



ZIB

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# ANNUAL REPORT 2024

***We Dream Big  
To Create A Future  
With More Cheers***



# » WHO WE ARE AND WHAT WE BREW

**T**he brewing business was established in Zambia in 1968 and its product range has grown to include clear beers such as Mosi Premium Lager, Mosi Light, Castle, Castle Lite, Carling Black Label and Eagle Lagers.

Zambian Breweries Plc became part of Anheuser-Busch InBev (AB InBev), the largest brewer in the world, with more than 500 beer brands and some 200,000 employees in over 50 countries.

Zambian Breweries also distributes a range of imported premium products including Budweiser, Stella Artois, Corona, Flying Fish and Brutal Fruit.

This is the Annual Report of Zambian Breweries Plc for the year ended 31<sup>st</sup> December, 2024. This information may be updated or documented with the Securities and Exchange Commission or later amended if necessary, although Zambian Breweries Plc does not undertake to update any such information.

The Annual Report is made available to all shareholders on the Lusaka Stock Exchange website ([www.luse.co.zm](http://www.luse.co.zm)). This report includes names of Zambian Breweries Plc products, which constitute trademarks or trade names which Zambian Breweries Plc owns, or which others own and license to Zambian Breweries Plc for use.

In this report, the term 'Company' and 'Zambian Breweries' refers to Zambian Breweries Plc, except as the context otherwise requires.

Zambian Breweries Plc's Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and interpretations issued by IFRS Interpretations Committee applicable to companies reporting under IFRS.

The Financial Statements comply with IFRS accounting standards as issued by the International Accounting Standards Board ("IASB"). References to IFRS should be construed as references to IFRS Accounting Standards as issued by the IASB.

## Our 10 Principles Guide How We Do Business.

Our culture of ownership defines who we are and what we do. It's the reason we build strong teams and support each other. Together, we deliver solid results. Our 10 Principles shape how we make decisions and guide how we do business. They are at the core of our culture and align closely to our company purpose and strategy:

# 10

## PRINCIPLES

### We are owners who...

- 01 Dream** big
- 02 Lead** by example and take accountability
- 03 Attract** and develop great people
- 04 Build** brands consumers love
- 05 Grow** with customers and communities
- 06 Prioritize** simple and scalable solutions
- 07 Manage** costs tightly
- 08 Think** long-term
- 09 Strive** for superior results
- 10 Never** take shortcuts



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## COMPANY INFORMATION







## FINANCIAL HIGHLIGHTS

**K6,602,772**

,000 Group\*\* revenue (incl. excise duty)

**K672,676**

,000 Loss for the year

**K5,341,595**

,000 Group revenue (exc. discounts & excise duty)

**K391,897**

,000 Cash & Cash Equivalents

(In Kwacha thousands)	2019	2020	2021	2022*	2023	2024	Var.
Company Revenue (incl. discounts & excise duty)	2,640,037	3,031,587	4,079,639	4,836,703	5,406,418	6,602,772	22.13%
Company Revenue (excl. discounts & excise duty)	2,092,589	2,305,425	3,068,959	3,674,541	4,152,666	5,341,595	28.63%
Operating Profit/ (loss)	331,954	22,902	190,180	293,967	[441,388]	[376,154]	14.78%
Profit/(loss) Before Income tax	356,882	8,485	106,222	142,166	[794,441]	[790,986]	0.43%
Profit (loss) for the year	274,414	5,939	147,952	99,248	[535,601]	[672,676]	-25.59%
Total Assets	3,062,292	3,232,039	3,578,033	4,798,732	5,977,857	6,812,209	13.96%
Current liabilities	1,386,930	1,630,008	1,915,654	3,068,329	5,120,845	6,782,234	32.44%
Retained Earnings	584,047	535,385	683,337	782,585	246,984	[425,692]	-272.36%

\* A subsidiary company was incorporated in early 2022, Zambian Breweries Distribution Company Limited, to undertake the sales and distribution functions.

\*\*The results reflected here are consolidated for the Group.







# HIGHLIGHTS OF THE YEAR



## Expanding for a future with more cheers

Zambian Breweries officially commissioned the Lusaka Mungwi Double Capacity Expansion Plant, a \$104 million investment aimed at boosting production and meeting consumer demand. The milestone event was graced by the President of Zambia, Mr Hakainde Hichilema, underscoring the brewery's impact on economic growth and job creation.

# JAN

## Fighting Cholera, Supporting Communities

In response to the cholera outbreak, Zambian Breweries partnered with Lusaka City Council, making a vital donation towards relief efforts, demonstrating its commitment to public health and community welfare.



# FEB

## Honouring Women, Protecting Water

Zambian Breweries marked International Women's Day with a dazzling luncheon, raising glasses to the strength, resilience, and beauty of every woman. Meanwhile, the company reaffirmed its sustainability leadership by commemorating World Water Day, highlighting its ongoing efforts in water conservation and stewardship.



# MAR

## Thundering Together with Mosi Day of Thunder

The Mosi Day of Thunder returned for its 7th edition, electrifying Livingstone with an unforgettable celebration of music, culture, and tourism. Under the theme 'Zambia Ku Chalo', the festival continued to shine as a platform for local artistry and national pride.



# APR



## Empowering Retailers for Growth

Zambian Breweries launched the Growing Retailers Innovatively Together (GRIT) initiative, part of its broader Retailer Development Programme, aimed at building capacity and helping bar owners run flourishing businesses.

# MAY



## Championing Sustainability & Sports

Zambian Breweries led environmental action on World Environment Day and launched the WWF ABI Report, reinforcing its dedication to water stewardship. The company also hosted the Stella Artois Polocrosse event, blending sports, community, and brand engagement.



# JUN



## Farmers, Sales, & Olympic Dreams

The Brewing giant celebrated Cassava Farmers Day, honouring the farmers who contribute to its supply chain in Northern Zambia. Zambian Breweries also held its Sales Conference under the bold theme 'ZB is Back', reflecting renewed commercial ambition. A major highlight was the announcement of ZB's sponsorship of the Zambia Olympics team, strengthening its commitment to sports development in the country.



# JUL

## Football & Community Impact

Zambian Breweries deepened its sports engagement with the Carling Black Label Charity Shield sponsorship, supporting local football while reinforcing its connection with communities it operates in.



# AUG

## Breaking Records & Supporting Farmers

The company marked Sorghum Farmers Day, celebrating the hard-working farmers in Southern Zambia who power its value chain. Meanwhile, Mosi Ku Chalo attempted to break the **GUINNESS BOOK OF WORLD RECORDS™** for the most beer bottles opened simultaneously, creating an iconic moment of unity and celebration.



# OCT

## A Bold New Brew: Eagle Extra

Zambian Breweries expanded its beer portfolio with the launch of Eagle Extra, catering to evolving consumer preferences with its bold new taste. The beer quickly carved out a place in the market, earning the "Most Innovative Product" award from the Zambia Association of Manufacturers at the 2024 Manufacturers Month Awards.



# SEP

## Road Safety through Innovation

Zambian Breweries partnered with Yango to launch a road safety initiative for motorcyclists, reinforcing its commitment to responsible drinking and community safety.

# NOV



## Cheers to Smart Drinking

Wrapping up the year, Zambian Breweries rolled out the 'Smart Drinking Cheers Pa Easy' campaign, promoting responsible alcohol consumption and reinforcing the company's dedication to consumer well-being.

# DEC





# CHAIRPERSON'S REPORT



**Monica Katebe Musonda**

Chairperson of the Board of Directors



*We will continue investing in our people, brands, and communities, ensuring that **Zambian Breweries Plc** remains a trusted and admired company.*



## Dear Shareholders

It is my privilege to present to you the annual report for **Zambian Breweries Plc** for the financial year ended 31 December 2024. This year has been defined by resilience, adaptation, and growth as we navigated formidable challenges while seizing opportunities to strengthen our position as Zambia's leading beverage manufacturer.

In the face of economic headwinds, we have embraced new technologies, refined our operations, and reinforced our commitment to sustainable growth. Central to this was the successful completion of our USD 104 million expansion at the Mungwi Road plant in Lusaka, a milestone that underpins our long-term growth ambitions.

## Economy Landscape

Zambia's economy faced significant challenges in 2024, primarily due to drought conditions that reduced agricultural output and hydroelectric power generation, leading to widespread electricity shortages. These disruptions affected both daily life and industrial activities, creating a complex operating environment.

According to the World Bank, real GDP growth slowed to 1.9% year-on-year in the first half of 2024, compared to 4.3% during the same period in 2023. The International Monetary Fund (IMF) revised its annual growth projection downward to 1.2%, reflecting the prevailing economic difficulties. This projection was also echoed by the Minister of Finance and National Planning, Dr. Situmbeko Musokotwane MP, in Parliament, reinforcing the broader economic challenges faced by the country. Inflation climbed to 16.7% by year-end, driven by escalating food and fuel prices and the depreciation of the kwacha.

Despite these challenges, the mining sector demonstrated resilience, with copper production increasing by 12% to approximately 820,670 metric tonnes, bolstered by the recovery of key mines such as Barrick Gold's Lumwana Mine and Vedanta Resources' Konkola Copper Mines. In response, the **Zambian** government implemented strategic measures aimed at economic recovery, targeting a 6.6% growth rebound in 2025 through revitalized mining and agricultural sectors.

## Performance and Growth Amid Challenges

Despite the macroeconomic pressures, 2024 was a year of substantial progress for **Zambian Breweries**. Our ability to remain agile and customer-focused enabled us to drive strong financial and operational performance. Revenue growth was bolstered by sustained demand for our flagship brands, alongside strategic investments in innovation, operational efficiency, and market expansion.

Total volumes grew by 7.5% compared to 2023, reflecting solid consumer demand and strong market execution. Net revenue surged by an impressive 29%, while gross profit rose by 19% — a remarkable achievement in the face of a challenging economic environment. This success was driven by strategic pricing initiatives and exceptional performance in our high-margin premium brands, including Corona, Budweiser, and Stella Artois. We remained focused on rigorous cost optimization efforts, effectively managing external economic pressures and preserving long-term shareholder value. Despite these strong operational results, the Company reported a net loss of ZMW 673 million, primarily due to macroeconomic headwinds - a challenge we are proactively addressing with a clear path to recovery.

## Commitment to Sustainability

Sustainability remains at the core of our business strategy. In 2024, we advanced our "Beyond Beer" initiatives, which focus on sustainable agriculture, water stewardship, and carbon footprint reduction. Our commitment to empowering small-scale farmers through local sourcing programs not only strengthened our supply chain but also enhanced livelihoods across Zambia.

### Key sustainability milestones included:

- **Cassava Farmers Day:** Hosted in July, this event provided training on best practices in land preparation, cropping, and processing, reinforcing our support for smallholder farmers.
- **Motorbike Safety Training:** Supported by the ABI Foundation, this initiative aligns with our longstanding efforts to promote



road safety in collaboration with the Road Transport and Safety Agency (RTSA).

- **Manja Pamodzi Recycling Initiative:** Our clean-up campaign in Kanyama saw increased industry participation, demonstrating the power of collective action in promoting environmental responsibility.
- **Coalition Against Illicit Alcohol:** We joined this coalition to advocate against the proliferation of illicit spirits that undermine public health and lawful trade.
- **Retailer Development Program (RDP):** Five cohorts received training in business fundamentals, responsible beverage service, and beer mastery, ensuring sustainable growth among our retail partners.

## Innovation and Consumer-Centric Growth

A key highlight of the year was the launch of Eagle Extra 375ml, which saw overwhelming market demand, with stocks selling out within three days of its August debut. Our commitment to innovation and consumer preference remains a pivotal driver of our long-term strategy.

## Challenges and Opportunities Ahead

While we celebrate our successes, we remain vigilant of the challenges ahead. Persistent macroeconomic volatility, supply chain disruptions, and the rising prevalence of illicit alcohol require continuous strategic adaptation. However, our Lusaka expansion has already begun delivering operational efficiencies, reinforcing our ability to navigate these challenges while capitalizing on emerging growth opportunities.

## Acknowledgements

I extend my deepest gratitude to our Board of Directors, management team, and employees for their unwavering commitment to our shared vision. To our shareholders, customers, and partners, your trust and confidence inspire us to push forward, even in the face of adversity.

In 2024, we bid farewell to Country Director Michelle Kilpin and welcomed her successor, Thais Cavinatto. We also saw leadership transitions with the appointment of Choolwe Natala Lungu as Country Lead Finance and Mwamba Mulenga Chibesakunda as Company Secretary and Legal Counsel.

## Outlook for 2025

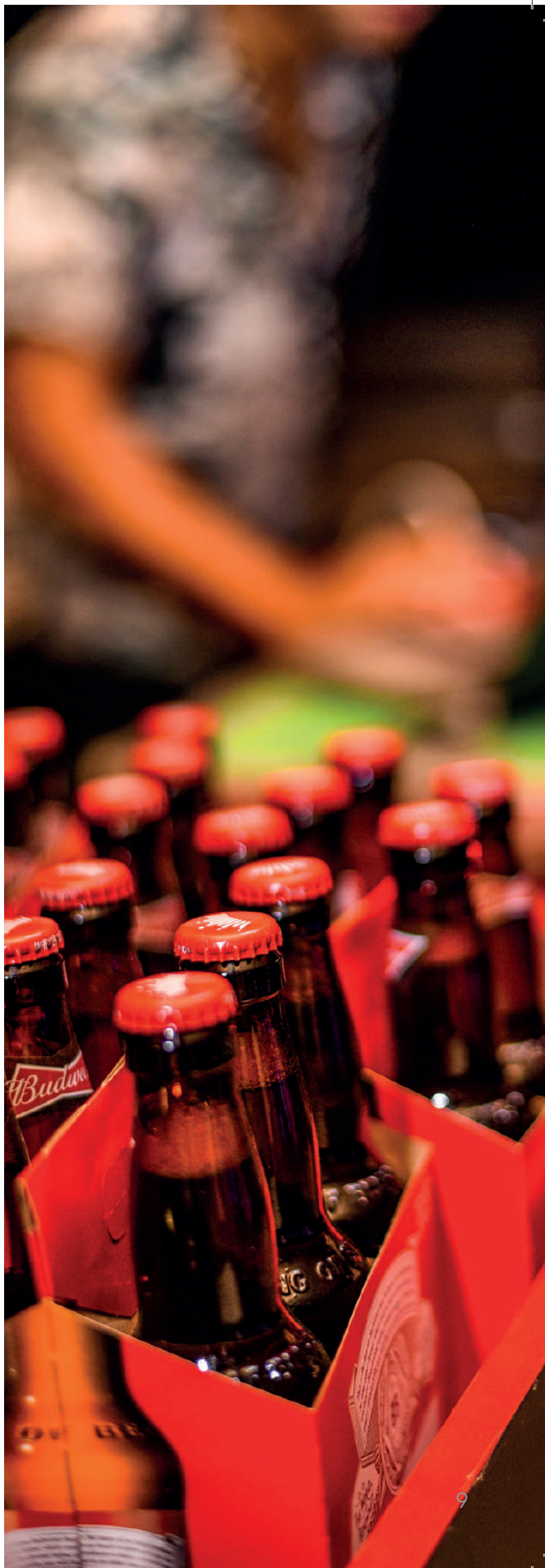
Looking ahead, we remain resolute in our pursuit of sustainable growth, innovation, and value creation. We will continue investing in our people, brands, and communities, ensuring that Zambian Breweries Plc remains a trusted and admired company.

Together, we will rise above the challenges and forge new paths toward long-term prosperity.



**Monica Musonda**

Chairperson of the Board of Directors





# COUNTRY DIRECTOR'S REPORT



**THAIS CAVINATTO**

Chief Executive Officer



*In 2024, we showed **Zambian Breweries'** strength, resilience and capacity to adapt. We've turned adversity and economic headwinds into opportunity, driving innovation and reinforcing partnerships to achieve an all time high volume and net revenue. We are working relentlessly to transform this growth into profitability.*



It is with great pride that I present the Country Director's report for 2024, a year that underscored the strength, resilience, and innovation that define **Zambian Breweries Plc.** Despite economic headwinds such as a national energy crisis, rising inflation, increasing input costs, and currency fluctuations, we achieved remarkable growth. Net revenue rose by 29%, and gross profit improved by 19%. These milestones reflect our ability to adapt and our commitment to efficiency, innovation, and strategic growth. With results such as these, we are optimistic about the year ahead and confident that we will continue to excel despite the challenges. We have embraced our journey of transformation, making 2024 a year of innovation and adaptation in order to thrive.

## Commercial Performance

Despite economic headwinds, we have demonstrated our ability to thrive in a strenuous scenario:

- **Market Success:** Total volumes increased by 7.5% against 2023, reaching an all-time high in sales. This growth was achieved despite real GDP growth of only 1.2% year-on-year and challenges such as drought conditions that reduced agricultural output and hydroelectric power generation, leading to widespread electricity shortages.
- **Net Revenue Growth:** Net revenue grew by 29% year-over-year, driven by price adjustments and strong volume growth across nearly all brands in our portfolio. The affordable segment saw a remarkable 45% increase above 2023, led by brands such as Eagle and Eagle Extra. In the premium category, Corona demonstrated an impressive 106% growth rate. Flavoured Alcoholic Beverages (FABs) also performed well, growing by over 15%, with Brutal Fruit continuing its upward trajectory. Additionally, high-end products recorded growth above 50%.
- **Gross Profit:** Gross profit increased by 19%, despite rising costs due to currency fluctuations and the impact of the drought on raw material and energy expenses.

- **Market Share:** In 2024, we remained the leaders in the total beer market, with a market share above 95%, and also reached market leadership in both the high-end and FAB segments.

## Operational Highlights

In 2024, our operations achieved significant milestones despite external pressures. Key highlights include:

- **Greater Cost Discipline:** We implemented rigorous cost-control measures that enhanced operational efficiency, such as converting all major commodity contracts from foreign currency to **Zambian Kwacha**. Our cost discipline systems will continue to ensure financial prudence.
- **Production Capacity Expansion:** The successful completion of our \$104 million expansion at the Mungwi Road Plant in Lusaka resulted in a double-digit increase in production volume, enabling us to meet growing market demand more effectively.
- **New Product Launch:** We introduced Eagle Extra, a new product catering to consumer demand for affordable, high-quality alcoholic beverages. With an ABV of 8%, Eagle Extra has been overwhelmingly well received, particularly by lower-income consumers.
- **Supply Chain Strengthening:** Our engagement with local farmers has deepened, ensuring a steady flow of raw materials while supporting local agriculture and the economy.
- **Talented Leadership:** Our management team has been reinforced with industry experts, whose leadership is driving the company forward.
- **Supply Chain Optimisation:** Investments in supply chain systems have improved inventory tracking, reduced waste, and enhanced delivery efficiency, ensuring better service for distributors and consumers.



- **Quality Assurance:** We have maintained the highest standards of product quality through enhanced quality assurance programs and new technologies.

## Sustainability and Social Impact

As a responsible corporate citizen, we continue investing in initiatives that benefit the communities we serve:

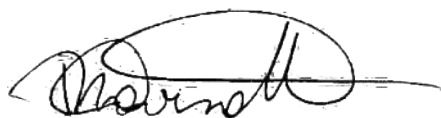
- **Empowering Farmers:** Our local sourcing program supports over 1,500 small-scale farmers with training, resources, and guaranteed markets, strengthening our supply chain while benefiting the local economy.
- **Water Stewardship:** Enhanced water recycling systems have reduced waste and promoted sustainability across our breweries.
- **Job Creation:** Our operations and value chain supported over 12,000 jobs, contributing significantly to Zambia's economic growth.

## Challenges and Lessons Learned

We faced rising input costs, power outages, and currency fluctuations, which tested our resilience. However, our ability to close the year with strong gross profit growth is a testament to our strategic approach and teamwork. Furthermore, operating losses were reduced by 15%, although they were hindered by significant losses in hedging to manage currency fluctuations and availability. These challenges highlighted the importance of innovation, agility, and strong stakeholder collaboration. We have reinforced our local sourcing strategies, diversified energy sources, and maintained close partnerships with stakeholders, all of which are essential for navigating uncertainties in a dynamic economic environment.

## Outlook

Looking ahead, we remain focused on sustainable growth and innovation. Our priorities for 2025 include investing further in alternative energy solutions to enhance operational sustainability, expanding our product portfolio to align with evolving consumer preferences, strengthening community engagement and local farmer partnerships, and enhancing cost discipline measures for long-term financial stability. We are confident that these initiatives will enable us to continue delivering value to our consumers, employees, and shareholders while contributing to Zambia's socio-economic development.



**Thais Cavinatto**  
Country Director





# » FROM SEED TO SIP

## Creating value in our supply chain

### Farmers

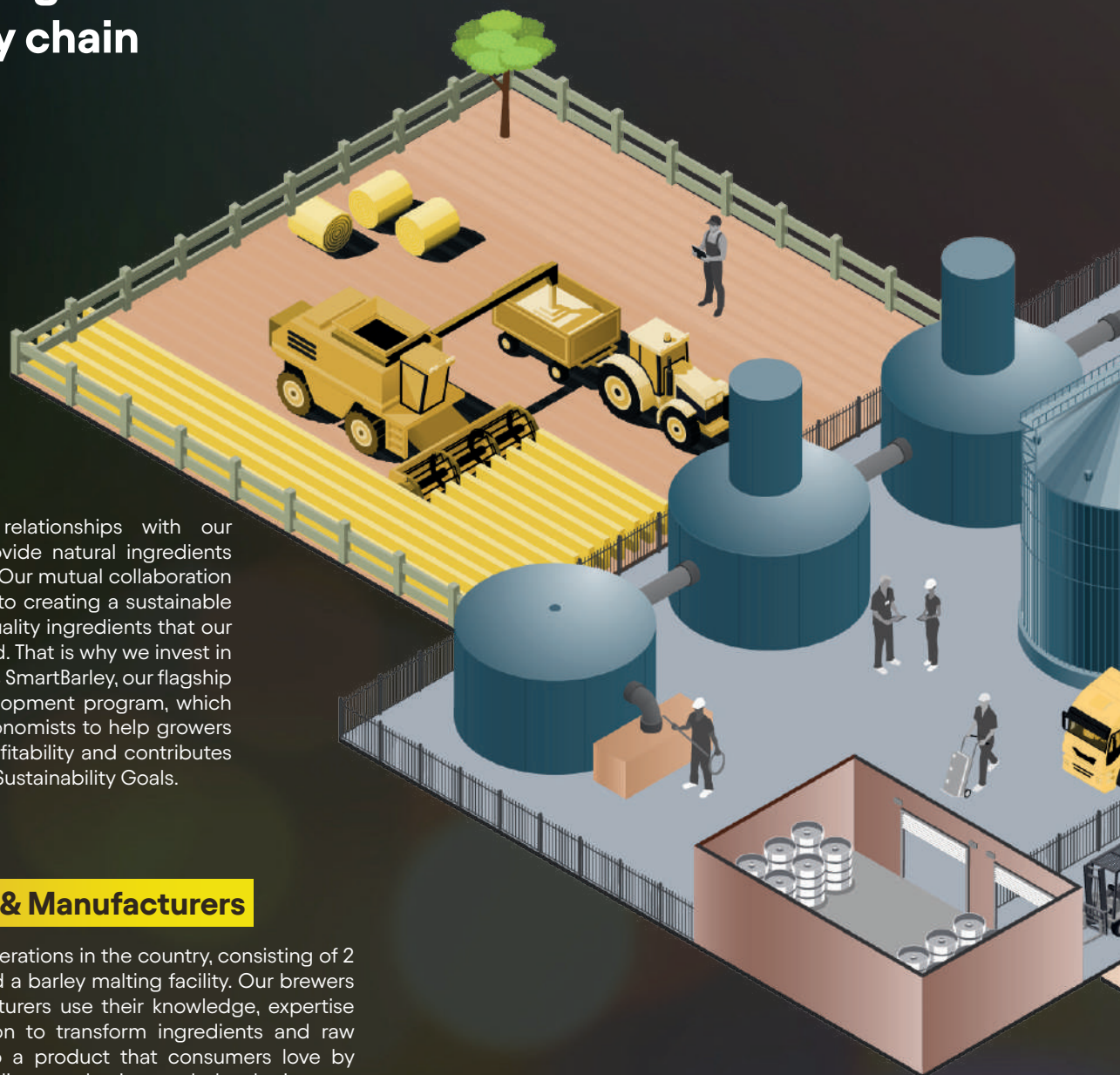
We value our relationships with our farmers, who provide natural ingredients for our products. Our mutual collaboration is a key element to creating a sustainable supply of high-quality ingredients that our products demand. That is why we invest in programs such as SmartBarley, our flagship agricultural development program, which is led by our agronomists to help growers improve their profitability and contributes toward our 2025 Sustainability Goals.

### Brewers & Manufacturers

We have 3 operations in the country, consisting of 2 breweries and a barley malting facility. Our brewers and manufacturers use their knowledge, expertise and innovation to transform ingredients and raw materials into a product that consumers love by brewing, bottling, packaging and developing our products.

### Customers

Our retail customers play a critical role for our business as an important point of connection with our consumers. We partner with retailers, bar owners and wholesalers to bring our beers to our consumers, while supporting their business growth, striving to provide best-in-class service as well as pursuing extraordinary execution of our brands.





## Communities

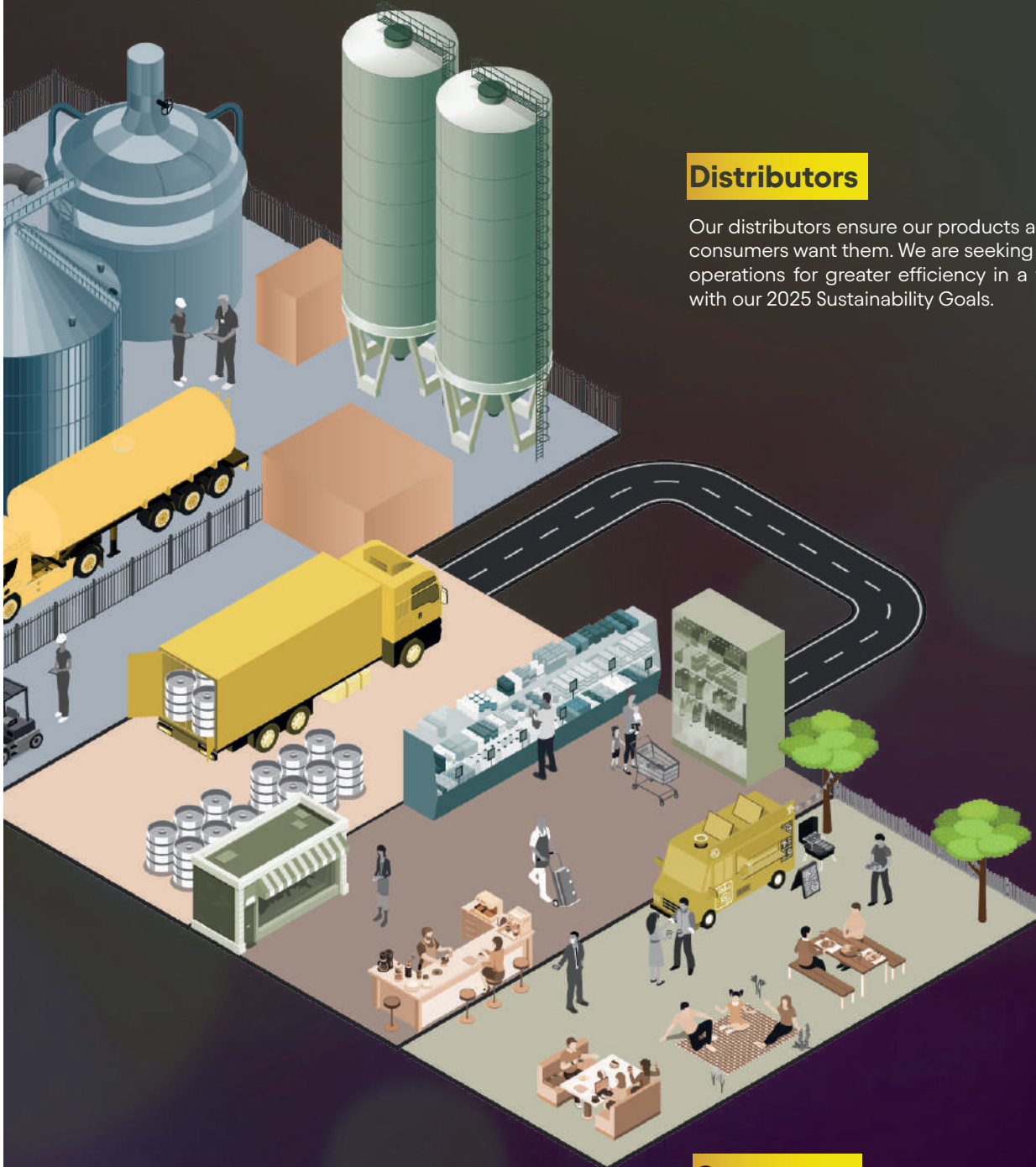
We are an integral part of the communities where we live and work. We strive to make a positive and lasting impact in our communities, advancing initiatives in areas such as sustainability, financial inclusion, Smart Drinking and road safety, often through partnerships.

## Distributors

Our distributors ensure our products are available where consumers want them. We are seeking to optimize our operations for greater efficiency in a way that is in line with our 2025 Sustainability Goals.

## Consumers

In the last step, but perhaps the most important of all, consumers enjoy our beer. We are always looking to serve up new ways to meet life's moments, and we connect with our consumers by offering meaningful brand experiences, in a responsible way.





# IMPACT REPORT









# BREWING A SUSTAINABLE FUTURE

As we reflect on 2024, **Zambian Breweries** remains steadfast in our commitment to sustainability, resilience, and shared prosperity. In the face of global challenges like climate change and economic uncertainty, we continue to champion innovative, forward-thinking solutions that drive both business growth and community well-being.

Our sustainability efforts are guided by **AB InBev's** vision of "creating a future with more cheers"—a future where communities thrive, natural resources are preserved, and businesses operate responsibly.

## Our Six Sustainability Pillars

- **Smart Agriculture** - Empowering farmers with sustainable practices to ensure food security.
- **Water Stewardship** - Protecting and securing clean water resources for communities.
- **Smart Drinking** - Promoting responsible alcohol consumption for safer communities.
- **Circular Packaging** – Reducing waste through recycling and reusability.
- **Climate Change Mitigation** - Advancing net-zero emissions and renewable energy adoption.
- **Entrepreneurship** - Supporting community growth and self-sufficiency.



## A Year of Growth and Impact

In 2024, we officially commissioned the **US\$104 million** expansion of our Lusaka Mungwi Plant, increasing production capacity, improving efficiencies, and strengthening our sustainability agenda. This investment not only bolsters our commitment to innovation but also creates thousands of new job opportunities.





# Smart Agriculture: Growing Prosperity for Farmers



Zambian Breweries recognizes that agriculture is the backbone of our nation, with over 60% of Zambia's population relying on farming for their livelihoods. However, recurring droughts, unpredictable rainfall patterns, and limited access to modern farming techniques threaten food security and economic stability. Our goal is to empower farmers with the skills, tools, and resources they need to thrive in a changing climate.

## Our 2024 Impact:

- Extended reach to support over 1,500 farmers, expanding on the success of cassava and sorghum initiatives.
- Achieved 100% of our direct farmers are now Skilled, Connected, and Financially Empowered through our cassava and sorghum programs.
- Invested in climate-resilient seeds and conservation farming practices
- Launched capacity-building programs to equip farmers with sustainable farming techniques.

## Strategic Partnerships for Greater Impact:

We understand that collaboration is key to agricultural transformation. Through partnerships with the UN World Food Programme, Musika, and the Ministry of Agriculture, we have:

- Provided high-yield, drought-resistant seed varieties to improve productivity.
- Facilitated farmer training sessions on regenerative agriculture and soil conservation.
- Enabled farmers to access microfinancing solutions and mobile banking, reducing financial barriers to growth.
- Introduced digital platforms to connect farmers with better markets and fair pricing.

By investing in agriculture, we are not just securing the supply of raw materials for our beverages—we are ensuring prosperity and food security for communities across Zambia.







## Smart Drinking: A Culture of Responsibility

As Zambia's leading brewer, we recognize the importance of promoting responsible drinking and ensuring that alcohol consumption is enjoyed safely. Our Smart Drinking Campaign, launched in 2021, has grown into a national movement advocating against excessive alcohol consumption, underage drinking, and drunk driving.

### Key 2024 Initiatives:

- **Retailer Development Program:** We expanded our retail training program to more than 545 retailers in Lusaka and Ndola, equipping them with tools to sell alcohol responsibly.
- **Eagle Extra Lager Initiative:** We launched Eagle Extra, a high quality affordable cassava-based beer, reinforcing our commitment to providing value to the diverse needs of our consumer base.
- **Coalition Against Illicit Alcohol:** In partnership with regulators and law enforcement, we are working to combat unregulated and unsafe alcohol production.
- **World Beer Responsible Day:** We commemorated World Beer Responsible Day by engaging consumers in trade on the importance of responsible consumption practices contained in the 4 pillars of smart drinking, to reinforce our messaging on moderation and responsible drinking.
- **Yango Partnership:** As part of our annual smart drinking campaign, we offered discounted taxi rides to reduce drunk driving during peak festive seasons.





# Water Stewardship: Protecting Our Most Precious Resource

Water is the most critical ingredient in our beverages and a vital resource for communities. With Zambia experiencing increased water stress due to climate change, we have committed to 100% improved water availability and quality in our high-stress areas.

In 2024, We actively fostered partnerships and reinforced existing collaborations to enhance access to safe, clean water in the communities where we operate. Our commitment to conserving the Kafue and Zambezi River basins remains central to our partnership with the World Wildlife Fund (WWF). As Zambia faces growing water stress, particularly due to the current drought, Zambian Breweries continues to take bold action to safeguard these critical water sources for future generations.

## Activities in 2024

**Kafue Lower Basin River Conservation:** Partnering with WWF, we worked on securing long-term water availability for communities and industry.

**Water Trends & Efficiency Challenges:** In 2024, our water usage per hectolitre of production increased to 3.71 hl/hl from 3.30 hl/hl in the previous year, highlighting the need for efficiency improvements.



# Circular Packaging: Creating a Greener Zambia

Sustainability in packaging is a key priority for Zambian Breweries. Our vision is to ensure that 100% of our products are in returnable or majority-recycled packaging by 2025.

## Progress in 2024:

- Increased recycled content in our packaging to 67.4%, surpassing last year's 60.35%.
- Expanded our Manja Pamodzi Initiative, which now collects over 200.4 tons of recyclable waste annually.
- Introduced more aggregator sites across Lusaka to improve waste collection and recycling.





# Climate Change: A Sustainable Tomorrow

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Zambia's 2024 drought highlighted the urgent need for climate resilience. We are committed to achieving net-zero carbon emissions by 2040 and are taking active steps to ensuring that our overall energy supply includes approximately 30% of renewal energy sources by 2025.

Zambian Breweries' framework Voyager Plant Optimization (VPO) drives efficiency at our plants through uniform processes and measurable standards of operation, quality, and safety, as well as consideration for the environment. As Zambia faces the challenges of the 2024 drought, the business grappled with energy challenges.

In 2024, carbon emissions increased from 35 to 43 [KgCO<sub>2</sub>e/hl] largely due to the increased reliance on diesel for power generation to sustain production.

In view of the power challenges experienced in 2024, Zambian Breweries is proactively enhancing energy efficiency by exploring renewable energy solutions.

In 2024, we stepped up our efforts in exploring alternative power sources with our solar energy investments projects reaching advanced stages of feasibility studies.

## Looking Ahead: A Future with More Cheers

As we move into 2025, Zambian Breweries remains committed to expanding these initiatives, forging new partnerships, and brewing a brighter, more sustainable future for all. By fostering innovation, responsibility, and

community engagement, we are not just making great beer—we're building a legacy of positive impact.

*Here's to a future filled with more cheers, shared prosperity, and lasting sustainability!*









# » CORPORATE GOVERNANCE REPORT









# CORPORATE GOVERNANCE REPORT

## The Board, Audit and Management Committees

### The Board of Directors

Monica Katebe Musonda	Chairperson - Independent Non-Executive
Jito Kayumba	Independent Non-Executive
Thais Cavinatto	Executive
Michelle Kilpin	Executive (Resigned February 2024)
Choolwe N. Lungu	Executive
Obed Somali	Executive (Resigned 31 March 2024)
Elisha Dhenanath	Non-Executive

Attendance	23/02/2024	23/05/2024	25/07/2024	21/11/2024
Monica Katebe Musonda	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Jito Kayumba	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thais Cavinatto	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Michelle Kilpin	<input checked="" type="checkbox"/>			
Obed Somali	<input checked="" type="checkbox"/>			
Choolwe N. Lungu				<input checked="" type="checkbox"/>
Elisha Dhenanath	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

The separation of responsibilities between the Board Chair and the Country Director is set out in a formal delegation of authority document approved by the Board to ensure that no single individual has unfettered decision-making powers. Corporate acts, strategic planning, capital expenditure and annual budget approval, asset disposals and borrowing powers remain the remit of the Board.

Nominations to the Board are approved by the full Board of Directors, taking into consideration the skills balance on the Board.

The Chairperson of the Board is an independent non- executive Director and Board members retire and are re-elected at the Annual General Meeting in line with the Company's Articles of Association and the Companies Act.



## The Audit Committee

Members		
Jito Kayumba	Chairperson - Independent Non-Executive	
Priya Sohawon	Non-Executive	
Elisha Dhenanath	Non-Executive	
Thais Cavinatto	Executive	
Choolwe N. Lungu	Executive	

Attendance	23/02/2024	25/07/2024
Jito Kayumba	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Priya Sohawon	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Elisha Dhenanath	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Thais Cavinatto	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Choolwe N. Lungu		

The Audit Committee sat to review, make recommendations and provide assurance to the Board as to the state of the Company's internal control environment and financial management adequacy. The Audit Committee relies on management representation letters as signed by the function heads.

Both the Board and Audit Committee comprise independent non-executive members with a broad balance of skills and knowledge of the business and the environment.

## The Management Committee

Members	Function
Thais Cavinatto	Country Director
Nkanyiso Mncwabe	Acting Country Director
Choolwe N. Lungu	Country Lead Finance
Benjamin Van Looy	Revenue Manager
Rodgers Chilufya	Country Head Logistics
Choolwe Mudenda	Implementation Manager
Esther Mapenda	Lusaka Brewery Plant Manager
Julius Nyirenda	Ndola Brewery Plant Manager
Tapiwa Pasi	Malting Plant Manager
Nkandu Mapulanga	Country People Lead
Susan Luneta	Country Head of Marketing
Tawanda Hojane	Legal and Corporate Affairs Director
Mwamba J.M Chibesakunda	Legal Counsel/Company Secretary
Andre Tennekoon	District Manager: South
Mike Hamwaaba	District Manager: North
Yobe Mwale	Key Accounts & HE Manager
Ophreen Njele	Sales Finance Manager: Bu South East

In line with the objectives of our governance architecture, the Management Committee monitors material breaches of our Code of Business Ethics through reports submitted to the Audit Committee; approves Company strategies; and monitors performance against budget and key performance indicators.

The Management Committee implements strategy and provides operational oversight. The Committee met on a weekly basis during the period under review. Each function head sits on the Management Committee and is accountable to the Board regarding compliance of operational risks and implementation of control measures.



## STATUTORY AUDITOR

There was an appointment of new statutory auditors, Grant Thornton Zambia. The appointment of the statutory auditors of the Company and the determination of the Auditor remuneration is approved by the Board and the shareholders in the Annual General Meeting.



## Compliance Training

October 2024 was designated Ethics Month, providing a valuable opportunity to reinforce our commitment to ethical practices across the organization. During this month, we conducted refresher training sessions on ethics and compliance for various business functions, accompanied by a "tone at the top" message to emphasize the importance of adhering to our policies.

During the month, we also launched our mandatory annual training for employees with 100% of Band 0 – VIII employees trained on the Code of Business Conduct and Company Policies.



Additionally, we launched fraud awareness training across all sites during the first and second quarters of the year, further enhancing our proactive approach to compliance and risk management.

## Our Mission Statement and Goals

**#FutureWithMoreCheers** - At Zambia Breweries, we are committed to dreaming big and fostering a future filled with more cheers. Our mission is to Dream Big to Create a Future with More Cheers. For a deeper understanding of our guiding principles, please refer to the insert within the front cover, which outlines our 10 Principles.

## Compliance Platforms

In our pursuit of excellence, we have implemented several compliance platforms designed to enhance our operational integrity and risk management:



## BrewRight

BrewRight is a state-of-the-art data analytics platform that plays a crucial role in identifying, monitoring, analyzing, and remediating compliance risks across various business sectors. This platform supports our long-term compliance and internal control objectives by providing global users with timely access to essential compliance and transactional data.

- **Vendor Transaction Scoring:** BrewRight evaluates transactions with vendors, assigning scores based on specific at-risk criteria. Vendors identified with high-risk scores undergo a comprehensive due diligence process, which includes oversight and investigation by our compliance team. This is particularly relevant for Touch Point Vendors (TPVs), who engage with government entities and are subject to rigorous transaction assessments. Additionally, we monitor transactions for rushed payments and duplicate payments.
- **Antitrust Dashboard:** This feature assesses risks associated with anti-competitive conduct, ongoing competition cases, and fines for such behavior. Results from competition compliance audits are reviewed and uploaded to the platform, enabling us to mitigate any identified risky conduct effectively.

## Compass

Compass is an online platform that provides all compliance resources to guide employees in the performance of their daily tasks, empowering to consistently do the right thing and where unsure to ask.

## Ethical

Ethical is an effective tool for managing regulatory and statutory compliance. It facilitates the upload of licenses, which are regularly reviewed, with alerts generated for any licenses nearing expiration.

## Exiger

Exiger is a specialized tool designed for managing third-party risks, ensuring that our compliance framework remains robust and effective.

**Whistleblowing** – Our Whistleblowing channel is managed by an external 3rd party and provides employees with a platform to report cases confidentially and where required, anonymously.

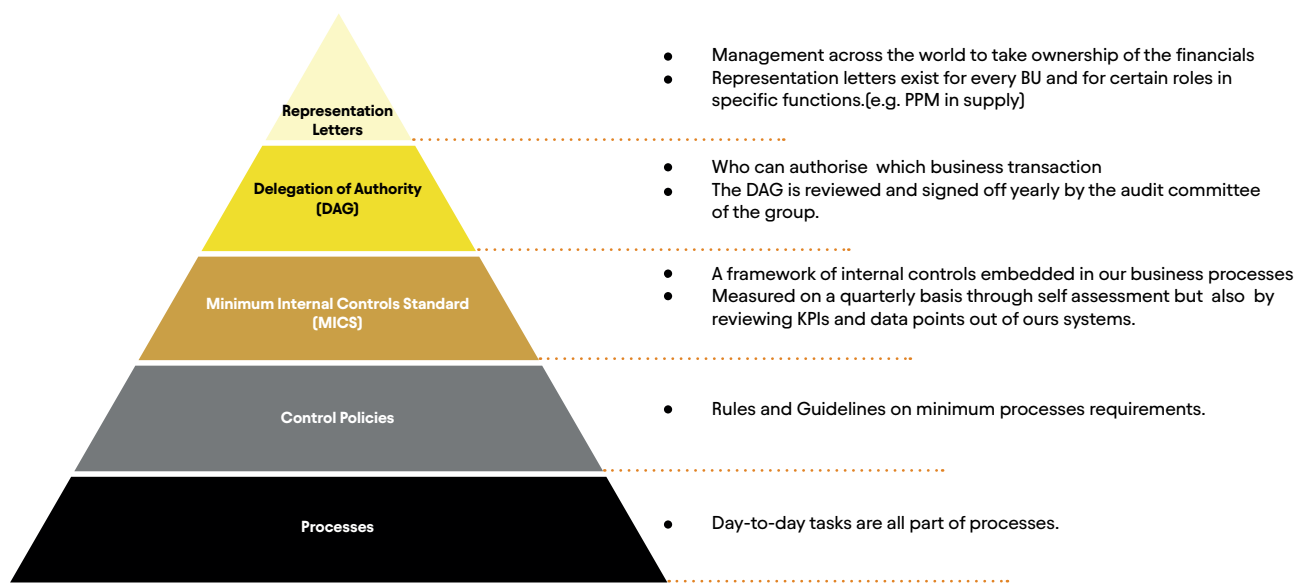




## INTERNAL CONTROLS

The Board of Directors, assisted by the Management, were responsible for establishing and maintaining adequate internal controls and risk management systems during the reporting period. Internal control is the process designed to provide reasonable assurance regarding achievement of objectives related to effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations. Zambia Breweries has adopted the AB InBev's Internal Control framework. AB InBev has established and operates its internal control and risk management systems based on guidelines issued by the Committee of Sponsoring Organizations of the Treadway Commission [COSO]. The internal control system is based upon COSO's Internal Control – Integrated Framework of 2013 and the risk management system is based on COSO's Enterprise Risk Management Framework of 2017.

The control framework consists of multiple components as visualized in the following pyramid:



## RISK ASSESSMENT

The Global Risk Management function conducts regular reviews in accordance with a risk-based plan approved by the Audit Committee and reports its findings to the Management Committee and to the Board through the Audit Committee. The Risk Register is deliberated by the Audit Committee.

The Global Risk Management Team is responsible for reviewing the effectiveness of the internal control framework and for working with process owners to implement improvements. Framework Enterprise Risk Management [ERM] is a structured and coordinated, entity-wide governance approach to identify, quantify, respond to, and monitor the consequences of potential events.

### Below is a summary of key focus areas for the year ended 31 December 2024:

The Global Risk Management team conducted a tactical audit in April 2024. The purpose of this audit was to evaluate whether there was adequate control and governance over key operational areas such as inventory, procurement, and supply expenditure, including an examination of the costs allocated to the Capex project Lusaka 2.6mioHl. The audit involved interviews with key stakeholders, analysis of data, and observation of independent on-site stock counts. The Global Risk Management team observed some deficiencies and raised 11 action points and all were closed as of year-end.

The Global Risk Management team conducted a source to pay audit in June 2024. The audit's primary goal was to evaluate the effectiveness of key controls in two critical areas:

- 1. Contract Management:** Ensuring robust controls are in place for managing contracts effectively;
- 2. Procurement Processes:** Assessing the efficiency and reliability of procurement processes.

The audit methodology included stakeholder interviews, data analysis, and desktop testing of key procurement processes to identify and address any control failures. Additionally, the review sought to identify opportunities to enhance the business's ability to maximize core working capital by ensuring that controls around supplier payment terms align with contractual agreements.



## SUMMARY OF POLICIES

### HUMAN RIGHTS

We're committed to business practices that support and respect human rights and align with the UN Global Compact principles. Our Global Human Rights policy sets out standards, expectations and commitments in relation to our responsibility to respect and promote human rights within our own company and to not, knowingly, contribute to the violations of human rights by other parties.

### RESPONSIBLE SOURCING PRINCIPLES FOR FARMS

We depend on agricultural supply chains to brew our beers. Our goal is to secure local, resilient high-quality supply of crops for decades to come. This involves partnering with farmers to help improve their productivity and profitability while strengthening environmental stewardship so that land can be used for generations and providing good working conditions which attract and retain people in agriculture.

### CODE OF BUSINESS CONDUCT

We must always adhere to the highest standards of business integrity and ethics, as well as respect and comply with all applicable national and supra-national laws and regulations.

### RESPONSIBLE MARKETING & COMMUNICATIONS

We take great pride in producing and marketing our beers with quality and care. Our Responsible Marketing and Communications Code helps us strive to ensure that our communications are honest, truthful, in keeping with contemporary standards of good taste, and sensitive to cultural differences between markets. Compliance with the Code is mandatory for all of our marketing, sales, promotion and communications efforts, and includes both traditional, as well as digital media.

### ANTI-CORRUPTION

This Global Anti-Corruption Policy ("Policy") supplements the general provisions set out in the Company's Code of Business Conduct and is designed to help colleagues comply with the U.S. Foreign Corrupt Practices Act, UK Bribery Act and other applicable laws relating to bribery and corruption, government conflict of interest and public disclosure laws (collectively "Anti-Corruption Laws").

### PRODUCT QUALITY

Our passion for beer transfers to our uncompromising commitment to quality that ensures our consumers enjoy the freshest, best-tasting beers. We follow a comprehensive quality management system at our breweries and facilities to maintain product safety, and we extend these standards to our suppliers as well. If consumers should have any questions, comments or issues, they may call our toll-free customer service number printed on our packaging and speak to a company representative.

### GLOBAL WHISTLE BLOWER

We believe that the true measure of success is not just the results we achieve, but how we achieve them. For this reason, there should be no gap between what we say and what we do. A crucially important element of this is the commitment to an open culture where people feel secure in seeking advice and raising concerns.

### PUBLIC POLICY

We actively develop strong working relationships with public officials, emerging leaders and influential members of the communities where we live and work. In many cases, we work with outside consultants who are familiar with the legislative process, as well as local laws relevant to the company's business. All of our public policy expenditures and activities comply with local laws, as well as with our own approval processes. We strive to ensure that our actions work to support the best interests of our company, employees, shareholders, and consumers, as well as the communities in which we do business.

### RESPONSIBLE DISCLOSURE

We strive to protect the data of its employees, partners, customers and others who use our products and services. We dream big about the future we want to shape and how we can do our part to realize it, which is why we are committed to supporting the security research community acting in good faith to help us maintain a high standard for the security and privacy of our users. This includes encouraging responsible vulnerability research and disclosure.

### ENVIRONMENTAL POLICY & PRINCIPLES

Our purpose is to Dream Big to Create a Future with More Cheers. In support of this objective, we strive for shared prosperity for our company, communities and nature. We work vigorously to achieve a high standard of environmental performance throughout our organization and set clear, measurable goals guided by the following principles and standards:

- Climate change and zero emissions
- Water stewardship
- Eliminate waste and maximize co-products
- Circular packaging
- Sustainable agriculture
- Legal compliance

These principles and standards guiding our operations are reflected in our Voyager Process Optimization tool (our frontline management system) and cascaded to all operations. Our progress and governance of the management of these principles and standards are included in our annual reporting.



SUMMARY OF POLICES (CONTINUED)	
<p><b>GLOBAL ANTI-HARASSMENT &amp; ANTI-DISCRIMINATION</b></p> <p>We believe each of us is responsible for promoting a culture that results in a safe, positive, diverse and inclusive work environment where people can flourish. We are committed to ensuring our colleagues can thrive in an inclusive workplace free from all forms of harassment, including unfair discrimination, sexual harassment and sexual misconduct.</p>	<p><b>WATER POLICIES &amp; PRINCIPLES</b></p> <p>Water is a key ingredient in our products, and a critical resource for the health and well-being of every community around the world. We aim to make a positive contribution to watershed health across our operations and value chain. We are committed to the principles and guidance contained in the UN Guiding Principles on Business and Human Rights which acknowledges access to water and sanitation as a human right. With water as a key component of our purpose to Dream Big to Create a Future with More Cheers, we developed a comprehensive approach to water stewardship as part of our overall environmental management.</p>
<p><b>RESPONSIBLE SOURCING</b></p> <p>We look at our entire value chain for opportunities to reduce costs, limit environmental impacts and improve economic stability among our many suppliers and surrounding communities.</p> <p>This includes ensuring that the companies from which we purchase products and services are operating in an ethical and responsible manner. Our responsible sourcing policy communicates our expectations in these areas and how we are assessing our suppliers' performance through a variety of engagements.</p>	<p><b>SMART DRINKING &amp; HEALTH POLICIES</b></p> <p><u>Our Commitment to Reducing Harmful Use of Alcohol</u></p> <p>As producers of beer, we recognise that the harmful use of alcohol has a serious effect on public health and is a risk factor for non-communicable diseases. We are concerned about individuals who abuse alcohol and the negative impact this behaviour has on them, their families and on society. We, therefore, support the WHO Global Strategy to Reduce the Harmful Use of Alcohol and are committed to its vision for improved health and social outcomes for individuals, families and communities. We furthermore take seriously the important positive role Member States have identified for producers, distributors, marketers, and sellers of beer, wine, and spirits in enhancing global action on this important issue.</p> <p><u>Responsible Drinking Policy</u></p> <p>As a responsible employer, our employees' safety and welfare at work is a top priority. That is why we have a policy regarding drinking at work. This policy outlines the responsibilities of the company as well as those of the employee, and it gives clear guidelines about what is expected of both</p> <p><u>Health Policy</u></p> <p>In support of this dream, we will work vigorously to achieve high standards of occupational Health and Safety throughout the organization. We will strive to prevent all accidents, injuries and occupational illnesses within our operations.</p>



## GOVERNANCE CHARTER

The Company faces a dual challenge regarding corporate governance, which concerns both the effectiveness and accountability of its Board of Directors.

It concerns both the effectiveness and accountability of its Board of Directors:

- Effectiveness, which reflects the quality of leadership and direction provided by the Board, is evaluated based on performance, ultimately resulting in increased shareholder value.
- Accountability, encompassing issues like disclosure and transparency, is crucial in legitimizing the Board's actions. Shareholders elect the Board to oversee the Company on their behalf, and the Board is responsible to them for its decisions. To reinforce its governance standards, the Board has established corporate governance rules for the Company, including a Code of Business Conduct and a global anti-corruption policy.

The corporate governance charter is designed to ensure transparent disclosure of the Company's governance practices, as outlined in the Company's articles of association. This charter will be reviewed and updated periodically as needed.

## TRAINING

In addition to training and reinforcement activities conducted during our compliance month in September for all levels of employees, including conflict of interest and how to declare an interest, general compliance with the Code of Ethics and Anti-Bribery Policy. Fraud Awareness trainings were carried out between December 2023 and January 2024. All supervisors and managers completed compulsory online training on our various ethics policies.

## ALCOHOL RESPONSIBILITY

The National Alcohol Policy (NAP) is rooted in upholding human rights, ensuring protection from abuse, and safeguarding the right to conduct legitimate business and consume alcohol within the law. It emphasizes the need for strong political will, multi-sectoral collaboration, and a sustainable, public health-driven approach based on science and objective information. The NAP also prioritizes education, treatment, and rehabilitation for alcohol abuse while outlining the role of statutory bodies and key stakeholders in enforcing the legal framework. Despite challenges in enforcement and the prevalence of illicit alcohol, responsibly manufactured, distributed, and consumed legal alcohol remains an important contributor to revenue.

We align with the NAP and facilitate sensitization for harm reduction in the communities in which we operate. Our smart drinking goals aim to educate and sensitize consumers and bar owners through implementation of evidence-based initiatives such as:

- **Retailer Development Program:** In 2024, we introduced a Responsible Selling curriculum into our Retailer Development Program (RDP) for the first time. This new module equips retailers with essential skills to identify and combat illicit alcohol, maintain compliant stock, and adopt best practices in responsible trade. Additionally, it provides business management training to support sustainable growth and scalability.
- **Road Safety:** In continued collaboration with the Zambia Road Safety Trust (ZRST), Road Safety and Transport Agency (RTSA) and Yango, we implemented a motorbike road safety training for over 200 motorbike riders in Lusaka. The riders were trained on Road Safety Signs, Best Practices as well as advanced defensive riding skills. enhance road safety through responsible consumption awareness programs and small scale infrastructure improvement through collaborations with the and Zambia
- **Expanding Product Portfolio:** We launched Eagle Extra, a beer made largely from Cassava. The beer gives consumers an affordable option for higher ABV beer that is brewed from the finest raw materials and to the highest standards.
- **Increasing Alcohol Literacy:** In 2025 we commemorated the World Beer Responsible Day – a day dedicated to educating consumers on the benefits of Moderation. In November we launched the annual Smart Drinking Campaign. We continue to enhance information sharing through our guidance labels and social platforms as well as increase awareness amongst the youth and broader consumers on the dangers of alcohol abuse through thought leadership activities.



# OCCUPATIONAL HEALTH, SAFETY AND ENVIRONMENT

## VPO Dream & Mission

Voyager Plant Optimization (VPO) is the AB InBev way to operate our facilities and it has the objective to achieve sustainable results by creating a culture of continuous improvement and empowerment within the Supply Organization.

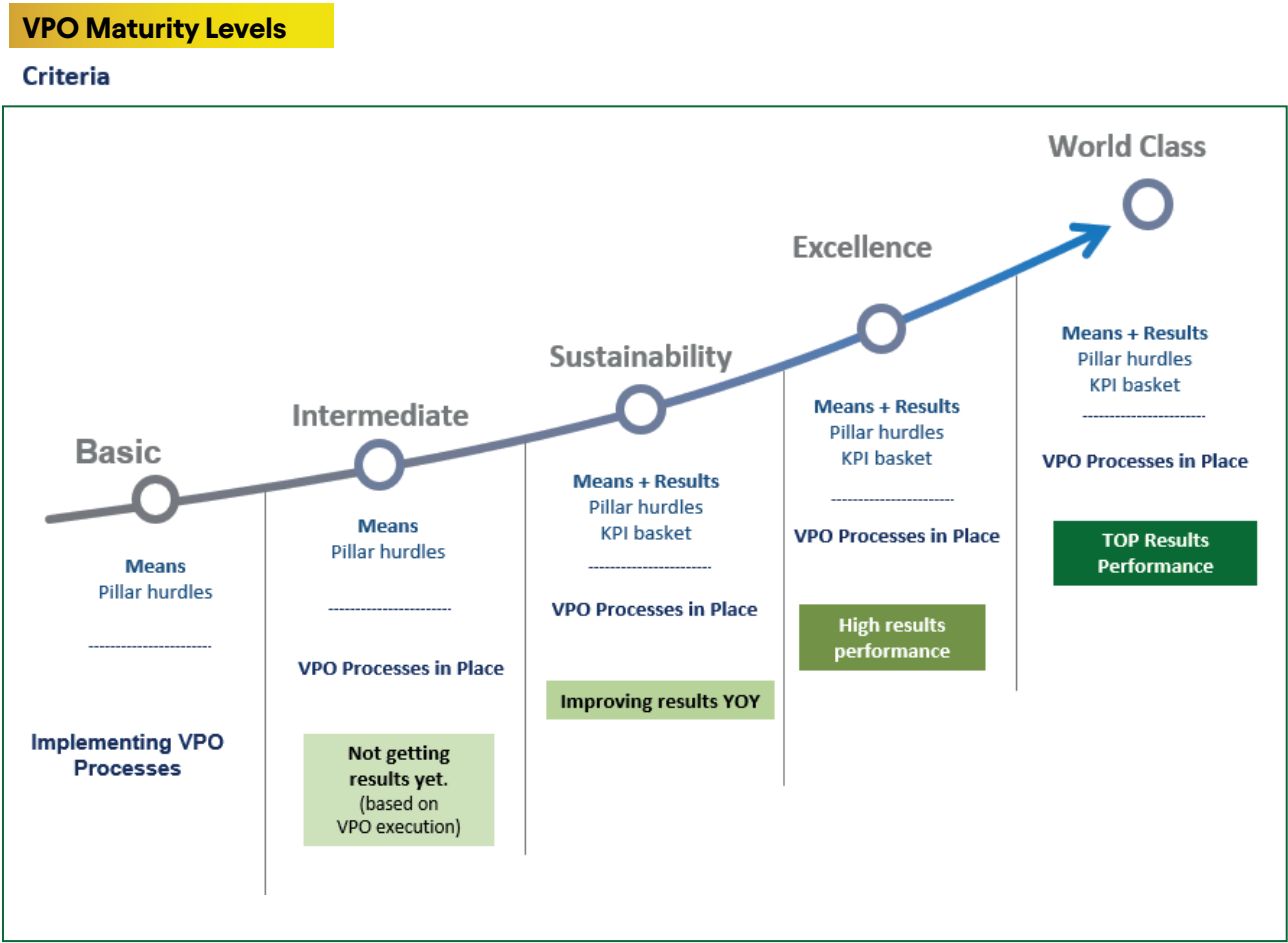
The Pillars contain all the technical, managerial and people [leadership] knowledge that is necessary to support Results achievement.

The Management Pillar handbook supports the dream and mission of Voyager Plant Optimization by creating a culture of continuous improvement and empowerment within the facilities.

## VPO Maturity Levels

We have 5 VPO Maturity Levels to drive evolution and high performance in our Facilities:

Lusaka Brewery is currently at Intermediate Level: The facility has demonstrated intermediate in its Means (VPO) to improve its Results (KPIs) in the past year. The Ultimate goal is Sustainability, This index measures year-over-year improvement and Results stability at an operation. It measures each facility to determine that the Results have been achieved through the correct application of the Means.





## CERTIFICATION AND LICENSING

The Company ensures that it maintains independent product certification for its manufacturing operations from Zambia Compulsory Standards Agency (ZS 430 Clear Beer Manufacturing).

## SHAREHOLDER COMMUNICATION AND WIDER STAKEHOLDERS

We recognize the importance of proactive and transparent engagement with our shareholders and key stakeholders. Throughout the year, we have fostered meaningful collaborations and discussions to support business sustainability, regulatory compliance, and community well-being.

- **Zambia Environmental Management Agency (ZEMA):** As a key regulator, ZEMA remains a critical stakeholder. We have engaged in multiple knowledge-sharing sessions to enhance regulatory alignment and environmental stewardship.
- **Bar and Nightclub Owners Association:** We hosted engagements with the Association, providing a platform for dialogue on industry matters.
- **Lusaka City Council (LCC):** In partnership with LCC, we actively contributed to the Cholera Emergency Response through donations of personal protective equipment (PPE) and cleaning chemicals, reinforcing our commitment to public health.
- **Government Ministries:** We maintained strategic engagements with various ministries, including:
  - Ministry of Finance and National Planning on key economic and fiscal matters.
  - Ministry of Local Government and Rural Development to combat illicit alcohol and promote responsible trade.
  - Ministry of Commerce, Trade and Industry on regulatory and industry development initiatives.
  - Ministry of Labour and Social Security on workforce and compliance-related matters.
  - These engagements underscore our commitment to fostering strong stakeholder relationships that drive business growth, regulatory compliance, and positive community impact.

## RECOGNITION THROUGHOUT THE YEAR

We are proud to say that we received the following recognition from external stakeholders during 2025:

**(1) Zambia Association of Manufacturers (ZAM)** - Most Innovative Product of The Year for Eagle Extra

**(2) Lusaka Water Security Initiative (LuWSI)** – Water and Environmental Stewardship – 1st Place

**(3) Zambia Federation of Employers** – Occupational, Health and Safety Policy Award - 2nd Place

**(4) Ngoma Awards** – Outstanding Contribution to The Arts Award

**(5) Afrisafe** – Afrisave Manufacturing Company of The Year Award

**(6) Zambia Institute of Marketing** – Best B2C Alcoholic Beverages Category - Clear Beer of The Year for Carling Black Label



# » BOARD OF DIRECTORS





# BOARD OF DIRECTORS



## Monica Katebe Musonda

*Board Chairperson (Independent Non Executive)*

Founder of Java Foods, an agro-processing business. She has over 18 years' experience in private legal practice and as in-house corporate counsel in the UK, South Africa, US and Nigeria. She sits on several boards.

*2017 African Agribusiness Entrepreneur of the Year Award*

*Young Global Leader (World Economic Forum) Archbishop Desmond Tutu Leadership Fellow.*

*LLB – University of Zambia; LLM – University of London*

## Thais Cavinatto

*Country Director*

Joined in February 2024. Commenced her career as an analyst within the investment banking division of Goldman Sachs (Brazil) founded a professional chauffeuring company within Brazil, held positions in sales and distribution, strategy and technology in ABInBev and was promoted to Global head office frontline digital transformation vice-President in New York.

*BSc in Business Administration – Fundacao Getulio Vargas – Brazil, MBA – University of Chicago School of Business*



## Jito Kayumba

*Audit Committee Chairperson (Independent Non-Executive)*

Jito Kayumba is the Special Assistant to the President for Finance and Investment. He served as Partner for 10 years at Kukula Capital, Zambia's pioneering Private Equity and Venture Capital firm until his Presidential appointment.

Mr. Kayumba has led investments in numerous Zambian SMEs whose social impact has created over 2,000 jobs.

As a seasoned investment professional, Mr. Kayumba is called upon by numerous global forums to provide insight on development financing and investment in Africa.

He has served on several boards including Airtel Zambia, and Famous Brands, among other Corporations.

*He was certified as an Investment Advisor with the Securities and Exchange Commission and holds a degree in Political Science from Canada's Concordia University and a Master's in Business Administration from ALU School of Business.*

## Nkanyiso Mncwabe

*Acting Country Director*

Joined in January 2025 as acting country director. He joins from South African Breweries (SAB) having held the position of Regional Commercial Director. His professional career has largely been in various roles in general management, revenue management, trade marketing and logistics.

*BBA Marketing Management – IMM Graduate School of Marketing, Masters Degree in Business Leadership – School of Business Leadership, University of South Africa.*







## Elisha Dhenanath

*Non Executive*

Finance Director for the Groups business unit in South-East Africa with extensive experience in company financial functions across Africa in audit and risk management, budget processes and in local and international trading foreign exchange, money market, derivative, equity and debt capital market activity.

*BSc Actuarial Science – University of Witwatersrand, South Africa.*

## Choolwe N. Lungu

*Country Lead Finance*

Joined the team in November 2024 with a career spanning 17 years in the manufacturing industry. She is formally Chief Financial Officer at Dangote Cement Zambia and Chilanga Cement plc.

Choolwe has held various finance roles including financial and plant controlling, treasury and cost accounting.

Association of Chartered Certified Accountants (FCCA); Zambia Institute of Chartered Accountants (FZICA); Chartered Institute of Arbitrators (MCI Arb)





# MANAGEMENT COMMITTEE



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*Association of Chartered Certified Accountants (FCCA); Zambia Institute of Chartered Accountants (FZICA); Chartered Institute of Arbitrators (MCI Arb)*

## Benjamin Van Looy

### Revenue Manager

Benjamin joined the team in August of 2024. Prior to joining Zambia Breweries, he spent two years as Revenue Manager in Tanzania and prior to that, two years in the Financial Performance and Analysis (FP&A) team in Johannesburg; both roles with the parent organisation AB Inbev. Benjamin has a strong finance background having started his career in banking at Barclays Capital, and then in the finance consulting industry prior to joining AB Inbev.

*Bachelor of Science (Hons.) Computational & Applied Maths - University of the Witwatersrand.*







## Rodgers Chilufya

### Country Logistics Lead

Country Logistics Lead (Zambia) - Vast experience in Warehousing and Inventory management, Distribution management and planning, Fleet and transport management. Held various positions in the Business: Depot manager, National call centre and distribution planning Manager, Warehouse Manager (Lusaka), Operations Manager (Ndola), Warehouse Manager for Southern Africa Business Unit (BU), Country Transport and Warehouse Manager (Zambia) and Country Logistics Lead (Botswana).

*BSc Management and MBA - University of South Wales.*

## Choolwe Mudenda

### Implementation Manager

Choolwe Mudenda has an 11-year span in the business predominantly in Supply focusing on Maintenance and Voyager Plant Optimisation Management systems. She spent the last 3 years as Plant Manager in Namibia and is currently the Zambia Implementation Manager overseeing VIC and ZBB Performance.

*Bachelor of Engineering: Electrical & Electronics - University of Zambia, Member of the Engineering Institute of Zambia: Professional Engineer.*



## Esther Mapenda

### Plant Manager Lusaka

Joined the Company in 2005 as a Quality Assurance Superintendent, she held various leadership roles in the quality function culminating in a regional role from 2017 before being appointed Plant Manager at the Ndola site in 2021.

*Diploma in brewing from the Institute of Brewing and Distilling, Bachelor of Food Science and Technology UNZA, MSc in Quality Assurance – California State University, Member of the Institute of Directors*

## Julius Nyirenda

### Plant Manager Ndola

Plant manager at ZB Ndola brewery since July 2024. Previously Plant Manager at Eswatini Beverages from 2022 to June 2024. Career with Zambian Breweries spanning 18 years. Beginning as a Brewing technical trainee and rising through the ranks to Brewing manager before taking up the role in Eswatini.

*BSc - University of Zambia, Diploma in Brewing - Institute of Brewing and Distilling UK, MBA - Copperbelt University.*







## Tapiwa Pasi

### Maltings Manager

Joined in 2017 with 25 years' experience in the malting and brewing industry. He has worked as Technical Trainee at Delta Beverages in Zimbabwe, where he rose to Maltings Plant Manager for sorghum and barley malting plants and has been instrumental in turning around the fortunes of the operations.

BSc (Hons) Applied Biology and Biochemistry – National University of Science and Technology, Zimbabwe, MBA – Midlands State University Zimbabwe, Diploma, Institute of Guild and Brewing – UK, Malt Master Diploma – Maltsters Association of Great Britain, ABInBev Malt Masters Diploma, Diploma Institute of Marketing Management – Zimbabwe.

## Nkandu Mapulanga

### Country People Lead

Nkandu joins us with a background in operations management, administration and sales, later specialising in the human resources field. She joined the brewery in 2014 as human resources administration officer, rising to people business partner in November 2020, when she took up a role in the South African Head Office, returning to join the management team in February 2023.

*BSc in Management - Monash University South Africa.*



## Susan Luneta

### Country Head of Marketing

Joined the company in October 2024. Prior to that, she developed a diverse career covering various aspects of marketing and sales across Southern Africa; with a brief project in East Africa as well. Over the course of more than 9 years, she gained valuable experience working with companies such as Unilever [Zambia] and British American Tobacco [Zambia].

*BCom (Hons) Marketing Management – The University of Johannesburg, South Africa*

## Tawanda Hojane

### Legal & Corporate Affairs Zambia

Joined the company in May 2023, bringing over 20 years of experience in client portfolio management, banking, IT, corporate communications, and CSR. Previous roles span Kavar IMCA, FNB Zambia Limited, Standard Chartered Bank Plc, Airtel Zambia Plc, Finca Zambia, Hydro-Comp Enterprises (Pty) Limited [South Africa], and Investrust Bank Plc.

*BSc Computer Science – Copperbelt University, MBA – General (Current) – Copperbelt University*





## Mwamba Mulenga Chibesakunda

*Legal Counsel and Company Secretary*

Joined the company in November 2024 coming from an 8-year career in private practice at leading band 1 corporate and commercial law firm, Chibesakunda & Co. Having extensive experience in banking and finance, corporate advisory, conveyancing and litigation.

*MSc Business Management – Imperial College London, Law LLB – University of Sussex, Advocate of the Supreme Court of Zambia*



## Andre Tennekoon

*District Manager: South*

Having 10 years experience in the business, Andre was originally appointed as National Key Accounts Manager. He was appointed to District Manager (South) in May of 2018. He has over 17 years of FMCG experience having been a National Sales Manager for Various Global Brands such as, Proctor & Gamble, SC Johnson, Nestle, Ferrero Rocher S.P.A., and PepsiCo.

*International Travel & Tourism Management Degree - Institute of Tourism Canada, MBA - University of Cavendish.*

## Mike Hamwaba

*District Manager: North*

Joined the company in 1999, worked in various roles such as Trade Marketing and Sales. Mike has over 25 years experience in Commercial.

*BA Marketing Management - Edinburgh Napier University, Chartered Institute of Marketing (CIM), MZIM, MBA-Heriot Watt University*



## Yobe Mwale

*Key Accounts & HE Manager*

Joined SAB in 2006 as a management trainee in commercial.

Has held several positions within Sales, Marketing and Trade Marketing in the FMCG and Telecoms Industry. Promoted to Head of Trade Marketing, Key Account and High end in May 2024

*Bachelors Degree in Accounting - University of Namibia*

## Ophreen Kaunda Njele

*Sales Finance Manager: Group Business Unit South-East Africa*

A chartered accountant with over 20 years in finance with solid knowledge in various facets of finance; financial reporting, treasury management, accounts receivables and payables management, taxes and statutory compliance. With 8 years of experience in the company.

*Fellow Chartered and Certified Accountant, Associate of the Zambia Institute of Chartered Accountants*





# Financial Statements for the year ended 31 December 2024

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# Management's Report On Internal Control Over Financial Reporting - 31 December 2024

## 100. Introduction

### 101 Internal Controls Over Financial Reporting (ICOFR) Implementation.

In 2019, the Securities and Exchange Commission (SEC) issued guidelines for Internal Controls Over Financial Reporting (ICOFR). In recognizing that an adequate system of policies and procedures for internal control over financial reporting is critical to ensuring the accuracy and reliability of financial statements, we embarked on a 5-year journey to implement and adopt the guidelines. The guidelines require a reporting entity to publish in its annual report the report of internal controls over financial reporting.

**102** In order to achieve the requirement of the guidelines, we have been implementing the reporting framework on year by year, with the assistance of our group Internal Controls Team based in South Africa. We have outlined below we have undertaken:

#### a) Year 1 & 2 (2019-2020)

- Engaged PWC as implementation partner.
- Adopted COSO framework (5 components and 17 principles) for Zambian Breweries Plc ICOFR.
- Identified key business processes and related controls.
- Reported status of ICOFR implementation to the Board through the local internal control compliance officer. A Minimum Internal Control Report (MICR) is shared with the Audit and Risk committee of the Board highlighting the gap analysis and the remediation being undertaken.

#### b) Year 3 (2021)

- Documentation of Risk and Control Matrices for all key business processes.
- Assessed both design and operating effectiveness of controls.
- Enhanced processes and updated policies/procedure manuals.
- Performed Gap analysis and submitted to SEC.
- CEO & CFO Certifications submitted to SEC.
- External auditors' assurance report submitted to SEC.

#### c) Year 4 & 5 (2022-2023)

- Reported status of ICOFR implementation to Board.
- Performed Gap analysis and submitted to SEC.
- CEO & CFO Certifications submitted to SEC.
- External auditors' assurance report submitted to SEC together with the financial statements.

#### d) Year of adoption (2024)

The company adopted the ICOFR integrated reporting as per guidelines.



## 200 Management's Report on Internal Control over Financial Reporting.

### 201 Management Responsibility

The management of Zambia Breweries Plc is responsible for establishing and maintaining adequate internal controls over financial reporting. The internal control over financial reporting is a process designed under the supervision of the Managing Director and the Chief Financial Officer to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the company's financial statements for external reporting purposes in accordance with IFRS Accounting Standards. Internal control over financial reporting includes our disclosure controls and procedures designed to prevent misstatements in the financial statements.

### 202 Risks in Financial Reporting

The main risks in financial reporting are that it is possible that either financial statements do not present a true and fair view due to inadvertent or intentional errors (fraud), or that the publication of financial statements is not done on a timely basis. These risks may reduce user confidence or cause reputational damage and may have legal consequences. A lack of fair presentation arises when one or more financial statements or disclosures contain misstatements or omissions that are material. Misstatements or omissions are deemed material if they could, individually or collectively, influence economic decisions that users make based on the financial statements.

### 203 Internal Controls Evaluation Framework

To confine the risks of financial reporting, management of the company has established internal controls over financial reporting with the aim of providing reasonable, but not absolute, assurance against material misstatements or omissions and has conducted an assessment of the effectiveness of the company's internal controls over financial reporting based on the framework established in Internal Control Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). COSO recommends the establishment of specific objectives to facilitate the design, and evaluate the adequacy, of a control system. As a result, in establishing internal controls over financial reporting, management has adopted the following financial statement objectives:

- **Existence** - assets and liabilities exist and transactions have occurred;
- **Completeness** - all transactions are recorded, and account balances are included in the financial statements;
- **Valuation** - assets, liabilities and transactions are recorded in the financial reports at the appropriate amounts;
- **Rights and Obligations of ownership** - rights and obligations are appropriately recorded as assets;
- **Presentation and Disclosures** - classification, disclosure and presentation of financial reporting is appropriate; and
- **Safeguarding assets** - unauthorized acquisition, use or disposition of assets is prevented or detected in a timely manner.

However, any internal control system, including internal controls over financial reporting, no matter how well conceived and operated, can provide only reasonable, but not absolute, assurance that the objectives of that control system are met. As such, disclosure controls and procedures or systems for internal control over financial reporting may not prevent all errors and fraud. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs.

### 204 Organization of the System of Internal Controls over Financial Reporting

Controls within the system of internal controls over financial reporting are performed by all business functions with an involvement in reviewing the reliability of the books and records that underlie the financial statements. As a result, the operation of internal controls over financial reporting involves staff in the following departments Finance, Supply, Procurement, Logistics and Sales.

Finance is responsible for the periodic preparation of financial statements and operates independently from the company's production operations. Within Finance, different functions have control responsibilities which contribute to the overall preparation process:

- The Finance team is responsible for reviewing the quality of financial data by performing validation and control.
- The Finance team is also responsible for company-wide activities which include the preparation of the company financial and management information, forecasting and planning and risk reporting. The Accounting team sets the reporting timetables, and compiles the financial statements, and considers and incorporates comments as to content and presentation made by senior and external advisors.
- The Finance team is also responsible for developing the company's interpretation of International Financial Reporting Standards and their consistent application within the company and is responsible for the timely resolution of corporate and transaction specific accounting issues.
- The Finance team is responsible for producing income tax related financial data in conjunction with external consultants covering the assessment and planning of current and deferred income taxes and the collection of tax related information. The Tax Manager, monitors the income tax position and controls the provisioning for tax risks.



## 205 Controls to Minimize the Risk of Financial Reporting Misstatement

The system of internal control over financial reporting consists of many internal controls and procedures aimed at minimizing the risk of misstatement of the financial statements. Such controls are integrated into the operating process and include those which:

- are ongoing or permanent in nature such as supervision within written policies and procedures or segregation of duties.
- operate on a periodic basis such as those which are performed as part of the annual financial statement preparation process.
- are preventative or detective in nature.
- have a direct or indirect impact on the financial statements themselves. Controls which have an indirect effect on the financial statements include Information Technology General Controls such as system access controls. An example of a direct control would be a reconciliation of a balance sheet line.
- feature automated or manual components. Automated controls are control functions embedded within system processes such as application enforced segregation of duty controls and interface checks over the completeness and accuracy of inputs. Manual internal controls are those operated by an individual or group of individuals such as authorization of transactions.
- the combination of individual controls encompasses each of the following aspects of the system of internal control over financial reporting:
  - Accounting policy design and implementation. Controls to promote the consistent recording and reporting of the company's business activities in accordance with authorized accounting policies.
  - Reference data. Controls over reference data in relation to the general ledger and on- and off-balance sheet transactions including product reference data.
  - New business and transaction approval, capture and confirmation. Controls are intended to ensure the completeness and accuracy of recorded transactions as well as appropriate authorization. Such controls include transaction confirmations which are sent to and received from counterparties to help ensure that trade details are corroborated.
  - Reconciliation controls, both external and internal. Inter-system reconciliations are performed between relevant systems for all trades, transactions, positions or relevant parameters. Reconciliations include bank accounts, accounts receivables, accounts payable and other Balance sheet accounts.
  - Taxation. Controls are designed to ensure that tax calculations are performed properly and that tax balances are appropriately recorded in the financial statements;
  - Balance sheet substantiation. Controls relating to the substantiation of balance sheet accounts to promote the integrity of general ledger account balances based on supporting evidence; and
- financial statement disclosure and presentation. Controls over compilation of the financial statements themselves including preparation of disclosure checklists and compliance with the requirements thereof, and review and sign-off of the financial statements by senior Finance management. The financial statements are also subject to approval by Management, and the Board and its Audit Committee.



## 206 Measuring Effectiveness Of Internal Control

Each year, the management of the company undertakes a formal evaluation of the adequacy and effectiveness of the system of internal control over financial reporting. This evaluation incorporates an assessment of the effectiveness of the control environment as well as individual controls which make up the system of internal control over financial reporting taking into account-

- The financial misstatement risk of the financial statement line items, considering such factors as materiality and the susceptibility of the financial statement item to misstatement; and
- The susceptibility of identified controls to failure considering such factors as the degree of automation, complexity, and risk of management override, competence of personnel and the level of judgment required.

These factors, in aggregate, determine the nature and extent of evidence that management requires to be able to assess whether the operation of the system of internal control over financial reporting is effective. The evidence itself is generated from procedures integrated within the daily responsibilities of staff or from procedures implemented specifically for purposes of the internal control over financial reporting evaluation.

Information from other sources also forms an important component of the evaluation since such evidence may either bring additional control issues to the attention of management or may corroborate findings. Such information sources include-

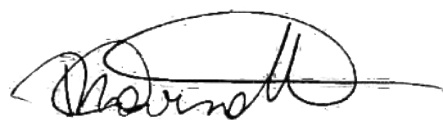
- Reports on audits carried out by or on behalf of regulatory authority's External auditor reports; and
- Reports commissioned to evaluate the effectiveness of outsourced processes to third parties.

In addition, the company evaluates the design and operating effectiveness of internal control over financial reporting by testing the design and effectiveness of the internal controls identified within the control framework summarizing the results from this assessment which are distributed to the responsible managers for the activities concerned. These results also provide evidence to support the annual evaluation by management of the overall operating effectiveness of the internal control over financial reporting.

As a result of the evaluation, management has concluded that internal control over financial reporting is appropriately designed and operating effectively as at 31 December 2024.

The external auditor that audited the financial statements has issued an external auditor's report on our assessment of the company's internal controls over financial reporting and it is filed separately from the annual report.

**Signed by Management in Lusaka on: 17-04-2025**



Name

**Chief Executive officer Director**



Name

**Chief Financial officer**

## Annual Certification By Chief Executive Officer, On The Annual Report And Other Submissions Required Under The Securities (Internal Controls Over Financial Reporting)

I, **Thais Cavinatto**, certify that—

1) I have reviewed the Annual Report as defined in Section 14 of the Securities (Internal Controls Over Financial Reporting) Guidelines of Zambian Breweries PL as of 31 December 2024.

2) Based on my knowledge, the annual report does not contain any untrue statement of a material fact. Nor does it omit to state a material fact which would make the statement misleading in light of the circumstance under which it was made.

3) Based on my knowledge, the financial statements and other financial information included in this annual report, fairly presents, in all material respects, the financial condition and results of operations of the company as of, and for, the periods presented in this annual report;

4) The other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as required by the Securities (Internal Controls Over Financial Reporting) Guidelines, the Company and we have

(a) Designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that material information relating to the company and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual report is being prepared;

(b) Designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that information required to be disclosed under the Securities Exchange Act of 2016 (as amended) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed in the SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO), and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure.

(c) Designed or caused to be designed under our supervision such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

(d) Evaluated the effectiveness of the company's disclosure controls and procedures and internal control over financial reporting within the ninety (90) days prior to this annual report (the "Evaluation Date");

(e) Disclosed in this report any change in the Company's internal control over financial reporting and disclosure controls and procedures that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting

(f) presented in this annual report, our conclusions about the effectiveness of the disclosure controls and procedures and internal control over financial reporting based on our evaluation as of the Evaluation Date.

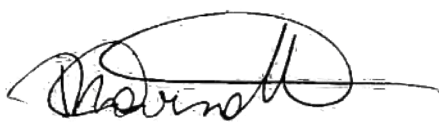
5) The company's other certifying officers and I have disclosed, based on our most recent evaluation, to the company's auditors and the audit committee of the company's board of directors (or persons performing similar functions)—

(a) all significant deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls; and

6) The company's other certifying officer (s) and I have evaluated the effectiveness of the company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 31 December 2024 the company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

**Date: 17-04-2025**



[Signature]  
Chief Executive Officer,



## Annual Certification By Chief Financial Officer On The Annual Report And Other Submissions Required Under The Securities (Internal Controls Over Financial Reporting)

I, **Choolwe Natala Lungu**, certify that—

**1)** I have reviewed the Annual Report as defined in Section 14 of the Securities (Internal Controls Over Financial Reporting) Guidelines of Zambia Breweries PLC as of 31 December 2024.

**2)** Based on my knowledge, the annual report does not contain any untrue statement of a material fact. Nor does it omit to state a material fact which would make the statement misleading in light of the circumstance under which it was made.

**3)** Based on my knowledge, the financial statements and other financial information included in this annual report, fairly presents, in all material respects, the financial condition and results of operations of the company as of, and for, the periods presented in this annual report;

**4)** The other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures and internal controls over financial reporting as by the Securities (Internal Controls Over Financial Reporting) Guidelines the Company and we have

**(a)** designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that material information relating to the company and its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which the annual report is being prepared;

**(b)** designed or caused to be designed under our supervision such disclosure controls and procedures to ensure that information required to be disclosed under the Securities Exchange Act of 2016 (as amended) is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, including without limitation that information required to be disclosed in the SEC filings is accumulated and communicated to management, including the Chief Executive Officer (CEO), and Chief Financial Officer (CFO), as appropriate, to allow for timely decisions regarding required disclosure.

**(c)** designed or caused to be designed under our supervision such internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

**(d)** evaluated the effectiveness of the company's disclosure controls and procedures and internal control over financial reporting within the ninety (90) days prior to this annual report (the "Evaluation Date");

**(e)** Disclosed in this report any change in the Company's internal control over financial reporting and disclosure controls and procedures that occurred during the Company's most recent fiscal quarter (the Company's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

**(f)** presented in this annual report, our conclusions about the effectiveness of the disclosure controls and procedures and internal control over financial reporting based on our evaluation as of the Evaluation Date.

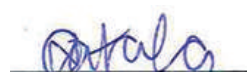
**5)** The company's other certifying officers and I have disclosed, based on our most recent evaluation, to the company's auditors and the audit committee of the company's board of directors (or persons performing similar functions);

**(a)** all significant deficiencies in the design or operation of disclosure controls and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial data and have identified for the company's auditors any material weaknesses in internal controls; and

**(b)** any fraud, whether or not material, that involves management or other employees who have a significant role in the company's internal controls; and

**6)** The company's other certifying officer (s) and I have evaluated the effectiveness of the company's disclosure controls and procedures, and Internal Controls Over Financial Reporting as required under Securities (Internal Controls Over Financial Reporting) Guidelines. Based on this evaluation we have concluded that as of 31 December 2024 the company's disclosure controls and procedures and Internal Controls of Financial Reporting are effective.

**Date: 17-04-2025**



[Signature]  
Chief Financial Officer,

## **Annual Certification By Management To Zambian Breweries Plc The Audit Committee Of The Board – 31 December 2024**

The Chairperson  
Audit Committee  
Zambian Breweries PLC

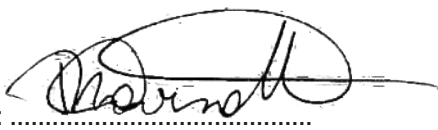
### **RE: Disclosure to the Board Audit Committee**

We hereby disclose, based on our most recent evaluation of the company's disclosures and procedures and internal control over financial reporting to the company's audit committee of the company's Board of Directors that—

(i) there were no significant deficiencies in the design or operation of company's disclosure and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial information and thereby identify any material weakness in disclosure controls and procedures and internal controls over financial reporting; and

(ii) there was no fraud, whether or not material, that involved management or other employees who have a significant role in the company's disclosure controls and procedures and internal control over financial reporting.

Further, we have not become aware of any significant changes in disclosure controls and procedures and internal controls over financial reporting or other factors that could significantly affect disclosure controls and procedures and internal controls over subsequent to the date of our evaluation.

Signature : 

Name : **Thais Cavinatto**

**Position: Chief Executive Officer**

  
.....

**Choolwe N. Lungu**

**Chief Financial Officer**



## Annual Certification By Management To The External Auditors

Grant Thornton  
2nd floor Metropolitan House  
Off Kelvin Siwale road. Arcades area,  
P.O Box. 30885  
Lusaka

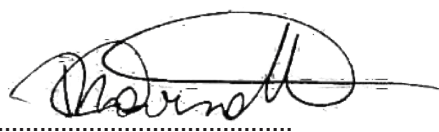
### RE: Disclosure to the External Auditors – Grant Thornton

We hereby disclose, based on our most recent evaluation of the company's disclosures and procedures and internal control over financial reporting to the company's audit committee of the company's Board of Directors that—

(a) there were no significant deficiencies in the design or operation of company's disclosure and procedures and internal control over financial reporting which would adversely affect the company's ability to record, process, summarize and report financial information and thereby identify any material weakness in disclosure controls and procedures and internal controls over financial reporting; and

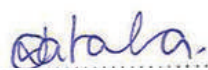
(iii) there was no fraud, whether or not material, that involved management or other employees who have a significant role in the company's disclosure controls and procedures and internal control over financial reporting.

Further, we have not become aware of any significant changes in disclosure controls and procedures and internal controls over financial reporting or other factors that could significantly affect disclosure controls and procedures and internal controls over subsequent to the date of our evaluation.

Signature : 

Name : **Thais Cavinatto**

**Position: Chief Executive Officer**

  
.....

**Choolwe N. Lungu**

**Chief Financial Officer**



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**Grant Thornton**

Metropolitan House 2nd Floor, West  
Wing Off Kelvin Siwale Road Arcades  
Area

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Lusaka, Zambia

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C + 0974267988/ 0957 599429

E gtlusaka.mailbox@zm.gt.com

## To The Shareholders of **Zambian Breweries Plc**

### **Independent Reasonable Assurance Report On Internal Controls Over Financial Reporting**

We have undertaken a reasonable assurance engagement of **Zambian Breweries PLC's** internal controls over financial reporting as at 31 December 2024, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission [COSO].

#### **Opinion on Internal Controls Over Financial Reporting**

In our opinion, **Zambian Breweries PLC** maintained, in all material respects, effective internal controls over financial reporting as at 31 December 2024, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission [COSO].

We also have audited, in accordance with International Standards on Auditing (ISAs), the financial statements of **Zambian Breweries PLC** (the "Company") which comprise of the statement of financial position as at 31 December 2024, and the statements of profit and loss, other comprehensive income, changes in equity, cashflows for the year then ended; and notes to the annual financial statements, comprising material accounting policies and explanatory information and our report dated 25 March 2025, expressed an unqualified opinion.

#### **Summary of work performed**

The procedures we performed were based on our professional judgement and included inquiries, inspection of documents and reporting policies, and agreeing or reconciling with underlying records.

Given the circumstances of the engagement, our work performed included:

- Making inquiries primarily of persons responsible for financial and accounting matters, and regulatory reporting;
- Testing the design and operating effectiveness of key controls over financial reporting. These internal controls over financial reporting include those policies and procedures that:

a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

#### Partners

Edgar Hamuwele (Managing)

Christopher Mulenga

Wesley Beene

Rodia Milumbe Musonda

Chilala Banda

---

#### **Chartered Accountants**

Zambian Member of Grant Thornton International

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## To The Shareholders of **Zambian Breweries Plc**

### **Independent Reasonable Assurance Report On Internal Controls Over Financial Reporting (Continued)**

#### **Summary of work performed (continued)**

b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

- Evaluating the sufficiency and appropriateness of evidence in order to make our reasonable assurance conclusion.

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

#### **Management's Responsibilities**

Management is responsible for designing, implementing and maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Internal Controls over Financial Reporting report in accordance with Section 146 of the Securities Act, 2016.

#### **Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, which requires the firm to design, implement and operate a system of quality management, including policies or procedures and accordingly, maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

#### **Auditor's Responsibilities for the Audit of Internal Control Over Financial**

Our responsibility is to express an opinion, based on the evidence we have obtained, as to whether the company maintained, in all material respects, effective internal controls over financial reporting as at 31 December 2024, based on the criteria established in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organisations of the Treadway Commission (COSO). We conducted our reasonable assurance engagement in accordance with International Standard on Assurance Engagements 3000, (Revised) - Assurance Engagements Other Than Audits or Reviews of Historical Financial Information, issued by the International Auditing and Assurance Standards Board.

A reasonable assurance report in accordance with ISAE 3000 involves performing procedures to obtain evidence about the description and suitability of the design and operating effectiveness of the controls. The procedures selected depend on the practitioner's judgement including the assessment of the risks that the description is not fairly presented, and that the controls are not suitably designed. An assurance engagement of this type also includes evaluating the overall presentation of the description, the suitability of the control objectives stated therein, and the suitability of the criteria specified by Management.

#### **Inherent limitations**

Because of their nature, controls put in place by management may not prevent or detect and correct all errors or omissions in financial reporting. Also, the projection to future periods of any evaluation of the effectiveness of the design or operating effectiveness of the controls to achieve the related control objectives is subject to the risk that such controls may become inadequate or fail.



**Chartered Accountants**



**Christopher Mulenga (AUD /F000178)**

**Name of Partner signing on behalf of the firm**

**Lusaka**

Date: 17-04-2025

# Report of the Directors of the Board

The Directors submit their report together with the audited financial statements for the year ended 31 December 2024, which disclose the state of affairs and performance of Zambia Breweries Plc (the "Company") and its subsidiary, Zambia Breweries Distribution Company (together "the Group").

## 1. Principal Activities

The principal activities of the Group are the manufacture and distribution of alcoholic beverages.

## 2. Share Capital and Beneficial Ownership Information

The authorised share capital of the Group remained unchanged at 600 million ordinary shares of K0.01 each. The issued and fully paid-up share capital remained at 546 million ordinary shares of K0.01 each.

The Company shareholding and beneficial ownership is represented as follows:

Name Of Shareholder	Percentage Of Shareholding	Beneficial Owners
AB InBev Africa BV	87.13%	AB InBev Africa BV
Public Free Float (Lusaka Stock Exchange)	12.87%	Public Free Float
	100%	

There were no changes in beneficial ownership during the year (2023: Nil).

## 3. Significant Events During the Year

There were no significant events during the year impacting on the operations of the Group.

## 4. Results and Dividend

The loss for the year of K673 million (2023: K536 million) has been added to retained earnings. The Directors have not declared a dividend, nor have any dividends been paid during the year (2023: Nil).

## 5. Directors and Remuneration

The Directors who held office during the period and to the date of this report were:

Name	Position	Tenure
Monica Katebe Musonda	Chairperson	
Jito Kayumba	Non-Executive	
Obed Somali	Executive	Resigned 31 March 2024
Michelle Nicola Kiplin	Executive	Resigned 23 February 2024
Elisha Dhenanath	Non-Executive	
Thais Cavinatto	Executive	Appointed 1 February 2024
Choolwe Natala Lungu	Executive	Appointed 21 November 2024

During the year, the total Directors' remuneration was K10 million (2023: K11 million), comprised of K8.8 million (2023: K10 million) for services rendered by executive directors, and K1.2 million (2023: K0.88 million) for services rendered by non-executive directors.

## 6. Interests Register Information

During the year, the Group officers (directors, company secretary or executive officers of the Group) did not declare any interest in the Group transactions and business.

The interests' register, as required by the Companies Act, 2017 of Zambia, which should contain particulars of the interests declared, is available for inspection at the Group's registered office.



## 7. Average Number of Employees and Remuneration

The total remuneration for employees during the year amounted to K169 million (2023: K166 million) and the average number of employees was as follows:

Month	Number of employees
January	805
February	804
March	796
April	804
May	779
June	711

Month	Number of employees
July	708
August	712
September	717
October	722
November	717
December	730

The Company has policies and procedures to safeguard the occupational health, safety, and welfare of its employees.

## 8. Gifts and Donations

During the year the Group made donations of K21,800 (2023: K73,519) to various charitable and sporting events.

## 9. Research and Development

During the year the Group incurred costs of K85,915 on research and development (2023: K318,763).

## 10. Exports

During the year, the Group did not export any goods or services (2023: Nil).

## 11. Plant and Equipment

During the year, the Group purchased property, plant and equipment amounting to K784 million (2023: K1.9 billion). In the opinion of the Directors, the carrying value of property, plant and equipment is not more than their recoverable value.

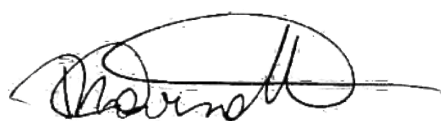
## 12. Climate change risk

The Group recognises Climate Risk as an Integrated Risk Type. Climate Risk is defined as the potential for financial loss and non-financial detriments arising from climate change and society's response to it. The Group aims to measure and manage financial and non-financial risks from climate change, and reduce emissions related to its own activities in alignment with the Paris Agreement. Climate change impacts almost all the sectors within the economy. However, the Group notes that there are certain sectors that are more vulnerable to climate risks under different Transition Risk and Physical Risk scenarios. The Group plans to move quickly in developing identified methodologies and engage with its various stakeholders and integrate Climate Risk into its mainstream risk management activities and assessments. The Group will seek to adapt its approach as the impact from Climate Risk becomes clearer and the tools and methodologies to gather reliable data mature.

## 13. Company Auditor and remuneration

The Auditor remuneration for the year was K4.5 million (2023: K4.2 million).

Signed on behalf of the Board of Directors,



**Thais Cavinatto**  
**Director**

Date: 17-04-2025



**Monica Katebe Musonda**  
**Chairperson of the Board**

# Statement Of Directors' Responsibilities

The Companies Act, 2017 of Zambia requires the Directors to prepare annual financial statements for each financial year that give a true and fair view of the state of affairs of the Group as at the end of the financial year and of its financial performance. It also requires the Directors to ensure that the Group keeps proper accounting records that disclose, with reasonable accuracy, the financial position of the Group. They are also responsible for safeguarding the assets of the Group. The Directors are further required to ensure the Group adheres to the corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia. In preparing such financials, the directors are responsible for:

- Designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement;
- Selecting appropriate accounting policies and applying them consistently;
- Making judgements and accounting estimates that are reasonable in the circumstances; and
- Preparing the annual financial statements in accordance with the International Financial Reporting Standards (IFRS) and on the going concern basis, unless it is inappropriate to presume that the Group will continue in business.

The Directors are of the opinion that the annual financial statements set out on pages 61 to 103 give a true and fair view of the state of the financial affairs of the Group and of its financial performance in accordance with IFRS as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia and the Securities Act of Zambia. The Directors further report that they have implemented and further adhered to the corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia.

The Board of Directors confirm that in their opinion:

**(a)** The statement of profit or loss and other comprehensive income is drawn up so as to give a true and fair view of the Group's financial performance for the year ended 31 December 2024.

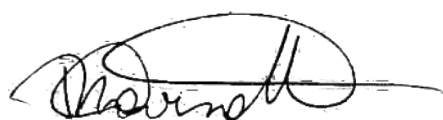
**(b)** The statement of financial position is drawn up so as to give a true and fair view of the state of affairs of the Group as at 31 December 2024.

**(c)** There are reasonable grounds to believe that the Group will be able to pay its liabilities as and when they fall due; and

**(d)** The financial statements have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Companies Act, 2017 and the Securities Act of Zambia.

This statement is made in accordance with a resolution of the Directors.

**Signed at Lusaka on : 17-04-2025**



**Thais Cavinatto**  
**Director**



**Monica Katebe Musonda**  
**Chairperson of the Board**







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**Grant Thornton**

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E gtlusaka.mailbox@zm.gt.com

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZAMBIAN BREWERIES PLC**

### **Report on the audit of the consolidated and separate financial statements**

#### **Opinion**

We have audited the consolidated financial statements of Zambia Breweries PLC (the 'Company') and its subsidiary (the 'Group') for the year ended 31 December 2024, which comprise the consolidated and separate Statement of Comprehensive Income, the consolidated and separate Statements of Changes in Equity, the consolidated and separate Statements of Financial Position and the consolidated and separate Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies.

In our opinion:

- The financial statements give a true and fair view of the state of the Group's and of the parent company's affairs as at 31 December 2024 and of the Group's profit/loss and the parent company's profit/loss for the year then ended;
- The Group financial statements have been properly prepared in accordance with International Financial Reporting Standards, in conformity with the requirements of the Companies Act and the Securities Act of Zambia;
- The parent company financial statements have been properly prepared in accordance with International Financial Reporting Standards, in conformity with the requirements of the Companies Act and the Securities Act of Zambia and as applied in accordance with the provisions of the Companies Act 2017; and the financial statements have been prepared in accordance with the requirements of the Companies Act 2017.

#### **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 Financial Statements section of our report. We are independent of the Group and Parent Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (IESBA Code) together with ethical requirements that are relevant to our audit of the financial statements in Zambia, and 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.



# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZAMBIAN BREWERIES PLC (Continued)

## Material uncertainty related to going concern

We draw attention to note 2 in the financial statements which indicates that at the reporting date the current liabilities exceeded current assets by K4,839 million [2023: K3,664 million] and that the Group incurred a loss of K673 million [2023: K535 million]. These conditions indicate the existence of a material uncertainty which may cast doubt about the Group's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Group and Company annual financial statements of the current period. These matters were addressed in the context of our audit of the Group and Company annual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
<p><b>Classification, measurement and impairment of financial assets</b></p> <p>The Group classified, measured and assessed impairment of the Group's assets in accordance with IFRS 9 "financial instruments".</p> <p>The Directors are required to review the classifications of assets and align the classifications to the requirements of the reporting standards. The Directors also reviewed the fair valuations and impairment models.</p> <p>Due to the complex and subjective judgements required in estimating the timing and valuation of impairment and in estimating the fair value of assets, this was considered a key audit matter.</p>	<p>We reviewed the classification of the financial assets to ensure compliance with the financial reporting standards.</p> <p>We reviewed the valuation and verified the calculation of the fair values. We also verified the inputs used in the valuations.</p> <p>In considering the reasonableness of the impairment provision, we reviewed the assumptions used in impairment calculations.</p>

## Other information

The Directors are responsible for the other information. The other information comprises the Group's Annual Report but does not include the Group and Company annual financial statements and our auditor's report thereon.

Our opinion on the Group and Company annual financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

If, based on the work we have performed, 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.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZAMBIAN BREWERIES PLC (Continued)

## **Responsibilities of the Directors for the Group annual financial statements**

The Directors are responsible for the preparation of the Group and Company annual financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the requirements of the Companies Act, 2017 of Zambia and the Securities Act of Zambia, and for such internal control as the Directors determine is necessary to enable the preparation of Group annual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Group and Company annual financial statements, the Directors are responsible for assessing the Group's ability to continue as a 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 or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for overseeing the Group's financial reporting process.

## **Auditor's responsibilities for the audit of the Group and Company annual financial statements**

Our objectives are to obtain reasonable assurance about whether the Group and Company annual 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 Group and Company annual financial statements.

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

- Identify and assess the risks of material misstatement of the Group and Company annual 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 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 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 Group and Company annual 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 Company to cease to continue as a going concern.



# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZAMBIAN BREWERIES PLC (Continued)

## Auditor's responsibilities for the audit of the Group and Company annual financial statements (continued)

- Evaluate the overall presentation, structure and content of the Group and Company annual financial statements, including the disclosures, and whether the Group and Company annual financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Group financial statements. We are responsible for the direction, supervision and performance 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 Board of 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 Board of Directors, we determine those matters that were of most significance in the audit of the Group and Company annual 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.

## Report on other legal and regulatory requirements

The Companies Act, 2017 of Zambia

The Companies Act, 2017 of Zambia requires that in carrying out our audit of Zambia Breweries PLC, we report on whether:

- As required by Section 259 (3)(a), there is a relationship, interest or debt which, ourselves, as the Group and Company Auditor, have in the Group and Company;
- As required by Section 259 (3)(b), there are serious breaches by the Group's and Company's Directors, of corporate governance principles or practices contained in Sections 82 to 122 of Part VII of the Companies Act, 2017 of Zambia; and
- In accordance with Section 250 (2), as regards loans made to a Group or Company Officer (a Director, Group or Company secretary or executive officer of the Group or Company), the Group or Company does not state the:
  - particulars of any relevant loan made during the financial year to which the accounts apply, including any loan which was repaid during that year; or
  - amount of any relevant loan, whenever made, which remained outstanding at the end of the financial year.

In respect of the foregoing requirements, we have no matters to report.

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ZAMBIAN BREWERIES PLC (Continued)

## Report on other legal and regulatory requirements (continued)

The Securities Act, 2016 of Zambia

Part III, Rule 18 of the Securities (accounting and financial reporting requirements) Rules of the Securities Act, 2016 of Zambia, require that in carrying out our audit of the Zambia Breweries PLC and its subsidiary (the Group and Company) we report on whether:

- i) The Group annual financial statements have been properly prepared in accordance with Securities and Exchange Commission rules;
- ii) The Group has, throughout the financial year, kept proper accounting records in accordance with the requirements of Securities and Exchange Commission rules;
- iii) The Group statement of financial position and Group statement of profit or loss and other comprehensive income, together with the Company statement of financial position and Company statement of profit or loss and other comprehensive income are in agreement with the Group's accounting records; and
- iv) We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

In respect of the foregoing requirements, we have no matters to report.



**Grant Thornton**  
**Chartered Accountants**



**Christopher Mulenga (AUD/F000178)**  
**Name of Partner signing on behalf of the Firm**

**Lusaka**

**Date: 17-04-2025**



**Zambian Breweries Plc And Its Subsidiary**

Consolidated And Company Statement Of Profit Or Loss And Other Comprehensive Income For The Year Ended 31 December 2024

	Notes	Group		Company	
		2024 K'000	2023 K'000	2024 K'000	2023 K'000
Revenue from contracts with customers	6	5,341,595	4,152,666	4,579,816	3,816,306
Cost of goods sold	8	(4,103,825)	(3,113,013)	(4,101,444)	(3,116,215)
<b>Gross profit</b>		<b>1,237,770</b>	<b>1,039,653</b>	<b>478,372</b>	<b>700,091</b>
Other income	7	17,416	40,803	60,314	39,324
Other expenses	7	(674,442)	(717,256)	(936,226)	(972,226)
Administrative expenses	8	(675,095)	(581,833)	(342,283)	(364,900)
Distribution costs	8	(279,516)	(235,808)	(96,951)	(74,611)
Net impairment (losses)/reversal on financial assets	4(b)	(2,287)	13,053	340	5,062
<b>Operating loss</b>		<b>(376,154)</b>	<b>(441,388)</b>	<b>(836,434)</b>	<b>(667,260)</b>
Finance income	9	308	32	308	32
Finance costs	9	(415,140)	(354,085)	(415,140)	(354,073)
<b>Loss before income tax</b>		<b>(790,986)</b>	<b>(795,441)</b>	<b>(1,251,266)</b>	<b>(1,021,301)</b>
Income tax credit	11	118,310	259,840	251,887	339,434
<b>Loss for the year</b>		<b>(672,676)</b>	<b>(535,601)</b>	<b>(999,379)</b>	<b>(681,867)</b>
Other comprehensive income		-	-	-	-
<b>Total comprehensive loss for the year</b>		<b>(672,676)</b>	<b>(535,601)</b>	<b>(999,379)</b>	<b>(681,867)</b>
<b>Basic and diluted earnings per share</b>	21	<b>(1.23)</b>	<b>(0.98)</b>	-	-

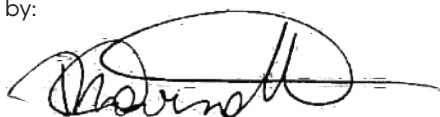
The notes on pages 65 to 103 are an integral part of these annual financial statements

**Zambian Breweries Plc And Its Subsidiary**

Consolidated And Company Statement Of Financial Position As At 31 December 2024

	Notes	Group		Company	
		2024 K'000	2023 K'000	2024 K'000	2023 K'000
Assets					
<b>Non-current assets</b>					
Property, plant and equipment	12	4,747,262	4,501,731	4,733,794	4,481,910
Investment in subsidiary	13	-	-	22,576	22,576
Deferred tax asset	22	103,354	-	103,574	-
Intangible assets	14	18,902	20,002	18,902	20,002
		<b>4,869,518</b>	<b>4,521,733</b>	<b>4,878,846</b>	<b>4,524,488</b>
<b>Current assets</b>					
Inventories	15	949,307	735,404	917,913	717,736
Other current assets	16	90,906	73,471	33,317	73,259
Trade and other receivables	17	466,830	288,204	201,981	707,508
Current income tax receivable	11	41,583	57,340	100,187	90,066
Cash at bank and in hand	18	394,065	301,705	348,683	233,345
		1,942,691	1,456,124	1,602,081	1,821,914
<b>Total Assets</b>		<b>6,812,209</b>	<b>5,977,857</b>	<b>6,480,927</b>	<b>6,346,402</b>
<b>Equity and liabilities</b>					
<b>Equity attributable to owners</b>					
Share capital	19	5,460	5,460	5,460	5,460
Share premium	19	450,207	450,207	450,207	450,207
Retained earnings		(425,692)	246,984	(951,698)	47,681
<b>Total equity</b>		<b>29,975</b>	<b>702,651</b>	<b>(496,031)</b>	<b>503,348</b>
<b>Liabilities</b>					
<b>Non-current liabilities</b>					
Deferred income tax	22	-	154,361	-	153,041
<b>Current liabilities</b>					
Trade and other payables	24	4,828,066	3,085,470	5,022,790	3,654,638
Borrowings	23	1,954,168	2,035,375	1,954,168	2,035,375
		6,782,234	5,120,845	6,976,958	5,690,013
<b>Total Equity and liabilities</b>		<b>6,812,209</b>	<b>5,977,857</b>	<b>6,480,927</b>	<b>6,346,402</b>

The financial statements on pages 61 to 103 were approved by the Board of Directors on and were signed on its behalf by:



**Thais Cavinatto**  
 Director of the Board  
 17-04-2025



**Monica Katebe Musonda**  
 Chairperson of the Board  
 17-04-2025



**Zambian Breweries Plc And Its Subsidiary**

Consolidated And Company Statement Of Changes In Equity For The Year Ended 31 December 2024

	Share capital K'000	Share premium K'000	Retained earnings K'000	Total K'000
<b>Group</b>				
Year ended 31 December 2023				
At the start of the year	5,460	450,207	782,585	1,238,252
Loss for year	-	-	(535,601)	(535,601)
Total comprehensive loss for the year	-	-	(535,601)	(535,601)
<b>At the end of the year</b>	<b>5,460</b>	<b>450,207</b>	<b>246,984</b>	<b>702,651</b>
Year ended 31 December 2024				
At the start of the year	5,460	450,207	246,984	702,651
Loss for year	-	-	(672,676)	(672,676)
Total comprehensive income for the year	-	-	(672,676)	(672,676)
<b>At the end of the year</b>	<b>5,460</b>	<b>450,207</b>	<b>(425,692)</b>	<b>29,975</b>
<b>Company</b>				
Year ended 31 December 2023				
At the start of the year	5,460	450,207	729,548	1,185,215
Loss for year	-	-	(681,867)	(681,867)
Total comprehensive loss for the year	-	-	(681,867)	(681,867)
<b>At the end of the year</b>	<b>5,460</b>	<b>450,207</b>	<b>47,681</b>	<b>503,348</b>
Year ended 31 December 2024				
At the start of the year	5,460	450,207	47,681	503,348
Loss for year	-	-	(999,379)	(999,379)
Total comprehensive loss for the year	-	-	(999,379)	(999,379)
<b>At the end of the year</b>	<b>5,460</b>	<b>450,207</b>	<b>(951,698)</b>	<b>(496,031)</b>

The notes on pages 65 to 103 are an integral part of these annual financial statements

**Zambian Breweries Plc And Its Subsidiary**

Consolidated And Company Statement Of Cash Flows For The Year Ended 31 December 2024

		Group		Company	
	Notes	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<b>Cashflows from operating activities</b>					
Cash generated from operations	25	1,495,509	1,513,871	1,409,689	1,479,949
Interest income	9	308	32	308	32
Interest paid	9	(415,140)	(354,085)	(415,140)	(354,073)
Income tax paid	11	(123,647)	(22,000)	(14,849)	(4,039)
Net cash inflow from operating activities		957,030	1,137,818	980,008	1,121,869
<b>Cashflows from investing activities</b>					
Purchase of property, plant and equipment	12/14	(783,463)	(1,944,940)	(783,463)	(1,944,940)
Proceeds from disposal of property, plant and equipment		-	10,796	-	10,796
Net cash outflow on investing activities		(783,463)	(1,934,144)	(783,463)	(1,934,144)
<b>Cashflows from financing activities</b>					
Proceeds from borrowings		1,952,000	1,892,500	1,952,000	1,892,500
Loan principal repayments		(1,892,500)	(905,000)	(1,892,500)	(905,000)
Net cash inflow from financing activities		59,500	987,500	59,500	987,500
<b>Net increase in cash and cash equivalents</b>		233,067	191,174	256,045	175,225
<b>Movement in cash and cash equivalents</b>					
Cash and cash equivalents at the beginning of the financial year		158,830	(34,421)	90,470	(86,848)
Net increase		233,067	191,174	256,045	175,225
Effects of exchange rate changes on cash and cash equivalents		-	2,077	-	2,093
<b>Cash and cash equivalents at the end of the year</b>		391,897	158,830	346,515	90,470

The notes on pages 65 to 103 are an integral part of these annual financial statements



# NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2024

## 1. General information

Zambian Breweries Plc is incorporated in Zambia under the Zambia Companies Act as a public limited Company, listed on the Lusaka Securities Exchange and is domiciled in Zambia. The Company's registered office is:

Plot Number 6438  
Mungwi Road Heavy Industrial Area  
Lusaka  
Zambia

## 2. Summary of material accounting policies

The principal accounting policies adopted in the preparation of these annual financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### (a) Basis of preparation

#### *Compliance with IFRS*

The annual financial statements are prepared in accordance with IFRS Accounting Standards and interpretations issued by the IFRS interpretations Committee (IFRS IC) applicable to entities reporting under IFRS Accounting Standards. The annual financial statements comply with IFRS Accounting Standards as issued by the International Accounting Standard Board (IASB).

#### *Historical cost convention*

The annual financial statements have been prepared on historical cost basis, except where otherwise stated in the accounting policies below. The annual financial statements are presented in Zambia Kwacha (K). Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current period when assessed as immaterial.

In accordance with the Companies Act, 2017 of Zambia, the annual financial statements for the year ended 31 December 2024 have been approved for issue by the Directors.

The preparation of annual financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Looking ahead, the Group's strategic focus included prioritising discharging its debt obligations in 2024 to improve the Group's overall gearing and balance sheet outlook. By reducing the debt burden, the Group aims to strengthen its financial position and enhance shareholder value.

Consequently, the Directors are confident that the Group will generate sufficient resources from operations to discharge its debt obligations in the normal course of business for at least 12 months from the date of these annual financial statements.

### (b) (i) Going concern

The Group made a loss of K673 million for the year ended 31 December 2024 and the Group's current liabilities exceed its current assets by K4.8 billion. The growth in current liabilities is primarily attributed to trade and other payables and loan facilities amounting to K1.9 billion. Most facilities are placed with local banks to avoid exposure to foreign exchange devaluation risks in light of the material fluctuations during the year.

The Lusaka Expansion Project was a strategic decision made to expand the Group's capacity in Lusaka. This investment aims to drive organic growth by modernising equipment, thereby lowering maintenance costs, and improving production efficiency which was completed in 2024. While this investment has temporarily impacted the Group's balance sheet, the Directors believe it will yield long-term benefits by enhancing the Group's competitiveness and operational capabilities. In 2024, the revenue of the Group increased by 29% and gross profit by 19%. This is despite the escalation of costs due to the drought that the country experienced in 2024 impacting farming outputs and the cost of electricity alternatives.

## **2. Summary of material accounting policies (Continued)**

### **(b) (i) Going concern (Continued)**

Despite the Group's financial position, the Directors are of the view that the Group is well placed to continue in business for the foreseeable future and as a result the statements are prepared on a going concern basis.

The parent Company, AB InBev, has confirmed to the Group Directors that it will continue to provide financial support to the Group for at least the next twelve months from the date of approval and signing of the financial statements for the year ended 31 December 2024.

If the Group were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the Statement of Financial Position values of assets to their recoverable amounts, to provide for further liabilities that might arise and reclassify fixed assets as current assets.

The Directors are presently uncertain as to the outcome of the matters mentioned above but they believe that it is appropriate for the Financial Statements to be prepared on the Going Concern basis.

### **(ii) Basis of consolidation**

The annual financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated annual financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of financial position respectively.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries where applicable. Any difference between the amount of the adjustment to non-controlling interests and any consideration paid or received is recognised in a separate reserve within equity attributable to owners of Zambia Breweries Plc.

When the Group loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as required/permitted by applicable IFRS Accounting Standards). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.



## **2. Summary of material accounting policies (Continued)**

### **(c) Changes in accounting policy and disclosures**

#### *(i) New and amended standards adopted by the Group as at 1 January 2024*

The Group has adopted the applicable new, revised or amended accounting pronouncements as issued by the International and Accounting Standards Board (IASB), which were effective for the Group from 1 January 2024.

The amendments to accounting standards below effective for the reporting period 1 January 2024 did not have any material impact on the Group's accounting policies and required no retrospective adjustments to the annual financial statements of the Group.

The Group has applied the following standards and amendments for the first time for their annual reporting period

- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)
- Non-current Liabilities with Covenants (Amendments to IAS 1)
- General requirements for disclosure of sustainability related Financial Information (IFRS S1)
- Climate related disclosures (IFRS S2)

These amendments do not have a significant impact on these financial statements and therefore the disclosures have not been made.

#### *(ii) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Group*

At the date of authorisation of these financial statements, several new, but not yet effective, Standards and amendments to existing Standards, and Interpretations have been published by the IASB or IFRIC. None of these Standards or amendments to existing Standards have been adopted early by the Group.

- Lack of Exchangeability (Amendments to IAS 21)
- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 and 7)
- IFRS 18 'Presentation and Disclosure in Financial Statements'
- IFRS 19 'Subsidiaries without Public Accountability: Disclosures'

Management anticipates that all relevant pronouncements will be adopted for the first period beginning on or after the effective date of the pronouncement. New Standards, amendments and Interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Group's financial statements.

### **(d) Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The Board of Zambia Breweries PLC has appointed an Executive Committee which assesses the financial performance and position of the Group and makes strategic decisions. The committee, which has been identified as being the CODM, consists of the Chief Executive Officer and the Chief Financial Officer.

### **(e) Foreign currency translation**

#### *i) Functional and presentation currency*

Items included in the annual financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The annual financial statements are presented in Zambia Kwacha, which is the Group's functional currency.

#### *ii) Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in profit or loss within 'finance income or cost'. All other foreign exchange gains and losses are presented in profit or loss within 'other income' or 'other expenses'.

## **2. Summary of material accounting policies (Continued)**

### **(f) Revenue from contracts with customers**

The Group's contracts with customers exist in various forms and typically take the form of signed agreements, approved customer purchase orders, invoices to customers, terms and conditions documents and customary business practices, all of which have commercial substance and impact the Group's future cash flows.

#### *Sale of products*

Sales of locally produced and imported beverages are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue is recognised based on the price specified in the contract, net of the estimated volume discounts. Accumulated experience is used to estimate and provide for the discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.

No significant element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice.

Accordingly, revenue is recognised at point in time upon delivery of products and customer acceptance. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

#### *Contract modifications*

Any subsequent purchase order/invoice is submitted at a future time and is independent from any previous or future order. Given that the contracts are for a single performance obligation and short-term in nature, contract modifications are generally not applicable to the Group.

#### *Contract assets and liabilities*

Contract assets primarily relate to the Group's right to consideration for the products delivered but not billed at the reporting date on the customer contracts. The contract assets are transferred to trade receivables when the rights become unconditional. Contract liabilities primarily relate to consideration received from the customer for which revenue is recognised when the goods and services are provided.

As at the reporting period, the Group had no contract assets and liabilities.

### **(g) Interest income**

Interest income is presented as finance income where it is earned from financial assets that are held for cash management purposes. Any other interest income is included in other income. Interest income is recognised using the effective interest method.

### **(h) Property, plant and equipment**

All categories of property, plant and equipment are initially recorded at cost. All assets are subsequently shown at cost less accumulated depreciation and accumulated impairment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the profit or loss during the financial period in which they are incurred.



## 2. Summary of material accounting policies (Continued)

### (h) Property, plant and equipment (continued)

Depreciation is calculated on the straight line basis to write down the cost of each asset to its residual value over its estimated useful life as follows:

Buildings	25 - 40 years
Plant and machinery	15 - 20 years
Containers and crates	3 - 5 years
Motor vehicles	4 - 5 years
Furniture and fittings and computer equipment	5 - 10 years

The asset's residual values and useful lives of the assets are reviewed, and adjusted if appropriate, at the end of each reporting period.

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

Gains and losses on disposal of property, plant and equipment are determined by reference to their carrying amounts and are taken into account in determining profit or loss.

### (i) Intangible assets

#### *(i) Goodwill*

Goodwill arose on the acquisition of alcoholic segments and represented the excess of the consideration transferred over the Group's interest in fair value of the net identifiable assets, liabilities and contingent liabilities of the acquiree and the fair value of the non-controlling interest in the acquiree. On hive-up of operations, the Group allocated the goodwill to the operating segment or the CGU at alcoholic segment level.

The unit to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

Goodwill recognised has an indefinite useful life on which impairment reviews are undertaken annually or more frequently if events or changes in circumstances indicate a potential impairment. The carrying value of goodwill is compared to the recoverable amount, which is the higher of value in use and the fair value less costs to sell. Any impairment is recognised immediately as an expense and is not subsequently reversed.

#### *ii) Computer software*

Computer software licences are carried at cost less accumulated amortisation and the amortisation is calculated using the straight-line method. These costs are amortised over their estimated useful lives of three years. Costs associated with maintaining computer software program are recognised as an expense in profit or loss as incurred.

## **2. Summary of material accounting policies (Continued)**

### **(j) Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired.

Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are Grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or Groups of assets (cash generating units).

Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

The Group assesses whether climate risks, including physical risks and transition risks could have a significant impact. If so, these risks are included in the cash-flow forecasts in assessing value-in-use amounts.

### **(k) Inventories**

Raw materials and stores, work in progress and finished goods are stated at the lower of cost and net realisable value. The cost of raw materials, work in progress (WIP), finished goods and engineering spares is determined using the weighted average cost method less provision for impairment. Cost comprises direct materials, direct labour and an appropriate proportion of variable and fixed overhead expenditure, the latter being allocated on the basis of normal operating capacity. Costs of purchased inventory are determined after deducting rebates and discounts. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

### **(i) Financial instruments**

Financial instruments comprise trade and other receivables (excluding prepayments), cash and cash equivalents, lease liabilities, borrowings and trade and other payables.

Financial assets and liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

### **Classification and measurement**

#### *Financial assets*

It is the Group's policy to initially recognise financial assets at fair value plus transaction costs, except in the cases where financial assets are recorded at fair value through profit or loss which are expensed in profit or loss.

Classification and subsequent measurement is dependent on the Group's business model for managing the asset and the cash flow characteristics of the asset. On this basis, the Group may classify its financial instruments at amortised cost, fair value through profit or loss and at fair value through other comprehensive income.

All the Group's financial assets as at reporting period satisfy the conditions for classification at amortised cost under IFRS 9. The Group's financial assets include trade receivables, other receivables and cash and cash equivalents.

#### *i) Trade receivables*

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and are therefore all classified as current. Trade receivables are recognised initially at the amount of consideration that is unconditional, unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. Details about the Group's impairment policies and the calculation of the loss allowance are provided in Note 4(b).



## **2. Summary of material accounting policies (Continued)**

### **(i) Financial instruments(Continued)**

#### **Classification and measurement (Continued)**

##### *ii) Cash and cash equivalents*

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, security deposits from customers on containers, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet.

##### *iii) Other receivables*

These amounts generally arise from transactions outside the usual operating activities of the Group. Interest may be charged at commercial rates where the terms of repayment exceed six months. Collateral is not normally obtained.

#### **Financial liabilities**

##### *i) Borrowings*

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other income or finance costs.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

##### *ii) Trade and other payables*

These amounts represent liabilities for goods and services provided to the Group prior to the end of the financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

The Group's financial liabilities are classified as amortised cost. Financial liabilities are recognised initially at fair value and inclusive of directly attributable transaction costs. The Group's financial liabilities include trade and other payables, and borrowings.

## **2. Summary of material accounting policies (Continued)**

### **(i) Financial instruments(Continued)**

#### **Classification and measurement (Continued)**

##### *Impairment of financial assets*

Recognition of impairment provisions under IFRS 9 is based on the expected credit loss (ECL) model. The ECL model is applicable to financial assets classified at amortised cost and contract assets under IFRS 15 Revenue from Contracts with Customers.

The measurement of ECL reflects an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes, time value of money and reasonable and supportable information that is available without undue cost or effort at the reporting date, about past events, current conditions and forecasts of future economic conditions.

The Group applies the simplified approach to determine impairment of receivables. The simplified approach requires expected lifetime losses to be recognised from initial recognition of the receivables. This involves determining the expected loss rates which is then applied to the gross carrying amount of the receivable to arrive at the loss allowance for the period.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the related financial assets and the amount of the loss is recognised in profit or loss.

#### **Derecognition**

##### *Financial assets*

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or when it transfers the financial asset and the transfer qualifies for derecognition.

##### *Financial liabilities*

The Group derecognises a financial liability when it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised immediately in the statement of profit or loss.

Financial liabilities are derecognised when they have been redeemed or otherwise extinguished.

##### *Substantial modification*

A substantial modification of the terms of an existing debt instrument or part of it is accounted for as an extinguishment of the original debt instrument and the recognition of a new debt instrument. Gains or losses arising from the modification of the terms of a debt instrument are recognised immediately in profit or loss where the modification does not result in the derecognition of the existing instrument.

##### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

As at the reporting period, there were no assets and liabilities off-set relating to financial instruments.#

The legally enforceable right is not contingent on future events and is enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Group or the counterparty.

#### **(m) Other current assets**

Other current assets include prepayments which are amounts paid in advance during the accounting period for an underlying asset that will be consumed in a future period. When the asset is used or consumed, the prepayments are amortised, and costs are recognised in operating expenses. Prepayments are stated at their nominal values in the financial statements.



## **2. Summary of material accounting policies (Continued)**

### **(i) Financial instruments(Continued)**

#### **(n) Share capital**

Ordinary shares are classified as share capital in equity. Any premium received over and above the par value of the shares is classified as share premium in equity. Incremental costs directly attributable to the issue of new ordinary shares are shown in equity as deduction from the proceeds.

#### **(o) Dividends**

Provision is made for the amount of any dividend declared, being appropriately authorised and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

#### **(p) Earnings per share**

##### *i) Basic earnings per share*

Basic earnings per share is calculated by dividing the profit attributable to owners of the Group, excluding any costs of servicing equity other than ordinary shares by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

##### *ii) Diluted earnings per share*

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

#### **q) Employee benefits**

##### *i) Short term obligations*

Liabilities for wages and salaries, including non-monetary benefits and annual leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented within trade and other payables in the statement of financial position.

##### *ii) Retirement benefit obligations*

The Group operates defined contribution retirement benefit schemes for its employees. The Group and all its employees also contribute to the National Pension Scheme Fund, which is a defined contribution scheme.

A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. The Group has no legal or constructive obligations to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

The assets of all schemes are held in separate trustee administered funds, which are funded by contributions from both the Group and employees.

The Group's contributions to the defined contribution schemes are charged to profit or loss in the year in which they fall due.

#### **r) Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income, based on the applicable income tax rate for each jurisdiction, adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

## **2. Summary of material accounting policies (Continued)**

### **r) Income tax(Continued)**

#### *i) Current income tax*

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the country where the Group operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

#### *(ii) Deferred income tax*

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated annual financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that, at the time of the transaction, affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

As disclosed in Note 22, deferred tax assets and liabilities are offset as there is a legally enforceable right to offset current tax assets and liabilities and the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

## **3. Critical accounting estimates and judgments**

The preparation of annual financial statements requires the use of accounting estimates which, by definition, will seldom equal the actual results. Management also exercises judgement in applying the Group's accounting policies. This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be wrong. Detailed information about each of these estimates and judgements is included together with information about the basis of calculation for each affected line item in the annual financial statements.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

#### *i) Impairment of Goodwill*

The Group tests annually whether goodwill has suffered any impairment, in accordance with accounting policy stated in note 2(j).

#### *ii) Impairment of financial assets*

The loss allowances for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs used are disclosed in Note 4(b).



### 3. Critical accounting estimates and judgments (Continued)

#### *iii) Estimation of deferred tax asset and current tax expense in relation to an uncertain tax position*

The Group has an investment incentive license under the Zambia Development Agency (ZDA), Section 56 of the ZDA Act, No. 11 of 2006. Under the Act, the Group's Brewery plant located in Lusaka is taxed at a lower rate than the enacted tax rate. Management considers it probable that a tax deduction will be available and has calculated the current tax charge on this basis. However, as the tax authority, the Zambia Revenue Authority (ZRA) is yet to confirm its interpretation, management has adopted a prudent approach by recognising a liability for anticipated taxes in deferred tax such that in the event that the tax authority will interpret the tax benefits differently, the tax expense will not be materially impacted. Refer to Note 22 for asset recognised.

### 4. Financial risk management

This note explains the Group's exposure to financial risks and how these risks could affect the Group's future financial performance.

The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Group's risk management framework and governance structures are intended to provide comprehensive controls and ongoing management of its major risks. The Board of Directors exercises oversight through delegation from the Board to various sub-committees, notably the Audit Committee and the Executive Committee, which are organised in line with risk management policies of AB InBev Africa, the parent Group.

Financial risk management is carried out by the finance department and AB InBev under policies approved by the Board of Directors. An overview of the key aspects of risk management and use of financial instruments is provided below.

#### **a) Market risk**

##### *(i) Foreign exchange risk exposure*

Foreign exchange risk arises when recognised assets or liabilities are denominated in a currency that is not the entity's functional currency.

The Group is exposed to foreign currency risk arising from various currency exposures, primarily with respect to the United States Dollar (USD), South African Rand (ZAR) and EURO (EUR). To manage foreign exchange risk, the Group holds bank balances in the relevant foreign currencies and continuously monitor markets and purchase any foreign currency required at the spot rate.

The Group's exposure to foreign currency risk at the end of the reporting period, expressed in Zambian Kwacha is detailed in the table below.

#### 4. Financial Risk Management (Continued)

##### a) Market risk (Continued)

##### Foreign exchange risk exposure (Continued)

Group	Exposure			Total K'000
	ZAR K'000	USD K'000	EUR K'000	
As at 31 December 2024				
Cash and cash equivalents	12,136	1,794	230	14,160
Trade and other payable	(1,838,357)	(1,010,452)	(19,752 )	(2,868,561)
	(1,826,221)	(1,008,658)	(19,522)	(2,854,401)
As at 31 December 2023				
Cash and cash equivalents	35,358	68,596	8,570	112,524
Trade and other payable	(915,580)	(1,156,330)	(52,524)	(2,124,434)
	(880,222)	(1,087,734)	(43,954)	(2,011,910)

Company	Exposure			Total K'000
	ZAR K'000	USD K'000	EUR K'000	
As at 31 December 2024				
Cash and cash equivalents	12,136	1,794	230	14,160
Trade and other payable	(1,834,447)	(1,010,452)	(19,752)	(2,864,651)
	(1,822,311)	(1,008,658)	(19,522)	(2,850,491)
As at 31 December 2023				
Cash and cash equivalents	34,248	68,593	8,567	111,408
Trade and other payable	(915,580)	(1,156,330)	(52,524)	(2,124,434)
	(881,332)	(1,087,737)	(43,957)	(2,013,026)

#### Sensitivity

At 31 December 2024, if the Zambian Kwacha had weakened / strengthened by 1% (2023: 1%) against the South African Rand (ZAR) with all other variables held constant, the effect on post- tax profit for the year and shareholders' equity would have been K18 million (2023: K9 million) higher/lower for the Group and K18 million (2023: 9 million) for the Company, mainly as a result of the ZAR denominated trade payables and bank balances.

At 31 December 2024, if the Zambian Kwacha had weakened / strengthened by 1% (2023: 1%) against the United States Dollar (USD) with all other variables held constant, the effect on post- tax profit for the year and shareholders' equity would have been K10 million (2023: K11 million) higher/lower for the Group and K10 million (2023: K11 million) for the Company, mainly as a result of the USD denominated trade payables and bank balances.

At 31 December 2024, if the Zambian Kwacha had weakened / strengthened by 1% (2023: 1%) against the Euro (EUR) with all other variables held constant, the effect on post-tax profit for the year and shareholders' equity would have been K0.2 million (2023: K0.4 million) higher/lower for the Group and K0.2 million (2023:K0.4 million) for the Company mainly as a result of the Euro denominated trade payables and bank balances.



## 4. Financial Risk Management (Continued)

### a) Market risk (Continued)

#### ii) Cash flow and fair value Interest rate risk

The Group's main interest rate risk arises from borrowings with variable rates, which expose the Group to cash flow interest rate risk. As at the end of the reporting period and unchanged from prior, the Group is exposed to interest rate risk. Management is still in the process of assessing measures to manage the risk.

The exposure of the Group's borrowings to interest rate changes at the end of the reporting period are as follows:

Group	2024 K'000	% of total K'000	2023 K'000	% of total loans
Variable rate borrowings	1,952,000	100%	1,892,500	100%
Company				
Variable rate borrowings	1,952,000	100%	1,892,500	100%

The percentage of total loans shows the proportion of loans that are currently at variable rates in relation to the total amount of borrowings. None of the borrowings are referenced to a benchmark interest rate subject to interbank offered rates (IBOR) reform.

As at 31 December 2024, with all other variables held constant, a 1% (2023: 1%) decrease/increase in the base interest rate would have resulted in change in post-tax profit for the year and shareholders' equity by K19.5 million (2023 : K18.9 million).

### b) Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions, as well as credit exposures to customers, including outstanding receivables.

#### i) Risk management

The Group's risk control unit assesses the credit quality of the customer, taking into account its financial position, past experience and other factors. Individual risk limits are set based on internal ratings in accordance with limits set by the board. The compliance with credit limits by wholesale customers is regularly monitored by line management.

Sales to customers are required to be settled in cash mitigating credit risk. There are no significant concentrations of credit risk, whether through exposure to individual customers, specific industry sectors and / or regions.

#### ii) Security

For some trade receivables, the Group may obtain security in the form of guarantees, deeds of undertaking or letters of credit which can be called upon if the counterparty is in default under the terms of the agreement.

#### iii) Impairment of financial assets

The Group has three types of financial assets that are subject to the expected credit loss model:

- Trade receivables
- Cash and cash equivalents
- Other financial assets at amortised cost

#### Trade receivables

The Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. To measure the expected credit losses, trade receivables have been Grouped based on shared credit risk characteristics and the days past due. The Group's historical credit loss experience does not show significantly different loss patterns for the various customer segments. Therefore, the Grouping of trade receivables is not disaggregated into further risk profiles other than days past due.

#### 4. Financial Risk Management (Continued)

##### b) Credit risk (continued)

##### iii) Impairment of financial assets (continued)

##### Trade receivables (continued)

The expected loss rates are based on the payment profiles of sales over a period of 36 months before 31 December 2024 and the corresponding historical credit losses experienced within this period. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables.

The amount that best represents the Group's maximum exposure to credit risk is the carrying value of its financial assets as presented in the statement of financial position less non financial assets (refer to note 17).

Changes in the aged gross carrying amounts of trade receivables impacting the loss allowance are as disclosed below. There was no collateral held for any of the assets held by the Company. Further, there was no contractual amount outstanding on financial assets that were written off during the reporting period and are still subject to enforcement activity.

The loss allowance as at 31 December 2024 and 31 December 2023 was determined as follows for trade receivables:

Group	Current	31 - 60 days past due	61 - 90 days past due	91 - 120 days past due	Over 120 days past due	Total
31 December 2024	K'000	K'000	K'000	K'000	K'000	K'000
Gross carrying amount	213,739	4,489	1,792	45	1,156	221,221
Expected loss rate	0.0%	42.88%	17.25%	71.96%	100%	-
Loss allowance	-	[1,925]	[309]	[33]	[1,156]	[3,423]
Net carrying amount	<b>213,739</b>	<b>2,564</b>	<b>1,483</b>	<b>12</b>	<b>-</b>	<b>217,798</b>

Group	Current	31 - 60 days past due	61 - 90 days past due	91 - 120 days past due	Over 120 days past due	Total
31 December 2023	K'000	K'000	K'000	K'000	K'000	K'000
Gross carrying amount	173,426	1,951	840	577	441	177,235
Expected loss rate	0.026%	12.17%	30.78%	26.59%	100%	-
Loss allowance	[46]	[237]	[259]	[153]	[441]	[1,136]
Net carrying amount	<b>173,380</b>	<b>1,714</b>	<b>58</b>	<b>424</b>	<b>-</b>	<b>176,099</b>



#### 4. Financial Risk Management (Continued)

##### b) Credit risk (continued)

##### iii) Impairment of financial assets (continued)

The loss allowances for trade receivables as at 31 December reconcile to the opening loss allowances as follows:

Company	Current	31 - 60 days past due	61 - 90 days past due	91 - 120 days past due	Over 120 days past due	Total
31 December 2024	K'000	K'000	K'000	K'000	K'000	K'000
Gross carrying amount	-	-	-	-	-	-
Expected loss rate	0.0%	0.0%	0.0%	0.0%	0.0%	-
Loss allowance	-	-	-	-	-	-
Net carrying amount	-	-	-	-	-	-

Company	Current	31 - 60 days past due	61 - 90 days past due	91 - 120 days past due	Over 120 days past due	Total
31 December 2023	K'000	K'000	K'000	K'000	K'000	K'000
Gross carrying amount	-	108	97	-	302	507
Expected loss rate	0.00%	9.75%	28.12%	0.00%	100.00%	-
Loss allowance	-	[11]	[27]	-	[302]	[340]
Net carrying amount	-	97	70	-	-	167

Loss allowances for Trade Receivables:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
At the start of the year	1,136	14,189	340	5,402
<b>Impairment (credit)/charge recognised in profit or loss</b>	2,287	[13,053]	[340]	[5,062]
At the end of the year	3,423	1,136	-	340

Trade receivables are written off where there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Group, and a failure to make contractual payments for a period of greater than 90 days past due.

Loss allowances recognised is categorized as follows:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Performing debtors	538	695	340	38
Non-performing debtors (over 120 days)	2,885	441	[340]	302
	3,423	1,136	-	340

##### Cash and cash equivalents

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

## 4. Financial Risk Management (Continued)

### b) Credit risk (continued)

#### iii) Impairment of financial assets (continued)

##### Other financial assets at amortised cost

Other financial assets at amortised cost relate to receivables from related parties, staff debtors, and sundry debtors. All of the Group's other financial assets at amortised cost are considered to have a low risk of default and the counterparties have a strong capacity to meet their contractual cash flow obligations in the near term. The Group has the right to net-off receivables from related parties with amounts due to related parties.

### c) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due and to close out market positions. Due to the dynamic nature of the underlying businesses, management maintains flexibility in funding by maintaining availability under committed credit lines and monitors rolling forecasts of the Group's liquidity reserve (comprising the undrawn borrowing facilities below) and cash and cash equivalents on the basis of expected cash flows.

The Group had access to the following undrawn borrowing facilities at the end of the reporting period:

#### (i) Financing arrangements:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Expiring within one year (bank loan & overdrafts)	1,954,168	2,035,375	1,954,168	2,035,375

#### (ii) Maturities of financial liabilities:

The tables below analyses the Group's financial liabilities into relevant maturity Groupings based on their contractual maturities. The amounts disclosed in the table are the contractual undiscounted cash flows. Trade and other payables due within 12 months equal their carrying balances as the impact of discounting is not significant.

Group	Less than 1 year K'000
<b>At 31 December 2024</b>	
Trade and other payables (excluding statutory liabilities)	4,567,649
Borrowings	1,954,168
	<u>6,521,817</u>
<b>At 31 December 2023</b>	
Trade and other payables (excluding statutory liabilities)	3,035,707
Borrowings	2,035,375
	<u>5,071,082</u>
<b>Company</b>	<b>Less than 1 year K'000</b>
<b>At 31 December 2024</b>	
Trade and other payables (excluding statutory liabilities)	4,829,884
Borrowings	1,954,168
	<u>6,784,052</u>
<b>At 31 December 2023</b>	
Trade and other payables (excluding statutory liabilities)	3,643,580
Borrowings	2,035,375
	<u>5,678,955</u>



#### 4. Financial Risk Management (Continued)

##### c) Liquidity risk(Continued)

The Group's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders and maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital on the basis of the gearing ratio which is calculated as Net debt divided by Total 'equity' [as shown in the statement of financial position].

During 2024, the Group's strategy, which was unchanged from 2023, was to maintain a gearing ratio of less than 50%. The gearing ratio is not part of the contractual debt covenants imposed by the lenders. Therefore, there is no adverse financing implications on the Group in the event that the ratio deteriorates. The gearing ratio at 31 December 2024 was as follows:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Net debt [25ii]	1,560,103	1,733,670	1,605,485	1,802,030
Total equity [as presented in the statement of financial position]	29,976	702,651	[496,031]	503,348
	5,205%	247%	0%	358%

The Group net debt to equity ratio increased from 247% to 5,205% as a result of additional bank loans and overdraft facilities drawn during the year as shown in Note 25(ii).

##### d) Fair value measurements

The Company has short term financial instruments. Accordingly, the carrying amount is a reasonable approximation of fair value. As at the end of the reporting period, there were no non-financial instruments measured at fair value (2023: Nil)

##### e) Financial instruments by category

###### *Financial assets at amortized cost:*

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Trade and other receivables	466,830	288,203	201,980	707,508
Cash and cash equivalents	394,065	301,705	348,683	233,345
	860,895	589,908	550,663	940,853

###### *Financial liabilities at amortized cost:*

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Borrowings	1,954,168	2,035,375	1,954,168	2,035,375
Trade and other payables (excluding statutory liabilities)	4,567,648	3,035,707	4,829,884	3,643,580
	6,521,816	5,071,082	6,784,052	5,678,955

## 5. Segment reporting

The Executive Committee (the "Committee") is the Group's chief operating decision-maker. The Board of Directors have determined the operating segments based on the information reviewed by the Executive Committee for the purposes of allocating resources and assessing performance. The Board considers the activities of the Group to substantially fall within the same product range and within the same geographic region (Zambia). The products are distributed to similar classes of customers using similar distribution channels. The Executive Committee assesses the performance of the Company based on EBITDA. The Company does not incur any non-recurring expenditure and therefore does not adjust EBITDA. The segment information provided to the Executive Committee for the reportable segment for the year ended 31 December is as follows:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Segment revenue	5,341,595	4,152,666	4,579,816	3,816,306
Fixed and variable expenses	(5,187,076)	(4,129,637)	(4,891,677)	(4,025,353)
EBITDA	154,519	23,029	(311,861)	(209,047)
Interest income	308	32	308	32
Interest expense	(415,140)	(354,085)	(415,140)	(354,073)
Depreciation	(529,460)	(443,277)	(523,360)	(437,073)
Amortization	(1,213)	(21,140)	(1,213)	(21,140)
Income tax credit	118,310	259,840	251,887	339,434
Loss after income tax	(672,676)	(535,601)	(999,379)	(681,867)
<b>Total assets</b>	<b>6,812,209</b>	<b>5,977,857</b>	<b>6,480,927</b>	<b>6,346,402</b>
<b>Total liabilities</b>	<b>6,782,234</b>	<b>5,275,206</b>	<b>6,976,958</b>	<b>5,843,054</b>

## 6. Revenue from contracts with customers

The Company derives revenue from the transfer of goods at a point in time in the following major revenue lines:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Alcoholic beverages - locally produced	4,258,060	3,266,922	3,728,102	2,930,562
Alcoholic beverages - imported	1,083,535	885,744	851,714	885,744
Net revenue	5,341,595	4,152,666	4,579,816	3,816,306



## 7. Other income and expenses

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<b>Other income</b>				
Foreign exchange gain other than financing	-	1,186	-	-
Equipment hire	13,734	30,855	13,734	30,855
Release of provision	-	8,469	-	8,469
Back office support services	-	-	42,898	-
Recoveries	3,682	-	3,682	-
Warehousing and storage charges	-	293	-	-
	17,416	40,803	60,314	39,324
<b>Other expenses</b>				
Loss on disposal of property, plant and equipment	8,358	2,172	8,107	2,157
Foreign exchange losses other than financing	546,362	466,265	546,084	465,904
Adjustment for non-recoverable amounts	119,722	221,528	106,059	221,528
Warehousing and storage charges	-	-	275,976	255,346
Warehouse maintenance	-	27,291	-	27,291
	674,442	717,256	936,226	972,226
Total other expenses	(657,026)	(676,453)	(875,912)	(932,902)

## 8. Breakdown of expenses by nature

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<i>Cost of goods sold</i>				
Provision for inventory charge	-	2,629	-	2,629
Raw materials and consumables	3,290,064	2,117,324	3,290,059	2,128,966
Royalties	226,831	197,175	226,831	197,175
Depreciation	489,820	410,364	488,565	409,031
Employee benefits (Note 10)	55,470	61,324	54,766	60,787
Repairs and maintenance	22,846	6,532	22,473	6,436
Research and development costs	85	319	85	319
Other miscellaneous direct expenses	18,709	317,346	18,665	310,872
	4,103,825	3,113,013	4,101,444	3,116,215
<i>Distribution expenses</i>				
Transportation	191,055	166,604	20,180	15,924
Depreciation	31,503	29,973	26,724	25,183
Consumables used	-	-	-	-
Expenses on short term leases	3,855	609	1,647	609
Employee benefits (Note 10)	6,150	7,538	6,141	7,538
Marketing fees	28,247	24,816	28,139	22,361
Repairs and maintenance	1,429	127	8	113
Other miscellaneous expenses	17,277	6,141	14,112	2,883
	279,516	235,808	96,951	74,611
<i>Administrative expenses</i>				
Management fees	295,478	178,371	129,991	178,371
Employee benefits (Note 10)	108,113	97,266	28,281	38,469
Increase on Security Deposit Price for Returnable Packaging	69,626	-	69,626	-
Repairs and maintenance	35,903	11,664	16,237	2,503
Technology costs	27,728	30,229	27,728	30,229
Bank charges	22,540	16,216	606	1,043
Depreciation	8,137	2,926	8,071	2,861
Insurance	6,977	5,854	6,764	4,837
Consulting services	5,093	27,304	2,328	333
Amortization (Note 14)	1,213	21,140	1,213	21,140
Auditor's remuneration	4,498	4,222	3,873	3,324
Impairment	1,619	19,475	-	19,475
Charitable donations	22	74	22	74
Other miscellaneous expenses	88,148	167,092	47,543	62,241
	675,095	581,833	342,283	364,900
<b>Total cost of sales of goods; Distribution and admin expenses</b>	<b>5,058,436</b>	<b>3,930,654</b>	<b>4,540,678</b>	<b>3,555,726</b>

## 9. Finance income / (costs)

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Finance income				
Interest income	308	32	308	32
Finance costs				
Interest expense on borrowings (Note 25(ii))	(415,140)	(354,085)	(415,140)	(354,073)
<b>Net finance costs</b>	<b>(414,832)</b>	<b>(354,053)</b>	<b>(414,832)</b>	<b>(354,041)</b>

## 10. Employee benefits

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Salaries and other staff costs	147,356	142,005	74,439	90,880
Retirement benefits costs:				
NAPSA and Saturnia pension scheme contributions	16,322	17,473	10,760	10,843
Medical aid contributions	6,055	6,650	3,989	5,071
	169,733	166,128	89,188	106,794
Allocated as:				
Cost of sales of goods	55,470	61,324	54,766	60,78
Distribution expenses	6,150	7,538	6,141	7,538
Administrative expenses	108,113	97,266	28,281	38,469
	169,733	166,128	89,188	106,794



## 11. Income tax expense / (credit)

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Current income tax expense	139,405	77,952	4,728	8,517
Deferred income tax credit (Note 22)	(257,715)	(337,792)	(256,615)	(347,951)
	(118,310)	(259,840)	(251,887)	(339,434)

The tax on the profit before income tax differs from the theoretical amount that would arise using the statutory income tax rate as follows:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Loss before income tax	(790,986)	(795,441)	(1,251,266)	(1,021,301)
Tax calculated at the statutory income tax rates of 30% (2023 - 30%)	(237,296)	(238,632)	(375,380)	(306,390)
Tax effect of: Expenses not deductible for tax purposes	105,394	12,633	109,901	8,568
Over provision of deferred income tax in prior year	13,592	(33,841)	13,592	(41,612)
Income tax credit	(118,310)	(259,840)	(251,887)	(339,434)

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<i>Movement in balance sheet:</i>				
At the start of the year	(57,341)	(113,292)	(90,066)	(94,544)
Current income tax charge	139,405	77,952	4,728	8,517
Payments during the year	(123,647)	(22,000)	(14,849)	(4,039)
At the end of the year	(41,583)	(57,340)	(100,187)	(90,066)

At year end, the Group carried forward tax losses of K1,734 million (2023: K758 million). Unutilised losses expire after 5 years as shown in the table below:

### Analysis of losses

Period end	Tax loss c/f K'000	Expiry date
31 December 2020	124,767	December 2025
31 December 2021	409,453	December 2026
31 December 2022	178,662	December 2027
31 December 2023	1,021,302	December 2028
	<u>1,734,184</u>	

## 12. Property, plant and equipment

Group	Land	Buildings	Motor vehicles	Plant and machinery	Computer equipment	Furniture and fittings	Containers	Capital work in progress	Total
	K'000	K'000	K'000	K'000		K'000			K'000
<b>Year ended 31 December 2024</b>									
Opening net book value	48,133	451,318	33,290	1,232,857	14,758	10,339	661,186	2,049,850	4,501,731
Additions	12,758	-	-	-	-	-	-	770,592	783,350
Transfers	-	41,207	3,365	429,989	1,407	736	330,555	(807,259)	-
Disposals cost	-	-	(5,444)	(6,448)	(98)	(246)	(169,778)	-	(182,014)
Depreciation on disposals	-	-	5,245	6,010	98	246	162,056	-	173,655
Depreciation charge	-	(19,659)	(9,718)	(161,235)	(5,755)	(3,787)	(329,306)	-	(529,460)
Closing net book value	60,891	472,866	26,738	1,501,173	10,410	7,288	654,713	2,013,183	4,747,262
<b>At 31 December 2024</b>									
Cost	78,033	573,271	140,218	2,493,610	24,016	22,348	1,358,140	2,013,183	6,702,819
Accumulated depreciation and impairment	(17,142)	(100,405)	(113,480)	(992,437)	(13,606)	(15,060)	(703,427)	-	(1,955,557)
Net book value	60,891	472,866	26,738	1,501,173	10,410	7,288	654,713	2,013,183	4,747,262
<b>Year ended 31 December 2023</b>									
Opening net book value	48,792	460,281	32,356	1,251,872	20,023	13,641	627,859	560,354	3,015,178
Additions	-	-	-	-	-	-	-	1,944,940	1,944,940
Transfers	-	9,499	9,759	111,928	1,362	1,408	321,488	(455,444)	-
Disposals	-	(15)	-	(744)	(755)	(547)	(13,049)	-	(15,110)
Depreciation charge	(659)	(18,447)	(8,825)	(130,199)	(5,872)	(4,163)	(275,112)	-	(443,277)
Closing net book value	48,133	451,318	33,290	1,232,857	14,758	10,339	661,186	2,049,850	4,501,731
<b>At 31 December 2023</b>									
Cost	65,275	532,064	142,297	2,070,069	22,707	21,858	1,197,363	2,049,850	6,101,483
Accumulated depreciation and impairment	(17,142)	(80,746)	(109,007)	(837,212)	(7,949)	(11,519)	(536,177)	-	(1,599,752)
Net book value	48,133	451,318	33,290	1,232,857	14,758	10,339	661,186	2,049,850	4,501,731

## 12. Property, plant and equipment(Continued)

Company	Land	Buildings	Motor vehicles	Plant and machinery	Computer equipment	Furniture and fittings	Containers	Capital work in progress	Total
	K'000	K'000	K'000	K'000		K'000			K'000
<b>Year ended 31 December 2024</b>									
Opening net book value	48,133	451,318	13,971	1,232,857	14,105	10,339	661,337	2,049,850	4,481,910
Additions	12,758	-	-	-	-	-	-	770,592	783,350
Transfers	-	41,207	3,514	429,989	1,407	736	330,406	(807,259)	-
Disposals cost	-	-	(5,001)	(6,448)	(98)	(246)	(169,778)	-	(181,571)
Depreciation on disposals	-	-	5,001	6,010	98	246	162,110	-	173,465
Depreciation charge	-	(19,659)	(3,850)	(161,235)	(5,523)	(3,787)	(329,306)	-	(523,360)
Closing net book value	60,891	472,866	13,635	1,501,173	9,989	7,288	654,769	2,013,183	4,733,794
<b>At 31 December 2024</b>									
Cost	78,033	573,271	111,816	2,493,610	23,073	22,348	1,357,991	2,013,183	6,673,325
Accumulated depreciation and impairment	(17,142)	(100,405)	(98,181)	(992,437)	(13,084)	(15,060)	(703,222)	-	(1,939,531)
Net book value	60,891	472,866	13,635	1,501,173	9,989	7,288	654,769	2,013,183	4,733,794
<b>Year ended 31 December 2023</b>									
Opening net book value	48,792	460,281	7,253	1,251,872	19,370	13,641	627,590	560,354	2,989,153
Additions	-	-	-	-	-	-	-	1,944,940	1,944,940
Transfers	-	9,499	9,759	111,928	1,362	1,408	321,488	(455,444)	-
Disposals	-	(15)	-	(744)	(755)	(547)	(13,049)	-	(15,110)
Depreciation charge	(659)	(18,447)	(3,041)	(130,199)	(5,872)	(4,163)	(274,692)	-	(437,073)
Closing net book value	48,133	451,318	13,971	1,232,857	14,105	10,339	661,337	2,049,850	4,481,910
<b>At 31 December 2023</b>									
Cost	65,275	532,064	113,303	2,070,069	21,764	21,858	1,197,363	2,049,850	6,071,546
Accumulated depreciation and impairment	(17,142)	(80,746)	(99,332)	(837,212)	(7,659)	(11,519)	(536,026)	-	(1,589,636)
Net book value	48,133	451,318	13,971	1,232,857	14,105	10,339	661,337	2,049,850	4,481,910

Assets classified as capital work in progress mainly relate to the costs incurred for the ongoing plant projects at the Group's locations and trade equipment which need to be branded prior to being used.

The register showing the details of property as required by Section 30 of the Companies Act, 2017 of Zambia is available during the business hours at the registered office of the Company.

Included in the net carrying amount of property, plant and equipment are right-of-use assets relating to prepaid land rates.

In Zambia, land is held on lease from the Government of the Republic of Zambia for a period of 99 years. IFRS 16 requires that for any lease, a right of use asset and lease liability be recognised unless the Group deems the lease as short-term lease or of low value. Advance payments made in acquiring the land are added to right of use assets and amortised over the period of the lease on a straight-line basis and therefore there is no corresponding lease liability. The effect of discounting the ground rates is immaterial and these have been expensed to profit or loss as incurred. As at the end of the reporting period, and unchanged from prior year, the Group had insignificant leasing arrangements. Therefore, the Group has taken the exemption under the standard, and these have been expensed to profit or loss as incurred. Lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. The movement in the right of use assets is presented in the note property, plant and equipment. Expenses relating to short-term leases are as disclosed in Note 8.



### 13. Investment in subsidiary

Unchanged from prior year, Zambian Breweries Distribution Company Limited is a wholly owned subsidiary of the Company. It was incorporated on 3 February 2022 in Zambia and is a registered transportation and storage company. Zambian Breweries Distribution Company Limited commenced its operations on 1 October 2022.

Share capital	Number of shares K'000	Value	Effective shareholding %
Authorised at K1 par value	22,576	22,576	100
Issued at K1 a value	22,576	22,576	100

The authorised share capital of the Company is 22 million ordinary shares at a par value of K1 each. The issued and fully paid-up share capital remained at 22 million ordinary shares at a par value of K1 each. Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

	Cash K'000	Non-cash K'000	Total K'000
Zambian Breweries Distribution Company Limited	15	22,561	22,576

During the year, there were no movements in the investment in subsidiary [2023 : K22.6 million].

The policy of the company is to value investment in subsidiaries at shareholding. In the opinion of the Directors, the value of the Company's interests in the subsidiary company is not less than the amounts at which they are stated in these financial statements.

## 14. Intangible assets

Group and Company	Goodwill	Computer software	Capital work in progress	Total
	K'000	K'000	K'000	K'000
<b>Year ended 31 December 2024</b>				
Opening net book value	17,061	2,941	-	20,002
Asset reclassification	-	-	-	-
Transfers/additions	-	113	-	113
Amortization charge	-	(1,213)	-	(1,213)
Closing net book value	17,061	1,841	-	18,902
<b>As at 31 December 2024</b>				
Cost	17,061	27,962	-	45,023
Accumulated amortisation	-	(26,121)	-	(26,121)
Closing net book value	17,061	1,841	-	18,902
<b>Year ended 31 December 2023</b>				
Opening net book value	17,061	5,256	19,475	41,792
Impairment	-	-	(19,475)	(19,475)
Transfers	-	-	-	-
Amortization charge	-	(2,315)	-	(2,315)
Closing net book value	17,061	2,941	-	20,002
<b>As at 31 December 2023</b>				
Cost	17,061	27,849	-	44,910
Accumulated amortisation	-	(24,908)	-	(24,908)
Closing net book value	17,061	2,941	-	20,002

The balance of the impairment charges on intangible assets (none of which were individually material) relate to specific assets where the projects were no longer progressed due to changes in production and development plans. As a result, the full carrying amount of these projects was impaired.

### i) Goodwill

As a result of the amalgamation of the subsidiaries of Zambian Breweries Plc in 2012, (Zambia Bottlers, Copperbelt Bottling and Northern Breweries) into one entity, the Directors had ceased monitoring the business on the basis of these units and did this on an entity level. Consequently, the total goodwill had been allocated to a single Cash Generating Unit (CGU), namely Zambian Breweries Plc. Goodwill is allocated to the Company's cash-generating units (CGUs) identified according to operating segment, being alcoholic beverages. The Directors monitor the business on the basis of the operating segments and have thus allocated the goodwill on that basis.

The recoverable amount of the CGU was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on the financial budgets approved by management covering a five-year period. Within the five-year period, revenue growth rates are based on past experience and expected future developments in the Company's CGUs. The weighted average growth rates used are consistent with the forecasts included in industry reports. Cash flows beyond the five-year period were valued using the estimated terminal growth rates stated below. The terminal growth rates did not exceed the long-term average growth rate for the business in which each CGU operates.

## 15. Inventories

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Raw materials	478,205	448,423	478,205	455,488
Work in progress	54,636	27,830	54,636	27,830
Finished goods	146,790	85,125	115,815	74,460
Goods in transit	7,782	19,864	7,363	2,159
General stores and consumables	228,756	154,162	228,756	157,799
Other	33,138	-	33,138	-
	949,307	735,404	917,913	717,736

Inventories recognised as an expense during the year ended 31 December 2024 amounted to K3 billion (2023: K2.12 billion).

Movements on the provision for impairment of inventories are as follows:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
At the start of the year	16,339	13,710	16,339	13,710
Movement	99	2,629	99	2,629
At the end of the year	16,438	16,339	16,438	16,339

## 16. Other current assets

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Prepayments	13,947	15,739	13,947	15,527
VAT receivable	76,959	57,732	19,370	57,732
	90,906	73,471	33,317	73,259

## 17. Trade and other receivables

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Trade receivables	221,221	177,235	-	507
Loss allowance (Note 4 (b))	(3,423)	(1,136)	-	(340)
	217,798	176,099	-	167
Amounts due from related parties (26(ii))	98,263	18,055	98,263	658,368
Loan receivable from related parties (Note 26(ii))	-	3,276	-	3,276
Other receivables	150,769	90,774	103,718	45,697
	466,830	288,204	201,981	707,508

Other receivables relate to income from sales of by products, advance payments, accrued income, withholding tax receivable and staff loans.



## 18. Cash at bank and in hand

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Cash at bank	394,065	301,562	348,683	233,202
Cash in hand	-	143	-	143
	394,065	301,705	348,683	233,345

### i) Reconciliation to cashflow statement

The above figures reconcile to the amount of cash shown in the statement of cash flows at the end of the financial year as follow:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Balances as above	394,065	301,705	348,683	233,345
Bank overdrafts (Note 23)	(2,168)	(142,875)	(2,168)	(142,875)
Balances as per cash equivalents	391,897	158,830	346,515	90,470

### ii) Classification as cash equivalents

Term deposits are presented as cash equivalents if they have a maturity of three months or less from the date of acquisition and are repayable with 24 hours' notice with no loss of interest.

### (ii) Restricted cash

During the year, the Group did not have any restricted cash [2023: Nil]

## 19. Share capital and share premium

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<b>Share capital</b>				
Ordinary shares - paid up	5,460	5,460	5,460	5,460
Share premium				
Ordinary shares	450,207	450,207	450,207	450,207

The authorised share capital of the Company remained unchanged at 600 million ordinary shares at a par value of K0.01 each. The issued and fully paid-up share capital remained at 546 million ordinary shares at a par value of K0.01 each. Ordinary shares entitle the holder to participate in dividends, and to share in the proceeds of winding up the company in proportion to the number of and amounts paid on the shares held.

## 20. Dividends per share

During the year, there were no dividends declared by the Directors [2023: Nil].

## 21. Earnings per share

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2024	2023
Loss attributable to equity holders of the Group (K'000)	(672,676)	(535,601)
Weighted average number of ordinary shares in issue (K'000)	546,000	546,000
Basic and diluted earnings per share (in kwacha)	(1.23)	(0.98)

## 22. Deferred income tax

The balances have been measured using the substantively enacted rate of 30% for 2024 (2023; 30%). The movement on the deferred income tax account is as follows:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
At the start of the year	154,361	492,153	153,041	500,992
Credit to profit or loss	(257,715)	(337,792)	(256,615)	(347,951)
Balance at the year end	(103,354)	154,361	(103,574)	153,041

## 22. Deferred income tax (Continued)

Group	At the start of the year	Over provision	Profit or loss	At the end of the year
	K'000	K'000	K'000	K'000
<b>Year ended 31 December 2024</b>				
<i>Deferred income tax liabilities:</i>				
Property, plant and equipment	613,909	7,407	(28,925)	592,391
ZDA profit - IFRIC 23 tax exposure	173,276	-	-	173,276
<i>Deferred income tax assets:</i>				
Tax losses carried forward	(340,471)	4,226	(131,898)	(468,143)
General provisions	(10,171)	(200)	1,236	(9,135)
Unrealised foreign exchange losses	(131,303)	-	5,394	(125,909)
Non deductible interest	(150,879)	1,812	(116,767)	(265,834)
Net deferred income tax liability	154,361	13,245	(270,960)	(103,354)
<b>Year ended 31 December 2023</b>				
<i>Deferred income tax liabilities:</i>				
Property, plant and equipment	606,393	(2,961)	10,477	613,909
ZDA profit - IFRIC 23 tax exposure	173,276	-	-	173,276
<i>Deferred income tax assets:</i>				
Tax losses carried forward	(211,613)	(15,796)	(113,062)	(340,471)
General provisions	(8,083)	(1,006)	(1,082)	(10,171)
Unrealised foreign exchange losses	(60,820)	(1,815)	(68,668)	(131,303)
Non deductible interest	(7,000)	(12,263)	(131,616)	(150,879)
Net deferred income tax liability	492,153	(33,841)	(303,951)	154,361
<b>Company</b>				
	At the start of the year	Over provision	Profit or loss	At the end of the year
	K'000	K'000	K'000	K'000
<b>Year ended 31 December 2024</b>				
<i>Deferred income tax liabilities:</i>				
Property, plant and equipment	611,482	7,554	(28,843)	590,193
ZDA profit - IFRIC 23 tax exposure	173,276	-	-	173,276
<i>Deferred income tax assets:</i>				
Tax losses carried forward	(340,471)	4,226	(132,616)	(468,861)
General provisions	(9,064)	-	2,934	(6,130)
Unrealised foreign exchange losses	(131,303)	-	5,394	(125,909)
Non deductible interest	(150,879)	1,812	(117,075)	(266,142)
Net deferred income tax liability	153,041	13,592	(270,207)	(103,574)
<b>Year ended 31 December 2023</b>				
<i>Deferred income tax liabilities:</i>				
Property, plant and equipment	611,677	(10,732)	10,537	611,482
ZDA profit - IFRIC 23 tax exposure	173,276	-	-	173,276
<i>Deferred income tax assets:</i>				
Tax losses carried forward	(211,613)	(15,796)	(113,062)	(340,471)
General provisions	(4,528)	(1,006)	(3,530)	(9,064)
Unrealised foreign exchange losses	(60,820)	(1,815)	(68,668)	(131,303)
Non deductible interest	(7,000)	(12,263)	(131,616)	(150,879)
Net deferred income tax liability	500,992	(41,612)	(306,339)	153,041



## 22. Borrowings

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<i>Bank loans:</i>				
Stanbic Bank loan	1,152,000	1,032,000	1,152,000	1,032,000
First National Bank loan	400,000	400,000	400,000	400,000
Standard Chartered Bank Zambia loan	400,000	160,500	400,000	160,500
ABSA Plc loan	-	300,000	-	300,000
	1,952,000	1,892,500	1,952,000	1,892,500
<i>Bank overdrafts:</i>				
Access Bank	-	3,062	-	3,062
Zambia National Commercial Bank	2,168	99,997	2,168	99,997
ABSA Plc loan	-	39,816	-	39,816
	2,168	142,875	2,168	142,875
<b>Total Borrowings</b>	<b>1,954,168</b>	<b>2,035,375</b>	<b>1,954,168</b>	<b>2,035,375</b>

### *Stanbic Bank loan*

The Kwacha denominated short-medium term loan facility was increased to K1,152 million [2023: K1,032 million] during the year for the purpose of working capital requirements. The interest is charged at a rate determined by the prevailing Bank of Zambia Policy Rate 14% [2023: 11%] plus a margin of 2.9% [2023: 5.5%]. The loan is unsecured and is repayable in June 2025. As at period end, the effective interest rate was 16.9% [2023: 16.5%].

### *First National Bank (FNB) loan*

The Kwacha denominated short-medium term loan facility was maintained at K400 million [2023: K400 million] during the year for the purpose of working capital requirements. The interest is charged at a rate determined by the prevailing Bank of Zambia Policy Rate 14.5% [2023: 11%] plus a margin of 4.5% [2023: 6%]. The loan is unsecured and is repayable in October 2025. As at period end, the effective interest rate was 18.5% [2023: 17%].

### *Standard Chartered Bank Zambia Limited loan*

This is a K400 million unsecured short-medium term loan facility obtained during the year for the purpose of working capital requirements. The interest is charged at a rate determined by the prevailing Bank of Zambia Policy Rate 14.5% [2023: 11%] plus a margin of 3% [2023: 5.5%]. The loan is unsecured and is repayable in December 2025. As at period end, the effective interest rate was 17.5% [2023: 16.5%].

### *Bank-overdrafts*

The bank overdraft facilities are held with Seven [2023 : Three] banks namely, Zambia National Commercial Bank, ABSA Bank Plc, Citibank Zambia, FNB Zambia, Stanbic Bank Zambia, Stanchart Zambia and UBA Bank Zambia.

The bank overdraft facilities are all unsecured. Interest on the bank overdrafts are payable at the prevailing Bank of Zambia (BoZ) Monetary Policy Rate plus a liquidity premium and a margin ranging from 9% to 11%.

The effective interest rate during the period averaged 19.57% [2023: 16.3%]

### *Loan covenants*

As at the reporting period, and unchanged from prior year, there were no financial covenants under the terms of the borrowing facilities.

## 24. Trade and other payables

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Trade payables	359,209	210,860	179,201	171,022
Amounts due to related parties (Note 26(ii))	3,110,768	1,611,236	3,519,451	2,913,927
Statutory liabilities	260,417	49,763	192,906	11,058
Dividend payable	53,974	54,259	53,974	54,259
Security deposits from customers on containers	305,416	231,557	305,416	223,564
Other payables	738,282	927,795	771,842	280,808
	4,828,066	3,085,470	5,022,790	3,654,638

Trade payables are unsecured and are usually paid between 30 to 120 days of recognition. Other payables include, but are not limited to leave pay, payroll related expenses, security deposits.

## 25. Cash generated from operations

### i) Cash generated from operations

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Loss before income tax	(790,986)	(795,441)	(1,251,266)	(1,021,301)
Adjustments for:				
Loss on sale of property, plant and equipment (Note 7)	8,358	2,172	8,107	2,157
Interest income (Note 9)	(308)	(32)	(308)	(32)
Interest expense on bank loans and overdraft (Note 9)	415,140	354,085	415,140	354,073
Depreciation on property, plant and equipment (Note 12)	529,460	443,277	523,360	437,073
Impairment of intangible assets (Note 14)	-	19,475	-	19,475
Amortization of intangible assets (Note 14)	1,213	2,315	1,213	2,315
Changes in working capital:				
- Other current assets	(17,435)	42,984	39,942	23,143
-Trade and other receivables	(178,626)	(51,085)	505,528	(380,427)
-Inventories	(213,903)	187,243	(200,177)	82,961
-Trade and other payables	1,742,596	1,308,878	1,368,150	1,960,512
Cash generated from operations	1,495,509	1,513,871	1,409,689	1,479,949

## 25. Cash generated from operations (Continued)

### ii) Net debt reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods presented.

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Cash and cash equivalents (Note 18)	394,065	301,705	348,683	233,345
Bank loans (Note 23)	(1,952,000)	(1,892,500)	(1,952,000)	(1,892,500)
Bank overdrafts (Note 23)	(2,168)	(142,875)	(2,168)	(142,875)
Net debt	(1,560,103)	(1,733,670)	(1,605,485)	(1,802,030)

Group	Bank loans K'000	Cash/(bank overdraft) K'000	Total K'000
<b>2023</b>			
At the start of the year	(905,000)	(34,421)	(939,421)
Financing cashflows	(1,892,500)	191,110	(1,701,390)
Interest charged	(210,792)	(135,457)	(346,249)
Principal repayments	905,000	-	905,000
Interest paid	210,792	135,457	346,249
Foreign exchange differences	-	2,141	2,141
At the end of the year	(1,892,500)	158,830	(1,733,670)
<b>2024</b>			
At the start of the year	(1,892,500)	158,830	(1,733,670)
Financing cashflows	(1,952,000)	233,067	(1,718,933)
Interest charged	(306,332)	(108,808)	(415,140)
Principal repayments	1,892,500	-	1,892,500
Interest paid	306,332	108,808	415,140
Foreign exchange differences	-	-	-
At the end of the year	(1,952,000)	391,897	(1,560,103)



## 25. Cash generated from operations (Continued)

### ii) Net debt reconciliation (Continued)

Company	Bank loans K'000	Cash/(bank overdraft) K'000	Total K'000
<b>2023</b>			
At the start of the year	(905,000)	(86,848)	(991,848)
Financing cashflows	(1,892,500)	175,160	(1,717,340)
Interest charged	(210,792)	(135,457)	(346,249)
Principal repayments	905,000	-	905,000
Interest paid	210,792	135,457	346,249
Foreign exchange differences	-	2,158	2,158
At the end of the year	(1,892,500)	90,470	(1,802,030)
<b>2024</b>			
At the start of the year	(1,892,500)	90,470	(1,802,030)
Financing cashflows	(1,952,000)	256,045	(1,695,955)
Interest charged	(306,332)	(108,808)	(415,140)
Principal repayments	1,892,500	-	1,892,500
Interest paid	306,332	108,808	415,140
Foreign exchange differences	-	-	-
At the end of the year	(1,952,000)	346,515	(1,605,485)

## 26. Related party transactions

The Group's ultimate parent is AB InBev NV/SA while AB InBev Africa BV is the immediate parent company. The Group is related to various companies through its relationship with both the immediate and Ultimate parent:

### ***(i) Transactions with other related parties***

The following transactions occurred with related parties:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<i>Purchase of goods:</i>				
South African Breweries (PTY) - Fellow subsidiary	594,559	596,105	594,559	596,105
Mubex - Fellow subsidiary	1,184,788	1,443,449	1,184,788	1,443,449
Kgalagadi Beverages	84	1,257	84	1,257
Tanzania Breweries Plc	157	41,149	157	41,149
	1,779,588	2,081,960	1,779,588	2,081,960
<i>Purchase of management services:</i>				
AB InBev Africa (PTY) - Fellow subsidiary	295,478	-	129,991	-
AB InBev International Brands Ltd - Fellow subsidiary	226,831	69,468	226,831	69,468
	522,309	69,468	356,822	69,468
<i>Sales of goods:</i>				
Zambian Breweries Distribution Group	-	-	5,546,270	4,774,027
Mubex - Fellow subsidiary	-	-	-	-
	-	-	5,546,270	4,774,027
	2,301,897	2,151,428	7,682,680	6,925,455

## 26. Related party transactions (Continued)

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

### ii) Outstanding balances arising from sales/purchase of goods and services

	Group		Company	
	2024	2023	2024	2023
	K'000	K'000	K'000	K'000
<i>Receivables:</i>				
South African Breweries (Pty) Ltd- Fellow subsidiary	-	-	-	640,313
Zambian Breweries Distribution Group	-	847	-	847
Mubex - Fellow subsidiary	81,460	17,208	81,460	17,208
Heinrich Syndicate Limited	14,123	-	14,123	-
AB InBev UK Limited	1,484	-	1,484	-
AB InBev Africa	796	-	796	-
AB InBev Services (US0030)	26	-	26	-
AB InBev NV/SA	374	-	374	-
	98,263	18,055	98,263	658,368
<i>Payables</i>				
South African Breweries (PTY) - Fellow subsidiary	1,258,533	27,125	1,257,475	27,125
Mubex - Fellow subsidiary	1,294,419	-	1,293,615	-
Heinrich Syndicate Limited	164,169	159,662	164,169	159,662
AB InBev Africa (PTY) - Fellow subsidiary	3,093	41,606	1,045	41,606
Zambian Breweries Distribution Company	-	-	412,593	2,667,282
Cervejas De Mocambique	3,757	1,364,591	3,757	-
Kgalagadi Beverages	84	-	84	-
Tanzania Breweries Plc	157	-	157	-
AB InBev UK Limited	62	-	62	-
Anheuser Busch InBev Int Brand	182,412	18,252	182,412	18,252
Anheuser Busch InBev Mgmt Ltd	125,406	-	125,406	-
AB Worldwide Investment	10,131	-	10,131	-
AB InBev International GmbH	68,545	-	68,545	-
	3,110,768	1,611,236	3,519,451	2,913,927

The inter-company balances are interest-free, unsecured and payable on demand.



## 26. Related party transactions (Continued)

### iii) Loans to related parties

On 28 August 2020, the Company entered into a two-year facility agreement with an entity, Manja Pamodzi Foundation Limited (MPFL) related by common directorship. The Company made available to MPFL a revolving facility of K2.5 million. The facility had an interest rate of 5% per annum, is unsecured and payable on demand. The Group wrote off the balance of this loan.

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<b>Current portion</b>				
Loan receivable –				
Manja Pamodzi Foundation Limited	-	3,276	-	3,276

This section sets out an analysis of the movements in the loan receivable for each of the periods presented.

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
<b>At the start of the year</b>	-	2,798	-	2,798
Interest received	-	478	-	478
At the end of the year	-	3,276	-	3,276

### iv) Key management compensation

Key management includes Directors (Executive and Non-Executive) and members of senior management personnel as below:

- Country Director
- Country Lead People
- Corporate Affairs Director
- Country Finance Director
- Head of Marketing
- Plant manager Ndola and Lusaka
- Head of Solutions
- Head of Procurement
- Head of Logistics and Planning

The compensation paid or payable to key management for employee services is shown below:

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Salary and short-term emoluments	28,147	22,474	20,770	21,454
Retirement benefit cost – NAPSAs contributions	139	111	102	105
	28,286	22,585	20,872	21,559

## 26. Related party transactions (Continued)

### v) Directors' remuneration

	Group		Company	
	2024 K'000	2023 K'000	2024 K'000	2023 K'000
Non-executive Director fees	1,213	875	1,213	875
Executive Director salaries and short-term emoluments	8,830	10,000	8,830	10,000
Retirement benefit costs – NAPSA contributions	31	35	31	35
	10,074	10,910	10,074	10,910

## 27. Contingencies

The Company is party to various legal cases whose outcome is dependent on the conclusion of the Zambian judicial process. Management makes estimates for the outcomes of these cases based on professional advice. There are some cases where, based on professional advice received, the directors have not made any provision. The value of potential claims against the Company that would likely result in an unfavorable outcome as at 31 December 2024 is K13 million (2023: K10 million).

## Transfer pricing

Following the transfer pricing (TP) audit that was conducted on the Group by the Zambia Revenue Authority (ZRA) for the charge years 2014 to 2018, findings revealed a payable of K325 million communicated to the Group on 13 May 2023 on account of inconsistencies in the treatment of TP regulation and guidance. An amount of K131 million of total exposure relates to interest and penalties which have been assessed as out of scope of IAS 12 and IFRIC 23. Given that transfer pricing is not an 'exact science', management engaged Deloitte as tax specialists in ascertaining the TP tax exposure. Based on the expert's professional judgement of risk and experience, management has not recognised the provision.

At the end of each reporting period, management re-assess this position whenever new information is obtained from the tax authority. As at the reporting date, the objection was denied, the decision has been appealed to the Commissioner for review and reconsideration. We are currently awaiting the outcome of this stage and a provision has not been made.

## 28. Commitments

- i) There was no capital expenditure contracted for at the end of the reporting period not recognised as liabilities (2023: Nil).
- ii) Operating commitments during the year. There was no contractual obligation for future purchase of raw materials recognised as a liability (2023: Nil).

## 29. Climate change risk

The Group recognises Climate Risk as an Integrated Risk Type. Climate Risk is defined as the potential for financial loss and non-financial detriments arising from climate change and society's response to it. The Group aims to measure and manage financial and non-financial risks from climate change, and reduce emissions related to its own activities in alignment with the Paris Agreement. Climate change impacts almost all the sectors within the economy. However, the Group notes that there are certain sectors that are more vulnerable to climate risks under different Transition Risk and Physical Risk scenarios.

The Group plans to move quickly in developing identified methodologies and engage with its various stakeholders and integrate Climate Risk into its mainstream risk management activities and assessments. The Group will seek to adapt its approach as the impact from Climate Risk becomes clearer and the tools and methodologies to gather reliable data mature.

### **30. Comparatives**

Comparative figures and disclosures have been adjusted to conform to changes in presentation in the current period.

### **31. Events occurring after the reporting period**

As at the end of the financial period and date of this report, the Directors are not aware of any item, transaction, or event of a material and unusual nature likely, in the opinion of the Directors of the Group, to affect substantially the operations of the Group, the results of its operations or financial position of the Group in subsequent financial years.



# NOTICE OF THE 31<sup>ST</sup> ANNUAL GENERAL MEETING

**NOTICE IS HEREBY GIVEN that the 31st Annual General Meeting (AGM) of the members of Zambia Breweries PLC will be held virtually at <https://eagm.corpservzambia.com.zm/eagm/> and physically at the Twangale Park Conference Centre in Lusaka on 23rd May 2025, commencing at 09.00 hours for the purpose of transacting the following business:**

1. To consider and adopt the minutes of the 30th Annual General Meeting (AGM) on 3<sup>rd</sup> May 2024.
2. To receive and adopt the Annual Report of Zambia Breweries PLC for the year ended 31<sup>st</sup> December 2024.
3. To adopt the recommendation of the Board of Directors not to declare a final dividend for the year ended 31st December 2024.
4. To elect the Board of Directors in place of those retiring in accordance with the provisions of the Articles of Association of the Company.
5. To fix the remuneration of the Independent Non-Executive Directors.
6. To consider and adopt the recommendation for the appointment of the Auditor of the Company and authorise the Directors to set the Auditors remuneration.
7. To consider the proposal by the Board to amend of the articles to allow the issuance of notices by the Company to the Members to be made by electronically.

A member entitled to attend and vote at the meeting is entitled to appoint any person (whether a member of the Company or not) to attend and, on a poll, to vote in his/her stead. Proxy forms are obtainable from the Company Secretary and must be lodged at the Registered Office of the Company before the commencement of the meeting.

## **DISTRIBUTION OF ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

The Annual Report and Audited Financial Statements for the year ended 31st December 2024 in respect of Zambia Breweries Plc will be distributed on 2nd May 2025 by the Transfer Secretaries/Agents whose contact details are as set out here below:

**Corpserve Transfer Agents Limited**  
6 Mwaleshi Road, Olympia Park, Lusaka, Zambia  
Telephone: +260 (211) 256969/70 or 295888  
Facsimile: +260 (211) 256975  
Email: [info@corpservzambia.com.zm](mailto:info@corpservzambia.com.zm)

The Company will also place the said Annual Report and Audited Financial Statements on the Lusaka Securities Exchange website on 2nd May 2025. The website address is **[www.luse.co.zm](http://www.luse.co.zm)**

By order of the Board



Mwamba J.M Chibesakunda  
Company Secretary  
Issued in Lusaka, Zambia on 2nd May 2025

# FORM OF PROXY:

I/We \_\_\_\_\_ (Name in block letters)

Being (a) holder(s) of \_\_\_\_\_ ordinary shares in Zambian Breweries Plc

("the Company"), hereby appoint \_\_\_\_\_ (Name of proxy)

of \_\_\_\_\_ (Address)

as my/our proxy to vote in my/our name(s) and on my/our behalf at the Annual General Meeting ("AGM") of the Company to be at Twangale Park Conference Centre in Lusaka on 23rd May 2025 at 09:00 hours and at any adjournment thereof.

Please indicate with an "X" in the appropriate box below, how the proxy should vote and then sign in the space provided below. If no specific direction as to voting is given, the proxy may vote or abstain at his or her discretion.

RESOLUTION	FOR	AGAINST	VOTE WITHHELD
<b>Resolution 1</b> - To consider and adopt the minutes of the 30th AGM held on 3rd May, 2024.			
<b>Resolution 2</b> - To receive and adopt the Annual Report of Zambian Breweries Plc for the year ended 31st December, 2024.			
<b>Resolution 3</b> - To adopt the recommendation of the Board of Directors not to declare a final dividend for the year ended 31st December, 2024.			
<b>Resolution 4</b> - To retire and re-elect the Board of Directors.			
<b>Resolution 5</b> - To fix the remuneration of the Independent Non-Executive Directors.			
<b>Resolution 6</b> - To consider and adopt the recommendation for the appointment of the Auditor of the Company and authorise the Directors to set their remuneration.			
<b>Resolution 7</b> - To consider the proposal by the Board to amend the articles to allow the issuance of notices by the Company to the Members to be made by electronic mail			

Signed at \_\_\_\_\_ this \_\_\_\_\_ day of \_\_\_\_\_ 2025

Signature \_\_\_\_\_

Name in block letters: \_\_\_\_\_

Initials and surnames of joint holders (if any) \_\_\_\_\_

#### **THE FOLLOWING PROVISIONS SHALL APPLY IN RELATION TO PROXIES:**

1. A shareholder of the Company may appoint any individual (including an individual who is not a shareholder of the Company) as a proxy to participate in, and speak and vote at, the Annual General Meeting of the Company. A shareholder may therefore insert the name of a proxy or the names of two alternative proxies of the member's choice in the space provided.
2. A proxy instrument must be in writing, dated and signed by the shareholder.
3. A proxy may delegate his/her authority to act on behalf of the shareholder to another person, subject to any restrictions set out in the instrument appointing the proxy.
4. A copy of the instrument appointing a proxy must be delivered to the Company, or to any other person on behalf of the Company, before the proxy exercises any rights of the shareholder at the Annual General Meeting.
5. Irrespective of the form of instrument used to appoint the proxy (i) the appointment is suspended at any time and to the extent that the shareholder chooses to act directly and in person in the exercise of any rights as a shareholder (ii) the appointment is revocable unless the proxy appointment expressly states otherwise and (iii) if the appointment is revocable, a shareholder may revoke the proxy appointment by cancelling it in writing or making a later inconsistent appointment of a proxy and delivering a copy of the revocation instrument to the proxy and the Company.
6. The proxy is entitled to exercise, or abstain from exercising, any voting right of the shareholder without direction except to the extent that the Articles of Association of the Company, or the instrument appointing the proxy, provide otherwise.
7. A shareholder's instructions to the proxy must be indicated by the insertion of an 'X' in the appropriate box provided.
8. Every member present in person or by proxy and entitled to vote shall, on a show of hands, have only one vote and upon a poll, every member shall have one vote for every ordinary share held.
9. Documentary evidence establishing the authority of the person signing this form of proxy in a representative capacity must be attached to this form of proxy unless previously recorded by the Company or waived by the Chairman of the Annual General Meeting.
10. To be effective, this proxy form must be properly completed and lodged at the registered office of the Company before the commencement of the Annual General Meeting.
11. A member entitled to attend and vote at the meeting is entitled to appoint any person (whether a member of the Company or not) to attend and, on a poll, to vote in his/her stead. Proxy forms are obtainable from the Company Secretary and must be lodged at the Registered Office of the Company before the commencement of the AGM.



# MINUTES OF THE 30th ANNUAL GENERAL MEETING OF MEMBERS HELD ON 3rd May 2024 AT 09.00 HOURS AT THE SOUTHERN SUN HOTEL



Monica Musonda - Board Chair and Independent Non-Executive Director  
 Thais Cavinatto - Country Director and Executive Board Member  
 Elisha Dhenanath - Non-Executive Director  
 Martin Bamukunde - PricewaterhouseCoopers

## SHAREHOLDERS

NAME	SHARES HELD	%
SILUTONGWE GEORGE	20,895	0.00
MWANZA YOTHAM JAILOS	7,678	0.00
MAKUKULA JONATHAN	6,300	0.00
RODRICK MIKE CHOMBA	6,300	0.00
DAVID SIMIYANO PHIRI	5,000	0.00
NKHOMA MATTHEWS	4,474	0.00
CHIMUTWI PAMELA	4,000	0.00
LIZU ISAAC CHINYAMA	3,000	0.00
MOONGA SOPHIA	3,000	0.00
NKOLOMA HOPE CHILESHE	2,800	0.00
GEORGE ADA BARBARA ANNE	2,800	0.00
KAMBOLE KENNETH	2,250	0.00
MPEMPULWA BESWELL MATHEW	2,175	0.00
CHIPANGO SOMBO	2,100	0.00
MALWA FRIDAY	2,100	0.00
KALONDE KATONGO	2,100	0.00
LUNGU KENNY MAPILI	1,708	0.00
VWALIKAH JUDITH MUNTHABANI	1,500	0.00
MS EMELLY LWIPA CHIPASHA	1,500	0.00
NAKAMBA IZUKANJI ESTHER	1,500	0.00
MATHEW KASONKOLA HARA	1,500	0.00
CHRISTINE CHIWALA BANDA	1,400	0.00
MBANGWETA MWENDABAI	1,400	0.00
THERESA PHIRI	1,026	0.00
LWEENDO DAVIE JAAMA	1,000	0.00
MWALE WATSON	1,000	0.00
DERICK KABASO MULENGA	1,000	0.00
KAMPENGELE DEXTER	853	0.00
SIKALUNDU DANIEL	743	0.00
MUTANGA NASILELE	700	0.00
BESSIE C KALUNGA	500	0.00
MWAMBA KONSOLO	500	0.00
LWEENDO BELINDA MOOLA MUTANGA	500	0.00
KONSOLO KALUMBA R.	500	0.00
PHIRI RASHID	500	0.00
TENSON MBALE	500	0.00
MUYUNDA SUNDANO	266	0.00
MWANZA ABRAHAM	233	0.00
CHRISTINE ZULIANA CHIFITA	200	0.00
KAFULA FRED ITF KAFULA FRED JR	39	0.00
KAFULA M FRED ITF KAFULA E M	39	0.00
WILLIAM BORNFACE SHONGA	36	0.00
MARTIN KALATA	10	0.00
CHIBIYA KENNEDY KALOMBWANA	3	0.00
MUSIMPA SICHILIMA	1	0.00
<b>TOTAL</b>	<b>97,013</b>	<b>0.02</b>

# PROXIES

NAME	PROXY	SHARES HELD	%
AB INBEV AFRICA BV	THAIS CAVINATTO	475,732,350	87.13
SATURNIA REGNA PENSION FUND	NASILELE NG'UMBI	14,926,660	2.73
STANBIC NOMINEES ZAMBIA LIMITED-459847	MINTU CHITEBE	5,776,212	1.06
KCM PENSION TRUST SCHEME	NASILELE NG'UMBI	4,872,870	0.89
ZAMBIA SUGAR PENSION TRUST -SCHEME	NASILELE NG'UMBI	2,284,327	0.42
STANBIC NOMINEES ZAMBIA LIMITED-429830	MINTU CHITEBE	2,148,121	0.39
STANBIC BANK PENSION TRUST FUND	NASILELE NG'UMBI	1,853,932	0.34
ABSA BANK ZAMBIA PLC STAFF PENSION FUND	NASILELE NG'UMBI	1,587,045	0.29
ZANACO PLC DC PENSION SCHEME	NASILELE NG'UMBI	1,227,272	0.22
STANDARD CHARTERED BANK PENSION TRUST FUND	NASILELE NG'UMBI	1,218,640	0.22
CEC PENSION TRUST SCHEME	NASILELE NG'UMBI	1,205,508	0.22
CHILANGA CEMENT PENSION TRUST SCHEME	NASILELE NG'UMBI	780,816	0.14
AIRTEL ZAMBIA STAFF PENSION FUND	NASILELE NG'UMBI	746,876	0.14
ZAMBIAN BREWERIES PLC PENSION TRUST SCHEME	NASILELE NG'UMBI	630,293	0.12
LUBAMBE COPPER MINES PENSION TRUST SCHEME	NASILELE NG'UMBI	581,611	0.11
BUYANTANSHI PENSION TRUST FUND	NASILELE NG'UMBI	507,378	0.09
SANDVIK MINING PENSION TRUST SCHEME	NASILELE NG'UMBI	465,096	0.09
ZRA PENSION TRUST SCHEME	NASILELE NG'UMBI	347,384	0.06
KONKOLA MINERAL RESOURCES PTS	NASILELE NG'UMBI	227,200	0.04
WORKCOM PENSION TRUST SCHEME	NASILELE NG'UMBI	222,242	0.04
GOLDEN SUNSET PENSION FUND	NASILELE NG'UMBI	212,050	0.04
MINOR HOTELS ZAMBIA PENSION TRUST SCHEME	NASILELE NG'UMBI	188,163	0.03
SCZ INTERNATIONAL LTD PENSION TRUST	NASILELE NG'UMBI	136,275	0.02
STANBIC BANK ZAMBIA NOMINEES	MINTU CHITEBE	92,267	0.02
DELOITTE AND TOUCHE PENSION TRUST SCHEME	NASILELE NG'UMBI	83,210	0.02
STANBIC BANK ZAMBIA NOMINEES	MINTU CHITEBE	62,677	0.01
ECOBANK ZAMBIA LIMITED PENSION TRUST SCHEME	NASILELE NG'UMBI	62,340	0.01
NATIONAL BREWERIES PENSION TRUST SCHEME	NASILELE NG'UMBI	62,053	0.01
GAME STORES PENSION TRUST SCHEME	NASILELE NG'UMBI	48,788	0.01
HEALTH SECTOR GRANT AIDED INSTITUTIONS PENSION SCHEME	NASILELE NG'UMBI	45,074	0.01
ACCESS BANK ZAMBIA LIMITED PENSION SCHEME	NASILELE NG'UMBI	37,637	0.01
THE DANNY MEYER FAMILY TRUST	MONICA MUSONDA	33,852	0.01
PSPF STAFF PENSION SCHEME	NASILELE NG'UMBI	27,785	0.01
ZAMRA PENSION TRUST SCHEME	NASILELE NG'UMBI	15,493	0.00
STANBIC BANK ZAMBIA NOMINEES LTD	MINTU CHITEBE	6,800	0.00
ZRL PENSION TRUST SCHEME	NASILELE NG'UMBI	4,500	0.00
SANLAM LIFE INSURANCE (Z) LTD	NASILELE NG'UMBI	3,433	0.00
OCTAGON UMBRELLA TRUST FUND	NASILELE NG'UMBI	2,538	0.00
NZIMA IDAH	CHOMBA JUDY KABAMBA	1,350	0.00
STANBIC NOMINEES LTD	MINTU CHITEBE	431	0.00
		<b>518,468,549.00</b>	<b>94.96</b>

# ATTENDEES – NON-SHAREHOLDERS

NAME	SHARES HELD	%
SILUTONGWE GEORGE	20,895	0.00
MWANZA YOTHAM JAILOS	7,678	0.00
MAKUKULA JONATHAN	6,300	0.00
RODRICK MIKE CHOMBA	6,300	0.00
DAVID SIMIYANO PHIRI	5,000	0.00
NKHOMA MATTHEWS	4,474	0.00
CHIMUTWI PAMELA	4,000	0.00
LIZU ISAAC CHINYAMA	3,000	0.00
MOONGA SOPHIA	3,000	0.00
NKOLOMA HOPE CHILESHE	2,800	0.00
GEORGE ADA BARBARA ANNE	2,800	0.00
KAMBOLE KENNETH	2,250	0.00
MPEMPULWA BESWELL MATHEW	2,175	0.00
CHIPANGO SOMBO	2,100	0.00
MALWA FRIDAY	2,100	0.00
KALONDE KATONGO	2,100	0.00
LUNGU KENNY MAPILI	1,708	0.00
VWALIKAH JUDITH MUNTHABANI	1,500	0.00
MS EMELLY LWIPA CHIPASHA	1,500	0.00
NAKAMBA IZUKANJI ESTHER	1,500	0.00
MATHEW KASONKOLA HARA	1,500	0.00
CHRISTINE CHIWALA BANDA	1,400	0.00
MBANGWETA MWENDABAI	1,026	0.00
THERESA PHIRI	1,000	0.00
LWEENDO DAVIE JAAMA	1,000	0.00
MWALE WATSON	1,000	0.00
DERICK KABASO MULENGA	853	0.00
KAMPENGELE DEXTER	784	0.00
SIKALUNDU DANIEL	743	0.00
MUTANGA NASILELE	700	0.00
BESSIE C KALUNGA	500	0.00
MWAMBA KONSOLO	500	0.00
LWEENDO BELINDA MOOLA MUTANGA	500	0.00
KONSOLO KALUMBA R.	500	0.00
PHIRI RASHID	500	0.00
TENSON MBALE	500	0.00
MUYUNDA SUNDANO	266	0.00
MWANZA ABRAHAM	233	0.00
CHRISTINE ZULIANA CHIFITA	200	0.00
KAFULA FRED ITF KAFULA FRED JR	39	0.00
KAFULA M FRED ITF KAFULA E M	39	0.00
WILLIAM BORNFACE SHONGA	36	0.00
MARTIN KALATA	10	0.00
CHIBIYA KENNEDY KALOMBWANA	3	0.00
MUSIMPA SICHILIMA	1	0.00
<b>TOTAL</b>	<b>97,013</b>	<b>0.02</b>



**COMPANY SECRETARY** - Mwamba J.M Chibesakunda

**CALL TO ORDER**

The Chair reported that a quorum was present and called the meeting to order.

**APOLOGIES FOR ABSENCE**

The Secretariat received apologies for absence from Jito Kayumba - Non-Executive Board Member.

**AGENDA**

The Notice and Agenda for the meeting were adopted as presented.

**MINUTES OF THE PREVIOUS MEETING**

The minutes of the previous meeting were approved as an accurate record of the meeting of 31st March, 2023.

**MATTERS ARISING**

There were no matters arising from the previous meeting.

**THE ANNUAL REPORT**

The Annual Report for the year ended 31st December, 2023, which includes the audited Financial Statements and other statutory reports, having been circulated to members was approved, after the Executive Director, made a presentation on the performance of the Company during the year.

It was resolved that the Balance Sheet as at 31st December, 2023 and the Financial Statements for the year ended 31st December, 2023, together with the Reports of the Chairman, Directors and the Auditors, be approved and adopted as submitted.

**DIVIDENDS**

It was resolved that in accordance with the recommendation of the Board of Directors based on the financial position for the year ended 31st December, 2023, no final dividend be declared.

**DIRECTORS' FEES**

It was resolved that the remuneration of the Independent Non-Executive Directors be fixed as set out below:

Sitting Fees:

Chair: \$3,500 net per sitting fee

Other Independent Non-Executive Directors: \$2,300 net per sitting fee [inclusive of Committees]

**ELECTION OF DIRECTORS**

All the Directors retired at the Annual General Meeting. The following Directors offered themselves for re-election until the next Annual General Meeting.

It was resolved that the nominated Board members be re-elected and the composition of the Board be as set out below:

Monica Musonda – Chair

Jito Kayumba

Elisha Dhenanath

Thais Cavinatto

**AUDITOR'S REMUNERATION AND RE-APPOINTMENT**

It was resolved that Messrs Grant Thornton Zambia be appointed as Auditors of the Company until the conclusion of the next Annual General Meeting and that the Board of Directors be authorised to agree their fees.

**ANY OTHER BUSINESS**

There being no further business, the meeting was closed.



**CHAIRPERSON**



**SECRETARY**

**Dated this 3rd day of May, 2024**

# Corporate Information

## Principal shareholders

The ten largest shareholdings in the Company and the respective number of shares held at 31 December 2024 is as follows:

Rank	LuSE ID	Shareholder Name	Shareholding	%
1	229857	AB INBEV AFRICA BV	475,732,350	87.13
2	332119	SATURNIA REGNA PENSION FUND	14,926,660	2.73
3	409448	STANDARD CHARTERED ZAMBIA SECURITIES SERVICES NOMINEES LTD	6,401,821	1.17
4	459847	STANBIC NOMINEES ZAMBIA LIMITED-459847	5,776,212	1.06
5	332135	KCM PENSION TRUST SCHEME	4,872,870	0.89
6	377562	STANDARD CHARTERED ZAMBIA SECURITIES SERVICES NOMINEES LTD	4,143,295	0.76
7	475572	STANDARD CHARTERED ZAMBIA SECURITIES SERVICES NOMINEES LIMITED-032648000871	2,136,942	0.39
8	419265	ZAMBIA SUGAR PENSION TRUST -SCHEME	2,284,327	0.42
9	410055	STANDARD CHARTERED ZAMBIA SECURITIES SERVICES NOMINEES LIMITED	2,154,972	0.39
10	429830	STANBIC NOMINEES ZAMBIA LIMITED-429830	2,148,121	0.39
Shares Selected			520,577,570	95.34
Not Selected			25,429,230	4.66
<b>Issued Shared Capital</b>			<b>546,006,800</b>	<b>100.00</b>

## Distribution of shareholders

Range No.	Shareholding Range	Shares In the Range	%	Holders in the Range	%
1	1 - 1000	388,865	0.07	1,052	63.83
2	1001 - 5,000	896,931	0.16	411	24.94
3	5,001 - 10,000	512,097	0.09	71	4.31
4	10,001 - 100,000	2,170,594	0.40	71	4.31
5	100,001 - 1,000,000	9,502,240	1.74	25	1.52
6	>1,000,001	532,536,073	97.53	18	1.09
<b>TOTALS</b>		<b>546,006,800</b>	<b>100</b>	<b>1,648</b>	<b>100</b>

# Directorate and Corporate Information

## **DIRECTORS**

Monica Katebe Musonda\*  
Jito Kayumba\*  
Choolwe N. Lungu\*  
Elisha Dhenanath\*\*  
Thais Cavinatto\*\*\*

## **COMPANY SECRETARY**

Mwamba J.M Chibesakunda\*

## **REGISTERED OFFICE**

Plot No 6438  
Mungwi Road  
Heavy Industrial Area  
P O Box 35135  
Lusaka

## **BANKERS**

ABSA Bank Zambia Plc  
Citibank Zambia Limited  
Stanbic Bank Zambia Limited  
Standard Chartered Bank Plc  
Zambia National Commercial Bank  
Access Bank Zambia Limited  
FNB Zambia Limited  
UBA Bank Zambia

## **REGISTRARS**

Corpserve Transfer Agents Limited  
6 Mwaleshi Road  
Olympia Park  
Lusaka

## **LEGAL ADVISORS**

Tembo Ngulube & Associates  
Plot 34, Manda Hill Road  
P.O. Box 37060  
Lusaka

## **Grant Thornton**

Metropolitan House  
2nd Floor, West wing  
Off Kelvin Siwale Road  
Arcades Area  
P.O. Box 30885  
Lusaka, Zambia

**T** +260 (211) 227722-8

**C** +260 974 267988

**C**+260 957 599429

E gtlusaka.mailbox@zmgmt.com

\* Zambian \*\* South African \*\*\* Brazilian



## Notes

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## Notes

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Proudly part of  ABInBev

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Heavy Industrial Area,  
Lusaka, Zambia  
+260 962 249 200

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