maintaining solid performance in this category

Through our extended network, Distell brands' visibility and availability increased dramatically. These brands achieved impressive growth, particularly in ciders and mainstream wines. Our ongoing efforts focus on ensuring that consumers have easy access to our products at competitive price points.

Export market dynamics

In export markets, performance was sluggish in the first half of 2024, notably in Tanzania, due to foreign currency constraints. More strategic product allocation decisions and support from HEINEKEN Beverages International drove a turnaround, leading to volume growth from July onwards.

Kenya emerged as a promising market, with the launch of ***Windhoek*** beer in January 2025 set to drive further growth.

Revenue growth and profitability

Financial performance summary

	18 months ending Dec 2024	12 months ending Jun 2023	Year-on-year change
Revenue	**N$6 825 million**	**N$3 388 million**	101.4%
Operating profit	**N$896 million**	**N$421 million**	112.6%
Headline EPS	**315.3 cents**	**162.7 cents**	93.8%

Strong results over 18 months

Our net revenue increased by 101.4% to N$6 825 million, driven primarily by the successful integration of the Distell portfolio, volume growth and strategic pricing decisions.

Operating expenses increased by 99.8% to N$5 929 million, mainly due to costs linked to the new portfolio, the Distell Namibia integration and ongoing integration efforts with HEINEKEN.

Operating profit increased by 112.6% to N$896 million, reflecting volume growth in Namibia and volume to South Africa. The South African market exceeded expectations, with ***Windhoek*** performing strongly, supported by royalty agreements and robust supply partnerships.

Headline earnings per ordinary share from continuing operations increased by 93.8%, from 162.7 cents in 2023.

Capital management and strategic investment (18 months)

NBL continued to manage cash efficiently. We maintained a healthy balance sheet, with net cash flow from operating activities increasing to N$963 million. Cash generated from operations increased by 246% to N$1.56 billion. Capital expenditure for the period amounted to N$756 million, up from N$244 million in the prior period. Net cash outflows from financing activities were N$1.39 billion. Investing activities resulted in a net cash outflow of N$708 million, reflecting continued investment in production upgrades and the expansion of local cider and wine capabilities.

We restructured borrowings to align with cash flow and operational needs, focusing on optimising the balance sheet structure for the combined business. While net debt is N$403 million, we remain well-positioned for long-term profitability and shareholder returns.

Cash flow summary

	18 months ending Dec 2024	12 months ending Jun 2023	Year-on-year change
Operating cash flow	**N$963 million**	**(N$5.09 billion)**	119%
Investing cash flow	**(N$708 million)**	**N$4.39 billion**	-116%
Capital expenditure	**(N$756 million)**	**N$244 million**	198%

Operational integration delivered a more resilient business with enhanced production scale. The expanded portfolio allowed us to respond to shifting consumer preferences, while fixed-cost ratios improved through efficiencies gained from higher volumes in the combined operations. This integration also enabled us to optimise our balance sheet and fund strategic investments.

Beyond strengthening our business, our investments in production capacity have created significant economic value in Namibia. Setting up new production lines and expanding capabilities required substantial capital investment, supporting local suppliers, contractors and service providers. Expanded cider and wine production increased demand for logistics services and packaging materials, further aiding local industries and job creation.

Milestones

July 2023
Successfully incorporated the entire portfolio into the NBL stable under separate legal entities.

September 2023
Fully consolidated the legal entities under NBL Limited, streamlining invoicing and sales operations.

April 2024
Launched local production of popular cider brands like ***Hunter's*** and ***Savanna***.

July 2024
Introduced wine packaging, including for ***Tassenberg*** and ***Castelo Gingerfizz***.

Capital expenditure yields are ahead of forecast, indicating we are creating value sooner than anticipated. Full benefits are expected to materialise in 2025, after which we will shift to regular business-as-usual expenditure, focusing on maintenance and strategic brand priorities, while continuing deep dives to manage and understand fixed costs.

Fund the growth, fuel the profit

Our operations are capital-intensive, resulting in a high fixed cost base for NBL. More than 100 cost-saving initiatives were identified to support our strategic ambition, to address sustainable cost management and focus on delivering value that consumers are willing to pay for. These initiatives span a wide range of areas, from sea freight and shipping to malt procurement and production efficiencies.

In-house transport management for cost efficiency

In 2023, we made the strategic decision to insource our transport management function, implementing the Transnova transport management system. This shift allows us to manage logistics while continuing to outsource the physical transportation. Introducing a tender-based bidding system has improved cost efficiency, allowing us to capture gross profit within the transport rate.

While we continue to outsource bulk transport of wine and cider concentrate to HEINEKEN Beverages in South Africa, we are gradually shifting these operations to Namibian transporters. This transition supports local economic growth despite some challenges, including ensuring local tankers meet safety certification standards. We are working closely with suppliers to address these issues.

Transport breakdown of carriers

Category	Total carriers used	% of carriers used	Namibian registered	South African registered	Total volume contribution of Namibian carriers
South Africa operations	23	35.38%	18	7	95%
Namibia operations	59	90.77%	58	1	99%

This streamlined model enhanced service levels and improved logistics efficiencies, such as single-truck deliveries for the entire portfolio. We have seen strong growth among smaller customers, who now benefit from a broader range of products through our established distribution network. Feedback from our quarterly Voice of Customer surveys confirms the positive response, with satisfaction ratings averaging between 7 and 8 out of 10.

Raise the bar on sustainability and responsibility

Customer engagement

We have embraced HEINEKEN's Brew a Better World ambitions of water, responsible consumption and social impact, among other initiatives across NBL's broader scope of sustainability and responsibility ambitions. We were proudly recognised as one of the top three established companies at the Namibia Sustainability Development Awards in 2024.

Water

Namibia is the driest country in Sub-Saharan Africa, facing significant water scarcity. Government focuses on sustainable water management through Vision 2030 and other national plans. As the largest water user in Windhoek, we are committed to minimising consumption and reducing our impact on water usage. Our operations rely on both municipal water and boreholes. During the drought in 2024, we received a permit allowing us unlimited borehole water withdrawal, enabling us to fulfil up to 80% of our production water needs. We also collaborate with stakeholders, including the Ministry of Agriculture, Water and Land Reform and the City of Windhoek, to ensure the long-term sustainability of water resources.

For more on water sources in Windhoek, please refer to the operating context section on page 18. The Brew a Better World chapter details our water management initiatives on page 28.

Responsible consumption

Regarding responsible alcohol consumption, we have acknowledged that we need to start with our own people. We implemented internal measures to promote a healthier culture, including workplace breathalyser tests and employee support programmes.

Externally, we are partnering with universities and related institutions to educate the public, particularly young people, on responsible alcohol consumption and zero tolerance for drinking and driving.

Social impact

Our social impact supports economic resilience with a workforce of 949, developing skills and supporting entrepreneurship, innovation and the growth of small businesses. We prioritise social investment and support our communities through employee volunteer programmes and social initiatives while promoting responsible, healthy lifestyles.

Importantly, we also launched the MSME Development Fund to support future suppliers, which is a significant opportunity for NBL to be a force for good.

Become the best-connected brewer

We implemented several internal system improvements, including enhancements to the sales process.

Over the next two years, the business will implement a new enterprise resource planning system, adopting HEINEKEN's global standard solution. While NBL's current system offers valuable historical sales and payment insights, modernisation is essential. This transition to HEINEKEN's Digital Backbone will overhaul NBL's core IT infrastructure and business applications.

Enhancing our sales processes

The integration process prioritised customer interfaces, ensuring we optimise our portfolio, relationships and channels. The introduction of the Search Engine Marketing (SEM) app revolutionised our sales processes, moving away from manual records and improving visibility into customer interactions and activities. This app consolidates our customer database, assigns accounts to sales representatives and provides real-time product availability and pricing information. This has enhanced transparency and strengthened collaboration across our sales, customer service and supply chain teams.

Sales performance was strong, with growth across all categories.

Improved forecasting and sales operations, supported by the SEM app, stabilised customer stock patterns and boosted working capital. This data-driven approach allowed us to better understand price sensitivity and competition. We refined pricing strategies and aligned promotional efforts with customer needs.

Unlock the full potential of our people

Leadership, change management and investment in training and development were key priorities related to our people's potential.

The integration saw the appointment of a new Management Team, bringing together deep experience, fresh expertise and diversity. We also aligned performance management systems with HEINEKEN's frameworks, driving a significant cultural shift.

We focused on placing the right talent in critical areas and launched 56 intensive training programmes to equip employees with essential skills, from forklift handling to commercial skills and cybersecurity.

Read more from page 30

Despite the challenges of operating in a tough market while managing integration and expansion, 80% of employees in our latest Climate and Culture Survey reported feeling engaged and well-equipped with the tools and support they need. We commend their resilience throughout this demanding period.

Prospects

Given ongoing socio-economic challenges, we expect subdued consumer demand in the immediate future. Our strategic priorities include leveraging the expanded portfolio, optimising the supply chain and implementing a new enterprise resource planning system to enhance operational efficiency.

The integration with HEINEKEN provides a strong platform for regional growth and long-term sustainability. While initial integration costs have weighed on margins, we anticipate a gradual recovery driven by operational efficiencies and portfolio diversification.

Reflecting our confidence in the strategic direction, the Board has declared an ordinary dividend of 157 cents per share. Payment will be made to shareholders registered at the close of business on 16th of April, with payment scheduled for 14 May 2025.

Our performance over the 18-month period underscores our resilience and adaptability during a transformative phase. Despite pricing, competition and consumer behaviour challenges, we have achieved solid growth across key categories.

As the advantages of integration and cost-conscious culture continue to materialise, we are well-positioned for sustained growth and profitability.

As I step into the role of Managing Director, I extend my gratitude to Peter Simons for his leadership and significant contributions over the past 18 months, which have strengthened NBL and ensured a smooth transition. I also thank the Board, Management Team and employees for their dedication and support throughout this process. NBL builds on a strong foundation while embracing change. We remain committed to inspiring a better world and positively impacting Namibian communities. I am honoured to take on this role and look forward to what we can achieve together.

Waldemar von Lieres
Managing Director

Brew a better world

NBL has upheld responsible and sustainable business practices for over 100 years. The HEINEKEN Brew a Better World 2030 strategy strengthens these efforts with a structured approach, guiding NBL's focus on three key pillars: environmental, social and responsible practices.

Sustainability is central to our strategy, with the Green Diamond placing sustainability and responsibility on equal footing with growth, profit and capital.

NBL was recognised in 2024 as a top 3 established company in the Namibia Sustainability Development Awards.

THE NAMIBIA SUSTAINABLE DEVELOPMENT AWARDS

Our strategic driver – Raise the Bar on Sustainability and Responsibility – guides our efforts to embed sustainability, scale impact and drive meaningful progress through the Brew a Better World strategy.

HEINEKEN BREW A BETTER WORLD RAISE THE BAR 2030

We do not report on all the Brew a Better World ambitions and goals, as HEINEKEN consolidates data from all operating companies for its global Brew a Better World reporting. The following sections outline NBL's key Brew a Better World focus areas, including our ambitions, initiatives, progress and supporting metrics for each pillar. Achieving our ambitions across these pillars requires investment, execution, learning and collaboration. Strategic partnerships amplify our impact.

The indicators below reflect the 12 months ending 31 December 2024. For comparability, the 2023 figures in this chapter have been restated to allow readers to assess year-on-year progress.

Environmental pillar

Carbon reduction

Context and commitment

Burning finite carbon and fossil fuels depletes natural resources and generates greenhouse gases, driving climate change and harming health and wellbeing.

We purchase electricity from NamPower, which operates three power stations (diesel, coal and hydro) but imports most of its electricity. Energy security is becoming an emerging risk for Namibia.

NBL is committed to clean energy by replacing fossil fuel-based electricity with renewables and improving energy efficiency across our operations. We are focused on reducing Scope 1 and 2 emissions and lowering our reliance on fossil fuel energy, with the goal of making NBL carbon-neutral by 2030.

Ambition	Goals	Progress
Reach net zero carbon	Reach net zero in scope 1 and 2 by 2030.	We achieved an 1.15% year-on-year reduction in non-renewable electricity use. 66% of our total energy (electrical and thermal) from alternative energy sources (2023: 57.4%).

Our biomass boiler

NBL's biomass boiler, the largest in Namibia, reduces our reliance on heavy fuel oil by approximately 14.7 million litres annually. The boiler produces heat using invader bush and in 2024, we subcontracted a local supplier who cleared 622 hectares of land to provide woodchips for this purpose.

Since the beginning of 2024, the biomass boiler has been the primary boiler providing thermal energy. If necessary, backup generators ensure we meet all energy needs during power interruptions.

By December 2024, 90.50% of our thermal energy came from the biomass boiler, surpassing previous records.

Sharing our insights

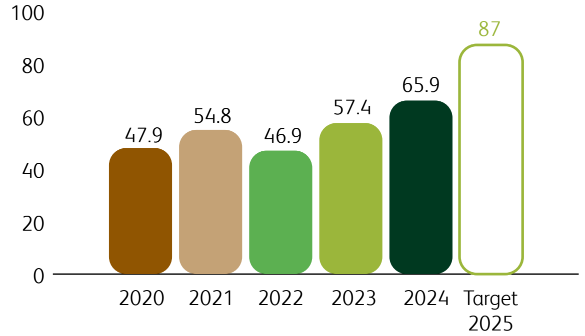
Since commissioning our biomass boiler in 2016, we have overcome challenges and optimised efficiency, gaining valuable insights along the way. At the Biomass Fair 2024 in Otjiwarongo, we shared our experience to support the broader biomass sector, helping MSMEs navigate key challenges and opportunities in the industry.

Solar energy

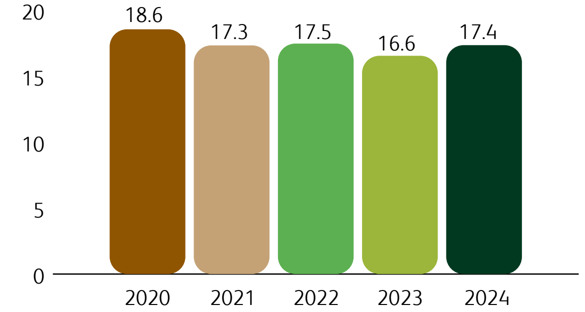
NBL commissioned its first solar plant in 2013 and a second in 2023, enabling us to source approximately 20% of our total electricity from solar energy. However, we have reached our daily photovoltaic production limit, as we are not permitted to export excess energy during peak sunlight hours. Our Electricity Control Board permit allows us to generate up to 30% of our own electricity.

In 2024, we saved 3237 tons of CO_2 emissions through solar energy (up from 1 658 tons in 2023) and used 3238 MWh of green electrical energy at our Windhoek premises, further reducing our carbon footprint.

Alternative energy vs total energy (%)



Total electricity consumption (kWh) (millions)



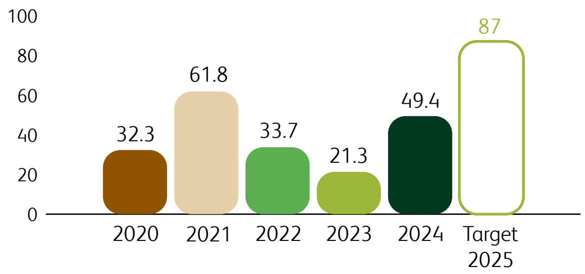
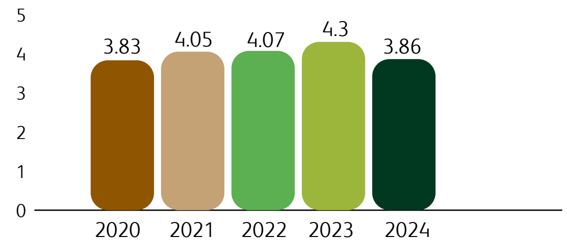
Water use and efficiency

Context and commitment

Water is essential to our operations. It is the primary ingredient in our products and is used in nearly all manufacturing processes. We source municipal water from the City of Windhoek and five boreholes on our Windhoek premises.

As the largest water user in Windhoek, we are committed to minimising consumption and reducing the impact of our operations on water quality.

Read more about the broader context around water scarcity in Namibia on page 18.

Ambition	Goals	Progress
Towards healthy watersheds	Fully balance water used in our products in water-stressed areas by 2030.	NBL will develop and implement a water balancing project in 2025.
	Maximise reuse and recycling in water-stressed areas by 2030.	**Alternative water[1] vs total water use (%)** 
	Treat 100% of wastewater from all breweries by 2023.	We reclaim and pre-clean 100% of our effluent, which is then treated by the City of Windhoek under a contractual agreement, benefiting from the bacteria in our effluent.
	Reduce average water usage to 2.6 hl/hl in water-stressed areas and 2.9 hl/hl worldwide by 2030.	**Water used per hectolitre of beverage produced (hl)[2]** We achieved our original 2025 target (3.9hl/hl) ahead of schedule, reaching 3.86hl/hl for the full 2024 year. This excludes borehole water treatment losses. We'll continue to monitor and improve our water efficiencies. 

Partnering for sustainable water management

We partnered with the Ministry of Agriculture, Water and Land Reform to support the Water Resource Management Act (WRMA) Conference, held in October 2024.

The conference aimed to raise awareness and drive enforcement of the Act, which protects and ensures the sustainable use of our country's water resources. We took the opportunity to share our own water-saving initiatives, highlight our compliance with the Act and strengthen collaboration with key stakeholders.

Uniting industry for water sustainability

NBL's five boreholes, drawing from the recharging northern aquifer, can supply around 80% of our production water needs during droughts. In 2024, we were granted a permit allowing unlimited borehole water withdrawal, ensuring we could meet our production requirements. Recognising the need for collective action, we re-established the Northern Industry Forum (NIF) to unite businesses that rely on the northern aquifer. NIF members include leading companies across industries operating in the northern industrial area.

The forum serves as a collaborative platform to engage with Government, local authorities and stakeholders, ensuring the long-term sustainability of this vital water source.

As a first step, we commissioned a hydrology report to update the last study conducted in 2016. The report will guide a collective action plan, demonstrating the power of collaboration in protecting our shared water resources.

[1] Alternative water sources include desalinated, treated seawater or ground water (boreholes), whereas municipally treated water constitutes a conventional water source.
[2] Excluding borehole water treatment losses.

Waste and the circular economy

Context and commitment

Adopting circular economy principles, such as recycling, reusing and reducing waste, can lower operational costs, enhance brand reputation, and support long-term environmental and economic resilience. We generate a wide variety of waste during production and aim to minimise it, focusing on reuse and recycling to prevent landfill disposal.

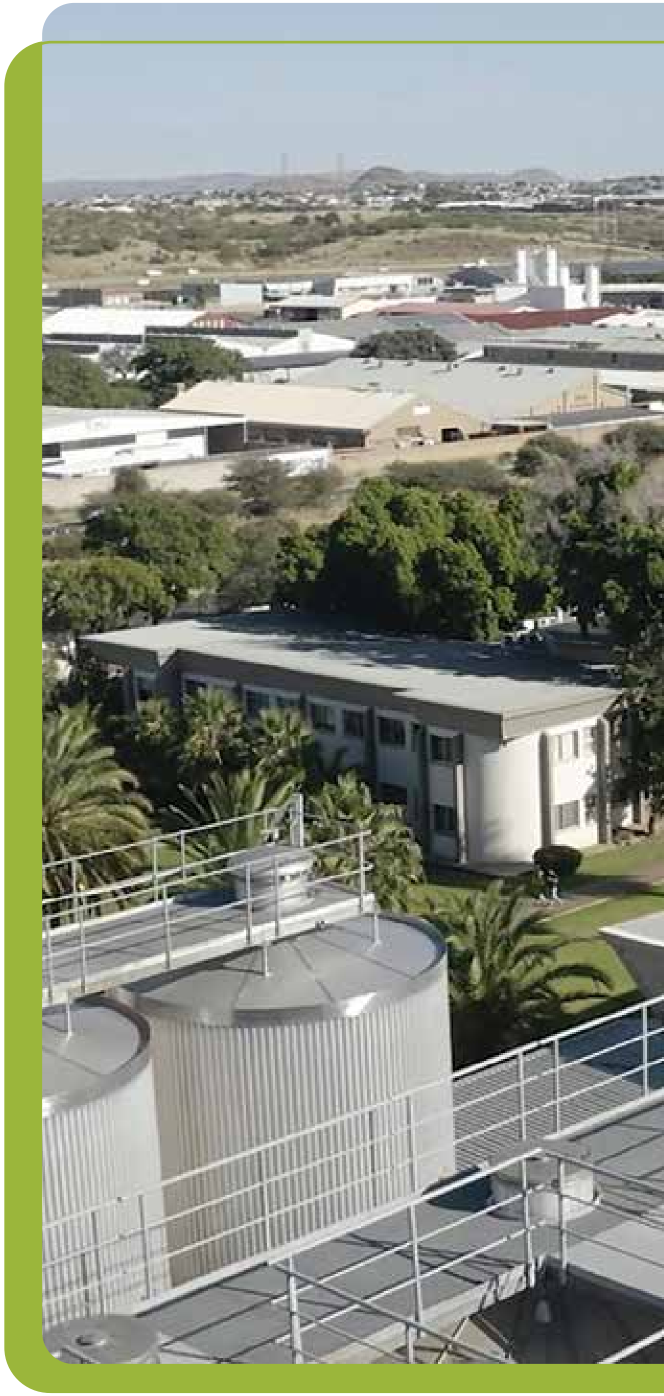
Ambition	Goals	Progress
Maximise circularity	Zero waste to landfill for all production sites by 2025.	9% waste to landfill (2023: 24%).
	Turn waste into value and close material loops throughout the value chain.	7857.24hl of beer extracted from spent yeast (2023: 7,280-hl). 90.64 tons of surplus CO_2 sold (2023: 93.4 tons). 91% return ratio for returnable glass bottles (2023: 89%).

In our efforts to support the circular economy:

- 100% of our returnable bottles now use paper labels instead of plastic (2023: 79.8%), reducing packaging waste and promoting material reuse.
- Beer crates are fully recyclable. When no longer suitable for reuse, they are shredded in Namibia and converted into plastic granulates, with 30% of new crates made from recycled materials.
- Trays also contain recycled components.
- Used aluminium cans are collected through the Recycle Namibia Forum's Collect-a-Can initiative.
- The liners from label stickers used on bottles are collected for recycling and repurposed into clothing and fibre.
- Coils from shrink-wrapped pallets are returned to the supplier for reuse.
- At secondary depots, we separate waste from bottles and cans, which Rent-a-Drum collects weekly for recycling.

Growing our range of returnable bottles

Returnable bottles play a crucial role in our sustainability efforts by reducing waste and supporting the circular economy. NBL has introduced returnable bottles for wine, building on the successful model used for our beer bottles. Approximately 50% of our beers are packaged in bottles that can be reused 20-30 times and we are now extending this to wine bottles. Each returnable bottle is subject to a refundable N$1 deposit, encouraging customers to return them after use.



Social pillar

Employees

Context and commitment

Namibia faces persistent challenges, including low employment and slow job creation. While signs of economic recovery have emerged, achieving sustainable growth requires building a globally competitive economy by creating jobs, enhancing skills and improving productivity across all sectors. We are committed to creating an environment where our employees feel valued and supported.

In line with our commitment to growth, we have embraced digitalisation to improve efficiency. We have streamlined core processes such as the processing of leave and access to payslips by implementing SuccessFactors, a global HR platform. Reducing administrative workload enables us to allocate more resources to impactful areas such as learning and development while connecting our employees with HEINEKEN's global network to drive innovation, efficiency and access to timeous, relevant company-wide information.

We maintain strong employee relations, with a constructive partnership with the Namibia Food and Allied Workers Union (NAFAU), which represents 33% of our workforce. Recent wage negotiations were concluded swiftly, reflecting our mutual commitment to fair and transparent dialogue.

Given the high-risk nature of our operations, particularly to high-speed moving machinery, health and safety remain top priorities. We adhere to strict safety standards to protect our employees' well-being. We have recently embarked on a "Hearts and Minds" safety campaign to further support our safety messaging and focus.

Employees receive complimentary NBL products for social occasions, not resale. To encourage responsible consumption, we have implemented moderation programmes and provide transport for company events to prevent drinking and driving.

Our 2024 employee profile

	Racially disadvantaged		Racially advantaged		Persons with disabilities		Non-Namibians		Total	
Job category	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
Executive Directors	–	–	1	–	–	–	1	–	2	–
Senior management	–	2	1	1	–	–	3	1	4	4
Middle management	29	29	29	15	–	–	6	4	64	48
Specialised/skilled/senior supervisory	26	27	8	2	–	–	–	–	34	29
Skilled	127	41	5	3	–	–	1	–	133	44
Semi-skilled	388	55	3	2	4	1	–	–	395	58
Unskilled	95	12	–	–	–	–	–	–	95	12
Total permanent	**665**	**166**	**47**	**23**	**4**	**1**	**11**	**5**	**727**	**195**
Casual/temporary and seasonal	14	12	1	–	–	–	–	–	15	12
Total	**679**	**178**	**48**	**23**	**4**	**1**	**11**	**5**	**742**	**207**

Diversity, equity and inclusion

Ambition	Goals	Progress
Embrace inclusion and diversity	Gender balance across senior management: 30% women by 2025, 40% by 2030.	20% women in the NBL Management Team.
	Cultural diversity: 65% of country leadership teams are regional nationals by 2023.	87% of the NBL Management Team are regional nationals.
	100% of our managers trained in inclusive leadership by 2023.	100% of the NBL Management Team completed inclusive leadership training.

We advance an inclusive and diverse workplace that is aligned with Government's transformation efforts. Our goal is to increase the diversity of our employee demographics by supporting workplace transformation. NBL complies with the Namibian Labour Act 6 of 1992, ensuring we meet all legal requirements.

As part of our affirmative action plan, we set annual targets to ensure gender balance across divisions through fair and equitable recruitment practices. We also offer fully paid maternity leave to provide financial security for mothers and have established a private on-site breastfeeding facility to help attract and retain female talent.

Our latest Climate and Culture Survey revealed that 80% of employees feel engaged and equipped with the necessary tools and support to succeed.

A fair and safe workplace

Ambition	Goals	Progress
A fair and safe workplace	Fair wage for employees: Close any gaps by 2023.	All gaps are closed
	Equal pay for equal work: assessments and action by 2023.	Global audit by a verified third party will be underway in Q2 2025, whereafter a detailed implementation roadmap will be drafted, vetted and authorised.
	Ensure fair living and working standards for third-party employees and brand promoters.	This forms part of the audit scope, as referenced above.
	Create leadership capacity to drive zero fatal accidents and serious injuries at work by 2030.	Zero fatal accidents, one serious injury.

Fair and equal pay

Fair and equal pay is important to us. We use the Paterson grading system to formalise and rank roles based on complexity, decision-making, levels of accountability and responsibility, among other criteria, to ensure transparency and fairness. Remuneration is linked to this grading system and our employment offering includes benefits such as housing allowances, free company transport and subsidised meals. Read more in the remuneration report from page 46.

The transition to HEINEKEN's performance appraisal and remuneration structures is complete at the Senior and Middle Management levels, building on NBL's already progressive practices. Where necessary, employees are receiving additional support through change management.

Health and safety

We recorded zero fatalities in 2024, but one serious injury led to a full safety review. To prevent future incidents, we have strengthened protocols, retrained employees and appointed an additional full-time safety manager to oversee compliance. Employee induction and continued training programmes support employees to mitigate incidents related to moving machinery, forklift and truck operations, as well as ventilation and lighting demands. We offer free occupational and primary healthcare services at the Windhoek on-site clinic.

Social impact projects

Context and commitment

We have a long history of giving back to local communities in appreciation of their continued support. Social investment initiatives and brand sponsorships support job creation, entrepreneurship, creativity and innovation while encouraging the formalisation and growth of small businesses.

Ambition	Goals	Progress
Positive impact in our communities	A social impact initiative in 100% of markets in scope.	A social impact initiative implemented in all of our markets within scope.

NBL invests in strengthening culture and sports

Our commitment to social impact is reflected in our support for education, environmental conservation and community development, including projects at the University of Namibia (UNAM) Henties Bay Sam Nujoma Campus, the Arid Eden Project and the Development Aid from People to People Vocational Training Center in Outapi.

We contributed N$7 234 614 in product and monetary sponsorships across Namibia, with investments in culture, sports and other national initiatives. We support cultural events such as Wika and Oktoberfest, sports bodies like the Namibia Rugby Union, Cricket Namibia and the Hage Geingob Cup, and promote the Responsible Consumption agenda through our 19-year Festive Season Road Safety Campaign in partnership with the Motor Vehicle Accident Fund and the Namibia Police.

Advancing climate-smart agriculture in Namibia

Namibia faces climate change, water scarcity and food security challenges, which impact NBL's operations (see the operating context on page 18 and our focus on water on pages 28 and 29).

These issues also highlight the need for sustainable agriculture to ensure long-term food production and economic stability.

In partnership with the Hanns Seidel Foundation, NBL sponsors the Think Namibia Campaign. This initiative provides knowledge, skills training and capacity-building in climate-smart farming to strengthen food security, reduce water usage and improve livelihoods in rural and urban communities.

Responsible pillar

Context and commitment

We are dedicated to promoting moderate and responsible drinking habits to protect the well-being of individuals and communities. At NBL, we lead Namibia's responsible drinking agenda with a proven track record of initiatives that address responsible consumption and road safety, especially during peak holidays.

As a founding member of SAIF, we collaborate with the government, communities and NGOs to market alcoholic beverages responsibly. SAIF's voluntary membership upholds world-class standards to prevent alcohol abuse.

Ambition	Goals	Progress
Always a choice	A zero alcohol option for two strategic brands in most of our markets (90% of our business) by 2023.	Heineken 0.0, Windhoek Non-Alcoholic and Savanna Non-Alcoholic.
	Clear and transparent consumer information on 100% of our products in scope by 2023.	100% of NBL products have clear and transparent consumer information.
Address harmful use	100% of markets in scope have a partnership to address alcohol-related harm.	Partnerships outlined below.

Commitment to road safety

In line with our commitment to road safety, we continue to collaborate with the National Road Safety Council, NAMPOL, the City of Windhoek, Roads Authority and the Motor Vehicle Accident Fund to promote road safety. This effort supports our broader goal of halving the number of global deaths and injuries from road traffic accidents by 2030. We sponsored the 2024 Festive Season Road Safety Campaign with NAMPOL and MVA as part of our long-standing 19-year partnership.

NAMPOL sponsorship

Since 2006, NBL has been committed to supporting local road safety campaigns and promoting responsible behaviour among motorists. We were one of the largest donors to the Festive Season Road Safety Campaign 2024/2025. We donated 198 cases of AquaSplash water, valued at N$36 580 and 74 reflective jackets to the value of N$22 331 to the Namibian Police Force (NAMPOL) to support frontline officers stationed at roadblocks during the festive season. Our long-term contributions emphasize our ongoing care and dedication to road safety.

Partnering to promote responsible consumption

We partnered with UNAM to promote responsible alcohol consumption among students. The initiative will train peer educators to lead workshops and campaigns at all 12 UNAM campuses. NBL is contributing almost N$200 000 to support this effort to build a culture of responsibility. The programme was launched at UNAM's Annual Christmas in October event and will empower students to become ambassadors of positive change within their communities.

Corporate governance report

Our commitment to good corporate governance

The NBL Board of Directors is committed to upholding the highest standards of corporate governance. We implement robust governance processes and principles to prioritise ethical conduct and effective leadership.

Our commitment to best practice drives us to continuously strengthen the management and integration of governance principles. To advance an ethical culture, ensure business performance, establish effective controls and maintain legitimacy, we implement the core principles outlined in:

- NamCode
- The Namibia Securities Exchange Listings Requirements
- The Companies Act 2004 and its Regulations
- Our Memorandum and Articles of Association

In addition, we adopt industry-specific governance practices.

Our purpose is to brew the joy of true togetherness to inspire a better world. Our work reinforces this purpose by promoting openness, ownership, accountability and integrity across NBL. These elements underpin sound risk management and the consistent application of good governance practices.

Our governance structures and mandates

The Board has established governance structures to manage NBL's complex operating environment, risks and strategic objectives. Three Board Committees, structured to meet our needs, support the Board in fulfilling its fiduciary and oversight responsibilities

NBL Board

- NBL Audit and Risk Committee
- NBL Remuneration Committee
- NBL Environmental, Social and Governance Committee

Board of Directors

The roles and responsibilities of the Board include:

- Steering the organisation
- Providing ethical leadership
- Ensuring accountability
- Approving policy
- Offering strategic guidance
- Safeguarding stakeholder value within a framework of effective controls

These enable the assessment and management of risks to ensure sustainable development and growth.

Our Board comprises highly skilled professionals with extensive industry-specific knowledge and experience, enabling them to fulfil their governance duties objectively and effectively.

Board changes during the 18-month period

Yeliz Yedikardesler resigned as Non-executive Director of NBL on 7 October 2023. The Board announced the appointment of Jaap Overmars as a Non-executive Director on 9 October 2023.

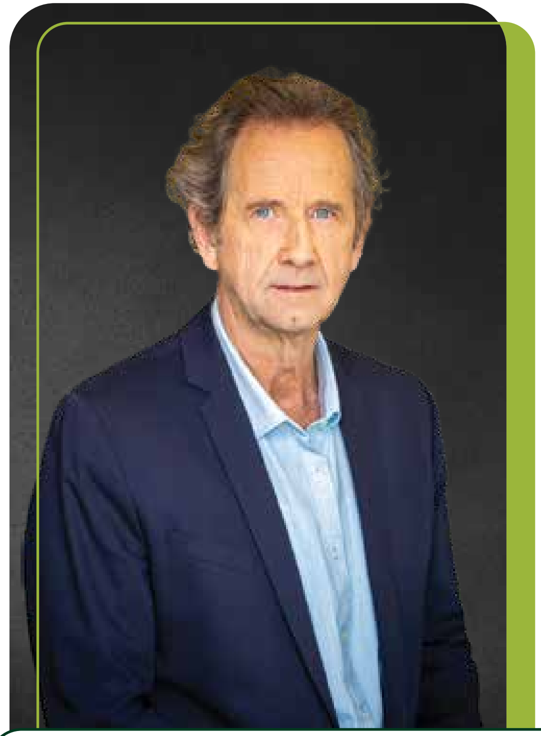
Roland Pirmez resigned as Chairperson of the Board on 21 August 2024 and Vetumbuavi Junius Mungunda was appointed the new Chairperson on the same date.

Peter Simons retired as Managing Director and Executive Director on 31 December 2024. We thank him for his significant contributions to NBL.

Waldemar von Lieres, who had served as NBL's Finance Director since July 2019, was appointed Managing Director on 1 January 2025. Willem Bierens de Haan was appointed Finance Director and Executive Director, also effective 1 January 2025.

Board profiles

Executive Directors



Peter Simons (63)

Former Managing Director

Academia: Degree in Dutch Language and Literature from the Universiteit van Amsterdam and a Bachelor in Dutch Language and Literature.

Appointment: 14 April 2023
Resigned: 31 December 2024

Experience: Peter is a globally minded business leader with extensive experience in executive management, sales, joint ventures and exports. As a well-rounded Managing Director, he brings deep expertise from working across various functions and cultures, making him highly effective in navigating international business environments.

External Directorships and Interest: Director of various companies within the Namibia Breweries Group.

Waldemar von Lieres (46)

Managing Director effective 1 January 2025

Academia: Chartered Accountant (Namibia), Postgraduate Diploma in Accountancy, Bachelor of Accounting

Appointment: 1 July 2019

Experience: Waldemar has been NBL's Finance Director since 1 July 2019, joining the O&L Group in 2007 as Finance Manager at Windhoek Schlachterei. He has held diverse roles, including Strategic Planning and Decision Support Manager at NBL. Before his current role, he served as Finance Director at Pick n Pay Namibia, overseeing the finance, IT and procurement departments.

External directorships and interests: Director of various companies within the Namibia Breweries Group.

Willem Bierens de Haan (41)

Finance Director effective 1 January 2025

Academia: Executive Master of Finance & Control / Register Controller, Master of Science in Business Economics

Appointment: 1 January 2025

Experience: Willem is a strategic, business-driven and hands-on finance leader with experience in business transformations and capability development of his Finance & Procurement team. He has been part of HEINEKEN for 15 years, starting as a management trainee and progressing through various roles in different operating companies such as Head Office, the Netherlands, New Caledonia and Suriname.

External directorships and interests: Director of various companies within the Namibia Breweries Group.

Board profiles

Non-executive Directors

Vetumbuavi Junius Mungunda (51)

Independent non-Executive Director and Chairperson of the Board

Academia: Chartered Accountant (Namibia) (South Africa), Bachelor of Commerce, Higher Diploma in Accountancy (Rhodes), Advanced Management Programme (Harvard Business School)

Appointment: 2 December 2020

Experience: Vetumbuavi was Chief Executive of Standard Bank Namibia until April 2021. Before that, he spent 18 years at Deloitte, becoming a partner in 2001, Managing Partner of Deloitte Namibia in 2007 and Regional Managing Partner for the Southern Corridor (Malawi, Botswana, Namibia, Zambia and Zimbabwe) in 2012. He founded Ombu Capital in May 2021.

External directorships and interests:
- Bank Windhoek Limited
- Betula Nigra Investments (Proprietary) Limited
- Namibia Chamber of Commerce and Industry
- Namibia Investment Promotion and Development Board
- Ngarikondwe Investments CC
- Ombu Capital (Proprietary) Limited
- Ombu Village Tours & Camping
- Oryx Properties Limited
- Schoemans Investments (Proprietary) Limited

Jordi Borrut Bel (53)

Non-executive Director and Member of the Remuneration and Nominations Committee

Academia: Degree in Pharmacy from the University of Barcelona

Appointment: 14 April 2023

Experience: Jordi is an experienced Managing Director who leads HEINEKEN South Africa. He previously held leadership roles at Nigerian Breweries Plc and Brarudi S.A.

External directorships and interests:
- Association for Alcohol Responsibility and Education
- Beer Association of South Africa
- Consumer Goods Council of South Africa
- Drinks Federation of South Africa
- HEINEKEN Beverages Holdings
- HEINEKEN Beverages South Africa
- Henry Tyler & Ries
- Sunside Acquisitions Holdings

Jan Jonathan (Jannie) Durand (58)

Non-executive Director

Academia: A qualified Chartered Accountant since 1995 with a B Accountancy Degree and Honours B. Accountancy from the University of Stellenbosch. He obtained an M Phil (Management Studies) from Oxford University in 1992.

Appointment: 14 April 2023

Experience: Jannie has been with the Remgro Group for 27 years, serving as Chief Executive Officer since May 2012. He plays an active role across Remgro investee companies, contributing his expertise as a board member. His extensive experience includes prior roles as Chief Investment Officer, Finance Director and Chief Executive Officer of VenFin Limited.

External directorships and interests:
- Business Leadership South Africa
- HEINEKEN Beverages Holdings
- Leopard Creek Share Block Limited
- Manta Bidco Limited
- Mediclinic International Limited
- OUTsurance Holdings Limited
- OUTsurance Insurance Company Limited
- RCL Foods Limited
- Remgro Limited
- Stellenbosch University
- SuperSport Sas (Proprietary) Limited
- The Mad Bunch

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Non-executive Directors continued

Hans-Bruno (Habo) Gerdes (73)

Independent non-Executive Director Director and Chairperson of the Audit and Risk Committee and Member of the Remuneration and Nominations Committee

Academia: Associate of Charted Governance Institute, Baccalaureans Procurationis (BProc)

Appointment: 28 July 2000

Experience: Habo, an admitted legal practitioner and notary to the High Court of Namibia, was formerly Managing Partner at Engling, Stritter and Partners and continues to consult on commercial and corporate matters. He serves on various boards, including the Namibia Securities Exchange and the Namibia Investment Promotion and Development Board. Until recently, he was a Commissioner of the Law Reform and Development Commission and Honorary Consul of the Kingdom of Belgium to Namibia.

External directorships and interests:

- Aqua Services & Engineering (Proprietary) Limited
- Gerdes Family Trust
- Hail Properties cc
- Lisse Family Trust
- Muirfield Investments (Proprietary) Limited
- Namib Mills Debenture Trust
- Namibia Investment Promotion and Development Board
- Namibia Securities Exchange
- Paratus Holdings Namibia Limited
- Paratus Telecommunications (Proprietary) Limited
- Sven Thieme Family Trust
- The Rapcast Trust

Martina Mokgatle (56)

Independent non-Executive Director and Member of the Environmental, Social and Governance Committee

Academia: Public Relations Diploma – PRISA, Diploma in Aquaculture and Aquaponics (University of Virgin Island), Public Relations Diploma – PRISA.

Appointment: 14 April 2023

Experience: Martina is a skilled Communication and Public Relations specialist with over 21 years of experience in executive management, administration, corporate affairs and communication across the fishing, agriculture, financial and business sectors. A commercial farmer with more than 27 years of experience, she is a participatory management advocate and an accomplished leader.

External directorships and interests:

- Aquaculture Trust
- Harambe Medicals cc
- Harambe Technology (Proprietary) Limited
- Masego Trust
- Mokgatle Construction cc
- Muango Consultancy cc
- Ocean Roses (Proprietary) Limited
- Overberg Fishing (Proprietary) Limited
- Starting Right 180 (Proprietary) Limited
- Starting Right 190 (Proprietary) Limited

Jaap Overmars (48)

Non-executive Director and Member of the Audit and Risk Committee

Academia: Register Controller / Executive Master of Finance and Control, Master's degree: Business economics: Finance, Financial and Management Accounting)

Appointment: 9 October 2023

Experience: Jaap has served as Senior Finance Director for Africa & the Middle East since October 2023. From 2020 to 2023, he was CFO/Finance Director at Heineken Mexico. Previously, he held the role of CFO/Finance Director at FrieslandCampina China and FrieslandCampina Russia and CIS.

External directorships and interests:

- HEINEKEN Beverages Holdings Limited
- Nigerian Breweries Plc

Board profiles

Non-executive Directors continued

Roland Pirmez (65)

Independent non-Executive Director

Academia: Bachelor of Engineering (Agriculture), Masters Degree (Brewing)

Appointment: 8 September 2015

Experience: Roland was appointed President of HEINEKEN Africa, Middle East and Eastern Europe in 2015. From 2013 until 2015, he was President of Asia Pacific Brewery Company Limited (APB) and CEO of APB. Roland joined HEINEKEN in 1995. From 1995 to 1998, he was Managing Director of HEINEKEN Angola. In 1998, he was appointed General Manager of Thai APB, Thailand and in 2002, became CEO of HEINEKEN in Russia.

External directorships and interests: Roland holds various other directorships and serves on various governance committees in the beverages sector.

Afra Ripurua Schimming-Chase (52)

Independent Non-executive Director and Chairperson of the Remuneration and Nominations Committee

Academia: Bachelor of Law, Master of Law, Postgraduate Diploma in International and European Law, Certified Financial Planner

Appointment: 2 December 2020

Experience: Afra is the Managing Consultant and owner of Chase and Associates CC, a woman-owned financial planning and coaching practice. A certified financial planner with the Financial Planning Institute of Southern Africa, she is also a customer service expert, public speaker and facilitator known for her dynamic approach. Afra is an accomplished board professional and the owner of CHASE Flavours, an innovative food and beverage enterprise.

External directorships and interests:

- Chase & Associates CC
- Benchmark Retirement Fund
- Old Mutual Namib Retirement Annuity Fund
- Schimming-Chase Properties CC
- NSC Trust

Kevin Santry (54)

Non-executive Director

Academia: LLB Honours Law and EU Competition Law Diploma from Kings College

Appointment: 14 April 2023

Experience: Kevin is the Legal Director for Africa, the Middle East and Eastern Europe at HEINEKEN International Group. Since joining HEINEKEN in 2008, he has gained extensive experience with operating companies across multiple regions, giving him a deep understanding of the legal aspects of global operations. His expertise in legal matters and the beverage industry enables him to navigate complex legal landscapes effectively.

External directorships and interests:

- HEINEKEN Beverages Holdings Limited
- HEINEKEN Beverages (South Africa) Pty Limited
- Serves as Director at multiple HEINEKEN AMEE companies

Board profiles

Non-executive Directors continued

Amos Shiyuka (46)

Independent non-executive Director and Chairperson of the Environmental, Social and Governance Committee

Academia: MBA from Maastricht School of Management and a Management Development Programme, Senior Management Programme and Project Management Programme from Stellenbosch Business School.

Appointment: 14 April 2023

Experience: Amos previously served as Sponsorships and Promotions and Marketing Manager at Mobile Telecommunications Limited (MTC) and later as Managing Director of Trustco Mobile, where he played a key role in operations and management. He is currently Executive Chairman of Mobicash, Aantu Investment & Consulting (Proprietary) Limited and CSS Tactical Solutions, a technology-driven company. As an entrepreneur, Amos runs several other ventures across various industries.

External directorships and interests:

- Aantu Investments Holdings
- Chiouca Energy Investments
- Ontseyo Trading Enterprises CSS Tactical Solutions Namibia
- Save The Rhino Trust
- Soft Cloud Namibia

Management Team

Peter Simons
Former Managing Director

Waldemar von Lieres
Managing Director

Willem Bierens de Haan
Finance Director

Joyce Swartz
Digital & Technology Manager

Caryn Eliasov-Barker
People Manager

Abrie du Plooy
Supply Chain Manager

Hilya Herman
Legal Manager

Eva van den Hauwe
Transformation and Change Lead

Dries van der Sandt
Marketing Manager

Hannes Nel
Sales Manager

Franck Fléchard
Strategic S&R Reporting Manager

Our Board and committees

Board meetings

The Board of Directors meets regularly, typically quarterly and holds additional meetings as required. These sessions focus on monitoring NBL's performance, engaging with stakeholders and addressing key issues such as policy, strategy and performance evaluation. Discussions are critical, informed and constructive, ensuring effective governance and progress towards organisational goals.

Directors' attendance at Board meetings

Meeting dates	27 July 2023	18 September 2023	6 December2023	12 March 2024	7 May 2024	25 September 2024	14 November 2024[1]	3 December 2024	Total meeting attendance
Vetumbuavi Mungunda	P	P	P	P	P	P	P	P	8/8
Jordi Borrut Bel	P	P	P	P	A	P	A	P	6/8
Jannie Durand	P	P	P	P	P	P	P	P	8/8
Habo Gerdes	P	P	P	P	P	P	P	P	8/8
Martina Mokgatle	P	P	P	P	P	P	P	P	8/8
Jaap Overmars	N	N	N	N	N	P	P	P	3/3
Afra Schimming-Chase	P	P	P	P	P	P	P	P	8/8
Kevin Santry	P	P	P	P	P	P	P	P	8/8
Amos Shiyuka	P	P	P	P	P	P	P	P	8/8
Peter Simons	P	P	P	P	P	P	P	P	8/8
Waldemar von Lieres	P	P	P	P	P	P	P	P	8/8

P = Present I A = Apologies I R = Resigned I N = Not yet appointed

[1] *Extraordinary meeting.*

Audit and Risk Committee

Chairperson: Vetumbuavi Mungunda (Appointed as NBL Board Chairperson on 21 August 2024)

Chairperson: Habo Gerdes (21 August 2024 - present)

Members: Habo Gerdes, Jaap Overmars, Johannes Steyn (Heineken representative and not a board member)

Meeting dates	27 July 2023	31 August 2023	11 September 2023	30 October 2023	22 January 2024	1 March 2024	3 September 2024	12 November 2024	Total meeting attendance
Habo Gerdes	P	P	P	P	P	P	P	P	8/8
Vetumbuavi Mungunda	P	P	A	P	P	P	P	P	7/8
Jaap Overmars	N	N	N	N	N	N	P	P	2/2

P = Present I A = Apologies I N = Not yet appointed

Function

The Board delegated certain responsibilities to the Audit and Risk Committee, as outlined in its Terms of Reference. The Committee provides independent oversight of the company's financial, operational, compliance and risk management controls. It also evaluates the independence and effectiveness of internal and external auditors, supporting the Board in monitoring the integrity of the company's Annual Financial Statements and related external reports. The Committee is equipped with the necessary financial literacy, skills and experience to perform its functions effectively.

Environmental, Social and Governance Committee

Chairperson: Amos Shiyuka

Members: Martina Mokgatle ; Roland Pirmez (from 21 August 2024); Jaap Overmars (served until 21 August 2024); Yeliz Yedikardesler (served until 07 October 2023)

Meeting dates	13 July 2023	4 March 2024	3 September 2024	12 November 2024	Total meeting attendance
Amos Shiyuka	P	P	P	P	4/4
Martina Mokgatle	P	P	P	P	4/4
Jaap Overmars	N	P	–	–	1/1
Roland Pirmez	N	N	A	P	1/2
Yeliz Yedikardesler	P	R	R	R	1/1

P = Present I A = Apologies I R = Resigned I N = Not yet appointed

Function

The Committee oversees NBL's commitment to addressing ESG matters, with a focus on environmental sustainability, social impact and corporate governance. It ensures that responsible and sustainable practices are effectively integrated into NBL's operations.

Remuneration and Nomination Committee

Chairperson: Afra Schimming-Chase

Members: Habo Gerdes, Jordi Borrut Bel

Meeting dates	17 July 2023	30 November 2023	01 March 2024	16 May 2024	13 November 2024	Total meeting attendance
Afra Schimming-Chase	P	P	P	P	P	5/5
Habo Gerdes	P	P	P	P	P	5/5
Jordi Borrut Bel	P	P	P	P	A	4/5

P = Present I A = Apologies

Function

The Board has delegated specific responsibilities to the Remuneration and Nomination Committee, as outlined in its Terms of Reference. These include independently overseeing remuneration and reviewing key human resources policies and strategies to ensure fair and responsible pay. The Committee also oversees Director appointments.

Company secretariat

Hilya Herman was appointed Company Secretary on 1 September 2023, succeeding Ohlthaver & List Centre (Proprietary) Limited (O&L Centre). The secretariat is qualified and experienced in supporting the Board's duties, ensuring compliance with corporate governance best practice.

External audit

The Audit and Risk Committee regularly reviews the external auditors' independence. The auditors attend all committee meetings and have direct access to the Chairperson. The Committee reviewed non-assurance services and fees and confirmed the auditors' independence. It also reviewed this integrated annual report and recommended it to the Board for approval.

Compliance statement

We comply with Namibian legislation and the NSX Listing Requirements and have adopted the NamCode principles where applicable. While the NamCode recommends an independent Non-Executive Chairperson and a majority of independent Non-Executive Directors, our Board composition differs. Directors, including the Chairperson, are appointed based on experience, competence, leadership and ethics.

We uphold best practice by separating the roles of Chairperson and Managing Director to distinguish governance oversight from executive management. Directors may seek independent advice when necessary.

Directors must disclose any actual or potential conflicts of interest and recuse themselves from related discussions or decisions. They are expected to avoid interests conflicting with the company's best interests.

Internal controls

Our internal controls support risk management, strategic decision-making and financial integrity. The Management Team and Board receive reasonable assurance through continuous compliance reviews, internal audits and external audits.

Qualified employees serve as control champions across business functions, identifying and addressing deficiencies. The internal audit function, outsourced to EY, follows a three-year risk-based plan approved by the Audit and Risk Committee.

Internal audits conducted during the year:

– Depots and agency audits
– Fixed asset accounting
– Hire to termination and leave
– Payroll management
– Procure to pay
– Quality control review
– Treasury and revenue

Findings and recommendations are recorded, monitored and implemented by the Compliance department. EY conducts follow-up audits, reporting independently to the Audit and Risk Committee and Management Team. Both internal and external auditors have direct access to the Committee Chairperson.

We maintain high technical and operational standards. Fire and safety policies are regularly reviewed and tested. Health and safety audits evaluate managers within their functions, driving continuous improvement for employees, contractors, suppliers and service providers.

Since 2015, Marsh has conducted annual surveys to assess our risk profile and insurance needs. In 2019, we aligned our Safety and Environmental programme with ISO standards, followed by an independent audit to assess compliance with legal and international best practices.

Stakeholder communication, ethics and tip-offs anonymous hotline

We communicate with shareholders via multiple channels, including the Namibia Securities Exchange News Service (NENS), presentations, printed media and our website, ensuring accessibility to updates and reports.

The Audit and Risk Committee promotes high ethical standards. The business applies the NBL Code of Business Conduct. Employees can voice concerns through various workplace. We have also implemented HEINEKEN's Speak Up platforms to lodge anonymous complaints such as the website link, a Speak-Up hotline, Speak-Up boxes placed at 15 NBL offices including depots and through an appointed employee Trusted Representative.

We encourage shareholder participation at the AGM and facilitate proxy submissions for those unable to attend.

Risk report

To create and protect value, we mitigate risks and explore opportunities. This enhances performance, drives innovation and supports achieving our strategic goals.

Our risk profile and approach

NBL's growth opportunities focus on expanding our Namibian market share, driving product innovation and increasing volumes beyond our borders. To capitalise on these opportunities, we must effectively manage people, competitor, supply chain, brewing, packaging and route-to-market risks. Our key dependencies also present potential future risks, such as water scarcity in an arid environment and increasing regulations to mitigate the social impact of alcohol consumption.

We have redefined risk management to focus on creating and protecting value and supporting a culture of innovation. We encourage every employee to take ownership of mitigating risks and identifying opportunities daily, driving effective risk management and reinforcing our culture.

Risk governance

Risk management is embedded in our daily operations, with regular Risk Management Committee meetings and bi-monthly Management Team meetings to address risks and flag urgent matters to senior management. While risk optimisation is a shared responsibility, ultimate accountability rests with the Board. The Audit and Risk Committee and the Management Risk Committee oversee risk governance, supporting the Board in its role.

The key elements of our risk oversight are:	The Management Risk Committee's responsibilities include:	Group Operational Risk Team
– Risk governance: Strategic decision-making and risk oversight, led by the Board – Risk infrastructure and management: Designing and maintaining an effective risk management programme, led by the Management Team – Risk ownership: Identifying, measuring, monitoring and reporting on specific risks, led by business units and risk functions – Policy implementation is overseen by the Board and relevant risk structures	– Setting the tone for a risk-aware culture where risks are managed proactively – Monitoring the organisation's risk maturity and taking corrective actions when needed – Overseeing the implementation of risk management frameworks, policies and standards – Assessing potential risks and opportunities – Reviewing the effectiveness of risk assessment processes and recommending improvements – Monitoring NBL's risk profile, including emerging risks	This team ensures the management and mitigation of safety, health, environment and business continuity risks. We also have dedicated managers for security, facilities and quality.

Our Risk Management Framework

We have adopted HEINEKEN's Risk Management Framework, which serves as the foundation for designing, implementing and monitoring an integrated risk management process. It aligns with internationally accepted standards such as NamCode:2014, ISO 31000:2018, ISO 14001:2015 and ISO 45001:2018.

The framework ensures:

- A systematic approach to risk management
- Integration of risk management within all operational and strategic activities
- Proactive identification of risks and opportunities
- Employee awareness of individual responsibilities for risk management
- Prevention and minimisation of environmental damage, asset loss and injuries
- Risk governance that supports the achievement of strategic goals
- Risk management outcomes

We aim to achieve the following outcomes:

- Influence strategy by identifying risks early, particularly during project planning, enabling easier management during delivery
- Create a fast-learning environment that minimises current and future risks through clear mapping of uncertainty and feedback mechanisms
- Provide safe learning spaces for experimentation, balancing tolerable risks with potential returns
- Leverage the best available information through engagement, technology and agile practices

We encourage every employee to take ownership of mitigating risks and identifying opportunities daily.

Key strategic risks and opportunities for 2024

Risk	Summary of mitigation actions	Risk trend
1. Water crisis/ shortage of water in central Namibia	We mitigate water scarcity using water from onsite boreholes and a water treatment plant. Our abstraction permit is valid until June 2025.	<>
2. Intensified competition	We monitor pricing, adjust strategies and enhance value through marketing, loyalty programmes and product innovation. The Distell acquisition has expanded our range and the HEINEKEN SEM sales tool aids customer tracking.	<>
3. Safety and security risk	We have implemented health and safety training, including HIRA, safety campaigns and contractor management. New controls for alcohol testing and onsite counselling have been introduced.	^
4. Regulatory changes related to alcohol	We are engaging with Government bodies in Namibia and South Africa to promote responsible alcohol consumption. We monitor regulatory developments and are in discussions with the Ministry of Industrialisation and Trade regarding liquor licenses for shebeens.	<>
5. Low utilisation of NBL's assets	We have developed a three-year Supply Chain Strategy and launched F&F initiatives to streamline processes. New local wine and cider packaging production lines were opened in August 2024. Network analysis for Southern Region optimisation will be completed post-2026.	<>
6. Human capital vulnerabilities	We have enacted a comprehensive strategy to align with HEINEKEN's procedures, including employee wellness initiatives for counselling, mental health and financial guidance. The Culture Climate survey conducted in October 2024 will guide the development of action plans.	^
7. Changes in market conditions	We focus on stabilising beer volumes, managing margin erosion and adjusting to market shifts. We assess consumer sentiment to guide further actions.	<>
8. Information security and cyber security	We conduct daily backups of our virtual environment and maintain offline backups of key systems. Data replication and server virtualisation ensure quick recovery from hardware failures. A cyber security audit identified gaps needing remediation. These will be addressed during the onboarding to the HEINEKEN systems.	<>
9. Supply chain continuity and commodities	HEINEKEN Global Procurement has started procuring key commodities (hops, malt, trays, bottles, cans, crowns, labels) for NBL. We monitor the impact of economic pressures to ensure sustainable operations. Malt is regularly stocked and shipments are scheduled to meet requirements. We also support local suppliers, with 27.8% of our spend going to local sourcing.	^
10. Changing consumer preferences	We expand and refine our product offering, including low- and non-alcoholic range. We monitor market trends and competitor pricing, with a focus on improving the price/value equation in the medium term.	^

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Our remuneration report

NBL's remuneration approach aligns with our strategy of unlocking the full potential of our people by attracting, retaining and fairly rewarding talent.

The Remuneration Policy (the Policy) applies to executives and is reviewed periodically to reflect market, industry and economic changes. The committee opted not to implement a long-term incentive scheme, as the current Short-term Incentive Scheme–based on financial performance and aligned with NBL's long-term targets–remains effective.

Remuneration principles and governance

These principles guide the Policy for executives:

- Offering competitive total remuneration in line with SADC market practices
- Aligning remuneration with business and personal performance
- Linking variable pay to performance criteria that support NBL's best interests
- Balancing fixed and variable remuneration appropriately
- Ensuring internal equity and mobility

The Remuneration Committee oversees all remuneration matters and reports to the Board. Its responsibilities include monitoring the Policy, particularly:

- Senior leadership remuneration parameters
- Executive and senior management remuneration
- Remuneration structures for Executive and Non-executive Directors, the Chairperson and Board Committee members
- Executive incentives and performance-based remuneration criteria
- Senior employee recruitment, retention and termination

The Committee ensures a formal, transparent and objective approach to Director remuneration, including pension benefits. It also ensures that Non-executive Directors' fees fairly reflect their contributions. Non-executive and executive remuneration reviews are conducted separately, each with its own justification.

Directors' emoluments

The Directors' emoluments are available on pages 149 and 150.

Remuneration components

Base salary	Benefits	Short-term Incentive Scheme
The fixed element of remuneration, base salary, is set competitively at the median level using the Paterson grading system. It is reviewed annually and adjusted based on market trends, business performance and individual contributions.	Employees receive benefits for financial security, including membership in a retirement fund (defined contribution) and a medical aid scheme. Other benefits may include a company car, housing, a mobile phone and company products.	Executive Directors and the Management Team participate in an annual cash bonus plan designed to: – Motivate focus on financial year performance goals that drive sustainable shareholder value – Differentiate bonuses based on company financial performance, strategic objectives and individual/divisional achievements The Remuneration and Nomination Committee reviews the performance of Executive Directors and the Management Team annually.

Annual financial statements

Group value added statement

	Notes	31 December 2024 N$'000	30 June 2023 N$'000
Wealth created			
Net revenue		**6 825 048**	3 388 399
Salaries, wages and other employment costs	22	**(776 724)**	(402 908)
Paid to suppliers for materials and services		**(4 040 163)**	2 780 014
		2 008 161	5 765 505
Income from investments		**26 761**	54 825
Total wealth created		**2 034 922**	5 820 330
Wealth distribution			
Salaries, wages and other employment costs	22	**776 724**	402 908
Providers of capital			
Dividends to shareholders	19	**417 189**	5 442 039
Finance costs on borrowings	24	**101 418**	68 050
Central and local governments	2	**164 110**	96 749
Reinvested in Group to maintain and develop operations			
Depreciation, amortisation and impairments	22	**329 844**	175 342
Retained earnings		**232 860**	(342 649)
Deferred taxation	26	**12 777**	(22 109)
Total wealth distributed		**2 034 922**	5 820 330
Notes to the value added statement			
1. Salaries, wages and other employment costs			
Salaries, wages, overtime payments, commissions, bonuses and allowances		**705 017**	355 177
Total contributions to medical aid and pension fund		**71 707**	47 731
		776 724	402 908
2. Central and local governments			
Normal corporate taxation		**157 472**	93 317
Rates and taxes paid on properties		**6 638**	3 432
		164 110	96 749
3. Additional amounts collected on behalf of central and local governments			
Customs and excise duties including import surcharges		**1 156 420**	876 847
Value added tax (claimed)/paid		**(102 663)**	(91 817)
PAYE deducted from remuneration paid		**113 858**	73 176
Withholding taxes		**16 621**	8 414
		1 184 236	866 620

Five-year summary of results

N$'000	**18 Months 31 Dec 2024**	12 Months 30 Jun 2023	12 Months 30 Jun 2022	12 Months 30 Jun 2021*	12 Months 30 Jun 2020
Consolidated statements of financial position					
Property, plant and equipment	**1 639 103**	1 200 767	916 243	937 280	985 323
Investment in associate	**–**	–	–	710 160	778 663
Other non-current assets	**174 606**	910 172	86 713	82 387	61 167
Goodwill	**744 385**	744 385	–	–	–
Non-current assets held for sale	**5 075**	18 797	781 120	3 846	–
Current assets	**1 317 721**	1 556 904	1 875 036	1 423 723	1 082 732
	3 880 890	3 686 640	3 659 112	3 157 396	2 907 885
Issued capital	**1 024**	1 024	1 024	1 024	1 024
Non-distributable reserves	**(51)**	35	61	66	(548)
Retained income	**2 339 205**	2 106 345	2 448 994	1 907 673	1 755 419
Ordinary shareholders' equity	**2 340 178**	2 107 404	2 450 079	1 908 763	1 755 895
Interest-bearing loans and borrowings (non-current)	**199 751**	251 563	368 833	489 920	501 608
Other non-current liabilities	**291 418**	272 617	208 167	200 686	211 375
Current liabilities	**1 049 543**	1 055 056	632 033	558 027	439 007
	3 880 890	3 686 640	3 659 112	3 157 396	2 907 885
Consolidated statements of comprehensive income					
Net revenue	**6 825 048**	3 388 399	2 645 832	2 648 576	2 645 832
Operating expenses	**(5 929 458)**	(2 967 186)	(2 192 589)	(2 035 950)	(2 192 589)
Operating profit	**895 590**	421 213	453 243	612 626	453 243
Finance costs	**(101 418)**	(68 050)	(50 545)	(46 854)	(50 545)
Investment income	**26 761**	54 825	17 592	21 138	17 592
Other gains and losses	**–**	4 753 302	–	–	–
Equity loss from joint venture	**–**	–	–	–	(76 703)
Profit from discontinued operations	**–**	4 791	(76 703)	(64 060)	–
Profit before income tax (including discontinued operations)	**820 933**	5 166 081	343 587	522 850	343 587
Income tax expense	**(170 249)**	(71 208)	(82 260)	(144 738)	(82 260)
Profit attributable to ordinary shareholders	**650 684**	5 094 873	261 327	378 112	261 327

* *The 2021 figures have been represented to reflect discontinued operations in accordance with IFRS 5. No representation of the above figures has been performed for periods preceding 2021.*

Five-year summary of results continued

N$'000	**18 Months 31 Dec 2024**	12 Months 30 Jun 2023	12 Months 30 Jun 2022	12 Months 30 Jun 2021*	12 Months 30 Jun 2020
Consolidated statements of cash flows					
Cash generated by operations	**1 558 915**	450 630	583 386	907 917	528 925
Dividends paid	**(420 897)**	(5 422 419)	(55)	(224 388)	(461 477)
Dividends received	**3 148**	2 024	58	–	–
Taxation paid	**(161 359)**	(114 622)	(146 805)	(138 152)	(41 743)
Employer benefit payments on post employment benefit plans	**(6 059)**	(4 690)	(738)	(3 656)	(1 374)
Net cash flow from operating activities	**973 748**	(5 089 077)	435 846	541 721	24 331
Net cash flow applied to investing activities	**(707 823)**	4 390 608	(102 265)	(98 267)	(143 257)
Net cash flow from financing activities	**(1 389 656)**	893 517	(184 230)	(89 411)	173 886
Net increase/(decrease) in cash and cash equivalents	**(1 123 731)**	195 048	149 351	354 043	54 960

* *The 2021 figures have been represented to reflect discontinued operations in accordance with IFRS 5. No representation of the above figures has been performed for periods preceding 2021.*

Summary of statistics

	18 Months 31 Dec 2024	12 Months 30 Jun 2023	12 Months 30 Jun 2022	12 Months 30 Jun 2021*	12 Months 30 Jun 2020
Ordinary share performance					
Weighted average number of shares in issue (000s)	**206 529**	206 529	206 529	206 529	206 529
Earnings per ordinary share (cents)	**315.1**	2 466.9	262.5	180.7	126.5
Headline earnings per ordinary share (cents)	**315.3**	162.7	261.6	178.2	125.6
Dividends paid per ordinary share (cents)	**202.0**	–	–	109.0	103.0
Special dividend paid per ordinary share (cents)	**–**	2 635	–	–	121.0
Dividend cover (times)	**1.6**	0.9	–	1.7	0.6
Net asset value per ordinary share (cents)	**1 133.1**	1 020.4	1 186.3	924.2	850.2
Profitability and asset management					
Operating margin (%)	**13.1**	12.4	17.1	23.1	17.1
Return on total assets (%)	**24.4**	13.0	15.4	27.7	21.5
Return on ordinary shareholders' funds (%)	**29.3**	223.6	12.0	20.6	14.1
Liquidity and leverage					
Total liabilities to total shareholders' funds (%)	**55.6**	64.1	38.7	55.3	54.8
Financial gearing ratio (%)	**9.2**	30.0	26.4	32.4	36.8
Interest cover (times)	**8.8**	6.2	9.0	13.1	9.0
Current ratio (times)	**1.3**	1.5	3.0	2.6	2.5

* *The 2021 figures have been represented to reflect discontinued operations in accordance with IFRS 5. No representation of the above figures has been performed for periods preceding 2021.*

Definitions

Dividend cover

Profit attributable to ordinary shareholders divided by dividends paid in the period.

Net asset value per share

Ordinary shareholders' equity divided by the total number of ordinary shares in issue.

Operating margin

Operating profit expressed as a percentage of net revenue.

Total assets

Property, plant and equipment, current and non-current assets.

Return on total assets

Operating profit plus investment income expressed as a percentage of average total assets (excluding investment in associate).

Return on ordinary shareholders' funds

Profit attributable to ordinary shareholders expressed as a percentage of average ordinary shareholders' equity.

Total liabilities

Interest-bearing loans and borrowings, other current and non-current liabilities. Deferred taxation and income taxation is excluded.

Financial gearing ratio (%)

Interest-bearing loans and borrowings expressed as a percentage of ordinary shareholders' equity.

Interest cover

Operating profit divided by finance costs.

Current ratio

Current assets divided by current liabilities.

Financial review

Year-end change

Following the transaction between NBL, Distell Namibia and HEINEKEN on 17 April 2023, NBL became a subsidiary of HEINEKEN Beverages. As a result, NBL changed its financial year-end to December to align with HEINEKEN's reporting requirements.

These annual financial statements reflect the new year-end and, therefore, covers an eighteen-month financial period.

Accounting policies

NBL's accounting policies comply with IFRS Accounting Standards and are consistent with those of the previous reporting year.

Revenue

Consolidated net revenue increased by 101.4% from N$3 388 million to N$6 825 million for the 18 months ended 31 December 2024. Revenue growth was primarily driven primarily by the successful integration of the Distell portfolio, volume growth and strategic pricing decisions.

Operating profit

The Group's operating profit for the 18 months ended 31 December 2024 increased by 112.6% to N$896 million, reflecting the volume growth in Namibia and volumes to South Africa.

Taxation

The taxation charge for the 18 months ended 31 December 2024 was N$170 million, compared to N$71 million for the 12 months ended 30 June 2023. The increased tax charge being a direct result of the increased taxable profit and extended tax year in 2024.

The accumulated tax losses of the Group's wholly owned South African and Botswana subsidiaries have not been recognised as a deferred tax asset, due to uncertainty regarding future taxable income.

Profit after tax and earnings per share

Profit attributable to shareholders decreased with 87.2% from N$5 095 million for the 12 months ended 30 June 2023 to N$651 million for the 18 months ended 31 December 2024, resulting in the basic earnings per share for the 18 months ended 31 December 2024 decreasing to 315.1 cents (2023: 2 466.9 cents). This significant decrease is related to sale of the Group's investment in Heineken South Africa in the 2024 financial year. Headline earnings per share increased by 93.8% to 315.3 cents (2023: 162.7 cents).

Financial position

The debt-to-equity ratio decreased to 17.3% from 25.5% of the previous year. In 2023 the Group obtained third party financing for the acquisition of Distell. During 2024, the group repaid substantial portions of its borrowings.

Namibian market

The Namibian market continues to remain a significant contributor to total revenues and earnings, with *Windhoek Draught*, *Tafel Lager* and *HEINEKEN* spear-heading the overall beer growth. The Group maintained its strong market position despite a strained local economy, declining disposable income and increased competition.

South Africa

Just like the Namibian Market, consumers' disposable income is extremely pressured on the back of high inflation and increasing interest rates. The *Windhoek* brand as a whole continues to be developed and has shown good contributions in the South African market, which positively contributes to the Group's profitability on the back of increased pressure from competitors.

Financial review continued

Exports (excluding South Africa)

Under Heineken's new distribution model for the Southern and Rest of Africa, NBL, as part of the Heineken Beverages Holdings Limited Group, no longer sells directly to export markets. Instead, Heineken Beverages International Proprietary Limited (HBI) (incorporated in South Africa) sources products from NBL and handles redistribution across the export markets.

Cash flows

Net cash flow from operating activities increased to N$963 million. This was driven by improved profitability and a heightened focus on optimising working capital days, ensuring faster inventory turnover and more efficient collections.

The net cash outflow from investing activities saw a decrease compared to the previous year, reflecting continued investment in production upgrades and the expansion of local cider and wine capabilities.

Financing activities contributed significantly to the decrease in net cash flow, primarily due to the restructuring of borrowings to better align with cash flows and operational needs. This involved settling legacy loans and securing new financing, of which only a small portion was drawn down by year-end, leaving capacity for future strategic initiatives.

Approval of financial statements

Directors' responsibility statement

The Company's Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements, comprising the consolidated and separate statement of financial position as at 31 December 2024, and the consolidated and separate Statement of Profit or Loss and Other Comprehensive Income, the consolidated and separate Statement of Changes in Equity, and consolidated and separate Statement of Cash Flows for the year then ended, as well as the notes to the financial statements, which include a summary of significant accounting policies and other explanatory notes, in accordance with International Financial Reporting Standards (IFRS) Accounting Standards™ and interpretations issued by the International Accounting Standards Board applicable to companies reporting under IFRS Accounting Standards, and the requirements of the Namibian Companies Act, as set out in pages 47 to 150.

The Directors' responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of these financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances. The Directors' responsibility also includes maintaining adequate accounting records and an effective system of risk management.

After due assessment of the Group and Company's ability to continue as a going concern, the Directors believe there is no reason for the business not to continue as a going concern in the financial year ahead.

The external auditor is responsible for reporting on whether the consolidated and separate annual financial statements are fairly presented in accordance with International Financial Reporting Standards and the Namibian Companies Act. Their unmodified report is available on pages 55 to 58.

Approval of consolidated and separate financial statements

The consolidated and separate financial statements of the Group and Company, as indicated above, were approved by the Board of Directors on 26 March 2025 and signed on their behalf by:

V.J. Mungunda
Chairman

W.J. von Lieres und Wilkau
Managing Director

Independent auditor's report

To the members of Namibia Breweries Limited

Report on the Audit of the Consolidated and Separate Financial Statements

Opinion

We have audited the consolidated and separate financial statements of Namibia Breweries Limited ("Company") and its subsidiaries ("the Group") set out on pages 47 to 150, which comprise the consolidated and separate statement of financial position as at 31 December 2024 and the consolidated and separate statement of profit or loss and other comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended and the notes to the consolidated and separate financial statements, including material accounting policy information and the Directors' report.

In our opinion, the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of the Company and the Group as at 31 December 2024 and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of Namibia.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report. We are independent of the Company and the Group in accordance with the International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards) and other independence requirements applicable to performing audits of financial statements in Namibia. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key Audit Matters ("KAMs") are those matters that, in our professional judgement, were of most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on these matters.

Independent auditor's report continued

Key Audit Matter	How the matter was addressed
The acquisition of the operations of Distell Namibia entities by Namibia Breweries Limited	
In the current year, Namibia Breweries Limited acquired the operations of two of its subsidiaries (Distell Namibia Limited and Namibia Wines and Spirits Limited) excluding the property. The accounting treatment of the acquisition of the operations by the parent company was identified as a KAM, because – This is a transaction out of the ordinary course of NBL's operations. – There are complexities & judgements in the accounting treatment of the acquired assets and liabilities. Significant complexities and judgements include: – Accounting treatment of the business combination under common control. – Impairment assessment of the goodwill recognised at acquisition of Distell Namibia entities by NBL Company; and – Impairment assessment of the investment of Distell Namibia. From our procedures on the key audit matter, we noted the following areas of audit interest: 1.1. The treatment of business combination under common control including the excess consideration paid on the acquisition of the subsidiary's operations. 1.2. The determination of cash generating units after the business combination under common control for the purpose of the goodwill impairment assessment; and 1.3. Impairment assessment of the Investment in Distell Namibia after the acquisition of the operations from the subsidiaries.	**To address the key audit matter, we have:** Obtained all relevant agreements between Namibia Breweries Limited and its subsidiaries as well as resolutions by directors to approve the purchase of the Distell Namibia entities operations. **1.1 Accounting treatment of the acquisition of the Distell operations** – Obtained an understanding of the agreements and resolutions relating to the transaction. – Obtained a write up from management on the accounting treatment for the acquisition of Distell Namibia Limited and Namibia Wines and Spirits Limited. – Obtained the trial balances of Distell Namibia Limited and Namibia Wines and Spirits Limited as at 4 September to assess the valuation of the assets and liabilities that were acquired by Namibia Breweries Limited at that date. – Consulted with Deloitte's technical department on the most appropriate treatment for business combinations under common control. **1.2 Identification of Namibia Breweries Limited as a single cash generating unit for the purpose of goodwill impairment assessment** – Obtained a write up by management of the judgements made in concluding that Namibia Breweries Limited is a single cash generating unit. – Performed an assessment of the identification of the cash generating units in accordance with the standards; and – Consulted with Deloitte's technical department on whether the identification of Namibia Breweries Limited as a single cash generating unit is in line with the accounting standards. **1.3 Investment in subsidiaries impairment assessment** – We obtained the impairment assessment as prepared by management. – Assessed the accuracy of the inputs in the impairment assessment and assumptions made in the determination of the value in use of the investment. – Recalculated the impairment in the investment in subsidiaries in the current year. **Conclusion** Based on the procedures performed, we concluded that: 1.1 The treatment is in line with the guidance on business combinations under common control 1.2 Namibia Breweries Limited is a single cash generating unit 1.3 Management calculated an impairment amount of N$1 053 629 944. We did not identify any anomalies in the assessment or the calculation of the impairment on investment in subsidiaries.

Independent auditor's report continued

Other Information

The Directors are responsible for the other information. The other information comprises the Deutsche Landwirtschafts Gesellschaft ("DLG Awards"), About this Report, 2024 at a glance, Our Profile, Chairperson's Statement, Our Beverage Brands, Our Geographic footprint, Our Value Chain, Our Stakeholders, Five Reasons to invest in NBL, Our Operating Context, Beverage and Consumer trends, A purpose-led strategy for the future, Managing Director's Report, Contributing to the Sustainable Development Goals, Good Corporate Governance, Group Value Added Statement, Five-Year Summary of Results, Summary of Statistics, Definitions, Ordinary Share Ownership, Financial review, Approval of Financial Statements, Notice of Annual General Meeting, Proxy Form, which we obtained prior to the date of this auditor's report. The other information does not include the consolidated and separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not and will not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The Directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with IFRS® Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act of Namibia and the requirements of the Companies Act of Namibia and for such internal control as the Directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated and separate financial statements, the Directors are responsible for assessing the Group's and the Company's ability to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group and/or the Company to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or the Company to cease to continue as a going concern.

Independent auditor's report continued

- Evaluate the overall presentation, structure, and content of the consolidated and separate financial statements, including the disclosures and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the Key Audit Matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

Deloitte & Touche
Registered Accountants and Auditors
Chartered Accountants (Namibia)
Per: Piquet Parry
Partner

Windhoek

28 March 2025

P.O. Box 47, Windhoek, Namibia
Directors: M Harrison, G Brand
Partners: J Cronje, H de Bruin, P Parry

Associate of Deloitte Africa, a member of Deloitte Touche Tohmatsu Limited.

Report of the Directors

Founded in 1920, NBL is principally engaged in the brewing and distribution of alcoholic beverages and is also active in the manufacturing of soft drinks.

Following the transaction between NBL, Distell Namibia and HEINEKEN on 17 April 2023, NBL became a subsidiary of HEINEKEN Beverages. As a result, NBL changed its financial year-end to December to align with HEINEKEN's reporting requirements.

These annual financial statements reflect the new year-end and, therefore, covers an eighteen-month financial period.

Accounting policies

NBL's accounting policies comply with International Financial Reporting Standards and are consistent with those of the previous financial year.

Financial results

The Group's operating profit for the eighteen-months ended 31 December 2024 increased by 112.6% compared to the previous financial year (12 months). This translates into an operating margin of 13.1% (2023: 12.4%). Headline earnings increased by 93.8% to N$642.7 million (2023: N$336 million).

Dividends paid

Details of the ordinary dividends declared, paid and payable in respect of the 2024 financial year are reflected in note 19 and note 28 to the financial statements.

Capital expenditure

Capital expenditure for the reporting year amounted to N$756 million (2023: N$244 million).

Issued capital

Full details of the authorised and issued capital of the Company as at 31 December 2024 are reflected in note 14 to the annual financial statements. The 92 471 000 unissued ordinary shares are not under the control of the Directors in terms of a resolution of members passed at the last annual general meeting. This authority remains in force until the next annual general meeting.

Directorate and secretary

The names of the Directors as well as the name and address of the Company's Secretary appear on the inside back cover herein.

Subsidiaries

Details of the Company's subsidiaries are set out in Annexure C of this report.

Holding company

The Company's holding company is NBL Investment Holdings (Proprietary) Limited, of which the shareholding is held by Heineken Beverages Holdings Limited. The Company's ultimate holding entity is Heineken International BV.

Events subsequent to reporting date

The Group completed the sale of assets classified as held-for-sale as disclosed in note 13 on 4 March 2025. Management has assessed that the sale is a non-adjusting subsequent event, with approval from the Namibian Competition Commission only being received after the reporting date and accordingly does not affect the classification or carrying value of the assets as at period-end. The impact of this disposal will therefore be recognised in the following reporting period.

The Directors are not aware of any other significant events subsequent to the reporting date.

Statements of financial position

Company				Group	
as at 30 June 2023 N$'000	**as at 31 December 2024 N$'000**		Notes	**as at 31 December 2024 N$'000**	as at 30 June 2023 N$'000
		Assets			
		Non-current assets			
1 015 268	**1 485 946**	Property, plant and equipment	4	**1 639 103**	1 200 767
41 607	**128 709**	Intangible assets	5	**128 709**	122 741
38 322	**104 604**	Right-of-use assets	6	**45 897**	43 046
1 214 946	**161 316**	Investment in subsidiaries	7	**–**	–
–	**–**	Goodwill	8	**744 385**	744 385
2 310 143	**1 880 575**			**2 558 094**	2 110 939
		Current assets			
444 148	**645 104**	Inventories	9	**645 104**	615 935
645 823	**623 784**	Trade and other receivables	10	**618 484**	835 657
–	**–**	Current tax receivable	29	**10 308**	8 474
85 792	**42 901**	Cash and cash equivalents	11	**43 441**	96 587
251	**384**	Derivative financial instruments	12	**384**	251
1 176 014	**1 312 173**			**1 317 721**	1 556 904
18 797	**5 075**	Non-current assets held for sale	13	**5 075**	18 797
3 504 954	**3 197 823**	**Total assets**		**3 880 890**	3 686 640

Statements of financial position continued

Company as at 30 June 2023 N$'000	Company as at 31 December 2024 N$'000		Notes	Group as at 31 December 2024 N$'000	Group as at 30 June 2023 N$'000
		Equity and liabilities			
		Equity			
1 024	**1 024**	Share capital	14	**1 024**	1 024
–	**–**	Reserves	35	**(51)**	35
2 109 682	**1 624 897**	Retained earnings		**2 339 205**	2 106 345
2 110 706	**1 625 921**	**Ordinary shareholders' equity**		**2 340 178**	2 107 404
		Non-current liabilities			
248 125	**255 929**	Interest-bearing loans and borrowings	15	**199 751**	251 563
20 748	**52 233**	Provisions	16	**52 233**	45 910
163 742	**201 019**	Deferred taxation	17	**239 185**	226 707
432 615	**509 181**			**491 169**	524 180
		Current liabilities			
378 711	**20 042**	Interest-bearing loans and borrowings	15	**15 634**	381 668
–	**231 770**	Bank overdraft	11	**231 770**	–
542 305	**782 210**	Trade and other payables	18	**775 234**	632 771
11 938	**3 987**	Provisions	16	**3 987**	11 938
2 053	**1 794**	Income tax payable	29	**–**	2 053
26 626	**22 918**	Dividends payable	19	**22 918**	26 626
961 633	**1 062 721**			**1 049 543**	1 055 056
3 504 954	**3 197 823**	**Total equity and liabilities**		**3 880 890**	3 686 640

Statements of profit or loss and other comprehensive income

Company: for the 12-months ended 30 June 2023 N$'000	Company: for the 18-months ended 31 December 2024 N$'000		Notes	Group: for the 18-months ended 31 December 2024 N$'000	Group: for the 12-months ended 30 June 2023 N$'000
		Continuing operations			
4 019 448	**7 992 199**	**Revenue**		**8 204 548**	4 265 246
(876 847)	**(1 379 500)**	Excise tax expense		**(1 379 500)**	(876 847)
3 142 601	**6 612 699**	**Net revenue**	20	**6 825 048**	3 388 399
(2 725 032)	**(5 725 012)**	Operating expenses	22	**(5 929 458)**	(2 967 186)
417 569	**887 687**	**Operating profit**	23	**895 590**	421 213
(67 257)	**(111 178)**	Finance costs	24	**(101 418)**	(68 050)
400 894	**1 122 645**	Investment income	25	**26 761**	54 825
4 402 834	**(1 053 630)**	Other gains and losses	21	**–**	4 753 302
5 154 040	**845 524**	**Profit before tax**		**820 933**	5 161 290
(67 750)	**(166 180)**	Income tax expense	26	**(170 249)**	(71 208)
5 086 290	**679 344**	**Profit from continuing operations**		**650 684**	5 090 082
		Discontinuing operations			
4 791	**–**	Profit from discontinued operations	13	**–**	4 791
5 091 081	**679 344**	**Profit for the period attributable to owners of the parent**		**650 684**	5 094 873

Statements of profit or loss and other comprehensive income
continued

Company: for the 12-months ended 30 June 2023 N$'000	Company: for the 18-months ended 31 December 2024 N$'000		Notes	Group: for the 18-months ended 31 December 2024 N$'000	Group: for the 12-months ended 30 June 2023 N$'000
		Other comprehensive income/(loss):			
		Items that will not be reclassified subsequently to profit or loss:			
868	**(934)**	Remeasurement of net defined benefit liabilities	34	**(934)**	6 643
(278)	**299**	Income tax relating to items that will not be reclassified	34	**299**	(2 126)
590	**(635)**			**(635)**	4 517
		Items that may be reclassified subsequently to profit or loss:			
–	**–**	Foreign currency translation reserve ("FCTR")	34	**(86)**	(26)
590	**(635)**	**Other comprehensive income for the period net of taxation**		**(721)**	4 491
5 091 671	**678 709**	**Total comprehensive income for the period attributable to equity holders of the parent**		**649 963**	5 099 364
		Basic earnings per ordinary share from continuing operations (cents)*	27.1	**315.1**	2 464.6
		Basic earnings per ordinary share from discontinued operations (cents)*	27.1	**–**	2.3
				315.1	2 466.9

* *There is no difference between basic and diluted earnings per share.*

Statements of cash flows

Company: for the 12-months ended 30 June 2023 N$'000	Company: for the 18-months ended 31 December 2024 N$'000		Note	Group: for the 18-months ended 31 December 2024 N$'000	Group: for the 12-months ended 30 June 2023 N$'000
(4 823 820)	**805 185**	**Cash flow from operating activities**		**962 649**	(5 091 101)
716 829	**1 394 917**	Cash generated by operations	29.1	**1 558 915**	450 630
(5 422 419)	**(420 897)**	Dividends paid	19	**(420 897)**	(5 422 419)
(113 540)	**(154 825)**	Income tax paid	29.2	**(161 359)**	(114 622)
(697)	**(2 907)**	Employer benefit payments on post employment medical aid benefit plans	16.1	**(2 907)**	(697)
(3 993)	**(3 152)**	Employer benefit payments on severance benefits	16.2	**(3 152)**	(3 993)
–	**(7 951)**	Employer benefit payments on restructuring provisions	16.3	**(7 951)**	–
4 113 821	**(524 967)**	**Cash flow from investing activities**		**(707 823)**	4 392 632
48 870	**21 282**	Interest income	25	**23 613**	52 801
352 024	**1 101 363**	Dividends received	25	**3 148**	2 024
4 791	**–**	Interest income from discontinued operations	13	**–**	4 791
(1 564 118)	**(910 821)**	Business combinations	8	**–**	(939 394)
73 625	**–**	Proceeds from repayment of loans receivable	13	**–**	73 625
5 442 000	**–**	Proceeds from disposal of associate	13	**–**	5 442 000
(243 337)	**(727 747)**	Acquisition of property, plant and equipment (Company shown net of additions in note 8)		**(725 545)**	(243 293)
(1 062)	**(30 332)**	Acquisition of intangible assets (Company shown net of additions in note 8)		**(30 331)**	(1 107)
1 028	**474**	Proceeds on disposal of property, plant and equipment		**478**	1 185
–	**20 814**	Proceeds on disposal of non-current assets held for sale		**20 814**	–
894 307	**(1 404 879)**	**Cash flow from financing activities**		**(1 389 656)**	893 517
(64 548)	**(102 292)**	Finance costs	36	**(92 532)**	(64 809)
1 641 000	**680 000**	Advances from interest bearing loans and borrowings	36	**680 000**	1 641 000
(682 145)	**(1 982 587)**	Repayment of interest bearing loans and borrowings	36	**(1 977 124)**	(682 674)
184 308	**(1 124 661)**	Net (decrease)/increase in cash and cash equivalents		**(1 134 830)**	195 048
–	**–**	Effect of translation of foreign entities	35	**(86)**	(26)
751 484	**935 792**	Cash and cash equivalents at beginning of the period		**946 587**	751 565
935 792	**(188 869)**	**Cash and cash equivalents at end of the period**	11	**(188 329)**	946 587

Statements of changes in equity

	Notes	Share capital N$'000	Non-distributable reserves N$'000	Retained earnings N$'000	Total N$'000
Group					
Balance at 1 July 2022		1 024	61	2 448 994	2 450 079
Profit for the period		–	–	5 094 873	5 094 873
Other comprehensive income for the period	34	–	(26)	4 517	4 491
Total comprehensive income for the period attributable to equity holders of the parent		–	(26)	5 099 390	5 099 364
Dividends to equity holders	28	–	–	(5 442 039)	(5 442 039)
Balance at 30 June 2023		1 024	35	2 106 345	2 107 404
Balance at 1 July 2023		**1 024**	**35**	**2 106 345**	**2 107 404**
Other comprehensive income for the period	34	**–**	**(86)**	**(635)**	**(721)**
Total comprehensive income for the period attributable to equity holders of the parent		**–**	**(86)**	**650 049**	**649 963**
Dividends to equity holders	28	**–**	**–**	**(417 189)**	**(417 189)**
Balance at 31 December 2024		**1 024**	**(51)**	**2 339 205**	**2 340 178**
Notes		14	35		

Statements of changes in equity continued

	Notes	Share capital N$'000	Non-distributable reserves N$'000	Retained earnings N$'000	Total N$'000
Company					
Balance at 1 July 2022		1 024	–	2 460 050	2 461 074
Profit for the period		–	–	5 091 081	5 091 081
Other comprehensive income for the period	34	–	–	590	590
Dividends to equity holders	28	–	–	(5 442 039)	(5 442 039)
Balance at 30 June 2022		1 024	–	2 109 682	2 110 706
Balance at 1 July 2023		**1 024**	**–**	**2 109 682**	**2 110 706**
Profit for the period		**–**	**–**	**679 344**	**679 344**
Other comprehensive income for the period	34	**–**	**–**	**(635)**	**(635)**
Equity realised on business acquisition of entities under common control				**(746 305)**	**(746 305)**
Total comprehensive income for the period attributable to equity holders of the parent		**–**	**–**	**(67 596)**	**(67 596)**
Dividends to equity holders	28	**–**	**–**	**(417 189)**	**(417 189)**
Balance at 31 December 2024		**1 024**	**–**	**1 624 897**	**1 625 921**
Notes		14	35		

Notes to the annual financial statements

for the period ended 31 December 2024

1. Reporting entity

Namibia Breweries Limited (the "Company") is a company domiciled in Namibia. The consolidated and separate financial statements of the Company as at and for the period ended 31 December 2024 comprise the Company and its subsidiaries and the Group's interest in associates (together referred to as the "Group" and individually as "Group entities").

2. Basis of preparation

(a) Statement of compliance

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards™ and interpretations issued by the International Accounting Standards Board (IASB) applicable to companies reporting under IFRS Accounting Standards and the requirements of the Namibian Companies Act. The financial statements were approved by the Board of Directors on 26 March 2025. The accounting policies below apply to both consolidated and separate financial statements.

(b) Basis of measurement

The consolidated and separate financial statements are prepared on the going concern and historical cost basis, modified for the fair value treatment of derivatives.

(c) Functional and presentation currency

The consolidated and separate financial statements are presented in Namibia Dollar (NAD), which is the Company's functional and Group's presentation currency. All information presented in NAD has been rounded to the nearest thousand.

(d) Use of significant estimates and judgements

The preparation of financial statements in conformity with IFRS Accounting Standards requires the Directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods. In particular, information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included below:

Deferred tax assets

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The carrying amount of recognised and unrecognised tax losses are disclosed in note 17 and 26.

Property, plant, equipment and intangible assets

The Group and Company depreciates and amortises items of property, plant, equipment and intangible assets down to residual value over the useful life of the assets. Management makes and applies assumptions about the expected useful life and residual value of these assets in determining the annual depreciation charge. Further details are given in the accounting policy note on depreciation. In particular management have assumed a depreciation rate of 20% (2023: 20%) on returnable containers, this being management's best estimate of breakage rate and useful life. The majority of returnable containers are with customers and the estimate of cost along with the corresponding returnable deposit liability is based on management's judgement. Any change to these assumptions could have a significant impact on both the asset and corresponding liability.

Notes to the annual financial statements continued

for the period ended 31 December 2024

2. Basis of preparation continued

(d) Use of significant estimates and judgements continued

Effective date of business combination

With the acquisition of the Distell Namibia Companies in the prior period, a convenience date was designated as a practical matter to account for the business combination within the whole merger transaction. Determination of the effective date was a critical judgement considered in note 8.

Intangible assets recognised on business combination

On acquisition of the Distell Namibia Companies in the prior period, intangible assets were identified and recognised at fair value. The most significant of these included Brands acquired. Various judgments and assumptions were made in the identification and specifically the valuation of the previously unrecognised intangible assets. The identification and valuations were carried out by an independent party, whose key assumptions included the growth rate in revenues, Earning Before Tax and Interest margins, a discount rate and royalty rates associated with ownership. Brands were valued using the Relief from Royalty method. Refer to note 8.

Impairment testing

Following the allocation of goodwill to the business as a whole, the assessment of impairment and the recoverable amount contains estimations and assumptions. The most sensitive of these assumptions comprise those included in the Value in Use (VIU) calculations, being the inputs used to forecast the future cash flows over the forecast period. Forecast assumptions comprise Revenue growth, Earnings Before Interest Tax Depreciation and Amortisation (EBITDA) margins and working capital movement and have been approved by the Board as part of the business case to acquire Distell. Revenue growth, being the most significant assumption, remains most sensitive to economic climate and competition from existing and new competitors. Sensitivity of these assumptions was also considered and disclosed in note 8.

3. Material accounting policies

The accounting policies set out below have been applied consistently to all periods presented in the consolidated and separate financial statements.

(a) Basis of consolidation

(i) Subsidiaries

Subsidiaries are those entities over whose financial and operating policies the Group has the power to exercise control, so as to obtain benefits from their activities. In assessing control potential voting rights that presently are exercisable are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. Investment in subsidiaries are shown at cost less accumulated impairment in the Company's financial statements.

(iii) Transactions eliminated on consolidation

Intra-Group balances and transactions and any unrealised income and expenses arising from intra-Group transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains from transactions with equity accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

(b) Business combinations

(i) IFRS 3 Business combinations

Business combinations are recognised and measured in terms of IFRS 3 Business Combinations. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of assets acquired and liabilities assumed by the Group. Acquisition-related costs are recognised in profit or loss as incurred. Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(b) Business combinations continued

(ii) Business Combinations Under Common Control

Business combinations involving entities under common control are accounted for using the predecessor value method. Under this approach, the identifiable assets and liabilities of the acquired entity are recognised at their carrying amounts to the group and no goodwill is recognised as part of the transaction. Any difference between the consideration transferred and the carrying value of the net assets acquired is adjusted directly in equity in through retained earnings. Transaction costs are expensed as incurred.

(iii) Goodwill

Goodwill is initially recognised and measured as mentioned in the above paragraph.

Goodwill reviewed for impairment at least annually. For impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

(c) Foreign currency

Transactions denominated in foreign currencies are initially recorded at the functional currency spot rates at the transaction date. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. Differences arising on settlement or translation of monetary items are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

The results and position of consolidated entities that have a functional currency that differs from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income statement items are translated at the average rate for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and
- All resulting exchange differences are recognised as a separate component of other comprehensive income.

On disposal of the consolidated entity, the accumulated exchange differences in other comprehensive income are recognised in the statement of profit or loss and other comprehensive income.

(d) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the cost of material and direct labour and other costs directly attributable to bringing the asset to a working condition for its intended use. When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised in profit or loss.

(ii) Subsequent costs

Subsequent expenditure relating to an item of property, plant and equipment is capitalised when it is probable that future economic benefits from the use of the asset will be increased and its cost can be reliably measured. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(d) Property, plant and equipment continued

(iii) Depreciation

Depreciation is recognised in profit or loss on a straight-line basis over the estimated useful lives of each of the items of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group and Company will obtain ownership by the end of the lease term. The average depreciation rates for the current and comparative periods are as follows:

	2024	2023
Freehold buildings	**2%**	2%
Leasehold land and buildings	**4%**	4%
Plant and machinery	**4 – 20%**	4 – 20%
Vehicles	**20%**	20%
Furniture and equipment	**10 – 33%**	10 – 33%
Returnable containers	**20%**	20%

The asset's residual values, useful lives and methods of depreciation are reviewed, and adjusted if appropriate, at each financial year end. Land is not depreciated. The carrying values are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

An item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in profit or loss in the period the asset is derecognised. Depreciation is not provided on assets during the time of construction.

(e) Intangible assets

(i) Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, and expenditure on internally generated goodwill and brands is recognised in profit or loss as an expense as incurred. Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically feasible, costs can be reliably measured, future economic benefits are feasible and the Group or Company intends to and has sufficient resources to complete development and to use or sell the asset. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in profit or loss as an expense as incurred. Capitalised development expenditure is measured at cost less accumulated amortisation and impairment losses.

(ii) Other intangible assets

Other intangible assets acquired by the Group or Company, which have finite useful lives, are measured at cost less accumulated amortisation and impairment losses.

(iii) Subsequent expenditure

Subsequent development expenditure on capitalised intangible assets is capitalised only when it increases the future economic benefit embodied in the specific assets to which it relates. All other subsequent expenditure is expensed as incurred.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(e) Intangible assets continued

(iv) Amortisation

The useful lives of intangible assets are assessed to be either finite or infinite. Intangible assets with finite lives are amortised on a straight line basis over the estimated useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. Intangible assets with indefinite useful lives are tested for impairment annually and are not amortised. If the carrying amount exceeds the recoverable amount, an impairment loss will be recognised. Amortisation and impairment charges on intangible assets are charged to profit or loss. If an intangible asset with an indefinite life has changed to a finite life the change is made on a prospective basis. The average amortisation rates for the current and comparative periods are as follows:

	2024	2023
Automation processes	**20%**	20%
Externally purchased software licences	**33.3%**	33.3%
Trademarks	**0 – 20%**	0 – 20%
Customer relationships	**20%**	20%

(f) Leases

Leases where Group is lessee

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

At the start date of the lease, the group and company recognise a right of use (ROU) asset and a lease liability presented under interest-bearing borrowings on the statement of financial position. The ROU asset is initially measured at cost, and subsequently at cost less accumulated depreciation and impairment losses, and adjusted for certain remeasurements of the lease liability.

The group and company apply the following practical expedients for the recognition of leases:

- The short-term lease exemption, meaning that leases with a duration of less than 12 months are expensed in the income statement on a straight-line basis.
- The low value lease exemption, meaning that leased assets with an individual value of N$50 000 or less if bought new, are expensed in the income statement.

Lease liabilities are measured at the present value of the lease payments to be paid during the lease term, discounted using the incremental borrowing rate ('IBR'). Lease liabilities are subsequently increased by the interest cost on the lease liabilities and decreased by lease payments made. The lease liabilities will be re-measured when there is a change in the amount to be paid (e.g. due to indexation) or when there is a change in the assessment of the lease terms.

The lease term is determined as the non-cancellable period of a lease, together with:

- Periods covered by a unilateral option to extend the lease if the group and company are reasonably certain to make use of that option; and
- Periods covered by an option to terminate the lease if the group and company are reasonably certain not to make use of that option.

The group and company apply the following practical expedients for the recognition of leases:

- Apply a single discount rate to a portfolio of leases with reasonably similar characteristics; and
- Include non-lease components in the lease liability for equipment leases.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(g) Inventories

Inventories are carried at the lower of cost and net realisable value. The cost of inventories comprises all costs of purchase, conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined as follows:

Raw materials and consumable stores:

– Purchase cost on the weighted average basis.

Finished goods and work in progress:

– Cost of direct materials and labour and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. Obsolete, redundant and slow-moving inventories are identified on a regular basis and are written down to their estimated net realisable values. Net realisable value is the estimated selling price in the ordinary course of the business, less estimated costs of completion and the estimated costs necessary to make the sale.

(h) Impairment

(i) Financial assets

The Group recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL (expected credit losses) for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
– significant deterioration in external market indicators of credit risk for a particular financial instrument, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
– existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
– an actual or expected significant deterioration in the operating results of the debtor;
– significant increases in credit risk on other financial instruments of the same debtor; and
– an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(h) Impairment continued

(i) Financial assets continued

Significant increase in credit risk continued

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

1. the financial instrument has a low risk of default;

2. the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and

3. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

(a) significant financial difficulty of the issuer or the borrower;

(b) a breach of contract, such as a default or past due event (see (ii) above);

(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;

(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

(e) the disappearance of an active market for that financial asset because of financial difficulties.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(h) Impairment continued

(i) Financial assets continued

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

For a financial guarantee contract, as the Group is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed, the expected loss allowance is the expected payments to reimburse the holder for a credit loss that it incurs less any amounts that the Group expects to receive from the holder, the debtor or any other party.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which the simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognised in other comprehensive income and accumulated in the investment revaluation reserve, and does not reduce the carrying amount of the financial asset in the statement of financial position.

(ii) Non-financial assets

The carrying amounts of the Company's and the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value-in-use and its fair value less costs to sell. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

An impairment is recognised if the carrying amount of an asset or its cash-generating unit exceeds its estimated recoverable amount. Impairments are recognised in profit or loss. An impairment is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment had been recognised.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(i) Financial instruments

(i) Non-derivative financial instruments

Non-derivative financial instruments comprise trade and other receivables, cash and cash equivalents, interest-bearing borrowings, trade and other payables. Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit and loss, any directly attributable transaction costs. Subsequent to initial recognition, non-derivative financial instruments are measured as described below. Accounting for finance income and costs is discussed in note 2(l) and 2(m) respectively. All regular way purchases and sales of financial assets are recognised on the trade date i.e. the date that the Company and Group commits to purchase the asset.

(ii) Financial assets or liabilities at fair value through profit or loss

Included in this category are derivative financial instruments. Financial assets or liabilities classified as at fair value through profit or loss, are subsequent to initial recognition, measured at fair value with changes in fair value recognised in profit or loss.

(iii) Loans and receivables

Included in this category are the loans to Group companies. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortised cost using the effective interest method. Amortised cost is computed as the amount initially recognised minus principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between the initially recognised amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums and discounts. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iv) Trade and other receivables

Trade receivables, which generally have 30 – 60 day terms, are subsequent to initial recognition, recognised at amortised cost.

(v) Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand, deposits held on call with banks, net of bank overdrafts, all of which are available for use by the Company and Group unless otherwise stated.

(vi) Interest-bearing borrowings

Included in this category are finance lease liabilities and long and medium-term financing. Non-derivative financial liabilities are recognised at amortised cost, using the effective interest method. Interest-bearing bank loans and overdrafts are recorded at the value of proceeds received, net of direct issue costs. Finance charges are accounted for on an accrual basis and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise.

(vii) Derecognition of financial assets and liabilities

Financial assets – A financial asset is derecognised where the rights to receive cash flows from the asset have expired. Financial liabilities – A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

(viii) Non-interest-bearing financial liabilities

Non-interest bearing financial liabilities are recognised at amortised cost.

(ix) Offset of financial assets and financial liabilities

Financial assets and financial liabilities are at times reported net when the Company and Group has a legally enforceable right and intends to settle on a net basis, or realise the financial asset and financial liability simultaneously.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(j) Provisions

Provisions are recognised when the Company or Group has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the liability. A provision for restructuring is recognised when the Company and Group have approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating losses are not provided for.

(k) Revenue

The Group recognises revenue from the following major sources:

- Sale of alcoholic and non-alcoholic beverages and related by products;
- Royalty income on the Group's brands produced and sold in other countries; and
- Rental income.

Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes indirect taxes and discounts. Revenue is recognised when control of a product is transferred to a customer.

Revenue recognised is based on the price specified in the contract, net of discounts and sales taxes and gross of excise duties. Excise taxes are effectively a production tax as excise becomes payable when goods are produced and are not based on the sales value. Excise tax is borne by the Group and Company and therefore shown as an expense.

(i) Sale of Goods

Revenue is recognised when the control of the goods have passed to the buyer. For sales transactions, the control passes to the buyer on delivery of the products (at a point in time).

(ii) Rental income

Rental income is recognised on a straight-line basis over the term of the lease.

(iii) Royalty income

Royalty income is recognised on an accrual basis in accordance with the substance of the relevant agreement, at a point in time.

(l) Investment income

Investment income comprises interest income on funds, loans to Group companies. Interest income is recognised in the year as it accrues in profit or loss, using the effective interest method.

(m) Finance costs

Finance costs comprise interest expense on borrowings. Borrowing costs are recognised in profit or loss using the effective interest method. Finance costs on qualifying assets are capitalised.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(n) Income tax

Income tax expense comprises current and deferred tax. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in other comprehensive income. Current tax comprises tax payable calculated on the basis of the expected taxable income for the year, using the tax rates and tax laws enacted or substantively enacted at the reporting date and any adjustment of tax payable for previous years. Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is not recognised for the following temporary differences:

– The initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
– Investments in subsidiaries and jointly controlled entities to the extent that it is probable that the temporary differences will not reverse in the foreseeable future; and
– Taxable temporary differences arising on the initial recognition of goodwill. The carrying amount of deferred tax assets are reviewed at each reporting date to determine that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

(o) Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax except:

– Where the value added tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the value added tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
– Receivables and payables that are stated with the amount of value added tax included. The net amount of value added tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

(p) Earnings per share

The calculation of basic earnings per share is based on earnings attributable to ordinary shareholders. Account is taken of the weighted average number of ordinary shares in issue for the period during which they have participated in the income of the Group. The Group has no dilutive potential ordinary shares. Earnings is defined as the profit for the period after taxation and non-controlling interest.

Headline earnings per share is calculated in terms of the requirements set out in Circular 1/2023 issued by SAICA.

(q) Employee benefits

(i) Short term benefits

The cost of all short-term employee benefits is recognised during the period in which the employee renders the related service, on an undiscounted basis. A liability is recognised for the amount expected to be paid if the Company or Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(ii) Retirement benefits

The policy of the Group and Company is to provide retirement benefits for its employees. The contribution paid by the Group and Company to fund obligations for the payment of retirement benefits are recognised as an expense in profit or loss when they are due. Following the integration with the Distell Namibia entities, the Benchmark Retirement Fund and Alexander Forbes Retirement Fund, which are both defined contribution funds, cover all the Company's employees and are governed by the Pension Funds Act.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

(q) Employee benefits continued

(iii) Post employment medical benefits

The Group and Company provides for post-employment health care benefits to qualifying employees and retired personnel by subsidising a portion of their medical aid contributions. This scheme operates as a defined benefit plan and the cost of providing benefits under the plan is determined using the projected unit credit method.

Actuarial gains or losses, which can arise from differences between expected and actual outcomes, or changes in actuarial assumptions, are recognised immediately in other comprehensive income. The past service cost is recognised as an expense on a straight line basis over the average period until the benefits become vested. If the benefits are already vested immediately following the introduction of, or changes to the pension plan, past service cost is immediately recognised as an expense.

The entitlement to the benefits is usually based on the employee remaining in service up to retirement age and completing a minimum service period.

(iv) Severance benefit obligation

In accordance with the Namibia Labour Act, 2007 (No. 11 of 2007), severance benefits are payable to an employee, if the employee is dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The obligation for severance benefits to current employees is actuarially determined in respect of all Group employees and is provided for in full. The cost of providing benefits is determined using the projected unit- credit method, with actuarial valuations being carried out at the end of each reporting period. Actuarial gains or losses are recognised in other comprehensive income and service costs are recognised in profit or loss in the period in which they occur.

(r) Non-current assets held for sale

Non-current assets (and disposal groups) classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Non-current assets and disposal groups are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

(s) Operating segment

Operating segments are components of the entity that engage in business activities from which they may earn revenues and incur expenses. Their operating results are regularly reviewed by the entity's Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segment and assess its performance.

The Managing Director serves as the CODM and reviews consolidated financial information for the entire business through monthly Business Performance Review meetings. Based on this management approach, the Group operates as a single reportable segment encompassing all beverage production, distribution, and sales activities.

(t) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the Group can access at measurement date.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

New and revised standards

(i) Adoption of new and revised standards – effective in current period

The following table contains effective dates of IFRS's and recently revised IAS's, which have been adopted by the Company and Group. The adoption of these amendments has not had a significant impact on the results from operations or the Statement of Financial Position.

Final document	Date issued	Effective dates Annual reporting periods beginning on or after:
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2) The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.	12-Feb-21	01-Jan-23
Definition of Accounting Estimates (Amendments to IAS 8) The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	12-Feb-21	01-Jan-23
Initial application of IFRS 17 and IFRS 9 – Comparative information (Amendments to IFRS 17) The amendment requires that an entity applying the classification overlay to a financial asset presents comparative information as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset. The entity uses reasonable and supportable information available at the transition date to determine how the entity expects the financial asset would be classified and measured on initial application of IFRS 9.	09-Dec-21	01-Jan-23
Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 17) The Board amended the fixed expiry date for the temporary exemption in IFRS 4 Insurance Contracts from applying IFRS 9 Financial Instruments, so that entities will be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.	25-Jun-20	01-Jan-23
Deferral of the date of initial application of IFRS 17 (Amendments to IFRS 17) The amendment changes the mandatory effective date of IFRS 17, so that entities are required to apply IFRS 17 for annual periods beginning on or after 1 January 2023 (from the original effective date of 1 January 2021).	25-Jun-20	01-Jan-23

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3. Material accounting policies continued

New and revised standards continued

(i) Adoption of new and revised standards– effective in current year continued

Final document	Date issued	Effective dates Annual reporting periods beginning on or after:
IFRS 17 Insurance contracts IFRS 17 requires entities to measure insurance contracts using updated estimates and assumptions that reflect the timing of cash flows and account for uncertainty. Financial statements must incorporate the time value of money in estimating payments for incurred claims, and insurance contracts must be measured based solely on the obligations they create. Additionally, entities must recognise profits as insurance services are delivered rather than upon receipt of premiums. IFRS 17 replaces IFRS 4 – Insurance Contracts.	18-May-2017	01-Jan-23
Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12) The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	07-May-21	01-Jan-23
International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12) The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.	23-May-23	01-Jan-23

ii) Standards and amendments issued but not yet effective

The following table contains effective dates of IFRS's and recently revised IAS's, which have not been early adopted by the Company and Group and that might affect future financial periods:

Final document	Date issued	Effective dates Annual reporting periods beginning on or after:
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1) The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.	23-Jan-20	01-Jan-24
Amendments to the Classification and Measurement of Financial Instruments – (Amendments to IFRS 9 and IFRS 7) The amendments to IFRS 7 introduce additional disclosure requirements to enhance transparency for investors regarding investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features, for example features tied to ESG-linked targets.	09-May-24	01-Jan-26

Notes to the annual financial statements continued

for the period ended 31 December 2024

3. Material accounting policies continued

New and revised standards continued

ii) Standards and amendments issued but not yet effective continued

Final document	Date issued	Effective dates Annual reporting periods beginning on or after:
IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information This new standard requires an entity to disclose information about all sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term. IFRS S1 refers to these risks and opportunities as sustainability-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	**26-Jun-23**	**01-Jan-24**
IFRS S2 – Climate-related Disclosures IFRS S2 requires an entity to disclose information about its climate-related risks and opportunities that is useful to primary users of general purpose financial reports in making decisions relating to providing resources to the entity. These are climate-related risks and opportunities that could reasonably be expected to affect the entity's prospects.	**26-Jun-23**	**01-Jan-24**
Deferral of effective date for Classification of Liabilities as Current and Non-Current The Board deferred the effective date of the amendments by one year to annual reporting periods beginning on or after 1 January 2023. The Board did not make any other changes to the amendments. Earlier application of the amendments will continue to be permitted.	**15-Jul-20**	**01-Jan-24**
Amendments to the Sustainability Accounting Standards Board (SASB) standards to enhance their international applicability With the amendments, the ISSB intends to make the SASB standards more internationally applicable and GAAP-agnostic. The amendments remove and replace jurisdiction-specific references and definitions, without substantially altering industries, topics or metrics.	**19-Dec-23**	**01-Jan-2025**
The IASB issued the following amendments to IFRS Accounting Standards as part of its annual improvements process: – IFRS 1 First-time Adoption of International Financial Reporting Standards » Hedge accounting by a first-time adopter – IFRS 7 Financial Instruments: Disclosures » Gain or loss on derecognition » Disclosure of deferred difference between fair value and transaction price » Credit risk disclosures – IFRS 9 Financial Instruments » Derecognition of lease liabilities » Transaction price – IFRS 10 Consolidated Financial Statements » Determination of a 'de facto agent' – IAS 7 Statement of Cash Flows » Cost method	**03-Jul-24**	**01-Jan-26**

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3. **Material accounting policies** continued

New and revised standards continued

ii) Standards and amendments issued but not yet effective continued

Final document	Date issued	Effective dates Annual reporting periods beginning on or after:
IFRS 18 Presentation and Disclosure in Financial Statements IFRS 18 introduce new requirements to improve companies' reporting of financial performance and provide investors with a better basis for analysis and comparison. These amendments enhance comparability in the statement of profit or loss by introducing three defined categories for income and expenses – operating, investing, and financing – along with a requirement for companies to report new subtotals, including operating profit.	**9-Apr-24**	**01-Jan-27**
IFRS 19 Subsidiaries without Public Accountability: Disclosures IFRS 19 permits eligible subsidiaries to use IFRS Accounting Standards with reduced disclosures. Applying IFRS 19 will reduce the costs of preparing subsidiaries' financial statements while maintaining the usefulness of the information for users of their financial statements.	**9-Apr-24**	**01-Jan-27**
Lease Liability in a Sale and Leaseback (Amendments to IFRS 16) The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	**22-Sep-22**	**01-Jan-24**
Non-current Liabilities with Covenants (Amendments to IAS 1) The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	**31-Oct-22**	**01-Jan-24**
Lack of Exchangeability (Amendments to IAS 21) The amendments require an entity to apply a consistent approach to assessing whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide.	**15-Aug-23**	**01-Jan-25**
Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7) The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	**25-May-23**	**01-Jan-24**
Insurance Contracts (IFRS 17) Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017 (includes a deferral of the effective date to annual periods beginning on or after 1 January 2023).	**25-May-23**	**01-Jan-24**

The directors have not yet assessed the impact of adopting these standards but do not currently expect the adoption of any of these standards to have a significant impact on these accounts.

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		4. Property, plant and equipment		
		At cost		
290 137	**426 519**	Freehold land and buildings	**588 060**	457 356
5 512	**5 512**	Leasehold land and buildings	**7 671**	7 671
1 363 648	**1 562 014**	Plant and machinery	**1 562 014**	1 395 748
67 416	**69 252**	Vehicles	**69 252**	78 744
55 611	**71 043**	Furniture and equipment	**71 043**	61 206
360 323	**429 273**	Returnable containers	**429 273**	360 372
70 742	**4 901**	Assets under construction	**4 901**	70 742
2 213 389	**2 568 514**		**2 732 214**	2 431 839
		Accumulated depreciation		
53 138	**62 154**	Freehold land and buildings	**70 539**	58 223
2 092	**3 235**	Leasehold land and buildings	**5 393**	4 251
881 850	**757 639**	Plant and machinery	**757 639**	898 533
46 973	**51 137**	Vehicles	**51 137**	52 116
34 612	**38 784**	Furniture and equipment	**38 784**	38 455
179 456	**169 619**	Returnable containers	**169 619**	179 494
1 198 121	**1 082 568**		**1 093 111**	1 231 072
		Carrying value		
236 999	**364 365**	Freehold land and buildings	**517 521**	399 133
3 420	**2 277**	Leasehold land and buildings	**2 278**	3 420
481 798	**804 375**	Plant and machinery	**804 375**	497 215
20 443	**18 115**	Vehicles	**18 115**	26 628
20 999	**32 259**	Furniture and equipment	**32 259**	22 751
180 867	**259 654**	Returnable containers	**259 654**	180 878
70 742	**4 901**	Assets under construction	**4 901**	70 742
1 015 268	**1 485 946**		**1 639 103**	1 200 767

Refer to Annexure B for details regarding the movement in property, plant and equipment for the period.

Land and buildings

The Group's land and buildings are not encumbered. Details of the Group's land and buildings are maintained for inspection at the registered office of the Company.

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		5. Intangible assets		
		At cost		
26 160	**26 160**	Automation processes	**26 160**	26 160
11 000	**83 367**	Trademarks	**84 000**	86 000
–	**6 767**	Customer relationships	**7 000**	7 000
35 274	**71 582**	Software licences	**71 582**	35 274
72 434	**187 876**		**188 742**	154 434
		Accumulated amortisation		
16 236	**20 137**	Automation processes	**20 137**	16 236
2 000	**7 617**	Trademarks	**8 250**	2 633
–	**2 100**	Customer relationships	**2 333**	233
12 591	**29 313**	Software licences	**29 313**	12 591
30 827	**59 167**		**60 033**	31 693
		Carrying value		
9 924	**6 023**	Automation processes	**6 023**	9 924
9 000	**75 750**	Trademarks	**75 750**	83 367
–	**4 667**	Customer relationships	**4 667**	6 767
22 683	**42 269**	Software licences	**42 269**	22 683
41 607	**128 709**		**128 709**	122 741

Refer to Annexure B for details regarding the movement in intangible assets for the period.

On 30 April 2023, NBL acquired the entire shareholding of the Distell Namibia Companies. In accordance with IFRS 3, intangible assets acquired in the business combination were recognised at their fair values as at the acquisition date. These assets are amortised over the expected remaining useful lives as at the effective date of acquisition. Refer to note 8 for the details and related disclosures of the intangible assets acquired.

As part of the business combination of entities under common control (disclosed in note 8), NBL (the Company) acquired the intangible assets initially recognised under IFRS 3 as part of the Distell acquisition. This is inline with the target operating model of the Group and was concluded during the period under review.

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		6. Right of use assets		
		At cost		
69 317	**85 407**	Leased motor vehicles	**84 407**	81 792
7 632	**82 285**	Leased properties	**15 701**	7 632
76 949	**167 692**		**100 108**	89 424
		Accumulated amortisation		
32 508	**43 443**	Leased motor vehicles	**43 443**	40 259
6 119	**19 645**	Leased properties	**10 768**	6 119
38 627	**63 088**		**54 211**	46 378
		Carrying value		
36 809	**41 964**	Leased motor vehicles	**40 964**	41 533
1 513	**62 640**	Leased properties	**4 933**	1 513
38 322	**104 604**		**45 897**	43 046

Refer to Annexure B for details regarding the movement in right-of-use assets for the period. The corresponding lease liability information is disclosed in note 15 and Annexure A.

Subsequent to the business combination of entities under common control, as disclosed in note 8, NBL (the Company) entered into lease agreements for the lease of fixed property from the Distell Namibia Companies. Accordingly, these properties were capitalised under IFRS 16 and recognised in Company figures.

For the period ended 31 December 2024, the Company recognised a depreciation expense on the ROU asset of N$8.9 million in profit or loss, Interest expense on the lease liability of N$9.9 million recognised as part of finance costs, and lease payments of N$15 million. At period end, the carrying amount of the ROU asset was N$57.7 million, while the lease liability amounted to N$61.5 million, classified between current and non-current liabilities based on contractual maturity.

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		7. Investment in subsidiaries		
1 214 946	**161 316**	Shares at cost	**–**	–
1 214 946	**161 316**	Non-current	**–**	–
		Subsequent to the business combination of entities under common control, as disclosed in note 8, the Distell Namibia Companies transitioned into property holding entities, leasing fixed property to NBL. Given this change in operations and the transfer of assets and liabilities to NBL, the investment in the Distell Namibia Companies has been impaired.		
		The impairment assessment focused on determining the appropriate recoverable amount for the investment in the Distell Group, who subsequent to the sale conducts business as a property rental entity. Management determined that the most appropriate basis for valuation was its net asset value (NAV), being fairly valued, rather than an earnings-based valuation approach, with the intrinsic value of the Distell Group being its immovable property.		
		A Purchase Price Allocation (PPA) performed by an independent consultant, determined the fair value of immovable property for the Distell Namibia Companies to be N$170 million. The valuations as performed under the PPA were used as a basis to determine a recoverable amount, being the fair value less accumulated depreciation. Under the NAV methodology, the recoverable amount is deemed to be N$160 million, resulting in the below impairment recorded in note 21:		
		Consolidated Fair Value of Distell Namibia companies at acquisition	**1 564 117**	
		Accumulated Impairment	**(350 000)**	
		Opening balance of investment in Distell Namibia companies	**1 214 117**	
		Recoverable Amount (NAV) of the Distell Namibia Companies as at 31 December 2024	**160 487**	
		Impairment loss (note 21)	**1 053 630**	
		Reconciliation of investment in subsidiaries		
1 296	**1 214 946**	Opening balance		
1 564 118	**–**	Acquisitions		
(350 468)	**(1 053 630)**	Impairments		
1 214 946	**161 316**	Closing balance		
		For more information on subsidiaries, refer to Annexure C.		

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for the period ended 31 December 2024

8. Business combination, goodwill and acquired intangibles

On 17 April 2023, NBL obtained the 100% shareholding in Distell Namibia Limited, Distillers Corporation Namibia (Proprietary) Limited and Namibia Wines and Spirits (Proprietary) Limited (collectively referred to as the Distell Namibia Companies or Distell). For convenience, the acquisition was considered to have been done on 30 April 2023.

The following table summarises amounts of assets acquired and liabilities assumed at the 30 April 2023 acquisition date:

	N$'000
Intangible assets	82 000
Property, plant and equipment	193 858
Right of use assets	5 232
Inventories	148 191
Trade and other receivables	138 763
Current tax receivable	10 308
Cash and cash equivalents	624 724
Assets acquired	**1 203 076**
Interest bearing borrowings – lease liabilities	(6 924)
Provisions	(29 964)
Deferred tax liabilities	(60 916)
Trade and other payables	(285 539)
Liabilities assumed	**(383 343)**
Total net identifiable assets	**819 733**
Consideration transferred	1 564 118
Net identifiable assets acquired	(819 733)
Goodwill on acquisition	**744 385**

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for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		8. Business combination, goodwill and acquired intangibles continued		
		Goodwill on the acquisition of the Distell Namibia Companies	**744 385**	744 385
		Goodwill	**744 385**	744 385

Goodwill is mainly attributed to the decision to invest additional resources in the acquisition of the Distell Namibia Companies, which brings with it various strategic advantages for NBL. These encompass strategic and operational alignment with Heineken as a whole, positioning NBL as the major contributor for alcoholic beverage products in Namibia. The integration of the Distell Namibia Companies' renowned brands with NBL's existing beer portfolio creates a synergistic product range catering to a wider consumer base. Leveraging NBL's manufacturing capabilities to produce key cider and wine products locally enhances self-sufficiency and strengthens NBL as a whole. The acquisition also holds the potential for significant synergies in vital areas like logistics, support functions and revenue generation.

Tassenberg, Castelo, Capenheimer and pre-existing customer relationships represent the majority of the intangible assets identified and acquired in the acquisition of Distell. This is a result of these brands having a major brand equity within Namibia, together with the sales made to customers in the on-trade channels. The value of these intangible assets recognised on acquisition date was:

	N$'000	Useful life (years)
Tassenberg	55 000	20
Castelo	17 000	20
Capenheimer	3 000	20
Customer relationships	7 000	5
	82 000	

Goodwill arising on acquisition is tested for impairment on an annual basis. The impairment consideration is done on a single Cash Generating Unit (CGU) to which goodwill is allocated, being the business as a whole.

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for the period ended 31 December 2024

8. Business combination, goodwill and acquired intangibles continued

Goodwill impairment testing

As at 31 December 2024, management performed the Group's annual goodwill impairment assessment in accordance with IAS 36 Impairment of Assets. Following a strategic review during the period, management concluded that the Group operates as a single integrated business, with shared resources, centralised operations, and collective cash inflows. As such, goodwill is monitored and tested for impairment at the level of the Group as a whole, which is considered a cash-generating unit (CGU).

The recoverable amount of the CGU was determined based on the value-in-use method, using cash flow projections covering a 10-year period. A terminal value was calculated at the end of the forecast period, applying a long-term growth rate to reflect future expectations beyond the forecast period.

The key assumptions used for the value in use calculations are as follows:

- Cash flows are projected based on actual operating results and the approved strategic plan for FY25 – FY27. Cash flows thereafter are extrapolated up to FY33 using an expected annual growth rate of 4.9%. Based on external resources and based on past experience, management considers this period to reflect the long-term development of the business and includes synergy benefits.
- Cash flows after the forecast period, as well as for the terminal value, are extrapolated using a perpetual growth rate equal to the long-term inflation for revenue combined with normalised margins (inclusive of identified synergies) for EBITDA.
- A pre-tax weighted average cost of capital (WACC) of 14.4% was applied in determining the recoverable amount.

At 31 December 2024, the recoverable amount of the CGU exceeds the carrying amount and no impairment loss will be recognised against goodwill, as detailed below:

	N$'000
Group Net Asset Value at 31 December 2024	**2 340 178**
Recoverable amount (BEV)	**3 355 331**
Excess recoverable amount over carrying value	**(1 015 153)**

Sensitivity analysis:

A one percentage point increase or decrease in the rate of growth for the terminal value will have the following effect:

The recoverable amount will increase by N$202 million and decrease by N$163 million.

A one percentage point increase or decrease in the WACC rate used to discount cash flows will have the following effect:

The recoverable amount will decrease by N$336 million and increase by N$415 million.

As evidenced above, the change in assumptions would not lead to an impairment to Goodwill for the period ended 31 December 2024.

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8. Business combination, goodwill and acquired intangibles continued

Business combination of entities under common control

To optimise the operating model and realise synergy benefits with the Distell Namibia Companies (refer to Annexure C), NBL acquired the majority of operational assets (excluding immovable property) and assumed all operational liabilities under a sale of business agreement with the Distell Namibia Companies. Consequently, the former Distell business ceased to exist, with all operational and cash-generating activities now conducted solely by NBL (the Company). Following this agreement, the Distell Namibia Companies transitioned into property holding entities, leasing fixed property to NBL.

The following table summarises the book value of assets acquired and liabilities assumed on the 04 September 2023 acquisition date:

	N$'000
Intangible assets	81 133
Property, plant and equipment	21 542
Inventories	116 377
Trade and other receivables	33 769
Assets acquired	**252 821**
Trade and other payables	(37 765)
Deferred tax	(25 963)
Provisions for post retirement employee benefits	(24 577)
Liabilities assumed	**(88 305)**
Total net identifiable assets	**164 516**
Consideration transferred	910 821
Net identifiable assets acquired	(164 516)
Equity realised on business acquisition of entities under common control	**746 305**

Business combinations involving entities under common control are accounted for using the predecessor value method. Under this approach, the assets and liabilities of the acquired entity are recognised at their historical carrying amounts and no goodwill is recognised as part of the transaction. Any difference between the consideration transferred and the carrying value of the net assets acquired is adjusted directly in equity in through retained earnings. Transaction costs of N$124 000 were expensed.

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		Movement in Statement of Cash Flows		
(1 564 118)	**(910 821)**	Consideration paid	–	(1 564 118)
–	**–**	Cash balances acquired in acquisition	–	624 724
(1 564 118)	**(910 821)**		–	(939 394)

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		9. Inventories		
80 740	**34 164**	Raw materials	**34 164**	80 740
31 008	**36 614**	Work in progress	**36 614**	31 008
117 289	**339 883**	Finished products	**339 883**	288 130
226 984	**259 127**	Consumable stores	**259 127**	228 627
456 021	**669 788**		**669 788**	628 505
(11 873)	**(24 684)**	Provision for obsolete inventory	**(24 684)**	(12 570)
444 148	**645 104**		**645 104**	615 935
		Reconciliation of provision for obsolete stock		
(5 832)	**(11 873)**	Opening balance	**(12 570)**	(11 873)
21 969	**51 153**	Inventory write-downs	**51 153**	21 969
(28 010)	**(63 964)**	Provision raised on obsolete stock	**(63 267)**	(22 666)
(11 873)	**(24 684)**	Closing Balance	**(24 684)**	(12 570)

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for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		10. Trade and other receivables		
		Financial instruments at amortised cost		
291 816	**357 284**	Trade receivables	**357 284**	404 509
55 483	**48 163**	Accrued income	**48 136**	55 483
347 299	**405 447**	**Total trade receivables subject to expected credit losses**	**405 420**	459 992
(22 952)	**(21 486)**	Allowance for credit losses	**(21 486)**	(24 609)
4 628	**4 628**	Receivables from Group companies (note 30.1)	**–**	–
52 805	**49 598**	Receivables from related parties (note 30.2)	**49 598**	96 655
32 827	**50 490**	Refundable deposits	**50 490**	32 827
3 213	**71 036**	Other receivables	**72 057**	3 764
417 820	**559 713**	**Total financial instruments at amortised cost**	**556 079**	568 629
		Non-financial instruments		
204 008	**13 434**	Prepayments	**13 434**	204 008
23 995	**50 637**	Value added taxation	**48 971**	63 020
228 003	**64 071**	**Total non-financial instruments**	**62 405**	267 028
645 823	**623 784**	**Total trade and other receivables**	**618 484**	835 657

Trade receivables are generally on 30-60 days' terms.

The average collection period on sales of goods of the Company and Group is 29 days (2023: 32 days). No interest is charged on the trade receivables for the first 30-60 days from the date of the invoice.

The Value Added Tax receivable in the Company and Group is shown net of a N$19.5 million (2023: N$74.2 million) provision raised against the outstanding balance. The provision was raised for possible losses related to VAT claims receivable from the South African Revenue Service (SARS). During the 2023 financial period, SARS communicated that no further amounts were going to be refunded. In line with this and the resulting uncertainty regarding the recoverability, the Company and Group raised the provision to represent the total amount outstanding. In the eighteen months ended 31 December 2024, NBL received N$54.7 million in refunds from SARS and although refunds were received, the balance receivable remains fully provided for.

Prepayments relate to the upfront payments made for capital projects and normal business operations. At period end, 100% (2023: 48%) of the balance is attributed to capital projects.

The carrying amount of trade and other receivables approximates their fair value.

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10. Trade and other receivables continued

Exposure to credit risk

Trade receivables inherently expose the Company and Group to credit risk, being the risk that the Company and Group will incur financial loss if customers fail to make payments as they fall due.

The Company and Group's historical credit loss experience does not show significantly different loss patterns for different customer segments. The provision for credit losses is therefore based on past due status without disaggregating into further risk profiles. The loss allowance provision is determined as follows:

	2024 Estimated gross carrying amount at default N$'000	2024 Loss allowance (Lifetime expected credit loss) N$'000	2023 Estimated gross carrying amount at default N$'000	2023 Loss allowance (Lifetime expected credit loss) N$'000
Group				
Expected credit loss rate				
Not past due	**301 294**	**(7)**	353 785	(315)
31-60 days past due	**38 068**	**(310)**	25 786	(347)
61-90 days past due	**10 473**	**(14)**	16 130	(355)
91-120 days past due	**8 406**	**(5)**	15 934	(60)
120+ days past due	**47 179**	**(21 150)**	48 357	(23 532)
	405 420	**(21 486)**	459 992	(24 609)
Company				
Expected credit loss rate				
Not past due	**301 321**	**(7)**	257 606	(205)
31-60 days past due	**38 068**	**(310)**	11 733	(25)
61-90 days past due	**10 473**	**(14)**	15 507	(44)
91-120 days past due	**8 406**	**(5)**	15 934	(60)
120+ days past due	**47 179**	**(21 150)**	46 519	(22 618)
	405 447	**(21 486)**	347 299	(22 952)

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		10. Trade and other receivables continued		
		Reconciliation of the allowance for expected credit losses		
(18 645)	**(22 952)**	Balance at the beginning of the period	**(24 609)**	(18 645)
–	**–**	Provision acquired through business combination	**–**	(1 657)
(8 614)	**(25 459)**	Provision raised	**(23 802)**	(8 614)
4 307	**26 925**	Provision utilised	**26 925**	4 307
(22 952)	**(21 486)**	Balance at the end of the period	**(21 486)**	(24 609)
		Analysed as follows:		
(21 926)	**(20 894)**	Individually impaired trade receivables	**(20 894)**	(23 583)
(1 026)	**(592)**	Collectively impaired trade receivables	**(592)**	(1 026)
(22 952)	**(21 486)**		**(21 486)**	24 609
		11. Cash and cash equivalents		
49 755	**42 900**	Cash and bank	**43 371**	60 478
–	**(231 770)**	Bank overdraft	**(231 770)**	–
36 037	**1**	Funds on call	**70**	36 109
85 792	**(188 869)**	Cash and cash equivalents at end of the period	**(188 329)**	96 587
		Classified as:		
85 792	**42 901**	Current assets	**43 441**	96 587
–	**(231 770)**	Current liabilities	**(231 770)**	–
85 792	**(188 869)**		**(188 329)**	96 587
		The carrying amount of these assets approximate their fair value.		

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		11. Cash and cash equivalents continued		

Facilities

Various facilities have been provided by First National Bank of Namibia Limited. The list of facilities are set out below:

- Overdraft facility of N$600 000 000 (2023: N$100 000 000) of which N$368 230 000 is unutilised (2023: N$100 000 000 unutilised) at period end;
- Business credit card facility of N$500 000 (2023: N$350 000);
- Fleet cards facility of N$3 000 000 (2023: N$3 000 000);
- Guarantees of N$5 675 000 (2023: N$8 186 000);
- Wesbank rental facility of N$700 000 (2023: N$700 000);
- Short term pre-settlement facility on derivatives of N$15 000 000 (2023: N$10 000 000);
- Pre-settlement facility on fuel hedges of N$0 (2023: N$5 000 000); and
- Pre-settlement facility on interest rates of N$0 (2023: N$21 000 000).

The above facilities are unsecured.

In the comparative period, NBL secured bridge financing to facilitate its acquisition of Distell. Under the terms of the Bridge Facility Agreement, NBL was permitted to set off N$850 million (Bridge Facility B) against amounts the lender held to NBL's credit. Accordingly, NBL elected to apply this set-off against cash and cash equivalents of the same amount to optimise cash management.

No other facilities qualified for set-off, and the Group did not intend to use any portion of the N$850 million cash balance to fund normal operations. Both the utilised Bridge Facility B and the corresponding bank account were held at RMB Namibia. As a result, the cash balances presented in the prior year financial statements were reported net of this set-off.

During the current period, these facilities were fully settled and replaced by new facilities, where no set-off is applied.

Statement of Cash Flows reconciliation

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
85 792	**42 901**	Cash balances presented net in Statement of Financial Position	**43 441**	96 587
–	**(231 770)**	Bank overdraft presented in Statement of Financial Position	**(231 770)**	–
850 000	**–**	Set-off applied	**–**	850 000
935 792	**(188 869)**	**Balance presented in Statement of Cash Flow**	**(188 329)**	946 587

Refer to note 32 for details of currency risk management for cash and cash equivalents.

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		12. Derivative financial instruments		
		Hedging derivatives		
251	**384**	Forward foreign exchange contract asset	**384**	251
251	**384**		**384**	251

Refer to note 33.2 for details on outstanding forward exchange contracts at period end.

Derivative financial instruments are classified as current assets or liabilities, as the Forward Exchange Contracts expire within 12 months after period end.

13. Non-current assets held for sale and discontinued operations

The major classes of assets and liabilities comprising the asset classified as held for sale were as follows:

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		Statement of Profit and Loss and Other Comprehensive Income		
4 791	**–**	Interest income received from Heineken SA	**–**	4 791
4 791	**–**		**–**	4 791
		Statement of Financial Position		
		Non-current assets held for sale		
18 797	**5 075**	Property, Plant & Equipment	**5 075**	18 797
18 797	**5 075**		**5 075**	18 797
		Statement of Cash Flows		
4 791	**–**	Profit from discontinued operations	**–**	4 791
4 791	**–**	Cash flow from investing activities – finance income	**–**	4 791

As part of an overall scheme of transactions involving entities within the O&L Group, Distell Group and Heineken Group, including Heineken International B.V., NBL classified its shareholding in Heineken South Africa (RF) Proprietary Limited, as well as some of its non-core assets, as a discontinued operation/asset held for sale for the year ended 30 June 2022.

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13. Non-current assets held for sale and discontinued operations continued

Statement of Cash Flows continued

After meeting all necessary requirements, both from a regulatory perspective and those contractual conditions precedent to the overall scheme of transactions, NBL sold its shareholding on 14 April 2023. The following is a summary of the disposal:

	Loan N$'000	Investment in Associate N$'000	Total N$'000
Proceeds received on Disposal	73 625	5 442 000	5 515 625
Discontinued operations – Investment in associate	(73 625)	(688 698)	(762 323)
Profit of disposal (note 21)	–	4 753 302	4 753 302

Since 1 July 2022 and under measurement requirements of IFRS 5, NBL ceased to recognise equity accounted profits or losses, but earned Interest income on a loan to Heineken South Africa (RF) Proprietary Limited for the period 1 July 2022 to 14 April 2023, when the loan was repaid.

The non-core assets specified (Property, plant and equipment indicated above) in the Share Repurchase and Purchase Agreement with Olthaver & List Finance and Trading Corporation (OLFITRA) continue to be classified as non-current assets held for sale at the reporting date. In May 2023, OLIFTRA exercised their option to purchase the non-core assets and submitted a formal official offer to NBL. During the period under review, several assets were sold, and sale agreements were finalised with OLFITRA. As of the reporting date, a portion of assets remain classified as held for sale, pending approval from the Namibian Competition Commission. On 4 March 2025, the sale of the remaining assets were concluded and funds received.

The non-current assets held for sale, comprises Land, Buildings and Plant and Machinery, previously classified as Property, Plant and Equipment.

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		14. Share capital		
		Ordinary – Authorised		
		299 000 000 shares of no par value (2023: 299 000 000)		
		1 000 000 Variable rate redeemable preference shares of N$0.50 each		
		Ordinary –Issued		
1 024	**1 024**	206 529 000 fully paid up shares of no par value (2023: 206 529 000)	**1 024**	1 024
1 024	**1 024**		**1 024**	1 024

The holders of ordinary shares are entitled to receive dividends as declared and are entitled to one vote per share at Company meetings.

92 471 000 unissued ordinary shares are not under the control of the directors in terms of a resolution of members passed at the last annual general meeting.

15. Interest-bearing loans and borrowings

This note provides information on the contractual terms of the Company and Group's interest-bearing loans and borrowings, including finance lease liabilities. For more information about the exposure to interest rate risk, see Annexure A.

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		Non-current liabilities		
220 000	**170 000**	Medium-Term loans (Annexure A)	**170 000**	220 000
28 125	**85 929**	Finance lease liabilities (Annexure A)	**29 751**	31 563
248 125	**255 929**		**199 751**	251 563
		Current liabilities		
366 000	**–**	Medium-Term loans (Annexure A)	**–**	366 000
12 711	**20 042**	Finance lease liabilities (Annexure A)	**15 634**	15 668
378 711	**20 042**		**15 634**	381 668
586 000	**170 000**	Total Medium-Term loans	**170 000**	586 000
40 836	**105 971**	Total finance lease liabilities	**45 385**	47 231
626 836	**275 971**	**Total interest bearing borrowings**	**215 385**	633 231

The undrawn portion of the Medium term facilities at 31 December 2024 was N$830 million.

For terms and conditions related to interest bearing borrowings and loans, refer to Annexure A.

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		16. Provisions		
		16.1 Post employment medical aid benefit plan		
		Namibia Breweries Limited		
5 815	**5 089**	Balance at the beginning of the period	**5 089**	5 815
–	**24 577**	Provision assumed by NBL	**24 577**	–
609	**5 698**	Interest cost – charged to profit and loss	**5 698**	609
–	**759**	Service cost	**759**	–
(638)	**322**	Actuarial (gain)/loss – charged to other comprehensive income	**322**	(638)
(697)	**(2 907)**	Benefits paid	**(2 907)**	(697)
5 089	**33 538**	Non current balance at the end of the period	**33 538**	5 089

NBL provides for post employment medical aid benefits in respect of a closed Group of specified retired employees. The present value of the provision at 31 December 2024 is N$33.5 million (2023: N$5.1 million).

In the previous financial year, both NBL and Distell Namibia disclosed post-employment medical aid plans for their respective employees. However, following the integration detailed in note 8, these plans have been consolidated under NBL. As a result, the provision previously recognised under Distell Namibia Limited has been assumed by NBL and is now reported as a single plan.

This consolidation does not affect the recognition or measurement principles applied to the obligation but reflects a structural realignment of post-employment benefits within the Group.

Valuation method and assumptions

The actuarial valuation method used to value the liabilities is the projected unit credit method prescribed by IAS 19 Employee Benefits. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.

The post-retirement medical aid costs were valued by an independent consulting actuary, Strategic Actuarial Partners Namibia (Proprietary) Limited on 31 December 2024. The principal actuarial assumptions used in determining post employment medical aid benefit obligations for the Group's plan are as follows:

Company 2023	Company 2024		Group 2024	Group 2023
13.0%	**12.5%**	Discount rate	**12.5%**	13.0%
7.4%	**6.1%**	Health care cost inflation	**6.1%**	7.4%
6.5%	**5.4%**	Salary Increase Rate	**5.4%**	6.50%

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for the period ended 31 December 2024

16. Provisions continued

16.1 Post employment medical aid benefit plan continued

Sensitivity analysis of health care cost inflation:

A one percentage point increase or decrease in the real interest rate (being the discount rate less the medical aid contribution increase rate) will have the following effect:

The accrued liability will decrease by N$3.008 million (2023: N$0.263 million) or increase by N$3.585 million (2023: N$0.293 million) respectively; and

The current service cost and interest cost will decrease by N$0.451 million (2023: N$0.028 million) or increase by N$0.458 million (2023: N$0.031 million) respectively.

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		Distell Namibia Limited		
		Balance at the beginning of the period	**24 577**	–
		Acquired through business combination	**–**	29 410
		Interest cost – charged to profit and loss	**–**	532
		Current service costs	**–**	410
		Actuarial gain – charged to other comprehensive income	**–**	(5 775)
		Provision assumed by NBL	**(24 577)**	–
		Non current balance at the end of the period	**–**	24 577
		Discount rate	**–**	13.0%
		Health care cost inflation	**–**	7.4%
		Salary Increase Rate	**–**	6.50%

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000

16. Provisions continued

16.2 Severance benefit

In accordance with section 35(1) of the Namibia Labour Act, 2007, severance benefits are payable to an employee, if the employee is unfairly dismissed, dies while employed or resigns/retires on reaching the age of 65 years. The statutory termination benefits provided are classified as defined benefits and are determined based on one weeks' salary/wages for each completed year of service. The severance benefit for previous Distell employees is incorporated into the Group's financial figures. However, it only encompasses amounts earmarked for payment in the event of death or unfair dismissal, with the retirement age being either 60 or 63 years. Once an "ex-Distell" employee receives a promotion or accepts another position with NBL, their employment contract is updated to outline the conditions under NBL's retirement age, being 65 years.

Following the integration detailed in note 7, NBL assumed the provision from Distell Namibia Limited on the date of the integration and have been disclosed as a movement in the Company's current period.

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
16 580	**15 659**	Balance at the beginning of the period	**16 244**	16 580
–	**585**	Provision assumed by NBL	**–**	554
1 202	**1 739**	Current service costs	**1 739**	1 233
2 100	**3 188**	Interest cost	**3 188**	2 100
(230)	**612**	Actuarial gain	**612**	(230)
(3 993)	**(3 152)**	Benefits paid	**(3 152)**	(3 993)
–	**64**	Past Service Cost	**64**	–
15 659	**18 695**	Balance at the end of the period	**18 695**	16 244

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		16. Provisions continued		
		16.2 Severance benefit continued		
		Valuation method and assumptions		
		The actuarial valuation method used to value the liabilities is the projected unit credit method prescribed by IAS 19 Employee Benefits. Future benefits valued are projected using specific actuarial assumptions and the liability for in-service members is accrued over the expected working lifetime.		
		The severance benefits were valued by an independent consulting actuary, Strategic Actuarial Partners Namibia (Proprietary) Limited on 31 December 2024. The principal actuarial assumptions used in determining severance pay obligations for the Group is as follows:		
13.0%	**10.9%**	Discount rate	**10.9%**	13.0%
7.4%	**5.4%**	Inflation rate	**5.4%**	7.4%
6.5%	**5.4%**	Salary Increase Rate	**5.4%**	6.5%

Sensitivity analysis of inflation:

A one percentage point increase or decrease in the inflation rate will have the following effect:

The accrued liability will decrease by N$1.586 million (2023: N$1.408 million) or increase by N$1.835 million (2023: N$1.631 million) respectively.

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		16. Provisions continued		
		16.3 Restructuring costs		
		As referenced in the comparative financial statements for the year ended 30 June 2023, the Group acquired the 100% shareholding of the Distell Namibia Companies on 17 April 2023 inline with the objective to diversify its overall portfolio and service offering.		
		As a result, the Group designed a target operating model and organisational structure to realise synergy benefits and increase overall profitability for the Group by integrating the Distell business into NBL. An unavoidable consequence of the integration process and target operational structure meant certain positions within the respective organisations were duplicated. Affected employees at management level, were notified in terms of Section 34 of the Labour Act of 2007, with an option to apply for a Voluntary Separation Package (VSP) or Voluntary Early Retirement (VER), as determined by management. On 31 December 2024, several employees had signed their VSP/VER offers, while other employees received their settlement payments and completed their employment by 31 December 2024. At 31 December 2024, the provision comprises those employees who accepted their offers by 31 December 2024, but is yet to complete their employment. The VSP/VER schemes are in compliance with the conditions set out by the Competition Commission related to the acquisition of Distell.		
11 938	**11 938**	Balance at the end of the period	**11 938**	11 938
–	**(7 951)**	Benefits paid	**(7 951)**	–
11 938	**3 987**	Balance at the end of the period	**3 987**	11 938
		Provisions classified as:		
20 748	**52 233**	Non-current liabilities	**52 233**	45 910
11 938	**3 987**	Current liabilities	**3 987**	11 938
32 686	**56 220**	**Total post-employment provisions**	**56 220**	57 848

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		17. Deferred taxation		
		Deferred taxation liability		
185 790	**163 742**	Balance at beginning of the period	**226 707**	185 772
–	**25 963**	Acquisition through business combination (note 8)	**–**	60 916
(2 035)	**34 959**	Accelerated depreciation for tax purposes	**12 333**	(2 159)
3	**154**	Debtors allowances	**(230)**	387
2 028	**(7 028)**	Customer deposits	**(6 984)**	1 984
(14 045)	**(9 886)**	Provisions	**(10 946)**	(12 967)
964	**772**	Deferred rentals	**772**	964
(3 185)	**3 292**	Prepayments	**3 292**	(3 185)
249	**(8 731)**	Retirement and severance pay benefit obligations	**(9 504)**	(826)
(6)	**(4 154)**	Intangible asset	**21 809**	(6)
(6 298)	**2 235**	Unrealised foreign exchange losses	**2 235**	(6 299)
(22 325)	**37 576**	Movement during the period	**12 777**	38 809
278	**(299)**	Charge to other comprehensive income for the period	**(299)**	2 126
163 742	**201 019**		**239 185**	226 707
		Analysis of deferred taxation liability:		
215 804	**250 763**	Accelerated depreciation for tax purposes	**288 929**	276 596
(155)	**(1)**	Debtors allowances	**(1)**	229
(14 850)	**(21 878)**	Customer deposits	**(21 878)**	(14 894)
(28 703)	**(38 589)**	Provisions	**(38 589)**	(27 643)
(804)	**(32)**	Deferred rentals	**(32)**	(804)
500	**3 792**	Prepayments	**3 792**	500
(6 640)	**(15 670)**	Retirement and severance pay benefit obligations	**(15 670)**	(5 867)
746	**22 555**	Intangible asset	**22 555**	746
(2 156)	**79**	Unrealised foreign exchange losses	**79**	(2 156)
163 742	**201 019**		**239 185**	226 707

Unutilised tax losses in certain subsidiaries are not recognised as deferred tax assets as a result of the uncertainty with regard to the recoverability thereof and amount to N$Nil million (2023: N$68.9 million). In the current period, the directors believe that these tax losses have been forfeited due to the absence of active trade in the subsidiary.

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		18. Trade and other payables		
		Financial instruments at amortised cost		
167 559	**225 720**	Trade and other payables	**225 441**	180 911
170 767	**7 529**	Payables to Group companies (note 30.1)	**–**	–
3 564	**124 775**	Payables to other related parties (note 30.2)	**124 775**	207 899
51 835	**110 244**	Other accrued expenses	**110 908**	65 151
31 317	**62 626**	Deposits received	**62 626**	63 045
37 287	**72 020**	Other payables	**72 020**	32 557
462 329	**602 914**	**Total financial instruments at amortised cost**	**595 770**	549 563
56 276	**83 942**	Excise duties	**83 942**	56 276
8 711	**71 090**	Accrued bonus	**71 124**	9 563
14 989	**24 264**	Accrued leave pay	**24 398**	17 369
79 976	**179 296**	**Total non-financial instruments**	**179 464**	83 208
542 305	**782 210**	**Total trade and other payables**	**775 234**	632 771

Terms and conditions of the above financial liabilities:

For terms and conditions of balances owing to related parties, refer to note 30.

Trade and other payables comprise amounts outstanding for trade purchases and ongoing costs. The carrying amount of trade and other payables approximate their fair value.

Trade payables are non-interest-bearing and are normally settled on 30 – 60 day terms.

Other accrued expenses relate to normal operating expenses, including water, electricity and transport among others.

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		19. Dividends payable		
(7 006)	**(26 626)**	Balance payable at the beginning of the period	**(26 626)**	(7 006)
(5 442 039)	**(417 189)**	Dividends declared on ordinary shares	**(417 189)**	(5 442 039)
26 626	**22 918**	Balance payable at the end of the period	**22 918**	26 626
(5 422 419)	**(420 897)**	Dividends paid	**(420 897)**	(5 422 419)

Dividends payable represents dividends declared, but not paid at period end.

Dividends are paid from accumulated profits.

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		20. Revenue		
4 069 863	**8 113 196**	Sale of goods	**8 337 949**	4 328 965
(876 847)	**(1 379 500)**	Excise	**(1 379 500)**	(876 847)
(215 985)	**(349 758)**	Discounts allowed	**(362 162)**	(229 288)
165 570	**228 761**	Royalties and know-how fees	**228 761**	165 569
3 142 601	**6 612 699**	Total net revenue from contracts with customers	**6 825 048**	3 388 399

As per the nature of the Group's operations, the timing of all revenue recognition takes place at a point of time. The performance obligation and corresponding revenue recognition takes place when goods are delivered to the customer.

Disaggregation of revenue from contracts with customers

The Group and Company disaggregates revenue from customers as follows:

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		At a point in time		
4 069 863	**8 113 196**	Sale of goods	**8 337 949**	4 328 965
(876 847)	**(1 379 500)**	Excise	**(1 379 500)**	(876 847)
(215 985)	**(349 758)**	Discounts allowed	**(362 162)**	(229 288)
165 570	**228 761**	Royalties and know-how fees	**228 761**	165 569
3 142 601	**6 612 699**	Total net revenue from contracts with customers	**6 825 048**	3 388 399

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		21. Other gains and losses		
		Other gains and losses pertain to transactions that fall outside the Company and Group's anticipated normal scope of operations.		
(350 468)	**(1 053 630)**	Impairment of investment in subsidiaries	**–**	–
4 753 302	**–**	Gain on sale of shares in associate	**–**	4 753 302
4 402 834	**(1 053 630)**		**–**	4 753 302
		The impairment of investment in subsidiaries relate to the events disclosed in note 7.		

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		22. Operating expenses		
		Costs by nature		
1 194 246	**3 183 957**	Raw material and consumables	**3 360 156**	1 405 968
385 785	**763 696**	Employment costs	**776 724**	402 908
661 936	**1 002 277**	Administration and marketing expenses	**1 013 291**	668 393
242 171	**355 062**	Railage and transport	**359 405**	245 884
68 430	**89 674**	Repairs and maintenance	**90 038**	68 691
172 464	**330 346**	Depreciation, amortisation and impairments	**329 844**	175 342
2 725 032	**5 725 012**		**5 929 458**	2 967 186

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		23. Operating profit		
		Operating profit is stated after taking account of:		
		Income		
–	**905**	Rental income	**905**	–
505	**(501)**	Gain/(loss) on disposal of property, plant and equipment, intangible assets and assets held for sale	**(585)**	1 604
29 303	**(14 629)**	Realised gains/(losses) on foreign exchange transactions	**(14 629)**	29 303
(1 117)	**(122)**	Unrealised gains/(losses) on foreign exchange transactions	**(122)**	(1 117)
		Expenses		
1 105	**2 617**	Internal auditor remuneration	**2 617**	1 105
		External auditor remuneration		
500	**148**	– for audit 2022	**148**	500
953	**1 452**	– for audit 2023	**1 452**	953
1 033	**4 185**	– for audit 2024	**4 185**	1 033
16 095	**40**	Other services – Deloitte Capital	**40**	16 095
193	**1 300**	Other services – Deloitte Namibia	**1 300**	193
1 057	**1 288**	PWC – Other services	**1 288**	1 057
149 390	**264 506**	Depreciation on property, plant and equipment	**273 020**	150 889
14 132	**35 441**	Depreciation on right-of-use assets	**26 427**	14 641
7 886	**30 397**	Amortisation	**30 397**	8 752
1 055	**2 000**	Impairments loss on intangible assets	**2 000**	1 055
46 019	**–**	Management and shared services fees (paid to O&L Centre)	**–**	46 019
3 562	**2 939**	Royalties paid	**2 939**	3 562
6 041	**12 811**	Movement in the provision for impairment of inventories	**12 114**	6 738
4 307	**(1 466)**	Movement in the provision for impairment of trade receivables	**(3 123)**	4 307
350 468	**1 053 630**	Impairment of investment in subsidiaries	**–**	–

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		24. Finance costs		
		Bank interest		
56 548	**78 431**	Interest bearing loans	**78 502**	56 709
8 000	**23 861**	Lease liabilities	**14 030**	8 100
2 709	**8 886**	Post-employment benefits	**8 886**	3 241
67 257	**111 178**	Total finance costs	**101 418**	68 050
		25. Investment income		
352 024	**1 101 363**	Dividend income	**3 148**	2 024
		Interest income earned on:		
48 870	**21 282**	Bank and funds on call	**23 613**	52 801
400 894	**1 122 645**	Total investment income	**26 761**	54 825

Included in the Company's dividend income is a N$1 098 million dividend received from subsidiaries as disclosed in note 30.1.

The Company's dividend income from the previous year includes a 350 million special dividend paid by Distell Namibia Limited to NBL during May 2023.

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		26. Income tax expense		
		The major components of income tax expense are:		
50 714	**143 304**	Namibian taxation	**147 373**	54 172
17 036	**22 876**	South African taxation	**22 876**	17 036
67 750	**166 180**	Total income tax expense	**170 249**	71 208
		Comprising		
73 039	**131 690**	Current taxation: Namibian	**134 596**	76 281
17 036	**22 876**	Withholding tax: South African	**22 876**	17 036
(22 325)	**11 614**	Deferred taxation: Namibian (Figures are presented net of amounts acquired in business combinations Note 17)	**12 777**	(22 109)
67 750	**166 180**	**Income tax expense**	**170 249**	71 208
		No provision for normal taxation has been made for certain subsidiaries which have estimated tax losses of N$68.9 million (2023: N$68.9 million). No deferred tax asset has been recognised for these calculated tax losses as it is uncertain that future taxable profits will be available against which the associated unused tax losses can be utilised. In the current period, the directors believe that these tax losses have been forfeited due to the absence of active trade in the subsidiary.		
–	**–**	Estimated tax losses available for set-off against future taxable income	**–**	68 857
–	**–**	Less: Applied to offset any deferred taxation liability or to create deferred tax asset	**–**	–
–	**–**	Available to reduce future taxable income	**–**	68 857
%	**%**	**Reconciliation of effective tax rate**	**%**	%
32.0	**32.0**	Namibian normal tax rate	**32.0**	32.0
		(Reduction)/increase in rate of taxation		
(30.6)	**(8.8)**	– exempt income	**(9.0)**	(30.6)
(0.7)	**(5.5)**	– manufacturing allowances	**(5.7)**	(0.7)
–	**(1.4)**	– decrease in tax rate	**(0.1)**	–
0.3	**0.7**	– disallowable expenditure	**0.7**	0.4
0.3	**2.7**	– effect of rate differential between tax jurisdictions	**2.8**	0.3
1.3	**19.7**	Effective rate of taxation	**20.7**	1.4

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		27. Basic and headline earnings per ordinary share		
		Basic earnings per share amounts are calculated by dividing profit for the period attributable to ordinary equity holders of the parent by the weighted average number of ordinary shares outstanding during the period.		
		Calculation of weighted average number of shares for basic earnings per share and dilutive earnings per share:		
206 529	**206 529**	Shares issued at beginning of the period	**206 529**	206 529
206 529	**206 529**	Weighted average number of shares	**206 529**	206 529
		From continuing operations		
		Profit attributable to ordinary shareholders	**650 684**	5 090 082
		Gain on the disposal of discontinued operations	**–**	(4 753 302)
		(Gain)/loss on disposal of property, plant and equipment, intangible assets and assets held for sale	**585**	(661)
		Headline earnings from continuing operations	**651 269**	336 119
		From discontinued operations		
		Profit attributable to ordinary shareholders	**–**	4 791
		Headline earnings from discontinued operations	**–**	4 791

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		27. Basic and headline earnings per ordinary share continued		
		27.1 Basic earnings per ordinary share (cents)		
		From continuing operations		
		Profit attributable to ordinary shareholders	**650 684**	5 090 082
		Weighted number of shares in issue (000s)	**206 529**	206 529
		Basic earnings per ordinary share (cents)	**315.1**	2 464.6
		From discontinued operations		
		Profit attributable to ordinary shareholders	**–**	4 791
		Weighted number of shares in issue (000s)	**206 529**	206 529
		Basic earnings per ordinary share (cents)	**–**	2.3
		There is no difference between basic and diluted earnings per share from continuing operations.		
		There is no difference between basic and headline earnings per share from discontinued operations.		
		27.2 Headline earnings per ordinary share (cents)		
		From continuing operations		
		Headline earnings	**651 269**	336 119
		Weighted average number of shares in issue (000s)	**206 529**	206 529
		Headline earnings per ordinary share (cents)	**315.3**	162.7

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		28. Dividends paid		
		In respect of the 2024 financial period		
–	**309 794**	– Interim (150 cents per share, paid 17 May 2024)	**309 794**	–
–	**107 395**	– Second interim (52 cents per share, paid 15 November 2024)	**107 395**	–
		In respect of the 2023 financial period		
5 442 039	**–**	– Special (2635 cents per share, paid 14 April 2023)	**–**	5 442 039
5 442 039	**417 189**	Dividends declared to ordinary shareholders	**417 189**	5 442 039

Proposed dividend

On 26 March 2025, the board of directors elected to declare a final dividend of 1.57 cents per share, to be paid on 14 May 2025.

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29. Notes to the statements of cash flows

29.1 Cash generated by operations

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
5 154 040	**845 524**	Profit before income tax	**820 933**	5 161 290
		Adjustments for:		
149 390	**264 506**	Depreciation on property, plant and equipment	**273 020**	150 889
14 132	**35 441**	Depreciation on right-of-use assets	**26 427**	14 641
7 886	**30 397**	Amortisation	**30 397**	8 752
755	**7 516**	(Gain)/Loss on disposal of property, plant and equipment	**7 600**	598
1 006	**77**	(Gain)/Loss on disposal of intangible assets	**77**	1 006
(4 753 302)	**(7 092)**	Profit on sale of Non-Current Assets Held for Sale and Discontinued Operations	**(7 092)**	(4 753 302)
350 468	**1 053 630**	Impairment of investment in subsidiary	**–**	–
4 157	**(133)**	Unrealised (gains)/losses on foreign exchange contract	**(133)**	4 157
13 140	**3 147**	Increase/(decrease) in provision for medical aid, severance pay and restructuring (Company shown net of provisions assumed in note 8)	**2 562**	13 581
6 041	**12 811**	Increase/(decrease) in provision for obsolete stock	**12 114**	6 738
4 307	**(1 466)**	Increase/(decrease) in provision for doubtful debts	**(3 123)**	5 964
(400 894)	**(1 122 645)**	Investment income	**(26 761)**	(54 825)
67 257	**111 178**	Finance costs	**101 418**	68 050
618 383	**1 232 891**	Operating profit before working capital changes	**1 237 439**	627 539
98 446	**162 026**	Working capital changes (Company shown net of working capital balances assumed in note 8)	**321 476**	(176 909)
(35 168)	**(97 390)**	Movement in inventories	**(41 283)**	(59 459)
57 470	**57 274**	Movement in trade and other receivables	**220 296**	858
76 144	**202 142**	Movement in trade and other payables	**142 463**	(118 308)
716 829	**1 394 917**	Cash generated by operations	**1 558 915**	450 630

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		29. Notes to the statements of cash flows continued		
		29.2 Income tax paid		
–	**–**	Balance receivable at beginning of the period	**8 474**	326
(25 518)	**(2 053)**	Balance payable at beginning of the period	**(2 053)**	(25 518)
(90 075)	**(154 566)**	Current tax charge	**(157 472)**	(93 317)
–	**–**	Balances acquired through business acquisition	**–**	10 308
–	**1 794**	Balance receivable at end of the period	**(10 308)**	(8 474)
2 053	**–**	Balance payable at end of the period	**–**	2 053
(113 540)	**(154 825)**	Income tax paid during the period	**(161 359)**	(114 622)

30. Related parties

The immediate holding Company of Namibia Breweries Limited is NBL Investment Holdings (Proprietary) Limited, which is wholly owned by Heineken Beverages Holdings Proprietary Limited since 14 April 2023.

NBL now forms part of the Heineken International Group of Companies and accordingly all companies in the Heineken Group of companies are related parties of Namibia Breweries Limited and its subsidiaries. Transactions and balances related to Distell have been included since the acquisition date.

Effective 14 April 2023, the O&L Group sold its shareholding in NBL Investment Holdings (Proprietary) Limited to Heineken Beverages Holdings Proprietary Limited, effectively ending the related party relationship between the NBL Group and the O&L Group. Group Companies comprise companies within the NBL Group, as well as companies within the O&L Group (up to 14 April 2023). Related parties represent companies within the Heineken Group as at 31 December 2024.

As disclosed in note 8, NBL Company entered into a business sale agreement with Distell Namibia Limited. The transaction represents business combination with an entity under common control and was accounted for using the predecessor method. Full details of the transaction is disclosed in note 8.

During the period, the Group, in the ordinary course of business, entered into various sales, purchases and loan transactions with Group companies and related parties. In the previous period, Heineken South Africa (RF) Proprietary Limited and Heineken South Africa Exports Company Proprietary Limited has undergone a name change to become Heineken Beverages (South Africa) Proprietary Limited and Heineken Beverages International Proprietary Limited. As a result, disclosures related to either of these companies relate to the same legal entity.

The executive directors of the Company represent Key Management Personnel.

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		30. Related parties continued		
		30.1 Group companies		
		Subsidiaries		
4 628	**4 628**	Flycatcher (Proprietary) Limited	**–**	–
95 374	**95 374**	Namibian Breweries South African Proprietary Limited	**–**	–
(95 374)	**(95 374)**	Trade receivables from subsidiaries fully impaired	**–**	–
4 628	**4 628**		**–**	–
		Revenue		
		Sale of goods		
62	**–**	Chobe Water Villas (Proprietary) Limited	**–**	62
70	**–**	Hangana Seafood (Proprietary) Limited	**–**	70
259	**–**	Hartlief Corporation Limited	**–**	259
2 441	**–**	Namibia Dairies (Proprietary) Limited	**–**	2 441
3 131	**–**	O&L Leisure (Proprietary) Limited	**–**	3 131
(9)	**–**	O&L Center (Proprietary) Limited	**–**	(9)
26	**–**	W.U.M. Properties (Proprietary) Limited t/a Model Pick 'n Pay	**–**	26
5 980	**–**		**–**	5 980
		Trade and other Payables		
767	**345**	Northgate Properties (Proprietary) Limited	**–**	–
–	**2 076**	Distell Namibia (Proprietary) Limited		
–	**1 307**	Namibia Wines and Spirits (Proprietary) Limited		
170 000	**3 801**	Distillers Corporation Namibia (Proprietary) Limited	**–**	–
170 767	**7 529**		**–**	–

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		30. Related parties continued		
		30.1 Group companies continued		
		Purchases made during the period		
50	–	Eros Air (Proprietary) Limited	–	50
165	–	Hartlief Corporation Limited	–	165
6 813	–	ICT Holdings (Proprietary) Limited	–	6 813
7	–	Kraatz Marine (Proprietary) Limited	–	7
1 111	–	Namibia Dairies (Proprietary) Limited	–	1 111
11 687	–	Dimension Data (Proprietary) Limited	–	11 687
13 884	–	Organic Energy Solutions (Proprietary) Limited	–	13 884
751	–	W.U.M. Properties (Proprietary) Limited t/a Model Pick n Pay	–	751
17 015	–	O&L Nexentury Energy (Proprietary) Limited	–	17 015
167	–	O&L Leisure (Proprietary) Limited	–	167
51 650	–			51 650
		Rent paid		
–	**6 637**	Distillers Corporations Namibia (Proprietary) Limited		
–	**2 683**	Namibia Wines and Spirits (Proprietary) Limited		
–	**6 600**	Distell Namibia (Proprietary) Limited	–	–
–	**15 920**			
		Management and shared service fees paid	–	41 142
41 142	–	O&L Center (Proprietary) Limited		
		Consulting fees paid	–	522
522	–	HB Gerdes		
		Dividend income	–	–
–	**29 945**	Distillers Corporations Namibia (Proprietary) Limited	–	–
–	**34 376**	Namibia Wines and Spirits (Proprietary) Limited	–	–
350 000	**1 033 894**	Distell Namibia Limited	–	–
350 000	**1 098 215**			
		Dividend Paid	**247 685**	3 230 939
3 230 939	**247 685**	NBL Investment Holdings (Proprietary) Limited		

For directors fees refer to Annexure D.

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for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		30. Related parties continued		
		30.2 Related parties		
		Trade and other receivables		
50 322	**46 448**	Heineken Beverages (South Africa) Proprietary Limited	**46 448**	50 323
2 364	**3 150**	Heineken Beverages International Proprietary Limited	**3 150**	2 364
119	**–**	Heineken Mozambique LDA	**–**	119
–	**–**	Distell Limited	**–**	43 849
52 805	**49 598**		**49 598**	96 655
		Trade payables		
–	**2 517**	Heineken International B.V.	**2 517**	–
–	**47**	Heineken Supply Chain B.V.	**47**	–
–	**9 066**	Heineken Global Procurement Company B.V.	**9 066**	–
–	**26**	Heineken Brouwerijen B.V.	**26**	–
494	**113 119**	Heineken Beverages (South Africa) Proprietary Limited	**113 119**	494
3 070	**–**	Heineken Beverages International Proprietary Limited	**–**	3 070
–	**–**	Distell Limited	**–**	204 335
3 564	**124 775**		**124 775**	207 899
		Management and administration fees paid		
4 877	**–**	Heineken International N.V.	**–**	4 877
–	**–**	Distell Limited	**–**	1 071
4 877	**–**		**–**	5 948
		Royalties received		
4 737	**8 819**	Heineken Beverages International Proprietary Limited	**8 819**	4 737
149 042	**219 276**	Heineken Beverages (South Africa) Proprietary Limited	**219 276**	149 042
153 779	**228 095**		**228 095**	153 779
		Know-how fees received		
11 791	**–**	Heineken Beverages (South Africa) Proprietary Limited	**–**	11 791
		Sale of goods		
4 812	**77 392**	Heineken Beverages International Proprietary Limited	**77 392**	4 812
1 146 353	**1 031 091**	Heineken Beverages (South Africa) Proprietary Limited	**1 031 091**	1 146 353
2 363	**–**	Heineken Mozambique LDA	**–**	2 363
1 153 528	**1 507 492**		**1 507 492**	1 153 528
		Interest received		
4 791	**–**	Heineken Beverages (South Africa) Proprietary Limited	**–**	4 791

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for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		30. Related parties continued		
		30.2 Related parties continued		
		Royalties paid		
3 562	**2 939**	Heineken Brouwerijen B.V.	**2 939**	3 562
–	**29 341**	Heineken Beverages (South Africa) Proprietary Limited	**29 341**	–
3 562	**32 280**		**32 280**	3 562
		Purchases made during the period		
54 298	**1 593 860**	Heineken Beverages (South Africa) Proprietary Limited	**1 593 860**	54 298
		IT Charges		
–	**42 612**	Heineken International N.V	**42 612**	–
		Sundry expenses		
–	**221**	Heineken Beverages (South Africa) Proprietary Limited	**221**	–
–	**12 639**	Heineken International N.V	**12 639**	–
–	**1 646**	Heineken Brouwerijen B.V	**1 646**	–
–	**384**	Heineken Supply Chain B.V	**384**	–
–	**14 890**		**14 890**	–
		Legal fees		
3 325	**1 250**	Engling, Stritter & Partners	**1 250**	3 325

Subsidiaries

Details of the subsidiaries are disclosed in Annexure C.

Retirement benefit information and post employment medical aid benefit plan

Details of the above are disclosed in note 16 and note 37.

Terms and conditions of transactions with related parties

In terms of overall volume sales, Heineken Beverages Proprietary Limited is one of the Group's largest customers. Sales to and purchases from Heineken related companies are made at cost, plus an agreed upon margin as stated in the contractual agreement between the two entities. The agreement also stipulates minimum volumes to be purchased from NBL over a twelve month period.

Within the Heineken Group, royalties are receivable and payable based on the sale of agreed upon brands to external 3rd parties. The royalty and know-how fees (2023) are based on a contractually agreed upon percentage of the net sales value derived from the 3rd party sales.

Sales to and purchases from related parties are made at those terms negotiated between the parties. Receivable balances at period-end are unsecured, payable fifteen days from statement, interest free and settlement occurs in cash. Payable balances are to be settled in cash fifteen days from statement.

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 %	Company 2024 %		Group 2024 %	Group 2023 %
		30. Related parties continued		
		30.2 Related parties continued		
		Directors interest		
		At the financial period end the directors were directly and indirectly interested in the Company's issued shares as follows:		
0.04	**0.04**	Ordinary shares	**0.04**	0.04
		No individual director has a direct shareholding in excess of 1% of the issued shares of the Company.		
		31. Capital commitments and contingencies		
		Authorised		
333 722	**361 286**	Contracted for	**361 286**	333 722
197 183	**129 794**	Not contracted for	**129 794**	197 183
530 905	**491 080**		**491 080**	530 905
		These capital commitments are for the expansion, replacement and improvement of property plant and equipment.		
		The proposed capital expenditure is planned to be financed primarily through the Company and Group's internal resources. However, should the need arise, third-party financing will be considered.		
8 186	**5 675**	**Guarantees and suretyship**	**5 675**	8 186
		The suretyships are issued by First Rand Bank Limited in favour of the Namibian Ministry of Finance.		

Notes to the annual financial statements continued

for the period ended 31 December 2024

32. Financial risk management objectives and policies

Categorisation of financial assets

	Note(s)	FVTPL – Mandatory N$'000	Amortised cost N$'000	Total N$'000	Fair value N$'000
Group – 2024					
Derivatives – Hedging	12	**384**	**–**	**384**	**384**
Trade and other receivables	10	**–**	**556 079**	**556 079**	**556 079**
Cash and cash equivalents	11	**–**	**43 441**	**43 441**	**43 441**
		384	**599 520**	**599 904**	**599 904**
Group – 2023					
Derivatives – Hedging	12	251	–	251	251
Trade and other receivables	10	–	568 629	568 629	568 629
Cash and cash equivalents	11	–	96 587	96 587	96 587
		251	665 216	665 467	665 467
Company – 2024					
Derivatives – Hedging	12	**384**	**–**	**384**	**384**
Trade and other receivables	10	**–**	**559 713**	**559 713**	**559 713**
Cash and cash equivalents	11	**–**	**42 901**	**42 901**	**42 901**
		384	**602 614**	**602 998**	**602 998**
Company – 2023					
Derivatives – Hedging	12	251	–	251	251
Trade and other receivables	10	–	417 820	417 820	417 820
Cash and cash equivalents	11	–	85 792	85 792	85 792
		251	503 612	503 863	503 863

Notes to the annual financial statements continued

for the period ended 31 December 2024

32. Financial risk management objectives and policies continued

Categorisation of financial liabilities

	Note(s)	Leases* N$'000	Amortised cost N$'000	Total N$'000	Fair value N$'000
Group – 2024					
Trade and other payables	18	**–**	**595 770**	**595 770**	**595 770**
Interest bearing borrowings	15	**45 385**	**170 000**	**215 385**	**215 385**
Bank overdraft	11	**–**	**231 770**	**231 770**	**231 770**
		45 385	**997 540**	**1 042 925**	**1 042 925**
Group – 2023					
Trade and other payables	18	–	549 563	549 563	549 563
Interest bearing borrowings	15	47 231	586 000	633 231	633 231
		47 231	1 135 563	1 182 794	1 182 794
Company – 2024					
Trade and other payables	18	**–**	**602 914**	**602 914**	**602 914**
Interest bearing borrowings	15	**105 971**	**170 000**	**275 971**	**275 971**
Bank overdraft	11	**–**	**231 770**	**231 770**	**231 770**
		105 971	**1 004 684**	**1 110 655**	**1 110 655**
Company – 2023					
Trade and other payables	18	–	462 329	462 329	462 329
Interest bearing borrowings	15	40 836	586 000	626 836	626 836
		40 836	1 048 329	1 089 165	1 089 165

* *Leases are carried at amortised cost.*

The Group's principle financial instruments, other than derivatives, comprise bank loans, loans to and from holding Company and Group companies, leases and cash and short term deposits. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The Group also enters into derivative transactions such as forward exchange contracts. This is to manage the currency risk from the Group's operations. As a matter of principle, the Group does not enter into derivative contracts for speculative purposes.

The fair value of foreign exchange forward contracts represents the estimated amounts that the Company would receive, should the contracts be terminated at the reporting date, thereby taking into account the unrealised gains or losses.

The main risks arising from the Group's financial instruments are interest rate risk, liquidity risk, foreign currency risk and credit risk. The Board reviews and agrees policies for managing each of these risks.

Notes to the annual financial statements continued

for the period ended 31 December 2024

32. Financial risk management objectives and policies continued

32.1 Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from purchases of raw materials and sales of the Group's products in a currency other than the Group's functional currency.

The Group appropriately hedges foreign purchases in order to manage its foreign currency exposure. The Group does not apply hedge accounting. Forward exchange contracts are entered into in order to manage the Group's exposure to fluctuations in foreign currency exchange rates on foreign transactions. Refer to note 33.2 for unutilised forward exchange contracts and uncovered foreign trade receivables and payables at period end.

32.2 Interest rate risk

The Group is exposed to interest rate risk as it borrows and places funds at floating interest rates. The risk is managed by maintaining an appropriate mix between fixed and floating borrowings and placings within market expectations.

Refer to Annexure A and note 33.3 for further detail on interest rates.

32.3 Credit risk

Financial assets which potentially subject the Group to a concentration of credit risk consist principally of cash, funds on call and trade receivables. The Group's cash equivalents and funds on call are placed with high credit quality financial institutions. Trade and other receivables are stated at amortised cost. The Group has no significant concentration of credit risk or significant exposure to any other individual customer or counterparty.

The Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. In respect of possible default by a counterparty, the Group holds collateral as security in the amount of N$Nil (2023: Nil). Refer to the accounting policies for a more detailed description of the credit risk.

The granting of credit is made on application and is approved by management. At 31 December 2024, the Company did not consider there to be any significant concentration of credit risk or significant exposure to any other individual customer or counter party which has not been adequately provided for.

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		32. Financial risk management objectives and policies continued		
		32.3 Credit risk continued		
		Financial assets exposed to credit risk at period end were as follows:		
85 792	**42 901**	Cash and Cash equivalents	**43 441**	96 587
417 820	**559 713**	Trade and other receivables	**556 079**	568 629
503 612	**602 614**		**599 520**	665 216

The Group's receivables are subject to significant credit risk concentrations due to the various markets in which the Company and Group operate. These concentrations are represented as a percentage of the total receivables from customers.

Company 2023	Company 2024		Group 2024	Group 2023
%	**%**	**Market concentration**	**%**	%
67	**77.7**	Namibia	**77.7**	67
30	**19.9**	South Africa	**19.9**	30
3	**2.4**	Other export markets	**2.4**	3
100	**100**		**100**	100

Under Heineken's new distribution model for the Southern and Rest of Africa, NBL, as part of the Heineken Beverages Holdings Limited Group, no longer sells directly to export markets. Instead, Heineken Beverages International Proprietary Limited (HBI) (incorporated in South Africa) sources products from NBL and handles redistribution across the export markets. Sales to export markets for the eighteen months ended 31 December 2024 are considered immaterial and sales to HBI are included in the South Africa sales above.

32.4 Liquidity risk

The Group and Company manages liquidity risk by monitoring forecast cash flows and ensuring that adequate unutilised borrowing facilities are maintained. Refer to Annexure A and note 15.

Borrowing capacity is determined by the directors of the Company. The Directors consider a ratio of not higher than 75% of shareholders' equity as conservative.

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
1 583 030	**1 219 441**	75% of Shareholder's Equity	**1 755 134**	1 580 553
(626 836)	**(507 741)**	Less: total interest bearing borrowings	**(447 155)**	(633 231)
956 194	**711 700**	Unutilised borrowing capacity	**1 307 979**	947 322

Notes to the annual financial statements continued

for the period ended 31 December 2024

32. Financial risk management objectives and policies continued

32.5 Capital risk management

The Company and Group manage their capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's and Group's overall strategy remains unchanged from the prior period.

The capital structure of the Company and Group consists of debt, which includes the borrowings disclosed in note 15, bank overdrafts and equity attributable to equity holders of the parent, comprising issued capital reserves and retained earnings.

Gearing ratio

The Company's and Group's Risk Management Committee reviews the capital structure on a semi-annual basis. Consistent with industry practice, the Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated and separate statement of financial position plus net debt.

The Company and Group manage their capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The Company's and Group's overall strategy remains unchanged from the prior period.

The gearing ratio at the period end was as follows:

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
626 836	**507 741**	Debt *(i)*	**447 155**	633 231
(85 792)	**(42 901)**	Less: Cash and cash equivalents	**(43 441)**	(96 587)
541 044	**464 840**	Net debt	**403 714**	536 644
2 110 706	**1 625 921**	Equity *(ii)*	**2 340 178**	2 107 404
26%	**29%**	Net debt to equity ratio	**17%**	25%

(i) Debt is defined as long and short-term interest bearing borrowings

(ii) Equity includes all capital and reserves of the Company

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for the period ended 31 December 2024

33. Financial instruments

33.1 Fair values

The fair value of all financial instruments are substantially identical to the carrying amounts reflected in the Statement of Financial Position.

Fair value hierarchy

The table below analyses assets and liabilities carried at fair value. The different levels are defined as follows:

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the Group can access at measurement date.
Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.
Level 3: Unobservable inputs for the asset or liability.

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		Level 2		
		Assets		
		Financial assets at fair value through profit or loss		
251	**384**	Forward foreign exchange asset	**384**	251
251	**384**		**384**	251

Transfers of assets and liabilities within levels of fair value hierarchy

There are no transfers between levels for the current and comparative period.

Notes to the annual financial statements continued

for the period ended 31 December 2024

33. Financial instruments continued

33.2 Hedging activities and foreign currency risk

Forward exchange contracts are entered into with banks but are not designated as hedges for specific purchases. If contract rates are more favourable than the spot rate, on the date of payment of foreign creditors, they will be used. The maturity date represents the date when the contract must be exercised if it is not exercised before this date. The following table summarises by major currency the unutilised forward exchange contracts and amounts to be paid/received in foreign currency, for the Group and Company:

		Foreign amount		Average rate		Namibia Dollar amount	
	Maturity date	**2024 ’000**	2023 ’000	**2024**	2023	**2024 N$’000**	2023 N$’000
Forward exchange contracts:							
Purchased:							
Euro	1 – 12 months	**–**	1 289	**19.82**	20.31	**–**	26 180
Foreign trade receivables:							
US Dollar		**–**	2 768	**18.34**	17.83	**–**	49 353
Euro		**–**	12	**19.82**	18.72	**–**	225
Pound Sterling		**–**	14	**23.43**	23.64	**–**	331
						–	49 909
Foreign trade payables:							
US Dollars		**–**	171	**18.34**	17.83	**–**	3 049
Euro		**515**	4 607	**19.82**	18.72	**10 207**	86 243
Pound Sterling		**1**	–	**23.43**	–	**23**	–
						10 230	89 292

Notes to the annual financial statements continued

for the period ended 31 December 2024

Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		33. Financial instruments continued		
		33.2 Hedging activities and foreign currency risk continued		
		Foreign currency sensitivity analysis		
		The Group was primarily exposed to the currency of the European Central Bank (Euro) and secondly to currency of the United States of America (US Dollar).		
		The following table details the Company's sensitivity to a 10% increase and decrease in the Namibia Dollar (N$) against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.		
		Below, a positive number indicates an increase in profit, a negative number indicates a decrease in profit based on the Namibia Dollar strengthening 10% against the relevant currency. For a 10% weakening of the Namibia Dollar against the relevant currency, there would be an equal and opposite impact on the profit and other equity.		
		Effect on profit before taxation		
(8 647)	**1 021**	Euro	**1 021**	8 602
33	**(2)**	Pound Sterling	**(2)**	33
4 630	**–**	US Dollar	**–**	4 630
(3 984)	**1 019**	**Effect on equity**	**1 019**	13 265

Notes to the annual financial statements continued

for the period ended 31 December 2024

33. Financial instruments continued

33.3 Maturity profile

The following tables detail the Group's and Company's remaining contractual maturity for its financial liabilities and assets. The tables have been drawn up based on the undiscounted cash flows based on the earliest date on which the Group and Company can be required/anticipate to incur and outflow/inflow. The table includes both interest and principal cash flows.

	Effective interest rate	Less than 1 year N$'000	2 – 5 years N$'000	More than 5 years N$'000	Less: Finance charges N$'000	Total N$'000
2024 – Group						
Financial assets						
Cash and cash equivalents	2.55%	43 441	–	–	–	43 441
Trade and other receivables	–%	556 079	–	–	–	556 079
		599 520	–	–	–	599 520
Financial liabilities						
Non-current liabilities						
Interest-bearing borrowings – medium term borrowings	8.89%	–	207 783	–	(37 783)	170 000
Interest-bearing borrowings – Finance lease liabilities	11.50%	–	38 304	–	(8 553)	29 751
Current liabilities						
Interest-bearing borrowings – Finance lease liabilities	11.50%	17 432	–	–	(1 798)	15 634
Trade and other payables	–%	595 770	–	–	–	595 770
Bank overdraft	8.25%	250 891			(19 121)	231 770
		864 093	246 087	–	(67 255)	1 042 925

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33. Financial instruments continued

33.3 Maturity profile continued

	Effective interest rate	Less than 1 year N$'000	2 – 5 years N$'000	More than 5 years N$'000	Less: Finance charges N$'000	Total N$'000
2023 – Group						
Financial assets						
Cash and cash equivalents	4.25%	96 587	–	–	–	96 587
Derivative	–%	251	–	–	–	251
Trade and other receivables	–%	568 629	–	–	–	568 629
		665 467	–	–	–	665 467
Financial liabilities						
Non-current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	–	240 449	–	(20 449)	220 000
Interest-bearing borrowings – Finance lease liabilities	11.75%	–	40 937	–	(9 374)	31 563
Current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	415 564		–	(49 564)	366 000
Interest-bearing borrowings – Finance lease liabilities	11.75%	25 096	–	–	(9 428)	15 668
Trade and other payables	–%	549 563	–	–	–	549 563
		990 223	281 386	–	(88 815)	1 182 794

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33. Financial instruments continued

33.3 Maturity profile continued

	Effective interest rate	Less than 1 year N$'000	2 – 5 years N$'000	More than 5 years N$'000	Less: Finance charges N$'000	Total N$'000
2024 – Company						
Financial assets						
Cash and cash equivalents	2.55%	42 901	–	–	–	42 901
Derivative	–%	384	–	–	–	384
Trade and other receivables	–%	559 713	–	–	–	559 713
		602 998	–	–	–	602 998
Financial liabilities						
Non-current liabilities						
Interest-bearing borrowings – medium term borrowings	8.89%	–	207 783	–	(37 783)	170 000
Interest-bearing borrowings – Finance lease liabilities	11.50%	–	110 634	–	(24 705)	85 929
Current liabilities						
Interest-bearing borrowings – Finance lease liabilities	11.50%	25 804	–	–	(5 762)	20 042
Trade and other payables	–%	602 914	–	–	–	602 914
Bank overdraft	8.25%	231 770			(47 803)	231 770
		860 488	318 417	–	116 053	1 110 656

Notes to the annual financial statements continued

for the period ended 31 December 2024

33. Financial instruments continued

33.3 Maturity profile continued

	Effective interest rate	Less than 1 year N$'000	2 – 5 years N$'000	More than 5 years N$'000	Less: Finance charges N$'000	Total N$'000
2023 – Company						
Financial assets						
Cash and cash equivalents	4.25%	85 792	–	–	–	85 792
Derivative	–%	251	–	–	–	251
Trade and other receivables	–%	417 820	–	–	–	417 820
		503 863	–	–	–	503 863
Financial liabilities						
Non-current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	–	240 449	–	(20 449)	220 000
Interest-bearing borrowings – Finance lease liabilities	11.75%	–	34 298	–	(6 173)	28 125
Current liabilities						
Interest-bearing borrowings – medium term borrowings	Annexure A	415 564	–	–	(49 564)	366 000
Interest-bearing borrowings – Finance lease liabilities	11.75%	18 945	–	–	(6 234)	12 711
Trade and other payables	–%	462 329	–	–	–	462 329
		896 838	274 747	–	(82 420)	1 089 165

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34. Other comprehensive income

	Note(s)	Gross N$'000	Tax N$'000	Net N$'000
Group 2024				
Remeasurements on net defined benefit liability/asset	16	**(934)**	**299**	**(635)**
Exchange differences arising during the period	35	**(86)**	**–**	**(86)**
		(1 020)	**299**	**(721)**
Company 2024				
Remeasurements on net defined benefit liability/asset	16	**(934)**	**299**	**(635)**
		(934)	**299**	**(635)**
Group 2023				
Remeasurements on net defined benefit liability/asset	16	6 643	(2 126)	4 517
Exchange differences arising during the period	35	(26)	–	(26)
		6 617	(2 126)	4 491
Company 2023				
Remeasurements on net defined benefit liability/asset	16	868	(278)	590
		868	(278)	590

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		35. Reserves		
		Exchange differences relating to the translation of the results and net assets of the Group and Company's foreign subsidiary from its functional currency to the Group and Company's presentation currency are recognised directly in other comprehensive income and accumulated in the foreign currency translation reserve. Exchange differences previously accumulated in the foreign currency translation reserve are reclassified to profit or loss on the disposal of the foreign subsidiary.		
		Reconciliation of foreign currency translation reserve		
		Balance payable at the beginning of the period		
–	**–**	Exchange differences arising on translation of foreign subsidiaries	**35**	61
–	**–**	Balance payable at the end of the period	**(86)**	(26)
–	**–**		**(51)**	35

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36. Changes in liabilities arising from financing activities

	Opening balance N$'000	Interest accrued N$'000	Non-cash movement* N$'000	Additions/ Disposals** N$'000	Total non-cash N$'000	Cash advances N$'000	Cash outflows N$'000	Interest paid N$'000	Closing balance N$'000
2024 – Group									
Reconciliation									
Interest-bearing loans and borrowings	**633 231**	**92 532**	**850 000**	**29 278**	**971 810**	**680 000**	**(1 977 124)**	**(92 532)**	**215 385**
Provisions	**57 848**	**8 886**	**3 496**	**–**	**12 382**	**–**	**14 010**	**–**	**56 220**
	691 079	**101 418**	**853 496**	**29 278**	**984 192**	**680 000**	**1 991 134**	**(92 532)**	**271 605**
2023 – Group									
Reconciliation									
Interest-bearing loans and borrowings	502 802	64 809	(850 000)	22 103	(763 088)	1 641 000	(682 674)	(64 809)	633 231
Provisions	22 396	3 241	6 937	29 964	40 142	–	(4 690)	–	57 848
	525 198	68 050	(843 063)	52 067	(722 946)	1 641 000	(687 364)	(64 809)	691 079

* *The N$850 million movement is the set-off applied as disclosed in note 11 and note 15.*

** *Additions and disposals includes borrowings and provisions acquired through business combination.*

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36. Changes in liabilities arising from financing activities continued

	Opening balance N$'000	Interest accrued N$'000	Non-cash movement* N$'000	Additions/ Disposals** N$'000	Total non-cash N$'000	Cash advances N$'000	Cash outflows N$'000	Interest paid N$'000	Closing balance N$'000
2024 – Company									
Reconciliation									
Interest-bearing loans and borrowings	**626 836**	**102 292**	**850 000**	**101 722**	**1 054 014**	**680 000**	**(1 982 587)**	**(102 292)**	**275 971**
Provisions	**32 686**	**8 886**	**3 496**	**25 162**	**37 544**	**–**	**14 010**	**–**	**56 220**
	659 522	**111 178**	**853 496**	**126 884**	**1 091 558**	**680 000**	**1 996 597**	**(102 292)**	**271 605**
2023 – Company									
Reconciliation									
Interest-bearing loans and borrowings	502 802	64 548	(850 000)	15 179	(770 273)	1 641 000	(682 145)	(64 548)	626 836
Provisions	22 396	2 709	12 271		14 980	–	(4 690)	–	32 686
	525 198	67 257	(837 729)	15 179	(755 293)	1 641 000	(686 835)	(64 548)	659 522

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Company 2023 N$'000	Company 2024 N$'000		Group 2024 N$'000	Group 2023 N$'000
		37. Retirement benefit information		
		Retirement fund		
		The total value of contributions to the Retirement Funds during the period amounted to:		
11 438	**22 836**	Members' contributions	**22 836**	11 812
15 362	**48 871**	Employer's contributions	**48 871**	15 875
26 800	**71 707**		**71 707**	27 687

The funds for both NBL and Distell Namibia are defined contribution plans regulated by the Pension Fund Act of Namibia.

The NBL fund is valued at intervals of not more than three years. The fund was valued by an independent consulting actuary, Strategic Actuarial Partners Namibia (Proprietary) Limited, at 31 December 2024 and its assets were found to exceed its actuarially calculated liabilities. The next statutory actuarial valuation is due to be performed on 31 December 2027.

The Distell Namibia fund is valued annually. The fund was valued by an independent consulting actuary, Strategic Actuarial Partners Namibia (Proprietary) Limited, at 31 December 2024 and its assets were found to exceed its actuarially calculated liabilities. The next statutory actuarial valuation is due to be performed on 31 December 2025.

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38. Segment reporting

IFRS 8 Operating Segments requires an entity to disclose information about its operating segments based on the internal reports that are regularly reviewed by the entity's chief operating decision-maker (CODM), to allocate resources and assess performance. Following the acquisition of Distell Namibia operations, the Group has re-evaluated its operating segments in accordance with IFRS 8 Operating Segments and determined that NBL operates as a single operating segment. Following the acquisition and subsequent integration of Distell Namibia in 2023, the Group operates as an integrated business unit with inter-connected production, distribution, and sales activities across various beverage categories.

Identification of Operating Segments

NBL's operations have historically centred around beer production and distribution, both domestically and internationally, but post-acquisition, the operations now include a broader portfolio consisting of beer, cider, wine, spirits, and ready-to-drink (RTD) beverages.

The operations of Distell Namibia were fully integrated into NBL in September 2023, with the objective of achieving synergies and operational efficiency. This integration included the migration of financial and operational reporting into NBL's Enterprise Resource Planning (ERP) system. Despite the diversification of product categories, the business remains functionally interdependent and operates under a single strategic direction.

Review of Operating Results

The CODM, identified as NBL's Managing Director, is responsible for assessing business performance and allocation of resources. The CODM reviews financial results on a consolidated basis, consistent with internal reporting prepared for shareholders, namely; HEINEKEN. While information regarding various components and revenue streams are available, key financial indicators such as net revenue, gross profit, variable and fixed expenses, advertising and promotional spending, and net profit and free-operating cash flow etc. – are monitored and reviewed at a consolidated level.

The financial information reviewed by the CODM and presented to HEINEKEN is prepared through a consolidated statements of profit and loss statement, cash flows and financial position, which does not distinguish between different product categories or markets. The annual budget and three-year strategic plans are also developed at a consolidated level, reinforcing the conclusion that performance is managed holistically rather than at a segmented level. The lack of separate profitability assessment for individual categories or markets further supports the classification of NBL as a single operating segment.

Availability of Discrete Financial Information

IFRS 8 requires that an operating segment be supported by discrete financial information that is regularly reviewed by the CODM. NBL's internal reporting framework consolidates financial performance at a Group level.

Although information is available and is analysed to support financial and operational decision-making, these are not presented or reported on separately. Furthermore, assets and liabilities are not assigned to specific product lines/revenue streams, as production, warehousing, customer support, sales and logistics are integrated across the entire beverage portfolio.

Given the absence of segmented profitability reporting and the CODM's reliance on consolidated financial data for decision-making, the Group does not meet the criteria for disaggregation into multiple operating/reporting segments.

Nature of Business Activities

The nature and structure of business activities that support a single operating segment methodology is contained below:

- Products and services are of a similar nature, being alcoholic-beverages
- Production and packaging processes follow a similar trend, with similarities in the process between various categories
- Methods used to distribute products are the same
- The customer base for alcoholic beverages is largely the same
- The regulatory environment in which the products or services are offered, being Namibia and South Africa, is similar
- Central functions, like Finance, Legal and Administration, Human Capital and Corporate Affairs support the business at a consolidated level
- Employee and organisational structure works on a consolidated level, with no clear segment managers, but rather split into functional departments

Overall, the operational structure and management approach demonstrates the Group functions as a single operating segment with integrated decision-making processes and performance assessment and has accordingly not presented segmented information.

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39. Events subsequent to reporting date

The Group completed the sale of assets classified as held-for-sale as disclosed in note 13 on 04 March 2025. Management has assessed that the sale is a non-adjusting subsequent event, with approval from the Namibian Competition Commission only being received after the reporting date and accordingly does not affect the classification or carrying value of the assets as at period-end. The impact of this disposal will therefore be recognised in the following reporting period.

40. Approval of the separate and consolidated annual financial statements

These separate and consolidated annual financial statements set out on pages 47 to 150 were approved by the Directors on and authorised for issue on 26 March 2024.

Annexure A

Interest-bearing borrowings

	Effective interest rate			Group		Company	
	2024 %	2023 %	Maturity date	**2024 N$'000**	2023 N$'000	**2024 N$'000**	2023 N$'000
Preference share capital							
Authorised							
1 000 000 Variable rate redeemable preference shares of N$0.50 each				**500**	500	**500**	500
There are no preference shares in issue.							
Medium term loans							
Variable rate instruments							
Secured							
– FirstRand Bank Limited – Term A – Total facility is N$140 million and reduced annually by N$120 million.	**–**	JIBAR + 2.55%	Settled	**–**	140 000	**–**	140 000
– FirstRand Bank Limited – Term B – Facility repayable at the end of the loan term in June 2025.	**–**	JIBAR + 2.80%	Settled	**–**	200 000	**–**	200 000
Unsecured							
– Standard Bank Namibia – Revolving Credit Facility – Repayable in full on maturity date.	**JIBAR + 1.10%**	–	19/05/2027	**170 000**	–	**170 000**	–
– FirstRand Bank Limited – Bridge Loan C – Facility repayable at the end of the loan term in April 2024.	**–**	JIBAR + 0.80%	Settled	**–**	246 000	**–**	246 000
Total interest bearing borrowing – Medium term loans				**170 000**	586 000	**170 000**	586 000
Current portion				**–**	366 000	**–**	366 000
Non-current portion				**170 000**	220 000	**170 000**	220 000

Secured term loans are secured by a borrower cession and a general notarial bond over movable assets. The borrower cession comprises cession of:

- All bank accounts in the name of the borrower
- Debtors book of the borrower
- Insurance policies of the borrower
- Insurance proceeds payable to the borrower

Some financial assets and financial liabilities were subject to offsetting in the comparative period. Refer to notes 11 and 15.

Annexure A continued

	Effective interest rate			Group		Company	
	2024 %	2023 %	Maturity date	**2024 N$'000**	2023 N$'000	**2024 N$'000**	2023 N$'000
Lease liabilities							
Variable rate instruments							
– Vehicle leases – repayable in monthly instalments of N$1 997 964 (2023: N$2 314 748)	**11.75**	11.75		**41 848**	45 788	**41 848**	39 393
– Property leases – repayable in monthly instalments of N$316 236 (2023: N$271 000)	**11.50**	10.50		**3 537**	1 443	**64 123**	1 443
Total interest bearing borrowing – Lease liabilities				**45 385**	47 231	**105 971**	40 836
Current portion				**15 634**	15 668	**20 042**	12 711
Non-current portion				**29 751**	31 563	**85 929**	28 125
Total current in interest bearing borrowings				**15 634**	381 668	**20 042**	378 711
Total non-current in interest bearing borrowings				**199 751**	251 563	**255 929**	248 125
Total interest bearing borrowings				**215 385**	633 231	**275 971**	626 836

Details of the maturity profile of the above interest bearing loans have been disclosed in note 33.3.

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Annexure A continued

	2024	2023	2024	2023
Analysis by currency				
South African Rand	**–**	586 000	**–**	586 000
Namibia Dollar	**215 385**	47 231	**275 971**	47 231

Interest rate sensitivity analysis

The sensitivity analyses have been determined based on the exposure to interest rates for non-derivative instruments at the balance sheet date. For variable rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the balance sheet date was outstanding for the whole period. A 100 basis point increase or decrease represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 100 basis points higher or lower and all other variables were held constant:

	2024	2023	2024	2023
Interest received:				
– profit before tax for the period would increase/(decrease) by:	**434**	966	**429**	858
Interest paid				
– profit before tax for the period would increase/(decrease) by:	**(2 154)**	(6 332)	**(2 760)**	(6 268)

Annexure B

Property, plant and equipment

N$'000	Opening Balance	Additions	Acquisition through business combination	Disposals	Transfers	Depreciation	Reclassified as held for sale	Total
Group – 2024								
Freehold land and buildings	**399 133**	**60 086**	**–**	**–**	**75 167**	**(16 781)**	**–**	**517 605**
Leasehold land and buildings	**3 420**	**–**	**–**	**–**	**–**	**(1 142)**	**–**	**2 278**
Plant and Machinery	**497 215**	**277 065**	**–**	**(525)**	**171 546**	**(140 926)**	**–**	**804 375**
Vehicles	**26 628**	**1 002**	**–**	**(569)**	**–**	**(8 946)**	**–**	**18 115**
Furniture and equipment	**22 751**	**17 435**	**–**	**(737)**	**5 678**	**(12 868)**	**–**	**32 259**
Returnable containers	**180 878**	**171 695**	**–**	**(562)**	**–**	**(92 357)**	**–**	**259 654**
Assets under construction	**70 742**	**198 262**	**–**	**(5 601)**	**(258 502)**	**–**	**–**	**4 901**
	1 200 767	**725 545**	**–**	**(7 994)**	**(6 111)**	**(273 020)**	**–**	**1 639 187**

Notes

Transfers consist of transfer(s) to the following asset classes:	
Intangible assets	**6 111**

N$'000	Opening Balance	Additions	Acquisition through business combination	Disposals	Transfers	Depreciation	Reclassified as held for sale	Total
Group – 2023								
Freehold land and buildings	220 194	13 369	169 766	–	1 019	(5 215)	–	399 133
Leasehold land and buildings	4 551	43	–	–	–	(1 174)	–	3 420
Plant and Machinery	476 938	78 787	15 898	(1 090)	676	(73 994)	–	497 215
Vehicles	13 532	11 615	6 387	–	–	(4 906)	–	26 628
Furniture and equipment	21 907	5 891	1 796	(693)	949	(7 099)	–	22 751
Returnable containers	171 292	68 076	11	–	–	(58 501)	–	180 878
Assets under construction	7 829	65 512	–	–	(2 599)	–	–	70 742
	916 243	243 293	193 858	(1 783)	45	(150 889)	–	1 200 767

Notes

Transfers consist of transfer(s) from the following asset classes:	
Intangible assets	(45)

Annexure B continued

Property, plant and equipment continued

N$'000	Opening Balance	Additions	Acquisition through business combination	Disposals	Transfers	Depreciation	Reclassified as held for sale	Total
Company – 2024								
Freehold land and buildings	**236 999**	**61 215**	**–**	**–**	**75 167**	**(9 016)**	**–**	**364 365**
Leasehold land and buildings	**3 420**	**–**	**–**	**–**	**–**	**(1 143)**	**–**	**2 277**
Plant and Machinery	**481 798**	**292 008**	**–**	**(525)**	**171 546**	**(140 452)**	**–**	**804 375**
Vehicles	**20 443**	**6 983**	**–**	**(569)**	**–**	**(8 742)**	**–**	**18 115**
Furniture and equipment	**20 999**	**19 126**	**–**	**(737)**	**5 678**	**(12 807)**	**–**	**32 259**
Returnable containers	**180 867**	**171 695**	**–**	**(562)**	**–**	**(92 346)**	**–**	**259 654**
Assets under construction	**70 742**	**198 262**	**–**	**(5 601)**	**(258 502)**	**–**	**–**	**4 901**
	1 015 268	**749 289**	**–**	**(7 994)**	**(6 111)**	**(264 506)**	**–**	**1 485 946**

Notes

Transfers consist of transfer(s) to the following asset classes:	
Intangible assets	**6 111**
	6 111

N$'000	Opening Balance	Additions	Acquisition through business combination	Disposals	Transfers	Depreciation	Reclassified as held for sale	Total
Company – 2023								
Freehold land and buildings	227 070	13 369	–	–	1 019	(4 459)	–	236 999
Leasehold land and buildings	4 551	43	–	–	–	(1 174)	–	3 420
Plant and Machinery	476 939	78 787	–	(1 090)	676	(73 514)	–	481 798
Vehicles	13 531	11 615	–	–	–	(4 703)	–	20 443
Furniture and equipment	21 891	5 891	–	(693)	949	(7 039)	–	20 999
Returnable containers	171 292	68 076	–	–	–	(58 501)	–	180 867
Assets under construction	7 830	65 511	–	–	(2 599)	–	–	70 742
	923 104	243 292	–	(1 783)	45	(149 390)	–	1 015 268

Notes

Transfers consist of transfer(s) from the following asset classes:	
Intangible assets	45
	45

Transfers into or out of property, plant and equipment, right of use assets and intangible assets represent non-cash flow movements.

Annexure B continued

Intangible assets

N$'000	Opening Balance	Additions	Acquisition through business combination	Disposals	Transfers	Amortisation/ impairments	Total
Group – 2024							
Automation processes	**9 924**	**–**	**–**	**–**	**–**	**(3 901)**	**6 023**
Externally purchased software licences	**22 683**	**30 331**	**–**	**(77)**	**6 111**	**(16 779)**	**42 269**
Customer relationships	**6 767**	**–**	**–**	**–**	**–**	**(2 100)**	**4 667**
Trademarks	**83 367**	**–**	**–**	**–**	**–**	**(7 617)**	**75 750**
	122 741	**30 331**	**–**	**(77)**	**6 111**	**(30 397)**	**128 709**
Group – 2023							
Automation processes	12 501	–	–	–	–	(2 577)	9 924
Externally purchased software licences	27 936	1 107	–	(1 006)	(45)	(5 309)	22 683
Customer relationships	–	–	7 000	–	–	(233)	6 767
Trademarks	9 000	–	75 000	–	–	(633)	83 367
	49 437	1 107	82 000	(1 006)	(45)	(8 752)	122 741

Annexure B continued

Intangible assets continued

	Opening Balance	Additions	Acquisition through business combination	Disposals	Transfers	Amortisation/ impairments	Total
Company – 2024							
Automation processes	**9 924**	**–**	**–**	**–**	**–**	**(3 901)**	**6 023**
Externally purchased software licences	**22 683**	**30 331**	**–**	**(77)**	**6 111**	**(16 779)**	**42 269**
Customer relationships	**–**	**6 767**	**–**	**–**	**–**	**(2 100)**	**4 667**
Trademarks	**9 000**	**74 367**	**–**	**–**	**–**	**(7 617)**	**75 750**
	41 607	**111 465**	**–**	**(77)**	**6 111**	**(30 397)**	**128 709**
Company – 2023							
Automation processes	12 501	–	–	–	–	(2 577)	9 924
Externally purchased software licences	27 936	1 107	–	(1 006)	(45)	(5 309)	22 683
Trademarks	9 000	–	–	–	–	–	9 000
	49 437	1 107	–	(1 006)	(45)	(7 886)	41 607

Transfers into or out of property, plant and equipment, right of use assets and intangible assets represent non-cash flow movements.

Amortisation periods are reviewed at the end of each financial period. If the expected useful life of the asset differs from previous estimates, the amortisation period shall be changed accordingly. The amortisation charge is recognised in the operating expenses in the statement of profit or loss and other comprehensive income.

Intangible assets with indefinite useful lives at 31 December 2024 amounted to N$7 000 000 (2023: N$9 000 000). This judgement is based on the market and trading conditions applicable to the Group and management's expectations and strategy for the use of the trademarks. It is the intention of the Group to receive a benefit from them indefinitely and there is no indication that this will not be the case.

During the period under review, the Camelthorn trademark was assessed to be impaired. Despite the trademark and product still holding commercial value, the Group has decided not to prioritise the trademark due to the expanded portfolio. Consequently, the trademark was fully impaired during the period under review.

Annexure B continued

Right-of-use assets

	Opening Balance	Additions	Acquisition through business combination	Disposals	Depreciation	Total
Group – 2024						
Motor vehicle leases	**41 533**	**25 130**	**–**	**(3 920)**	**(21 779)**	**40 964**
Property leases	**1 513**	**8 068**	**–**	**–**	**(4 648)**	**4 933**
	43 046	**33 198**	**–**	**(3 920)**	**(26 427)**	**45 897**
Group – 2023						
Motor vehicle leases	33 103	17 435	5 232	(2 478)	(11 759)	41 533
Property leases	4 173	222	–	–	(2 882)	1 513
	37 276	17 657	5 232	(2 478)	(14 641)	43 046

	Opening Balance	Additions	Acquisition through business combination	Disposals	Depreciation	Total
Company – 2024						
Motor vehicle leases	**36 809**	**30 990**	**–**	**(3 920)**	**(21 915)**	**41 964**
Property leases	**1 513**	**74 652**	**–**	**–**	**(13 526)**	**62 639**
	38 322	**105 642**	**–**	**(3 920)**	**(35 441)**	**104 603**
Company – 2023						
Motor vehicle leases	33 103	17 435	–	(2 479)	(11 250)	36 809
Property leases	4 173	222	–	–	(2 882)	1 513
	37 276	17 657	–	(2 479)	(14 132)	38 322

The Group and Company leases several assets, including buildings and vehicles. The average lease term is between 2 and 5 years (2023: 2 – 5 years).

Annexure C

Interest in subsidiaries

			Effective holding		Interests of holding Company		Indebtedness	
Subsidiary Company	**Country of incorporation**	**Issued capital N$**	**2024 %**	2023 %	**2024 N$'000**	2023 N$'000	**2024 N$'000**	2023 N$'000
Beverages								
Namibia Breweries South Africa Proprietary Limited*	South Africa	120	**100**	100	**–**	–	**95 374**	95 374
Flycatcher (Proprietary) Limited	Botswana	126	**100**	100	**–**	–	**4 628**	4 628
Distell Namibia Limited***	Namibia	4 000	**100**	100	**1 460 433**	1 460 433	**(2 076)**	(170 000)
Namibia Wines and Spirits (Proprietary) Limited***	Namibia	100	**100**	100	**25 985**	25 985	**(1 307)**	–
Property								
Northgate Properties (Proprietary) Limited	Namibia	100	**100**	100	**828**	828	**(345)**	(767)
Hallie Investments Number Four Hundred and Twenty Eight (Proprietary) Limited**	Namibia	100	**100**	100	**468**	468	**–**	–
Distillers Corporation Namibia (Proprietary) Limited***	Namibia	4 000	**100**	100	**77 700**	77 700	**(3 801)**	–
Accumulated impairment (note 7)****					**(1 404 098)**	(350 468)	**(95 374)**	(95 374)
					161 316	1 214 946	**(2 901)**	(166 139)

* *A letter of support is in place whereby Namibia Breweries Limited agrees to provide additional financial support to Namibia Breweries South Africa Proprietary Limited to meet its debts as and when they fall due until such time as specified in the letter.*

** *A Cession Agreement exists whereby Hallie Investments Number Four Hundred and Twenty Eight (Proprietary) Limited ceded all of its rights and obligations in its property to the Company.*

*** *On 17 April 2023, the proposed transactions between Heineken, Distell and NBL were finalised. As a result, NBL purchased the 100% shareholding of the Distell Namibia Companies for N$1 564 118 000. Subsequent to the events as outlined in note 7, whereby the Group optimised its operational structure, the investment in the Distell Namibia Companies were impaired to reflect the new structure and the underlying value of the investment(s).*

**** *Impairment relates to Distell Namibia and Hallie.*

Annexure D

Directors' emoluments

	Salary N$'000	Bonuses N$'000	Voluntary separation payment N$'000	Housing and medical aid N$'000	Pension and travel allowance N$'000	Total N$'000
2024 – Executive directors						
P.M.J. Simons*@	**11 234**	**598**	**–**	**1 281**	**–**	**13 113**
W.J. von Lieres und Wilkau	**1 854**	**269**	**–**	**1 439**	**567**	**4 129**
Total emoluments	**13 088**	**867**	**–**	**2 720**	**567**	**17 242**
2023 – Executive directors						
P.M.J. Simons*	865	–	–	–	–	865
M Wenk#	2 012	171	8 226	1 254	847	12 510
W.J. von Lieres und Wilkau	1 133	499	–	806	458	2 896
Total emoluments	4 010	670	8 226	2 060	1 305	16 271

* *Appointed 14 April 2023.*
\# *Resigned 14 April 2023.*
@ *Resigned 31 December 2024.*

Annexure D continued

Directors' emoluments continued

	2024 N$'000	2023 N$'000
Non-executive directors		
V.J. Mungunda	**473**	337
H.B. Gerdes	**567**	817
A.R. Schimming-Chase	**447**	274
A.J.H. Shiyuka*	**422**	36
M.K. Mokgatle*	**390**	36
J. Borrut*	**–**	36
Y. Yedikardesler*	**–**	36
K Santry*	**–**	36
J.J. Durand*	**–**	36
R Pirmez	**–**	263
P Sabrie#	**–**	46
P Grüttemeyer#	**–**	301
S Thieme#	**–**	170
G Hanke#	**–**	46
H van der Westhuizen#	**–**	70
S Siemer#	**–**	70
L Mcleod-Katjirua#	**–**	118
Total emoluments	**2 299**	2 728

* *Appointed 14 April 2023.*
\# *Resigned 14 April 2023.*
@ *Resigned 31 December 2024.*

Non-executive directors only received directors' fees for the current and prior financial period, with the exception of HB Gerdes. Refer to note 30.1.

Performance summary

In preparing the financial statements, we have included a performance summary to enhance comparability between the current 18-month reporting period and the 12-month comparative period. This summary provides key insights into the Statement of Financial Position, Statement of Profit and Loss, and Statement of Cash Flows, ensuring a clearer analysis of financial performance and position over the past 36 months.

This performance summary has not been audited and the external auditors have not expressed an opinion thereon, but is based on audited information. The performance summary does not form part the annual financial statements.

Statement of Financial Position

	as at 31 Dec 2024 Audited N$'000	as at 31 Dec 2023 Unaudited N$'000	as at 31 Dec 2022 Unaudited N$'000
Assets			
Non-current assets			
Property, plant and equipment	**1 639 103**	1 287 416	967 004
Intangible assets	**128 709**	118 912	39 980
Right-of-use assets	**45 897**	44 666	46 290
Goodwill	**744 385**	744 385	–
	2 558 094	2 195 379	1 053 274
Current assets			
Inventories	**645 104**	459 664	373 570
Trade and other receivables	**618 484**	730 781	751 187
Current tax receivable	**10 308**	8 478	326
Cash and cash equivalents	**43 441**	126 630	821 042
Derivative financial instruments	**384**	–	2 056
	1 317 721	1 325 553	1 948 181
Non-current assets held for sale	**5 075**	18 797	781 120
Total assets	**3 880 890**	3 539 729	3 782 575

	as at 31 Dec 2024 Audited N$'000	as at 31 Dec 2023 Unaudited N$'000	as at 31 Dec 2022 Unaudited N$'000
Equity and liabilities			
Equity			
Share capital	**1 024**	1 024	1 024
Reserves	**(51)**	5	59
Retained earnings	**2 339 205**	2 325 869	2 737 978
Ordinary shareholders' equity	**2 340 178**	2 326 898	2 739 061
Non-current liabilities			
Interest-bearing loans and borrowings	**199 751**	252 435	368 929
Provisions	**52 233**	47 303	23 653
Deferred taxation	**239 185**	224 262	189 192
	491 169	524 000	581 774
Current liabilities			
Interest-bearing loans and borrowings	**15 634**	134 749	134 775
Bank overdraft	**231 770**	–	–
Trade and other payables	**775 234**	526 057	297 362
Provisions	**3 987**	4 238	–
Current tax receivable	**–**	2 057	22 654
Dividends payable	**22 918**	21 730	6 949
	1 049 543	688 831	461 740
Total equity and liabilities	**3 880 890**	3 539 729	3 782 575

Statement of Profit and Loss

	6 months ended 31 Dec 2024 Unaudited H3 FY24 N$'000 5	6 months ended 31 Dec 2023 Unaudited H1 FY24 N$'000 3	**6 months ended 30 Jun 2024 Unaudited H2 FY24 N$'000 4**	6 months ended 30 Jun 2023 Unaudited H2 FY23 N$'000 2	**6 months ended 31 Dec 2023 Unaudited H1 FY24 N$'000 3**	6 months ended 31 Dec 2022 Unaudited H1 FY23 N$'000 1
Continuing operations						
Revenue	**3 390 129**	2 511 180	**2 303 239**	1 875 641	**2 511 180**	2 389 605
Excise tax expense	**(622 949)**	(372 093)	**(384 458)**	(347 400)	**(372 093)**	(529 447)
Net revenue	**2 767 180**	2 139 087	**1 918 781**	1 528 241	**2 139 087**	1 860 158
Operating expenses	**(2 337 359)**	(1 829 512)	**(1 762 587)**	(1 466 022)	**(1 829 512)**	(1 501 164)
Operating profit	**429 821**	309 575	**156 194**	62 219	**309 575**	358 994
Finance costs	**(36 871)**	(35 737)	**(28 810)**	(43 736)	**(35 737)**	(24 314)
Investment income	**4 547**	14 144	**8 070**	30 984	**14 144**	23 841
Other gains and losses (Excluding profit on sale of HSA for FY2023)	**–**	–	**–**	–	**–**	–
Profit before tax	**397 497**	287 982	**135 454**	49 467	**287 982**	358 521
Income tax expense	**(72 408)**	(68 458)	**(29 383)**	969	**(68 458)**	(72 177)
Profit from continuing operations	**325 089**	219 524	**106 071**	50 436	**219 524**	286 344
Volume contribution Namibia						
Beer	**70.8%**	72.5%	**72.2%**	85.2%	**72.5%**	92.9%
Wine	**15.9%**	16.6%	**16.6%**	6.8%	**16.6%**	0.0%
Ciders & RTDs	**7.9%**	5.5%	**5.9%**	2.9%	**5.5%**	1.4%
Spirits	**1.0%**	0.9%	**1.0%**	0.3%	**0.9%**	0.0%
Softs	**4.4%**	4.5%	**4.3%**	4.8%	**4.5%**	5.7%
	100%	100%	**100%**	100%	**100%**	100%
Volume contribution total						
Namibia	**72.6%**	83%	**79.2%**	76.7%	**83.2%**	62.5%
South Africa	**24.6%**	14%	**19.6%**	19.4%	**13.9%**	35.2%
Other export countries	**2.8%**	3%	**1.2%**	3.9%	**2.9%**	2.3%
	100%	100%	**100%**	100%	**100%**	100%

(1) – Includes only historical NBL, acquisition of Distell in progress.
(2) – Distell acquisition concluded in April 2023, includes Distell portfolio for May and June 2023.
(3) – NBL and Distell trades as combined business for July and August 2023, with full integration concluded September 2023.
(4) – NBL is an integrated business with one system, and local Cider packaging commences May 2024.
(5) – NBL is an integrated business with one system, and local Wine packaging commences July 2024.

Statement of Cash Flows

	6 months ended 31 Dec 2024 Unaudited H3 FY24 N$'000	6 months ended 31 Dec 2023 Unaudited H1 FY24 N$'000	6 months ended 30 Jun 2024 Unaudited H2 FY24 N$'000	6 months ended 30 Jun 2023 Unaudited H2 FY23 N$'000	6 months ended 31 Dec 2023 Unaudited H1 FY24 N$'000	6 months ended 31 Dec 2022 Unaudited H1 FY23 N$'000
Cash flow from operating activities	**494 704**	473 773	**(5 828)**	(5 289 993)	**473 773**	198 892
Cash generated by operations	**665 024**	555 078	**338 813**	180 059	**555 078**	270 571
Dividends paid	**(107 080)**	(4 896)	**(308 921)**	(5 422 362)	**(4 896)**	(57)
Income tax paid	**(59 829)**	(68 458)	**(33 072)**	(43 000)	**(68 458)**	(71 622)
Employer benefit payments on post employment medical aid benefit plans	**(771)**	–	**(2 136)**	(697)	**–**	–
Employer benefit payments on severance benefits and restructuring provisions	**(2 640)**	(7 951)	**(512)**	(3 993)	**(7 951)**	–
Cash flow from investing activities	**(225 016)**	(159 909)	**(322 898)**	4 489 854	**(159 909)**	(97 222)
Interest income	**3 181**	13 195	**7 237**	28 960	**13 195**	23 841
Dividends received	**1 366**	949	**833**	1 829	**949**	195
Interest income from discontinued operations	**–**	–	**–**	2 151	**–**	2 640
Business combinations	**–**	–	**–**	(939 394)	**–**	–
Proceeds from repayment of loans receivable	**–**	–	**–**	73 625	**–**	–
Proceeds from disposal of associate	**–**	–	**–**	5 442 000	**–**	–
Acquisition of property, plant and equipment	**(234 382)**	(178 227)	**(312 936)**	(86 885)	**(178 227)**	(156 408)
Acquisition of intangible assets	**(4 039)**	(2 888)	**(23 404)**	(313)	**(2 888)**	(794)
Proceeds on disposal of fixed assets	**8 858**	7 062	**5 372**	(32 119)	**7 062**	33 304
Cash flow from financing activities	**(495 432)**	(291 742)	**(602 482)**	925 708	**(291 742)**	(32 191)
Finance costs	**(27 985)**	(35 737)	**(28 810)**	(40 495)	**(35 737)**	(24 314)
Advances from interest bearing loans and borrowings	**–**	–	**680 000**	1 641 000	**–**	–
Repayment of interest bearing loans and borrowings	**(467 447)**	(256 005)	**(1 253 672)**	(674 797)	**(256 005)**	(7 877)
Net (decrease)/increase in cash and cash equivalents	**(225 744)**	22 122	**(931 208)**	125 569	**22 122**	69 479
Effect of translation of foreign entities	**29**	(30)	**(85)**	(24)	**(30)**	(2)
Cash and cash equivalents at beginning of the period	**37 386**	946 587	**968 679**	821 042	**946 587**	751 565
Cash and cash equivalents at end of the period	**(188 329)**	968 679	**37 386**	946 587	**968 679**	821 042

Notes

Notice of annual general meeting

Important dates:

Shareholders are advised of the following dates:	2025
Date to receive notice of AGM	7 May
Last day for lodging forms of proxy	9 June
Annual General Meeting	11 June

Notice is hereby given that the Annual General Meeting (AGM) of shareholders of the Company in respect of the financial year ended 31 December 2024 will be held in the Company's Auditorium, Iscor Street, Northern Industrial Area, Windhoek, Namibia commencing from 09h00, to deal with such business as may lawfully be dealt with at the AGM.

This notice is important and requires your immediate attention. Please ensure that you review the notes and footnotes in this notice, which contain important information regarding participation in the Annual General Meeting.

Integrated annual report

The integrated annual report, including the below reports, are available at *https://nambrew.com/investor-hub/*

- The 2024 integrated report
- 2024 Notice of AGM (this/the Notice)
- The complete set of Annual Financial Statements
- The governance report
- The remuneration report
- Contribution to the Sustainable Development Goals report

Agenda

Ordinary dividend

On 26 March 2025, the Directors approved a final dividend of 157 cents per share for the period ending 31 December 2024 and this will be paid on 14 May 2025.

Namibia Breweries Limited

Incorporated in the Republic of Namibia
Registration number: 1920/0002
NSX Share code: NBS
ISIN: NA0009114944
(NBL or the Company)

www.nambrew.com

Resolutions

Annual financial statements and reports

To receive and consider and if approved adopt the Annual Financial Statements for the financial period ended 31 December 2024, together with the independent auditor's report.

Re-election of Directors

To re-elect by way of separate resolutions, Vetumbuavi Mungunda and Afra Schimming-Chase who retire by rotation in accordance with the provisions of the Companies Act and the Articles of Association of the Company and being eligible, makes themselves available for re-election.

Brief biographies of each director are available from page 37 and 39 respectively of the Integrated Report.

Directors' remuneration

To approve the Directors' remuneration as reflected in the Annual Financial Statements for the financial year ended 31 December 2024 and further depicted below:

Non-executive Directors

	2024 N$'000	2023 N$'000
HB Gerdes	**567**	817
A.J.H Shiyuka	**422**	36
MK Mokgatle	**390**	36
V.J. Mungunda	**473**	337
A.R. Schimming-Chase	**447**	274
R Pirmez	**–**	–
K Santry	**–**	–
J.J. Durand	**–**	–
J. Borut	**–**	–
J. Overmars	**–**	–

At the Board meeting held on 06 December 2023, the Board resolved in line with the Heineken International Group policy and in compliance with NBL's Remuneration Committee Terms of Reference clause 5.3.1, 5.3.2 read together with 6.2.2 that the non-independent Directors should not be remunerated for their service as directors under NBL. This shall be effective 14 April 2023 or any other date of appointment.

By order of the Board

Hilya Herman
Company Secretary

27 March 2025

Notes to the notice of AGM

1. This document is addressed to all shareholders and proxy holders.
2. If you are a beneficial holder of NBL securities you may attend and vote at the AGM, provided that your name is on the Company's register of disclosures as the holder of the beneficial interest, or you hold a proxy.
3. If you are in any doubt as to what action you should take arising from this document, please consult your broker, banker, attorney, accountant or other appropriate professional adviser immediately.

An electronic copy of the location of the venue of the meeting may be obtained from NBL's website at ***www.namibiabreweries.com***

Proxy form

Namibia Breweries Limited

Incorporated in the Republic of Namibia
Registration number: 1920/0002
NSX Share code: NBS
ISIN: NA0009114944

(NBL or the Company)

The Company Secretary
Hilya Herman
PO Box 206
Windhoek
Namibia

I/We (name in full) ______________________________

in my capacity as ______________________________

(state capacity held)of ______________________________

(state individual / legal entity name) with shareholder number ______________________________

and address at ______________________________

being a shareholder of (number of shares) of the above-mentioned Company holding ______________

(state number of shares) herby appoint

(a) ______________________________ (name); or failing him/her

(b) ______________________________ (name); or failing him/her

(c) ______________________________ (name)

or failing him/her, the Chairperson of the meeting as my/our proxy to vote for me/us on my/our behalf at the Annual General Meeting of Namibia Breweries Limited to be held in the Company's Auditorium, Iscor Street, Northern Industrial Area, Windhoek, Namibia **on Wednesday, 11 June 2025 at 09:00** and at any adjournment thereof, in particular to vote for/against/abstain* the resolutions contained in the notice of the meeting.

I/we desire as follows:

	Resolutions	For	Against	Abstain
1	Annual financial statements and reports			
2	Re-election of Directors			
	2.1 Vetumbuavi Mungunda			
	2.2 Afra Schimming-Chase			
3	Directors' remuneration			

Signed at ______________________________ this ____________ day of 2025.

Signature(s) of shareholder ______________________________

* *Please indicate by inserting an 'X' in the appropriate block relating to the columns 'for/against/abstain'. If no indication is given, the proxy may vote as they deem fit.*

Notes to the proxy

1. A member entitled to attend and vote at the aforementioned meeting is entitled to appoint a proxy (who need not be a member of the Company) to attend, speak and, on a poll, to vote in his/her stead.
2. A copy of the signed proxy form must be returned on or before Monday, 09 June 2025 by 12h00 to the following registered offices:
   a. Transfer Secretaries

      Physical address: No. 4 Robert Mugabe Avenue (Entrance via Dr Theo Ben Gurirab Street), Windhoek, Namibia

      Postal address: PO.Box 2401, Windhoek, Namibia

      Via email: tsclientservices1@nsx.com.na

   Or

   b. Namibia Breweries Limited

      The Company Secretary: Hilya N. Herman

      Physical address: Iscor Street, Northern Industrial Area, Windhoek

      Postal address: PO Box 206, Windhoek, Namibia

      Via email: nbl.legal@nbl.na
3. In respect of shareholders that are companies, an extract of the relevant resolution of Directors must be attached to the proxy form or handed in to the Company Secretary at the meeting.

Shareholder analysis for 31 December 2024

Shareholder analysis	December 2024	June 2023
Number of shares in issue	206 529 000	206 529 000
Number of shares traded	641 964	5 250 709
Value of shares traded (N$)	18 641 133	227 899 136
Market price (cents per share)	2 895	3 680
Closing price (cents per share)	2 891	3 680
Bid price (cents per share)	2 800	3 602
Earnings yield (HEPS)	10.9%	4.4%
Headline earnings per share	315.3	162.7

Ordinary share ownership

	Number of Shareholders	%	Number of Shares	%
Holdings				
1 – 1 000	**900**	**63.88**	**402 541**	**0.20**
1 001 – 50 000	**439**	**31.16**	**2 851 121**	**1.38**
50 001 – 100 000	**18**	**1.28**	**1 187 396**	**0.57**
100 001 – 10 000 000	**51**	**3.62**	**79 467 644**	**38.48**
10 000 001 and above	**1**	**0.07**	**122 620 298**	**59.37**
	1 409	**100.00**	**206 529 000**	**100.00**
Category				
Corporate bodies	**31**	**2.20**	**4 543 931**	**2.20**
Nominee companies	**99**	**7.03**	**14 511 264**	**7.03**
Private individuals	**1 254**	**89.00**	**183 809 344**	**89.00**
Trusts	**25**	**1.77**	**3 664 461**	**1.77**
	1 409	**100.00**	**206 529 000**	**100.00**

Shareholder spread

The spread of shares held by non-public and public shareholders was as follows:

	at 31 December 2024 %	at 30 June 2023 %
Non-public shareholders		
– Holding Company	**59.37**	59.37
– Directors and their associates	**0.04**	0.04
Public shareholders	**40.59**	40.59
	100.00	100.00
Beneficial shareholding of 5% or more		
NBL Investment Holdings Limited	**59.37**	59.37
Government Institutions Pension Fund	**16.04**	15.66

Glossary

Abbreviations and acronyms	Description
AGM	Annual General Meeting
AoA	Articles of Association
CAN	Cancer Association Namibia
CSI	Corporate Social Investment
Distell	Distell Group Holdings Limited
DLG	Deutsche Landwirtschafts Gesellschaft
ESG	Environmental, social and governance
EY	Ernst & Young
hl	Hectolitre
HPP	Harambee Prosperity Plan
IFRS	International Financial Reporting Standards
IT	Information and Technology
MoA	Memorandum of Association
MSME	Micro, small and medium enterprise
NAFAU	Namibia Food and Allied Workers Union

Abbreviations and acronyms	Description
NamCode	Corporate Governance Code for Namibia
NAMPOL	Namibian Police Force
NBL	Namibia Breweries Limited
NCPI	Namibian Consumer Price Index
NISE	National Institute for Special Education
NSX	Namibia Securities Exchange
NWR	Namibia Wildlife Resorts
SABS	South African Bureau of Standards
SADC	Southern African Development Community
SAIF	Self-Regulating Alcohol Industry Forum
SDGs	Sustainable Development Goals
SKUs	Stock-keeping Units
UN	United Nations
VER	Voluntary early retirement
VSP	Voluntary separation package

Administration

Executive Directors

W von Lieres – Managing Director (1 January 2025-present)
W Bierens De Haan[2] – Finance Director (1 January 2025-present)

Non-executive Directors

VJ Mungunda (Chairperson 22 August 2024)
J Borrut-Bel[1]
JJ Durand[3]
H-B Gerdes
MK Mokgatle
JAA Overmars[2]
R Pirmez[4]
K Santry[5]
AR Schimming-Chase
AJH Shiyuka

Nationalities

[1] *Spanish*
[2] *Dutch*
[3] *South African*
[4] *Belgium*
[5] *Irish*

Committees

Audit and Risk Committee
H-B Gerdes (Chairperson) (22 August 2024-present)
JAA Overmars
J Steyn (Heineken Representative)

Remuneration and Nomination Committee
AR Schimming-Chase (Chairperson)
H-B Gerdes
J Borrut-Bel

Environmental, Social and Governance Committee
AJH Shiyuka (Chairperson)
MK Mokgatle
R Pirmez

Administration

Company registration number
(Incorporated in Namibia) 1920/0002
1979/001528/10 (Externally registered in South Africa)
An ISO 9001 Certified Company. A Heineken Company

Company Secretariat
Hilya N Herman (Company Secretary)
Namibia Breweries Limited
PO Box 206, Iscor Street
Northern Industrial
Windhoek, Namibia

Auditors
Deloitte & Touche (Namibia)
PO Box 47, Windhoek, Namibia

Sponsor
PSG Wealth Management
PO Box 196, Windhoek, Namibia

Transfer secretaries
Transfer Secretaries (Proprietary) Limited
PO Box 2401, Windhoek, Namibia

Principal bankers
First National Bank of Namibia Limited
PO Box 285, Windhoek

Attorneys
Engling, Stritter & Partners
PO Box 43, Windhoek, Namibia

Jacobs Amupolo Lawyers & Conveyancers Inc
PO Box 11645, Klein Windhoek

Kooplinger Boltman
PO Box 40349, Windhoek

Ellis Shilengudwa Inc (ESI)
PO Box 3300, Windhoek

Notes

Notes

Namibia Breweries Limited

PART OF THE HEINEKEN COMPANY

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