Namibia Breweries Limited

PART OF THE HEINEKEN COMPANY

Interim unaudited condensed **consolidated financial statements of the Group** for the period ended 30 June

2025

Salient features

Namibia Breweries Limited (NBL) delivered a resilient performance in the first half of the year, achieving volume growth supported by localised production and effective brand execution. This supported solid revenue growth and improved profitability.

Year-on-year comparison for the six months ended 30 June 2025

Net revenue	9.7%	▲
Namibian beer volumes	14.8%	▲
Production volumes to South Africa	-13.0%	▼
Net assets value	N$2 215 million	▲

Volume growth was driven by strong domestic demand and brand momentum.

Operating profit	78.8%	▲
Cash generated from operations	12.9%	▲

Local production efficiencies and disciplined cost management supported improved margins.

Headline earnings per ordinary share from continuing operations	97.8 cents	▲
Interim ordinary dividend	96.29 cents per share	▲

Higher operating profits and robust cash flow confirm the Group's financial stability and strategic progress, allowing for the payment of an interim dividend.

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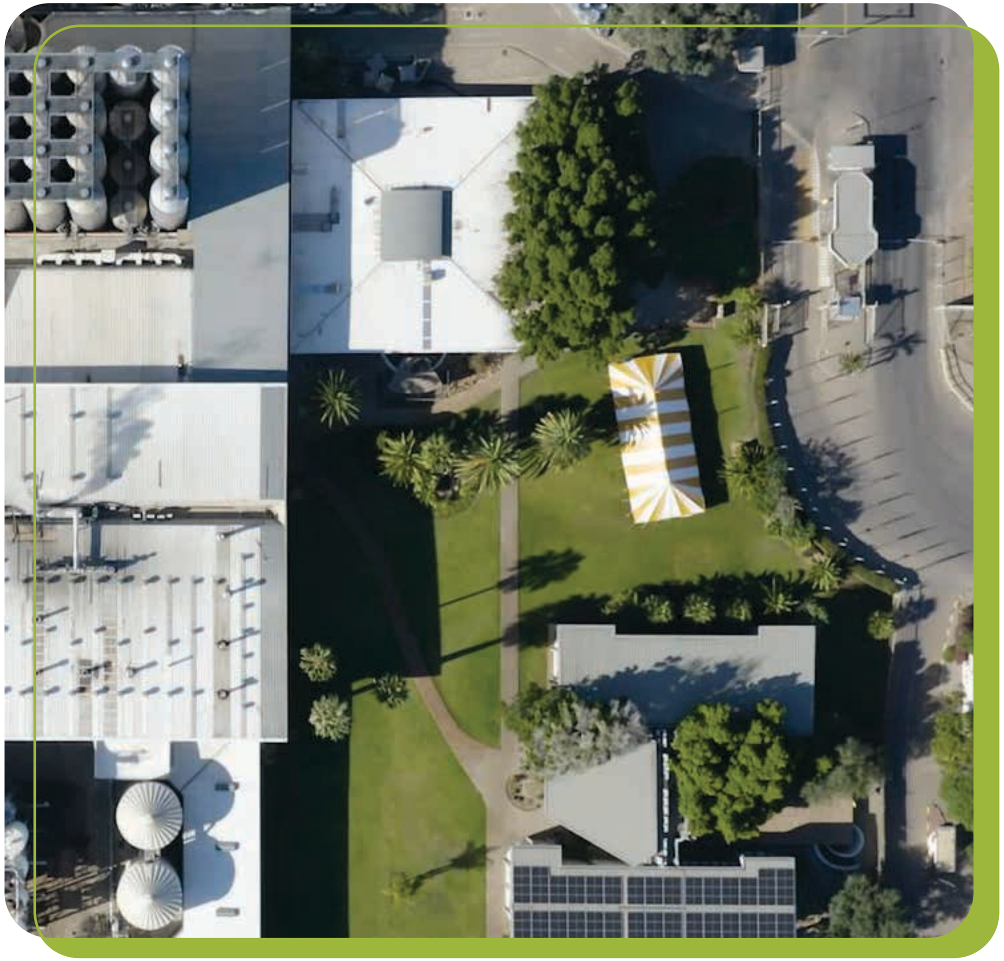

Performance commentary

2025 Volume contribution per category

Beer – Namibia	**60%**
Beer – South Africa	**17%**
Beer – Export	**3%**
Wine	**11%**
Ciders	**6%**
Spirits	**1%**
Softs	**2%**

2024 Volume contribution per category

Beer – Namibia	**56%**
Beer – South Africa	**20%**
Beer – Export	**1%**
Wine	**13%**
Ciders	**5%**
Spirits	**1%**
Softs	**3%**

Overview

NBL performed well despite sustained financial pressure on Namibian consumers, who continued to base purchasing decisions on affordability. Value-for-money options and essential items were prioritised over discretionary spending, with current levels of cost sensitivity expected to persist. According to the Bank of Namibia, the domestic economy is estimated to expand marginally by 3.5% in 2025 and 3.9% in 2026*.

Since taking office in March 2025, President Netumbo Nandi-Ndaitwah and her administration have pledged to diversify the economy, create jobs and strengthen governance. Early measures, including a smaller cabinet and tighter oversight, have improved confidence in the country's business climate.

** Bank of Namibia Economic Outlook August 2025*

NBL achieved volume-driven growth through disciplined trade execution, strong brand positioning and significant benefits from fully localised production of major brands. The completed HEINEKEN integration has delivered operational synergy, enabling the Group to capitalise on consumer shifts toward beer and ciders while maintaining a broad beverage portfolio and investing in brand power to offset affordability pressures.

Volume and brand performance

Strong domestic demand drove NBL's performance, with results varying across categories.

Beer in Namibia achieved solid growth and gained market share, supported by sustained investment in the ***Windhoek*** brand, which was named Namibia's Most Admired Alcoholic Beverage Brand at the 15th Brand Africa 100, Namibia's Best Brands awards. The non-alcoholic range, led by ***Windhoek Non-Alcoholic Lemon***, doubled volumes since the last interim period, though it remains a small share of total beer sales.

Ciders performed exceptionally well, benefiting from local production efficiencies and expanded distribution. ***Savanna*** and ***Hunter's***, now fully packaged in Namibia, delivered the expected margin and logistics benefits, while ***Bernini*** grew significantly from a small base.

Wine volumes declined slightly, but revenue rose due to price increases. ***Tassenberg*** and ***Castello*** remained important mainstream contributors.

Soft drink and water volumes were flat, and the juice category exited the portfolio following the termination of the FruitTree distribution agreement with PepsiCo Inc. in February 2025.

Export volumes to South Africa declined compared to the prior period, with Namibian sales driving overall performance rather than exports. The supply agreement for ***Windhoek*** into South Africa remains in place until April 2026. NBL continues to collaborate with HEINEKEN Beverages in South Africa to explore supply opportunities.

Financial performance

Net revenue increased by 9.7% to N$2 104 million (2024: N$1 919 million), driven by volume growth, inflationary price increases and benefits from local production. Gross profit margins improved due to reduced beer discounts, margin gains from locally packaged wine and cider and disciplined cost management.

Operating expenses rose by 3.5% to N$1 825 million (2024: N$1 762 million), primarily reflecting ongoing investments in brands and strategic initiatives, including the Enterprise resource planning (ERP system implementation from March 2025). Despite higher fixed costs, operating profit increased by 79% to N$279 million (2024: N$156 million), supported by strong cash flow generation compared to the prior period.

Capital expenditure normalised to N$102 million (2024: N$335 million) following major investments in operational capacity in the previous comparative period. Working capital management improved, with a focus on optimising stock levels, accounts receivable, and payment terms. These efforts were supported by the Fund the Growth & Fuel the Profit (F&F) cost savings initiative, which helped mitigate the impact of persistent inflationary pressures on input costs.

Performance commentary *continued*

Strategic initiatives

EverGreen, HEINEKEN's strategic framework adopted by NBL, aims to deliver superior and balanced business growth. It is built on a value creation model that balances growth, profit, capital, sustainability and responsibility. NBL has made strong progress through key strategic drivers and initiatives aligned with this strategy.

Drive superior growth	NBL increased market share and strengthened its brands through strong trade execution and consumer-focused decisions. The Group is outperforming the Namibian market by prioritising brand development to address affordability challenges. It maintains a balanced portfolio, with beer as the core category, which has shown especially strong growth.
Fund the growth, fuel the profit	NBL realised efficiencies from local production, which directly enhanced supply reliability and gross profit margins. The Group maintained ongoing initiatives focused on productivity and sustainable cost management, driving operational improvements and prioritising value that consumers are willing to pay for.
Raise the bar on sustainability and responsibility	NBL advanced efforts to reduce carbon emissions, promote responsible alcohol consumption and create a positive social impact. The Group achieved its best-ever water conversion ratio in June 2025 and is progressing multiple initiatives to secure long-term water sustainability. Non-alcoholic beer volumes doubled year-on-year, supported by the successful launch of ***Windhoek Non-Alcoholic Lemon***. The Micro, Small and Medium Enterprise (MSME) development fund remains active, with NBL maintaining compliance and reporting obligations to the Namibian Competition Commission. NBL met all the transaction conditions set by the commission and will continue reporting to the commission on a six-monthly basis as required.
Become the best-connected brewer	NBL joined HEINEKEN's Digital Backbone programme to transform its core IT infrastructure and business applications. ERP implementation remains on track for go-live in the first half of the 2026 financial year, incorporating artificial intelligence-enabled tools to enhance decision-making.
Unlock the full potential of people	NBL invested in training programmes combining face-to-face and online learning, with a focus on strengthening accountability and ownership. The Group also launched a graduate programme alongside the ongoing annual internship programme, placing five graduates in the human resources, finance, marketing, engineering and logistics departments.

NBL was recognised by the Namibia Revenue Agency (NamRA) as the country's overall highest revenue contributor, making a significant contribution to the nation's budget and public services.

Outlook

Despite the challenging consumer environment, the Group remains confident that the peak trading period in the second half will deliver stronger results, consistent with historic trends. NBL will continue to focus on winning market share, growing brand equity and executing effectively in trade.

Implementing the ERP system remains a priority for the coming period.

As a committed corporate citizen, the Group will continue sustainability efforts toward year-end, focusing on water efficiency and security and actively promoting responsible consumption.

Dividends

The Board is pleased to declare an ordinary interim dividend of 96.29 cents per share. This reflects NBL's strong financial position, commitment to shareholder value and confidence in its strategic direction for sustained growth. The last day to trade shares on a cum-dividend basis will be on 03 October 2025. Payment will be made to shareholders registered at the close of business on 10 October 2025, with payment on 13 November 2025.

W von Lieres
Managing Director

W Bierens de Haan
Finance Director

Interim unaudited condensed consolidated financial statements

Statement of financial position

	Group		
	6 months ended 30 June 2025 N$'000 Unaudited	6 months ended 30 June 2024 N$'000 Unaudited	18 months ended 31 December 2024 N$'000 Audited
Assets			
Non-current assets			
Property, plant and equipment	**1 625 881**	1 486 452	1 639 103
Intangible assets	**113 555**	134 216	128 709
Right-of-use assets	**45 514**	45 674	45 897
Goodwill	**744 385**	744 385	744 385
	2 529 335	2 410 727	2 558 094
Current assets			
Inventories	**522 845**	536 896	645 104
Trade and other receivables	**701 128**	822 137	618 484
Current tax receivable	**13 266**	11 966	10 308
Cash and cash equivalents	**43 433**	66 659	43 441
Derivative financial instruments	**–**	–	384
	1 280 673	1 437 658	1 317 721
Non-current assets held for sale	**–**	18 797	5 075
Total assets	**3 810 008**	3 867 182	3 880 890

Interim unaudited condensed consolidated financial statements *continued*

Statement of financial position *continued*

	Group		
	6 months ended 30 June 2025 N$'000 Unaudited	6 months ended 30 June 2024 N$'000 Unaudited	18 months ended 31 December 2024 N$'000 Audited
Equity and liabilities			
Equity			
Share capital	**1 024**	1 024	1 024
Reserves	**(76)**	(50)	(51)
Retained earnings	**2 213 819**	2 122 146	2 339 205
Ordinary shareholders' equity	**2 214 767**	2 123 120	2 340 178
Non-current liabilities			
Interest-bearing loans and borrowings	**176 134**	643 739	199 751
Provisions	**56 046**	48 581	52 233
Deferred taxation	**261 617**	232 876	239 185
	493 797	925 196	491 169
Current liabilities			
Interest-bearing loans and borrowings	**23 657**	23 656	15 634
Bank overdraft	**317 280**	–	231 770
Trade and other payables	**730 024**	765 155	775 234
Provisions	**–**	3 987	3 987
Income tax payable	**1 300**	1 694	–
Dividends payable	**24 881**	22 603	22 918
Derivative financial instruments	**4 302**	1 770	–
	1 101 443	818 866	1 049 543
Total equity and liabilities	**3 810 008**	3 867 182	3 880 890

Interim unaudited condensed consolidated financial statements *continued*

Statements of profit or loss and other comprehensive income

	Group		
	6 months ended 30 June 2025 N$'000 Unaudited	6 months ended 30 June 2024 N$'000 Unaudited	18 months ended 31 December 2024 N$'000 Audited
Continuing operations			
Revenue	**2 617 985**	2 303 239	8 204 548
Excise tax expense	**(513 639)**	(384 458)	(1 379 500)
Net revenue	**2 104 346**	1 918 781	6 825 048
Operating expenses	**(1 825 067)**	(1 762 587)	(5 929 458)
Operating profit	**279 279**	156 194	895 590
Finance costs	**(17 871)**	(28 810)	(101 418)
Investment income	**3 303**	8 070	26 761
Profit before tax	**264 711**	135 454	820 933
Income tax expense	**(65 846)**	(29 383)	(170 249)
Profit for the period attributable to owners of the parent	**198 865**	106 071	650 684

Interim unaudited condensed consolidated financial statements *continued*

Statements of profit or loss and other comprehensive income *continued*

	Group		
	6 months ended 30 June 2025 N$'000 Unaudited	6 months ended 30 June 2024 N$'000 Unaudited	18 months ended 31 December 2024 N$'000 Audited
Other comprehensive income/(loss):			
Items that will not be reclassified subsequently to profit or loss:			
Remeasurement of net defined benefit liabilities	**–**	–	(934)
Income tax relating to items that will not be reclassified	**–**	–	299
	–	–	(635)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation reserve ("FCTR")	**(25)**	(85)	(86)
Other comprehensive income for the period net of taxation	**(25)**	(85)	(721)
Total comprehensive income for the period attributable to equity holders of the parent	**198 840**	105 986	649 963
Basic earnings per ordinary share from continuing operations (cents)*	**96.3**	51.4	315.1
	96.3	51.4	315.1

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

Interim unaudited condensed consolidated financial statements *continued*

Statements of profit or loss and other comprehensive income *continued*

Reconciliation between earnings and headline earnings

	Group		
	6 months ended 30 June 2025 N$'000 Unaudited	6 months ended 30 June 2024 N$'000 Unaudited	18 months ended 31 December 2024 N$'000 Audited
Continuing operations			
Profit attributable to ordinary shareholders (used for earnings per share)	**198 865**	106 071	650 684
Net (gain)/loss on the sale of property, plant and equipment	**3 157**	(661)	(8 021)
	202 022	105 410	642 663
Basic earnings per ordinary share (cents)*	**96.3**	51.4	315.1
Headline earnings per ordinary share (cents)*	**97.8**	51.0	311.2

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

Interim unaudited condensed consolidated financial statements *continued*

Statements of cash flows

	Group		
	6 months ended 30 June 2025 N$'000 Unaudited	6 months ended 30 June 2024 N$'000 Unaudited	18 months ended 31 December 2024 N$'000 Audited
Cash flow from operating activities	**21 753**	23 445	962 649
Cash generated by operations	**415 639**	368 086	1 558 915
Dividends paid	**(322 288)**	(308 921)	(420 897)
Income tax paid	**(68 950)**	(33 072)	(161 359)
Employer benefit payments on post employment medical aid benefit plans	**(2 136)**	(2 136)	(2 907)
Employer benefit payments on severance benefits	**(512)**	(512)	(3 152)
Employer benefit payments on restructuring provisions	**–**	–	(7 951)
Cash flow from investing activities	**(69 521)**	(322 898)	(707 823)
Interest income	**1 980**	7 237	23 613
Dividends received	**1 323**	833	3 148
Acquisition of property, plant and equipment	**(102 017)**	(312 936)	(725 545)
Acquisition of intangible assets	**(5 620)**	(23 404)	(30 331)
Proceeds on disposal of intangible assets	**794**	–	–
Proceeds on disposal of property, plant and equipment	**28 944**	5 372	478
Proceeds on disposal of non-current assets held for sale	**5 075**	–	20 814
Cash flow from financing activities	**(37 725)**	(602 482)	(1 389 656)
Finance costs	**(17 725)**	(28 810)	(92 532)
Advances from interest bearing loans and borrowings	**150 000**	680 000	680 000
Repayment of interest bearing loans and borrowings	**(170 000)**	(1 253 672)	(1 977 124)
Net increase/(decrease) in cash and cash equivalents	**(85 493)**	(901 935)	(1 134 830)
Effect of translation of foreign entities	**(25)**	(85)	(86)
Cash and cash equivalents at beginning of the period	**(188 329)**	968 679	946 587
Cash and cash equivalents at end of the period	**(273 847)**	66 659	(188 329)

Interim unaudited condensed consolidated financial statements *continued*

Statements of changes in equity

	Share capital N$'000	Non-distributable reserves N$'000	Retained earnings N$'000	Total N$'000
Group				
Balance at 1 January 2025	**1 024**	**(51)**	**2 339 205**	**2 340 178**
Profit for the period	**–**	**–**	**198 865**	**198 865**
Other comprehensive income for the period	**–**	**(25)**	**–**	**(25)**
Total comprehensive income for the period attributable to equity holders of the parent	**–**	**(25)**	**198 865**	**198 840**
Dividends to equity holders	**–**	**–**	**(324 251)**	**(324 251)**
Balance at 30 June 2025 (Unaudited)	**1 024**	**(76)**	**2 213 819**	**2 214 767**
Balance at 1 July 2023	1 024	35	2 106 345	2 107 404
Profit for the period (18 months)	–	–	650 684	650 684
Other comprehensive income for the period	–	(86)	(635)	(721)
Total comprehensive income for the period attributable to equity holders of the parent	–	(86)	650 049	649 963
Dividends to equity holders	–	–	(417 189)	(417 189)
Balance at 30 December 2024 (Audited)	1 024	(51)	2 339 205	2 340 178

Notes to the interim unaudited condensed consolidated financial statements

1. Reporting entity

Namibia Breweries Limited is a public company domiciled in the Republic of Namibia. The Unaudited condensed consolidated financial statements of the Group as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (herein after referred to as The Group). The audited consolidated financial statements of the Group as at and for the 18 months ended 31 December are available on our website (www.nambrew.com).

2. Basis of preparation

These unaudited condensed consolidated interim financial statements for the six months ended 30 June 2025, from which this information is derived, have been prepared in accordance with International Accounting Standards (IAS) 34 Interim Financial Reporting, the NSX Listing Requirements and the requirements of the Companies Act of Namibia. This results announcement is the responsibility of the directors and has been prepared in accordance with the framework concepts, as well as the measurement and recognition requirements of International Financial Reporting Standards (IFRS) Accounting Standards™.

3. Accounting policies

The accounting policies and methods of computation applied in the preparation of the reviewed condensed consolidated financial statements are in terms of IFRS and are consistent with the accounting policies applied in the preparation of the previous consolidated financial statements, except for the impact of the adoption of the IFRS revisions as noted below.

The Group has adopted all new, as well as amended accounting pronouncements issued by the International Accounting Standards Board (IASB) that are effective for financial years commencing 1 January 2025. None of the new or amended accounting pronouncements that are effective for the financial year commencing 1 January 2025 have a material impact on the consolidated results of the Group.

4. Capital commitments

The total authorised capital expenditure for the six months ended was N$102 million, compared to N$335 million expenditure over the six months ended June 2024. This reflects a return to normalised investment levels, following a period of elevated capital outlay associated with the integration of the acquired Distell Namibia portfolio.

As in the prior year, a portion of the current authorised expenditure remains directed toward the final stages of transitioning local production of the acquired brands to Namibia. These investments support the continued expansion, replacement, and enhancement of property, plant, and equipment.

With the major integration-related projects nearing completion, both authorised and actual capital expenditure are expected to stabilise at typical levels going forward. All capital investments are funded through internally generated cash flows.

5. Related parties

During the six months ended 30 June 2025, the Group sold products to companies within the Heineken Group of companies to the value of N$333 million (2024: N$346 million). The Group has earned royalty income from Heineken related entities amounting to N$65 million (2024: N$68 million).

Notes to the interim unaudited condensed consolidated financial statements *continued*

6. Revenue

	6 months ended 30 June 2025 N$'000	6 months ended 30 June 2024 N$'000	18 months ended 31 December 2024 N$'000
Sale of goods	**2 699 319**	2 405 638	8 337 949
Excise	**(513 639)**	(384 458)	(1 379 500)
Discounts allowed	**(145 905)**	(170 638)	(362 162)
Royalties and know-how fees	**64 571**	68 018	228 761
	2 104 346	1 918 560	6 825 048

7. Segment reporting

In accordance with IFRS 8 Operating Segments, the Group has assessed its internal reporting structure and determined that it operates as a single operating segment. This conclusion follows the full integration of Distell Namibia into NBL in 2023, resulting in a unified business model across beer, cider, wine, spirits, and RTD beverages.

Despite the broader product portfolio, the Group's operations remain functionally integrated, with shared production, distribution, and sales infrastructure. Central support functions including Finance, Legal, HR, and Corporate Affairs operate at a consolidated level, and the organisational structure does not include segment-specific management.

The CODM, identified as NBL's Managing Director, reviews financial performance at a Group level, consistent with internal reporting presented to HEINEKEN. Key financial metrics including revenue, gross profit, expenses, and cash flow are monitored on a consolidated basis, and strategic planning and budgeting are conducted holistically, without disaggregation by product or market.

Although internal information supports operational decisions, discrete financial information for individual categories or markets is not prepared or reviewed separately. Assets and liabilities are not allocated to specific product lines, and central functions such as Finance, Legal, and HR operate across the entire business.

Given the absence of segmented profitability reporting and the CODM's reliance on consolidated data, the Group does not meet the criteria for multiple operating segments under IFRS 8.

8. Financial risk management and financial instruments

The Group's activities expose it to a variety of financial risks including interest rate risk, liquidity risk, foreign currency risk and credit risk

These reviewed interim unaudited condensed consolidated financial statements do not include all financial risk management information and disclosures required in the annual financial statements and they should be read in conjunction with the Group's annual financial statements as at 31 December 2024. There have been no material changes in the Group's credit, liquidity and market risk or key inputs in measuring fair value since 31 December 2024.

Notes to the interim unaudited condensed consolidated financial statements *continued*

8. Financial risk management and financial instruments continued

Fair value estimation

The fair value of all financial instruments approximate the carrying amounts reflected in the Statement of Financial Position.

Fair value hierarchy

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

Level 1: Quoted unadjusted prices in active markets for identical assets or liabilities that the group can access at measurement date.

Level 2: Inputs other than quoted prices included in level 1 that are observable for the asset or liability either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

Derivative financial instruments comprise forward foreign exchange contracts and are classified as level 2.

Level 2	**6 months ended 30 June 2025 N$'000**	6 months ended 30 June 2024 N$'000	18 months ended 31 December 2024 N$'000
Fair value through profit or loss:			
Forward foreign exchange contracts	**4 302**	(1 770)	(1 770)

Transfers of assets and liabilities within levels of fair value hierarchy

There have been no transfers between level 1, 2 or 3 during the period, nor were there significant changes to the valuation techniques and inputs used to determine fair values.

Valuation techniques used to derive level 2 fair values

Forward exchange contracts

These are valued using foreign exchange bid-or-offer rates at period end.

9. Events subsequent to reporting date

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

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