

SECHABA BREWERY

HOLDINGS LIMITED



ANNUAL REPORT 2024



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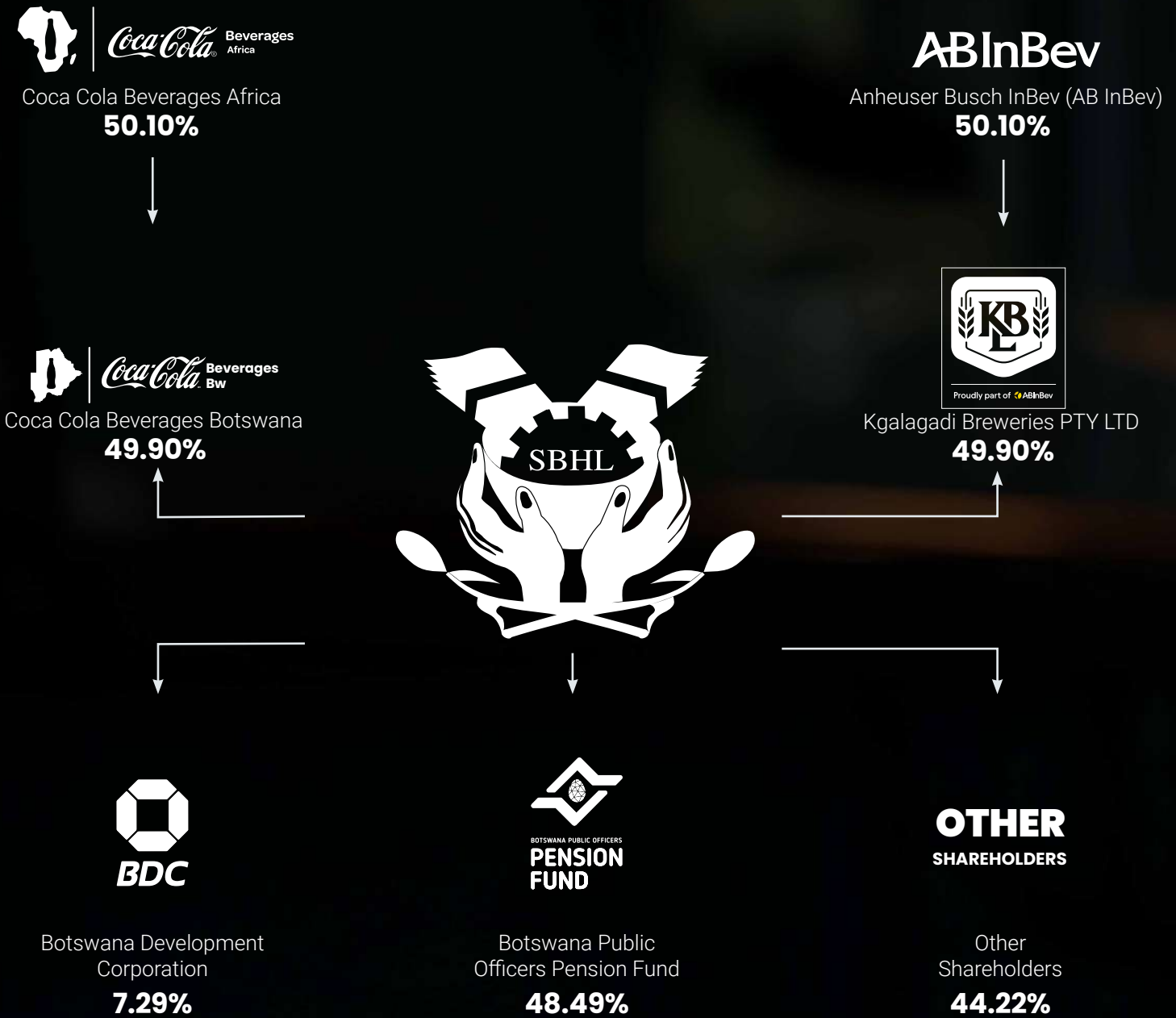


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SECHABA BREWERY HOLDINGS LIMITED (SBHL)

Ownership Structure



SECHABA BREWERY HOLDINGS LIMITED (SBHL) Company Profile

A LASTING LEGACY ABOUT SECHABA BREWERY HOLDINGS LTD

Opening Doors to a Sustainable Future

Sechaba Brewery Holdings Limited (SBHL), listed on the Botswana Stock Exchange, is an influential investment holding company committed to unlocking long-term value and shaping a sustainable future for Botswana’s beverage sector and its shareholders. Guided by a clear and focused operating model, SBHL invested in and provides strategic oversight to two leading associate companies:

- Kgalagadi Breweries Limited (KBL)
- Coca-Cola Beverages Botswana (CCBB)

Over the years, SBHL has opened pivotal doors that have strengthened Botswana’s capital markets and beverage industry. The holding company has :

- Enabled broad-based local participation in leading beverage assets.
- Championed the strategic evolution of the beverage sector, including the corporate restructuring that led to the formation of Coca-Cola Beverages Botswana (CCBB).
- Attracted and partnered with globally respected players AB InBev and Coca-Cola Beverages Africa – to bring international standards and innovation to Botswana.
- Provided a consistent platform for shareholder returns, built on transparency, profitability, and sound investment decisions.

Today, SBHL holds a 49.90% equity stake in both Kgalagadi Breweries Limited (KBL) and Coca-Cola Beverages Botswana (CCBB). These associate companies continue to be valuable contributors to the national economy and drivers of consumer value.

Our Strengths: The Foundation for the Future

SBHL continues to build from a position of strength, with:

- Associates that provide consistent returns to shareholders.
- Affiliates with strong brand equity, guided by a knowledgeable and committed Board.
- Recognition as a strong, high-performing stock on the Botswana Stock Exchange, backed by effective leadership.
- A robust balance sheet, reliable cash flows, and a positive corporate reputation.

- Strong governance structures, a capable management team, and deep understanding of the beverage sector.
- A simple and focused operating model that prioritizes efficiency and oversight.
- A clear mandate to extract dividends, ensure governance standards, and support strategic direction at both the associate and SBHL level.

Through these strengths, SBHL is not only stewarding existing value – it is continuously opening new doors to responsible growth, resilient performance, and a sustainable future for its stakeholders. The company remains positioned for sustainable value creation and prides itself in the ability to sustain and grow its contribution .

Values



**“OPENING DOORS IS EASY
— SUSTAINING WHAT LIES
BEYOND THEM TAKES INSIGHT,
OVERSIGHT, AND INTENTION”
— UNKNOWN**





**"UNLOCKING VALUE ISN'T ABOUT FORCE. IT'S ABOUT VISION,
PATIENCE, AND WALKING THROUGH DOORS ALIGNED WITH
PURPOSE."**

— UNKNOWN

COMPANY REPORTS

A structured overview of the key sections in the Annual Report, guiding readers through the company's strategic, financial, operational, and governance highlights for the year.



CHAIRMAN'S REPORT

On behalf of the Board of Directors, I am pleased to present this annual report for SBHL, marking a year of strategic resilience and forward momentum in a beverages landscape that is both evolving and energising.

Tabuya B. Tau
CHAIRMAN OF THE BOARD



Dear Shareholders and Stakeholders,

At SBHL, we continue to steer with clear purpose; preserving the value of our legacy investments while boldly venturing into emerging frontiers shaped by evolving consumer preferences, digital innovation, and sustainability imperatives.

In 2024, our journey unfolded against a backdrop of global shifts, rising health consciousness, the acceleration of digital platforms, and an intensifying call for climate responsibility. Amidst these currents, SBHL remained firmly anchored in its core strengths, while boldly exploring new growth opportunities and laying the foundation for a future that is as vibrant and forward-looking as the brands we champion.

Financial Performance

The Board of Directors considered the audited financial results for the year ended 31 December 2024. SBHL delivered a solid performance, with both revenue and profit after tax increasing by 12%. Other key highlights include:

- Revenue growth of 12%
- Profit after tax growth of 12%
- A dividend declaration of P339.71 thebe per share, inclusive of annual and special dividends

Further details are available in the financial review section of this report.

Governance and Board Effectiveness

We remain steadfast in our commitment to sound governance, which is fundamental to long-term value creation. In 2024, the Board:

- Convened five Board meetings
- Undertook a formal Board evaluation to ensure strategic alignment and performance
- Prioritized succession planning and diversity, in line with our Board matrix
- Oversaw management in navigating risk, regulatory compliance, and stakeholder relationships

Strong governance is the bedrock on which our resilience and agility are built.

The Door of Tomorrow

In a world where the future no longer waits for permission to arrive, we ask ourselves if the future landed today, would SBHL be ready?

We believe it is already here, quietly reshaping our industry through the rise of artificial intelligence, evolving consumer expectations, and the growing urgency for sustainability.

As a holding company with investments across the beverage value chain, we see artificial intelligence not just as a technological development, but as a strategic lever, transforming how value is created, experiences are personalized, and operations are streamlined.

At SBHL, we are moving beyond reactive investing to embrace future-fit foresight—anchored in intelligence, imagination, and agility.

Picture a door at the edge of now. On one side: a glass of traditional beer, steeped in heritage and craftsmanship. On the other: a Coca-Cola bottle, timeless in its design and symbolism. Both evoke more than refreshment; they stir memory, identity, and emotion. Yet between them, a door stands slightly ajar, inviting us into a new era. This is not just any door, it is the door of tomorrow, opening through the cracks of today.

At SBHL, we choose to walk through this door intentionally and courageously. We are not waiting for the future to happen to us. We are shaping it—step by step, investment by investment, hand in hand with our associates. Their creativity and commitment fuel our capacity to reimagine what beer and cola can be, not just as beverages, but as intelligent, personalized, and sustainable experiences.

As a Board, we are embracing this inflection point with clarity and boldness. From investing in smart packaging and data-driven customer journeys to exploring green technologies and next-generation beverage formats, SBHL is repositioning itself as a builder of tomorrow's beverage economy. We recognise that being a dividend conduit alone is no longer sufficient. To remain relevant, we must become enablers of transformation; championing innovation, nurturing creators, and building a future-ready ecosystem. That is our commitment to you, our shareholders: not to follow the future, but to set the table for it.



Appreciation

On behalf of the Board, I extend our heartfelt thanks to our shareholders for their continued trust and support. I also commend our executive team and employees for their dedication, resilience, and shared belief in our long-term vision.

We are grateful to our regulators, partners, and community stakeholders, whose contributions are essential to our ongoing success.

A special word of appreciation goes to the leadership and employees of our associate companies, Kgalagadi Breweries Limited (KBL) and Coca-Cola Beverages Botswana (CCBB). Their relentless pursuit of operational excellence and innovation continues to strengthen our ability to create sustainable value for customers and investors alike.

We also recognize and thank the customers across Botswana who continue to choose and trust the products offered by our associates. Their loyalty not only fuels growth but reaffirms the enduring strength of the brands we are proud to be invested in.

Together, we look forward with confidence, to another year of progress, value creation, and shared impact.



Tabuya B. Tau
Chairman of the Board

FINANCE AND AUDIT COMMITTEE REPORT

FOR THE YEAR ENDED 31 DECEMBER 2024

In line with governance obligations and SBHL's ongoing commitment to transparency, this report is presented on behalf of the Finance and Audit Committee (FAC). It provides assurance to the Board and stakeholders regarding the integrity of the company's financial reporting processes, internal control environment, and compliance framework. The audited financial statements for the year ended 31 December 2024, prepared in accordance with International Financial Reporting Standards (IFRSs), are also submitted as part of this report.

Ms. Boitumelo C. Paya

CHAIRMAN – FINANCE AND AUDIT COMMITTEE



As Chairman of the Finance and Audit Committee, I am pleased to introduce the Financial Report section of this Integrated Report. This past financial year has been marked by disciplined oversight, prudent financial stewardship, and the continued extraction of value from our associate investments – all within a dynamic operating environment.

Our role as the Finance and Audit Committee remains central to ensuring the integrity of Sechaba Brewery Holdings Limited's financial reporting processes, the soundness of its internal control environment, and compliance with relevant regulatory frameworks and governance principles. We have worked closely with both internal and external auditors to ensure that the company's financial disclosures are transparent, fair, and reflective of its performance.

We remain committed to maintaining strong financial discipline and accountability, supporting the company's long-term strategy of unlocking sustainable value through well-governed associate investments. I would like to thank my fellow Committee members, the Board, executive leadership, and our external assurance partners for their diligence and commitment throughout the year.

What follows is a detailed review of the financial performance of Sechaba Brewery Holdings Limited – underpinned by our continued focus on transparency, stability, and shareholder value creation.

Governance and Compliance Oversight

The Finance and Audit Committee remains central to the Board's oversight function, with responsibilities spanning financial reporting accuracy, risk management efficacy, ethical conduct, internal control robustness, and the independence of external audit.

Operating under the authority of the SBHL Board Charter and the Finance, Risk and Audit Committee Charter, the Committee is guided by a clear mandate, defined powers, and a structured operational framework. Alignment with regulatory and governance requirements including those set out by the Botswana Stock Exchange (BSE), Botswana Accountancy Oversight Authority (BAOA), the Companies Act (Cap 42:01), and the principles of the King III Code has been maintained throughout the year.

Throughout 2024, the Committee actively championed sound governance practices and regulatory compliance. Focus was also directed towards reinforcing a culture of ethical behaviour and institutional accountability. Comprising solely independent, non-executive directors with diverse and relevant expertise, the Committee convened five times during the year. Each session added value to the company's governance and financial control framework.

Financial Results Overview

SBHL delivered another year of strong financial performance in 2024, reporting a 12% increase in its share of results from associates compared to the prior year. This growth was underpinned by enhanced operational efficiencies and productivity across associate entities.

The results reflect the ongoing prioritisation of revenue optimisation, cost management, and process improvement all integral to enhancing long-term shareholder value.

External Audit Activities

The Committee maintained a constructive and independent working relationship with the external auditors, Ernst & Young (EY), during their third consecutive engagement with SBHL. The 2024 audit was conducted with full independence, rigour, and objectivity, covering a comprehensive review of the company's financial statements, internal controls, and compliance systems.



Key considerations affirming the Committee's satisfaction with the audit process included:

- Formal representations provided by EY on the 2024 financial results;
- Confirmation that no prohibited non-audit services or undue compensation were extended to the auditors;
- Assurance of auditor independence and adherence to all applicable ethical standards;
- Active oversight of the audit scope, engagement terms, and fee structure.

Further, the Committee evaluated EY's performance and reaffirmed confidence in their competence, professionalism, and impartiality.

Additionally, the Committee confirms the appropriateness of the accounting policies adopted, the integrity of financial reporting, and the adequacy of the company's internal financial controls. The finance function is well-resourced, with the requisite experience and technical proficiency to meet the demands of the business.

Looking Ahead

In 2025, the Committee will remain focused on strengthening SBHL's financial governance and control environment. Key areas of emphasis will include:

- Enhancing risk management frameworks and internal controls
- Reinforcing strong governance structures and oversight mechanisms
- Promoting a culture of ethical leadership and prudent decision-making
- Ensuring continued compliance with all applicable regulatory standards
- Advancing transparent, responsible, and accountable corporate conduct

Acknowledgements

The Finance and Audit Committee expresses appreciation to fellow committee members for their unwavering dedication and strategic insight throughout the year. Gratitude is also extended to the Board of Directors, executive management, and business partners for their collaborative engagement and commitment to excellence.

To SBHL's valued shareholders—your trust and continued support form the cornerstone of our purpose and accountability.

Together, the focus remains firmly on sound governance, responsible stewardship, and sustainable value creation in the year ahead.

Ms. Boitumelo C. Paya

Chairman – Finance and Audit Committee

MANAGING DIRECTOR'S MESSAGE TO SHAREHOLDERS

It is a privilege to report to you a period of strong performance and impressive momentum for Sechaba Brewery Holdings Limited (SBHL) and its Associates.

Faith A. M. Nteta
MANAGING DIRECTOR



Dear Shareholders,

This past year, our investments have demonstrated remarkable resilience and growth. Consumer confidence is consistently growing, volumes have strengthened, and the equity of our core beverage brands remains both deeply rooted and forward-facing. We are proud of these results but we are even more energized by what lies ahead.

Governance, Compliance & Risk Management: Strengthening Our Foundations

As SBHL opens the door to a future defined by innovation and agility, we remain grounded in the principles that uphold long-term value: sound governance, regulatory compliance, and robust risk management.

This year, we reinforced our governance structures to ensure clarity of accountability, sharper oversight, and responsiveness to the evolving risk landscape. The Board and its committees have continued to provide strong strategic guidance, while management has enhanced its reporting disciplines to ensure decisions are based on accurate, timely, and meaningful insights. Our compliance framework has also been reviewed and updated to reflect emerging regulatory expectations in both the beverage industry and investment space.

From financial reporting to environmental responsibility, we are fully aligned with local and regional standards, ensuring that our operations and those of our subsidiaries meet the highest levels of integrity and transparency. We are also embedding a risk-aware culture across SBHL

ensuring that every opportunity is evaluated not only for its return potential but also for its resilience. As we pursue growth and diversification, this risk-conscious approach ensures that we step into the future with both ambition and discipline. Our current performance gives us a solid foundation.

Our investments continue to perform well in the market and our results validate our belief in the enduring relevance of beverages but they also fuel our commitment to what's next. That next chapter involves seeking value-accretive opportunities because we recognize that the future won't be built by those who simply distribute dividends. It will be shaped by those who reinvest wisely, who co-create with their associates, and who are willing to lead where others hesitate. Our vision is not to be a passenger of change but its driver.

Appreciation

I extend my deepest gratitude to our shareholders, Board, and partners for the trust you place in us. As we push through this open door into a future full of promise, rest assured: SBHL is ready, steady, and resolutely forward-moving.

Faith A. M. Nteta
Managing Director



FINANCE ADMINISTRATOR'S REPORT

The 2024 financial year has been marked by solid operational performance and strategic initiatives that have supported Sechaba Brewery Holdings Limited's continued delivery of shareholder value. This report outlines our financial results, key drivers of growth, risk mitigation strategies, and outlook for the future.

Thandisa T. Sekga
FINANCE ADMINISTRATOR



Financial Performance Revenue and Profitability

SBHL recorded a 12% increase in profit after tax, reaching P272 million, up from P243 million in the previous year. This growth was largely attributed to the strong performance of our associate companies:

Coca-Cola Beverages Botswana (CCBB):

Net revenue increased by 12%

Kgalagadi Breweries Limited (KBL):

Net revenue increased by 14%

In terms of profit after tax, KBL achieved a 9% increase in comparison to prior year mainly driven by price, volume as well as product mix. CCBB had a 32% increase in profit after tax mainly due to increase in net sales revenue as driven by increased volumes.

In addition, the company's interest income increased by 36%, from P3.8 million in the prior year to P5.15 million, reflecting efficient cash management.

While administrative expenses rose by 21%, this was driven by strategic initiatives implemented to meet regulatory requirements and support long-term operational objectives. Despite the cost increase, SBHL maintained healthy profit margins through disciplined expenditure control.

Financial Position

The Statement of Financial Position shows a 16% decrease in total assets, primarily due to a reduction in investment in associates. This was a result of dividend distributions and strategic realignment.

Cash and cash equivalents declined by 39%, from P311 million to P189 million, largely due to higher dividend payouts during the financial year compared to the preceding period.

Cash Flow and Liquidity

SBHL continues to maintain a strong cash flow and liquidity position. Through prudent capital management, the Group ensured adequate resources were available to support operations, fund future growth, and return capital to shareholders. Our liquidity levels remain appropriate, with sufficient buffers to withstand potential market volatility.

Risk Management

Effective risk management remains integral to SBHL's governance and operational structure. In 2024, the company reinforced its risk framework to respond proactively to evolving market and regulatory dynamics.

A Risk Management Register is maintained and reviewed regularly to identify emerging risks and develop mitigation plans. Key areas of focus included:

- Regulatory compliance
- Market volatility
- Operational resilience

SBHL's governance structures ensure accountability and continuous improvement in risk oversight.

Dividend Declaration

Given the strong financial performance, the Board of Directors has proposed a total dividend of P339.71 thebe per share, comprising:

- An annual dividend of 205.73 thebe per share
- A special dividend of 133.98 thebe per share

This decision reflects the company's robust earnings, positive cash position, and commitment to shareholder returns. The company remains solvent and a going concern, with its financial statements prepared in line with International Financial Reporting Standards (IFRSs).

Outlook for 2025

SBHL remains cautiously optimistic about its future growth. Strategic priorities for the coming year include:

- Driving operational excellence
- Strengthening risk management frameworks
- Enhancing shareholder value
- Fostering sustainable and responsible growth

With a strong foundation in place, we are well-positioned to navigate uncertainty while capitalising on growth opportunities.

Appreciation

We thank our shareholders, associates, and stakeholders for their ongoing support and confidence in Sechaba Brewery Holdings Limited. We remain committed to transparency, performance excellence, and the creation of long-term value.



Thandisa T. Sekga
Finance Administrator







SECHABA BREWERY HOLDINGS LIMITED (SBHL)

BOARD OF DIRECTORS



Ms. Tabuya Tau is a seasoned and purpose-driven leader with over 20 years of experience in the financial services sector. She joined the Board in December 2019 as an independent non-executive director and has since served as Chairperson of the Finance and Audit Committee, before assuming the role of Chairperson of the Board.

Her career reflects a consistent commitment to ethical leadership, strategic clarity, and inclusive growth. She held several senior roles at First National Bank Botswana (FNBB) over a decade, including Deputy Chief Financial Officer, Senior Manager: Finance, and Treasury Accountant. She also served as Financial Manager at Letshego Holdings Limited, a listed micro-lender focused on financial inclusion.

Ms. Tau is a Fellow of the Association of Chartered Certified Accountants (ACCA) and the Botswana Institute of Chartered Accountants (BICA). She holds a Bachelor of Commerce degree from the University of the Witwatersrand and a Master of Business Administration from Henley Business School.

Currently serving as Managing Director of Hollard Life Botswana, Ms. Tau brings to the Board a strong blend of governance acumen, financial expertise, and a people-centered leadership philosophy. Her boardroom contributions are shaped by a deep sense of purpose and a belief in building resilient, future-ready institutions that create value for all stakeholders.



Ms. Boitumelo Paya was appointed to the Board on 1st March 2021 as an Independent Non-Executive Director and currently serves as Chairperson of the Audit Committee. She is a seasoned Business Executive and Board Director with over 25 years of experience in executive financial management across diverse sectors and geographies. Ms. Paya has a distinguished track record of enhancing business performance, improving operating margins, and driving sustainable cash flow. Her expertise lies in leading organizations through complex transformations, margin expansion initiatives, and strategic growth, consistently delivering strong commercial outcomes.

In her current role as Chief Financial Officer for Botswana Telecommunications Corporation Limited, she provides governance oversight of financial reporting processes and offers strategic advice on long-term financial and business planning.

Her core competencies include finance integration, business transformation, financial planning and analysis, audit and assurance, strategic decision support, investor relations, and Mergers & Acquisitions.

Throughout her career, Ms. Paya has held several senior leadership positions, including Finance Director, Kgalagadi Breweries (Pty) Limited Finance Director and Interim Country Director, Malawi Beverages Limited Finance Executive, SABMiller plc, United Kingdom. She is a Fellow of both the Association of Chartered Certified Accountants (ACCA) and the Botswana Institute of Chartered Accountants (BICA). She holds a Master of Business Administration (MBA) from the University of Derby and has completed a Management Development Programme at the Gordon Institute of Business Science (GIBS).

BOARD OF DIRECTORS (CONTINUED)



Mr. Jayaraman Ramesh joined the Board on 1 March 2021 as an independent non - executive director and also serves on the Board of Kgalagadi Breweries (Proprietaries) Limited, our Associate. He is the co-founder and the current non-executive Chairman of the Board of Botho University, Botswana's leading Private University with additional campuses in Lesotho, Eswatini, Namibia, Ghana, Botho Online & Distance Learning and its first African International school, Enko Botho, in Gaborone. Mr. Ramesh also serves on the Boards of Letshego Africa Holdings Limited and Engen Botswana Limited as an Independent non-executive director. He was the 1st Chairman of the Government Audit Committee set up by Government of Botswana and completed his 5-year tenure in June 2021. He was previously the non-executive Chairman, Managing Partner, and Partner at Grant Thornton Botswana

during his 36-year career at Grant Thornton that began in July 1984. During this period, he founded Grant Thornton's iconic Private Business Growth Award. He also has experience at Grant Thornton International initially as a Board member of Grant Thornton International and later as the Regional Leader for Africa from April 2010 to April 2020, strengthening the presence of Grant Thornton on the African continent. He graduated with a Bachelor of Commerce degree from the University of Madras, India, and then qualified as a Chartered Accountant. He is a Fellow Chartered Accountant of the Botswana Institute of Chartered Accountants and is a Past President of BICA. He is also an Alumnus of Oxford University's Said Business School where he completed the senior leadership programme, Organisational leadership, while at Grant Thornton International.



Mr. Meshack Tshekedi is currently the Chief Executive Officer for Botswana Oil Limited (BOL). He holds an MSc. in Engineering Management at Missouri Institute of Science & Technology (MIST) in the USA, a Bachelor of Science in Chemical Engineering and Economics (MIST). He also holds several qualifications in both engineering, supply chain and management. Mr Tshekedi has held senior leadership positions in various industries including Brewing and Beverage Production, Mining, Consultancy, Export & Investment Promotion and Brand Promotion fields.

He started his career at the Missouri Institute of Science & Technology in the USA when he worked for the Could & Aerosol Science, Engineering and Physics (CASEL), then joined Department of Water (lab) Affairs and the University of Botswana (Organic Chemistry). He joined Debswana Diamond Company as Junior Process Engineer in 2002 and was later engaged at Kgalagadi Breweries as Strategic Planning Manager and Cash & Carry Manager. In 2004, he joined X-pert Botswana (now Innolead) as a Consultant providing project management services to clients including Debswana Diamond Company, DTC and Geoflux. Mr Tshekedi returned to Kgalagadi Breweries and Botswana Breweries where he held various posts including National Supply Chain Manager and Group Supply Chain Director later part of 2004.

He became the General Manager for MRI Botswana in 2010, in this capacity he was accountable for formulation of strategic plans and monitor organisational performance. Mr Tshekedi was then appointed Group Supply Chain Director for SAB Miller Africa – Zambian Breweries Group PLC (Zambian Breweries, National Breweries & Hendricks Beverages) in 2013. Returning from Zambia, he joined Botswana Oil Limited as General Manager - Corporate Policy, Strategy & Business Planning the later part of 2014.

In 2015, he joined Botswana Investment & Trade Centre (BITC) as Chief Operations Officer and later Acting Chief Executive Officer (2016-2018) where he was responsible for promoting investment and trade in Botswana and promoting the National Brand. Mr Tshekedi rejoined Botswana Oil Limited in 2018 as General Manager, Supply and Manufacturing, where he was later appointed as the Acting Chief Operations Officer and ultimately appointed Chief Executive Officer in 2020. Mr Tshekedi served in numerous Boards of both private and public entities. He currently sits on the Sechaba Brewery Holdings Limited as a Board Member and a Member of the Renumerations Committee as well as at Coca Cola Beverages Botswana as non-Executive Director.

BOARD OF DIRECTORS (CONTINUED)



Mr. Modise B. Mokone joined the SBHL Board on the 12th February 2019 as a non-executive director. Mr. Mokone is a seasoned investment professional with over 18 years' experience in asset management, venture capital, private equity and development finance. Mr Mokone is currently the Chief Investment Officer at the Minerals Development Company Botswana (MDCB) where he is responsible for leading the company's investment strategy and overseeing the full investment life cycle of the MDCB towards the implementation of its mandate to grow and optimise its mining and minerals investment portfolio.

Mr Mokone previously served as an Investment Principal at the Botswana Development Corporation (BDC) and the Head of Structured Finance at the Citizen Entrepreneurial Development Agency (CEDA). Mr Mokone has held other senior positions at CEDA and Stanlib Investment Management Services (SIMS), now Vunani Fund Managers Botswana. Mr Mokone holds a Bachelor of Commerce (Banking, Finance and Risk Management), a Chartered Financial Analyst (CFA) – Level 1, concluded a Global Executive Development Programme with GIBS and is pursuing his Masters in Finance and Investment. Mr Mokone has significant corporate governance experience having sat on several boards during his career.



Ms. Faith Mabu Asnath Nteta joined SBHL on 1st July 2021 as a part time Managing Director and assumes full accountability to the board for all company operations. Her strategic prowess has enabled the implementation of comprehensive governance frameworks that ensure accountability, transparency, and effective decision-making across the organization. These structures have enhanced the company's ability to manage risks and maintain high standards of corporate governance. Ms. Nteta is a Principal Management Consultant and an experienced and solutions driven entrepreneur with experience in leadership training, business turnaround and performance improvement. She has previously worked at leadership levels for Air France Botswana, Botswana National Productivity Centre and thereafter founded Service Bridges Consulting where she plays the role of culture transformation partner for public, private and parastatal organisations. Her knowledge, expertise and experience in service excellence strategies have earned her a strong and impactful local, regional, international reputation and brand. She holds a Bachelor of Arts (BA) degree, a master's in business administration (MBA) degree.

She possesses abilities in accurately identifying business problems, formulating strategic plans, facilitating and initiating cultural change projects. Ms. Nteta helps to design strategies for implementing organisations new processes in challenging and diverse environments. She has extensive experience in corporate governance , Board Self Evaluation and leadership from both a training, facilitation and board membership perspective. She has held Directorship roles in private and parastatal organisations such as the National Development Bank, where she served as vice Chairman, Chairman of the Board Transformation Committee and member of the Board Human Resources Committee. Ms. Nteta also served on the Local Enterprise Authority (LEA) Board as Chairman of the Board. She currently serves on the First Mutual Reinsurance Board and chairs its Human Resource Committee. She also is the founder and Chairman of Japhala Youth Development Organisation commonly referred to as The House of Young. She is a gender activist and is involved in various advocacy programmes to champion the rights of women and girls as the founder of the Wave Women and Girls Network.

BOARD OF DIRECTORS (CONTINUED)



Ms. Gorata Dibotelo has a Bachelor of Laws Degree from the University of Botswana, a Master's in Commercial Law from the University of Cape Town and has also completed the Executive Development Programme at Stellenbosch University Business School. Gorata currently serves as Group General Counsel and Company Secretary at Letshego Africa Holdings Limited. Ms. Dibotelo also previously held the position of Head of Legal Services and Board Secretary at the Botswana Stock Exchange (BSE).

Before going to the BSE, Gorata worked for Armstrongs Attorneys as a Senior Associate. Her familiarity with the Botswana's legal system positions her positively as an experienced expert in legal, compliance, and regulatory environment. Ms. Dibotelo has keen interest in Environmental, Social, and Governance (ESG) compliance and reporting.



Ms. Lorato Morapedi is a transformational leader who has successfully led strategic transformative projects both in the public and private sector. She is an astute business leader with 21 years executive management experience with 12 years of these as Chief Executive Officer at the National Development Bank with a key focus on governance, environment and sustainability. Some of the organisations she worked for include the Absa Bank (then Barclays Bank of Botswana), Citizen Entrepreneurial Development Agency (CEDA) and Botswana Examinations Council. In addition to being a board member at Sechaba Breweries Holdings Ltd, she is also a non-executive director in the board and Audit Committee for Coca-Cola Beverages Botswana.

She has also served as a non-executive director in several institutions including Export Credit Insurance and Guarantee Company Botswana (BECI), ABM University College, Youth Alliance for Leadership & Development in Africa (YALDA), Local Enterprise Authority (LEA), Botswana Institute of Bankers, Botswana Agricultural Science Professionals Association and The Business Place. She holds a MSc in Economics from the University of Illinois, USA, a Bachelor of Arts (Economics & Accounting) from the University of Botswana and she is also an Alumni of the London Business School. In recognition of her excellent leadership and contribution to the corporate world she was recognised as one of the 2019 Reset Global People Top 100 women CEOs in Africa and Botswana Celebrated Women in 2021.





A modern conference room with a long, dark, polished table. Several black leather office chairs are arranged around the table. Large windows in the background offer a panoramic view of a city skyline with numerous skyscrapers under a clear blue sky. The text "Governance Report" is overlaid in white on the table.

Governance Report

Governance Report

BOARD AND MANAGEMENT EXPERIENCE, EXPERTISE, SKILLS AND COMPETENCIES

Strengthening Governance Through Targeted Oversight and Self-Reflection

The Board of Sechaba Brewery Holdings Limited (SBHL) is comprised of individuals with extensive experience, sectoral insight, and diverse professional backgrounds that are fundamental to driving the company’s long-term value creation agenda. The collective expertise spans investment management, finance, governance, legal and regulatory

compliance, strategy development, risk management, and the beverage industry – reflecting a deliberate approach to ensuring that the Board is equipped to govern with competence, depth, and foresight.

Statement of Compliance

Sechaba Brewery Holdings Limited (SBHL) and its associates are committed to observing the highest standards of pre-eminent practice in corporate governance. SBHL complied with the regulatory provisions as provided by the Botswana Stock Exchange (BSE), King III Corporate Governance, and Botswana Accountancy Oversight Authority (BAOA).



Board Structure

Board of Directors

- Membership is between Four and twelve members
- Independent/Non-Executive Directors majority
- One Executive Director

Finance and Audit Committee

- Three Independent/Non-Executive Directors
- One Executive Director

Nominations Committee

- Three Independent/Non-Executive Directors



Board of Directors



Governance Report

Members of the Finance and Audit Committee

Finance and Audit Committee

• Three Independent Non-Executive Directors



Nominations Committee

• Three Independent Non-Executive Directors



Governance Report

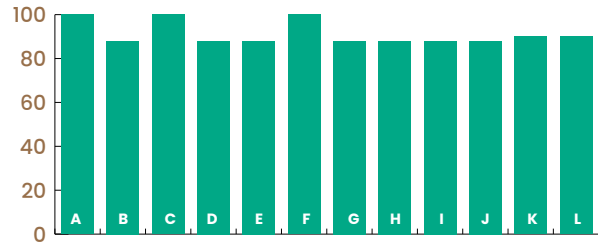
SBHL’s Board Skills and Competency Matrix is a core governance mechanism used to map, assess, and align the expertise of the Board with the strategic needs of the business. The matrix is regularly reviewed and serves as a diagnostic and planning tool, identifying both the strengths and potential gaps in the Board’s collective capabilities.

Key areas represented within the current matrix include:

- Strategic and commercial acumen
- Corporate governance and ethics
- Financial and investment expertise
- Legal and regulatory understanding
- Environmental, social, and governance (ESG) insight
- Industry-specific knowledge, particularly in the beverages and FMCG sectors
- Leadership and people development skills

The matrix informs Board composition decisions, succession planning, and continuous professional development. It also ensures that the Board remains responsive to emerging trends, regulatory shifts, and evolving shareholder expectations. The matrix is reinforced by the Board Training and Development Policy, which serves to expose directors to emerging governance practices, sectoral trends, regulatory updates, and sustainability issues. Through structured training, site visits, and stakeholder engagements, the policy ensures that Board members continuously enhance their ability to guide the company with foresight, agility, and accountability. This practice contributes to SBHL’s commitment to sound governance, shareholder confidence, and long-term value creation, underpinned by a Board that is both competent and continually evolving. The 2024 board skills, competencies and experience matrix is as follows:

Board and Management Experience, Expertise, Skills and Competencies



BOARD SKILLS AND EXPERIENCE MATRIX

| # | BOARD SKILLS AND EXPERIENCE | % |
|---|--|------|
| A | Board membership experience OTHER THAN SBHL | 100% |
| B | Board leadership experience OTHER THAN SBHL | 88% |
| C | Governance experience | 100% |
| D | Beverages Industry/sector experience | 88% |
| E | Financial/Accounting | 88% |
| F | Strategic planning | 100% |
| G | Investment and commercial expertise and experience | 88% |
| H | Capital Allocation | 88% |
| I | Enterprise leadership experience | 88% |
| J | Risk and controls management | 88% |
| K | Legal/regulatory knowledge /expertise | 90% |
| L | ESG Skills | 90% |



ANNUAL BOARD EVALUATION: REINFORCING ACCOUNTABILITY AND EFFECTIVENESS

Complementing the Skills Matrix is SBHL’s Annual Board and Committee Self-Evaluation Process, which serves as a reflective governance practice. Conducted either internally or with independent facilitation, the evaluation assesses:

- Board performance and dynamics
- Role clarity and contribution of individual members
- Oversight of strategy and risk
- Effectiveness of Board Committees
- Interactions with management
- Stakeholder responsiveness and ethical leadership

Feedback from the evaluation informs the governance improvement plan for the subsequent year and helps tailor capacity-building interventions where needed. It also reinforces individual and collective accountability while ensuring alignment with the principles of King IV and best practice.

Governance Report

Management Competence and Alignment

The management team, under the oversight of the Board, possesses strong execution capability, industry knowledge, and stakeholder management skills. Together with the Board, they ensure that strategic priorities are translated into results, while maintaining high standards of compliance, operational resilience, and financial discipline.

Delivering Effective Governance

Together, the Board Skills Matrix and Self-Evaluation Process create a closed-loop feedback system that ensures:

- Board composition remains fit for purpose
- Performance is continuously evaluated and improved
- Skills are refreshed and aligned with the company's growth ambitions
- Governance remains forward-looking, agile, and value-driven

This commitment to skills alignment, reflection, and development is integral to SBHL's continued ability to deliver oversight that is robust, ethical, and value-enhancing

Board Member Identification Policy

The Sechaba Brewery Holdings Ltd (SBHL) Board approved board member identification policy which outlines the open and merit-based hiring procedure for all board appointments at SBHL. Compliance, governance, and policy are the foundations of this merit-based appointment process. Guided by the SBHL Constitution, Board appointments are made based on competency and capability to perform in the position. The recruitment and selection process for Board members is of utmost importance. Appointments are made based on competency and capability to perform on the position. The aim is to get the best candidates and as a result considerably strengthen the governance of the organisation. SBHL is committed to having good governance, having the right mix of experience, skills and competences on the board of Directors.

SECTION ON POLICIES

In 2024, in addition to key governance and risk-related policies, the Board considered and approved several important governance frameworks to strengthen oversight and operational integrity. These include the:

- **Dealings Policy**, which promotes transparency and controls over share trading by insiders;
- **Information Technology Policy**, addressing cybersecurity, data governance, and digital risk;
- **Equity and Diversity Policy**, which affirms the Board's commitment to inclusive representation and decision-making; and
- **Policy on Non-Audit Services**, ensuring independence and objectivity of external assurance providers.

Together, these tools and policies reinforce SBHL's commitment to sound governance, ethical leadership, and sustainable long-term value creation.

Managing Director Recruitment, Appointment, Dismissal And Succession Planning Policy & Guidelines

SBHL considers the appointment, induction, dismissal and succession of the Managing Director to be one of the most important strategic decisions. Based on such understanding, the SBHL board approved a Recruitment, Appointment.

Dismissal and Succession

Planning Policy with the aim of ensuring that the organisation appoints eligible persons to lead the organisation using procedures for objective, timely and transparent appointments.

Matters Reserved for the Board

The Board has a schedule of matters reserved for its attention and these are dealt with at each meeting. These include, but are not limited to: the approval of budgets and profit forecasts; annual financial statements; and capital expenditure budgets. Management provides regular reports to the Board on the operating and financial performance of the Company and its Associates. The Board also reviews results and reports of Associates through the Finance and Audit Committee. The Board is also informed of changes in relevant laws and any new legislation that may affect the business.

Board Induction

An induction programme is in place to acquaint incoming Directors with their responsibilities. During this period the induction programme consisted of documentation provided to members on constitutional and other matters, and minutes of the previous meetings and familiarisation visits to KBL and CCBB production sites. A presentation is made on various policies such as the Risk Policy and Dividend Policy. Directors are also made aware of their fiduciary duties as per the Company's Act.

Retirement of Directors

New Directors are subject to election at the first annual general meeting following their appointment, and Directors are subject to retirement and re-election by shareholders every three years.

Nominations Committee

The purpose of the Committee is to provide an independent and objective body that will;

- Make recommendations on the remuneration policies and practices of the Executive Directors, senior management and the company in general.
- Make recommendations on the composition of the board and board committees and ensure that the board of Directors consists of individuals who are equipped to fulfil the role of Director of the company.

Equity and Diversity Policy

The Company has an Equity and Diversity Policy. The objective of this policy is to facilitate the promotion of diversity to foster an inclusive and equitable work environment where everyone is treated with dignity, respect, and fairness, regardless of their race, ethnicity, gender, sexual orientation, disability, religion, age, or any other characteristic protected by applicable laws. As a company, we strive to create a workplace that celebrates individual differences and encourages the contributions of the employees and directors.

Appointment of Auditors for Non-Audit Work Policy

The Company has an Appointment of Auditors for Non-Audit Work Policy. The Policy is designed to establish clear guidelines for engaging auditors in non-audit services. This policy ensures transparency, preserves auditor independence, and prevents any conflicts of interest as provided for in the International Ethics Standards Board for Accountants (IESBA) code of ethics, thereby maintaining the integrity and credibility of Sechaba Brewery Holdings Limited's financial reporting process.

All non-audit engagements must receive prior approval from the Audit Committee. The Committee will evaluate the scope of work, fee structure, and potential impact on auditor independence.

Finance and Audit Committee

The purpose of the Finance and Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing and making recommendations to the Board regarding;

- Strategic financial plans and the annual operating budgets.
- The integrity of the Financial Information, including audited financial statements, and recommendation for approval to the Board of Directors and the stakeholders
- Finance functions, Policies and Procedures.
- The Company's Internal Audit and External Audit functions by ensuring they are appropriately skilled and resourced for the complexity and volume of risk and assurance needs.
- The Company's Investment management activities.
- The integrity of the financial statements of the company and any announcements of the company's financial performance, reviewing significant financial reporting judgements contained in them reviewed and recommended for board, and shareholders' approval, quarterly, half-year, and annual financial statements.
- The Company compliance and risk management systems.
- The expertise and experience of the outsourced service provider engaged to provide the execution of the Financial Director functions.
- The election of the external auditor, their proposed remuneration and the terms of engagement, subject to final approval by the shareholders at the Annual

General Meeting (AGM).

- The external auditor's independence and objectivity and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements.
- Communication with external auditors at Finance and Audit Committee meetings on audit-related issues.
- The effectiveness of the system for monitoring compliance with laws and regulations.
- Associate companies work towards delivering zero harm to the health and safety of employees, the general public and the environment.

Composition and Independence

As at 31 December 2024, the board had eight directors, comprising seven independent non-executive directors and one executive director.

- Specify the structure and composition of board committees and roles within the organisation.
- Delineate the responsibilities and membership of the board committees.
- Define the roles of the chief executive officer, chief financial officer, and group executive committee.
- Focus on aspects such as delegation of authority, terms of reference and combined assurance.
- Underscore the ethical principles of transparency, integrity, growth and sustainability.

The year under review marks Ms. Tabuya Tau's third year of SBHL Board leadership. For this period SBHL Board was composed of eight board members. The majority of the board are independent non-executive members (seven non-executive and one executive member). The company's Board Charter stipulates that the number of directors should not be less than four but not more than twelve. This diverse composition ensures a balance of skills, experience, and perspectives necessary for effective governance. The roles of the Chairman and the Managing Director are separate, promoting a clear division of responsibilities and enhancing the Board's independence.

Roles and Responsibilities

Strategic Oversight: Setting the strategic direction and approving the company's strategic objectives and plans.

Risk Management: Overseeing the implementation of effective risk management frameworks to identify and mitigate risks.

Financial Performance: Monitoring the financial performance of the company and ensuring the integrity of financial reporting.

Compliance: Ensuring compliance with applicable laws, regulations, and corporate governance standards.

Stakeholder Engagement: Engaging with shareholders and other stakeholders to ensure their interests are considered in decision-making.

Shareholder Engagement

SBHL is committed to maintaining open and transparent communication with its shareholders. The Board ensures that shareholders are provided with timely and accurate information about the company's performance and strategic direction.

Annual General Meeting (AGM): The AGM provides an opportunity for shareholders to engage with the Board and management, ask questions, and vote on key resolutions.

Investor Relations: The company has a dedicated investor relations team that communicates with shareholders and analysts, providing updates on financial performance and strategic initiatives.

Reports and Publications: SBHL publishes its annual report, interim financial statements, and other relevant reports to keep shareholders informed.

Board performance and evaluation

The annual board evaluation process serves as a valuable opportunity to identify efficiencies, leverage strengths and identify areas for further development. This continuous improvement approach aims to enhance both the board member's performance individually as well as a group.

The board and its committees undertook a formal self-evaluation for 2024. Board members also evaluated the performance and effectiveness of the board committees. This evaluation process did not reveal any matters requiring remedial action. The board is satisfied that the evaluation process is improving its performance and effectiveness.

| | Name | Designation | Status | Appointment Date | Position Status |
|---|------------------------|-------------------|---------------|-------------------|-----------------|
| 1 | Ms. Tabuya B. Tau | Chairman | Non-Executive | 20 December 2019 | Active |
| 2 | Ms. Faith Mabu Nteta | Managing Director | Executive | 01 July 2021 | Active |
| 3 | Mr. Modise Mokone | Director | Non-Executive | 12 February 2019 | Active |
| 4 | Ms. Boitumelo C. Paya | Director | Non-Executive | 01 March 2021 | Active |
| 5 | Mr. Meshack Tshekeledi | Director | Non-Executive | 01 March 2021 | Active |
| 6 | Mr. Jayaraman Ramesh | Director | Non-Executive | 01 March 2021 | Active |
| 7 | Ms. Gorata T. Dibotelo | Director | Non-Executive | 01 July 2023 | Active |
| 8 | Ms. Lorato C. Morapedi | Director | Non-Executive | 15 September 2023 | Active |

Board Meetings Attendance Register

During the year under review, the Board of Directors met for all its scheduled meetings. The attendance register is indicated in the table below;

| Name | Date | | | | | | Overall |
|------------------------|-------------|-------------|-------------|-------------------|-------------|-------------|---------|
| | 22 Mar 2024 | 12 Apr 2024 | 28 Jun 2024 | 28 Jun 2024 (AGM) | 13 Sep 2024 | 10 Dec 2024 | |
| Ms. Tabuya B. Tau | √ | √ | √ | √ | √ | √ | 6/6 |
| Ms. Faith Mabu Nteta | √ | √ | √ | √ | √ | √ | 6/6 |
| Mr. Modise B. Mokone | √ | √ | x | √ | √ | √ | 5/6 |
| Ms. Boitumelo C. Paya | √ | √ | √ | √ | √ | √ | 6/6 |
| Mr. Meshack Tshekeledi | √ | √ | x | x | √ | √ | 4/6 |
| Mr. Jayaraman Ramesh | √ | √ | √ | √ | √ | √ | 6/6 |
| Ms. Gorata T. Dibotelo | √ | √ | √ | √ | √ | √ | 6/6 |
| Ms. Lorato C. Morapedi | √ | √ | √ | √ | √ | √ | 6/6 |

Finance and Audit Committee

| Name | Date | | | | | Overall |
|-----------------------|-------------|-------------|-------------|-------------|-------------|---------|
| | 14 Mar 2024 | 18 Mar 2024 | 21 Jun 2024 | 02 Sep 2024 | 27 Nov 2024 | |
| Ms. Boitumelo C. Paya | √ | √ | √ | √ | √ | 5/5 |
| Mr. Modise B. Mokone | √ | √ | √ | √ | √ | 5/5 |
| Mr. Jayaraman Ramesh | √ | √ | √ | √ | √ | 5/5 |
| Ms. Faith Mabu Nteta | √ | √ | √ | √ | √ | 5/5 |

Nominations Committee

| Name | Date | Overall |
|------------------------|--------------------|---------|
| | 06 Mar 2024 | |
| Ms. Tabuya B. Tau | √ | 1/1 |
| Mr. Meshack Tshekeledi | √ | 1/1 |
| Ms. Faith Mabu Nteta | √ | 1/1 |
| Ms. Gorata T. Dibotelo | √ | 1/1 |

Coca-Cola Beverages Botswana

| Name | Date | | | | | | Overall |
|------------------------|-------------|------------|-------------|-------------|-------------|-------------|---------|
| | 23 Feb 2024 | 1 Mar 2024 | 10 Apr 2024 | 25 Sep 2024 | 06 Nov 2024 | 21 Nov 2024 | |
| Ms. Boitumelo C. Paya | x | √ | √ | √ | √ | x | 4/6 |
| Mr. Meshack Tshekeledi | N/A | √ | N/A | √ | N/A | x | 2/3 |
| Ms. Lorato C. Morapedi | √ | √ | √ | √ | √ | √ | 6/6 |

Kgalagadi Breweries

| Name | Date | | | | | | | Overall |
|----------------------|-------------|-------------|-------------|-------------------|-------------|-------------|-------------|---------|
| | 20 Feb 2024 | 07 Mar 2024 | 25 Jun 2024 | 25 Jun 2024 (AGM) | 22 Aug 2024 | 03 Oct 2024 | 20 Nov 2024 | |
| Mr. Jayaraman Ramesh | x | √ | √ | √ | √ | √ | √ | 6/7 |
| Mr. Modise B. Mokone | √ | √ | √ | √ | √ | √ | √ | 7/7 |
| Ms. Gorata Dibotelo | √ | √ | √ | √ | √ | x | √ | 6/7 |

Directors Remuneration

The remuneration details for Board members, specifically in the form of sitting allowances, are outlined in the table below. It is important to note that executive directors do not receive sitting allowances as their remuneration is solely for their executive responsibilities and duties. The table includes the sitting allowances for both the Main Board and the Sub-committees for the year, covering both SBHL and its associate boards. The directors' fees for the financial year 2024 encompass both sitting allowances and retainer fees. This comprehensive approach to remuneration ensures that our non-executive directors are appropriately compensated for their ongoing commitment and the substantial expertise they bring to their governance roles. The company also pays associate directors sitting allowances.

Financial year ended 31 December 2024 Non Executive Directors' fees

| Name | Remuneration |
|------------------------|--------------|
| | P'000 |
| Ms. Tabuya B. Tau | 180 |
| Mr. Modise B. Mokone | 216 |
| Ms. Boitumelo C. Paya | 204 |
| Mr. Meshack Tshekedi | 124 |
| Ms. Jayaraman Ramesh | 220 |
| Ms. Gorata T. Dibotelo | 180 |
| Ms. Lorato C. Morapedi | 170 |

Financial year ended 31 December 2024 Executive Directors' fees

| Name | Remuneration |
|--------------------|--------------|
| | P'000 |
| Ms. Faith A. Nteta | 823 |

Financial year ended 31 December 2023 Non Executive Directors' fees

| Name | Remuneration |
|------------------------|--------------|
| | P'000 |
| Ms. Tabuya B. Tau | 193 |
| Mr. Modise B. Mokone | 226 |
| Ms. Boitumelo C. Paya | 202 |
| Mr. Meshack Tshekedi | 168 |
| Ms. Jayaraman Ramesh | 218 |
| Ms. Gorata T. Dibotelo | 108 |
| Ms. Lorato C. Morapedi | 62 |
| Mr. Oteng Keabetswe* | 40 |

*Oteng Keabetswe was a member of the CCB Board of Directors and CCB Finance up to November 2023.

Financial year ended 31 December 2023 Executive Directors' fees

| Name | Remuneration |
|--------------------|--------------|
| | P'000 |
| Ms. Faith A. Nteta | 449 |

Directors' Declaration of interests

Directors declared their interests at every meeting throughout the year.

Company Secretary

Grant Thornton was the Company Secretary for Sechaba Brewery Holdings Limited. The Company Secretary is responsible for ensuring Board compliance to all statutes, procedures, and regulations necessary for the business of the Company. The Company Secretary acted as secretary of the Board and its committees and attended all meetings during the year under review. The Company Secretary is also responsible for training and ensures continuous enhancement of skills and understanding of Sechaba Brewery Holdings Limited's business operations.

For the period under review the Board conducted the necessary checks and it is satisfied that the Company Secretary has the appropriate competence and experience to fulfill this role and that the relationship between the Board and the Company Secretary is an arm's length relationship.

In May 2025, the company changed its Company Secretarial services from Grant Thornton to Wise Leadership. The Board and management welcome Wise Leadership and extend appreciation to Grant Thornton Business Services (Proprietary) Limited for its valued service and support over the years.

Our Management Team

The financial year 2024 marked the second consecutive year under the capable leadership of Ms. Faith Asnath Mabu Nteta, who has skilfully navigated SBHL through a dynamic and challenging business environment. SBHL maintained a streamlined organizational structure, with Ms. Nteta serving as the Managing Director of the Company. Ms. Nteta is a distinguished entrepreneur and business leader, whose extensive experience has been a cornerstone of SBHL's strategic direction and operational success. She holds a Bachelor of Arts (BA) degree and a Master of Business Administration (MBA) qualifications that underpin her deep understanding of both theoretical and practical aspects of business management. Her expertise extends far beyond her academic achievements. Ms. Nteta possesses a profound wealth of experience in corporate governance and leadership, acquired through a diverse career encompassing training, facilitation, and board evaluation. Her holistic approach to leadership combines rigorous academic training with hands-on experience, ensuring that she brings a well-rounded perspective to her role at SBHL.

In addition to her formal qualifications, Ms. Nteta's practical experience in corporate governance and leadership has been instrumental

in shaping the company's strategic vision. She has a proven track record in facilitating training sessions and conducting board evaluations, which has significantly contributed to enhancing the overall effectiveness of SBHL's governance framework. Her leadership style, characterized by inclusivity and strategic foresight, has fostered a culture of accountability and innovation within the organization.

Under Ms. Nteta's stewardship, SBHL has not only navigated the complexities of the modern business landscape but has also positioned itself for sustained growth and long-term success. Her commitment to excellence and her strategic insights have been vital in steering the company towards achieving its business objectives while maintaining the highest standards of corporate governance.

The company appoints service providers on a consultancy basis. During this period, Ms. Thandisa Thulethu Sekga continued to serve as the Finance Administrator and Compliance Officer for the company, a role she has held since January 2022. Mrs. Sekga brings a wealth of experience to the position, with over two decades in both financial services and the public sector. Her extensive background includes significant roles such as Head of Finance at both the Citizen Entrepreneurial Development Agency (CEDA) and the National Development Bank (NDB). She is a Fellow Member of the Association of Chartered Certified Accountants (FCCA) and a Fellow Certified Professional Accountant (FCPA), registered with the Botswana Institute of Chartered Accountants (BICA). Her academic credentials include a Bachelor of Social Sciences (BASS) degree, with a double major in Accounting and Public Administration, showcasing her strong foundation in both financial management and organizational governance. Ms. Sekga is an alumnus of the University of Stellenbosch (USB), where she completed the Senior Management Development Programme (SMDP)

Managing Director Key Responsibilities

The MD's responsibilities include:

- Ensuring the organisation's operations and business are within the parameters set by the board from time to time and that the board is kept informed of material developments in the organisation's affairs, operations, and business
- Oversight and liaison activities with enabling structures (Associates, Auditors, BSE, Transactional Services, Secretarial services, Media, and Advertising Agencies)
- Ensuring compliance with governance and regulatory requirements
- Participating in appropriate business and professional associations, networks, and activities relevant to SBHL's interests
- Ensuring relationship building with external stakeholders
- Ensuring legal, ethical, and professional practices and boundaries consistent with SBHL's code of conduct/values are adhered to
- Identifying and managing operational and corporate risks for the organisation and, where those risks could have a material impact on the organisation
- Ensuring that the board is provided with sufficient accurate information on a timely basis in regard to the organisation, its operations, business and affairs, financial condition, operations, and prospects, to reasonably position the board to fulfil its governance responsibilities
- Representing the company in business negotiations with suppliers, service partners and government officials
- Ensuring that the company's policies comply with BSE, BAOA and legal regulations.
- Responsibility for engagements with Analysts & Media regarding SBHL operations and engagement with various Asset Managers

Financial Administrator Key Responsibilities

The Committee evaluated the performance of the finance function and affirms the suitability of the accounting policies applied, the integrity of the financial reporting process, and the adequacy of the company's internal financial controls. The finance function is well-resourced and possesses the necessary experience and technical expertise to effectively support the business's requirements.

The FA's responsibilities include:

- Acting as Compliance Officer for the Company
- Maintenance of the general ledger and preparation of management accounts and presentation to the Board and its committees
- Preparation of financial statements, coordination of external audit
- Liaison with stakeholders, shareholders and regulators
- Procurement of professional services
- In conjunction with the Corporate Secretary coordinate meetings of the Company
- To ensure that SBHL financial mechanisms and systems capture all relevant material information on a timely basis, are functioning effectively and are founded on a sound basis of prudential risk management.
- Ensuring financial activities are managed within agreed budgets and informing the board in a timely manner
- Ad-hoc financial transaction processing i.e. capturing of receipts and payments in the cash book
- Facilitation of budgeting process with the Board of directors



KING III COMPLIANCE

The following abridged checklist has been prepared in terms of King Report Governance (King III). The checklist outlines SBHL’s application of King III principles on the various areas of governance.

| Key | | | | |
|-----|-----------|---|---------------------|--------------------|
| ✓ | Compliant | P | Partially compliant | N/A Not applicable |

| | | 2024 |
|--|-----|--------|
| ETHICAL LEADERSHIP AND CORPORATE CITIZENSHIP | | |
| The board should provide effective leadership based on an ethical foundation | ✓ | |
| The board should ensure that the company's ethics are managed effectively | ✓ | |
| The board should ensure that the company is and is seen to be a responsible corporate citizen | ✓ | |
| BOARD AND DIRECTORS | | |
| The board should act as the focal point for, and custodian of corporate governance | ✓ | |
| The board should appreciate that the strategy, risk performance and sustainability are inseparable | ✓ | |
| The board should provide effective leadership based on an ethical foundation | ✓ | |
| The board should ensure that the company is and is seen to be a responsible corporate citizen | ✓ | |
| The board should ensure that the company's ethics are managed effectively | ✓ | |
| The board should ensure that the company has an effective and independent audit committee | ✓ | |
| The board should be responsible for the governance of risk | ✓ | |
| The board should be responsible for the information technology (IT) governance | ✓ | |
| The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes, and standards | ✓ | |
| The board should ensure that there is an effective risk-based internal audit | P | Note 1 |
| The board should appreciate that stakeholder's perceptions affect the company's reputation | ✓ | |
| The board should ensure the integrity of the company's integrated annual report | N/A | Note 2 |
| The board should report on the effectiveness of the company's system of internal controls | ✓ | |
| The board and its directors should act in the best interest of the company | ✓ | |
| The board should consider business rescue proceedings or other turnaround mechanisms as soon as the company is financially distressed as defined in the act | ✓ | |
| The board should elect a chairman of the board who is an independent non-executive director. The CEO of the company should not also fill the role of chairman of the board | ✓ | |
| The board should appoint the chief executive officer and establish a framework for the delegation of authority | ✓ | |
| The board should comprise a balance of power, with a majority of non-executive directors. The majority of non-executive directors should be independent | ✓ | |
| Directors should be appointed in a formal process | ✓ | |
| The induction of and ongoing training and development of directors should be conducted through formal processes | ✓ | |
| The board should be assisted by a competent, suitably qualified and experienced company secretary | ✓ | |
| The evaluation of the board, its committees, and the individual directors should be performed every year | ✓ | |
| The board should delegate certain functions to well-structured committees but without abdicating its responsibilities | ✓ | |
| A governance framework should be agreed upon between the group and its subsidiaries | ✓ | |
| Companies should remunerate directors and executives fairly and responsibly | ✓ | |
| Companies should disclose the remuneration of each individual director and certain senior executives | ✓ | |
| Shareholders should approve the company's remuneration policy | ✓ | |

| Key | | | | | |
|-----|------------------|----------|----------------------------|------------|-----------------------|
| ✓ | Compliant | P | Partially compliant | N/A | Not applicable |

| | | 2024 |
|--|-----|--------|
| AUDIT COMMITTEE | | |
| The board should ensure that the company has an effective and independent audit committee | ✓ | |
| Audit committee members should be suitably skilled and experienced independent non-executive directors | ✓ | |
| The audit committee should be chaired by an independent non-executive director | ✓ | |
| The audit committee should oversee integrated reporting | P | Note 2 |
| The audit committee should ensure that a combined assurance model is applied to provide a coordinated approach to all assurance activities | ✓ | |
| The audit committee should satisfy itself with the expertise, resources and experience of the company's finance function | ✓ | |
| The audit committee should be responsible for overseeing of internal audit | P | Note 1 |
| The audit committee should be an integral component of the risk management process | ✓ | |
| The audit committee is responsible for recommending the appointment of the external auditor and overseeing the external audit process | ✓ | |
| The audit committee should report to the board and shareholders on how it has discharged its duties | ✓ | |
| THE GOVERNANCE OF RISK | | |
| The board should be responsible for the governance of risk | ✓ | |
| The board should determine the levels of risk tolerance | ✓ | |
| The risk committee or audit committee should assist the board in carrying out its risk responsibilities | ✓ | |
| The board should delegate to management the responsibility to design, implement and monitor the risk management plan | ✓ | |
| The board should ensure that risk assessments are performed on a continual basis. Board and audit committee are responsible for risks | ✓ | |
| The board should ensure that frameworks and methodologies are implemented to increase the probability of anticipating risks | ✓ | |
| The board should ensure that management considers and implements appropriate risk responsibilities | ✓ | |
| The board should ensure continual risk monitoring by management | ✓ | |
| The board should receive assurance regarding the effectiveness of the risk management process | ✓ | |
| The board should ensure that there are processes in place enabling complete, timely, relevant, accurate and accessible risk disclosure to stakeholders | ✓ | |
| COMPLIANCE WITH LAWS, RULES, CODES AND STANDARDS | | |
| The board should ensure that the company complies with applicable laws and considers adherence to non-binding rules, codes, and standards | ✓ | |
| The board and its individual directors should have a working understanding of the effect of the applicable laws, rules, codes, and standards on the company and its business | ✓ | |
| Compliance risk should form an integral part of the company's risk management process | ✓ | |
| The board should delegate to management the implementation of an effective compliance framework and process | ✓ | |
| INTERNAL AUDIT | | |
| The board should follow a risk-based approach to its plan | N/A | Note 1 |
| The board should ensure that there is an effective risk-based internal audit | N/A | |
| Internal audit should provide a written assessment of the effectiveness of the company's system control and risk management | N/A | |
| The audit committee should be responsible for overseeing internal audit | N/A | |
| Internal audit should be strategically positioned to achieve its objectives | N/A | |

| Key | | | | | |
|-----|-----------|---|---------------------|-----|----------------|
| ✓ | Compliant | P | Partially compliant | N/A | Not applicable |

| | | 2024 |
|---|---|--------|
| GOVERNING STAKEHOLDER RELATIONSHIPS | | |
| The board should appreciate that stakeholders' perceptions affect a company's reputation | √ | |
| The board should delegate to management to proactively deal with stakeholder relationships, stakeholders and the outcomes of these dealings | √ | |
| The board should strive to achieve the appropriate balance between its various stakeholder's groupings, in the interests of the company | √ | |
| Companies should ensure the equitable treatments of shareholders | √ | |
| Transparent and effective communication with stakeholders is essential for building and maintaining their trust and confidence | √ | |
| The board should ensure that disputes are resolved as efficiently and expeditiously as possible | √ | |
| INTERGRATED REPORTING | | |
| The board should ensure that there is integrity of the company's integrated and annual report | P | Note 2 |
| Sustainability reporting and disclosure should be integrated with the company's financial reporting | √ | Note 3 |
| Sustainability reporting should be independently assured | √ | |

| | |
|---------------|--|
| Notes: | |
| Note 1 | The process and practices in place concerning this governance principle are managed at the associate company level |
| Note 2 | The company is working on an integrated reporting implementation plan |
| Note 3 | Sustainability reporting and disclosure are reported at the associate company level |



Coca cola Beverages Botswana

A structured overview of the key sections in the Annual Report, guiding readers through the company's strategic, financial, operational, and governance highlights for the year.







Coca-Cola Beverages
Bw

Coca-Cola Beverages Botswana
Operations & Sustainability Report

The year 2024 was a notable period for Botswana's beverage industry, marked by significant growth despite numerous challenges rising commodity prices and water supply challenges from the municipality.

Overall Performance

Botswana experienced an inflation rate of 3% in 2024, a significant decrease from 5% recorded in 2023. This contributed to better sales despite increased commodity prices affecting specific products like Mazoe Orange Crush. Supply constraints impacted various categories, including Water, Energy and Cordial. Nevertheless, the CCBB adaptability ensured compensation through other packs.

The most significant setback occurred in quarter 3 (Q3) with the Microsoft Dynamics (MSD) 365 rollout in July, leading to system adaptation challenges, master data misalignment, and lost sales. However, recovery was swift in the subsequent months, supported by prior stockpiling in June.

Despite these hurdles, the CCBB delivered an impressive volume of 23.2 million unit cases (UC), representing a 10.4% increase from 2023 and a 3.1% rise above business plan targets.

Commercial Results

The categories that contributed to this success included:
Sparkling Soft Drinks (SSD): Grew by 3.2% vs prior period (BP)

Cordial: Increased by 11.4% vs BP

Juice: Expanded by 4.4% vs BP

It should however, be noted that Water saw a slight decline of 0.3% vs plan but grew 13.4% vs prior year. Energy experienced a significant drop of 53.5%, both due to availability issues as a result of regulatory compliance challenges. Despite a sales halt of Mazoe Orange in October due to negative margins, the Cordial category closed positively with an 11.4% increase versus plan.

A notable addition in August was the introduction of the 330ml SSD PET pack which aimed to maximize opportunities in the affordable segment and drive recruitment.



Mr. David Chait
General Manager

Coca-Cola Beverages Botswana Operations & Sustainability Report

Brand Performance



Sparkling Soft Drinks (SSD)

This category maintained its position as the largest contributor to the business, accounting for 85.4% of the total business volume (19.9 million UC). Coca-Cola led the growth with a 12.0% increase compared to the previous year and a 5.7% rise above business plan targets. Despite this increase, other brands Stoney (0.8%), and Sprite (2.9%) experienced declines in sales. On the other hand, Schweppes had an outstanding performance with a 9.2% increase against plan, driven by the successful Born Social Campaign. Fanta reformulation also showed early signs of success with a 0.1% increase vs prior year.



Water

Water, closing at a slight decline of 0.3% against plan, managed to surpass the previous year by an impressive 13.4%. Production issues impacted the category, but these are expected to be resolved by 2025. The 1.5L PET pack achieving its target by 12.8%, contributing significantly to the category's performance, which delivered 633,000 UC.



Cordial

Cordial exhibited robust growth, driven by consistent availability since 2023 and expanding by 26.7% compared to the prior year. Despite a sales halt for Orange Cordial in October due to negative margins, a price adjustment mitigated the increased syrup cost. The category exceeded its target by 11.4%, delivering 1.89m unit cases by the end of 2024.



Juice

Juice maintained its contribution of 1.7% to the total portfolio, with a growth rate of 17.8% compared to the previous year. Achieving its target by 4.4%, this category saw significant contributions from Cappy (+1.5% vs plan) and Tisers (+11.6% vs plan), driven by strategic dealings and improved availability.



Energy

Energy faced considerable challenges, closing the year with a 48.3% decline compared to the previous year and was 53.5% lower than plan due to packaging compliance restrictions that began in July. The category delivered 105,000 UC, with strong support from the CCBB team for the Monster and Predator brands aimed at recovery in 2025 Q1, with assistance from the PACS Team.

In conclusion, the year 2024 underscored a year of significant accomplishments and strategic adjustments in CCBB. The resilience and adaptability exhibited by the industry amidst challenges promise continued growth and robust performance in the coming years.

Coca-Cola Beverages Botswana Operations & Sustainability Report

Sustainability Report

Environmental Performance Energy Consumption

In 2024, energy consumption increased to 0.23 KJ/L from 0.21 KJ/L in 2023. This rise was primarily attributed to the implementation of enhanced hot water cleaning protocols, aimed at strengthening quality assurance and hygiene standards.

Water Usage

Water consumption metrics rose to 2.54 L/L in 2024 from 2.26 L/L the previous year. The increase reflects additional water usage stemming from the implementation of an improved cleaning regimen, aligned with operational efficiency and product safety standards.

Waste Management and Recycling Initiatives

CCBB has sustained its leadership in circular economy practices by actively engaging in Polyethylene terephthalate (PET) bottle recovery and recycling programs. The company's goal is to divert waste from landfills and ensure every bottle distributed into the market is accounted for and recycled.

Partnerships have been strengthened with ReWaste, Fan Moj, and a newly contracted collector, M&M Metals Recycling companies based in Gaborone and Maun. In support of these initiatives, CCBB has:

- Donated baling equipment;
- Provided financial incentives to enhance collection efforts;
- Invested a total of P600,000.00 to date towards waste recovery and community-based recycling infrastructure.

These efforts directly contribute to a cleaner environment and improved community engagement in sustainable practices.

Social Responsibility

Diversity and Inclusion

CCBB continues to promote diversity through its Women in Leadership initiative, a targeted talent development programme aimed at empowering women on Entrepreneurial training on value chain in waste management through recycling and entrepreneurship on the better use of ice boxes that were donated to them by the company.

Employee Health and Safety

The company recorded zero workplace fatalities in 2024 and was awarded a NOSA 4-Star rating in recognition of its commitment to occupational health and safety standards. CCBB was further honoured with the CCBA Health and Safety Award for 2024, affirming its leadership within the group on safety culture and compliance.

Community Engagement and Development

As part of the company's commitment to inclusive growth, CCBB launched impactful community development programmes focused on empowering women, youth, and persons living with disabilities (PWDs). During the year:

- 303 women, 300 youth, and 105 PWDs received training in entrepreneurship and waste value chain management.
- Participants were equipped with knowledge on personal development, business management, financial access, and customer engagement.
- Ice boxes were also donated to support entrepreneurial activities and livelihood improvement.

Community Water Project

Work is ongoing on the community water access project in partnership with the Botswana University of Agriculture and Natural Resources (BUAN). A Memorandum of Understanding (MoU) was signed on 16 November 2024, formalising the commitment to enhance access to clean water through infrastructural support. BUAN remains the flagship beneficiary of this initiative.

Governance Framework

SBHL upholds a strong governance structure in line with best practices and the Coca-Cola Beverages Africa (CCBA) Group Governance framework.

The Board of Directors comprises six members, including three non-executive directors, a structure unchanged from the prior year.

The Board convened three meetings in 2024 to provide oversight and strategic direction.

The Audit Committee held two sessions, focusing on financial controls and compliance.

The Risk Management Steering Committee meets quarterly to assess emerging risks, develop mitigation action plans, and provide updates to both the Audit Committee and the Board.

The company's compliance and ethics programmes remain robust, with periodic reviews to ensure alignment with evolving regulatory expectations and Group-wide governance principles.




A portrait of Mr. Carlos Bernitt, a middle-aged man with short, graying hair, wearing glasses and a white button-down shirt. He is standing with his arms crossed against a bright, slightly blurred background. A dark blue rectangular box is overlaid on the bottom left of the image, containing his name and title in white text.

MR. CARLOS BERNITT

Managing Director



Proudly part of  ABInBev

Kgalagadi Breweries Limited Operations & Sustainability Report

In 2024, Kgalagadi Breweries Limited (KBL) successfully executed its strategy, enabling it to grow both its Top and Bottom Lines. This business strategy is well-defined, aligning with the vision of the AB-InBev Africa Zone. KBL's key role is to contribute to profitability by leveraging our Beyond Beer and Premium portfolio, while strengthening our Core brands in the market.

Operations Report

KBL's performance continued to improve as total volume grew by 4.3% compared to the previous year, due to increased promotional activity and strategy for premiumization and growing Beyond Beer through portfolio expansion, bring new innovation packs (or SKU)s. The second half of the year under review also saw improved performance in Clear Beer, despite a drop in Traditional Beer performance, due to trade-up in the market and gaps in the North. Clear Beer grew approximately four times ahead of our 5-year CAGR, mainly through our Core Brand, with local production substituted with imported convenience SKUs and expansion of our BB portfolio to meet local demand. Additionally, volume grew 9.71% compared to 2019. The company demonstrated great resilience and agility in executing initiatives and delivering sales volumes in a highly regulated and challenging market, resulting in improved volumes. The company continues to solidify its position as the market leader in the beer market, co-leading the premium beer segment and is becoming a strong challenger in the Beyond Beer market through continuous innovation.

Clear Beer Performance

The Clear Beer category grew overall by 9.1% compared to the previous year. The growth in Clear Beer sales versus 2024 was mainly driven by our Core Brands and consolidating our premium leadership in the market and continue our expansion on BB segment.3. However, KBL lost market share largely due to supply challenges with Core bulk packs. The Premium brands continued on an upward trajectory, with a growth of 43.7% compared to the previous year and three times more compared to 2019. The Core category grew by 9.5% compared to the previous year, with Carling Black Label leading the growth.

Expanding the Beyond Beer Category

The Beyond Beer category grew by 5.8% compared to the previous year and by 51.9% compared to 2019, led primarily by Brutal Fruit, which was introduced in late 2022. Brutal Fruit grew by 54.7% compared to the previous year, and Flying Fish grew by 5.7% compared to the previous year. However, the business saw a 32.0% decline with Redd's Vodka Lemon, which was also impacted by supply challenges and a decision by the business to sacrifice capacity to focus on 750ML pack production. However, the business is optimistic about future performance, with plans to improve the availability of the brand and to expand the portfolio by bringing new innovations to the market.





Marketing Highlights

St. Louis Lager Continues with Hype the Homegrown Campaign

Botswana's very own beer, St. Louis Lager, continued to showcase the depth and diversity of the local creative industry through the Hype the Homegrown campaign. The campaign centres on collaboration and highlights between talented singer Han C and songstress, Priscilla K, as well as creative geniuses BK Proctor and Fifi Wale.

As a component of the campaign, Han C and Priscilla K collaborated on a six-song EP titled, "The Journey," which was mixed and mastered by Flex The Ninja. BK Proctor and Fifi Wale also joined forces, merging digital illustration and fashion design to create a limited edition merchandise line, which was accessible through the St Louis Lager trade promotions at participating outlets.

With the tagline of "Hype the Homegrown," the brand was on a mission to shift perspective by highlighting the economic contributions of local creatives and their export potential. The campaign is slated for a robust rollout featuring local creatives in the coming year.

Cultivating Belonging with Brutal Fruit

In the year under review, Brutal Fruit achieved double-digit growth, due to the continuation of the Spritzer Saturday events which are opportunities for women to celebrate the beauty of life with the brand. The event caters to the brand's female consumer base that shares a common desire to belong and celebrate life, by curating a day of delectable foods, music performances and eye-catching outfits.

Brutal Fruit epitomizes femininity and merriment. Its essence is encapsulated in its refined liquid, sophisticated packaging, and cultured drinking rituals. The business expanded on the experience for its target market with the

introduction of Brutal Fruit Litchi, a 'session-able' dry style liquid, for consumers looking for modern brands that fit their image.

Rewarding Consumers

KBL launched the Carling Black Label Sunday Soccer Campaign to drive a special consumer occasion and platform Amateur Football as a way to get closer consumers and drive the experience of the brand within this widely accepted sport in the country.

Recapturing learnings from past years, KBL decided to have a drive a strong message and positive impact among the amateur soccer teams around the country and provide the space and means to have an enjoyable time among friends, family and have a healthy competition around the amateur teams to spend memorable times.

The Brand Campaign ran from June until August with great acceptance and success performance that it is a platform that the brand will continue using in the future years and strengthen our activities with our key partners as well as with our customers and consumers. Corona Sunsets Events

Kgalagadi Breweries Limited Operations & Sustainability Report



Chasing the Sunset with Corona

Corona Continued with the Corona Sunsets Events – relaxed occasion with upbeat music in open, effortless spaces that invites guests to disconnect from their routine and enjoy the outside, even in the most connected urban settings. Watching the sun dip while sharing a bucket of Coronas with friends or enjoying a cocktail after a long day, the Sunset events executed in Gaborone and Maun really emphasized the premium and relaxation attributes of the brand, with a whopping 2000 patrons present at each event.

Kgalagadi Breweries Limited Operations & Sustainability Report

Sustainability Report

Committed to Being Part of the Solution

Beer is inclusive, natural, and local. From building a resilient and agile value chain to solidifying our role as a trusted partner, to identifying and capturing new sources of business value, sustainability plays a key role in fulfilling our company purpose and enabling our commercial vision. From building a resilient and agile value chain to solidifying our role as a trusted partner, to identifying and capturing new sources of business value, sustainability plays a key role in fulfilling our company purpose and enabling our commercial vision. And guided by the United Nations 2025 Sustainable Development Goals, KBL has developed a framework to drive holistic environment and social impact and transformation across our value chain.

Beyond the Brew: Community Impact and Sustainability

In 2024, KBL continued to advance its commitment to community development and sustainability through the Beyond the Brew initiative. This year's efforts included the launch of a neighborhood upliftment project in Legolo Ward, Broadhurst, where 15 houses in the community behind the KBL Beer Plant were painted to foster neighborhood pride.

Beyond direct community projects, KBL also supported broader sustainability and social responsibility efforts. Through sponsorship of the CSI Concepts Corporate Social Responsibility Conference and Awards, KBL encouraged greater private sector participation in sustainable development. The company also presented its Sustainability Strategy, highlighting the importance of partnerships in driving socioeconomic progress.

The business's commitment to community extends to supporting excellence in education. In 2024, the company recognized outstanding students at the Botswana University of Agriculture and Natural Resources' (BUAN) 7th Graduation Ceremony by awarding P10,000 to top achievers in Agricultural Mechanization and Food Science and Technology. This sponsorship will continue for the next three years, reflecting KBL's long-term investment in nurturing future leaders.

Additionally, KBL sponsored the BNSC Awards, providing both a P60,000 cash prize for the Sportsman of the Year and post-event celebrations, further demonstrating its dedication to community engagement and celebration of local achievement.

Through these diverse initiatives, Beyond the Brew continues to drive positive change, supporting sustainable futures and making a lasting impact in communities across Botswana.

Ja Easy – Making Drinking in Moderation a Lifestyle

At Kgalagadi Breweries and AB-InBev Africa, our commitment to fostering a culture of smart drinking remained central to our operations throughout the year. Guided by our Global Smart Drinking Goals, we continued to promote positive social drinking norms and encourage moderation to reduce the harmful use of alcohol.

On October 4th, 2024, we launched Global Beer Responsible Day internally, engaging staff nationwide through interactive game booths that highlighted Ja Easy smart drinking tips and positioned beer as a beverage of moderation. The enthusiastic participation of our employees underscored the importance of this initiative.

Building on this momentum, we extended our Ja Easy campaign to the streets of Gaborone and Francistown as part of the AB-InBev Africa Global Beer Responsible Day Challenge. Our Moderation Champions conducted trade visits, engaging with retailers and consumers to reinforce the message of responsible drinking. KBL deployed 13% of its staff to visit 19 outlets, actively promoting moderation.

In the last quarter, we scaled the Ja Easy responsible drinking campaign to reach over 245,000 individuals across KBL digital platforms, further amplifying our message. As part of our ongoing social norms campaign, we also launched an innovative Hydration Bar at a 1,500-attendee event, providing practical support for moderation. These efforts were complemented by a range of smart drinking communications, including a "Perfect Pour" competition to enhance beer and food pairing, hydration stations at key festive events, and a partnership with RB2 to encourage smart drinking during peak consumption periods. Through these initiatives, we demonstrated our ongoing dedication to promoting responsible drinking and supporting the well-being of our communities.

Empowering our Retailers to Grow

In its third consecutive year, the G.R.I.T retailer development program was successfully rolled out, bringing the total number of trained participants to 1,003 from bars, bottle stores, and depots across Botswana. The G.R.I.T program is designed to empower retail partners by providing training in financial literacy, responsible service, and the adoption of smart technologies. Through this initiative, we continue to support the growth and sustainability of local businesses and contribute to the long-term development of our communities.

By investing in the professional growth of our retail partners, we are not only strengthening local businesses but also fostering resilient communities and contributing to the broader socioeconomic development of the country.

Water Stewardship

Water is the main ingredient in beer. More than just a key ingredient in our products, water is a critical resource for the health and well-being of communities around the world. In the year under review, while the company did not meet its water usage efficiency goals, the business remains committed to driving water use efficiency and responsible discharge and effluent re-use within our operations. These improvements are attained through modulation, a system of checks and balances put in place to ensure water usage matches the recommended or manualized volumes, as well as recycling.

Kgalagadi Breweries Limited Operations & Sustainability Report

Waste Management Practices

At KBL, we take a holistic approach to tackle waste and develop scalable, practical solutions that can be implemented across the value chain.

At our production and distribution facilities, waste is carefully segregated from source using dedicated bins provided for plastic, paper, bottles, cans, boxes, and general waste. Additionally, at onsite waste collection points, we provide specialized depositories for spent grain and yeast, scrap metal, ash, empty malt bags and other by products of our production activities. During the year under review, the business achieved an impressive 99.31 recycling rate, surpassing our target of 98%.

We are strengthening local recycling ecosystems by investing in our value chain to recover returnable glass, from working directly with waste collectors to enabling consumers to return empty bottles more easily, on-site at one of our retailers. This initiative is driven through the Ra Di Busa campaign.

Social Statements

The company seeks to attract and develop great people, and its ability to successfully recruit and retain talent contributes to employment, individual economic opportunities, and local economic development in its markets of operation. KBL's strong corporate culture may contribute to a more engaged workforce. The company's operations subject it and its employees working in certain roles and contexts to risks arising from labor practices, work conditions and employee safety, including road safety.

The company's approach to human rights is based on the United Nations Guiding Principles on Business and Human Rights (UNGPs) and is outlined in its Global Human Rights Policy. The policy prohibits all forms of forced or compulsory labor; human trafficking, including arranging or facilitating the travel of another person with a view to that person being exploited; and the employment and exploitation of children within its facilities. This policy covers AB InBev employees and is periodically reviewed and modified.

The company's Anti-Harassment and Anti-Discrimination Policy aims to create a workplace free from all forms of harassment, including unfair discrimination, sexual harassment and sexual misconduct. This Policy defines discrimination and addresses inappropriate actions that are unwanted and unwelcome and/or which create an intimidating, offensive, or hostile work environment. The discrimination parameters defined by the policy include, but are not limited to, age, race, and physical or mental disability. The Chief Legal and Corporate Affairs Officer oversees this policy. Diversity and inclusion are further covered in the company's Code of Business Conduct. For more information, see the Business conduct section in these Sustainability statements.

To monitor, track and address potential risks and actual impacts related to its workforce, the company's global Compliance Helpline is accessible worldwide, and offers employees and third parties direct access to AB InBev's Ethics & Compliance team for reporting concerns. The Compliance Helpline is promoted to employees through internal communications. Reported matters are assessed, remedied, and monitored on an individual basis.

KBL's total FTEs at the end of the reporting period included 385 permanent employees and 40 temporary employees. Of the company's total employees, approximately 24% are reported to be female.

KBL's corporate culture revolves around AB InBev's 10 guiding principles, which form the foundation of the company's culture. These principles are integrated into people management, visually communicated, and reinforced through internal campaigns. The company measures and analyzes its culture using specific processes, including its annual Engagement Survey. Engagement is part of the company's talent retention strategy and its approach to managing associated risks and impacts.

Within the company's performance management processes and as part of its due diligence, the annual Engagement Survey is shared with all active employees to monitor engagement. The Survey objectively assesses employee experience to inform engagement strategy and initiatives managed at a local level. It includes feedback on rewards, recognition, well-being, belonging and comfort level reporting potential unethical behavior or other complaints without fear of retaliation. In the year under review, KBL scored an impressive 90% in the engagement survey.

Our People and their safety are fundamental to our operations, entrenched in our principles. KBL is committed to reducing the exposure of employees and contractors to health and safety hazards. We believe in fostering our employees to be safety leaders by developing evidence-based processes and training programs that encourage ownership at all levels.

Safety forms the prerequisite in our pursuit to achieve set targets. We believe in driving continuous improvement measured against set targets and objectives and applying the more stringent standards, in line with Botswana laws and regulations. Our commitment to safety extends beyond our production and distribution centres into the communities we service, through continuous risk assessments of all areas we deliver our products to.

To this end, we have committed to improving the working conditions and employee behaviour at our site through continual trainings and rigorous checks and balances that form part of our daily facilities management routines.

Voyager Plant Optimization (VPO)

The VPO is the global management system employed within our breweries that cultivates a culture of continuous

Kgalagadi Breweries Limited Operations & Sustainability Report

improvement and is at the core of our dream of creating a future with more cheers.

Within the VPO system, the mission of the Safety Pillar is to provide and implement safety policies, procedures, and tools to reduce risk exposure to as low as practicable and to establish the behaviours necessary to sustain a safe and healthy working environment.

In the year under review, the company reported zero lost-time injuries (LTIs) and total recordable injuries (TRI). This performance demonstrates that we are well on our way to entrenching a “World Class Safety Culture” at KBL.

Distribution Process Optimization (DPO)

Under DPO, the management system used to ensure Logistics operations run efficiently, our distribution teams achieved stellar results.

Similarly, our production facilities, the company reported zero lost time injuries (LTI) and total recordable injuries (TRIs) at its distribution centers countrywide. Further, the business attained “Sustainable Qualifications” for all distribution centers, under the Safety Pillar.

Responsible Drinking & Moderation

Beer is part of celebrating life’s moments. It is brewed with simple ingredients, and a driver of economies and jobs. Consuming beer responsibly has been part of culture and sociability for thousands of years. As consumers are increasingly embracing moderation as part of their balanced lifestyles, beer is well-suited to meet their needs. As the country’s leading brewer, the company is committed to promoting moderation and responsible drinking.

KBL remains committed to promoting moderation through its Smart Drinking initiatives. The company’s marketing efforts, along with those within its downstream value chain, are subject to restrictions on the permissible advertising style, media channels and messages used, over and above legislative governing marketing activities in the country.

The Responsible Marketing and Communications Code (RMCC) sets the standards for KBL’s marketing and commercial communication to ensure that commercial communications are aimed only at individuals above the legal drinking age and are carried out responsibly. The company’s marketers, distributors and customers share similar impacts and are subject to the same legal drinking age requirements. As a result, employees and the company’s relevant contractors and agencies are trained periodically in matters related to the RMCC. The RMCC applies to all consumers.

KBL engages with consumers and end users through its marketing practices at various stages and frequencies, and input is reflected in the relevant strategies. When it comes to responsible drinking and moderation, the business

focuses on these key areas:

Social Norms Marketing: The company seeks to drive positive behavioural change and reinforce social expectations that those who drink should do so responsibly. KBL’s social norms efforts include investments in campaigns like Ja Easy, the RMCC, and alignment with the International Alliance for Responsible Drinking’s International Digital Guiding Principles.

Labeling: As part of AB InBev’s voluntary guidance labeling initiative, KBL continues to include smart drinking label designs on primary product packaging and all its marketing materials.



Kgalagadi Breweries Limited

Operations & Sustainability Report

Governance Statements

Business Conduct

The company has a Code of Business Conduct that is a practical guide to living its principles and values every day. The Code contains ethical principles designed to align with the International Labor Organization (ILO) Standards and includes policies that define employees' responsibilities and expected behavior, addressing key risk areas such as anti-corruption, human rights, safety of workers, human trafficking, use of forced or child labor, digital ethics and data privacy, harassment and discrimination, and conflict of interest. KBL works to manage suppliers' compliance with the Code's ethical principles on corruption and bribery as part of its due diligence and risk assessment process for suppliers. The company works to screen new suppliers to categorize corruption and bribery risk level based on the likelihood of interacting with public officials and other factors. Vendors are then screened at a regular cadence with more frequent due diligence review on high-risk suppliers to ensure compliance with the Code of Conduct.


Through its Global Whistleblower Policy, the business encourages colleagues to raise any concerns. The company has a zero-tolerance policy towards any threatened or actual retaliation against any persons, who, in good faith, raise concerns or participate in an investigation. Any concerns with respect to potential violations of the company's Code, policies and applicable laws or regulations, can be reported through the company's Compliance Helpline. The Helpline is a secure means of reporting and is available 24/7 for both internal and external users. Reports can be filed in different languages, and if desired and permitted by local law, anonymously. Reports are reviewed by the Ethics &

Compliance team, in line with its Investigation Guidelines that govern the company's investigation process. Escalation and recusal rules are embedded into the company's process to avoid conflicts of interest.

KBL annually launches a series of mandatory training modules overseen by the Ethics & Compliance team to educate the workforce on its Code and key policies. In 2024, the company conducted training on topics such as the Code of Business Conduct (including Conflict of Interest, Anti-Corruption, Anti-Harassment and Anti-Discrimination, and Ways of Reporting), AB InBev Social Issues, External Speaking and Social Media, and the Responsible Marketing and Communication Code. The annual compliance training package includes a mandatory attestation. The Anti-Corruption module specifically reinforces the company's zero tolerance policy toward bribery and corruption and emphasizes the importance of third-party due diligence. Approximately 400 employees from all functions of the organization completed the trainings online including the full senior leadership team. 40 Policies are also available to employees in English online and communicated to employees periodically.

To support employees on the application and interpretation of the company's policies, KBL provides employees with direct access to the Ethics & Compliance team through the Compliance Helpline to seek guidance, request approvals related to certain compliance matters, or report concerns. All submissions undergo comprehensive review by specialized teams. Global and local teams follow up on reports based on guidelines and action plans.




Proudly part of  ABInBev



KE VAKENT!

Pace yourself and stay in control.
Drink water and eat food to enjoy
the night responsibly.



Proudly part of  ABInBev

Happy International Beer Day!

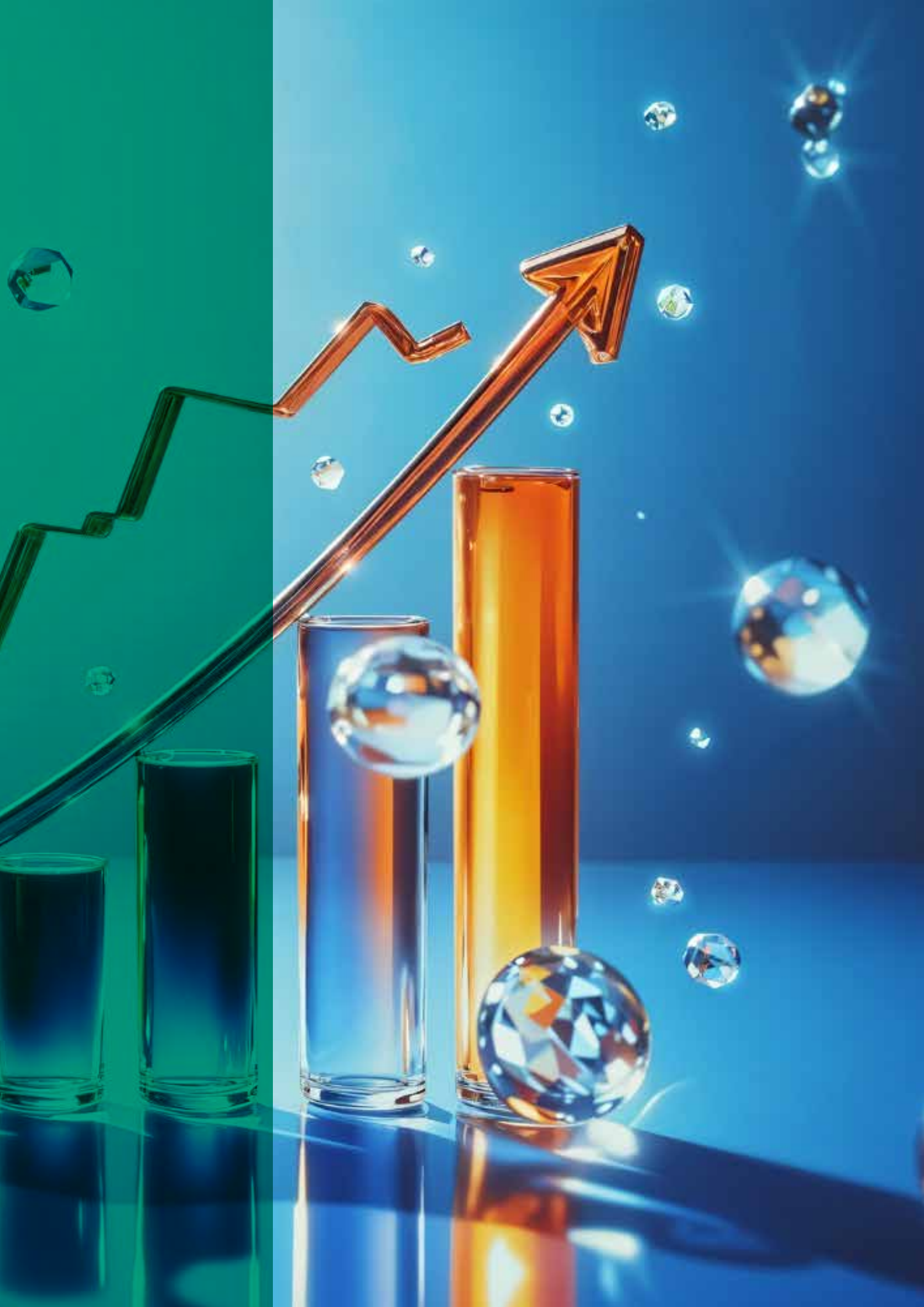
Delivering quality in
every sip.



The background is a solid teal color. It features several floating, faceted diamonds of various sizes and orientations. In the lower right quadrant, there is a glass bar chart with three bars of increasing height. A smooth, curved line starts from the bottom left and rises towards the top right, passing behind the bars. The overall aesthetic is clean, modern, and professional.

ANNUAL FINANCIAL STATEMENTS

A structured overview of the key sections in the Annual Report, guiding readers through the company's strategic, financial, operational, and governance highlights for the year.



SECHABA BREWERY HOLDINGS LIMITED ANNUAL FINANCIAL STATEMENTS

for the year ended 31 December 2024



(Company Registration No. No BW00000952293)

Annual Financial Statements for the year ended 31 December 2024

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SECHABA BREWERY HOLDINGS LIMITED

GENERAL INFORMATION

for the year ended 31 December 2024



Country of incorporation and domicile

Botswana

Nature of business and principal activities

Sechaba Brewery Holdings Limited ("the company") is an investment company with interests in two associates, Kgalagadi Breweries (Proprietary) Limited ("KBL"), and Coca-Cola Beverages (Botswana) (Proprietary) Limited ("CCBB").

Directors

Tabuya B Tau
 Modise B Mokone
 Meshack Tshekedi
 Boitumelo C Paya
 Jayaraman Ramesh
 Faith A Nteta
 Gorata T Dibotelo
 Lorato C Morapedi

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Standard Chartered Bank Botswana Limited

Auditors

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 Botswana

Secretary

Grant Thornton Business Services (Proprietary) Limited Acumen Park Plot
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 Fairgrounds
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 Gaborone Botswana

Transfer secretaries

Central Securities Depository Botswana

Sponsoring Brokers

Imara Capital Securities (Proprietary) Limited

Functional currency

Botswana Pula

SECHABA BREWERY HOLDINGS LIMITED DIRECTORS REPORT

for the year ended 31 December 2024



The directors have pleasure in submitting their report on the annual financial statements of Sechaba Brewery Holdings Limited for the year ended 31 December 2024.

1. REVIEW OF FINANCIAL RESULTS AND ACTIVITIES

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Botswana Companies Act (CAP 42:01). The financial statements incorporate accounting policies which are consistent with those applied in the prior year, except where otherwise stated.

Full details of the financial position, results of operations and cash flows of the company are set out in these annual financial statements from page 10 to page 39.

2. STATED CAPITAL

There have been no changes to the issued share capital during the year under review. The total number of ordinary shares issued and fully paid is 110 617 000 amounting to P194 548 000 (2023: P194 548 000).

3. EVENTS AFTER THE REPORTING PERIOD

Material events after the reporting date up to the date of this report are included in note 24. Other than these, the directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

4. GOING CONCERN

The Board of Directors have assessed the company's ability to continue as a going concern taking into account all available information about the future including an analysis of the possible impact on the company operations and those of its associates. During the assessment, a determination was made that there are sufficient cash resources available to settle the company's obligations up to twelve months from the date of the approval of these financial statements. The financial statements have thus been prepared based on accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities.

5. DIVIDENDS DECLARATION

Gross dividends amounting to P482 million (2023: P157 million) were declared and paid during the year.

6. DIRECTORATE

The following persons acted as directors of the company during the period under review and up to the date of approval of these financial statements:

DIRECTORS

- Tabuya B Tau
- Modise B Mokone
- Meshack Tshekedi
- Boitumelo C Paya
- Jayaraman Ramesh
- Faith A Nteta
- Gorata T Dibotelo
- Lorato C Morapedi



SECHABA BREWERY HOLDINGS LIMITED DIRECTORS' RESPONSIBILITIES STATEMENT AND APPROVAL

for the year ended 31 December 2024

The directors of the Company are responsible for the financial statements and all other information presented therewith. Their responsibility includes the maintenance of true and fair financial records and the preparation of financial statements in accordance with IFRS issued by the International Accounting Standards Board and in a manner required by the Botswana Companies Act (CAP42:01).

The Company maintains systems of internal control, which are designed to provide reasonable assurance that the records accurately reflect its transactions and to provide protection against serious misuse or loss of the Company assets. The directors are also responsible for the design, implementation, and maintenance and monitoring of these systems of internal financial control. Nothing has come to the attention of the directors to indicate that any significant breakdown in the functioning of these systems has occurred during the period under review.

The going concern basis has been adopted in preparing the financial statements. The directors have no reason to believe that the Company will not be a going concern in the foreseeable future based on forecasts and available cash resources.

The auditor is responsible for reporting on whether the financial statements are fairly presented in accordance with the applicable financial reporting framework.

APPROVAL OF THE FINANCIAL STATEMENTS:

The Financial Statements of Sechaba Brewery Holdings Limited for the year ended 31 December 2024, which appear on pages 71 to 93 were approved for issue by the Board of Directors on the 28 March 2025 and are signed on their behalf by:

Director

Director

**Independent Auditor's Report
To the Shareholders of Sechaba Brewery Holdings Limited
Report on the Audit of the Financial Statements**

Opinion

We have audited the financial statements of Sechaba Brewery Holdings Limited ('the Company') set out on pages 67 to 93, which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies Act (CAP 42:01).

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 Company in accordance with the *International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code)* together with the ethical requirements that are relevant to our audit of the financial statements in Botswana, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming the auditor's opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

| Key Audit matter | How the matter was addressed in the audit |
|---|---|
| <p>Assessment for the impairment of investments in associates</p> <p>As at 31 December 2024, the investment in associates was valued at P2,398 billion (2023: P2,215 billion) using a discounted cashflow model. The carrying amount of the investment in associates as at 31 December 2023 was P770 million (2023: P830 million) which represents 80% (2023: 73%) of the Company's total assets.</p> <p>Significant judgement was required in the determination of the appropriateness of the assumptions such as growth rates and discount rate used in the discounted cash flow method which is used to assess the potential impairment of the investments in associates based on IAS 36 – Impairment of Assets.</p> <p>The assumptions such as growth rates, discount rate, expense, staff costs and inflation rates within the associates have been impacted by the current economic environment. This resulted in increased judgement being applied by management relating to the assumptions used in the valuation of the associates and thus required significant audit attention.</p> <p>We identified the valuation of the investments in associates to be a key audit matter as the valuation is highly sensitive to these assumptions and the assumptions are judgemental.</p> <p>Refer to Note 1.2 – Summary of significant accounting policies and Note 14 - Investment in associates.</p> | <p>Our audit procedures included, amongst others:</p> <ul style="list-style-type: none"> • We assessed the valuation methodology against the industry norms and the requirements of IAS 36 – Impairment of Assets. • We assessed the reasonableness of the forecasts and expectations of future cash flows with reference to internal and market data. • We assessed the appropriateness of inputs that required significantly more judgement, such as growth rates by benchmarking inputs against those of other comparable industry participants. • We considered the reasonability of the economic assumptions applied against independent market data. • We performed a sensitivity analysis over the assumptions in order to assess the impact of the changes to the key assumptions on the valuation of the investment in associate. • We also assessed the adequacy of the disclosures regarding the associates in the financial statements to determine they were in accordance with IFRS. • We assessed the adequacy of the disclosures regarding the associates in the financial statements with reference to the requirements of IAS 36 – Impairment of Assets. |

Other Information

The directors are responsible for the other information. The other information comprises the information included in the 39-page document titled "Sechaba Brewery Holdings Limited Financial Statements for the year ended 31 December 2024", which includes the General Information, Director's Responsibility and Approval Statement and the Directors' Report which we obtained prior to the date of this report, and the Annual Report, which is expected to be made available to us after that date. Other information does not include the financial statements and our auditor's report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed on the other information obtained prior to the date of the auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Statements

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies Act (CAP 42:01), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting processes.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 Company's internal control;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the 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.



Ernst & Young
Firm of Certified Auditors
Practicing member: Thomas Chitambo (CAP 0011 2025)
Gaborone

31 March 2025



SECHABA BREWERY HOLDINGS LIMITED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

for the year ended 31 December 2024

| | Note | 2024 | 2023 |
|--|-------------|----------------|----------------|
| | | P'000 | P'000 |
| Share of profit after tax of associate companies | 5 | 338 638 | 303 147 |
| Interest income | 6 | 5 150 | 3 797 |
| Administration and other expenses | 8 | (4954) | (4093) |
| Operating Profit | | 338 834 | 302 851 |
| Finance costs | 7 | (20) | (-) |
| Profit before taxation | | 338 814 | 302 851 |
| Taxation | 9 | (34982) | (31139) |
| Profit after taxation for the year | | 303 832 | 271 712 |
| Total comprehensive income for the year | | 303 832 | 271 712 |
| Earnings per share information | | | |
| Basic and diluted earnings per share (thebe) | 11 | 274.67 | 245.63 |

The accounting policies and notes on pages 71 to 93 form an integral part of the financial statements.



SECHABA BREWERY HOLDINGS LIMITED

STATEMENT OF FINANCIAL POSITION

for the year ended 31 December 2024

| | NOTE | 2024 P'000 | 2023 P'000 |
|-------------------------------------|------|----------------|------------------|
| Assets | | | |
| Non-current assets | | | |
| | | 769 819 | 830 064 |
| Investment in associates | 14 | 769 615 | 830 020 |
| Office equipment | 15 | 83 | 44 |
| Right of use assets | 16 | 121 | - |
| Current assets | | | |
| | | 189 385 | 311 721 |
| Other receivables | 17 | 503 | 440 |
| Cash and cash equivalents | 18 | 188 882 | 311 281 |
| Total assets | | 959 204 | 1 141 785 |
| Equity and liabilities | | | |
| Capital and reserves | | | |
| | | 900 699 | 1 078 603 |
| Stated capital | 19 | 194 548 | 194 548 |
| Retained earnings | | 706 151 | 884 055 |
| Non-current liabilities | | | |
| | | 47 807 | 53 847 |
| Deferred taxation | 13 | 47 807 | 53 847 |
| Current liabilities | | | |
| | | 10 698 | 9 335 |
| Current taxation payable | 10 | 581 | 634 |
| Dividend payable | 12 | 9 560 | 8188 |
| Lease liability | 16 | 134 | - |
| Other payables | 20 | 423 | 513 |
| Total equity and liabilities | | 959 204 | 1 141 785 |

The accounting policies and notes on pages 71 to 93 form an integral part of the financial statements.



SECHABA BREWERY HOLDINGS LIMITED STATEMENT OF CASH FLOWS

for the year ended 31 December 2024

| | NOTE | 2024 P'000 | 2023 P'000 |
|---|-----------|------------------|------------------|
| Cash flow from operating activities | | | |
| Net cash utilised in operations | 21 | (4 974) | (4 210) |
| Interest received | 6 | 5 150 | 3 797 |
| Interest paid | 7 | (20) | (-) |
| Income taxation paid | 10 | (41 075) | (47 535) |
| | | (40 919) | (47 948) |
| Cash flow from investing activities | | | |
| Dividends received | 14 | 399 043 | 471 233 |
| Purchase of office equipment | 15 | (50) | (39) |
| | | 398 993 | 471 194 |
| Cash flow from financing activities | | | |
| Dividends paid to shareholders | 12 | (480 364) | (156 965) |
| Principal repayments on lease liabilities | 16 | (109) | - |
| | | (480 473) | (156 965) |
| Net movement in cash and cash equivalents for the year | | (122 399) | 266 281 |
| Cash and cash equivalents at the beginning of the year | | 311 281 | 45 000 |
| Cash and cash equivalents at the end of the year | 18 | 188 882 | 311 281 |

The accounting policies and notes on pages 71 to 93 form an integral part of the financial statements.



SECHABA BREWERY HOLDINGS LIMITED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2024

Attributable to equity holders of the company

| | Stated capital | Hedging reserves | Retained earnings | Total |
|---|----------------|------------------|-------------------|------------------|
| | P'000 | P'000 | P'000 | P'000 |
| Balance at 01 January 2023 | 194 548 | 388 | 769 363 | 964 299 |
| Profit for the year | - | - | 271 712 | 271 712 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | - | - | 271 712 | 271 712 |
| <i>Transfer from hedging reserves</i> | - | (388) | 388 | - |
| Dividends paid | - | - | (157 408) | (157 408) |
| Total transactions with shareholders | - | (388) | 114 692 | 114 304 |
| Balance at 31 December 2023 | 194 548 | - | 884 055 | 1 078 603 |
| Profit for the year | - | - | 303 832 | 303 832 |
| Total comprehensive income | - | - | 303 832 | 303 832 |
| Dividends paid | - | - | (481 736) | (481 736) |
| Total transactions with shareholders | - | - | (177 904) | (177 904) |
| Balance at 31 December 2024 | 194 548 | - | 706 151 | 900 699 |

The accounting policies and notes on pages 71 to 93 form an integral part of the financial statements.



SECHABA BREWERY HOLDINGS LIMITED MATERIAL ACCOUNTING POLICIES

for the year ended 31 December 2024

CORPORATE INFORMATION

Sechaba Brewery Holdings Limited is an investment Company with interests in Kgalagadi Breweries (Proprietary) Limited (KBL) and Coca-Cola Beverages (Botswana) (Proprietary) Limited (CCBB). The financial statements have been approved by the Board of Directors on 21 March 2025.

The Company is a public limited company, which is listed on the Botswana Stock Exchange and incorporated and domiciled in Botswana. The address of its registered office is Plot 50370, Acumen Park Fairgrounds, Gaborone.

1 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. Accounting policies are material and must be disclosed if they can reasonably be expected to influence the decisions of users of the financial statements. Information is material if users of an entity's financial statements would need it to understand other material information in the financial statements.

1.1 BASIS OF PREPARATION

The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention. These financial statements are the economic interest financial statements of the Company, which includes the equity accounted results of its associates.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the Company's financial statements are disclosed in the "Significant judgements and sources of estimation uncertainty" section. The company has adopted amendments to IAS 8 for the first time in the current year. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

All amounts in the notes are shown in Pula, unless otherwise stated. All amounts disclosed in the financial statements and notes have been rounded off to the nearest thousand currency units unless otherwise stated.

1.2 INVESTMENTS IN ASSOCIATES

Associates are all entities over which the Company has significant influence but not control or joint control, generally accompanying a shareholding of between 20% and 50% of the voting rights.

Investments in associates are accounted for using the equity method of accounting. Under this method, the investment is initially recognised at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition in profit or loss and the company's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from associates are recognised as a reduction in the carrying amount of the investment.

If the ownership interest in an associate is reduced but significant influence is retained, only a proportionate share of the amounts previously recognised in other comprehensive income is reclassified to profit or loss where appropriate.

The Company's share of post-acquisition profit or loss is recognised in the statement of profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income with a corresponding adjustment to the carrying amount of the investment. When the Company's share of losses in an associate equals or exceeds its interest in the associates, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associates.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associates is impaired. If this is the case, the Company calculates the amount of impairment as the difference between the recoverable amount of the associates and its carrying value and recognises the amount adjacent to 'share of profit/(loss) of associates' in the statement of comprehensive income.

Profits and losses resulting from upstream and downstream transactions between the Company and its associates are recognized in the statement of profit or loss and other comprehensive income in the Company's financial statements only to the extent of unrelated investor's interests in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the company. Dilution gains and losses arising in investments in associates are recognised in the statement of profit or loss and other comprehensive income.

Goodwill relating to the associate is included in the carrying amount of the investment and is not tested for impairment separately. Thus, reversals of impairments may effectively include reversal of goodwill impairments. Impairments and reversals are presented within 'Share of profit of an associate' in the statement of profit or loss.



SECHABA BREWERY HOLDINGS LIMITED

MATERIAL ACCOUNTING POLICIES

for the year ended 31 December 2024

1.3 SIGNIFICANT JUDGEMENTS AND SOURCES OF ESTIMATION UNCERTAINTY

Critical judgements in applying accounting policies

The Company makes estimates and assumptions concerning the future. The estimates are based on historical performance, budgets and discounted cashflows which incorporate prevailing market conditions at the time of projection. The resulting accounting estimates will, by definition, seldom equal the related actual results.

1.3.1 *Impairment of investments in associates*

Investments in associates are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An investment's recoverable amount is the higher of its fair value less costs of disposal and its value in use. The recoverable amount is determined for each investment in associates unless the investment does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an investment exceeds its recoverable amount, the investment is considered impaired and is written down to its recoverable amount.

Management compares the carrying values of the investments in equity accounted investees with the respective fair value of the investments using discounted cash flow analysis. Management also takes into consideration information available at the reporting date which may have contributed to the current performance, or which is expected to improve future performance of the equity accounted investees companies. The assessment of these investments for impairment therefore requires the application of judgment and the use of significant assumptions in determining future profitability and the current value of assets held by the equity accounted investees companies. The entity bases its impairment assessment calculation on most recent budgets and forecasts, which are prepared separately for each investment. The group has long term investments therefore the budgets and discounted cashflows are done on a ten-year period. A long-term growth rate which is entity specific is used and this is reviewed against the applicable GDP growth rate. The country specific equity risk premium rate is used for discounted future cash flows. (Refer to note 14 – Investment in associates)

1.4 DIVIDEND DISTRIBUTION

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved and declared by the Company's directors.

1.5 FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments (a financial asset and financial liability) are recognised when the company becomes a party to the contractual provisions. They are measured, at initial recognition, at fair value plus transaction costs, if any financial instruments held by the Company are classified in accordance with the provisions of IFRS 9 Financial Instruments.

The specific accounting policies for the classification, recognition and measurement of each type of financial instrument held by the Company are presented below:

Trade and other receivables

Classification

Trade and other receivables, excluding, when applicable, VAT and prepayments, are classified as financial assets subsequently measured at amortised cost.

They have been classified in this manner because their contractual terms give rise, on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding, and the Company's business model is to collect the contractual cash flows on trade and other receivables.

Recognition and measurement

Trade and other receivables are recognised when the Company becomes a party to the contractual provisions of the receivables. They are measured, at initial recognition, at fair value plus transaction costs, if any.

They are subsequently measured at amortised cost.

The amortised cost is the amount recognised on the receivable initially, minus principal repayments, plus cumulative amortisation (interest) using the effective interest rate method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.



MATERIAL ACCOUNTING POLICIES

for the year ended 31 December 2024

1.5 FINANCIAL INSTRUMENTS (continued)

Application of the effective interest method

For receivables which contain a significant financing component, interest income is calculated using the effective interest rate method and is included in profit or loss.

The application of the effective interest rate method to calculate interest income on trade receivables is dependent on the credit risk of the receivable as follows:

- The effective interest rate is applied to the gross carrying amount of the receivable, provided the receivable is not credit impaired. The gross carrying amount is the amortised cost before adjusting for a loss allowance.
- If a receivable is a purchased or originated as credit-impaired, then a credit-adjusted effective interest rate is applied to the amortised cost in the determination of interest. This treatment does not change over the life of the receivable, even if it is no longer credit impaired.
- If a receivable was not purchased or originally credit-impaired, but it has subsequently become credit-impaired, then the effective interest rate is applied to the amortised cost of the receivable in the determination of interest. If, in subsequent periods, the receivable is no longer credit impaired, then the interest calculation reverts to applying the effective interest rate to the gross carrying amount.

Impairment

The Company recognises a loss allowance for expected credit losses on trade and other receivables, excluding VAT and prepayments. The amount of expected credit losses is updated at each reporting date.

The Company measures the loss allowance for trade and other receivables at an amount equal to lifetime expected credit losses (lifetime ECL), which represents the expected credit losses that will result from all possible default events over the expected life of the receivable.

Write off policy

The Company writes off a receivable when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, e.g., when the counterparty has been placed under liquidation or has entered bankruptcy proceedings. Receivables written off may still be subject to enforcement activities under the Company recovery procedures, considering legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Credit risk

Details of credit risk are included in risk management note (note 3).

Derecognition

Refer to the derecognition section of the accounting policy for the policies and processes related to derecognition.

Any gains or losses arising on the derecognition of trade and other receivables is included in the statement of profit or loss in the derecognition gains (losses) on financial assets at amortised cost.

Trade and other payables

Classification

Trade and other payables (note 20), excluding VAT and amounts received in advance, are classified as financial liabilities subsequently measured at amortised cost.

Trade payables are obligations to pay for services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest rate method.

Recognition and measurement

They are recognised when the Company becomes a party to the contractual provisions, and are measured, at initial recognition, at fair value plus transaction costs, if any. They are subsequently measured at amortised cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability. Trade and other payables expose the Company to liquidity risk and possibly to interest rate risk.

Refer to note 3 for details of risk exposure and management thereof.

Derecognition

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.



SECHABA BREWERY HOLDINGS LIMITED

MATERIAL ACCOUNTING POLICIES

for the year ended 31 December 2024

1.6 CASH AND CASH EQUIVALENTS

Classification, Recognition and measurement, Impairment and derecognition

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, 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. The company does not have any Bank overdrafts.

Cash and cash equivalents are classified as financial assets subsequently measured at amortised cost. The amortised cost approximates its fair value due to the short-term nature of these instruments.

They are measured at initial recognition, at fair value plus transaction costs, if any, and are subsequently measured at amortised cost.

The Company measures the loss allowance for cash and cash equivalents at an amount equal to 12 months' expected credit loss, unless a significant increase in risk is noted, in which case lifetime expected credit losses would be determined, which represents the expected credit losses that will result from all possible non-recovery of the cash and cash equivalent balance.

Refer to the "derecognition" section of the accounting policy for the policies and processes related to derecognition.

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, 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. The company does not have any Bank overdrafts.

1.7 STATED CAPITAL

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

1.8 DIVIDEND INCOME

Dividend income is recognised when the right to receive payment is established. Dividends received included in the cash flow statement relates to equity accounted investments.

1.9 INTEREST INCOME

Interest income is recognised on a time-proportion basis using the effective interest rate method. When a receivable is impaired, the Company reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at original effective interest rate of the instrument and continues unwinding the discount as interest income. Interest income on impaired loans is recognised using the original effective interest rate.

1.10 RELATED PARTIES

Related parties comprise directors of the Company, its associates and companies with common control or significant influence. Transactions with related parties are in the normal course of business and on normal commercial terms.

1.11 CURRENT AND DEFERRED INCOME TAX

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income, 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.

The current income tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate based on amounts expected to be paid to the tax authorities.

Deferred income tax is recognised, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is 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. Deferred income tax is determined using tax rates that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled.



SECHABA BREWERY HOLDINGS LIMITED

MATERIAL ACCOUNTING POLICIES

for the year ended 31 December 2024

1.11 CURRENT AND DEFERRED INCOME TAX *(continued)*

Deferred tax liabilities arising from taxable temporary differences between the tax bases and carrying amounts of investments in associates are recognised, except to the extent that the Company can control the timing of reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

1.12 SEGMENTAL REPORTING

The Company operates as an investment holding Company, currently holding two investment companies. Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision makers. The chief operating decision makers, who are responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors. In this capacity, the Board monitors the overall financial results and financial positions of the associates, and its ability to pay dividends to the Company.

The key financial indicators and performance of this investment as monitored by the Board of Directors are clearly presented in the annual financial statements of the Company, specifically through disclosures of dividend income and detailed disclosures of the summarised statement of profit or loss and other comprehensive income and statement of financial position of the associates in note 14.

1.13 EARNINGS PER ORDINARY SHARE

Earnings per ordinary share are calculated using the weighted average number of ordinary shares in issue during the period and are based on the net profit attributable to ordinary shareholders.

1.14 EMPLOYEE BENEFITS

The Company is an investment holding company and has no permanent and pensionable staff of its own and as such, the Company does not operate any employee pension schemes. The qualifying members of the staff of its associates contribute to a defined contribution plan.

1.15 PROPERTY, PLANT AND EQUIPMENT

All equipment is measured at historical cost less depreciation and impairment losses. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is charged so as to write off the cost of the assets over their estimated useful lives, to estimated residual values.

The company useful lives of items of office equipment have been assessed as follows;

| ITEM | DEPRECIATION METHOD | USEFUL LIFE |
|-------------------------------|---------------------|-------------|
| Office furniture and fittings | Straight line | 10 years |
| Computer equipment | Straight line | 4 years |
| Other Assets | Straight line | 2 years |

The methods of depreciation, useful lives and residual values are reviewed annually, with the effect of any change in estimates accounted for prospectively.

The following rates were used during the period to depreciate equipment on a straight-line basis to estimated residual values.

An item of equipment is derecognised upon disposal, scrapped or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in surplus or deficit in the period the asset is recognised.



SECHABA BREWERY HOLDINGS LIMITED

MATERIAL ACCOUNTING POLICIES

for the year ended 31 December 2024

1.16 LEASES

During the period the company entered into a rental lease for a period exceeding 12 months and according to IFRS 16 – Leases, lessees are required to recognize a right-of-use asset and a corresponding lease liability. The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of specific asset or assets and the arrangement conveys a right to use the asset. The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration, Company as a lessee The Company applies a single recognition and measurement approach for all leases including those for short- term leases and leases of low-value assets. The Company recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

i. Right-of-use assets The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Refer to the accounting policies under impairment of non-financial assets.

ii. Lease liabilities at the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii. A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

1.17 INTEREST EXPENSE

Interest expense is recognised in profit or loss using the effective interest method as describe under the interest income policy above.



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2. NEW STANDARDS AND INTERPRETATIONS

2.21 Standards and interpretations adopted during the year

The company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2024. The Group has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

| | | |
|---|----------------|--|
| Classification of Liabilities as Current or Non-current - Amendments to IAS 1 | 1 January 2024 | The impact of the amendment is not material. |
| Disclosures: Supplier Finance Arrangements and IFRS 7 | 1 January 2024 | The impact of the amendment is not material. |

Classification of Liabilities as Current or Non-current - Amendments to IAS 1

The amended standard aims to improve accounting policy disclosures and to help users of the financial statements to distinguish between changes in accounting estimates and changes in accounting policies. The amendment specifies the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
 - That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to necessitate disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

Under existing IAS 1 requirements, companies classify liability as current when they do not have an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting period. As part of its amendments, the Board has removed the requirement for a right to be unconditional and instead, now requires that a right to defer settlement must have substance and exist at the end of the reporting period.

Management exercised judgement and assessed the liabilities for the company and there hasn't been a material impact on the financial statements.

Disclosures: Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concerns that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.

The company applied this accounting policy in the financial statements and there was no material impact



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2. NEW STANDARDS AND INTERPRETATIONS (continued)

2.22 New standards and interpretations issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective are disclosed below. The company intends to adopt these new and amended standards and interpretations, if applicable, when they become effective. The following are new standards, amendments to standards and interpretations which are not yet effective for the year ended 31 December 2024, and have not been applied in preparing these financial statements:

| Standard/Interpretation | Effective date: on or before | Expected Impact |
|---|------------------------------|--|
| Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture | To be determined | Unlikely there will be a material impact |
| Lack of exchangeability – Amendments to IAS 21 | 1 January 2025 | Unlikely there will be a material impact |
| Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 | 1 January 2026 | Unlikely there will be a material impact |
| Annual Improvements to IFRS Accounting Standards – Volume 11 | 1 January 2026 | Unlikely there will be a material impact |
| IFRS 18 – Presentation and Disclosure in Financial Statements | 1 January 2027 | Likely there will be a material impact |

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

The amendments address the conflict between IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture.

The amendments clarify that a full gain or loss is recognised when a transfer to an associate or joint venture involves a business as defined in IFRS 3. Any gain or loss resulting from the sale or contribution of assets that does not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

The amendments have been deferred until such time as it has finalised any amendments that result from its research project on the equity method. Early application of the amendments is still permitted. The company will evaluate and apply this accounting policy in the financial statements.

Lack of exchangeability – Amendments to IAS 21

The amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2. NEW STANDARDS AND INTERPRETATIONS *(continued)*

2.2 New standards and interpretations issued but not yet effective *(continued)*

Lack of exchangeability – Amendments to IAS 21 (continued)

A currency is considered to be exchangeable into another currency when an entity is able to obtain the other currency within a time frame that allows for a normal administrative delay and through a market or exchange mechanism in which an exchange transaction would create enforceable rights and obligations.

If a currency is not exchangeable into another currency, an entity is required to estimate the spot exchange rate at the measurement date. An entity's objective in estimating the spot exchange rate is to reflect the rate at which an orderly exchange transaction would take place at the measurement date between market participants under prevailing economic conditions. The amendments note that an entity can use an observable exchange rate without adjustment or another estimation technique. The standard is effective for annual reporting periods beginning on or after 1 January 2025.

The company will evaluate and apply this accounting policy in the financial statements.

Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7

The standard clarifies that a financial liability is derecognised on the 'settlement date', i.e., when the related obligation is discharged, cancelled, expires or the liability otherwise qualifies for derecognition. It also introduces an accounting policy option to derecognise financial liabilities that are settled through an electronic payment system before settlement date if certain conditions are met.

Clarified how to assess the contractual cash flow characteristics of financial assets that include environmental, social and governance (ESG)-linked features and other similar contingent features.

Clarifies the treatment of non-recourse assets and contractually linked instruments.

Requires additional disclosures in IFRS 7 for financial assets and liabilities with contractual terms that reference a contingent event (including those that are ESG-linked), and equity instruments classified at fair value through other comprehensive income.

The publication of the amendments concludes the classification and measurement phase of the IASB's post implementation review (PIR) of IFRS 9 Financial Instruments.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2026. Early adoption of amendments that relate to the classification of financial assets plus the related disclosures is allowed.

The company will evaluate and apply this accounting policy in the financial statements.



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024


2. NEW STANDARDS AND INTERPRETATIONS (continued)

2.2 New standards and interpretations issued but not yet effective (continued)

Annual Improvements to IFRS Accounting Standards— Volume 11

In July 2024, the IASB issued Annual Improvements to IFRS Accounting Standards – Volume 11.

The following is a summary of the amendments from the Annual Improvements to IFRS Accounting Standards—Volume 11:

| | |
|---|--|
| IFRS 1 First-time Adoption of International Financial Reporting Standards | <p>Hedge Accounting by a First-time Adopter</p> <ul style="list-style-type: none"> Amendments are intended to address potential confusion arising from an inconsistency between the wording in IFRS 1 and the requirements for hedge accounting in IFRS 9. Effective amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. |
| IFRS 7 | <p>Gain or Loss on Derecognition</p> <ul style="list-style-type: none"> The amendments update the language on unobservable of IFRS 13 Fair Value Measurement. Effective amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. |
| Guidance on implementing IFRS 7 | <p>Introduction</p> <ul style="list-style-type: none"> The amendments to IFRS 7 clarify that the guidance does not necessarily illustrate all the requirements, nor does it create additional requirements on IFRS7. |
| Guidance on implementing IFRS 7 | <p>Disclosure of Deferred Difference between Fair Value and Transaction Price</p> <ul style="list-style-type: none"> The amendment is mainly to make the wording consistent with the requirements in IFRS 7 with the concepts and terminology used in IFRS 9 and IFRS 13. |
| Guidance on implementing IFRS 7 | <p>Credit Risk Disclosures</p> <ul style="list-style-type: none"> Amendment for  is to simplify the explanation of which aspects of the IFRS requirements are not illustrated in the example. |
| IFRS 9 | <p>Lessee Derecognition of Lease Liabilities</p> <ul style="list-style-type: none"> IFRS 9 has been amended to clarify that, when a lessee has determined that a lease liability has been extinguished in accordance with IFRS 9, the lessee is required to recognise any resulting gain or loss in profit or loss. However, the amendment does not address how a lessee distinguishes between a lease modification as defined in IFRS 16 and an extinguishment of a lease liability in accordance with IFRS 9. Effective amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. |
| IFRS 9 | <p>Transaction Price</p> <ul style="list-style-type: none"> IFRS 9 has been amended to replace the reference to 'transaction price as defined by IFRS 15 Revenue from Contracts with Customers' with 'the amount determined by applying IFRS 15'. The use of the term 'transaction price' in relation to IFRS 15 was potentially confusing and so it has been removed. Effective amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. |
| IFRS 10 | <p>Determination of a 'De Facto Agent'</p> <ul style="list-style-type: none"> IFRS 10 has been amended to clarify that the relationship described in paragraph B74 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor. The amendments are intended to remove the inconsistency with the requirement in paragraph B73 for an entity to use judgement to determine whether other parties are acting as de facto agents. Effective amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. |
| IAS 7 | <p>Cost Method</p> <ul style="list-style-type: none"> Paragraph 37 of IAS 7 has been amended to replace the term 'cost method' with 'at cost', following the prior deletion of the definition of 'cost method'. An entity applies the amendments for annual reporting periods beginning on or after 1 January 2026. Earlier application is permitted. |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

2. NEW STANDARDS AND INTERPRETATIONS (continued)

2.2 New standards and interpretations issued but not yet effective (continued)

IFRS 18 – Presentation and Disclosure in Financial

In April 2024, the Board issued IFRS 18 *Presentation and Disclosure in Financial Statements* which replaces IAS 1. IFRS 18 introduces new categories and subtotals in the statement of profit or loss. It also requires disclosure of management-defined performance measures (as defined) and includes new requirements for the location, aggregation and disaggregation of financial information. The amendments are summarised as follows;

Statement of profit or loss

IFRS 18 requires an entity to present subtotals and totals for 'operating profit or loss', in addition to profit or loss before financing and income taxes' and 'profit or loss, all income and expenses within its statement of profit or loss into one of five categories: operating; investing; financing; income taxes; and discontinued operations.

Main business activities

The standard requires assessment to determine classifying income and expenses into the categories as to whether it has a 'main business activity' of investing in assets or providing financing to customers, as specific classification requirements will apply to such entities.

Management-defined performance measures

IFRS 18 introduces the concept of a management-defined performance measure (MPM) which it defines as a subtotal of income and expenses that an entity uses in public. IFRS 18 requires disclosure of information about all of an entity's MPMs within a single note to the financial statements and requires several disclosures to be made about each MPM, including how the measure is calculated and a reconciliation to the most comparable subtotal specified by IFRS 18 or another IFRS accounting standard.

Location of information, aggregation and disaggregation

IFRS 18 differentiates between 'presenting' information in the primary financial statements and 'disclosing' it in the notes, and introduces a principle for determining the location of information based on identified 'roles' of the primary financial statements and the notes. IFRS 18 requires aggregation and disaggregation of information to be performed with reference to similar and dissimilar characteristics.

Consequential amendments to other accounting standards

Amendments to IAS 7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method from 'profit or loss' to 'operating profit or loss'. The optionality around classification of cash flows from dividends and interest in the statement of cash flows has also largely been removed. New requirements have been added to IAS 33 *Earnings per Share* that only permit entities to disclose additional amounts per share, if the numerator used in the calculation meets specified criteria. The numerator must be: an amount attributable to ordinary equity holders of the parent entity; and a total or subtotal identified by IFRS 18 or an MPM as defined by IFRS 18.

Some requirements previously included within IAS 1 have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which has been renamed IAS 8 *Basis of Preparation of Financial Statements*. IAS 34 *Interim Financial Reporting* has been amended to require disclosure of MPMs.

IFRS 18 is effective for reporting periods beginning on or after 1 January 2027. The management will assess the impact and implement the standard.



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3. RISK MANAGEMENT

Financial instruments risk management objectives and policies

Market risk

Financial risk factors

The Statement of financial position includes assets and liabilities, which are subject to market risks, credit and liquidity risks. Details of these assets and liabilities are set out in the notes to the financial statements. The Company's overall risk management Programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the financial performance of the Company.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. Total capital employed is calculated as equity. There are no externally imposed capital requirements other than to meet solvency requirements per Section 58 of the Companies Act prior to declaration of dividends. This has been met.

The capital structure of the company as at the reporting date was as follows:

| | P'000 | P'000 |
|---------------------------|------------------|------------------|
| Other payables | 423 | 513 |
| Dividend payable | 9 560 | 8 188 |
| Tax payable | 581 | 634 |
| Cash and cash equivalents | (188 882) | (311 281) |
| Net cash position | (178 318) | (301 946) |
| Equity | 900 699 | 1 078 603 |

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2024 and 2023.

Foreign exchange risk

In the normal course of business, the Company may enter into transactions denominated in foreign currencies. During the year, the Company did not have foreign currency assets and liabilities and therefore was not exposed to foreign currency risk.

Price risk

The Company's financial results and position are not exposed to equity or security price risk or commodity price risks. Due to the nature of their operations, the Company's associates are exposed to significant commodity price risks through their procurement of raw materials on international commodities markets. These are managed and monitored by the associates.

Cash flow and fair value interest rate risk

The Company may from time-to-time have interest-bearing assets and liabilities. The Company management ensures that cash resources are placed with financial institutions giving the best interest rates to mitigate any significant changes in interest rates. The Company's income and operating cash flows are substantially independent of changes in market interest rates. There were no significant interest-bearing assets or liabilities during the financial period.



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3. RISK MANAGEMENT (continued)

Financial instruments risk management objectives and policies (continued)

Credit risk (continued)

Credit risk

Credit risk arises from cash and cash equivalents and deposits with banks and financial institutions including outstanding receivables and committed transactions. For banks and financial institutions, only reputable parties are accepted. Management has assessed the expected credit loss on Cash and cash equivalents and noted no material impairment. The table below shows cash and cash equivalents and other receivables at their carrying value respectively as at the reporting date:

| | Fully Perform- ing P'000 | Past Due P'000 | Total P'000 |
|---------------------------|--------------------------------|-------------------|----------------|
| 31 December 2024 | | | |
| Other receivables | 461 | - | 461 |
| Cash and cash equivalents | 188 882 | - | 188 882 |
| | 189 343 | - | 189 343 |
| 31 December 2023 | | | |
| Other receivables | 391 | - | 391 |
| Cash and cash equivalents | 311 281 | - | 311 281 |
| | 311 672 | - | 311 672 |

There were no assets at fair value through the profit and loss, liabilities at fair value through the profit and loss, derivatives used for hedging or available for sale financial instruments as at period end. None of the financial assets that are fully performing has been renegotiated during the period.

Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities, and the ability to close out market positions.

Management monitors rolling forecasts of the company's liquidity reserve (comprises cash and cash equivalents) based on expected cash flows to ensure that the company has sufficient reserves available to meet its obligations as those arise in the ordinary course of business.

Surplus cash balances are required for working capital management and is invested in interest bearing current and time deposits accounts, choosing instruments to provide sufficient headroom as determined by the above- mentioned forecasts. At the reporting date, the company held liquid cash assets of P189 million (31 December 2023: P311 million) for managing liquidity risk. In addition, cash for expansion or dividends pay-outs to shareholders is fully funded through dividends receipts from the associates.



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

3. RISK MANAGEMENT (continued)

Financial instruments risk management objectives and policies (continued)

Risk Management (continued)

The table below shows maturity analysis for cash and cash equivalents and other receivables as at the reporting date:

| | Less than 1 year P'000 | Total P'000 |
|---------------------------|---------------------------|----------------|
| 31 December 2024 | | |
| Cash and cash equivalents | 188 882 | 188 882 |
| | 188 882 | 188 882 |
| 31 December 2023 | | |
| Cash and cash equivalents | 311 281 | 311 281 |
| | 311 281 | 311 281 |

In the current year we have included maturity analysis of financial assets that are held to manage liquidity risk. The disclosure has been updated for the prior year to comply with the requirements of International Financial Reporting Standards. This has not resulted in any other changes or impact on the financial statements.

Maturity analysis based on contractually undiscounted amounts

The table below analyses the company's liabilities that will be settled on gross basis into relevant maturity groupings based on the remaining period at the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

| | Less than 1 year P'000 | Total P'000 |
|-------------------------|---------------------------|----------------|
| 31 December 2024 | | |
| Dividend payable | 9 560 | 9 560 |
| Other payables | 423 | 423 |
| | 9 983 | 9 983 |
| 31 December 2023 | | |
| Dividend payable | 8 188 | 8 188 |
| Other payables | 513 | 513 |
| | 8 701 | 8 701 |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

4. CATEGORIES OF FINANCIAL INSTRUMENTS

Note 1.6 provides a description of each category of financial assets and financial liabilities and the related accounting policies. The carrying amounts of financial assets and financial liabilities in each category are as follows:

| Categories of financial assets 31 December 2024 | Financial assets at amortised cost | Financial liabilities at Amortised Cost | Total |
|--|------------------------------------|---|----------------|
| | P'000 | P'000 | P'000 |
| Other receivables | 461 | - | 461 |
| Cash and cash equivalents | 188 882 | - | 188 882 |
| | 189 343 | - | 189 343 |
| Categories of financial liabilities 31 December 2024 | | | |
| Other payables | | 423 | 423 |
| Dividend payables | - | 9 560 | 9 560 |
| | - | 9 983 | 9 983 |
| Categories of financial assets 31 December 2023 | Financial assets at amortised cost | Financial liabilities at amortised Cost | Total |
| | P'000 | P'000 | P'000 |
| Other receivables | 391 | - | 391 |
| Cash and cash equivalents | 311 281 | - | 311 281 |
| | 311 672 | - | 311 672 |
| Categories of financial liabilities 31 December 2023 | | | |
| Other payables | - | 513 | 513 |
| Dividend payables | - | 8 188 | 8 188 |
| | - | 8 701 | 8 701 |
| | | 2024 | 2023 |
| | | P'000 | P'000 |
| 5. SHARE OF RESULTS OF ASSOCIATE COMPANIES | | | |
| <i>Share of profits</i> | | | |
| Kgalagadi Breweries (Proprietary) Limited | | 297 798 | 272 134 |
| Coca-Cola Beverages (Botswana) (Proprietary) Limited | | 40 840 | 31 013 |
| | | 338 638 | 303 147 |
| 6. INTEREST INCOME | | | |
| <i>Interest income on investments and short-term deposits</i> | | | |
| Interest income using the effective interest method | | 5 150 | 3 797 |
| 7. FINANCE COSTS | | | |
| The interest expense is calculated using the effective interest method | | (20) | (-) |
| | | (20) | (-) |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

| | 2024 P'000 | 2023 P'000 |
|--|-----------------------------|-----------------------------|
| 8. ADMINISTRATIVE EXPENSES | | |
| Advertising | (77) | (87) |
| Audit fees | (452) | (417) |
| Bank charges | (22) | (14) |
| Board expenses | (119) | (27) |
| Directors' fees | (1 294) | (1 217) |
| Insurance | (21) | (19) |
| Management fees | (851) | (744) |
| Professional fees | (215) | (229) |
| Publish annual report | (113) | (89) |
| Staff remuneration | (823) | (449) |
| Stock exchange fees | (381) | (332) |
| Telephone and internet charges | (13) | (5) |
| Transfer costs | (332) | (241) |
| Postage and couriers | (1) | (2) |
| Lease rental | (-) | (121) |
| Computer expenses | (57) | (54) |
| Depreciation | (11) | (6) |
| Depreciation on right of use asset | (121) | (-) |
| Office maintenance | (37) | (24) |
| Utilities | (14) | (16) |
| | (4 954) | (4 093) |
| 9. TAX PER STATEMENT OF PROFIT OR LOSS | | |
| Botswana Company tax - current year | (1 118) | (825) |
| Withholding tax on dividends received | (39 904) | (47 123) |
| | (41 022) | (47 498) |
| Deferred | | |
| Deferred tax relating to the origination or reversal of temporary differences | 6 040 | 16 809 |
| | (34 982) | (31 139) |
| Tax expense reconciliation | | |
| Profit before tax | 338 814 | 302 851 |
| Tax expenses at applicable 22% tax rate | 74 539 | 66 627 |
| Tax effect of expenses that are not deductible for tax purposes | 1 079 | 890 |
| Effect of deferred tax liability recognised on investment in associates at (10%) | (6 040) | (16 809) |
| Withholding tax on dividend paid at (10%) | 39 904 | 47 123 |
| Income not subject to tax – share of profit | (74 500) | (66 692) |
| Tax per statement of profit or loss | 34 982 | 31 139 |
| Effective tax rate | 10.3% | 10.3% |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

| | 2024 | 2023 |
|---|------------------|------------------|
| | P' 000 | P' 000 |
| 10. TAXATION PAID | | |
| Balance at the beginning of the period | (634) | (221) |
| Current taxation for the period recognised in statement of profit or loss | (41 022) | (47 948) |
| Balance at the end of the period | 581 | 634 |
| | (41075) | (47535) |
| 11. EARNINGS PER SHARE | | |
| Basic and diluted earnings per share (thebe) | 274.67 | 245.63 |
| Reconciliation of profit for the period to basic earnings | | |
| Net profit attributable to shareholders (P'000) | 303 832 | 271 712 |
| Weighted average number of ordinary shares in issue (thousands) | 110 617 | 110 617 |
| 12. DIVIDENDS PAID | | |
| Opening dividends balance | (8 188) | (7 745) |
| Dividends for the year | (481 736) | (157 408) |
| Closing dividends balance | 9 560 | 8 188 |
| Dividends paid | (480 364) | (156 965) |
| Dividends per share (thebe) | 434.26 | 141.90 |
| 13. DEFERRED TAXATION | | |
| Deferred tax liability | | |
| Investment in associates | (47 807) | (53 847) |
| Reconciliation of deferred tax liability | | |
| At beginning of year | (53 847) | (70 656) |
| Deferred tax credit on investment in associates | 6 040 | 16 809 |
| Deferred tax carried forward | (47 807) | (53 847) |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

14. INVESTMENTS IN ASSOCIATES

Material associates

The following table lists all material associates to the company

| | Principal Place of Business | Method | % Ownership interest | |
|---|-----------------------------|--------|----------------------|--------|
| | | | 2024 | 2023 |
| Coca-Cola Beverages (Botswana) (Pty) Ltd ("CCBB") | Gaborone, Botswana | Equity | 49.90% | 49.90% |
| Kgalagadi Breweries Limited (Pty) Ltd ("KBL") | Gaborone, Botswana | Equity | 49.90% | 49.90% |

KBL is involved in the manufacture, import, distribution and marketing of a portfolio of clear beers, alcoholic fruit beverages and traditional beers. CCBB is involved in the manufacturing, import, distribution and marketing of a portfolio of soft drink, purified water and other non-alcoholic beverages. Both entities are not listed in any stock exchange.

Movement in investment in associates is as follows:

| | KBL P'000 | CCBB P'000 | Total P'000 |
|---|----------------|----------------|----------------|
| Opening cost of investment as at 01 January 2024 | 673 026 | 156 994 | 830 020 |
| Equity accounted share of profit | 297 798 | 40 840 | 338 638 |
| Share of dividend received | (355 288) | (43 755) | (399 043) |
| Closing cost of investment as at 31 December 2024 | 615 536 | 154 079 | 769 615 |
| Opening cost of investment as at 01 January 2023 | 839 513 | 158 593 | 998 106 |
| Equity accounted share of profit | 272 134 | 31 013 | 303 147 |
| Share of dividend received | (438 621) | (32 612) | (471 233) |
| Closing cost of investment as at 31 December 2023 | 673 026 | 156 994 | 830 020 |

Coca-Cola Beverages (Botswana) (Pty) Ltd

Kgalagadi Breweries Limited (Pty) Ltd

Summarised Statement of Profit or Loss or Other Comprehensive income as at 31 December

| | 2024 P'000 | 2023 P'000 | 2024 P'000 | 2023 P'000 |
|--|---------------|---------------|----------------|----------------|
| Revenue | 1 254 386 | 1 123 520 | 2 988 566 | 2 590 324 |
| Income and other expenses | (1 156 810) | (1 049 682) | (2 272 567) | (1 935 302) |
| Profit before tax | 97 576 | 73 838 | 715 999 | 655 022 |
| Tax expense | (15 732) | (11 687) | (119 209) | (109 664) |
| Profit from continuing operations | 81 844 | 62 151 | 596 790 | 545 358 |
| Other comprehensive income | - | - | - | - |
| Total comprehensive income | 81 844 | 62 151 | 596 790 | 545 358 |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

14. INVESTMENT IN ASSOCIATES (continued)**Summarised Statement of Financial position as at 31 December**

| | Coca-Cola Beverages (Botswana) (Pty) Ltd | | Kgalagadi Breweries Limited (Pty) Ltd | |
|--------------------------|---|----------------|--|------------------|
| | 2024 P' 000 | 2023 P' 000 | 2024 P' 000 | 2023 P' 000 |
| Assets | | | | |
| Non-current | 505 616 | 470 854 | 607 089 | 653 532 |
| Current | 519 474 | 343 873 | 964 538 | 1 056 633 |
| Total assets | 925 090 | 814 727 | 1 571 627 | 1 710 165 |
| Liabilities | | | | |
| Non-current | 28 511 | 145 369 | 68 052 | 64 627 |
| Current | 587 080 | 354 746 | 451 810 | 478 564 |
| Total liabilities | 616 319 | 500 115 | 519 862 | 543 191 |
| Total net assets | 308 771 | 314 612 | 1 051 765 | 1 166 974 |

Reconciliation of net assets to equity accounted investments in associates

| | KBL P' 000 | CCBB P' 000 | Total P' 000 |
|--|------------------|----------------|------------------|
| 31 December 2024 | | | |
| Total net assets of the associate | 1 051 765 | 308 771 | 1 360 536 |
| Share of net assets of associates 49.9% | 524 836 | 154 079 | 678 915 |
| Goodwill | 90 700 | - | 90 700 |
| Carrying value | 615 536 | 154 079 | 769 615 |
| <i>Reconciliation:</i> | | | |
| Investment as at 01 January 2024 | 673 026 | 156 994 | 830 020 |
| Share of profit | 297 798 | 40 840 | 338 638 |
| Share of dividend received from associates | (355 288) | (43 755) | (399 043) |
| Investment as at 31 December 2024 | 615 536 | 154 079 | 769 615 |
| 31 December 2023 | | | |
| Total net assets of the associate | 1 166 974 | 314 612 | 1 481 586 |
| Share of net assets of associates 49.9% | 582 326 | 156 994 | 739 320 |
| Goodwill | 90 700 | - | 90 700 |
| Carrying value | 673 026 | 156 994 | 830 020 |
| <i>Reconciliation:</i> | | | |
| Investment as at 01 January 2023 | 839 513 | 158 593 | 998 106 |
| Share of profit | 272 134 | 31 013 | 303 147 |
| Share of dividend received from associates | (438 621) | (32 612) | (471 233) |
| Investment as at 31 December 2023 | 673 026 | 156 994 | 830 020 |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

14. INVESTMENT IN ASSOCIATES (continued)

An assessment was conducted to evaluate the impairment of investments in associates, considering the impact of global interest rate fluctuations, supply chain disruptions, and rising living costs. Despite these challenges, no objective evidence of impairment was identified in the investment valuation. Refer note 1.2.

The summarised information presented above reflects the financial statements of the associates after adjusting for differences in accounting policies between the company and the associates.

Management performed an investment impairment assessment based on ten-year discounted cashflows using 5.93% (6.35% 2023) country specific equity premium rate given that the company capital is mainly composed equity. A 2.6% (3.8% 2023) growth rate for the expected cashflows from the associates was used in line with the GDP growth rate. Assessment results and sensitivity analysis based on the shareholding of 49.9% are as follows:

| Investment in Associates | Growth Rate | DCF | KBL 2024 | CCBB 2024 | KBL 2023 | CCBB 2023 |
|--------------------------|-------------|--------|-----------|-----------|-----------|-----------|
| | | | P'000 | P'000 | P'000 | P'000 |
| Carrying value | | | 615 536 | 154 079 | 673 026 | 156 994 |
| Present Value | 2.6% | 5.93% | 1 903 089 | 495 104 | 1 815 986 | 399 335 |
| Sensitivity analysis | | | | | | |
| Present Value (-5%) | 0% | | 1 711 586 | 445 283 | 1 479 915 | 342 108 |
| Present Value (+5%) | 7.6% | | 2 349 975 | 611 365 | 2 134 161 | 493 348 |
| Present Value (-5%) | | 0.93% | 2 475 188 | 643 940 | 2 377 310 | 520 391 |
| Present Value (+5%) | | 10.93% | 1 507 748 | 392 253 | 1 429 680 | 315 746 |

15. OFFICE EQUIPMENT

| | 2024 | | | 2023 | | |
|------------------------|------------|--------------------------|----------------|---------------------|--------------------------|----------------|
| | Cost | Accumulated depreciation | Carrying value | Cost or revaluation | Accumulated depreciation | Carrying value |
| | P'000 | P'000 | P'000 | P'000 | P'000 | P'000 |
| Furniture and fixtures | 66 | (7) | 59 | 32 | (3) | 29 |
| IT equipment | 23 | (6) | 17 | 12 | (3) | 9 |
| Other assets | 11 | (4) | 7 | 7 | (1) | 6 |
| Total | 100 | (17) | 83 | 51 | (7) | 44 |

Reconciliation of office equipment

| | 2024 | | | | 2023 | | | |
|------------------------|------------------|-----------|--------------|-----------|------------------|-----------|--------------|-----------|
| | Opening Balances | Addition | Depreciation | Total | Opening Balances | Additions | Depreciation | Total |
| | P'000 | P'000 | P'000 | P'000 | P'000 | P'000 | P'000 | P'000 |
| Furniture and fixtures | 29 | 34 | (4) | 59 | - | 32 | (3) | 29 |
| IT equipment | 9 | 11 | (3) | 17 | 12 | - | (3) | 9 |
| Other assets | 6 | 5 | (4) | 7 | - | 7 | (1) | 6 |
| Total | 44 | 50 | (11) | 83 | 12 | 39 | (7) | 44 |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

16. LEASES

The company holds a lease contract for rental property used in its operations, which is set to expire within one year as at reporting date. The company's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets. There are no lease contracts that include variable lease payments.

Set out below is the carrying amount of right-of-use assets recognised and the movements during the period:

| | Property & Plant | Total |
|---------------------------------------|-----------------------------|--------------|
| | P'000 | P'000 |
| Balance as at 1 January 2024 | - | - |
| Additions | 243 | 243 |
| Depreciation | (122) | (122) |
| Balance as at 31 December 2024 | 121 | 121 |

Set out below are the carrying amounts of lease liability due within one year and the movements during the period:

| | 2024 | 2023 |
|---------------------------------------|--------------|--------------|
| | P'000 | P'000 |
| Balance as at 1 January 2024 | - | - |
| Additions | 243 | - |
| Accretion of Interest | 20 | - |
| Payments | (129) | - |
| Balance as at 31 December 2024 | 134 | - |

The following are the amounts recognised in the statement of profit or loss:

| | 2024 | 2023 |
|--|--------------|--------------|
| | P'000 | P'000 |
| Depreciation of right of use assets | 121 | - |
| Interest expense on lease liabilities | 20 | - |
| Total amount recognised in profit or loss | 141 | - |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

| | 2024 | 2023 |
|--|----------------|----------------|
| | P'000 | P'000 |
| 17. OTHER RECEIVABLES | | |
| Other receivables | 461 | 391 |
| <i>Non-financial instruments</i> | | |
| Prepayments | 42 | 49 |
| | 503 | 440 |
| 18. CASH AND CASH EQUIVALENTS | | |
| <i>Cash and cash equivalents comprise of:</i> | | |
| Bank balances | 26 335 | 5 528 |
| Investment in Bank (short term deposits) | 162 547 | 305 753 |
| | 188 882 | 311 281 |
| 19. STATED CAPITAL | | |
| <i>Reconciliation of number of shares issued</i> | | |
| At the beginning and end of the year | 110 617 | 110 617 |
| <i>Issued</i> | | |
| 110 616 859 ordinary shares of no-par value - fully paid | 194 548 | 194 548 |
| 20. OTHER PAYABLES | | |
| Other payables | 423 | 513 |
| | 423 | 513 |
| 21. Cash utilised in operations | | |
| Profit before tax | 338 814 | 302 851 |
| Adjustments for: | | |
| Share of profit from associates | (338 638) | (303 147) |
| Interest income | (5 150) | (3 797) |
| Office equipment depreciation | 11 | 7 |
| Right of use asset depreciation | 122 | - |
| Finance costs | 20 | - |
| Changes in working capital: | | |
| Increase in other receivables | (63) | (185) |
| Increase/(decrease) in other payables | (90) | 61 |
| | (4 974) | (4 210) |



SECHABA BREWERY HOLDINGS LIMITED

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2024

| | 2024 P'000 | 2023 P'000 |
|--|----------------|----------------|
| 22. RELATED PARTIES | | |
| Related parties comprise directors of the company, the company's associates and entities under common control and ownership. Transaction with related parties carried out during the year are: | | |
| Relationships | | |
| <i>Associates</i> | | |
| Kgalagadi Breweries (Proprietary) Limited | | |
| Coca-Cola Beverages (Botswana) (Proprietary) Limited | | |
| Related party balances | | |
| There were no outstanding balances due to or from related parties at the end of the year (2023: P'Nil) | | |
| Related party transactions | | |
| <i>Dividends received</i> | | |
| Kgalagadi Breweries (Proprietary) Limited | 355 288 | 438 621 |
| Coca-Cola Beverages (Botswana) (Proprietary) Limited | 43 755 | 32 612 |
| | 399 043 | 471 233 |
| Key management remuneration | | |
| Key Management personnel compensation | | |
| Short-term employee benefits | 823 | 449 |
| Directors' fees (non-executive) * | 1 294 | 1 217 |

*Some of the Non-Executive Directors represent the entity on the board of directors of the associates and are paid directors' fees by Sechaba Brewery Holdings Limited.

23. GOING CONCERN

Sechaba Brewery Holdings Limited Board of Directors have assessed the company's ability to continue as a going concern taking into account all available information about the future including an analysis of the possible impact on the company operations and those of its associates. During the assessment, a determination was made that there are sufficient cash resources available to settle the company's obligations up to twelve months from the date of the approval of these financial statements. The financial statements have thus been prepared based on accounting policies applicable to a going concern. The basis presumes that funds will be available to finance future operations and the realisation of assets and settlement of liabilities.

24. EVENTS AFTER THE REPORTING PERIOD

The company is expecting to receive P188.6 million dividends from its associates in April 2025.

Dividends declared

A dividend of 328.61 thebe per share constituting special dividend of 133.98 thebe per share and final dividend of 194.63 thebe per share was recommended and declared by the Board of Directors on the 28 March 2025 subject to approval by the shareholders at the Annual General Meeting.

There have been no other events, facts or circumstances of a material nature that have occurred subsequent to the reporting date which necessitate an adjustment to the disclosure in these annual financial statements or the notes thereto.



SECHABA BREWERY HOLDINGS LIMITED SHAREHOLDERS INFORMATION

for the year ended 31 December 2024

| Rank | Name | Total shares held | % Holding |
|------|--|-------------------|---------------|
| 1 | SCBN (PTY) LTD RE: BPOPF LEA PORTFOLIO CO AG | 26,868,357 | 24.29% |
| 2 | FNB BOTSWANA NOMINEES RE: BIFM - BPOPF ACT MEM & DP EQ | 16,302,116 | 14.74% |
| 3 | BOTSWANA DEVELOPMENT CORPORATION LIMITED | 8,067,870 | 7.29% |
| 4 | FNB BOTSWANA NOMINEES RE: MVA FUND | 5,059,564 | 4.57% |
| 5 | STANBIC NOMINEES BOTSWANA RE ALLAN GRAY DEBSWANA PF | 4,053,727 | 3.66% |
| 6 | SCBN (PTY) LTD RE: JPM 064/03 | 4,014,427 | 3.63% |
| 7 | SCBN (PTY) LTD RE: SSB 001/216 | 3,428,317 | 3.10% |
| 8 | STANBIC NOMINEES BOTSWANA RE BIFM PLEF | 2,538,686 | 2.30% |
| 9 | STANBIC NOMINEES BOTSWANA RE BPOPF WT PRO PORT MCP | 2,376,595 | 2.15% |
| 10 | STANBIC NOMINEES BOTSWANA RE MORULA DPF | 2,369,442 | 2.14% |
| 11 | STANBIC NOMINEES BOTSWANA RE NINETY-ONE DPF (LOCAL EQ) | 2,243,547 | 2.03% |
| 12 | STANBIC NOMINEES BOTSWANA RE BPOPF NON PROFIT-MCP | 2,014,590 | 1.82% |
| 13 | STANBIC NOMS BW RE 5TH QUARTER BPOPF LOCAL EQUITIES INCUBAT | 1,939,202 | 1.75% |
| 14 | FNBBN (PTY) LTD RE: BPOPF MORULA ACT MEM DEP EQ | 1,677,254 | 1.52% |
| 15 | FNBB NOMINEES RE: VUNANI BPOPF | 1,444,705 | 1.31% |
| 16 | FNBBN (PTY) LTD RE: NINETY ONE BOBDCSPF | 1,440,047 | 1.30% |
| 17 | SCBN(PTY)LTD RE: KC ALEXANDER FORBES RF | 1,354,927 | 1.22% |
| 18 | STANBIC NOMINEES BOTS RE: FIRST LIGHT MULTI MANAGER GROWTH F | 1,315,405 | 1.19% |
| 19 | SCBN (PTY) LTD RE: NINETYONE 030/30 METROPOLITAN LIFE BW POL | 1,148,237 | 1.04% |
| 20 | STANBIC NOMINEES BOTSWANA RE BIFM MLF | 1,117,895 | 1.01% |
| 21 | FNB BOTSWANA NOMINEES RE: MORULA - ACT MEM & DP EQ BPOPF | 1,024,638 | 0.93% |
| 22 | SCBN (PTY) LTD RE: BIFM 028914400011 UB DC PF | 993,893 | 0.90% |
| 23 | GUARANTEED LOANS INSURANCE FUND | 966,613 | 0.87% |
| 24 | STANBIC NOMINEES RE: BIFM ALEXANDER FORBES RF | 850,780 | 0.77% |
| 25 | SCBN (PTY) LTD RE: NINETY ONE 030/25 ALEX FORBES RF | 733,872 | 0.66% |
| | TOTAL | 95,344,706 | 86.19% |

| | Names | Total Shares | % Holding |
|--|--|--------------|-----------|
| | SCBN (PTY) LTD RE: BPOPF LEA PORTFOLIO CO AG | 26,868,357 | 24.29% |
| | FNB BOTSWANA NOMINEES RE: BIFM - BPOPF ACT MEM & DP EQ | 16,302,116 | 14.74% |
| | BOTSWANA DEVELOPMENT CORPORATION LIMITED | 8,067,870 | 7.29% |



SECHABA BREWERY HOLDINGS LIMITED SHAREHOLDERS INFORMATION

for the year ended 31 December 2024

| | No. of shareholders | Total Shares | % Holding |
|--------------------------------|---------------------|--------------|-----------|
| Total | 1,653 | 110,616,859 | 100.00% |
| Public shareholders | 1,652 | 102,548,989 | 92.71% |
| Non Public shareholders | 1 | 8,067,870 | 7.29% |

Analysis of non public shareholders

**BOTSWANA DEVELOPMENT CORPORATION
LIMITED**

8,067,870

7.29%

Spread by number of shares

| | No. of shareholders | Shareholders | Total Shares | % Holding |
|--------------------------|---------------------|----------------|--------------------|----------------|
| < 2,000 | 1,337 | 80.88% | 653,188 | 0.59% |
| 2,001 - 5,000 | 131 | 7.92% | 454,843 | 0.41% |
| 5,001 - 10,000 | 45 | 2.72% | 323,635 | 0.29% |
| 10,001 - 50,000 | 52 | 3.15% | 1,215,337 | 1.10% |
| 50,001 - 100,000 | 22 | 1.33% | 1,642,363 | 1.48% |
| 100,001 - 500,000 | 37 | 2.24% | 8,392,164 | 7.59% |
| > 500,000 | 29 | 1.75% | 97,935,329 | 88.54% |
| | 1,653 | 100.00% | 110,616,859 | 100.00% |

BSE PERFORMANCE

| | |
|---------------------------------------|-----------------|
| Total number of shares traded FY 2024 | 15,624,458 |
| As a % of shares in issue | 14.12% |
| Total value of shares traded | P432,496,490.49 |
| Total number of trades | 318 |
| Average trade size (number of shares) | 49,134 |
| Share price 31 December 2023 | P22.65 |
| Share price 31 December 2024 | P32.02 |
| Growth in share price | 41.37% |
| DCI 31 December 2023 | 8,929.63 |
| DCI 31 December 2024 | 10,049.11 |
| Growth in DCI | 12.54% |

Shareholder's Diary

Financial Year End – 31 December 2024
Preliminary Annual Results Announcements – 31 March 2025
Annual Report Posted – 5th June 2025
Annual General Meeting – 26th June 2025
Preliminary Half year results announcement – On or before 30 September 2025

Dividends

| | Declared | Paid |
|---------|-----------|---------|
| Interim | September | October |
| Final | March | May |

SECHABA BREWERY HOLDINGS LIMITED NOTICE OF THE ANNUAL GENERAL MEETING



Notice is hereby given that the 2025 Annual General Meeting of SECHABA BREWERY HOLDINGS LIMITED will be held at 14:00 hours on Thursday, 26 June 2025 via Microsoft Teams

Agenda:

1. To read notice convening the meeting
2. Welcome and opening remarks by the Chairman.
3. Adoption of Agenda

A. Ordinary Resolutions

4. Resolution 1 - To receive consider and adopt the Audited Financial Statements for the year ended 31 December 2024 together with the Auditors Report.
5. Resolution 2 - To consider and ratify the distribution of dividend declared for the year ended 31 December 2024 at 339.71 thebe per share composed of annual dividend of 205.73 thebe per share and special dividend of 133.98 thebe per share.
6. Resolution 3 - To confirm the re-election of the following Directors of the company:
 - Boitumelo Carolyn Paya
 - Jayaraman Ramesh
 - Meshack Tshekedi
7. Resolution 4 - To ratify the remuneration paid to Non-Executive Directors for the year ended 31 December 2024.
8. Resolution 5 - To consider and approve the remuneration to be paid to Non-Executive Directors for the ensuing year ending 31 December 2025.
9. Resolution 6 - To ratify the remuneration paid to the auditors, Ernst & Young for the year ended 31 December 2024.
10. Resolution 7 - To appoint auditors for the ensuing year and authorize the Directors to fix their remuneration.

B. Special Resolution

11. Resolution 8 – To receive, consider and approve the adoption of SBHL revised constitution.
12. To close the meeting.

A member entitled to attend and vote may appoint a proxy to attend and vote for him on his behalf and such a proxy need not be a member of the Company. The instrument appointing such a proxy must be deposited at the registered office of the company at Plot 64517, Fairgrounds, The Office Unit 5 Gaborone, Botswana, or be sent by email to sechabainvestors@sbhl.co.bw not less than 48 hours before the meeting.

By order of the Board
Wise Leadership (Pty) Ltd
Company Secretary

05 June 2025

REGISTERED OFFICE:
Plot 64517, The Office Unit 5, Fairgrounds
P O Box 25684
Gaborone
Botswana

SECHABA BREWERY HOLDINGS LIMITED NOTICE OF THE ANNUAL GENERAL MEETING



PROXY FORM

[To be completed by shareholders]

Please read the notes overleaf before completing this form

For use at the Annual General Meeting of shareholders of the company to be held virtually at 14:00 hours on Thursday 26th June 2025.

I/We
(Name in block letters) _____

Of (address) _____

Hereby appoint _____

Or failing him/her _____

Or failing him/her, the Chairman of the meeting as my/our proxy to act for me/us at the 2025 Annual General Meeting, to vote for or against the resolutions and/or abstain from voting in respect of the shares registered in my/our name in accordance with the following instruction.

| NUMBER OF SHARES | | For | Against | Abstain |
|--|--------------|-----|---------|---------|
| Ordinary resolution 1 | Agenda No 4 | | | |
| Ordinary resolution 2 | Agenda No 5 | | | |
| Ordinary resolution 3 (Annexure 1) | Agenda No 6 | | | |
| Boitumelo Carolyn Paya | | | | |
| Jayaraman Ramesh | | | | |
| Meshack Tshekedi | | | | |
| Ordinary resolution 4 | Agenda No 7 | | | |
| Ordinary resolution 5 (Annexure 2) | Agenda No 8 | | | |
| Ordinary resolution 6 | Agenda No 9 | | | |
| Ordinary resolution 7 | Agenda No 10 | | | |
| Special resolution 8 (See Circular) | Agenda No 11 | | | |

Signed at:

Date:

Signature:

Assisted by (where applicable)

SECHABA BREWERY HOLDINGS LIMITED NOTICE OF THE ANNUAL GENERAL MEETING



Each Shareholder who is entitled to attend and vote at a General Meeting is entitled to appoint one or more persons as proxy to attend speak and vote in place of the Shareholder at the Annual General Meeting and the proxy so appointed need not be a member of the company.

Please read notes 1 – 8 on the reverse side hereof

1. A Shareholder must insert the names of two alternative proxies of the Shareholders choice in the space provided with or without deleting "Chairman of the Annual General Meeting". The person whose name appears first on the form of proxy and whose name has not been deleted shall be entitled to act as proxy to the exclusion of those whose names follow.
2. A shareholder's instruction to the proxy must be indicated by the insertion of the relevant number of votes exercisable by the Shareholder in the appropriate space provided. Failure to comply herewith will be deemed to authorize the proxy to vote at the General Meeting as he/she deems fit in respect of the Shareholders votes exercisable thereat, but where the proxy is the Chairman, failure to comply will be deemed to authorize the proxy to vote in favour of the resolution. A Shareholder or his/her proxy is obliged to use all the votes exercisable by the Shareholder or by his/her proxy.
3. The completion and lodging of this form will not preclude the relevant Shareholder from attending the General Meeting.
4. The proxies need to be received no later than 48 hours before the time of the meeting (Tuesday the 24th June before 14.00 hrs).
5. The Chairman of the Annual General Meeting may reject or accept any form of proxy not completed and/or received other than in accordance with these notes provided that he/she is satisfied as to the manner in which the Shareholder concerned wishes to vote.
6. An instrument of proxy shall be valid for the Annual General Meeting as well as for any adjournment thereof, unless the contrary is stated thereon.
7. The authority of a person signing the form of proxy under power of attorney or on behalf of a company must be attached to the form of proxy.
8. Where Ordinary Shares are held jointly, all Shareholders must sign. A minor must be assisted by his/her guardian.

**Boitumelo C. Paya**

Ms. Boitumelo Paya was appointed to the Board on 1st March 2021 as an Independent Non-Executive Director and currently serves as Chairperson of the Audit Committee. She is a seasoned Business Executive and Board Director with over 25 years of experience in executive financial management across diverse sectors and geographies. Ms. Paya has a distinguished track record of enhancing business performance, improving operating margins, and driving sustainable cash flow. Her expertise lies in leading organizations through complex transformations, margin expansion initiatives, and strategic growth, consistently delivering strong commercial outcomes.

In her current role as Chief Financial Officer for Botswana Telecommunications Corporation Limited, she provides governance oversight of financial reporting processes and offers strategic advice on long-term financial and business planning. Her core competencies include finance integration, business transformation, financial planning and analysis, audit and assurance, strategic decision support, investor relations, and Mergers & Acquisitions.

Throughout her career, Ms. Paya has held several senior leadership positions, including Finance Director, Kgalagadi Breweries (Pty) Limited Finance Director and Interim Country Director, Malawi Beverages Limited Finance Executive, SAB Miller plc, United Kingdom. She is a Fellow of both the Association of Chartered Certified Accountants (ACCA) and the Botswana Institute of Chartered Accountants (BICA). She holds a Master of Business Administration (MBA) from the University of Derby and has completed a Management Development Programme at the Gordon Institute of Business Science (GIBS).

Jayaraman Ramesh

Mr. Jayaraman Ramesh joined the Board on 1 March 2021 as an Independent non-executive director and also serves on the Board of Kgalagadi Breweries (Proprietaries) Limited, our Associate. He is the co-founder and the current non-executive Chairman of the Board of Botho University, Botswana's Leading Private University with additional campuses in Lesotho, Eswatini, Namibia, Botho Online and its first African International school, Enko Botho, in Gaborone. Mr. Ramesh also serves on the Boards of Letshego Africa Holdings Limited and Engen Botswana Limited as an Independent non-executive director. He was the 1st Chairman of the Government Audit Committee set up by Government of Botswana and completed his 5-year tenure in June 2021. He was previously the non-executive Chairman, Managing Partner, and Partner at Grant Thornton Botswana during his 36-year career at Grant Thornton that began in July 1984. He also has experience at Grant Thornton International initially as a Board member of Grant Thornton International and later as the Regional Leader for Africa from April 2010 to April 2020, strengthening the presence of Grant Thornton on the African continent. He graduated with a Bachelor of Commerce degree from the University of Madras, India, and then qualified as a Chartered Accountant. He is a Fellow Chartered Accountant of the Botswana Institute of Chartered Accountants and is a Past President of BICA. He is also an Alumnus of Oxford University's

Said Business School where he completed the senior leadership programme, Organisational leadership, while at Grant Thornton International.

Meshack Tshekedi

Meshack Tshekedi is currently the Chief Executive Officer for Botswana Oil Limited (BOL). He holds an MSc. in Engineering Management at Missouri Institute of Science & Technology (MIST) in the USA, a Bachelor of Science in Chemical Engineering and Economics (MIST). He also holds several qualifications in both engineering, supply chain and management. Mr Tshekedi has held senior leadership positions in various industries including Brewing and Beverage Production, Mining, Consultancy, Export & Investment Promotion and Brand Promotion fields.

He started his career at the Missouri Institute of Science & Technology in the USA when he worked for the Could & Aerosol Science, Engineering and Physics (CASEL), then joined Department of Water (lab) Affairs and the University of Botswana (Organic Chemistry). He joined Debswana Diamond Company as Junior Process Engineer in 2002 and was later engaged at Kgalagadi Breweries as Strategic Planning Manager and Cash & Carry Manager.

In 2004, he joined X-pert Botswana (now Innolead) as a Consultant providing project management services to clients including Debswana Diamond Company, DTC and Geoflux. Mr Tshekedi returned to Kgalagadi Breweries and Botswana Breweries where he held various posts including National Supply Chain Manager and Group Supply Chain Director later part of 2004.

He became the General Manager for MRI Botswana in 2010; in this capacity he was accountable for formulation of strategic plans and monitor organisational performance. Mr Tshekedi was then appointed Group Supply Chain Director for SAB Miller Africa – Zambian Breweries Group PLC (Zambian Breweries, National Breweries & Hendricks Beverages) in 2013. Returning from Zambia, he joined Botswana Oil Limited as General Manager - Corporate Policy, Strategy & Business Planning the later part of 2014.

In 2015, he joined Botswana Investment & Trade Centre (BITC) as Chief Operations Officer and later Acting Chief Executive Officer (2016-2018) where he was responsible for promoting investment and trade in Botswana and promoting the National Brand. Mr Tshekedi rejoined Botswana Oil Limited in 2018 as General Manager, Supply and Manufacturing, where he was later appointed as the Acting Chief Operations Officer and ultimately appointed Chief Executive Officer in 2020.

Mr Tshekedi served in numerous Boards of both private and public entities. He currently sits on the Sechaba Brewery Holdings Limited as a Board Member and a Member of the Remunerations Committee as well as at Coca Cola Beverages Botswana as non-Executive Director.



BOARD AND COMMITTEE REMUNERATION

At a meeting held by the Board on 28 March 2025, the Board confirmed the fees as follows:

1. No Changes – Per the Remuneration Report for the year ending December 2024.

- 1.1. Chairman of the Board to continue to receive a sitting fee of P15 000 per meeting.
- 1.2. Board Members to continue to receive a sitting fee of P12 000 per meeting.
- 1.3. Members of Sub-Committees to continue to receive a sitting fee of P10 000 per meeting.
- 1.4. Board Members and Members of the Sub-Committees of Associate Companies to continue to receive a sitting fee of P8 000 per meeting.
- 1.5. Board Members to continue to receive a retainer fee of P50 000 per annum.

2. Proposed Changes

- 2.1. Chairman of the Board to receive a Board Retainer fee of P110 000 per annum
- 2.2. Board Members of the of Associate Companies to receive a retainer fee of P25 000.

**Wise Leadership (Pty) Ltd
Company**

