Delta Corporation
LIMITED

ANNUAL REPORT 2024

Our People Our Culture Our Future

Our Vision

To be the most admired Beverage Company in the Region.

Our Mission

We bring enjoyment and refreshment to our consumers by nurturing our brands and growing our business sustainably for the betterment of our employees and communities.

Contents

Shareholder Information

To view the Online Annual Report, please visit our website at

www.delta.co.zw

Brighter together

Our Strategic Priorities

- Creating a balanced portfolio of businesses
- Building and nurturing strong brand portfolios that earn the support and affection of our customers and consumers
- Growing the profitability of the business on a sustainable basis
- Building and sustaining alliances with business partners

Our Values

- People are our enduring advantage
- Accountability is clear and personal
- We work and win in teams
- We are customer and consumer focused
- We do our best for local communities
- Our reputation is indivisible

Our Mission is to bring enjoyment and refreshment to our consumers by nurturing our brands and growing our business sustainably for the betterment of our employees and communities.

We value the accountability of our people, teamwork, our local communities, our customers and our reputation.

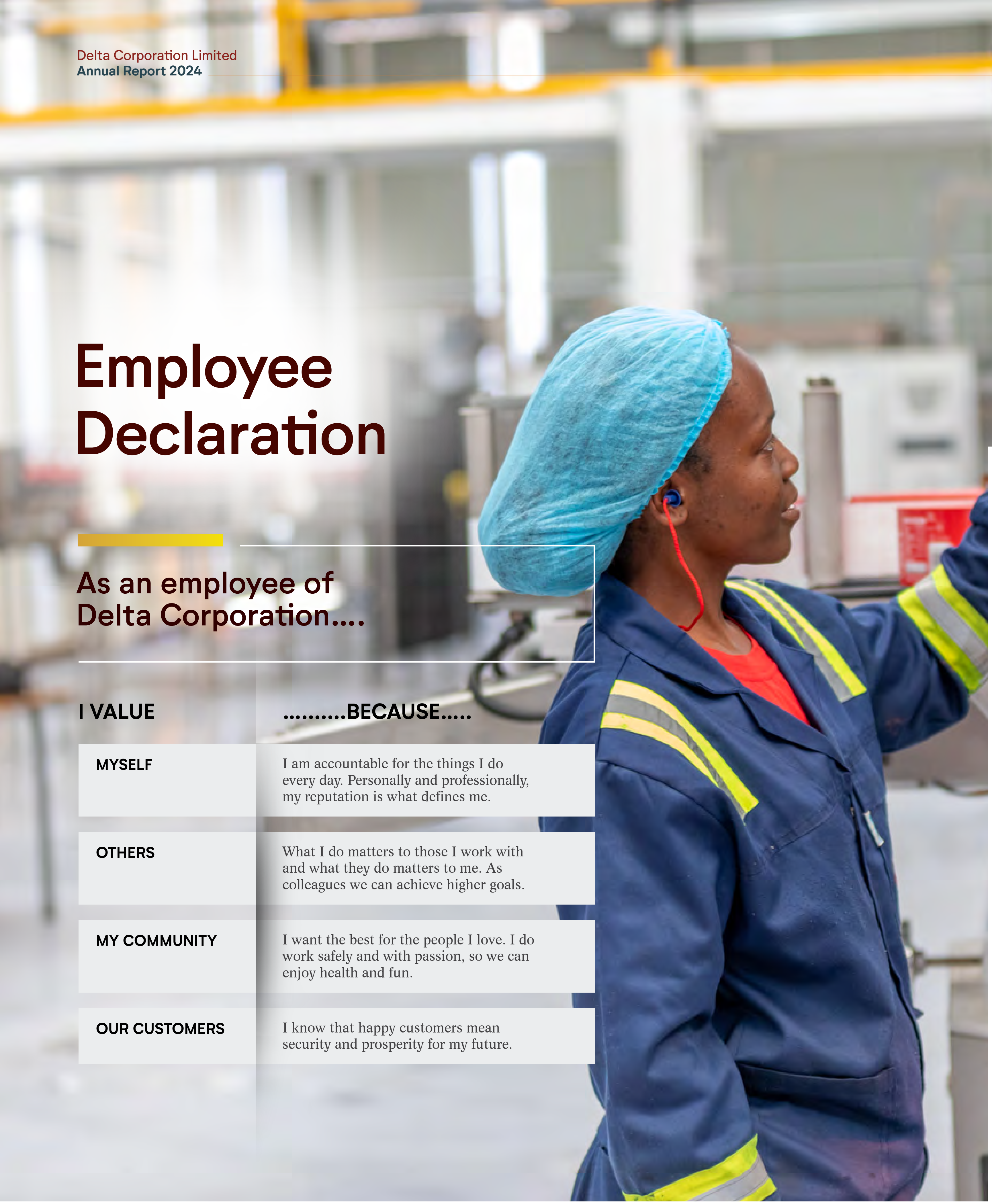
And this means that together we can prosper, creating a thriving, sociable, resilient, cleaner, and productive world.

We Are Delta Corporation.

Brighter together

Brighter Together In Three Ways:

- People get more from life when they come together – our products make those moments shine **BRIGHTER**
- Our people shine brighter when they work **TOGETHER** in teams
- Our involvement in communities helps to create a **BRIGHTER** future



Employee Declaration

As an employee of Delta Corporation....

I VALUE	.........BECAUSE.....
MYSELF	I am accountable for the things I do every day. Personally and professionally, my reputation is what defines me.
OTHERS	What I do matters to those I work with and what they do matters to me. As colleagues we can achieve higher goals.
MY COMMUNITY	I want the best for the people I love. I do work safely and with passion, so we can enjoy health and fun.
OUR CUSTOMERS	I know that happy customers mean security and prosperity for my future.

Values Statements

OUR PEOPLE ARE OUR ENDURING ADVANTAGE

- The calibre and commitment of our people set us apart.
- We are a diverse and dynamic team.
- We select and develop people for the long term.
- Performance is what counts.
- Health and Safety issues receive priority attention.

WE WORK AND WIN IN TEAMS

- We actively develop and share knowledge within the Group.
- We foster trust and integrity in internal relationships.
- We encourage camaraderie and a sense of fun.

OUR REPUTATION IS INDIVISIBLE

- Our reputation relies on the actions and statements of every employee.
- We build our reputation for the long term.
- We are fair and ethical in all our dealings.

ACCOUNTABILITY IS CLEAR AND PERSONAL

- We favour decentralised management and a practical maximum of local autonomy.
- Goals and objectives are aligned and clearly articulated.
- We prize both intellectual rigour and passion for our work.
- We are honest about performance.
- We require and enable self-management.

WE UNDERSTAND AND RESPECT OUR CUSTOMERS AND CONSUMERS

- We are endlessly concerned with our customers' needs and perceptions.
- We build lasting relationships, based on trust.
- We aspire to offer the preferred choices of product and service.
- We innovate and lead in a changing world.

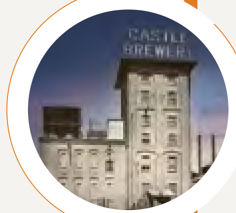
WE DO OUR BEST FOR LOCAL COMMUNITIES

- We consciously balance local and group interests.
- We benefit the local communities in which we operate.
- We endeavour to conduct our business in an environmentally sustainable manner.

Our History

August 1898
Salisbury Mayor Ernest Fairbridge lays the foundation stone at the Salisbury Lager & Beer Company on August 30

May – 1910
South African Breweries (SAB) acquires Breweries Ltd, reconstructed after 1905 liquidation



December – 1911
Rebuilt six storey Salisbury brewery officially opened

September – 1931
Maltings plant at Salisbury Brewery officially opened

September – 1946
Company listed on ZSE as Rhodesian Breweries

December – 1948
First Coca-Cola produced in Salisbury

October – 1950
Sable Brewery opened in Bulawayo on October 30

May – 1951
SAB brewery opened in Ndola, Northern Rhodesia

January – 1952
Rhodesian Breweries shareholders agree on merger scheme with SAB

June – 1955
Sparletta launched with Orange flavour

February – 1956
Schweppes acquires majority share in Spa Food Products

June – 1956
Beer merger in SA sees interests consolidated in Federation of Rhodesia & Nyasaland

November – 1956
Bulawayo Bottlers produces first Fanta in Southern Africa

May – 1958
Canned beer launched in Salisbury

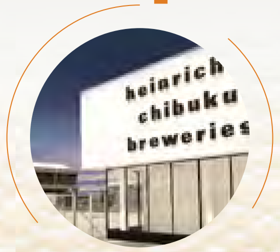
July – 1958
Acquisition of stake in Afdis holding company

April – 1960
Inaugural Castle Tankard run at Borrowdale Racecourse

February – 1962
Official opening of Southerton Brewery by PM Roy Welensky on February 2

March – 1962
Chibuku was launched at Masvingo brewery

November – 1962
Formation of Northern Breweries in soon to be independent Zambia



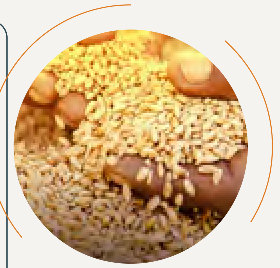
February – 1967
Rhobrew acquires one third stake in Heinrich's Chibuku

August – 1968
Major label relaunch of Castle and Lion Lager

December – 1969
Rhobrew announces major investment to create nationwide hotel chain

June – 1970
Carling Black Label launched

August – 1971
Demolition of Cameron Street Brewery



July – 1976
Que Que Maltings commissioned

March – 1978
Acquires OK Bazaars and Springmaster

April – 1978
Name changed to Delta Corporation Limited

January – 1980
Acquires RIH - Coca-Cola Co bottling franchises of Mashonaland and Victoria (United Bottlers)

June – 1980
Zimbabwe Lager introduced

January – 1983
Bulawayo Mayor Councillor Naison Ndlovu officially opens the new Huppmann Brewhouse at Belmont

July – 1984
Sprite introduced

July – 1989
Rationalisation of the soft drinks industry

May – 1990
- Launch of Zambezi Export Lager
- Announces plans for Elephant Hills rebuild and Zimsun listing

June – 1990
Second phase extension at Maltings officially opened

February – 1993
New $200m brewhouse and bottling hall at Southerton officially opened

August – 1993
Bohlingers Lager launched

July – 1994
Bulawayo Bottlers bought for $171m

February – 1995
10 for 1 share split to stimulate activity on ZSE

February – 1997
3 for 1 share split

April – 1997
Third phase extension at Maltings officially opened

March – 1998
Beer canning line commissioned

May – 1999
Centenary Lager launched for 100-year anniversary

October – 2001
OK Zimbabwe demerged and listed

January – 2002
Zimsun demerged

April – 2002
Pelhams demerged and listed

July – 2003
Milk Stout reintroduced

November – 2004
Invests in Headend glass furnace venture

November – 2005
Acquires 39% stake in Ariston

September – 2005
Launches Eagle Lager

April – 2006
Coca-Cola Light comes to market

November – 2009
Concludes sale of 41% Ariston stake

January – 2010
Purchases 49% stake in Schweppes

June – 2012
Launch of carbonated Chibuku - Chibuku Super Original

August – 2014
Delta acquires 21.4% stake of Nampak Zimbabwe after packaging industry merger

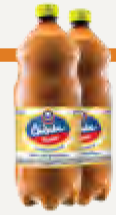
January – 2018
Purchases 70% stake in Natbrew Zambia

November – 2018
Afdis becomes subsidiary after acquiring majority 50.4% stake

April – 2020
Purchases 100% of United National Breweries South Africa

March – 2021
Buys the Mutare Bottling Company

March – 2022
Launch of Sable Lager



June – 2022
Launch of Chibuku Super Banana Flavour

February – 2024
Launch of Chibuku Super Ginger and Chibuku Super Pineapple flavours

Company Profile

Delta Corporation is a dynamic Zimbabwean company poised for growth in all facets of its business by innovation.

It is principally a beverages company with a diverse portfolio of local and international brands in lager beer, traditional beer, Coca-Cola franchised sparkling and alternative non-alcoholic beverages. The Coca-Cola franchise covers the activities of associate entity Schweppes Holdings Africa Limited which focuses on cordials, juice drinks, water and agricultural value chain activities under Beitbridge Juice Company and Best Fruit Processors.

The sparkling beverages franchise now covers the whole country following consolidation of the Manicaland Province in March 2021. In addition, the wines and spirits portfolio are under subsidiary company, African Distillers Limited, which manufactures branded wines, spirits and ciders.

The Company is listed on the Zimbabwe Stock Exchange and was first listed in 1946 as Rhodesia Breweries Limited. Its origins, however, date back to 1898 when the country's first brewery was established in Cameron Street, (Salisbury) Harare, from where the brewing industry developed into a major industrial and commercial operation.

By 1950, the Company had built the Sable Brewery in Bulawayo, producing pale ale, milk stout and Sable Lager. Over the years the Company continued to expand its portfolio of businesses and diversified its brewing base. In 1978 the name was changed to Delta Corporation Limited, and the Company assumed the mantle of a holding company for a broad range of interests serving the mass consumer market. These included lager and sorghum beer brewing, bottling of carbonated and non-carbonated soft drinks, supermarket and furniture retailing, tourism and hotels and various agro-industrial operations.

The hotel, supermarket and furniture retailing businesses were demerged from the Group in 2001 to 2002 resulting in the Group focusing on the core beverages sectors. The Company acquired the 49% equity stake in Schweppes Zimbabwe in 2009. Some supply chain related investments remained part of the Group until 2014 when the plastic packaging entity, MegaPak, was demerged. The Company retains a minority shareholding in the packaging group, Nampak Zimbabwe.

The Company increased its effective shareholding in Afdis above 50% in 2018, thereby making the entity a subsidiary.

On 1 January 2018, the Company acquired a majority stake in National Breweries Plc, a Zambian traditional beer entity which is listed on the Lusaka Stock Exchange. This is part of the journey to consolidate the traditional beer franchises and businesses in the region, a sector in which the Company boasts of significant competences. The Company acquired United National Breweries Pty Limited, the leading traditional beer business in South Africa with effect from 1 April 2020.

Financial Highlights

For the year ended 31 March 2024

	2024 US$	2023 Restated US$
GROUP SUMMARY (US$'000)		
Revenue	**767 871**	536 923
Earnings before interest, tax depreciation and ammortisation	**166 921**	112 600
Profit after tax	**100 538**	63 143
Attributable earnings	**100 994**	83 231
Net Funds	**8 157**	10 381
Total Assets	**403 457**	402 722
Market capitalisation	**911 735**	1 086 362
SHARE PERFORMANCE (US$ cents)		
Earnings per share		
Attributable earnings basis	**7.71**	4.84
Cash equivalent earnings basis	**11.04**	8.09
Cashflow per share	**9.42**	6.46
Dividends per share (US$ cents)	**0.03**	0.03*
Net asset value per share	**17.27**	18.50
Market price per share	**69.39**	83.06
FINANCIAL STATISTICS (%)		
Return on equity (%)	**45.25**	26.36
Operating margin (operating income to net sales) %	**22.07**	25.22

* US$0.01 was declared in November 2022 and US$0.02 was declared in May 2023.

Lager Beer Volume

▲ 13%

Sparkling Beverages Volume

▲ 29%

Chairman's Letter
To Shareholders
Dear Shareholder

Overview of the Operating Environment

The Zimbabwean economy continues to be characterised by significant shifts in policies as authorities respond to the currency and inflation developments resulting in phases of currency liquidity mismatches, divergent exchange rates and swings in inflation. There has been increased use of foreign currency for domestic transactions.

There were significant policy interventions during the fourth quarter, notably the introduction of a high sugar surtax on businesses in comparison with rates stipulated in other countries and the measures to control the informalisation of the consumer sector.

Consumer spending in Zimbabwe remained buoyant, driven by stable US Dollar pricing, improvements in wages and salaries across various sectors and election-related spending. The economy continued to benefit from mining activities, the marketing of commercial crops such as tobacco, government spending on infrastructure projects and diaspora remittances.

The spending during the harmonised elections held in August 2023 and subsequent by-elections was relatively subdued, which may be attributed to limited funding, a compressed campaign period and the strict regulations relating to gatherings.

Chairman's Letter to Shareholders (continued)

The consumer sector in South Africa has been affected by power supply disruptions and Rand depreciation which has driven fuel and consumer goods inflation. The improvements in the disbursements of social grants provide a cushion on disposable incomes.

The macro-economic environment in Zambia remains stable although the impact of high inflation arising from the depreciation of the Kwacha, removal of subsidies and the increase in the cost of maize have compressed disposable incomes.

Capacity Investments

The Group commissioned significant production capacity expansion projects during the current year to support volume growth and to improve customer service. These include the lager beer glass packaging line at Southerton Brewery, a PET packaging line at Graniteside, the Chibuku Super plant at Harare Brewery and a Chibuku Super plant at Phelindaba Brewery in Pretoria. Afdis commissioned a new PET line, refrigeration equipment and a bottle washer whilst Schweppes Zimbabwe installed a high-capacity PET line among other key projects. These investments are complemented by the injection of glass bottles, coolers, informal market equipment, additional distribution fleet and ICT equipment. The cumulative investment over the last 24 months is indicated at about US$100 million.

We are also increasing the investments in our brands through our marketing, promotional and sponsorship activities.

Trading Performance

Lager Beer

The Lager beer business recorded a historic volume of 2.46 million hectolitres for the year, a growth of 13% compared to prior year. The new packaging line commissioned in August 2023 has stabilised overall product supply. There are ongoing efforts to close the supply gaps for certain brands and packs arising from bottlenecks in the supply of packaging materials from traditional sources. Demand for Carling Black Label continues to grow with the brand surpassing one million hectolitres during the year.

Our brands remain active in the market, through sponsorships of sport such as the Castle Lager Premier Soccer League, the Castle Tankard and other worthy causes.

Sorghum Beer

The total sorghum beer volume for Zimbabwe, including exports, grew by 3% over prior year, off a high prior year base. The volume sold in the domestic market was flat compared to prior year. The traditional beer category was significantly affected by the disruptions to the route to market, varied account management practices by retail and wholesale partners in a market with improved availability of lager beer and other forms of alcohol. The Chibuku Super plant at the Harare Brewery was commissioned during the fourth quarter and will improve product supply for both the domestic and regional markets.

The Chibuku brand continues to be recognised for its long history of supporting sports and culture with the 60th Chibuku Neshamwari Dance Festival 2023 adjudged as the best corporate event for 2023 by the Marketers Association of Zimbabwe. The Chibuku Super Cup has grown to be a coveted trophy on the soccer calendar.

United National Breweries South Africa recorded a volume growth of 3% for the year with a muted performance in the second half of the year. The commissioning of the new Chibuku Super plant was delayed to the end of March 2024 following disruptions to the shipping of equipment.

Chairman's Letter to Shareholders (continued)

It will only be fully commissioned in May 2024. The focus remains on tapping into and recruiting from the homebrews using the traditional offerings whilst penetrating the formal retail channels with Chibuku Super.

Natbrew Plc (Zambia) achieved a volume growth of 33% for the year, reflecting some notable decline in the second half of the year, following an unavoidable price increase implemented to recover the steep increase in the cost of maize and imported inputs which were affected by the depreciation of the Kwacha. The focus remains on volume recovery and margin improvement initiatives.

Wines and Spirits

African Distillers (Afdis) recorded a marginal volume growth of 1% over prior year as overall demand was negatively impacted by price distortions in the face of cheaper imports and increased availability of illicit products on the market. The Ready to Drink ("RTD") segment comprising ciders, grew by 5%, benefiting from improved product availability and brand activations. The Spirits category decreased by 2% due to increased competition from cheaper and illicit offerings. Wine performance remained at par with prior year.

Schweppes Holdings Africa

Volume at Schweppes was 11% above prior year as the sector had to effect very high price increases in response to the sugar surtax. The cordials category inherently has high sugar content which is reduced on dilution at the point of consumption. The business was also affected by limited supply of bottled water and Minute Maid Juice Drinks as one of the production lines was decommissioned to allow for the installation of a new plant which was eventually commissioned in November 2023.

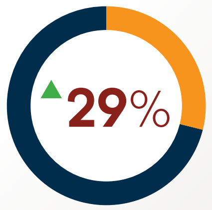
Sparkling Beverages

The Sparkling beverages volume for the year at over 2 million hectolitres was 29% above prior year. The growth was spurred by the improved supply of PET packs and flavours following the commissioning of a new packaging line at Graniteside, Harare in June 2023 which has allowed for keener pricing.

The growth momentum and recovery of market share was dented by the introduction of a high sugar surtax in the fourth quarter and the route to market fiscal regulations introduced in January 2024.

There are ongoing strategic interventions to support low and zero-sugar offerings whilst ensuring accessible price points.

Sparkling Beverage Volume



Historical peak of over 2 million hectolitres was 29% above the previous year.

Official commissioning of the PET Plant at Graniteside on July 6 2023, by his His Excellence President Cde ED Mnangagwa.

Chairman's Letter to Shareholders (continued)

Nampak Zimbabwe Limited

Nampak Zimbabwe volumes for the half year to March 2024 are ahead of prior year across all businesses, benefitting from increased exports of paper products and the higher pull of plastic packaging from the beverages sector. The business continues to be affected by shortages of key raw materials and power supply disruptions. The focus is on improving the capacity to meet the rising demand from key customer sectors.

Financial Performance

The financial results are presented in US Dollars following the change of reporting currency on 1 October 2023. The conversion of both the first half results and prior year figures was done in compliance with IFRS which may deviate from the underlying financial performance as tracked by management for decision making purposes. Reported figures include inflation-adjusted financial information converted to US Dollars using estimated exchange rates. These figures potentially exhibit distortions due to exchange rate volatility and imprecise inflation indices which were both estimated. Users should note the inherent challenges of converting the financial statements into a stable currency given the disparate exchange rates prevailing in the country during the reporting periods.

Group Revenue

43%

The reported Group revenue at US$768 million increased by 43% to compared to prior year.

Additionally, the conversion process led to a lower-than-expected valuation of assets. Management believes the Statement of Financial Position as at March 31, 2024, provides the most accurate estimation of the business' financial standing in accordance with International Financial Reporting Standards.

The Group reported revenue of US$768 million, grew by 43% over prior year. Operating income amounted to US$152 million, reflecting a 53% growth over prior year. These reported earnings may be influenced by distortions stemming from inflation rate and exchange rate fluctuations and the IFRS conversion processes.

Management has tracked underlying data based on a month-on-month business performance which indicates an actual revenue growth of 10%, consistent with reported volume growth, with approximately 80% of sales conducted in foreign currency. According to information used for management decision making purposes, Group revenue for the year was US$782 million (compared to US$713 million in the previous year), with an EBIT of US$165 million (compared to US$141 million in the previous year). It is important to note that the disclosure of the underlying performance for management decision purposes does not fully comply with International Financial Reporting Standards and is provided as supplementary information. The eventual dollarisation of the business is expected to reduce distortions as reported in the current year.

Both UNB South Africa and Natbrew Zambia recorded losses during the year reflecting the slower volume recovery and significant cost pressures.

The focus is on protecting the balance sheet, optimum resource allocation, generating positive cashflows to fund the ongoing capital projects and turning around the regional operations.

Change In Functional Currency

The Directors have considered the current operating environment and the requirements of the International Financial Reporting Standards and have concluded that it is appropriate to present the F24 financial statements in US Dollars. The change in functional currency was with effect from 1 October 2023. To conform with the International Reporting standards, the hyperinflation numbers reported in the prior year have been converted using the exchange rates as at 31 March 2023 of 1:1 000 whilst the transactions and balances for the first half of the year were inflation-adjusted then converted to US Dollars using the rate of 1:5 500.

While the conversion process is mathematically accurate, users of these financial statements are strongly advised to exercise caution when relying on the balances, as they were significantly influenced by exchange rate distortions and challenges in accurately determining the inflation indices applied for hyperinflation accounting.

Update on Tax Matters

As previously reported, there are ongoing disputes with respect to the currency of payment of certain taxes and the methods of splitting the taxes by currency. The Zimbabwe Revenue Authority (ZIMRA) has made additional income tax and value added tax assessments, penalties and interest of US$54.7 million against Group entities for amounts they deem should have been paid exclusively in foreign currency (United States Dollars) No credit has been given to the equivalent amounts already paid in the legal tender of Zimbabwe. The law empowers ZIMRA to collect any taxes based on their positions under the pay now, argue later principle. The assessments are at various stages being challenged on appeal and court processes.

Chairman's Letter to Shareholders (continued)

Update On Tax Matters (continued)

Based on the guidance of tax experts and legal counsel the Board is of the view that the Companies have acted within the confines of existing statutes, consequently, no provision has been made in the financial statements. The Board cannot at this stage estimate the likely outcome or timing of the resolution of these matters.

The assessments would have a material impact on the viability of the Group if they were to materialise.

Outlook

The operating environment in Zimbabwe remains complex, with no easy solutions to the numerous economic challenges such as the currency instability and inflation in a difficult political environment. The tax measures adopted in the 2024 budget have had far-reaching impacts on the business and the market in general. The beverages sector has been particularly affected by the hefty sugar tax and the restrictions on route to market.

The Government introduced a new structured currency, the Zimbabwe Gold (ZiG) with effect from 5 April 2024. The fiscal measures to support the policy recommendations by the monetary authorities are still to be announced. There are inherent macroeconomic rigidities that need to be addressed to ensure the achievement of a stable currency. It is encouraging that the authorities intend to maintain a market-driven exchange rate and avoid quasi-fiscal activities by the Reserve Bank.

The economy will be impacted by the lower mineral prices and the reduced agricultural output following El Niño induced drought in 2024, although there are mitigations from increased mining output and resilient Diaspora remittances.

The business will benefit from the improved product supply following the commissioning of additional production capacity during the past year and improved operational efficiencies across the business segments.

The focus remains on exploiting opportunities from activities that generate aggregate demand. Consumer spending remains resilient across the territories and offers growth opportunities. There are, however, headwinds in the global economy, arising from the Russia/Ukraine conflict, the resurgent unrest in the Middle East and the volatility of international financial markets.

Advancing Our Sustainability Priorities

The Group remains focused on its sustainability agenda, with increased activities in the areas of responsible alcohol consumption, reduction in waste and pollution, community involvement and optimising resource utilisation. In the current year we have amplified our communication on underage drinking under the Pledge 18 campaign, Make A Difference-Recycle executions and uprated the brand activations supporting sports and culture.

Final Dividend

The Board declared a final dividend (number 134) of US2.0 cents per share to be paid on 26 June 2024. This brings the total dividend for the year to US3.0 cents per share.

Board Changes

The Board advises that Ms L A Swartz will not seek re-election at the forthcoming annual general meeting in July 2024. The Board welcomes Ms Bridget Makhura who joins the Board as a non-executive director representing the main shareholder AB InBev.

Appreciation

I wish to record my appreciation to management and staff for their great efforts in sustaining the business in the challenging operating environment. I also thank my fellow directors for their wise counsel and our customers, consumers, suppliers, regulators and stakeholders for their ongoing support.

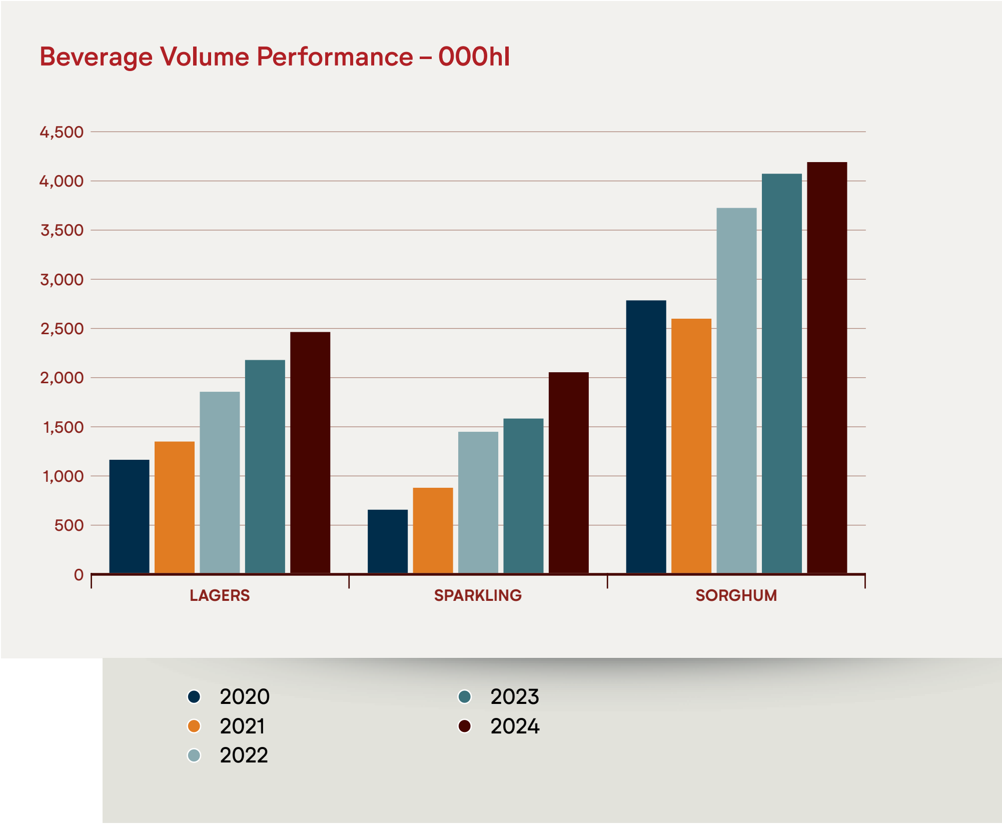
For and on behalf of the Board

S MOYO
Chairman
15 May 2024

Review of Operations

Beverages Business Overview

The beverages business in Zimbabwe continued to witness volume growth despite the tough operating environment. The monthly sales rates achieved in lager beer and sparkling beverages consistently surpassed the historical levels.



Review of Operations

Beverages Business Overview (continued)

This was achieved following the commissioning of additional packaging capacity and improvements in operating efficiencies and reduced supply chain disruptions, thereby eliminating the supply bottlenecks that had hitherto characterised the peak Christmas season. The additional Chibuku Super production capacity installed at Harare brewery was crucial for stabilising supply into regional markets.

The businesses benefited from stable retail pricing in foreign currency with the overall foreign currency takings surpassing 80% for the year. This is in line with the reports of increased dollarisation from the Zimbabwe National Statistics Agency, Zimstats.

The rapid depreciation of the local currency and prevalence of disparate exchange rates resulted in some disruptions to the route to market, the constraints on the pricing exchange rate imposed on the formal channels. There were supply gaps in the formal channels arising from account management and market liquidity issues. The policy measures introduced in January 2024 to contain the growth of the informal sector required significant refinements to the route to market strategies.

The key highlights for the year include the following:

- The commissioning of the returnable glass lager beer packaging line at Southerton Brewery, the soft drinks PET plant at Graniteside, Harare, the Chibuku Super plant at Harare Brewery, the spirits PET line at Afdis and the PET line at Schweppes for water and juice drinks among other capacity improvements.
- Refurbishment of the Natbrew factories to achieve self-sufficiency in the production of both Chibuku Super and Traditional African Beer offerings.
- Investment in a Chibuku Super plant at UNB South Africa which was commissioned in May 2024, following some shipping delays. Chibuku Super was successfully seeded into the South African market based on imports from Zimbabwe. The listing of the product into formal retail channels is encouraging.
- The launch of the Culture Change program to drive our values and frame a companywide mindset that will drive sustainable performance while improving employee wellness, worth and productivity.
- Continued investment in returnable glass and scud bottles investment throughout the year which enabled better market circulation and improved factory operations.

The navigation of the economic and legislative environment in Zimbabwe remained a key focus area. The policies and tax measures implemented as part of the 2024 National Budget have resulted in significant increases in prices of basic commodities and sugar-containing beverages, and disruptions to the distribution channels in the FMCG sector.

The country continues to benefit from the increase in mining activities, a key source of foreign currency, particularly the gold and lithium sectors. Diaspora remittances remained buoyant, providing an anchor for consumer spending. The other sources of income included agriculture with a record tobacco harvest achieved in 2023 amongst other cash crops.

Consumer demand in South Africa and Zambia remained depressed due to elevated inflation levels and pressure on the exchange rates which impacts fuel prices.

Review of Operations

Beverages Business Overview (continued)

An unstable power supply in the region saw South Africa battling with escalating power cuts arising from inadequate maintenance. The low water inflows into the Kariba Dam deprived Zimbabwe and Zambia of critical hydropower generation capacity. Some relief was witnessed following the commissioning of Unit 7 and 8 expansions at the Hwange Power Station. Domestic users are increasingly relying on solar installations.

Sustaining Business Growth

We have set an ambitious growth strategy to improve operational efficiency, embed best practices in all facets of the business, and offer our customers the best service possible. We follow a disciplined approach in line with our strategic pillars and priorities:

Creating a cost-competitive and profitable business:

The strategic thrust of being a low-cost high-volume business and availing **affordable** products to our consumers is executed systematically and continually. The Dollar Deals campaigns across our product range amplified this. The $ for 4 (300ml Coke) and $ for 2 for the 500ml PET were a resounding success, driving volume and winning market share. We continue pushing for a profitable product mix and business portfolio while exploring opportunities for cost containment. We are conscious of the challenges arising from the exchange rate distortions and the hyperinflationary environment that impede our quest to reduce costs in the value chain.

Investing in Market Development:

The strategic framework is anchored on investing in **Market Development** and an optimised route to market. We glean valuable insights from the intense engagements with both traders and consumers. The main area of concern has been improving the supply of the full range of brands and packs.

The additional packaging capacity installed across the businesses during the year improved product availability and provision of the full range of brands and packs.

Building Brilliant Brands:

We believe in our future and our Brands are at the centre of what we do. We continue to innovate and Build Brilliant Brands as we endeavour to align our customers and consumer preferences with their choice of brands and packs. Our brands are each suitable for the varied consumption occasions or settings that we leverage as part of the segmented execution. This year we added new flavours to our Chibuku Super brand. There were exciting launches of the Revamped Sprite in the clear bottle, whilst the no-sugar offerings reverted to the “Coke Zero”, and “Fanta Zero” nomenclature.

Collaborating with Customers:

This is achieved through the programs on customer engagement as we engage in joint business planning with our key customers for them to satisfy the expectations of our consumers. We leverage on these engagements to develop capacity in addressing our ESG responsibilities of responsible alcohol consumption and waste management.

We engage every day with many retail customers who play a critical role in connecting our business with consumers. We strive to improve our distribution capability by investing in appropriately configured vehicles, mechanisation of product handling, and optimising the route to the consumer. In this vein, we have revamped the **Retailer Development Programme** which offer training in business and financial management, hygiene, and customer care. We recognise that small retail businesses are sources of income and livelihoods in local communities.

Growing the CORE and Premiumisation:

Our portfolio allows us to grow incremental revenue through **PREMIUMISATION** whilst the Mainstream and Affordable categories ensure that consumers continue to access our high-quality beverages. We are accelerating our innovation to ensure that our range of products appeals to the diversity of our consumers. In traditional beer, we launched 2 flavors - Chibuku Super Ginger and Pineapple which are registering good growth in Zimbabwe. Chibuku Super local production in the South African market is expected to bring excitement as we roll out variants of Chibuku Super in regional brands such Ijuba Extra.

Developing Motivated and Capable Teams:

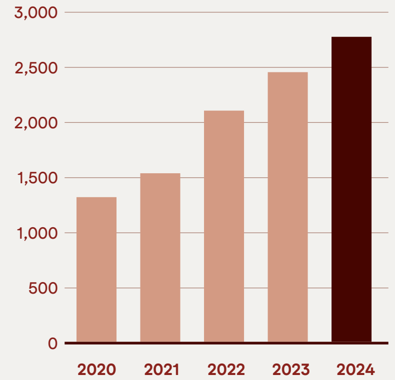
Our greatest strength is our people, and we aim to develop capable and motivated teams. We are cognisant of the challenges in retaining skills in such a difficult operating environment as prevailing in Zimbabwe. Our apprenticeship and graduate learnership are being expanded to improve the skills pipeline.

Review of Operations

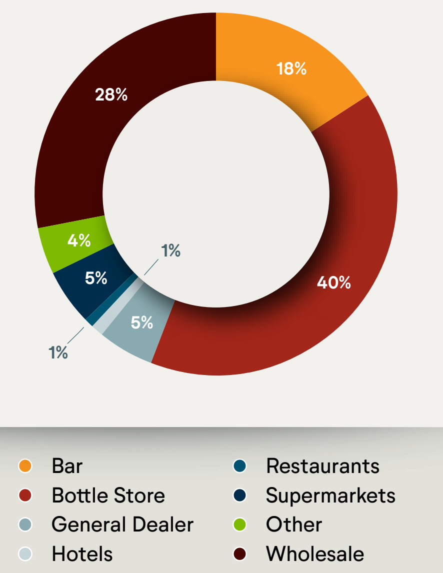
Lager Beer Business

The lager beer volume grew by 13%, reaching a record 2.46 million hectolitres. This robust performance was driven by improved product availability following the commissioning of a new packaging line and a consistent, strong demand fueled by disposable income derived from the marketing of agricultural crops, increased mining activities, national infrastructure development projects, election spending, and diaspora remittances.

Lager Beer Volume Performance '000hls



Lager Beer Trade Channel % Sales Contribution



Review of Operations

Lager Beer Business (continued)

The investment in additional packaging capacity at the Southerton brewery ensured full product availability during the year. This was supported by a significant injection of new returnable glass bottles, which is critical for improving factory and distribution operations. Our customer and consumer campaigns were effectively heightened, solidifying this volume performance.

Despite the growth, local currency volatility posed challenges, particularly with frequent price adjustments. The Supermarket channel experienced a softer pull due to uncompetitive USD pricing resulting from a distorted and multiple exchange rate system. New tax measures implemented in the last quarter disrupted access to segments of the customer base. There are ongoing collaborations with the tax authorities to increase tax compliance amongst the small businesses.

Increased load shedding led to reduced night patronage and increased operational costs for traders, from use of expensive alternative power sources to chill beverages.

This impacted affordability, as some traders charged higher than our recommended retail prices for certain brands. Additionally, plummeting global platinum prices triggered cost-cutting measures by mining companies, including retrenchments, which led to a loss of disposable incomes.

The El Nino-induced drought conditions also significantly affected disposable incomes in many rural markets from the fourth quarter.

Collaborated Barley Smart Partnerships

The company operates a barley contracting scheme that ensures our beer brands use the highest quality local barley. The grain is processed at Kwekwe Maltings, which produces barley for both local and export markets. In 2023, the barley intake from local farmers was 44 296 tonnes, providing sufficient stocks to cover local and export requirements until February 2025.

Excess malting capacity at Kwekwe Maltings will be utilised for regional exports. Contract negotiations with potential export customers are underway. The organisation is committed to increasing technical and financial support to local farmers to enhance yield and farming sustainability, ensuring the growing demand for malt can be met.

Creating Consumer Connections.

Our Lager Beer Brands:

This year, our lager beer brands strategically engaged consumers at critical touchpoints, effectively strengthening associations with key events in sports, music, and cultural events. Collaborative efforts with leading sports associations which includes the Premier Soccer League and Mashonaland Turf Club with Castle Lager, the National Pool Association with Carling Black Label, Zimbabwe Golf Association with Golden Pilsener, and the Zimbabwe Rugby Union with Sable Lager and Zambezi Lager — significantly enhanced brand visibility and deepened consumer interactions.

Review of Operations

Lager Beer Business (continued)

Carling Black Label

The brand achieved a significant milestone by becoming the first Zimbabwean lager beer brand to surpass one million hectoliters in annual sales, an achievement celebrated through the "There is Gold Inside" campaign. The brand played a pivotal role in national pool championships, tertiary sports events, and DJ competitions, fostering an environment of inclusivity that encouraged participation from all genders.

Castle Lager

Castle hosted the 63rd edition of the Castle Tankard which was showcased by a young four-year-old horse, Ideal View, who outpaced fourteen competitors. The Castle Tankard event has established itself as a prestigious platform that not only highlights emerging musical talents but also pairs them with seasoned entertainers. This dynamic blend enriches the event's appeal with our castle lager customers.

The 2023 Castle Lager Premier Soccer League was won by Ngezi Platinum Stars who clinched their first trophy.

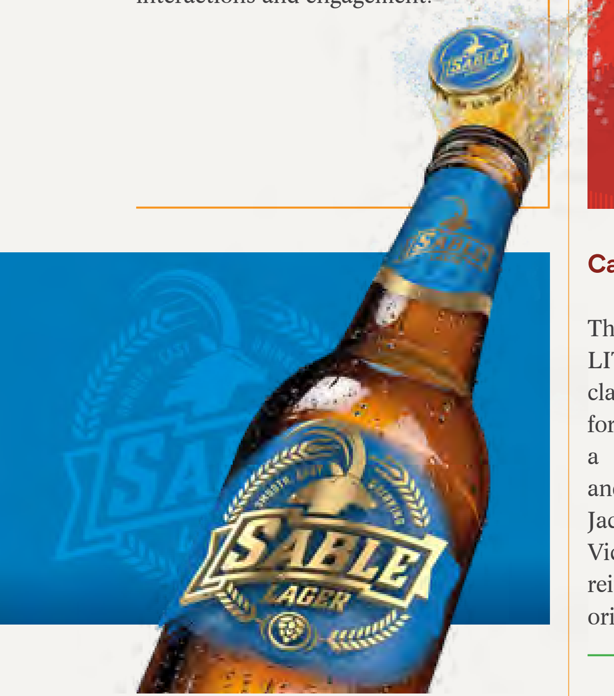
The annual Castle Lager Biggest Braai in Zimbabwe continued to draw large crowds, with over 15 000 attending the 2023 event. The event strengthened Castle Lager's credentials of fostering community ties and celebration.

Review of Operations

Lager Beer Business (continued)

Lion Lager

There are initiatives to revive the brand such as the "Own Your Pride" and "Royal Pride" radio campaigns and the Roar and Win promotion which have significantly bolstered brand engagement. Lion Lager also expanded its digital footprint by enhancing its presence on Instagram, leading to improved customer interactions and engagement.

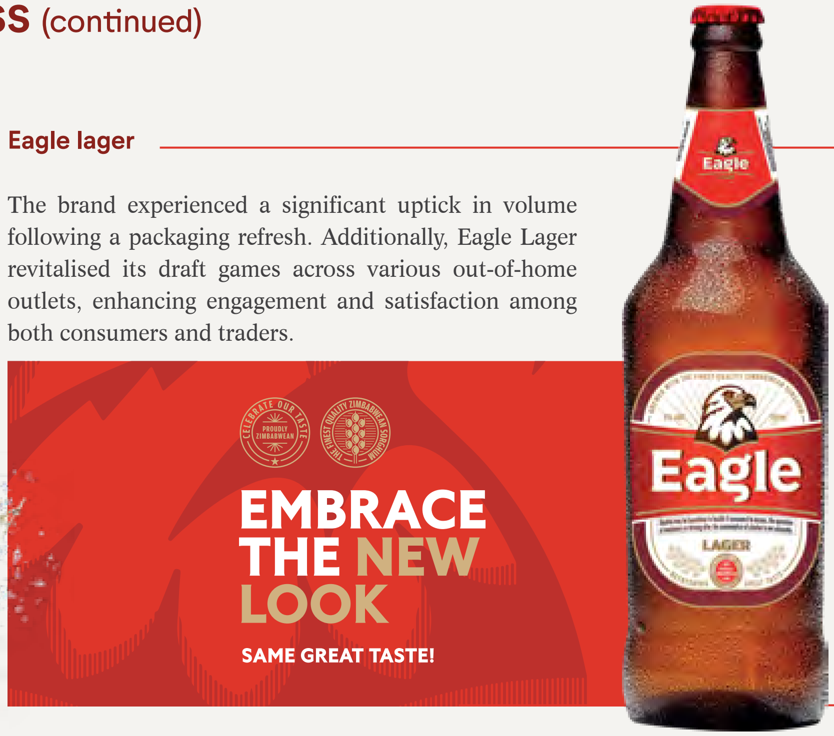


Sable Lager

Sable concentrated its efforts on increasing brand awareness and product sampling, capitalising on music and rugby events, through its partnership with the Paramount Garments Rugby League. The brand also successfully enhanced its visibility in the trade through increased signage at key retail outlets.

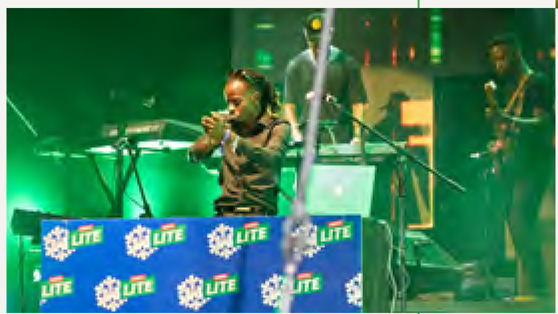
Eagle lager

The brand experienced a significant uptick in volume following a packaging refresh. Additionally, Eagle Lager revitalised its draft games across various out-of-home outlets, enhancing engagement and satisfaction among both consumers and traders.



Castle Lite

This year, the brand launched "FRIDAY LITE NIGHTS," an initiative designed to claim Fridays as the quintessential day for relaxation and enjoyment. Through a series of micro-events nationwide and part-sponsorships of the Stanbic Jacaranda Music Festival and the Econet Victoria Falls Marathon, Castle Lite reinforced its connections to a lifestyle-oriented consumers.



Zambezi Lager

The Brand launched "The Zambezian Experience," a captivating new campaign that treated winners to an unforgettable getaway on Spurwing Island in Kariba. Additionally, Zambezi Lager maintained a prominent role on the rugby scene, actively supporting the African Olympic 7's Rugby Qualifiers and the Zambezi Challenge 7's Rugby tournament, thereby enhancing its visibility and engagement at these major events.

Review of Operations

Lager Beer Business (continued)

Golden Pilsener

Pilsener continued to fortify its association with golf by sponsoring prestigious events such as the NOMADS and Zim Open Golf Tournaments. A series of golf activations at various clubs further enhanced Golden Pilsener's brand equity, reinforcing its commitment to the sport and its enthusiasts.

Smart Agriculture with Barley

The company continues to run the barley contracting scheme which ensures that our beer brands use high-quality local barley. The barley feeds into the malting plant at Kwekwe which produces barley for both local and export markets. The barley intake from the 2023 winter crop was 44 994 tonnes grown by local farmers. The current barley stocks provide cover form domestic and export malt requirements for the period up to March 2024. A total of 475 tonnes of barley was exported into the region in the current year.

The contract scheme provides technical and financial support to local farmers with a focus to improve land husbandry and using modern and sustainable farming methods.

We work collaboratively with seed houses and government agencies in developing new barley varieties that have better agronomic properties and improved malting potential.

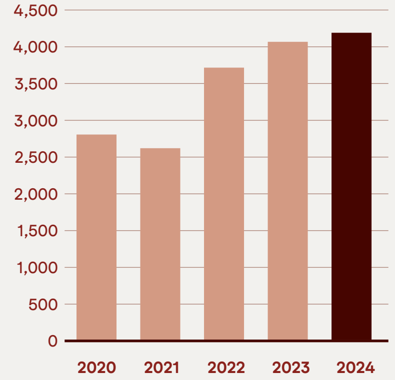
Review of Operations

Sorghum Beer Business – Zimbabwe

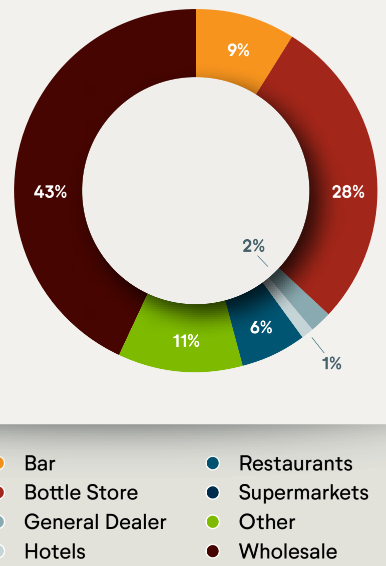
Review of Volume Performance

The sorghum beer business recorded a volume of 4.2 million hectolitres, a 4% growth compared to the previous year. This included the exports of Chibuku Super to Zambia and South Africa. The domestic volume reflected a decline of 1%.

Sorghum Volume Performance– '000hls



Sorghum Beer Trade Channel % Sales Contribution



This out-turn was achieved despite the Zimbabwean economy facing significant challenges such as exchange rate fluctuations, inflationary pressures and an escalation in maize prices. The traditional beer category is facing competition from other alcohol segments such as cheap spirits and the increased availability of affordable lager beer. There is also increased competition in the sector. The depreciation of local currency value led to an increased reliance on US dollar transactions in both formal and informal retail sectors, providing some price stability for consumers.

Review of Operations

Sorghum Beer Business – Zimbabwe (continued)

Strategic Initiatives and Promotions

The sales performance was driven by a series of national promotions, intensified execution and retail price communications to maintain affordability for consumers. A notable highlight was the "Super Surprise" promotion in November 2023, which featured consumer cash draws across all territories. This promotion also included a traders draw, fostering stronger business partnerships and enhancing trader advocacy in a challenging market environment.

The Chibuku super plant at Harare Brewery was commissioned in late October 2023 which significantly improved product supply and addressed availability gaps in Zimbabwe and the region. To celebrate this increased production capacity, the Chibuku Super Price Slash promotion was launched in the greater Harare market. The Double Double and Super Surprise were successfully run during the year.

Product Innovation and Market Development

In the fourth quarter, Chibuku launched the Ginger and Pineapple variants of Chibuku Super, generating excitement and opening new market development opportunities. We continue to invest in coolers across the market.

Fostering Friendship and Brotherhood

The year began with the launch of the "Kutambidzana Scud Kutambidzana Mafaro, Mshaye NgeScud, Mshaye Ngenjabulo" campaign, celebrating the enduring bonds of friendship and joy shared over Chibuku Scud. The campaign also introduced "Chakanaka Chakadaro, Simnandi sinjalo," highlighting the beverage's rich quality.

The sorghum beer business recorded a volume of 4.2 million hectolitres, a 4% growth compared to the previous year.

Review of Operations

Sorghum Beer Business – Zimbabwe (continued)

Chibuku in Arts

The Chibuku Neshamwari Traditional Dance Festival celebrated its 60th anniversary with the theme 'Bira Remadhanzi, 60 Years Sithokozisa Ngezomgido!' Chibuku's collaboration with the National Arts Council Zimbabwe (NACZ) and Zimbabwe National Traditional Dance Association (ZNTDA) continued to foster arts development, with this year's festival winners receiving substantial monetary awards. The event was also recognised as the Corporate Event of the Year by the Marketers Association of Zimbabwe.

Chibuku Road to Fame

Partnering with the National Arts Council of Zimbabwe, the Chibuku Road to Fame 2023 showcased emerging musical talents under the theme, "Imba Tinzwe, Cula Sizwe Super Star!" drawing large audiences and spotlighting new artists on their path to stardom.

Review of Operations

Sorghum Beer Business – Zimbabwe (continued)

Chibuku in Sports

The 2023 Chibuku Super Cup culminated with Dynamos FC defeating Ngezi Platinum Stars FC at Baobab Stadium, underscoring Chibuku's significant presence in sports sponsorship.

Review of Operations

Sorghum Beer Business — South Africa

Chibuku Super Local Production

The Sorghum beer business in South Africa was acquired in 2020 and runs under the United National Breweries (UNB). In April 2024, our company celebrated a significant achievement with the commissioning of the inaugural Chibuku Super packaging line at the Phelindaba Brewery in Pretoria.

This state-of-the-art facility represents a major milestone in our journey to transform the traditional beer industry in the country.

The new packaging line has a capacity of 20 000 bottles per hour, significantly which will provide enough capacity in the first phases of the Chibuku Super journey and planned introduction of local brands such as Ijuba Extra, Tlokwe Extra, and Leopard Extra.

Review of Operations

Sorghum Beer Business – South Africa (continued)

This investment is a testament to our unwavering dedication to fostering growth, innovation, and excellence within the beverage industry. It underscores our commitment to improving our production capabilities and ensuring that our products are more accessible to the market, through sampling activations with a focus on young consumers. This was amplified on social media and active presence at events led by traditional leaders.

Connecting with consumers

In F24, our focus was on expanding the market for Chibuku Super, our "New business." This expansion was supported by the investment in a new packaging line and brew house to produce Chibuku Super locally. The focus was on driving brand awareness and penetrating new markets.

While our efforts concentrated on the new business, we also remained vigilant in maintaining and protecting our "old business," the traditional African beer (TAB), by ensuring it remained visible and available in the market.

Chibuku Super Digital

The Chibuku South Africa Facebook page saw notable growth, surpassing 12 000 followers from an initial base of 11 000. This increase in digital engagement has significantly boosted the brand's reach and provided valuable real-time feedback from consumers.

Review of Operations

Sorghum Beer Business – South Africa (continued)

Market Development

The business continued with market development and penetration of new outlets to increase our footprint.

The business invested in 4 tricycles and deployed market developers to carry out street by street outlet identification and penetration in the highly populated areas. The well branded tricycles (Tuk Tuks) also act as mobile billboards in the trade to improve visibility.

Connecting to social events

Chibuku Super continues to take advantage of music and social events happening around the country amongst its credentials as part of the social fabric. Sampling and consumer engagement amplified the brand with significant branding to drive visibility.

The brand participated in the Kota Festival held in Newtown. This vibrant event, blending music and food, showcased an array of unique Kota Flavors, attracting nearly 10 000 attendees and featuring over 90 food stalls.

Ukhamba Expansion – The 1.5L Scud

Following the successful launch at the Phelindaba Brewery, the Business expanded the availability of Ukhamba 1.5L Scud to the Tlokwe and Eastern Cape regions. This pack has been enthusiastically received by both customers and consumers, with many consumers commending the exceptional value offered by the larger bottle, priced attractively at just R10.

Ukhozi Mageu Business

The Mageu business dedicated significant efforts to consumer engagement, specifically through "liquid on lips" activations and quality enhancements. A central component of these initiatives was the Taxi ranks initiative, designed to boost brand awareness in highly populated areas. This approach proved highly successful, as it effectively attracted new consumers and also established deeper connections with wholesalers and retailers.

Review of Operations

Sorghum Beer Business — Zambia

The F24 volume grew by 32% in a congested and highly competitive market. The focus was on market execution which was centred on increasing product availability and consistency on quality.

Review of Operations

Sorghum Beer Business – Zambia (continued)

The business continued to face headwinds arising from the general inflationary pressures triggered by the weakening Kwacha, maize price increases and the impact of petroleum product pricing. This resulted in high production and distribution costs.

The intense trader engagement, market roadshows and activations were pivotal in enhancing brand visibility and trader advocacy. These activations focused on leading retail chains and at traditional ceremonies such as the Nc'wala.

Building Brilliant Brands

The Chibuku Super Banana which was launched in November 2022, grew to become the biggest brand contributing 56% in FY24. The brand was visible and continued to grow its appeal at mixed gender occasions such as food festivals and Chilanga Mulilo/Amatebeto functions.

Both Chibuku Super (standard) and Super Banana activated at key traditional ceremonies, increasing the association of the brand with heritage, tradition, and refreshment.

Driving Affordability with Circular Packaging

The 1.5L Scud, which uses an environmentally friendly returnable bottle, grew 34% over prior year leveraging on its affordability and superior quality.

The returnable Keg 22L mini bulk pack remains a strategic pack as it enables migration of consumers from Draught to packaged formats.

Collaborating With Customers

To further enhance the customer experience, the business focused on enhancing the Direct Store Delivery model which ensures that every customer receives Chibuku products at their doorstep in a timely manner. This approach is helping drive affordability at consumer level as it reduces cost of accessing our products at consumer level.

Developing Our Capability

Projects implemented in the year around refrigeration and brewing assisted to enhance quality and ensure that capacity meets the demand.

Developing capable and motivated teams

The skills exchange programme between the business and Delta Beverages has continued to benefit our employees. In addition, the business relaunched its graduate development programme with an intake of 8 candidates that comprised 50% females and 50% males. A pilot apprenticeship program was rolled out during the year with an initial intake of 11 candidates.

Partnering with Local Farmers

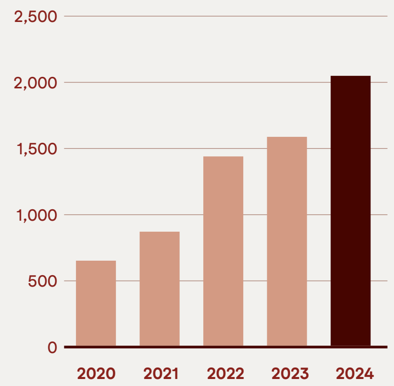
The business piloted a contract scheme with local farmers for maize and sorghum, both key ingredients in the beer manufacturing process. The maize crop, which was under irrigation, is expected to provide the expected yield. The sorghum crop grown by 1 300 small holder farmers which was rain fed was significantly affected by the El Nino induced drought that affected the region. The crop is still under assessment, with projections of average to below average yield. The plan is to more than double hectarage in the coming year targeting small scale farmers.

Review of Operations

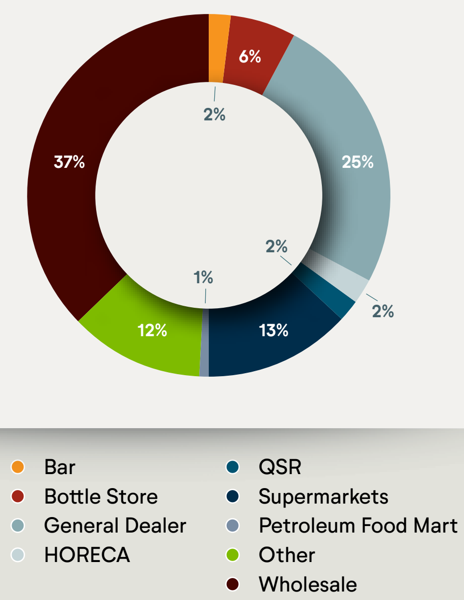
Sparkling Beverages

The volume of Sparkling Beverages increased by 34% over the previous year, reaching 2,1 million hectolitres. This significant growth can be attributed to the steady supply of products, affordable pricing and improved market execution.

Sparkling Beverages Volume Performance – '000hls



Sparkling Beverages Trade Channel % Sales Contribution



Review of Operations

Sparkling Beverages (continued)

A significant development was the installation of the new PET line at Graniteside Harare, which improved our ability to meet market demand for PET packs. This expansion in capacity was pivotal in addressing the availability of Immediate Consumption and take home packs. The improvement in production capacity and efficiencies allowed the launch of the dollar deals campaign, such as offering $1 for four (300ml Returnable Glass Bottles) and $1 for two (500ml PETs).

The in-trade execution was also amplified through enhancement of Right Execution Daily (RED), service offering, investments in cold drink and vendor equipment and robust Customer and Commercial Relationship Management initiatives. The marketing campaigns were focused on "Meals At Home" and Away from Home consumer occasions.

Review of Operations

Sparkling Beverages (continued)

The soft drink sector was adversely affected by the introduction of a sugar tax, Route to Market disruptions and local currency depreciation, which negatively impacted consumer disposable incomes. The high local currency inflation created pricing distortions particularly in the formal retail distribution channels.

The Cold Drink Equipment Investment initiative marked a significant step in supporting the informal sector and uplifting community livelihoods where we operate. We substantially increased our investment in vending trolleys and containers, which benefited 1 300 households. A total of 550 coolers were distributed to traders during the year.

Powerful Price Points

Aligning with our commitment to affordability, we continued to set practical price points that ease transactions for both consumers and traders under the "Dollar Deals" promotions.

Brand activities

The Joy of Christmas with Coke

Coca-Cola's synonymous association with Christmas was celebrated through our Christmas Caravan activations. Designed to spread festive cheer, the caravan visited major cities, engaging consumers with interactive brand experiences including sampling, games, and music. This initiative reinforced Coca-Cola's cultural icon and brand love during the holiday season.

Review of Operations

Sparkling Beverages (continued)

Food, Music and Real Magic

Coca-Cola remains the ideal beverage choice during meals, both at home and away from home which was communicated through diverse media platforms and amplified through captivating retail displays, known as retail theatres. These setups showcased various meal occasions where Coca-Cola is the preferred brand and the perfect accompaniment to a wide range of culinary experiences. This dovetails with the current thematic campaign of "Real Magic."

Coca-Cola's association with food and music was intensified through collaborations with well-established events such as the Stanbic Jacaranda Music Festival and the Cookout.

Fanta

In our "Fanta Yummy Snacking" campaign, focused on snacking ritual with vibrant point-of-sale materials and partnerships with local snack suppliers. Fanta associates snacking with a sense of playfulness, thereby leveraging the multi-sensorial characteristics of Fanta. We collaborated with local manufacturers like Lobels, effectively bringing "Yummy Snacking" to life and ensuring Fanta was synonymous with delicious, fun snack times.

Fanta partnered with SPAR for the Rainbow Run held on July 30, 2024. This event, characterised by its colorful and energetic atmosphere, attracted over 2 800 participants, further reinforcing Fanta's commitment to creating playful and memorable experiences.

Review of Operations

Sparkling Beverages (continued)

Sprite

Sprite New Look – "Heat Happens, Stay Cool"

This year saw the introduction of the revitalised Sprite, launched under the theme "Heat Happens, Stay Cool," with a focus on Gen Z consumers. This initiative aims to attract new demographics with the fresh and compelling proposition.

Review of Operations

Maheu Business

The volume of Maheu increased by 17% in the year, driven by the availability of a diverse range of flavors, consistent product quality, and a focus on penetrating new outlets. The growth was supported by an increase in bulk order generation, under the "Stack It Up" initiative with key retailers and wholesalers.

In-trade Execution

We continue to focus on brand building initiatives to increase awareness of the Ades brand. The category was adversely affected by the price increases that were effected in January 2024 following the introduction of sugar tax and the change in Value Added Tax status from exempt to vatable. The focus remain on reinforcing the category to avoid erosion by other value for money meal replacement alternatives.

Review of Operations

Transport and Logistics

The Company operates a modern Company owned fleet consisting of 300 prime movers, 460 trailers, and 133 forklifts, which caters for both primary and secondary distribution for the Zimbabwe beverage business. This is complemented by contracted third party fleet.

UNB South Africa utilises 125 trucks for secondary distribution and 2 prime movers for inter-depot freighting. There are ongoing renews to the fleet ownership models at UNB which largely depends on third party freighting trucks.

The Natbrew Zambia business relies on 70 Delta owned trucks for secondary distribution requirements. The primary distribution function is currently outsourced. Afdis operates a fleet of 24 trucks, for freighting as well as all the secondary distribution requirements.

Review of Operations

Transport and Logistics (continued)

The primary distribution fleet is responsible for product freighting and raw material movements between manufacturing plants and national distribution centers. The secondary distribution fleet handles direct-to-store product deliveries across the country.

The fleet is maintained through a network of 23 strategically located workshops nationwide, supporting a pervasive distribution network. The company continues to expand and renew its fleet to adequately meet freighting and distribution requirements.

The business advocates a presold delivery model, enabling focused delivery scheduling based on customer orders. The dynamic routing platform utilises the National Telesales Centre and sales representative customer contacts to collect and prioritise deliveries. This model promotes efficient door-to-door delivery for convenience and ensures a reliable product supply to customers and consumers, making every day a successful sales day. The business continues to collaborate and benchmark to provide the best service in the region.

In the past financial year, the Delta internal fleet in Zimbabwe traveled a total of 12.6 million kilometers, an increase of 4% from the previous year. This performance was driven by increased activity and a focus on internal resource productivity. In South Africa, Delta fleet operated kilometers were 5,3 million while Zambia fleet travelled 2,2 million kilometers for the year.

Continuous training of drivers to reduce risks and enhance defensive driving skills is a strategic emphasis for the company. The Delta Driver Training School collaborates with the Traffic Safety Council of Zimbabwe to create awareness and enhance road safety training. Safe driving awareness among drivers is promoted through numerous platforms.

The business also employs an advanced vehicle telematics system that enables real-time tracking and monitoring of the fleet and drivers, further enhancing operational efficiency and safety.

The route to market policy changes introduced in January 2024 have been disruptive, curtailing access to small traders who are unable to meet the tax compliance requirements.

Review of Operations

African Distillers Limited

African Distillers (Afdis) is a listed entity whose primary business is the manufacture, distribution and marketing of branded wines, spirits, liquors and ciders for the Zimbabwe market.

The Company recorded a marginal growth of 1% over prior year as consumer demand was weighed down by economic pressures.

The past year presented a challenging operating environment for the Company, marked by significant local currency depreciation, power supply outages, and an influx of irregularly imported goods. Despite periods of relative stability, the local currency experienced substantial depreciation, particularly in the first and fourth quarters, leading to frequent price increases. Additionally, new fiscal measures, including a sugar tax on beverages and a 5% surtax on VAT non-compliant customers introduced in the fourth quarter, caused disruptions to pricing and the route to market.

There are ongoing initiatives to grow the direct delivery model into the general trade to reduce the impact of the price and exchange rate distortions in the formal supermarket and wholesale channels. This has also improved the access to foreign currency.

Review of Operations

African Distillers Limited (continued)

Spirit Business

The spirits segment faced its own set of challenges, with overall volumes declining by 2% compared to the previous year. This downturn was largely due to the underperformance of key consumer channels and competition from illicit spirits. There are ongoing interventions to grow the brown spirit and whiskey category.

White spirits experienced a growth of 6% over the previous year, driven by innovative developments within our Whitestone Gin brand.

The reformulation of Whitestone Gin included the launch of four distinct variants: Classic, Blackcurrant, Pineapple and Strawberry.

Ready-to-Drink (RTD) Business

The Ready-to-Drink (RTD) category maintained its leading position in sales contribution within our portfolio, registering a 5% growth in volume compared to the previous year. This increase was primarily due to improved availability of our cider brands coupled with intensified promotions.

Wine Business

The wine business experienced a stable volume performance this year, mirroring the previous year's results. A notable decrease in activity from the modern trade sector impacted growth, reflecting a shift in consumer purchasing channels.

Process Optimisation Through Technological Investments

In fiscal year F24, significant strides were made in innovation and technological investments, aimed at enhancing our production capabilities and efficiency across various operational sectors.

Review of Operations

African Distillers Limited (continued)

The key plant upgrades included the following:

- New Chilling Plant,
- Bottle Washing Machine,
- Three Station Labelers,
- Cider Fermentation Vessels,
- Higher Capacity Filtration Machine.

These investments not only aim to enhance the efficiency and output of our production processes, but also ensure sustainable and competitive product availability in the market. By continually optimising our processes through technological advancements, we maintain a strong competitive edge and adapt to the evolving demands of the industry.

Review of Operations

Schweppes Holdings Africa Limited

Schweppes Holdings Africa Limited, through its primary operating entity, Schweppes Zimbabwe Limited, is a manufacturer and distributor of non-carbonated still beverages under license from The Coca-Cola Company. The product portfolio includes cordials, fruit juices, bottled water and iced tea.

The beverage division experienced an 11% increase in volumes, driven by improved product supply and strong market demand. The commissioning of a new cold fill line in November 2023, at a cost of USD 10 million, has more than doubled the production capacity for cordials from 18 000 cases per day to 40 000 cases per day. Similarly, the bottled water production capacity has quadrupled from an average of 10 000 cases per day to 42 000 cases per day, ensuring sufficient production capacity to meet demand.

Review of Operations

Schweppes Holdings Africa Limited (continued)

The introduction of a sugar tax and a 5% route-to-market tax surcharge is anticipated to impact volumes negatively due to resultant price increases. Schweppes remains committed to innovation, with plans to expand its product portfolio to include low-calorie and 100% fruit juice variants.

The Beitbridge Juicing Company, the fruit processing division of Schweppes, reported a notable 39% increase in juice uptake, selling 3 842 tonnes of fruit juice compared to 2 766 tonnes in the previous year. This growth is primarily driven by the flagship product, Mazoe Orange.

Nampak

Review of Operations

Nampak Zimbabwe

Nampak Zimbabwe was created by the merging of the packaging-related entities MegaPak, Hunyani and CarnaudMetalbox (CMB) in 2014 with the new entity taking over Hunyani Holdings Limited's Zimbabwe Stock Exchange listing.

Nampak's activities are summarised below:

Entity	Line of Business
Mega Pak	Manufacture of injection, stretch blow, rotational moulding of primary and secondary plastic and PET packaging products for the food and beverages sectors.
Hunyani	Manufacture of paper, printing, and packaging products.
CarnaudMetalbox	Manufacture of metal aerosol cans, crowns, and plastic bottles

Nampak experienced a low volume out-turn, mainly impacted by Hunyani Paper and Packaging because of the depressed tobacco season. All other operations reported an improved volume benefiting from the buoyant consumer spending. Tight liquidity due to policy shifts and the lack of availability of foreign currency has adversely affected stock replenishment.

Report of the Directors

The Directors present their 77th Annual Report together with the Audited Financial Statements of the Group for the year ended 31 March 2024.

Year's Results

The year's results are presented in US Dollars following the change of reporting currency on 01 October 2023. The conversion of both the first half results and prior year figures was done in compliance with IFRS which may deviate from the underlying financial performance as tracked by management for decision making purposes.

Reported figures include inflation-adjusted financial information converted to US Dollars using estimated exchange rates.

	2024 US$'000
Revenue	767 871
Operating Income	152 338
Net Finance Charges, Exchange losses and Monetary loss	(50 407)
Share of Associates Income	2 468
Profit Before Tax	104 399
Profit attributable to Owners	100 994
Less Dividends	
Dividends Declared and Paid (US3.0 cents per share)	(33 592)
Add Forfeiture of shares	6
Distributable Reserves at the beginning of the year	201 326
Transfers from reserves	—
Distributable Reserves at the end of the year	177 271

Property, Plant and Equipment

Capital expenditure (inclusive of returnable containers) for the year ended 31 March 2024 totalled US$48,1 million. The capital expenditure for the year to 31 March 2025 is planned at US$68 million.

Associates

The Company's effective shareholding in Schweppes Holdings Africa Limited at 49% and 21.46% in Nampak Zimbabwe.

Share Capital

The authorised share capital of the Company comprises of 1 400 000 000 ordinary shares of ZW$0,01 (US$0.00000182) each. A total of 11 016 330 shares were allotted in accordance with the share option schemes. The ordinary shares in issue are 1 324 712 515.

The issued share capital is now US$7,8 million comprising nominal capital of US$993 873 and share premium of US$6,8 million. The number of shares currently under the Share Appreciation Rights Scheme is 27 170 000.

The Company now maintains both a materialised certificate register and an electronic de-materialised one maintained by Chengetedzai Security Depository. Shareholders can opt to maintain their shares either in paper certificates or in electronic/dematerialised form through a nominated Custodian.

Dividends

The Board declared interim of US1.0 cent per share and a final dividend of US2.0 cents per share. This brings the total dividend in respect of the year ended 31 March 2024 to US3.0 cents.

Reserves

The movements in the Reserves of the Group and the Company are shown in the Consolidated Statement of Comprehensive Income, Group and Company Statements of Changes in Equity and in the Notes to the Financial Statements.

Purchase of Own Shares

At the last annual general meeting, authority was granted for the company to purchase its own shares up to a maximum of 10% of the number of shares in issue as at 31 July 2023.

Report of the Directors (continued)

Purchase of Own Shares (continued)

The authority is due to expire at the conclusion of the next annual general meeting in July 2024. The notice of the annual general meeting proposes that shareholders approve a resolution renewing the authority for the share buyback.

The authority was utilised to purchase 4 633 117 shares during the year. The Company held a total 10 265 696 of its own shares as at 31 March 2024.

Going Concern

The directors have reviewed the Group's performance for the year and the principal risks it faces, together with the budget and cashflow forecasts for the next twelve months, and the application of reasonable sensitivities associated with such forecasts. The directors note that the operating environment makes it difficult to plan for the future. Reference is made to the analysis of principal risks and uncertainties included in the annual report. Based on this review, and considering the current financial position, the directors have continued to adopt the going concern basis in preparing the consolidated financial statements.

Directors

The names and summarised resume' of the directors are set out on pages 188 to 191. Ms L Swartz retired from the Board on 31 December 2023. Mrs B Makhura was appointed to the board on 1 May 2024.

Dr C C Jinya and Mr R Rivett-Carnac retire by rotation. Ms B Makhura retires at the end of her interim appointment. All being eligible, will offer themselves for re-election. The election of directors will be by individual motions.

No Director had, during or at the end of the year, any material interest in any contract of significance in relation to the Group's businesses.

Mr S Moyo is a senior partner at Scanlen & Holderness Legal Practitioners, a firm that provides legal services to the Group. The beneficial interests of the directors in the shares of the Company are shown in note 18 of the financial statements.

Auditors

Members will be asked to re-appoint Ernst & Young as Auditors for the Company for the ensuing year.

Corporate Governance Compliance

In line with the Zimbabwe Stock Exchange Listing Rules (SI134/19) the Board has adopted The Zimbabwe Code on Corporate Governance as guiding framework and also draws guidance and best practices from the Belgian Code on Corporate Governance. The reference to the Belgian Code relates to the alignment with key shareholders. There is an on-going process to evaluate the Company's practices against the governance principles to identify any areas of divergence or possible improvement.

Annual General Meeting

The 77th Annual General Meeting of the Company will be held at 12:30 hours on Friday 26 July 2024 as a virtual meeting and partial physical attendance at the Registered Office of the Company at Sable House, Borrowdale, Harare.

By Order Of The Board

S Moyo	**M M Valela**	**F N Musinga**
Chairman	Chief Executive	Company Secretary
15 May 2024		

Certificate of Compliance by the Company Secretary

I, the undersigned, in my capacity as the Company Secretary of Delta Corporation Limited, hereby confirm that, to the best of my knowledge, the Company has complied with the Zimbabwe Stock Exchange Listing regulations, lodged all returns with the Registrar of Companies required of a public company in terms of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and that such returns are true and up to date. I also confirm that the articles of Memorandum and Articles of Association of the Company have been aligned to the provisions of the new COBE Act.

F Musinga
Company Secretary
15 May 2024

Corporate Governance

Introduction

The corporate governance practices of Delta are based on the code of business conduct which sets out the ethical standards to which all employees are expected to adhere.

The code incorporates and covers the Company's operating, financial and behavioural policies and endeavours to foster responsible business conduct by all employees particularly as this relates to compliance with all laws, disclosure of any conflicts of interests, confidentiality of information, to act at all times in the best interests of the Company and to conduct all their dealings in an honest and ethical manner. The ethics code defines the employees' responsibilities and expected behaviour and covers the limits on acceptance of gifts from suppliers or other stakeholders, the appropriate use of the Company's property and the anti-corruption policy. There are detailed policies and procedures in place across the Group covering the regulation and reporting of transactions in securities of Group companies by directors and officers. The Code is applicable to the Company and its subsidiaries.

Stakeholders

Delta strives to strike a balance between generating great business results and managing its environmental and social responsibilities through the various sustainable development initiatives as detailed in a separate report. This outlines the programs in the areas of responsible drinking, safety and wellness, the environment and the communities.

The corporate governance framework accords with the Zimbabwe Code on Corporate Governance, and borrows from the Cadbury and King reports, the national codes or listing regulations applicable in the countries of primary listing of the Company's major shareholders such as those of United Kingdom, Belgium and the United States. Delta has in place throughout the Company, responsive systems of governance and practice which the Board and management regard as entirely appropriate and in accordance with the said codes.

Delta applies various participative practices in its relationships with non-management employees, primarily in respect of operating matters and plans, on the basis of mutual information sharing.

The Board of Directors

The Board of Directors of Delta is constituted with an equitable ratio of executive to non-executive and independent directors noting that some directors represent certain shareholders. The composition and structure of the Board is reviewed periodically to align with best practice, respective skills, experience, background, age and gender. The Board is chaired by a non-executive director and meets at least quarterly. The Board governs through clearly mandated board committees, which have specific written terms of reference. Committee chairman report orally on the proceedings of their committees at the next meeting of the Board.

Corporate Governance (continued)

The directors rotate and are re-appointed at least once every three years and are expected to retire at 70 years of age. Any director that has served for more than three terms (nine years) or is beyond 70 years of age is rotated and re-appointed annually thereafter. The Board has adopted transitional arrangements to close any gaps and departures from the governance codes.

Short biographies of each of the directors are on pages 188 to 191.

Directors' Interests

Each year Directors of the Company are required to submit in writing whether they have any material interest in any contract of significance with the Company or any of its subsidiaries which could have given rise to a related conflict of interest. No such conflicts were reported this year.

The Audit Committee

The Audit Committee of the Board deals, inter alia, with compliance, internal control and risk management. It is regulated by specific terms of reference, is chaired by an independent non-executive director and comprises of non-executive directors. The Chief Executive and the Finance Director attend and present reports to the Committee. It meets at least twice a year to discuss accounting, auditing, internal control, financial reporting and risk management matters. The Committee also reviews compliance with ZSE listing requirements, corporate governance codes and applicable laws. The external and internal auditors meet regularly with and have unrestricted access to the Audit Committee.

The Remuneration Committee

Delta's Remuneration Committee is constituted and chaired by non-executive board members. The Chief Executive Officer attends and presents reports to the Committee. It acts in accordance with the Board's written terms of reference and is responsible for the assessment and approval of the Group's remuneration strategy and to review the short-term and long-term remuneration of executive directors and senior executives. It also acts as the general-purpose committee (in which case it co-opts additional members) to deal with ad-hoc strategic issues that may impact on human resources. The Committee meets at least twice a year.

The Nomination Committee

The Nomination Committee is the committee of the Board whose focus is to consider the composition of the Board and its Committees, the retirement, appointment and replacement of directors, and makes appropriate recommendations to the Board. It comprises the Chairman and at least two non-executive directors.

Risk Management

The focus of risk management in Delta is on identifying, assessing, managing and monitoring all known forms of risk across the Company. An appropriate risk analysis framework is used to identify the major risks which the Company must manage in serving its stakeholders.

The environment in which the Company operates is subject to such levels of change that regular reassessment of risk is necessary to protect the Company. In view of this, each part of the business has developed detailed contingency action plans to minimise the lead-time necessary to adapt to changes in circumstances. These plans are then updated whenever a change is noted or anticipated.

The management of risk and loss control is decentralised, but in compliance with Company policies on risk, the process is reviewed centrally on a quarterly basis and is supervised by the Audit Committee.

The Company has a well-resourced Internal Audit department which houses the loss control function key in the risk management effectiveness. They provide assurance about the effectiveness of governance, risk management and internal controls.

An Independent Auditor appointed also provides assurance in the effectiveness of internal controls over financial reporting in the Annual Financial Statements and Integrated Report.

Corporate Governance (continued)

Directors' Attendance of Meetings

(From 1 April 2023 to 31 March 2024)

Name of Director	Main Board/AGM		Audit Committee		Remuneration Committee	
	Attended	Possible	Attended	Possible	Attended	Possible
Mrs E Fundira	5	5	—	—	4	4
Dr C C Jinya	5	5	1	2	—	—
Mr A Makamure	5	5	—	—	—	—
Dr A M P Marufu	5	5	—	—	—	—
Mr B Mbanga	2	2	2	2	—	—
Mr S Moyo	5	5	—	—	4	4
Mr T Moyo	5	5	2	2	—	—
Mr J Mushosho	5	5	—	—	4	4
Mr R T Rivett-Carnac	3	5	2	2	—	—
Ms L A Swartz	5	5	—	—	3	3
Mr M M Valela	5	5	—	—	—	—

- Ms L Swartz retired from the Board on 31 December 2023.
- Executive Directors and nominated senior managers attend board and committee meetings by invitation.

Principal Business Risks

The principal risks facing the Group and considered by the Board and Group Management Committee are detailed below. These are not the only risks facing the Group. There may be additional risks not currently known to us or that we currently deem to be immaterial which may adversely affect the business, financial condition or results of operations in future periods.

Unfavourable general economic and political conditions in Zimbabwe.

Economic and Political Environment Overview

The economic environment in Zimbabwe presents ongoing challenges, contributing to an increased overall risk for business operations. Although the political landscape remains peaceful, it is characterised by polarisation. The nation continues to experience a state of electoral activity, necessitated by numerous by-elections to replace opposition members of parliament elected in the general election held in August 2023.

Efforts by the authorities to normalise relations with key Western governments and the broader international community face obstacles. These challenges stem from perceptions that the country has not yet fully implemented necessary reforms to ensure free and fair elections. Reports from various observer missions have identified significant gaps in the conduct of the 2023 harmonised elections when measured against the Southern African Development Community (SADC) election guidelines and the stipulations of Zimbabwe's own constitution.

Economic and Monetary Environment

Zimbabwe has experienced numerous cycles of hyperinflation and currency challenges, leading to the adoption of a multi-currency or dollarised framework in 2009 and again in 2020. The management of the currency and monetary system has resulted in operational challenges for businesses, particularly regarding the difficulties in accessing foreign currency. The presence of multiple exchange rates and distorted values of goods and services arising from varied exchange rates further complicates the economic landscape. Attempts to revert to a mono-currency system have had adverse impacts on the economy. The Zimbabwe Dollar, which was reinstated as the sole legal tender in June 2019, depreciated sharply, prompting the authorities to revert to the multi-currency system, which has now been extended through Finance Act No. 13 of 2023 to continue until December 2030.

Principal Business Risks (continued)

Economic and Monetary Environment (continued)

In a bid to stabilise the currency, the monetary authorities introduced a gold-backed currency through the Statutory Instrument 60 of 2024, (Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, 2024 (The S.I), the Zimbabwe Gold (ZiG), on April 5, 2024. However, market skepticism persists regarding the local currency and whether the foreign currency balances in the banking sector are fully backed by available foreign currency reserves. Concerns also remain about the authorities' ability to maintain a truly market-determined exchange rate and safeguard the assets and reserves backing the ZiG. The use of stringent measures to enforce the acceptance of the local currency by businesses and the public further erodes confidence in the currency and monetary policies.

The Group requires ready access to foreign currency, and any scarcity in the economy would constrain the supply of imported materials and services, disrupting production operations and escalating business continuity risks. The extension of the multi-currency framework to 2030 offers some assurance that the business can generate its own foreign currency from domestic transactions.

Impact of Environmental and Global Factors

The economy is periodically impacted by droughts, natural disasters, and global events such as the recent coronavirus (COVID-19) pandemic. The 2023/2024 agricultural season was adversely affected by an El-Nino induced drought, raising concerns about food security and increasing reliance on imported cereals. Additionally, global supply chains have been disrupted by conflicts in Ukraine and the Middle East, further complicating the economic environment.

These factors collectively contribute to the challenging business environment, necessitating adaptive strategies and robust risk management to ensure business continuity and growth.

Regulatory or Policy Risks

a) Indirect and Direct Taxes

Taxation Environment and Legislative Challenges

Our business is subject to numerous duties and taxes, including import duties, excise taxes, and other levies. These taxes can be adjusted with minimal notice, affecting pricing structures and consequently the demand for our products. The recent introduction of a sugar surtax on beverages at punitive levels, without necessary stakeholder consultation, has led to price increases that are likely to undermine business performance.

The transition back to the use of a local currency, followed by the reintroduction of multi-currency trading, was not accompanied by clearly defined transitional tax measures. This lack of clarity, along with complex and inconsistent legislative changes regarding the currency used for the settlement of certain tax obligations, has created significant challenges for businesses.

A growing concern is the tax authorities' practice of creating their own legislative positions through public notices, which are not supported by enabling legislation. The law currently allows the tax authority to collect disputed amounts while the matter is under appeal through the courts. This practice contributes to uncertainties, particularly when the tax positions adopted by the Company with respect to income tax and certain indirect taxes differ from those of the tax authorities.

These taxation and legislative challenges necessitate careful navigation and robust tax planning to mitigate their impact on our business operations and financial performance.

b) Policies

The policy environment remains unpredictable and impacts on our ability to plan for the future. Of note are issues related to currency management, exchange control and bank use policies which affect the access to foreign currency and local bank notes or digital money transfers, thereby affecting our ability to supply product and the ability of consumers to purchase our products. The policies introduced recently to regulate the route to market have far reaching impacts on the distribution strategies, market access and retail pricing.

c) Distorted Currency and Asset Values

There are multiple exchange rates used by market players in setting prices of goods and services which are also based on the manner or form of payment; whether in local bank notes, via an electronic payment platform or foreign currency notes or transfer. This makes it difficult to establish the true value of products in either local or foreign currency. The measurement of financial performance is difficult in a hyperinflationary environment. Some of the regulations for accessing foreign currency result in economic players using intermediaries and currency aggregators to import goods and services, which increases the number of value chain partners and escalates the legal compliance challenges and risks of fraud.

Principal Business Risks (continued)

Reliance on Franchise Arrangements and Brands

The business produces a significant portion of brands that are franchised from third parties or are produced under license through bottler agreements that expire at various intervals. These arrangements can be terminated if certain conditions are breached, which could lead to possible underutilisation of certain assets. The Company maintains healthy relations with its franchise partners and continues to support and nurture its own brands.

Increased Competitor Activity

Both the alcoholic and non-alcoholic beverage sectors are highly competitive. Competition is from local alternative beverages, direct imports of own franchise brands by retailers and private label brands and is across beverage categories. The cost, price and import duty disparities in Zimbabwe compared to the region will put pressure on local pricing of certain brands and packs. The use of the strong US Dollar in Zimbabwe under the multi-currency system results in price disparities of imports versus the weaker regional currencies. We continue to strengthen our capabilities in marketing and product supply, and to accelerate innovation together with the ongoing efforts to streamline value chain costs.

Product Safety and Quality Issues and Trademarks

Our success depends largely on our ability to maintain and enhance the image and reputation of our brands/products. We have rigorous product safety and quality standards which we endeavour to meet. Any product that becomes contaminated or adulterated may be subject to product liability claims and negative publicity which impacts on the business. Any failure to protect the company's intellectual property rights, trademarks, patents, trade secrets and knowhow may have adverse effects on the business. Certain trademarks are subject to contractual arrangements with third parties, which could be terminated on notice.

Our businesses have very robust practices on hygiene to safeguard the quality of our products and safety procedures within the work environment.

Concerns about perceived negative health and social consequences of both alcoholic and non-alcoholic beverages.

There is growing global concern and high-profile debate over alcohol consumption, the use of certain ingredients and advocacy for reduced consumption of sugar sweetened beverages. These issues would impact on consumer preferences, hence any restrictions on the permissible advertising style and media messages and the marketing, labelling, packaging or sale of these beverages could impact on business performance.

Principal Business Risks (continued)

Default by counterparty financial institutions or customers

The Group normally has significant amounts of cash, cash equivalents and other investments on deposit with banks and financial institutions. We also extend both secured and unsecured credit to our retail customers. The risk of counterparty default or failure may be heightened during economic downturns and periods of uncertainty. Losses could arise from the bankruptcy or insolvency of these counterparties.

Environmental Management Policies

There is increasing concern and changing attitudes about solid waste streams and environmental responsibility, with authorities advocating for certain ecotaxes or fees to be charged in connection with use of certain beverage containers. Changes in such regulations affect the cost of doing business and force changes to our product development options and distribution models.

Information and Cyber Security

The Group relies on information technology systems to process, transmit, and store electronic information. In addition, most payment systems are either online or utilise electronic platforms and technologies. There is increasing cyber-attacks capabilities, which could result in business interruptions. Any un-authorised access to the Company's confidential data or strategic information or its public disclosure could harm the company's reputation or impact on its operations. There are regulations on access to personal data of consumers and customers and the need to adhere to ethical standards for the development of tools to utilise artificial intelligence in business settings.

Instability in the supply of utilities and agricultural raw materials

The business relies on agricultural raw materials such as sugar, fruit juices, maize, barley and sorghum whose supply is impacted by adverse weather patterns and decreased agricultural productivity in the country and the region. The reduced availability of these commodities and escalations in costs affect the viability of the Company and the food security of communities, farmers and consumers. There is need to focus on sustainable water ecosystems and productive land use.

The supplies of water, electrical power and other utilities across the region remain unstable, which could disrupt production, cold beverage availability and the sourcing of local materials and services.

Recent developments arising from the Russia and Ukraine War have resulted in increased supply chain challenges for Agriculture (e.g. prices of fertiliser) and fuel. This has negative impacts on the supply and cost of beverages.

Report of the Remuneration Committee

The Remuneration Committee submits its report to shareholders in line with sections 167 and 183 of the Companies and Other Business Entities Act (Chapter 24:31). This report focuses on setting out the remuneration philosophy and strategies and laying out the components of compensation for directors and senior management.

The Committee comprises non-executive directors, with the Chief Executive and other executive members attending meetings by invitation. The Committee is responsible for overseeing the formulation and implementation of the Group's remuneration policies and recommending to the Board the remuneration of the Chief Executive and members of the Group Management Committee and non-executive directors' fees.

Remuneration Philosophy

The Company's remuneration philosophy is to ensure that all employees are rewarded fairly and appropriately for their contribution. The Remuneration Committee takes into account appropriate market benchmarks whilst emphasising on pay for performance. This helps to attract, retain and motivate individuals while ensuring that employees' behaviours remain consistent with Delta's core values. All executive employees sign formal employment contracts which specify their conditions of service and terms of reference.

Remuneration comprises fixed and variable pay which is further divided into short-term and long-term incentives.

Non-Executive Directors Fees

The Remuneration Committee recommends the level of remuneration for directors, including the Chairperson of the Board, subject to approval by the Board and, subsequently, by the shareholders at the Annual General Meeting when it approves the annual accounts.

The remuneration includes retainers for the main board and committees in addition to attendance fees for the main board meetings. The Committee fees are differentiated between members and Chairpersons of the Committees, it being understood that the amounts of the retainers set out above are cumulative in case of participation of a director in several committees. The fees are regularly benchmarked against peer companies to ensure that they are competitive, taking into account the time required to fulfil the board mandate effectively. Board members do not participate in share option schemes or bonus incentive schemes and receive no other benefits other than a take home beverage allocation. The Company does not provide pensions or medical benefits to non-executive directors.

Report of the Remuneration Committee (continued)

Compensation for the Chief Executive Officer and Members of the Group Management Committee

The remuneration of the Chief Executive and senior executives comprises the following components:

i) Fixed Pay: This includes basic pay, pensions and other cash benefits. The Zimbabwean economy has been affected by high inflation and an unstable exchange rate, and the use of foreign currency for domestic transactions. The Committee periodically reviews salaries to mitigate the effects of both inflation and exchange rate changes and the splits in the currency of payment. Annual reviews are done to take into account individual performance (merit awards). Retirement benefits cover contributions to occupational and statutory pension schemes and related life assurance covers. Other benefits and allowances relate to motoring, schooling, housing, medical aid, club subscriptions and take home drinkage, that are appropriate to the market and to assist the executives in efficiently carrying out their duties.

ii) Short-term Incentives: This is meant to create a balance between fixed and at risk (variable) pay to incentivise performance. The annual productivity bonus plan is based on achievement of the Company's strategic targets which include both financial, project milestones, sustainability measures and key business metrics, appropriately weighted for each executive. Typical metrics include revenue, volume, market share, cost savings, margin growth, EPS, sustainability (resource usage reductions), health and safety, return on capital and working capital measures.

iii) Long-term Incentives: This mainly comprises the share options or share appreciation schemes which link between executive pay and value creation for the shareholders. These are awarded annually and have a minimum vesting period of three years. The grants are made annually at the discretion of the Committee and the Board, with a maximum allocation per individual participant based on multiples of basic pay.

iv) Other Benefits: This includes loan advances covered by a pre-existing authority (shareholders special resolution) at set multiples of basic pay. The loans are secured through mortgages or other suitable security.

v) Termination Policy: The Remuneration Committee takes into account the individual circumstances on termination which include the contractual and legal obligations, the relevant rules of share plans and pension schemes with the underlying principle that there should be no reward for failure. There are policies relating to voluntary termination, redundancy, normal or ill-health retirement and death in service. The Committee also considers post service restrictions giving rise to payments in lieu of notice and restraint of trade.

Policy on External Appointments

Executives are permitted to accept not more than two non-executive directorships in other companies, subject to prior approval of the Board. Fees received in respect of the external appointments may be retained by the individual.

Key Activities during the Current Year

The key activities of the Committee related to:

i) Executive Remuneration and Board Fees: The Zimbabwean economy has remained unstable as characterised by high inflation and an unstable exchange rate. Austerity measures were adopted to manage the payroll cost whist maintaining a reasonable reward to employees. More frequent pay and fees adjustments were implemented to respond to the rise in inflation.
ii) Grants of share options were made from the Share Appreciation Rights Scheme 2020 & 2023.
iii) The Committee received and reviewed recommendations from the Chief Executive Officer on the selection and deployments of senior management.
iv) Review of the remuneration practices and structure of the incentive schemes.
v) Ongoing review of the Committee's terms of reference to align with the Board Charter.

Appreciations

The committee expresses its appreciation and thanks to Ms Lucia Swartz for her service and contributions to the Committee over the years. We extend our best wishes on her retirement as a director. We also extend our appreciation to Dr M G Nyandoroh and wish him well in his retirement, after serving the Group for over 30 years.

Report of the Remuneration Committee (continued)

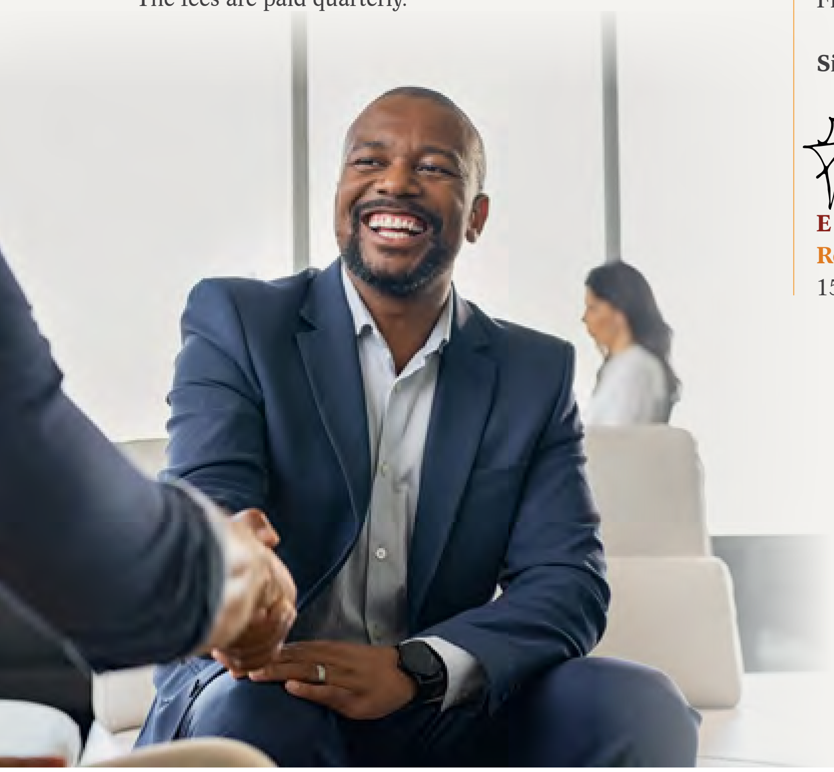
Summarised Directors Emoluments for the year.

The Zimbabwe Stock Exchange Guidelines provide that a summary remuneration report be submitted to shareholders. The detailed remuneration report is reviewed by the auditors and available for inspection at the registered office of the Company, subject to the conditions set in the Companies and Other Businesses Act (Chapter 24:31).

Annual Non-Executive Directors' Fees

	At March 2024 US$ Reference
Base Fee	
Board Chairman	32 000
Other Directors	18 400
Committee Chair	
Audit	18 400
Remuneration	9 200
Nominations	4 600
Committee Membership	
Audit	11 440
Remuneration	4 600
Nominations	4 600

The fees are paid quarterly.



Remuneration of Directors and Other Key Management

The remuneration of directors and members of key management during the year was as follows: (The figures for the first half F24 and prior year were recorded in ZW$ and converted to US$ after applying inflation factors to comply with IAS29).

	2024 US$'000	2023 US$'000
Short-term benefits	8 879	4 505
Post-employment benefits	725	383
Share based payments	172	606
	9 776	5 494
Included in the above amounts are the following in respect of directors' emoluments:		
For services as directors	199	153
For managerial services	2 170	1 813
	2 369	1 966

The Group advances loans under the Group Housing Scheme and a vehicle ownership scheme to executive directors and members of key management. These loans are secured through mortgage bonds, terminal benefits or the cars purchased under the scheme or other suitable security. Refer to the Annual Financial Statements on note 15.2 for more detail.

Signed on Behalf of The Board

E Fundira
Remuneration Committee Chairman
15 May 2024

Report of the Audit Committee

The Audit Committee submits its report to shareholders in line with sections 183 and 219 of the Companies and Other Business Entities Act (Chapter 24:31).

The Audit Committee assists the Board in fulfilling its oversight responsibilities regarding financial reporting, risk management and internal controls and the independence and effectiveness of the external auditors. It receives reports from the Finance Director, the Internal auditor, Company Secretary, and the external auditors and meets at least twice a year.

Financial Reporting

The Committee reviews the interim and full year financial statements before their submission to the Board for approval.

The key issues in the current financial year related to:

i) The functional and reporting currency was changed from ZW Dollar to the US Dollar with effect from 1 October 2023. The conversion process was done in compliance with International Accounting Standard 29: Financial Reporting in Hyperinflation economies and International Accounting Standard 21: Effects of Changes in Foreign Exchange Rates, whereby prior year inflation adjusted figures were translated using appropriate exchange rates. The financial statements for the first half of F24 had been reported using the International Accounting Standard 29: Financial Reporting in Hyperinflation economies (IAS 29) and therefore were similarly converted to US Dollars using the closing exchange rate on 30 September 2023.

   This implies that the income statement for year ended 31 March 2024 is a summation of inflation adjusted figures for first half and historical US Dollar numbers for the second half. Efforts were made to ensure that the statement of financial position as at year end is the best estimation of the financial position of the Group.

ii) Compliance with IAS 29. The Zimbabwe National Statistics Agency (ZimStats) stopped publishing the local currency Consumer Price Index (CPI) in January 2023, in preference for a Blended CPI, as directed by the Government under Statutory Instrument 27/2023. The Blended CPI was further refined in September 2023 when ZimStats adopted a geometric aggregation method for weighting the price indices to reflect the transaction currencies. The company had to estimate the inflation indices as provided under paragraphs 17 and 37 of IAS 29 using the Total Consumption Poverty Line (TCPL) provided by ZimStats as a proxy for ZW Dollar inflation.

iii) There are challenges arising from complying with International Accounting Standard 21: Effects of Changes in Foreign Exchange Rates, as the country has reverted to the use of a dual currency framework as promulgated under Finance Act No 8 of 2022. There is a discernible disparity between the official auction exchange rate and the widely applied market exchange rates despite the existence of legislation prescribing the use of the official rates for pricing purposes. The 2022 and 2023 Auditors' Report contained a modified opinion on the financial statements in relation to the use of estimated rates for reporting purposes. This modification has continued into the current reporting period.

iv) The operating environment in Zimbabwe has remained challenging as reflected by hyperinflation, the disparate and fast depreciating exchange rates, and numerous policy shifts with significant impacts on business performance. Management has to be adept in navigating the multifaceted regulatory and business risks.

Report of the Audit Committee (continued)

Financial Reporting (continued)

v) There are viability and going concern issues relating to National Breweries Zambia. The Committee reviewed the business recovery plans and funding arrangements.

vi) The exchange rate risk relating to foreign liabilities has been reduced significantly as the business is generating sufficient foreign currency through domestic sales. The legacy foreign liabilities have largely been cleared, with the Government issuing treasury bills for the balance. The Committee was satisfied with the accounting treatments of the legacy debts and treasury bills.

vii) Some critical accounting judgements and estimations were made in the preparation of the financial statements. These include the valuation of the financial assets and treasury bills, the valuation of share-based payments, estimation of the containers in the market and the assessment of impairment assets.

viii) The Committee noted that the tax legislation in Zimbabwe with respect to currency of settlement of certain taxes and the transitional arrangements to use of ZW$ as the functional currency creates some uncertainties in the tax positions. The disclosures on the tax related matters are considered to be adequate.

Risk Management and Internal Controls

The Committee reviewed a wide range of matters with management, the internal auditors and external auditors with respect to the identified principal risks and management responses thereto. The Group has a structured Enterprise Risk Management framework which is cascaded upwards from operating divisions and service departments under which risk registers are updated and reviewed every quarter. The key risks are tabulated in the Annual Report. In summary the Committee's work included the following:

- Received and reviewed regular reports from the Audit Manager on the internal audit work undertaken against the agreed work plan, management responses, reviews of changes to standard operating procedures and their findings. These included evaluations of the enterprise system (SAP) and computer controls. The internal audit function is adequately resourced to carry out its mandate.
- The Audit Manager reported on their work in verifying system change overs particularly during the conversion to US Dollar reporting and the implementation of major system upgrades.
- Received reports from the Audit Manager on identified frauds and losses. Of concern was the heightened risk of thefts and robberies as the country reverted to the use of foreign currency cash. No major occurrences were reported during the year. The work also covered investigations on the reports from the Deloitte Tip-Off Anonymous System and those received directly from whistle-blowers.

Report of the Audit Committee (continued)

- Received and discussed regular reports from the Company Secretary on compliance matters under the code of business conduct and ethics, adherence to the code on corporate governance and reports on significant litigations. This also includes the assessment of the adequacy of the Group's insurance programs.
- Received and reviewed the reports from Management on the Information Communication Technology governance and network security. There is increased surveillance on cyber security risks. Significant occurrences were highlighted.
- The Committee received representations from Management under the Bi-Annual Letter of Internal Representation which incorporates reportable issues relating to workplace health and safety, political donations, frauds and losses and any non-compliance with laws and regulations. The letter summaries the changes to business risks and mitigation plans adopted by management.
- Received regular reports from the Finance Director on the treasury policies relating to borrowings and banking arrangements, noting the high inflation in Zimbabwe and Zambia and the tight cashflow position of the foreign subsidiaries and changes to the business operating environment.

External Audit Independence and Effectiveness

Delta has a well-established policy on the independence of the external auditor, which covers issues of partner rotation and restrictions on recruitments from the audit firm. The external auditors Ernst & Young (EY) confirmed to the Committee that they have maintained professional independence in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the relevant standards from the PAAB. The auditors of the subsidiary entities work collaboratively with EY and as guided by the provisions of International Standards on Auditing.

The Committee follows the Practice Guidelines from the Zimbabwe Stock Exchange on appointment and review of the work of the external auditors.

The Committee meets separately with the external auditor and Internal Audit Manager without management.

T Moyo
Audit Committee Chairman
15 May 2024

Annual Financial Statements

for the year ended 31 March 2024

Shareholder Information

Directors' Responsibility for Financial Reporting

for the year ended 31 March 2024

Delta Corporation Limited's ("Delta") directors are required by the Companies and Other Business Entities Act to maintain adequate accounting records and to prepare financial statements for each financial year which present a true and fair view of the state of affairs of the Company and the Group at the end of the financial year including the profit and cashflows for the period. In preparing the accompanying financial statements, generally accepted accounting practices have been followed, suitable accounting policies have been used, and applied consistently, and reasonable, prudent judgements and estimates have been made. The financial statements incorporate full and responsible disclosure in line with the International Financial Reporting Standards and best practice.

The directors have reviewed the Group's budget and cashflow forecast for the year to 31 March 2024. Based on this review, and in light of the current financial position and existing borrowing facilities, the directors are satisfied that Delta is a going concern and have continued to adopt the going concern basis in preparing the financial statements.

The Company's external auditors, Ernst & Young Chartered Accountants, have audited the financial statements and their report appears on pages 83 to 86.

The Board recognises and acknowledges its responsibility for the system of internal financial control. Delta's policy on business conduct, which covers ethical behaviour, compliance with legislation and sound accounting practice, underpins the Company's internal financial control process. The control system includes written accounting and control policies and procedures, clearly defined lines of accountability and delegation of authority, and comprehensive financial reporting and analysis against approved budgets. The responsibility for operating the system is delegated to the executive directors who confirm that they have reviewed its effectiveness.

They consider that it is appropriately designed to provide reasonable but not absolute assurance that assets are safeguarded against material loss or unauthorised use and that transactions are properly authorised and recorded.

The effectiveness of the internal financial control system is monitored through management reviews, representation letters on compliance signed by the senior executive responsible for each major entity and a comprehensive program of internal audits. In addition, the Company's external auditors review and test appropriate aspects of the internal financial control systems during their statutory examinations of the Company and the underlying subsidiaries.

The Company's Audit Committee has met with the external auditors to discuss their report on the results of their work which include assessments of the relative strengths and weaknesses of key control areas. While in a group of the size, complexity and diversity of Delta, it is to be expected that occasional breakdowns in established control procedures may occur, no breakdowns involving material loss have been reported to the directors in respect of the year under review.

Preparer of financial statements

These annual financial statements have been prepared under the supervision of A Makamure FCA (Z), Executive Director Finance, a registered Public Accountant, PAAB Number P0318, and have been audited in terms of the Companies and Other Business Entities Act (Chapter 24:31).

The financial statements for the year ended 31 March 2024, which appear on pages 87 to 142 were approved by the Board of Directors on the 15th of May 2024 and are signed on its behalf by:

S Moyo
Chairman

M M Valela
Chief Executive Officer

EY
Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
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Independent Auditor's Report

To the Shareholders of Delta Corporation Limited

Report on the Audit of the Consolidated Financial Statements

Adverse Opinion

We have audited the Consolidated Financial Statements of Delta Corporation Limited and its subsidiaries ('the Group') set out on pages 87 to 142, which comprise of the Consolidated Statement of Financial Position as at 31 March 2024, and the Consolidated Statement of Profit or Loss and Other Comprehensive Income, the Consolidated Statement of Changes in Equity and the Consolidated Statement of Cash Flows for the year then ended, and notes to the Consolidated Financial Statements, including material accounting policy information.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion of our report, the accompanying Consolidated Financial Statements do not present fairly, in all material respects, the consolidated financial position of the Group as at 31 March 2024 and its consolidated financial performance and its consolidated 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 and Other Business Entities Act (Chapter 24:31).

Basis for Adverse Opinion

Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors:

Exchange rate used in the prior year and current year

Management applied an internally generated exchange rate (transaction rate) to translate foreign denominated transactions and balances to the functional and presentation currency, the United States Dollar (US$). We believe that the use of a transaction rate is inappropriate for financial reporting as it does not meet the definition of a spot rate as the rate is not accessible through a legal exchange mechanism. We believe that management should have applied the auction exchange rate and/or the Willing-Buyer-Willing-Seller (WBWS) exchange rate (for the auction rate this was only the case to December 2023) as determined by the interbank market. These two rates met the IFRS Accounting Standards definition of a spot rate. In converting from Zimbabwe Dollar (ZW$) functional currency to US$ functional currency on 1 October 2023, management applied the correct IAS 29 principles and the exchange rate applied was IFRS Accounting Standards compliant.

The errors resultant from the use of incorrect exchange rates impact both current year and prior year numbers. The prior year errors should have been corrected retrospectively in accordance with IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors.

Independent Auditor's Report (continued)

As no retrospective adjustments in terms of IAS 8 have been made, the corresponding amounts for Property, Plant and Equipment, Inventories, Deferred Tax liability and Foreign Currency Translation Reserve on the Consolidated Statement of Financial Position and Foreign Exchange Differences on translation of foreign operations on the Consolidated Statement of Profit or Loss and Other Comprehensive Income are materially misstated. Our audit report is therefore modified due to the possible impact of this matter on comparability of the prior year and current year amounts. Our prior year audit report was also modified due to this matter.

Moreover, the following current year and prior year financial statement line items are impacted due to the continuing matter.

a) The Consolidated Statement of Profit or Loss and Other Comprehensive Income items that are affected are as follows:
   - Revenue stated at US$767 871 000 (2023: US$536 923 000)
   - Net Operating Costs stated at US$615 533 000 (2023: US$437 128 000)
   - Exchange Loss stated at US$41 535 000 (2023: US$29 967 000 gain)
   - Income Tax expense stated at US$3 861 000 (2023: US$24 186 000)

b) The Consolidated Statement of Financial Position items that are affected are as follows:
   - Retained Earnings stated at US$182 055 000 (2023: US$203 607 000)

However, due to the volume of transactions, it was impractical to quantify the exact amount of the misstatements.

Prior year non-compliance with International Financial Reporting Standards IAS 16 – Property, Plant and Equipment and current year incorrect application of IAS 8

Included in the Consolidated Statement of Financial Position in Property, Plant and Equipment are Returnable Containers which are accounted for based on the container accounting policy disclosed as per Note 4.9. The prior year value of Returnable Containers was uplifted at reporting date, which did not align with the accounting policy that requires them to be accounted for at cost. Management has corrected the error in the current year. However, the error was corrected prospectively, an approach that is not aligned with the requirements of IAS 8 which requires prior period errors to be corrected retrospectively.

As no retrospective adjustments in terms of IAS 8 have been made, the corresponding amounts for Property, Plant and Equipment, Retained Earnings, Deferred Tax liability, Current Tax liability and Non-Controlling Interests on the Consolidated Statement of Financial Position and Net Operating Costs, Net Monetary Loss and Income Tax expense on the Consolidated Statement of Profit or Loss and Other Comprehensive Income are impacted. Our audit report is therefore modified due to the possible impact of this matter on comparability of the prior year and current year amounts. Our prior year audit report was also modified due to this matter.

Consequential impact on IAS 29 – 'Financial Reporting in Hyperinflationary Economies'

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the Net Monetary Loss of US$8 995 000 (2023: US$34 841 000) on the Consolidated Statement of Profit or Loss and Other Comprehensive Income are impacted.

The effects of the above departures from IFRS Accounting Standards are material and pervasive to the Consolidated Financial Statements.

Independent Auditor's Report (continued)

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

Emphasis of Matter – Tax Court Case

We draw attention to Note 11.4 of the Consolidated Financial Statements, which describes the uncertainty relating to the future outcome of an ongoing tax dispute with the Zimbabwe Revenue Authority. Our opinion is not modified in respect of this matter.

Key Audit Matters

Except for the matters described in the Basis for Adverse Opinion section, we have determined that there are no other key audit matters to communicate in our report.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Delta Corporation Limited Annual Report for the year ended 31 March 2024", which includes the Value Statements, Our History, Company Profile, Financial Highlights, Chairman's Letter to Shareholders, Review of Operations, Report of the Directors, Corporate Governance, Principal Business Risks, Report of the Remuneration Committee, Report of the Audit Committee, Separate Company Financial Statements, Supplementary Information and Shareholder Information. The other information does not include the Consolidated Financial Statements and our auditor's report thereon. Our opinion on the Consolidated Financial Statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Consolidated 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, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the Basis for Adverse Opinion section above, the Group did not comply with the requirements of IAS 21 – The Effects of Changes in Foreign Exchange Rates, IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, IAS 16 – Property, Plant and Equipment and the consequential impact on IAS 29 – Financial Reporting in Hyperinflationary Economies. We have concluded that the other information is materially misstated for the same reasons.

Responsibilities of the Directors for the Consolidated Financial Statements

The directors are responsible for the preparation and fair presentation of the Consolidated Financial Statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of Consolidated Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

Independent Auditor's Report (continued)

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

- Identify and assess the risks of material misstatement of the Consolidated Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated Financial Statements, including the disclosures, and whether the Consolidated Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the Consolidated Financial Statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Mr Walter Mupanguri (PAAB Practicing Certificate Number 367).

Ernst & Young

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Harare
15 May 2024

Consolidated Statements of Comprehensive Income

for the year ended 31 March 2024

	Notes	2024 US$'000	2023 Restated US$'000
REVENUE	8	**767 871**	536 923
NET OPERATING COSTS	9.1	**(615 533)**	(437 128)
OPERATING INCOME		**152 338**	99 795
Finance charges		**(3 544)**	(6 876)
Finance income		**3 667**	59
Exchange (loss)/gain		**(41 535)**	29 967
Movement in legacy debt		**—**	(1 227)
Net monetary Loss		**(8 995)**	(34 841)
Share of profit of associate	14	**2 468**	452
Profit before taxation		**104 399**	87 329
Income tax expense	11.1	**(3 861)**	(24 186)
PROFIT FOR THE YEAR		**100 538**	63 143
Profit for the year attributable to:			
Owners of the parent		**100 994**	65 392
Non-controlling interest		**(456)**	(2 249)
TOTAL PROFIT FOR THE YEAR		**100 538**	63 143
Other comprehensive income for the year			
Foreign exchange differences on translation of foreign operations		**23 522**	15 975
Foreign exchange impact of translating to presentation currency		**(106 241)**	(110 229)
Share of other comprehensive income of associate		**1 918**	—
Total other comprehensive income for the year		**(80 801)**	(94 254)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**19 737**	(31 111)
Other comprehensive income that will not be reclassified to profit and loss			
Total comprehensive income for the year attributable to:			
Owners of the parent company		**20 511**	(25 282)
Non-controlling interest		**(774)**	(5 829)
		19 737	(31 111)
Weighted average shares in issue (millions)		**1,310**	1,304
EARNINGS PER SHARE (CENTS)			
- Headline earnings		**7.72**	4.84
- Diluted earnings		**7.58**	4.78
- Basic earnings		**7.71**	4.84

Note: The prior year consolidated statement of comprehensive income was previously reported in ZW$. This was restated by converting to the Group's new presentation currency, US$. Refer to note 4.2.1 for details of the change in presentation currency.

Consolidated Statement of Financial Position

As at 31 March 2024

	Notes	2024 US$'000	2023 Restated US$'000	2022 Restated US$'000
ASSETS				
Non-Current Assets				
Property, plant and equipment	12	**134 079**	173 923	218 097
Right of use asset	13	**4 411**	525	536
Investments in associates	14	**12 325**	14 158	22 523
Intangible assets – Trademarks and Goodwill	15.1	**24 411**	28 147	38 356
Deferred tax asset	11	**1 923**	—	—
Investments and loans	15.2	**5 225**	7 426	6 288
Financial assets at amortised cost	18.1	**8 830**	1 435	—
		191 204	225 614	285 800
Current Assets				
Inventories	16	**107 591**	96 352	75 210
Trade and other receivables	17	**50 236**	40 979	25 605
Other assets	18.2	**27 576**	23 765	49 796
Current tax asset		**440**	—	1
Financial assets at fair value		**—**	—	8 162
Cash and cash equivalents	24.5	**26 410**	16 012	26 268
		212 253	177 108	185 042
Total Assets		**403 457**	402 722	470 842
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital		**994**	1 772	2 913
Share Premium		**6 800**	12 088	19 809
Share options reserve		**275**	2 149	2 442
Share buyback		**(4 784)**	(2 281)	(3 748)
Foreign currency translation reserve		**40 570**	25 089	11 915
Retained earnings		**182 055**	203 607	245 440
Adjustment arising from change in non-controlling interest		**(668)**	(1 186)	(1 602)
Equity attributable to equity holders of the parent		**225 242**	241 238	277 169
Non-controlling interest		**(3 060)**	(1 694)	4 383
Total shareholders' equity		**222 182**	239 544	281 552
Non-Current Liabilities				
Long-term borrowings	21.1	**—**	468	8 988
Long-term lease liablity	22	**4 250**	1 819	817
Deferred tax liabilities	11	**1 481**	31 169	44 715
		5 731	33 456	54 520
Current Liabilities				
Short-term borrowings	21.2	**18 253**	5 163	8 179
Short term Lease liability	22	**1 186**	209	65
Trade and other payables	23.1	**119 198**	91 410	74 490
Provisions	23.2	**31 811**	28 060	24 671
Dividends payable		**—**	—	19 480
Current tax liability	24.3	**5 096**	4 880	7 885
		175 544	129 722	134 770
Total Equity and Liabilities		**403 457**	402 722	470 842
Net asset value per share (cents)		**17.27**	18.00	13.00

Note: The comparative statements of finanacial position (31 March 2023 and 31 March 2022) were previously reported in ZW$. These were restated by converting to the Group's new presentation currency, US$. Refer to note 4.2.1 for details of the change in presentation currency. The financial statements were approved by the Board and authorised for issue on 15 May 2024

M M Valela
Chief Executive Officer

A Makamure
Executive Director - Finance

Consolidated Statement of Cashflows

for the year ended 31 March 2024

	Notes	2024 US$'000	2023 Restated US$'000
Cashflow from operating activities			
Cash generated from operating activities	24.1	**148 733**	128 854
Increase in working capital	24.2	**(25 880)**	(41 482)
Cash generated from operations		**122 853**	87 372
Interest received		**154**	59
Interest paid		**(3 060)**	(6 692)
Interest paid on lease liability		**(411)**	(184)
Income tax paid	24.3	**(16 550)**	(21 121)
Capital gains tax paid		**—**	3
Net cashflow from operating activities		**102 986**	59 431
Cashflow from investing activities			
Additions in investments and loans		**(5 062)**	(8 386)
Repayments of investments and loans		**1 802**	1 676
Purchase of property, plant and equipment to expand operations		**(39 659)**	(33 041)
Purchase of property, plant and equipment to mantain operations		**(8 439)**	(12 833)
Proceeds on disposal of property, plant and equipment		**6**	74
Net cash utilised in investing activities		**(51 352)**	(52 510)
Cashflow from financing activities			
Dividends paid by company	24.4	**(33 592)**	(16 876)
Dividends paid by subsidiaries	24.4	**(544)**	(231)
Purchase of shares in subsidiary		**(52)**	(232)
Repayment of lease liability	22	**(1 387)**	(575)
Loans raised	21	**15 958**	5 299
Repayment of borrowings	21	**(18 544)**	(13 026)
Share Buy back		**(3 505)**	—
Net cash utilised in financing activities		**(41 666)**	(25 641)
Increase/(Decrease) in cash and cash equivalents before effects of currency translation		**9 968**	(18 720)
Effects of currency translation on cash and cash equivalents		**(5 606)**	6 176
Effects of currency translation on cash and cash equivalents - foreign operations		**118**	4 070
Foreign exchange impact of translating to presentation currency on opening cash and cash equivalents		**(14 085)**	(10 119)
Effects of IAS 29 on cash and cash equivalents		**5 177**	6 839
Net decrease in cash and cash equivalents		**(4 428)**	(11 754)
Cash and cash equivalents at beginning of year		**14 093**	25 847
Cash and cash equivalents at end of year		**9 665**	14 093
Comprising:-			
Bank balances and cash	24.5	**26 410**	16 012
Bank overdraft	24.5	**(16 745)**	(1 919)
Cash and cash equivalents at end of year		**9 665**	14 093

Note: The prior year statement of cashflows was previously reported in ZW$. These were restated by converting to the Group's new presentation currency, US$. Refer to note 4.2.1 for details of the change in presentation currency.

Group Statements of Changes In Total Equity

for the year ended 31 March 2024

	Notes	Share Capital US$'000	Share Premium US$'000	Share Options Reserve US$'000	Share Buy back US$'000	Change in Ownership US$'000	Foreign Currency Translation Reserve US$'000	Retained Earnings US$'000	Attributable to owners of the parent US$'000	Non-controlling Interests US$'000	Total Equity US$'000
For the year ended 31 March 2023 — Restated											
At 1 April 2022		**2 913**	**19 809**	**2 442**	**(3 748)**	**(1 602)**	**11 915**	**245 440**	**277 169**	**4 383**	**281 552**
Profit for the year		—	—	—	—	—	—	65 392	65 392	(2 249)	63 143
Other comprehensive income, net of tax											
Movement in foreign currency translation reserve		—	—	—	—	—	17 839	—	17 839	(1 864)	15 975
Foreign exchange impact of translating to presentation currency		(1 141)	(7 755)	(956)	1 467	627	(4 665)	(96 090)	(108 513)	(1 716)	(110 229)
Total Comprehensive Income for the year		**(1 141)**	**(7 755)**	**(956)**	**1 467**	**627**	**13 174**	**(30 698)**	**(25 282)**	**(5 829)**	**(31 111)**
Transactions with owners:											
Share options excercised	19.6	0.11	34	(34)	—	—	—	—	—	5	5
Recognition of share based payments		—	—	735	—	—	—	—	735	—	735
Forfeiture of shares	19.4	—	—	(38)	—	—	—	38	—	—	—
Adjustment arising from change in non-controlling interest		—	—	—	—	(211)	—	—	(211)	(22)	(233)
Dividends declared: Current year	24.4 / 24.5	—	—	—	—	—	—	(11 173)	(11 173)	(231)	(11 404)
At 31 March 2023		**1 772**	**12 088**	**2 149**	**(2 281)**	**(1 186)**	**25 089**	**203 607**	**241 238**	**(1 694)**	**239 544**
For the year ended 31 March 2024 — Audited											
Profit for the period		—	—	—	—	—	—	100 994	100 994	(456)	100 538
Other comprehensive income, net of tax											
Movement in foreign currency translation reserve		—	—	—	—	—	24 584	—	24 584	(1 062)	23 522
Share of other comprehensive income of associate		—	—	—	—	—	1 918	—	1 918	—	1 918
Foreign exchange impact of translating to presentation currency		(778)	(5 310)	(945)	1 002	522	(11 021)	(90 455)	(106 985)	744	(106 241)
Total Comprehensive Income for the period		**(778)**	**(5 310)**	**(945)**	**1 002**	**522**	**15 481**	**10 539**	**20 511**	**(774)**	**19 737**
Transactions with owners:											
Share options excercised	19.6	0.01	22	(22)	—	—	—	—	—	—	—
Recognition of share based payments		—	—	594	—	—	—	—	594	—	594
Share buy back	19.5	—	—	—	(3 505)	—	—	—	(3 505)	—	(3 505)
Forfeiture of shares	19.4	—	—	(6)	—	—	—	6	—	—	—
Share options adjustment		—	—	(1 458)	—	—	—	1 458	—	—	—
Adjustment arising from change of ownership — AFDIS		—	—	—	—	(4)	—	—	(4)	(48)	(52)
Transfer from share options		—	—	(37)	—	—	—	37	—	—	—
Dividends declared : Current year	24.4 / 24.5	—	—	—	—	—	—	(33 592)	(33 592)	(544)	(34 136)
At 31 March 2024		**994**	**6 800**	**275**	**(4 784)**	**(668)**	**40 570**	**182 055**	**225 242**	**(3 060)**	**222 182**

Note: The prior year statement of changes in equity was previously reported in ZW$. This was restated by converting to the Group's new presentation currency, US$. Refer to note 4.2.1 for details of the change in presentation currency.

Notes to the Financial Statements

for the year ended 31 March 2024

1. GENERAL INFORMATION

Delta Corporation Limited (the Company) is a public limited company that is listed on the Zimbabwe Stock Exchange and incorporated and domiciled in Zimbabwe. The principal activities of the Company and its subsidiaries (the Group) include the manufacture and distribution of cold beverages and some value-added activities related thereto. The address of its registered offices and principal place of business are disclosed in the Directors' Report.

2. CURRENCY OF ACCOUNT

The financial statements are presented in the US$ currency following the prospective change in functional currency for the Zimbabwean operations beginning 1 October 2023. The change in presentation currency was applied retrospectively resulting in the restatement of prior year financial statements.

The Government of Zimbabwe promulgated Statutory Instrument 85 of 2020 (SI85/20) which permitted the use of foreign currencies for domestic transactions. The Monetary Authorities introduced the Foreign Exchange Auction Trading System in June 2020. The Zimbabwe businesses have relied mostly on foreign currency obtained through the sale of products on the domestic market in line with the multicurrency framework. There is a significant disparity between the auction exchange rates and the rates reflected by comparing the market prices of goods and services quoted in alternative currencies. International Accounting Standard 21 (IAS 21) requires an entity to determine the functional currency based on the economic environment in which it operates. The entity does not believe that the official exchange rates prevailing during the financial year were, at all times, fairly reflective of the currency exchangeability and as such, has used an estimation process, which is allowed by IAS 21. Therefore, the exchange rate applied in translating the revenues to the reporting currency and the spot rate used in translating other foreign currency-denominated transactions has at times differed from the official rates.

The Directors have concluded that it is appropriate to report in the US$ currency. The Directors would, however, like to advise users to exercise caution in the use of these consolidated and separate financial statements in relation to the reporting currency and conversion to comparative currencies.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

3.1 New and amendments to IFRSs that are mandatorily effective for the current year

The Group applied new and several amendments to IFRSs issued by the International Accounting Standards Board (IASB) that are mandatorily effective for an accounting period that begins on or after 1 January 2023.

Amendments to IAS 1 and IFRS Practice Statement 2, Disclosure of Accounting Policies

The aim is to provide accounting policy disclosures that are more useful by replacing the requirement to disclose 'significant' accounting policies with a requirement to disclose 'material' accounting policies, and adding guidance on how to apply the concept of materiality in making decisions about accounting policy disclosures.

The application of these amendments has had no impact on the Group's consolidated financial statements as there were no changes to the disclosure of accounting policies.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

3.1 New and amendments to IFRSs that are mandatorily effective for the current year (continued)

Amendments to IAS 12, 'Income Taxes': Deferred Tax related to Assets and Liabilities arising from a single transaction

The Group adopted the amendments to IAS 12.

Effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted.

The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.

The Group has always treated its leases in a similar manner; therefore, the application of this amendment has no additional impact.

IAS 1, 'Presentation of Financial Statements', Practice statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'

The Group adopted the amendments.

Effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted.

The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

The application of these amendments has had no impact on the Group's consolidated financial statements as there were no such transactions.

Amendments to IAS 8, Definition of Accounting Estimates

Effective for annual periods beginning on or after 1 January 2023. Earlier application is permitted.

To clarify the interaction between an accounting policy and an accounting estimate, the standard has been amended to state that: "An accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty - that is, the accounting policy may require such items to be measured at monetary amounts that cannot be observed directly and must instead be estimated. In such cases, an entity develops an accounting estimate to achieve the objective set out by the accounting policy"

The application of these amendments has had no impact on the Group's consolidated financial statements as there were no such transactions.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (continued)

3.2 New and revised IFRSs in issue but not yet effective

The Group has not applied the following new and revised IFRSs that have been issued but are not yet effective:

Amendments to IAS 1	'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-Current.
Amendments to IAS 21	Lack of exchangeability
Ammendments to IFRS 16	Lease Liability in a Sale and Leaseback

The directors of the Group do not anticipate that the application of the amendments in the future will have a significant impact on the consolidated financial statements.

Amendments to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-Current.

Effective for annual periods beginning on or after 1 January 2024.

The intention is to clarify that the classification of liabilities as current or non-current is based solely on a Company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a Company's own equity instruments is regarded as the settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendment requires the disclosure of information about the covenants and the related liabilities 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.

Amendments to IFRS 16, 'Leases': Lease Liability in a Sale and Leaseback

Effective for annual periods beginning on or after 1 January 2024.

The amendment specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

Amendments to IAS 21: Lack of exchangeability

Effective for annual periods beginning on or after 1 January 2025.

The amendment to IAS 21 specifies how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. It specifies that 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.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

4.1 Statement of Compliance

The consolidated financial statements of the Group and the Company have been compiled adopting principles from International Financial Reporting Standards (IFRS Accounting Standards) as issued by the International Accounting Standards Board (IASB), the International Financial Reporting Interpretations Committee (IFRIC) and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange regulations. The consolidated financial results have been restated to take account of a change in functional currency for the Group's Zimbabwean operations and the change in the Group's presentation currency in accordance with IAS 21, 'The Effects of Changes in Foreign Exchange Rates'.

The consolidated financial information has been compiled following the accounting policies used in the Group's previous annual financial statements and adheres to applicable amendments to IFRS, with the exception of the modifications related to the change in functional and presentation currency outlined in note 4.2.1.

4.2 Basis of Preparation and Presentation

The consolidated financial information is presented in United States dollars (US$). The consolidated financial information for the six months ended 30 September 2023 was initially prepared in ZW$ under the inflation-adjusted accounting basis in line with the provisions of International Accounting Standard 29 "Financial Reporting in Hyperinflationary Economies" (IAS 29) and converted to US$ using the spot rate as at 30 September 2023. The historical cost information was, therefore, restated for changes in the general purchasing power of the Zimbabwe Dollar and appropriate adjustments and reclassifications made. The functional currency for the Zimbabwean operations changed beginning 1 October 2023 from ZW$ to US$ and the Group's consolidated financial statements have since been prepared based on the statutory records that are maintained under the historical cost basis.

4.2.1 Change in Functional Currency

Following the enactment of Statutory Instrument ("SI") 185 of 2020 on 24 July 2020, the Zimbabwe operations witnessed a gradual increase in the use of foreign currency across its operations. Subsequently, in June 2022, the government established the multi-currency system into law until 31 December 2025 through Statutory Instrument 118A of 2022. Moreover, on 27 October 2023, Statutory Instrument 218 of 2023 (SI 218/23) extended the settlement of transactions in foreign currency until 31 December 2030, assuring businesses regarding the continuity of the multi-currency system. This has since been confirmed through the Finance Act No.13 of 2023. This announcement facilitated access to foreign currency and long-term loans critical for working capital and business expansion.

As a result of these developments, the Zimbabwean operations re-evaluated its functional currency in accordance with IAS 21 ("The Effects of Changes in Foreign Exchange Rates").

In assessing functional currency for the businesses, the following factors were considered:
(i) the currency that mainly influences sales prices for goods and services (the currency in which sales prices for goods and services are denominated and settled)
(ii) the currency which influences labour, material and other costs of providing goods and services.
(iii) the currency in which funds from financing activities are generated.
(iv) the currency in which receipts from operating activities are usually retained.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of Preparation and Presentation (continued)

4.2.1 Change in Functional Currency (continued)
Based on the above factors, the Zimbabwe operations concluded that there has been a change in functional currency from Zimbabwe Dollar (ZW$) to United States Dollars ("US$") with effect from 1 October 2023.

Conversion Process to Reporting Currency in United States Dollars

Determination of Hyperinflation numbers for the period to 30 September 2023 and prior years' comparatives
IAS 29 mandates that financial statements in hyperinflationary economies should be presented in the currency's current measuring unit as at the balance sheet date, with corresponding figures from previous periods adjusted similarly. Previously, the Group used conversion factors from the CPI prepared by ZIMSTAT until January 31, 2023. On March 3, 2023, the government introduced a new inflation rate measurement method, leading ZIMSTAT to stop reporting ZW$ inflation and CPI figures, in favour of blended CPI figures. This change posed a challenge as the Group relied on ZW$ CPI for reporting hyperinflated historical figures.

To address this, the Group applied guidance issued by the Institute of Chartered Accountants of Zimbabwe (ICAZ) that complied with IFRS in determining hyperinflation indices. They established a strong correlation between the movement in the Total Consumption Poverty Line (TCPL) and the officially published CPI from January 2019 to January 2022. Consequently, the Group estimated CPI by adjusting the last published CPI based on the monthly movement of the TCPL from February to September 2023.

The conversion factors used to restate the financial information as of 30 September 2023 are as follows:

	Index	Conversion Factor
30 September 2023	44 720.87	1.00
31 March 2023	14 500.86	3.08
30 September 2022	12 713.12	3.52
Average CPI for the 6 months to:		
September 2023	35 151.69	1.56

The main procedures applied in the restatement of transactions and balances are as follows:
- Monetary assets and liabilities for the current year, are not restated because they are already stated in terms of the measuring unit current at statement of financial position date;
- Non-monetary assets and liabilities, and components of shareholders' equity / funds, are restated by applying the change in index from date / month of transaction or, if applicable, from the date of their most recent revaluation to the statement of financial position date;
- Property, plant and equipment and intangible assets are restated by applying the change in the index from the date of transaction, or if applicable from the date of their most recent / last revaluation, to the statement of financial position date. Depreciation and amortisation amounts are based on the restated amounts;
- Profit or loss statement items / transactions, except depreciation and amortisation charges as explained above, are restated by applying the change in the average change in index during the period to statement of financial position date;
- Gains and losses arising from net monetary asset or liability positions are included in the profit or loss statement and cashflow from operating activities in the statement of cashflows, and
- All items in the cashflow statement are expressed in terms of the measuring unit current at the statement of financial position date.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.2 Basis of Preparation and Presentation (continued)

4.2.1 Change in Functional Currency (continued)

Conversion of Hyper inflation numbers for period to 30 September 2023 and Prior comparatives to United States Dollars
The Company transitioned its reporting currency from ZW$ to US$, following the restatement of its historical financial statements in line with IAS 29, "Financial Reporting in Hyperinflationary Economies" as described above. According to IAS 21, "The Effects of Changes in Foreign Exchange Rates," entities operating in hyperinflationary economies must translate their previously reported inflation-adjusted financial statements using the exchange rate at the last reporting date when changing their functional currency.

Exchange rates used on conversion of balances
In 2020, legislative changes in Zimbabwe permitted the use of foreign currencies for domestic transactions, alongside the introduction of the Foreign Exchange Auction Trading System and the Willing Buyer Willing Seller framework by the Monetary Authorities. Despite disparities between auction exchange rates and market prices, businesses have relied on foreign currency from domestic sales. IAS 21 requires determining the functional currency based on the economic environment, allowing for an estimation where there is a lack of exchangeability and resulting in differentials in the determination of fair values. Further details on our estimations are disclosed per note 4.21.

Period Ending	Exchange rate
30 September 2023	5 500
31 March 2023	1 000
31 March 2022	200

Cautionary note on use of financial information
The Directors advise users to exercise caution when analysing the financial results due to the impacts on the financial performance of the fluctuations and disparities in exchange rates and rapid hyperinflation. These disparities impact the reliability of the financial information, as the current year's performance comprises a mix of inflation-adjusted data and US$ transactions, while comparisons with previous years are based on inflationadjusted data translated using estimated exchange rates. Whilst the conversion of the inflation-adjusted ZW$ figures into US$ was mathematically accurate, the resultant financial information may not reflect the underlying business performance. At 31 March 2024 the Group used an exchange rate of US$1: ZW$ 24 000.

4.3 Basis of Consolidation
The consolidated financial statements consist of the financial statements of Delta Corporation Limited and subsidiaries controlled by the Group, together with an appropriate share of post-acquisition results and reserves of its material associated companies. Control is achieved when the Group:
- Has power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee; and
- Has the ability to use its power to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

All Group companies' financial years end on 31 March with the exception of Schweppes Holdings Limited and Nampak Zimbabwe. Schweppes Holdings Limited has a 31 December year end and Nampak Zimbabwe Limited has a 30 September year end. The group accounts for financial transactions up to 31 March for the business units. The results and reserves of subsidiaries and associated companies are included from the effective dates of acquisition up to the effective dates of disposal.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.3 Basis of Consolidation (continued)

On acquisition, the assets and liabilities and contingent liabilities of a subsidiary are measured at their fair values at the date of acquisition. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognised as goodwill. Where the cost of acquisition is below the fair values of the identifiable net assets acquired, the gain is credited to profit or loss in the period of acquisition.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. The interests of non-controlling shareholders are stated at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets.

Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Any losses applicable to the non-controlling interests in excess of the non-controlling interest are allocated against the interest of the parent.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used in line with those used by the Group. All intra-group transactions and balances are eliminated on consolidation.

The incorporation of the results and financial position of a foreign operation with those of the Group follows normal consolidation procedures, such as the elimination of intragroup balances and intragroup transactions of a subsidiary after the foreign operation's results and financial position has been translated to the reporting currency of the Group, US$ and recorded in the foreign currency translation reserve (FCTR).

4.3.1 Investment in subsidiaries (Company)

These comprise investments in shares that the directors intend to hold on a continuing basis in the Company's business. The investments are stated at cost less provisions for impairment. A review for the potential impairment of an investment is carried out if events or changes in circumstances indicate that the carrying amount may not be recoverable.

4.4 Investments in Associates

An associate is an entity in which the Company has a long-term interest and over which the Group has significant influence. At Company, the investment is held at cost. The results, assets and liabilities of associates are incorporated in the Group financial statements using the equity method of accounting except when classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Investments in associates are carried in the statement of financial position at cost as adjusted by post-acquisition changes in the Group's share of the net assets of the associate, less any impairment in the value of individual investments. Losses of the associates in excess of the Group's interest in those associates are not recognised. Any excess of the cost of acquisition over the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition is recognised as goodwill, which is included within the carrying amount of the investment. Where the cost of acquisition is below the Group's share of the fair values of the identifiable net assets of the associate at the date of acquisition, the discount on acquisition is credited in profit or loss in the period of acquisition. Where a Group company transacts with an associate of the Group, profits or losses are eliminated to the extent of the Group's interest in the relevant associate. Losses incurred by an associate may provide evidence of an impairment of the asset transferred in which case appropriate provision is made for impairment.

4.5 Goodwill

Goodwill arising on consolidation represents the excess of the cost of acquisition over the Group's interest in the fair value of the identifiable assets acquired and liabilities assumed in a business combination. Goodwill is recognised as an asset and reviewed for impairment at least annually. Any impairment is recognised immediately in profit or loss and is not subsequently reversed. On disposal of a cash generating unit to which goodwill was allocated, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.6 Foreign Currency Transactions and Balances

The Group's financial statements are presented in United States Dollars (US$), which is the Group's presentation currency. Assets and liabilities denominated in foreign currencies are converted to US$ at the rates of exchange ruling at the end of the reporting date. Transactions in other currencies are translated to US$ at rates of exchange ruling at the time of the transactions.

Exchange differences on monetary assets and liabilities are recognised in profit and loss in the period in which they arise except for:

Exchange differences on foreign borrowings relating to assets under construction for future productive use are included in the cost of the assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings.

The foreign exchange impact of translating to presentation currency is recognised through other comprehensive income and disclosed separately in the respective reserves on the statement of changes in equity.

4.6.1 Foreign Operations

Assets and liabilities of subsidiary companies denominated in foreign currencies are translated into US$ at rates of exchange ruling at the reporting date and their statements of profit or loss and other comprehensive income results are translated at the average rate of exchange for the period. The average rate of exchange is calculated by dividing the summation of the opening rate to the closing rate by two. Where there are drastic movements between the opening and closing rates of exchange, the statement of comprehensive income results are translated on a month on month basis using the average rate of exchange for each month. Differences on exchange arising from translation of assets and liabilities at the rate of exchange ruling at the reporting date and translation of statement of comprehensive income items at average rates is recognised in other comprehensive income. Upon divestment from a foreign operation, translation differences related to that entity are taken to profit or loss.

4.7 Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. All other borrowing costs are recognised in profit or loss in the period in which they are incurred. For IAS 29 - Financial Reporting in Hyperinflaonary Economies, the impact of inflation is usually recognised in borrowing costs. It is not appropriate to restate the capital expenditure financed by borrowing and to capitalise that part of the borrowing costs that compensates for the inflation during the same period. This part of the borrowing costs is recognised as an expense in the period in which the costs are incurred.

4.8 Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment.

Depreciation is not provided on freehold land and capital projects under development.

The Group reviews the estimated residual values and expected useful lives of assets at least annually.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) 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 the statement of profit or loss when the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at the end of each financial year and adjusted prospectively, if appropriate.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.8 Property, Plant and Equipment (continued)

Other assets are depreciated on such bases as are deemed appropriate to reduce book values to estimated residual values over their useful lives as follows:-

	Method	Period
Buildings:		
Freehold	Straight line	60 years
Leasehold	Straight line	Over-lease
Plant and Equipment:	Reducing balance and straight line	5-25 years
Vehicles:	Straight line	4-10 years
Returnable Containers:	Straight line	1-4 years

4.9 Returnable containers

Returnable containers are bottles and crates sold and repurchased on return at a deposit price. These are classified as property, plant and equipment, and are depreciated on a straight-line basis over the estimated useful life of 1-4 years. Returnable containers exclude returnable plastic bottles which are considered to have a short useful life. A corresponding liability arises for containers in the market and is presented on the statement of financial position as container deposits. The deposit value reflects the estimated value of the returnable container population in the market and the Group's obligation to repurchase all bottles and crates suitable for reuse.

4.10 Intangible Assets

Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred. An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if, all of the following conditions have been demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale
- The intention to complete the intangible asset and use or sell it
- The ability to use or sell the intangible asset
- How the intangible asset will generate probable future economic benefits
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset
- The ability to measure reliably the expenditure attributable to the intangible asset during its development. The amount initially recognised for internally generated intangible assets is the sum of the expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred. Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.10 Intangible Assets (continued)

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination and recognised separately from goodwill are recognised initially at their fair value at the acquisition date (which is regarded as their cost). Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Derecognition of intangible assets

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

4.11 Impairment of property, plant and equipment and intangible assets excluding goodwill

At each reporting date, the Group reviews the carrying amounts of its property, plant and equipment and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the extent of the impairment loss (if any). Where the asset does not generate cashflows that are independent from other assets, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with an indefinite useful life are tested for impairment at least annually and whenever there is an indication at the end of a reporting period that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cashflows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease and to the extent that the impairment loss is greater than the related revaluation surplus, the excess impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss to the extent that it eliminates the impairment loss which has been recognised for the asset in prior years. Any increase in excess of this amount is treated as a revaluation increase.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of property, plant and equipment and intangible assets excluding goodwill (continued)

4.11.1 Goodwill and intangible assets with indefinite useful lives

Goodwill

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cashflows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculation on the most recent budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. A long-term growth rate is calculated and applied to project future cashflows after the fifth year.

Impairment losses of continuing operations are recognised in the statement of profit or loss in expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss.

Goodwill is tested for impairment annually as at 31 March and when circumstances indicate that the carrying value may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each CGU (or group of CGUs) to which the goodwill relates. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods. Intangible assets with indefinite useful lives are also tested for impairment annually as at 31 March at the CGU level, as appropriate, and when circumstances indicate that the carrying value may be impaired.

For impairment testing goodwill acquired through business combinations and licences with indefinite useful lives are allocated to the Lagers, Chibuku (Includes Natbrew Zambia and United Bottlers Zambia) and Sparkling CGUs, which are also operating and reportable segments.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.11 Impairment of property, plant and equipment and intangible assets excluding goodwill (continued)

4.11.1 Goodwill and intangible assets with indefinite useful lives (continued)

The Group performed its annual impairment test as at 31 March 2024. The Group considers the relationship between its market capitalisation and its book value, among other factors, when reviewing for indicators of impairment. As at 31 March 2024, the market capitalisation of the Group was above the book value of its equity, indicating there was no potential impairment of goodwill and impairment of the assets of the operating segments.

The Group considers certain trademarks to have indefinite useful lives. The trademarks with indefinite useful life include the exclusive rights to manufacture and distribute certain brands within the geographical location of the markets in which the Group operates. The useful life of the trademarks has been considered indefinite because there is no legal, regulatory, contractual competitive economic or other factors limiting their useful life.

4.12 Impairment of financial assets

Financial assets, other than those at fair value through profit or loss, are assessed for indicators of impairment at the end of each reporting period. Financial assets are considered to be impaired when there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cashflows of the investment have been affected. Categories of financial assets, such as loans and trade receivables are assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Group's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

4.13 Employee Benefits

Short term benefits and long term benefits

A liability is recognised for benefits accruing to employees in respect of wages, salaries and annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to paid in exchange for the service.

Liabilities in respect of short term benefits are measured at the undiscounted amount of the benefits expected to be in exchange for the related services.

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The expected present value is spread over the period of service.

Other long-term employee benefits

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.13 Employee Benefits (continued)

Long service awards
The Group recognises the liability and an expense for long service awards where cash is paid to employees at certain milestone dates in a career with the Group. Such accruals are appropriately discounted to reflect present values of the future payments.

Share based payment transactions
The Company has a share option plan for employees of the Group. In accordance with the terms of the plan, as approved by shareholders at a previous annual general meeting, employees with more than 3 years' service with the Group may be granted options to purchase ordinary shares.

The number of options granted is calculated in accordance with the performance-based formula approved by shareholders at the previous annual general meeting and is subject to approval by the remuneration committee. The formula rewards employees to the extent of the Group's and the individual's achievement judged against both qualitative and quantitative criteria from the following financial and customer service measures:
- Improvement in share price
- Improvement in net profit
- Improvement in return to shareholders

The Group issues share options to certain employees. The options are valued at fair value at the date of grant. The fair value determined is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, and is disclosed in a share options reserve which forms part of equity.

At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the share options reserve. The fair value is calculated using the Black-Scholes option pricing model, as adjusted for dividends by Robert Merton. The expected life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions as regards closed periods and behavioural considerations. The value transferred to the share options reserve is amortised to retained earnings as the related share options are exercised or forfeited.

Equity-settled share-based payment transactions with parties other than employees are measured at the fair value of the goods or services received, except where that fair value cannot be estimated reliably, in which case they are measured at the fair value of the equity instruments granted, measured at the date the Group obtains the goods or the counterparty renders the service.

Retirement benefits are provided for Group employees through various independently administered defined contribution funds, including the National Social Security Authority or other mandatory statutory schemes. Contributions to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions. The Group's pension scheme is a defined contribution scheme and the cost of the retirement benefit is determined by the level of contribution made in terms of the rules. The cost of the retirement benefit applicable to the National Social Security Authority scheme is determined by the systematic recognition of legislated contributions.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.14 Inventories
Inventories are valued at the lower of cost and net realisable value. Net realisable value represents the estimated selling price for inventories less all estimated costs of completion and costs necessary to make the sale. Cost is determined on the following basis.

Merchandise, raw materials and consumable stores are valued at cost on a weighted average cost basis. Manufactured finished products and products in process are valued at raw material cost, plus labour and a portion of manufacturing overhead expenses, where appropriate.

4.15 Financial Instruments
Financial assets and financial liabilities are recognised when a Group entity becomes party to the contractual provisions of the instrument. Financial instruments are initially recorded at fair value which usually approximates cost. Trade receivables within the scope of IFRS 15 that do not contain a significant financing component are measured at their transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Financial Assets
Financial assets are classified into the following specified categories: financial assets at fair value through profit or loss" (FVTPL), financial assets at fair value through other comprehensive income (FVTOCI) and financial assets measured at amortised cost. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including trade and other receivables, bank balances and cash, and staff loans) are measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest rate, except for short-term receivables when the effect of discounting is immaterial.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points 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 debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Cash and Cash Equivalent
Cash and cash equivalents consist of cash held by banks, cash on hand, short-term deposits and bank overdrafts.

Short-term deposits are only shown as cash and cash equivalents if they are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. The credit risk of cash and cash equivalents measured at amortised cost is insignificant due to their short-term maturity, counterparties' investment grade credit ratings and established exposure limits. Therefore, the Group does not recognise any credit impairment losses for these financial assets. The cash and cash equivalents are predominantly denominated in United States Dollars (US$), South African Rand (ZAR) and Zimbabwe Dollars (ZW$).

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.15 Financial Instruments (continued)

Cash and Cash Equivalent (continued)
Cash and cash equivalents have insignificant interest rate risk and remaining maturities of three months or less at the date of acquisition. There were no restrictions on usage of cash and cash equivalents. The carrying amount of these assets approximates to their fair value.

Other financial instruments
Other financial instruments, including borrowings and payables, are initially measured at fair value, net of transaction costs. Subsequent measurement is at amortised cost using the effective interest method, with the interest expense recognised on an effective yield basis.

4.16 Revenue Recognition

The group recognises revenue primarily from the sale of its diverse portfolio of beverages. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. The Group recognises revenue when it transfers control of a product to a customer.

Revenue comprises sales (net of trade discounts) and excludes value added tax. Intra-group revenue which arises in the normal course of business is excluded from Group revenue.

The Group presents revenue gross of excise duties because unlike value added tax, excise is not directly related to the value of sales. It is not generally recognised as a separate item on invoices. The Group therefore considers excise as a cost to the Group and reflects it as a production cost.

Interest income
Interest income is recognised when it is probable that the economic benefits will flow to the Group and the amount of revenue can be measured reliably. Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Rental income
Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Dividend income
Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company) and the amount of revenue can be measured reliably.

4.17 Taxation

Current tax
The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting date.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.17 Taxation (continued)

Deferred tax
Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority, and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period
Current and deferred tax are recognised as income or as an expense in profit or loss, except when they relate to items that are recognised outside profit or loss (whether in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss, or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is included in the accounting for the business combination.

Uncertain tax position
The Group reviews all its tax positions at each period end and determines whether there is any uncertainty over tax treatment.

Where there are any uncertainties over income tax treatments the group discloses judgements and assumptions made in determining taxation information.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Leases

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as a net operating costs on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

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.

The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset.

The right-of-use assets are presented as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.18 Leases (continued)

Variable rents that do not depend on an index or rate are not included in the measurement the lease liability and the right of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occur and are included in the line “Net Operating costs” in profit or loss.

4.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event; it is probable that the Group will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cashflows estimated to settle the present obligation, its carrying amount is the present value of those cashflows.

4.20 Critical Accounting Judgements and Key Sources of Estimation Uncertainty

In the application of the Group’s accounting policies, which are described in note 4, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4.21 Critical judgements in applying accounting policies

- **CPI determination**
  The assumptions and methodology underlying the CPI determination is fully described in Note 4.2.

- **Share based payments**
  The assumptions and methodology underlying the valuation of share based payments are fully described in Note 19.

- **Deferred taxation and uncertain tax matters**
  The assumptions and methodology underlying the deferred taxation and uncertain tax matters are fully described in Note 4.17 and note 11.

- **Goodwill assessment and cash generating units' value in use**
  The assumptions and methodology underlying the goodwill assessments and cash generating units' value in use are fully described in Note 15.

- **Functional currency**
  The assumptions and methodology underlying the functional currency of the business is fully described in Note 4.2.1.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Critical judgements in applying accounting policies (continued)

- **Fair value of share options issued in the current year**
  Options were valued using the Black Scholes model. Expected volatility is based on the Company's historical share price volatility since dollarisation. Refer to note 19.4.

- **Long service awards**
  Included in provisions (note 23.2) is a liability for long service awards which are awarded to employees on reaching certain employment period milestones. The amount recognised is the present value of future cashflows adjusted for period of service, life expectancy, salary levels and probability of early contractual terminations. Management uses market and non-market information to come up with these estimates.

- **Impairment of non-financial assets**
  These assets are assessed for indicators of impairment at each reporting date. Irrespective of whether there is any indication of impairment, the subsidiary tests these assets for impairment annually. An impairment loss is recognised in profit or loss, equal to the amount by which the carrying amount of an asset or a cash-generating unit exceeds the higher of its fair value less cost to sell and its value in use.

  When impairments reverse due to change in circumstances, reversals are limited to the initial impairment, what the carrying amount would have been net of depreciation if the impairment was not recognised and the newly calculated recoverable amount.

  Non-financial assets are grouped at subsidiary or divisional level, which is the lowest level for which separately identifiable cashflows are available (cash-generating units).

  Refer to note 4.10 and note 4.11

- **Useful lives and residual values of property, plant and equipment**
  The Group assesses useful lives and residual values of property, plant and equipment each year, taking into account past experience and technology changes. The useful lives are set out in note 4.9 and no changes to those useful lives have been considered necessary during the year. In the case of plant, the residual value at the end of useful life has been assessed as negligible due to the specialist nature of the plant, technology changes and likely de-commissioning costs. Heavy motor vehicles are considered to have a residual value, at end of useful life, of approximately 20% of their original cost.

- **Containers in the market**
  In determining the quantity of useable containers in the market, the population is determined based on the actual purchases of containers for the past five years.

  As explained in note 4.9 the deferred container expenditure is amortised over 4 years. The Group recognises write offs for containers in excess of 4 years only to the extent to which the Group has repurchased and destroyed containers on hand.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

4.21 Critical judgements in applying accounting policies (continued)

Application of IAS 21 - The Effects of Changes in Foreign Exchange Rates

The Government of Zimbabwe has since 2020 promulgated legislative changes, which have since been consolidated into the Finance Acts, and which permit the use of foreign currencies for domestic transactions. The Monetary Authorities introduced the Foreign Exchange Auction Trading System in June 2020 and the Willing Buyer Willing Seller framework in 2022. The Zimbabwe businesses have relied on foreign currency obtained through the sale of products on the domestic market in line with the multi-currency framework. There have been significant gaps between the interbank exchange rates and the rates reflected by comparing the market prices of goods and services quoted in alternative currencies. International Accounting Standard 21 (IAS 21) – The effects of Changes in Foreign Exchange Rates require an entity to determine the functional currency based on the economic environment in which it operates. The entity does not believe that the official exchange rates prevailing during the period under review were, at all times, fairly reflective of the currency exchangeability and as such, has used an estimation process, which is allowed by IAS 21. Therefore, the exchange rate applied in translating foreign currency transactions to the reporting currency, and as the spot rate used in translating other foreign balances has at times differed from the official rates.

The Institute of Chartered Accountants of Zimbabwe (ICAZ) issued an interpretation guidance titled Lack of Exchangeability – Interpretation of IAS 21, The Effects of Changes in Foreign exchange rates in May 2022. Our interpretation of this guidance confirms that the treatment that the Group has applied in estimating an exchange rate is acceptable.

The Directors and Management differ with the professional conclusion of our auditors on the application of IAS 21. The independent auditors Ernst & Young Chartered Accountants (Zimbabwe) have, since the 2022 reporting period and with respect to the current year issued an adverse audit opinion as they believe that the determination of an estimate exchange rate is not compliant with International Financial Reporting Standards ("IFRS"). The auditors believe the bank rate (either the interbank exchange rate or willing buyer willing seller exchange rate) is the appropriate spot exchange rate that is, observable.

4.22 Segment Reporting

The Group has four reportable segments, as described in note 7. The segments offer different products but are however managed by the one central team as they require similar technology, processes and marketing strategies. For each of the segments, the Group's Chief Executive Officer - CEO (the chief operating decision maker) reviews internal management reports at least monthly. Refer to note 7 for a description of the operations in each of the Group's reportable segments.

5. DEFINITIONS

5.1 Taxed Interest Payable

This is calculated by taxing interest payable at the standard rate of taxation.

5.2 Interest Cover (Times)

This is the ratio which the aggregate of operating income, non-recurring items and equity accounted earnings bears to interest payable (inclusive of capitalised interest).

5.3 Net Assets

These are equivalent to shareholders' equity.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

5. DEFINITIONS (continued)

5.4 Pre-tax Return on Total Assets

This is calculated by relating to closing total assets, income before tax inclusive of dividend income and equity accounted earnings.

5.5 Earnings per Share

Headline, fully diluted and attributable earnings basis

The calculations are based on the earnings attributable to owners of the parent. Account is taken of the number of shares in issue for the period during which they have participated in the income of the Group. Dilution arising in respect of share options granted amounts to 1,63% in 2024 and 1,35% in 2023.

The weighted number of shares excluding treasury shares was:

	2024 Number of Shares in millions	2023 Number of Shares in millions
Ordinary shares	**1 314**	1 308
Share options*	**27.17**	17.60
Weighted average number of shares	**1 310**	1 304

* The share options included in the weighted average number of shares are exercised shares.

	2024 US$ 000	2023 US$ 000
Attributable earnings (used for basic and diluted earnings)	**100 994**	83 231
Loss on disposal of property, plant and equipment	**118**	38
Headline earnings	**101 112**	83 269

5.6 Cashflow per Share

This focuses on the cash stream actually achieved in the year under review. It is calculated by dividing the cashflow from operations after excluding the proportionate non-controlling interests therein, by the weighted average number of ordinary shares in issue.

5.7 Financial Gearing Ratio

This represents the ratio of interest bearing debt to total shareholders' equity.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

6. COUNTRY OF INCORPORATION AND CURRENCY

All Group companies are incorporated in Zimbabwe with the exception of National Breweries Plc which is incorporated in Zambia, Chibuku Holdings Plc which is incorporated in Mauritius, United National Breweries and Delta Beverages South Africa which are incorporated in South Africa. Refer to Note 26.4. The financial statements are expressed in United States Dollars(US$).

7. SEGMENTAL REPORTING

The distinct operating segments for the Group are shown in the table below:

Reportable Segments	Operations
Lager Beer division	Manufacture and distribution of lager beer (malt and sorghum based clear beers)
Sparkling Beverages division	Manufacture and distribution of carbonated soft drinks and alternative non-alcoholic beverages.
Sorghum Beer division	Manufacture and distribution of sorghum based opaque beer.
Wines and Spirits	Manufacture and distribution of wines and spirits.

Other operations include barley and sorghum malting and provision of transport services, which are functional departments for the above mentioned divisions. None of these segments met the quantitative thresholds for reportable segments, neither in 2024 nor 2023.

There are varying levels of integration between Lagers, Sparkling Beverages and Sorghum segments. This integration includes shared primary and secondary distribution services and facilities. The Group has a centralised treasury function.

Information about reportable segments

Information related to each reportable segment is set out below. Segment operation income is used to measure performance because management believes that this information is the most relevant in evaluating the results of the respective segments relative to other entities that operate in the same industries.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

7. SEGMENTAL REPORTING (continued)

Reportable segments

2024 — Audited	Lager Beer US$'000	Sparkling Beverages US$'000	Sorghum Beer US$'000	Wines and Spirits US$'000	Total reportable segments US$'000	All other segments and intersegment eliminations US$'000	Total US$'000
Segment revenue	318 317	146 710	250 811	51 772	**767 610**	28 719	**796 329**
Inter-segment revenue***	—	—	—	—	**—**	(28 458)	**(28 458)**
External revenue	318 317	146 710	250 811	51 772	**767 610**	261	**767 871**
Segment operating income	91 991	16 085	16 634	6 623	**131 333**	21 005	**152 338**
Segment finance costs	(78)	(3)	(978)	(605)	**(1 664)**	(1 880)	**(3 544)**
Segment net working capital*	(15 781)	7 826	11 902	9 785	**13 732**	27 633	**41 365**
Segment trade and other payables**	(54 983)	(39 264)	(37 409)	(9 515)	**(141 171)**	(29 277)	**(170 448)**
Segment working capital assets	39 202	47 090	49 311	19 300	**154 903**	56 910	**211 813**
Segment property, plant and equipment	35 444	27 858	54 336	3 737	**121 375**	12 704	**134 079**
Non-current assets additions	18 295	4 280	18 377	1 776	**42 728**	5 370	**48 098**
Segment depreciation	(6 799)	(831)	(3 546)	(371)	**(11 547)**	(1 491)	**(13 038)**

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

7. SEGMENTAL REPORTING (continued)

Reportable segments

2023 — Restated	Lager Beer US$'000	Sparkling Beverages US$'000	Sorghum Beer US$'000	Wines and Spirits US$'000	Total reportable segments US$'000	All other segments and intersegment eliminations US$'000	Total US$'000
External revenue	222 852	92 224	179 746	41 006	**535 828**	17 931	**553 759**
Inter-segment revenue***	—	—	—	—	**—**	(16 836)	**(16 836)**
Segment revenue	222 852	92 224	179 746	41 006	**535 828**	1 095	**536 923**
Segment operating income	56 768	9 933	18 865	5 399	**90 965**	8 830	**99 795**
Segment finance costs	—	—	(111)	(609)	**(720)**	(6 156)	**(6 876)**
Segment net working capital*	(62)	9 584	13 194	8 263	**30 979**	21 287	**52 266**
Segment trade and other payables**	(30 038)	(24 199)	(36 683)	(10 660)	**(101 580)**	(23 262)	**(124 842)**
Segment working capital assets	29 976	33 783	49 877	18 923	**132 559**	44 549	**177 108**
Segment property, plant and equipment	41 017	60 428	53 803	4 868	**160 116**	13 807	**173 923**
Non-current assets additions	19 745	8 580	11 523	1 452	**41 300**	4 573	**45 873**
Segment depreciation	(2 421)	(1 912)	(4 799)	(310)	**(9 442)**	(3 299)	**(12 741)**

* Net working capital comprises of cash and cash equivalents, receivables, inventories and payables, excluding provision for tax.
** Included are trade and other payables, provisions, short term borrowings, overdraft and short term lease liability.
*** Intersegment revenue relates to malt sales from Kwekwe Maltings to Larger Beer. Kwekwe Maltings is included under "All other segments."

The accounting policies of the reportable segments are the same as the Group's accounting policies. Segment operating income represents segment income before allocation of central administration costs. This is the measure reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

No single customer contributed 10% or more to the Group's or individual segment's revenue.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

7. SEGMENTAL REPORTING (continued)

Reconciliations of information on reportable segments to IFRS measures (continued)

	2024 US$'000	2023 Restated US$'000
i) Revenue		
Total revenue for reportable segments	**767 610**	535 828
Revenue for other segments	**28 719**	17 931
Elimination of inter-segment revenue	**(28 458)**	(16 836)
Consolidated revenue	**767 871**	536 923
ii) Operating income		
Total operating income for reportable segments	**131 333**	90 965
Operating income for other segments	**21 005**	8 830
- Finance income	**3 667**	59
- Finance cost	**(3 544)**	(6 876)
- Share of profit in associates	**2 468**	452
- Exchange gains / (losses)	**(41 535)**	29 967
- Movement in legacy debt	**—**	(1 227)
- Net monetary loss	**(8 995)**	(34 841)
Consolidated profit before tax	**104 399**	87 329
iii) Assets		
Total working capital assets for reportable segments	**154 903**	132 559
Working capital assets for other segments	**56 910**	44 549
Total property, plant and equipment for reportable segments	**121 375**	160 116
Property, plant and equipment for other segments	**12 704**	13 807
Intangible assets	**24 411**	28 147
Right-of-use asset	**4 411**	525
Equity accounted investees	**12 325**	14 158
Deferred tax asset	**1 923**	–
Investments and loans	**5 225**	7 426
Financial Asset at amortised cost	**8 830**	1 435
Current tax asset	**440**	—
Consolidated total assets	**403 457**	402 722
iv) Liabilities		
Total trade and other payables for reportable segments	**141 171**	101 580
Trade and other payables for other segments	**29 277**	23 262
Total long-term borrowings for reportable segments	**—**	468
Long term lease liability for reportable segments	**3 521**	910
Long term lease liability for other segments	**729**	909
Total deferred tax liabilities for reportable segments	**1 481**	2 372
Deferred tax liabilities for other segments	**—**	28 797
Dividend payable	**—**	—
Current tax liability	**5 096**	4 880
Consolidated total liabilities	**181 275**	163 178

8. REVENUE DISAGGREGATION BY PRODUCT

2024 — Audited	Lager Beer US$'000	Sparkling Beverages US$'000	Sorghum Beer US$'000	Wines and Spirits US$'000	Malt Sales US$'000	Total US$'000
Gross Sales	369 871	172 281	297 547	53 470	305	**893 474**
Less VAT and discounts	(51 555)	(25 571)	(46 735)	(1 698)	(44)	**(125 603)**
Revenue	318 316	146 710	250 812	51 772	261	**767 871**
Less excise duties and levies	(55 259)	(1 902)	(10 044)	(10 547)	(4)	**(77 756)**
Net Sales	263 057	144 808	240 768	41 225	257	**690 115**

2023 — Restated	Lager Beer US$'000	Sparkling Beverages US$'000	Sorghum Beer US$'000	Wines and Spirits US$'000	Malt Sales US$'000	Total US$'000
Gross Sales	257 309	107 229	215 313	42 370	1 119	**623 340**
Less VAT and discounts	(34 457)	(15 005)	(35 568)	(1 364)	(23)	**(86 417)**
Revenue	222 852	92 224	179 745	41 006	1 096	**536 923**
Less excise duties and levies	(52 919)	(32)	(5 323)	(8 438)	(6)	**(66 718)**
Net Sales	169 933	92 192	174 422	32 568	1 090	**470 205**

9. OPERATING INCOME

Operating income is arrived at after charging:-

9.1 Net Operating Costs

	2024 US$'000	2023 Restated US$'000
Raw materials and consumables used**	**293 823**	183 389
Depreciation expense (note 9.2)	**14 583**	12 806
Staff costs	**134 950**	100 840
Excise and levies	**77 756**	66 718
Share option expenses	**594**	735
Repairs and maintenance	**32 586**	25 600
Container breakages*	**7 570**	5 994
Selling and marketing expenses	**16 698**	13 416
Royalties and technical fees	**8 667**	6 001
Security costs	**9 229**	6 286
Administration and other operating expenses	**19 077**	15 343
	615 533	437 128

* Container breakages relate to containers that have come to the end of their useful life.
** Included in raw material and consumables used are container adjustments amounting to US$nil (2023: US$17 million)

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
9. OPERATING INCOME (continued)		
9.2 Depreciation, amortisation and impairment of Property, Plant and Equipment and right of use asset		
Buildings	**564**	1 184
Plant and equipment	**4 640**	7 451
Vehicles	**1 624**	2 056
Containers	**6 210**	2 051
Total	**13 038**	12 742
Right-of-use asset	**1 545**	64
Total	**14 583**	12 806
9.3 Auditors' Remuneration		
Included in administration and operating costs are current year audit fees and expenses as follows:		
Current year audit fees and expenses		
- Group	**501**	948
- Company	**49**	67
Total	**550**	1 015
10. FINANCE COSTS AND FINANCE INCOME		
10.1 Finance Costs		
Interest on borrowings*	**3 120**	6 669
Lease finance charges	**424**	207
	3 544	6 876
Finance Income		
Interest on staff loans	**154**	59
Treasury bills effective interest	**3 513**	—
	3 667	59

* Interest on borrowings include interest on loans US$0,796 million (2023: US$0,857 million) and interest on overdraft US$2,324 million (2023: US$5,812 million)

	2024 US$'000	2023 Restated US$'000
11. TAXATION		
11.1 Taxation		
Income tax:		
Current tax	**22 112**	18 915
Deferred tax - relating to origination and reversal of temporary difference	**(17 848)**	5 269
- relating to change in current tax rate	**(403)**	—
Capital gains tax	**—**	2
	3 861	24 186

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
11. TAXATION (continued)		
11.2 Reconciliation of Rate of Taxation		
Standard rate	**24.72%**	24.72%
Adjusted for:		
Impact of expenses not deductible for tax*	**3.09%**	2.03%
Net effects IAS 29	**(23.55%)**	0.00%
Effects of rebasing tax base of property, plant and equipment	**—**	(0.06%)
Equity accounted earnings of associates	**(0.58%)**	0.13%
Effects of income taxed at different rates	**(0.08%)**	(2.77%)
Impact on deferred tax for the tax rate change from 24,72% to 25,75%	**0.10%**	0%
Other temporary differences	**—**	3.66%
Effective rate	**3.70%**	27.71%

* Included in expenses not deductible for tax are IMTT, share based payment expense, excess pension, effects of IAS 29, subscriptions and entertainment expenses.

	2024 US$'000	2023 Restated US$'000
11.3 Deferred Tax Liabilities		
Balance at the beginning of year	**31 169**	44715
Charge to profit or loss	**(18 251)**	5 269
Restatement and translation to functional currency impact	**(13 715)**	(17 506)
Effects of inflation and exchange differences on foreign subsidiaries	**355**	(1 309)
Balance at end of year	**(442)**	31 169
Comprising of:		
Deferred tax asset	**(1 923)**	—
Deferred tax liability	**1 481**	31 169
Net Deferred tax asset (tax asset) / liability	**(442)**	31 169
Analysis of balance at end of year		
Property, plant and equipment	**2 888**	26 703
Other taxable temporary differences		
Provisions	**(3 931)**	(5 179)
Inventory	**—**	6 502
Other assets	**—**	1 611
Other taxable temporary differences	**601**	1 532
	(442)	31 169

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

11. TAXATION (continued)

11.4 Contingencies

11.4.1 Uncertain Tax Positions

The Zimbabwe market has experienced significant currency and legislative changes since 2018. These changes have created some uncertainties in the treatment of transactions for tax purposes due to the absence of clear guidelines and transitional measures. There are further complications arising from the wording of the legislation in relation to the currency of settlement of certain taxes which give rise to interpretations that may differ with those of the tax authorities, thereby creating uncertainties in tax positions. The Zimbabwe Revenue Authority (ZIMRA) has made additional Income Tax and Value Added Tax assessments, penalties and interest amounting to US$54,8 million, (for periods 2019 to 2021), against Group entities for amounts that were settled in Zimbabwe Dollars, but that ZIMRA deem should have been paid exclusively in foreign currency. No credit has been given by ZIMRA to the equivalent amounts already paid in legal tender of Zimbabwe. These assessments are being objected to and challenged through the courts and are at various stages of appeal. The principal amount settled in Zimbabwe Dollars, which excludes penalties and interest, is equivalent to US$9,8 million for Income Tax and US$25,2 million for Value Added Tax (total US$35 million) based on the exchange rates prevailing on the date of payment. Should the group's appeal not be successful it could be refunded the historical Zimbabwe dollars paid towards the settlement of these taxes. Due to the effects of inflation, these amounts would be equivalent to US$115 000 based on the exchange rate prevailing on the 31st of March 2024, a situation which may result in unjust enrichment to ZIMRA. The resultant value loss to the Group if the full amount is determined to be payable would be US$54,6 million.

The Group continues to engage the relevant authorities while these assessments are being objected to and challenged through the courts. Tax payments that have been made with respect to the revised assessments have been accounted for as prepayments in anticipation of a successful appeal process because the Group considers that its settlements were made in line with the legal requirements. A favourable determination on these tax matters is anticipated based on the interpretation of the law at the time of settlement. To date, the Group has paid US$6 million under the "pay now, argue later" principle. The legislative gaps giving rise to differences in interpretations remain and could lead to additional assessments for periods not yet audited by ZIMRA.

Similarly, Natbrew Zambia is challenging an assessment by the Zambia Revenue Authority relating to transfer pricing positions on royalties and group charges for periods prior to the acquisition of the entity.

	2024 US$'000	2023 Restated US$'000
12. PROPERTY, PLANT AND EQUIPMENT		
FREEHOLD PROPERTIES		
Cost	**38 698**	54 503
Capital work in progress	**2 146**	605
Accumulated depreciation	**(16 506)**	(24 490)
	24 338	30 618
PLANT AND EQUIPMENT		
Cost	**154 029**	173 253
Capital work in progress	**5 173**	9 073
Accumulated depreciation	**(79 532)**	(97 367)
	79 670	84 959

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
12. PROPERTY, PLANT AND EQUIPMENT (continued)		
VEHICLES		
Cost	**26 757**	33 722
Accumulated depreciation	**(16 228)**	(22 300)
	10 529	11 422
CONTAINERS		
Cost	**10 146**	20 642
Containers in the market	**9 396**	26 282
	19 542	46 924
Total property, plant and equipment	**134 079**	173 923
Movement in net book amount for the year:		
At the beginning of the year	**173 923**	218 097
Foreign exchange impact of translating to presentation currency	**(66 633)**	(85 385)
Capital expenditure	**48 098**	45 874
Disposals	**(125)**	(80)
Translation differences	**5 610**	4 367
Movement in containers in the market and other adjustments	**(13 756)**	3 791
Depreciation	**(13 038)**	(12 741)
At end of the year	**134 079**	173 923
Capital expenditure comprised:		
Land and buildings	**974**	1 671
Plant and equipment	**34 711**	23 973
Vehicles	**4 194**	5 430
Containers	**8 219**	14 799
	48 098	45 873
Disposals comprised:		
Plant and equipment	**8**	1
Vehicles	**117**	79
	125	80
13. RIGHT-OF-USE ASSET		
Balance at beginning of year	**525**	536
Foreign exchange impact of translating to presentation currency	**(223)**	(210)
Additions	**5 592**	389
Translation differences	**62**	(126)
Depreciation	**(1 545)**	(64)
Right-of-use asset at end of year	**4 411**	525

The Group leases buildings in Zimbabwe and South Africa as offices. The average lease is 10 years (2023: 10 years). The corresponding lease liability is disclosed in Note 22.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
14. INVESTMENT IN ASSOCIATES		
Shares at cost	**748**	1 334
Post acquisition reserves	**11 577**	12 824
	12 325	14 158

Included in post-acquisition reserves are current year share of profits of US$2,5 million (2023: US$452 000)

Analysis of results and statement of financial position of associates.

	2024 US$'000	2023 Restated US$'000
Schweppes Zimbabwe Limited (49%) (2023: 49%)		
Shares at cost	**41**	74
Gain arising on acquisition	**723**	1 289
Group share of post acquisition reserves*	**6 240**	6 578
	7 004	7 941

* Included in the share of post acquisition reserves is a reduction of US$3,49 million (2023: US$4,97 million) due to the foreign exchange impact of translating to presentation currency.

	2024 US$'000	2023 Restated US$'000
Total assets	**63 169**	48 518
Total liabilities	**(34 903)**	(25 248)
Net assets**	**28 266**	23 270
Group's share of net assets of associate	**13 850**	11 403

** The difference between the carrying amount and the Group's share of net assets of associate amounting to US$6,2 million (2023:US$3,5 million) is a result of different accounting policies between the Group and the associate.

	2024 US$'000	2023 Restated US$'000
Total revenue	**93 947**	55 691
Total profit for the year	**1 292**	439
Group's share of profits of associates for the year	**633**	215
Total other comprehensive income	**3 761**	—
Group's share of other comprehensive income	**1 918**	—

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
14. INVESTMENT IN ASSOCIATES (continued)		
Nampak Zimbabwe Limited (21.46%) (2023: 21,46%)		
Shares at cost	**707**	1 260
Group share of post acquisition reserves***	**4 614**	4 957
	5 321	6 217

*** Included in the share of post acquisition reserves is a reduction of US$2,73 million (2023: US$3,85 million) due to the foreign exchange impact of translating to presentation currency.

	2024 US$'000	2023 Restated US$'000
Total assets	**39 139**	43 541
Total liabilities	**(25 997)**	(17 814)
Net assets	**13 142**	25 727
Group's share of net assets of associate	**2 820**	5 521
Total revenue	**122 123**	71 741
Total profit for the year	**8 553**	1 104
Group's share of profits of associates for the year	**1 835**	237

The market value of the Group's interest in Nampak Zimbabwe Limited which is listed on the stock exchange in Zimbabwe was US$24,2 million (2023: US$5 million).

15. TRADEMARKS, GOODWILL, INVESTMENTS AND LOANS

15.1 Intangible assets - Trademarks and Goodwill

	2024 US$'000	2023 Restated US$'000
Trademarks		
At beginning of year	**25 637**	34 232
Foreign exchange impact of translating to presentation currency	**(2 673)**	(13 402)
Exchange differences arising from translation of foreign subsidiary	**38**	4 807
At cost at end of year	**23 002**	25 637
Disagregation by cash generating unit:		
Larger Beer	**211**	375
Sorghum Beer Business*	**22 791**	25 262
Total	**23 002**	25 637
Goodwill - AFDIS		
At beginning of year	**2 510**	4 124
Arising from acquisition of subsidiary		
Foreign exchange impact of translating to presentation currency	**(1 101)**	(1 614)
At cost at end of year	**1 409**	2 510
Total Trademarks and Goodwill	**24 411**	28 147

* The Sorghum Beer Business is made up of Sorghum Beer Zimbabwe Division, Natbrew Zambia and UNB SA.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

15. TRADEMARKS, GOODWILL, INVESTMENTS AND LOANS (continued)

15.1 Intangible assets - Trademarks and Goodwill (continued)

Sorghum Beer Business Zimbabwe Trademarks
Included in the trademarks balance is the Chibuku trademark amounting to US$3,4 million (2023: US$$6,1 million). The useful life of the trademarks has been considered indefinite because there is no legal, regulatory, contractual competitive economic or other factors limiting the useful life of the Chibuku trademarks. An annual impairment assessment was performed as at 31 March 2024 and management considered the operating profit for the year. In addition, a new Chibuku plant line was installed during the financial period ending 31 March 2024 which will increase capacity. Chibuku has a strong brand recognition and reputation with a growing market shown by the 3% increase in volume.

Sorghum Business Segment
The UNB SA's Sorghum Business Segment reported a 3% increase in its volume compared to the previous year, indicating an improvement in the selling and distribution of beverages. The business performance is expected to get better after the launch of the new plant in May 2024. The carrying amount of the Intangible assets - trademarks in UNB SA amounts to US$20,6 million (2023: US$19,6 million).

The recoverable amount of UNB SA a part of the Sorghum CGU is as detailed below:

	Recoverable amount	
	2024 US$'000	**2023 US$'000**
Name of Operations		
UNB South Africa	**295 279**	93 186

This has been determined based on a value-in-use calculation using cashflow projections from financial budgets approved by senior management covering a five-year period. The projected cashflows have been updated to reflect the strategic turnaround initiatives in each jurisdiction. The weighted average cost of capital (WACC) applied to cashflow projections is as follows:

	2024 WACC	**2023**
Name of Operations		
UNB South Africa	**23.20%**	19.93%

Cashflows beyond the five-year period are extrapolated using a 4% growth rate (2023: 4.6%) for UNB SA.

	2024 Extrapolation Growth rate	**2023**
Name of Operations		
UNB South Africa	**5.00%**	4.00%

This was considered reasonable given current long term GDP growth projections, inflation forecast, the sector in which the business operates, its potential therein and growth prospects.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

15. TRADEMARKS, GOODWILL, INVESTMENTS AND LOANS (continued)

15.1 Intangible assets - Trademarks and Goodwill (continued)

Key assumptions used in value in use calculations and sensitivity to changes in assumptions.
The calculation of value in use for the Sorghum Business Unit is most sensitive to the following assumptions:
- Gross margins
- Discount rates
- Raw materials price inflation
- Volume forecast period

Growth rates used to extrapolate cashflows beyond the forecast period
Gross margins – Gross margins are based on average values achieved in the three years preceding the beginning of the budget period relative to the jurisdiction in which the Business Unit operates.

The gross margins for UNB South Africa were

	2024 Gross Margins	**2023**
Name of Operations		
UNB South Africa	**28.70%**	28.60%

These are increased over the budget period for anticipated efficiency improvements. 0.02% (2023: 2%) per annum for the South African Sorghum Business Unit.

Discount rates – Discount rates represent the current market assessment of the risks specific to each CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cashflow estimates. The discount rate calculation is based on the specific circumstances of the Group and its operating segments and is derived from its weighted average cost of capital (WACC). The WACC takes into account both debt and equity. The cost of equity is derived from the expected return on investment by the Group's investors. The cost of debt is based on the interest-bearing borrowings the Group is obliged to service. Segment-specific risk is incorporated by applying individual beta factors. The beta factors are evaluated annually based on publicly available market data.

An increase in WACC to 23.2% (i.e +0.16%) in UNB South Africa would not result in an impairment.

Raw materials price inflation – Estimates are obtained from published indices for the countries from which materials are sourced, as well as data relating to specific commodities. Forecast figures are used if data is publicly available, otherwise past actual raw material price movements are used as an indicator of future price movements.

Market share assumptions – When using industry data for growth rates (as noted below), these assumptions are important because management assesses how the unit's position, relative to its competitors, might change over the forecast period. Management expects the Group's share of the traditional beer market to grow significantly over the forecast period.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

15. TRADEMARKS, GOODWILL, INVESTMENTS AND LOANS (continued)

	Fair value hierarchy	2024 US$'000	2023 US$'000
15.2 Investments and Loans			
Investments			
Medical Investments Limited shares*	3	**691**	581
Old Mutual shares**	1	**186**	145
Loans			
Secured - Related Parties	3	**4 348**	6 700
		5 225	7 426

Included in the Group's secured loans of US$4,3 million (US$6,7 million) are loans to employees made in terms of a Group housing scheme and vehicle ownership scheme. This includes loans to Directors and officers of the Group amounting to US$1,1 million (2023: ZW$1 million). Housing loans are secured through mortgage bonds, share options and terminal benefits whilst the underlying assets under the car loan scheme are pledged as security. The loans are of various tenure and are in line with the employees' contracts of employment and attract variable interest rates of up to 16% per annum depending on the nature of the loan. The interest rates are reviewed periodically by the Remuneration Committee. None of the loans were past due or impaired at the end of the reporting period.

** Level 1 instruments comprise of listed shares.
* Level 3 instruments value is derived through the valuation of shares.

16. INVENTORIES

	2024 US$'000	2023 Restated US$'000
Consumable stores	**23 208**	24 057
Finished products	**17 452**	13 389
Raw materials	**63 124**	56 137
Work in progress	**3 807**	2 769
	107 591	96 352

The cost of inventories recognised as an expense during the year was US$243,8 million (2023: US$164,8 million).

The Group realised stock losses of US$7 million (2023: US$3,9 million).

17. TRADE AND OTHER RECEIVABLES

	2024 US$'000	2023 Restated US$'000
Trade receivables	**23 702**	23 905
Other receivables	**28 857**	18 942
Allowances for credit losses	**(2 323)**	(1 868)
	50 236	40 979

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

17. TRADE AND OTHER RECEIVABLES (continued

Other receivables from third parties relate to sundry debtors of US$19,5 million (2023: US$11,2 million) and staff welfare loans. No provisions have been made for these amounts and staff welfare loans are secured.

The Group holds collateral on some receivable balances. The estimated value of this collateral is US$11,6 million (2022: US$3 million). The Group does not hold other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Group to the counterparty. The average debtor days is 18 (2023: 7).

The Group has recognised an allowance for credit losses of US$2,3 million (2023: US$1,9 million) based on the historical past default performance of the counterparty and the analysis of the counterparty's financial position. The Group measures the loss allowance for trade receivables at an amount equal to the lifetime expected credit losses ("ECL"), based on the ECL rates in the Delta group-wide provision matrix. The expected credit losses on trade receivables are estimated using the Delta group-wide provision matrix which makes reference to past default experience of group debtors and an analysis of group debtors' current financial positions, adjusted for factors that are specific to the group debtors', general economic conditions of the industry in which the group debtors operate and an assessment of both the current as well as the forecast direction of conditions at the reporting date. The Group has recognised a loss allowance as indicated in the matrix below.

The Group's current provision matrix is as follows:

Number of Days After Granting of Credit	2024 ECL%	2023 ECL%
0 - 90	**4%**	2%
90+	**56%**	27%

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, whichever occurs earlier.

Before accepting new customer, the Group uses a credit scoring system to assess the potential customer's credit quality and define the credit limits by customer. Limits and customer performance are reviewed regularly. During the year 87% (2023: 81%) of receivables are neither past due nor impaired.

Trade receivables disclosed above include amounts (see below for age analysis) that are past due but at the end of the reporting period for which the Group has not recognised an allowance for credit losses because there has not been a significant change in credit quality and the amounts are still considered recoverable. Included in over 90 days is US$2,7 million (2023: US$3,7 million) that relates to contract farmers input loans that are recoverable at harvest against crop deliveries.

	2024 US$'000	2023 Restated US$'000
0 - 30 days	**16 563**	13 636
31 - 60 days	**1 695**	2 809
61 - 90 days	**2 376**	1 340
Over 90 days	**1 136**	4 252
	21 770	22 037

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
17. TRADE AND OTHER RECEIVABLES (continued)		
Movement in allowance of credit losses		
Balance at the beginning of the year	**1 868**	1126
Foreign exchange impact of translating to presentation currency	**(822)**	(441)
Increase in allowance for credit losses	**1 208**	909
Effects of IAS 29	**18**	(733)
Amounts written off during the year as uncollected	**51**	1 010
Amounts recovered during the year	**—**	(3)
Balance at end of year	**2 323**	1 868

In determining the recoverability of a trade receivable, the Group considers any change in the credit quality of the trade receivable from the date the credit was initially granted up to the end of the reporting period. The concentration risk is limited due to the fact that the customer base is large and unrelated. The Group measures an expected credit loss allowance equal to lifetime expected credit losses for trade receivables held at amortised cost as these receivables do not contain a significant financing component.

	2024 US$'000	2023 Restated US$'000
Ageing of impaired trade receivables		
0 - 90 days	**860**	326
Over 90 days	**1 463**	1 542
Total	**2 323**	1 868

18. FINANCIAL ASSET-FAIR VALUE AND OTHER ASSETS

18.1 Financial Asset - Amortised cost

	2024 US$'000	2023 Restated US$'000
Opening balance	**1 435**	—
Foreign exchange impact of translating to presentation currency	**(630)**	—
Additions	**5 056**	1 435
Interest income	**3 513**	—
IAS 29 Impact	**(544)**	—
	8 830	1 435

Treasury bills disclosed above represents the treasury bid component received from the Reserve Bank of Zimbabwe in settlement of the legacy debt. These are carried at 0% coupon, and have a tenure of 3 - 20 years. The amortised cost approximates the fair value. As they are issued by the government, the rate of default is nil, resulting in nil expected credit losses.

The increase in the balance is as a result of the issuance of treasury bills relating to legacy debt balances.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

18. FINANCIAL ASSET-FAIR VALUE AND OTHER ASSETS (continued)

18.1 Financial Asset - Amortised cost (continued)

The Group measures these bills at amortised cost. Management used the discounted cashflow method. The treasury bills are discounted using an effective interest rate of 7.5% (2023: 10%). The interest rate was adopted from market-quoted prices of other US$-denominated Treasury Bills that have not yet matured. All facilities were assumed to be held to maturity. The rate was considered prudent given that the yield on a 20-year US Treasury Bonds is 4.45%.

Refer to note 29.6 for further details.

	2024 US$'000	2023 Restated US$'000
18.2 Other Assets		
Prepayments	**27 576**	23 765

19. SHARE CAPITAL

Delta Corporation is listed on the Zimbabwe Stock Exchange (ZSE). Share prices are in ZW$ and have been translated to US$ for presentation purposes.

19.1 Authorised Share Capital

Authorised share capital comprises 1 400 000 000 ordinary shares of ZW$0,01 (US$0,00000182) per share.

19.2 Ordinary Shares Issued and Fully Paid

	2024 Number of shares in millions	2023 Number of shares in millions
At beginning of year	**1 308**	1 299
Exercise of share options	**11**	9
Share buy back	**(5)**	—
At end of year	**1 314**	1 308

The number of shares above is net of treasury shares (Refer to note 19.5).

19.3 Unissued Shares

Subject to the limitations imposed by the Companies Act (Chapter 24:31), in terms of a special resolution of the Company in the General Meeting, the unissued share capital comprising 75 287 485 (2023: 86 303 815) ordinary shares has been placed at the disposal of the directors for an indefinite period.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

19. SHARE CAPITAL (continued)

19.4 Shares Under Option

The directors are empowered to grant share options to certain employees of the Group. These options vest after three years and are exercisable for a period of ten years. Each employee share option converts into one ordinary share of Delta Corporation Limited on exercise. No amounts are paid or payable by the recipient on receipt of the option. The number of shares subject to option is approved by shareholders in a General Meeting, and the number of options granted is calculated in accordance with the performance-based formula approved by the Remuneration Committee. The numbers of share options are limited in line with the Zimbabwe Stock Exchange (ZSE) regulations.

The share options prices and values have been disclosed in ZW$ as they result in negligible values in US$. Details of the number of shares under option outstanding during the year are as follows:

Date of Grant	Date of expiry	Historic Grant Date Prices ZW$	US$ Converted Prices	Number of Shares 2024 '000	Number of Shares 2023 '000
Total options					
10 May 2019	10 May 2029	2.95	0.19	**145**	230
7 May 2020	7 May 2030	5.81	0.04	**30**	3 980
10 August 2020	10 August 2030	16.23	0.06	**20**	5 962
6 May 2021	6 May 2031	53.25	0.15	**8 455**	9 180
6 May 2022	6 May 2032	394.95	0.48	**8 400**	8 920
5 May 2023	5 May 2033	976.80	0.42	**6 680**	—
28 July 2023	28 July 2033	1700.00	0.30	**3 440**	—
Total Share Incentives				**27 170**	28 272

	2024 '000	2023 '000
Movements in share options during the year:		
Number outstanding at beginning of year	**28 272**	29 470
New options /SARS granted during year	**10 120**	8 920
Forfeited Shares	**(72)**	(694)
Exercised during year	**(11 150)**	(9 424)
Outstanding at end of year	**27 170**	28 272

The weighted average price of exercise of share options and the weighted average stock exchange price for the year were ZW$12.44 (2023: Historic ZW$3.02) and ZW$3 500.92 (2023: Historic ZW$339.98) respectively. The number of shares forfeited for the year ended 31 March 2024 is 72 500 (2023: 694 410 shares). The average exchange rate for the year was US$1: ZW$4 826.69 (2023: ZW$1: 642.61).

Share options granted under the employee share option plan carry no rights to dividends and no voting rights.

In terms of the Company share option scheme, options were granted on 5 May 2023 and 28 July 2023. The estimated fair value of the options granted was US$1,2 million. The options granted mature after three years and, accordingly, the fair value will be amortised over that period. The Group recognised total expenses of US$263 million (2023: US$735 million) in respect of share options in issue.

The fair value of the options granted in the current year was calculated using the Black-Scholes option pricing model as adjusted for dividends by Robert Merton, and the following weighted average assumptions were made.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

19. SHARE CAPITAL (continued)

19.4 Shares Under Option (continued)

Date of Issue	MAY 2022
Grant date share price – ZW$	394.95
Expected volatility	52.12%
Dividend yield	4.30%
Risk-free interest rate	10.48%

In prior years, expected volatility and dividend yield was determined by reference to an entity in a similar industry (AB InBev) and market due to the circumstances that prevailed in the country. Ordinarily the historical volatility of the Company's share over four years and dividend yield realised was the basis of calculation. The expected life was based on experience over a ten-year period, but the life used in the model has been adjusted, based on management's best estimates, for the effects of non-transferability, exercise restrictions as regards closed periods and behavioural considerations. The weighted average value took into account an expected 0% level of forfeiture.

Expected volatility is based on the Company's historical share price volatility since dollarisation.

19.5 Share Buy Back

The effect of the cost of the share buy back (treasury shares) has been debited to reserves. The Company held a total of 10 265 696 (2023: 5 632 579) of its own shares as treasury stock.

19.6 Share premium

The excess of the cash price on exercise of share options and the nominal share price is disclosed as a share premium.

19.7 Change in ownership

The difference between the carrying value and the consideration paid for the purchase of shares of a subsidiary previously owned by non-controlling interest holders are accounted for as a change in ownership and form part of reserves. During the year the Company purchased an additional 241 475 shares in AFDIS from non-controlling shareholders for a consideration of US$51 873.

20. DIRECTORS' SHAREHOLDINGS

In both current and prior year, the Directors held directly and indirectly the following number of shares in the Company:

	2024 Number of shares	2023 Restated Number of shares
E Fundira	**169**	169
S Moyo	**6 270**	6 270
Dr A M P Marufu	**13 610**	—
T Moyo	**32 550**	21 007
C C Jinya	**12 490**	12 490
A Makamure	**7 800 373**	6 037 723
M M Valela	**19 877 110**	17 344 050
	27 742 572	23 421 709

No changes in Directors' shareholdings have occurred between the financial year end and 3 May 2024, being the date of the last meeting of the directors.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
21. BORROWINGS		
21.1 Movements in Long Term Borrowings		
Balance at beginning of year	**468**	8 988
Foreign exchange impact of translating to presentation currency	**(206)**	(3 519)
Translation differences on foreign balances	**—**	1 787
Transfer to short-term loan	**(468)**	(5 944)
Loans raised	**—**	596
Repayment	**—**	(1 279)
Effects of IAS 29	**206**	(161)
Balance at end of year	**—**	468
21.2 Movements in Short Term borrowings		
Balance at beginning of year	**5 163**	8 179
Foreign exchange impact of translating to presentation currency	**(2 268)**	(3 202)
Translation differences on foreign balances	**1 179**	781
Transfer from long-term loan	**468**	5 944
Loans raised	**15 958**	4 703
Overdraft	**—**	1 919
Repayment of capital	**(18 544)**	(11 747)
Repayment of interest	**(736)**	—
Interest	**796**	—
Effects of IAS 29	**(4 749)**	(1 575)
Revaluation arising from exchange differences	**4 241**	161
Balance at end of year	**1 508**	5 163
Overdraft	**16 745**	—
Total borrowings	**18 253**	5 163

Borrowings, which are unsecured, form part of the core borrowings of the Group and are renewed on maturity in terms of ongoing facilities negotiated with the relevant financial institutions. In terms of a resolution of the Company in a general meeting, borrowings shall not exceed, in aggregate, shareholders' equity, which amounts to US$203 million (2023: US$129 million).

Included in the short term borrowings is a bank overdraft amounting to US$16,7 million (2023: US$1,92 million).

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
22. LEASE LIABILITY		
Balance at the beginning of the year	**2 211**	882
Foreign exchange impact of translating to presentation currency	**(1 074)**	(345)
Additions	**4 235**	389
Repayments of capital	**(1 387)**	(575)
Repayments of interest	**(411)**	(184)
Interest	**424**	184
Effects of IAS 29	**1 376**	(397)
Translation differences	**62**	2 257
Lease liability at end of year	**5 436**	2 211
Maturity analysis		
Short-term - Due within 1 year	**1 186**	209
Long-term - Due between 2 years and 10 years	**4 250**	1 819
Balance at end of year	**5 436**	2 028

The weighted average rate applied was 10% (2023: 10%) for leases within Zimbabwe and 13.25% (2023: 12.25%) for UNB SA related leases.

	2024 US$'000	2023 Restated US$'000
23. TRADE, OTHER PAYABLES AND PROVISIONS		
23.1 Trade and Other Payables		
Trade payables	**44 677**	30 476
Accruals and other payables	**74 521**	60 934
	119 198	91 410

The carrying amount of trade and other payables is approximately equal to their fair values.

The average credit period on purchases of certain goods is 30 days. No interest is charged on the trade payables. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
23. TRADE, OTHER PAYABLES AND PROVISIONS (continued)		
23.2 Provisions		
Employee benefits*		
Balance at beginning of year	**16 837**	12 570
Foreign exchange impact of translating to presentation currency	**(3 595)**	(4 921)
Net movement	**8 668**	19 622
Effects of IAS 29	**769**	(10 434)
Balance at end of year	**22 679**	16 837
**Containers in the market ** **		
Balance at beginning of year	**11 223**	12 101
Foreign exchange impact of translating to presentation currency	**(4 930)**	(4 737)
Net container market absorption movement	**380**	8 802
Effects of IAS 29	**2 459**	(4 943)
Balance at end of year	**9 132**	11 223
Provisions at end of year	**31 811**	28 060

* The provision for employee benefits represents annual leave entitlements and long service awards accrued.
** Containers in the market is the estimated value of the returnable containers population in the market and the Group's obligation to re-purchase these containers for re-use. Refer to note 4.9 for further details.

	2024 US$'000	2023 Restated US$'000
24. CASHFLOW INFORMATION		
24.1 Cash generated from operating activities		
Profit before tax	**104 399**	87 329
Depreciation of property, plant and equipment, right of use and container amortisation	**14 583**	12 806
Loss on disposal of property, plant and equipment	**118**	38
Share option expense	**594**	735
Finances charges	**3 544**	6 876
Finance Income	**(3 667)**	(59)
Unrealised exchange losses / (gains)	**4 142**	(8 997)
Movement in legacy debt	**—**	1 227
Share of profit of associates	**(2 468)**	(452)
Stock losses and breakages	**7 042**	3 999
Container breakages / adjustments	**7 570**	(17 490)
Net monetary loss	**8 995**	34 841
Other non-cash items	**3 881**	8 001
	148 733	128 854

Notes to the Financial Statements (continued)
for the year ended 31 March 2024

	2024 US$'000	2023 Restated US$'000
24. CASHFLOW INFORMATION (continued)		
24.2 Movement in working capital		
Increase in inventories	**(53 634)**	(81 308)
Increase in receivables and other assets	**(41 935)**	(43 736)
Increase in trade and other payables	**69 689**	83 562
	(25 880)	(41 482)
24.3 Income Taxation Paid		
Balance at beginning of year	**(4 880)**	(7 885)
Current and withholding tax (Ref note 11.1)	**(22 112)**	(18 915)
Foreign exchange impact of translating to presentation currency	**2 147**	3 087
Effects of IAS 29	**3 639**	(2 288)
Liability at end of year	**5 096**	4 880
Current tax asset	**(440)**	—
	(16 550)	(21 121)
24.4 Dividend Paid		
By the company:		
Balance at beginning of year	**—**	(19 480)
Foreign exchange impact of translating to presentation currency	**—**	7 627
Dividend declared (Ref note 25)	**(39 283)**	(11 173)
Effects of IAS 29	**5 691**	6 150
Balance at end of year	**—**	—
	(33 592)	(16 876)
By subsidiary:		
Declared dividend at the beginning of year	**—**	—
Dividend declared	**(566)**	(231)
Effects of IAS 29	**22**	—
Balance at end of year	**—**	—
	(544)	(231)
Total Dividends Paid	**(34 136)**	(17 107)
24.5 Cash and Cash Equivalents		
Made up as follows:		
Bank balances and cash	**26 410**	16 012
Bank overdraft	**(16 745)**	(1 919)
Cash and cash equivalents	**9 665**	14 093

Cash and cash equivalents is made up of bank balances and cash.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$ Cents	2023 US$ Cents	2024 US$'000	2023 US$'000
25. DIVIDENDS DECLARED BY COMPANY				
Final Prior year	**0.02**	—	**26 161**	—
Interim	**0.01**	0.01	**13 121**	11173
Effects of IAS 29	**—**	–	**(5 691)**	—
	0.03	0.01	**33 591**	11 173

26. RELATED PARTY TRANSACTIONS

26.1 Parties with Significant Influence Over The Group

The entities and individuals known to be significant shareholders (owning more than 5% of a class of equity) of Delta Corporation Limited are shown on page 199 of this report.

AB Inbev Group entities are considered to be related parties of the Group by virtue of its 40% equity shareholding in Delta Corporation Limited. Details of the transactions are shown below.

26.2 Related Party Transactions

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between Group companies and other related parties are disclosed below.

	Purchases of goods US$'000	Royalties, Technical & other fees US$'000	Sale of goods US$'000	Rental payments US$'000	Amounts Owed by Related parties US$'000	Amounts Owed to Related parties US$'000
2024						
AB InBev Companies	—	**3 686**	9 279	—	**11 198**	—
Nampak Zimbabwe Limited	(18 953)	**—**	—	—	**—**	(2 545)
Schweppes Zimbabwe Limited	2	**—**	—	—	**—**	7
Delta Pension Fund	—	**—**	—	1	**—**	—
	(18 951)	**3 686**	9 279	1	**11 198**	(2 538)
2023						
AB InBev Companies	22 961	**4 523**	—	—	**—**	(5 094)
Nampak Zimbabwe Limited	17	**—**	—	—	**—**	—
Schweppes Zimbabwe Limited	7	**—**	—	—	**—**	—
Delta Pension Fund	—	**—**	—	82	**—**	(69)
	22 985	**4 523**	—	82	**—**	(5 163)

During the course of the year Scanlen and Holderness a law firm in which the Group Chairman is a partner, provided legal services to the Group amounting to US$28 836 (2023: US$26 300).

Transactions with related parties are carried out at arm's length. The amounts outstanding are unsecured and will be settled on normal terms. No expense has been recognised in the current or prior periods for bad or doubtful debts in respect of the amounts owed by related parties.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

26. RELATED PARTY TRANSACTIONS (continued)

26.3 Remuneration of Directors and Other Key Management

The remuneration of directors and other members of key management during the year was as follows:

	2024 US$'000	2023 US$'000
Short-term benefits	**8 879**	4 505
Post-employment benefits	**725**	383
Share based payments	**172**	606
	9 776	5 494
Included in the above amounts are the following in respect of directors' emoluments:		
For services as directors	**199**	153
For managerial services	**2 170**	1 813
	2 369	1 966

26.4 Subsidiaries*, Associates** and Joint Ventures***

Name	Country of Incorporation	Principal activity	Effective Interest 2024	Effective Interest 2023
Delta Beverages (Private) Limited*	Zimbabwe	Beverages Manufacture	100%	100%
National Breweries Limited*	Zimbabwe	Dormant	100%	100%
Chibuku Breweries Limited*	Zimbabwe	Holding	100%	100%
United Bottlers (Private) Limited*	Zimbabwe	Dormant	100%	100%
Bevcool (Private) Limited*	Zimbabwe	Dormant	100%	100%
Polycon Converters (Private) Limited*	Zimbabwe	Dormant	100%	100%
Matchwell Investments (Private) Limited*	Zimbabwe	Dormant	100%	100%
Delta Beverages South Africa*	South Africa	Holding	100%	100%
Chibuku Holdings Plc*	Mauritius	Holding	100%	100%
Newshelf T/A United National Breweries Pty Ltd*	South Africa	Sorghum Beer Manufacture	100%	100%
Headend (Private) Limited*	Zimbabwe	Dormant	92%	92%
Mandel Training Centre P/L*	Zimbabwe	Dormant	75%	75%
National Breweries Plc*	Zambia	Sorghum Beer Manufacture	70%	70%
Afdis Holdings Limited / Afdis Limited*	Zimbabwe	Beverages Manufacture	51%	51%
Food & Industrial Processors (Private) Limited**	Zimbabwe	Starch Distributor	49%	49%
Schweppes Zimbabwe Limited**	Zimbabwe	Beverages Manufacture	49%	49%
Nampak Zimbabwe Limited**	Zimbabwe	Plastics & Paper Manufacture	21%	21%
PetrecoZim (Private) Limited***	Zimbabwe	Plastics Recycling	15%	15%

Food & Industrial Processors is a starch distribution entity and the investment was written off in prior years. The Group does not participate in the policy making process. The investment has been considered immaterial.

PetrecoZim is a PET plastic recycling entity which the Group invested in as part of the post-consumer waste management initiative in line with its sustainable development framework. The Group does not expect to derive any future economic benefits from this investment and does not wield significant influence and as such all contributions towards the investment have been written off and are considered immaterial to the Group.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

	2024 US$'000	2023 US$'000
27. COMMITMENTS FOR CAPITAL EXPENDITURE		
Contracts and orders placed	**9 639**	—
Authorised by directors but not contracted for	**58 310**	92 596
	67 949	92 596

The capital expenditure is to be financed out of the Group's own resources and existing borrowing facilities.

28. PENSION FUNDS

Group operating companies and all employees contribute to one or more of the following independently administered pension funds. These include Delta Beverages Pension Fund, African Distillers Pension Fund and National Breweries Pension Trust Scheme.

28.1 Delta Group Pension Fund

The funds are independently administered defined contribution funds and are, accordingly, not subject to actuarial valuations.

28.2 National Social Security Authority Scheme

In Zimbabwe the Group Companies and all employees contribute to the National Pension Scheme whilst in Zambia they contribute to the National Pension Scheme Authority and in South Africa to the United National Breweries SA Provident Fund.

These are defined contribution schemes promulgated as compulsory national schemes. The Group's obligations under the scheme are limited to specific contributions legislated from time to time.

	2024 US$'000	2023 US$'000
28.3 Pension costs recognised as an expense		
Group Pension Funds	**6 675**	4 638
National Social Security Authority Scheme	**1 689**	1 553
Scheme / NPSA Fund Zambia	**114**	107
Scheme / United National Breweries SA (Pty) Ltd Provident Fund	**75**	36
	8 553	6 334

29. FINANCIAL RISK MANAGEMENT

29.1 Treasury Risk Management

The Group Management Committee, consisting of senior executives of the Group, meets on a regular basis to analyse, amongst other matters, currency and interest rate exposures and re-evaluate treasury management strategies against revised economic forecasts. Compliance with Group policies and exposure limits is reviewed at quarterly board meetings.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

29. FINANCIAL RISK MANAGEMENT (continued)

29.2 Foreign Currency Management

Exposure to exchange rate fluctuations and foreign loans is limited by Group treasury policy and is monitored by the Group Management Committee. Operating subsidiaries manage short-term currency exposures relating to trade imports and exports within approved parameters.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the end of the reporting period were as follows:

	Liabilities		Assets		Net exposure	
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
ZW$*	**(48 809)**	—	**5 449**	—	**(43 360)**	—
US$**	**—**	(6 181)	**—**	2 291	**(3 890)**	—
Euro	**(3 703)**	(339)	**1 850**	3 934	**(1 853)**	3 595
GBP	**(13)**	—	**—**	9	**(13)**	9
Rand	**(5 032)**	(583)	**10 336**	10 816	**5 304**	10 232

* Starting from 1 October 2023, ZW$ balances will be treated as foreign currency denominated due to the change in functional currency to US$.

** Starting from 1 October 2023, US$ balances will not be treated as foreign currency denominated due to the change in functional currency to US$.

The following table details the Group's sensitivity to a 10% increase or decrease in the US$ against the ZW$, Euro and South African Rand in 2024 and ZW$ against the US$, Euro and South African Rand in 2023. The 10% represent management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and adjusts their translation at the period end for a percentage change in foreign currency rates. A positive number below indicates an increase in profit where the US$ strengthens or weakens in a favourable manner against the net exposure.

	Euro Impact		Rand Impact		ZW$ Impact	GBP Impact		US$ Impact
	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000	2024 US$'000	2023 US$'000
Impact on profit (+/-)	**(185)**	360	**530**	1 023	**(4 336)**	(1.30)	**0.90**	(389)

29.3 Interest Risk Management

Group policy is to adopt a non-speculative approach to managing interest rate risk. Approved funding instruments include bankers' acceptances, call loans, overdrafts, commercial paper, foreign loans and where appropriate, long-term loans. Approved investment instruments include fixed and call deposits. The risk is limited as there are no variable/floating rate instruments held.

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

29. FINANCIAL RISK MANAGEMENT (continued)

29.4 Liquidity Risk Management

The Group has established an appropriate liquidity risk management framework for the management of the Group's short, medium and long-term funding and liquidity management requirements. The Group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cashflows, and by matching the maturity profiles of financial assets and liabilities.

Liquidity and Interest rate tables

The following tables detail the Group's remaining contractual maturity for its financial liabilities with agreed repayment periods and fixed interest rates. There are no financial liabilities with floating rates. The tables have been drawn up based on the discounted cashflows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cashflows. All interest rate cashflows are fixed in nature. The contractual maturity is based on the earliest date on which the Group may be required to pay.

	Weighted average effective interest rate %	0-2 months US$'000	2-12 months US$'000	12-36 months US$'000	12-36 months US$'000	Total US$'000
31 March 2024						
Borrowings	7,5	—	1 621	—	—	**1 621**
Lease liabilities		188	833	2 745	2 258	**6 024**
Trade payables		44 677	—	—	—	**44 677**
		44 865	2 454	2 745	2 258	**52 322**
31 March 2023						
Borrowings	7,5	—	5 550	503	—	**6 053**
Lease liabilities		120	474	1 377	270	**2 241**
Trade payables		30 476	—	—	—	**30 476**
		30 596	6 024	1 880	270	**38 770**

	2024 US$'000	2023 US$'000
FINANCING FACILITIES		
Unsecured bank loan facility with various maturity dates through to March 2024 and of which:		
Amount used	**10 288**	—
Amount unused	**16 120**	1 527
Total available	**26 408**	1 527

The directors consider that the carrying amounts of financial assets and financial liabilities in the financial statements approximate their fair values.

29.5 Credit Risk Management

Potential concentration of credit risk consists principally of short-term, cash and cash equivalent and trade debtors. The Group deposits short-term cash surpluses only with major banks of high credit standing. Trade debtors comprise a large, widespread customer base and Group companies perform on-going credit evaluations of the financial condition of their customers. The Group uses publicly available financial information and its own trading records to rate its major customers. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually. The Group does not have significant credit risk exposure to any single trade debtor. Concentration of credit risk did not exceed 10% (2023: 10%) for any counter-party. The credit risk on liquid funds is limited because the counter parties are banks with high credit ratings assigned by international credit-rating agencies.

29.6 Fair Value of Financial Instruments

The estimated net fair values of all financial instruments approximate the carrying amounts shown in the financial statements.

The Group uses the following hierarchy for determining and disclosing the fair value of financial assets.

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs that have a significant effect on the recorded fair value and are not based on observable market data.

The Group did not have any financial assets under Level 2 in the current and prior financial years, in addition, the Group did not have any transfers between levels.

29.7 Categories of Financial Instruments

	Notes	2024 US$'000	2023 US$'000
Financial assets			
Amortised cost:			
Cash and bank balances		**26 410**	16 012
Trade and other receivables	17	**50 236**	40 978
Loans	15.3	**4 348**	6 700
Financial asset at amortised costs	18.1	**8 830**	1 435
Fair value through profit/loss:			
Investments	15.2	**877**	726
Financial liabilities			
Amortised cost:			
Borrowings	21	**18 253**	5 630
Trade payables	23.1	**44 677**	30 476

Notes to the Financial Statements (continued)

for the year ended 31 March 2024

29. FINANCIAL RISK MANAGEMENT (continued)

29.8 Capital Risk Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximising the return to stakeholders. The capital structure of the Group consists of net cash (comprising borrowings as offset by cash and bank balances) and equity of the Group (comprising issued capital, reserves and retained earnings). The Group is not subject to any externally imposed capital requirements. The gearing ratio is 99% in current year (2023: 68%).

29.9 Financial Risk Management Objectives

The Group's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk (including currency risk, fair value interest rate risk and price risk), credit risk, liquidity risk and cashflow interest rate risk.

30. GOING CONCERN

The Directors have assessed the ability of the Group to continue as a going concern and believe that the preparation of these financial statements on a going concern basis is appropriate. The Zimbabwe business is witnessing a significant recovery despite operating in an unstable macroeconomic environment. The key factors related to an unstable currency, high inflation, a turbid political environment, fluid policy framework, and the impacts of global conflicts.

Consumer spending continues to be strongly driven by mining and infrastructure development projects. The business has been able to grow volume across all business units during the period. Management constantly reviews the business risks and the business continuity plans in order to maintain operations at sustainable levels; competitive product pricing, cost reduction initiatives, and adapting sourcing strategies as necessary. The South African business and United National Breweries (UNB) are on a recovery path from the residual effects of Covid 19 with UNB almost achieving breakeven volumes and cashflows. Management will continue to realign the marketing, route to market, and business operations in general, for sustainability.

Natbrew Zambia has faced funding challenges arising from cumulative financial losses and loss of volume over the years. Management is implementing a business recovery plan over the next 5 years.

31. SUBSEQUENT EVENTS

On the 5th of April 2024, Statutory Instrument 60 of 2024, Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, 2024 (The S.I) was gazetted, giving effect to a new currency, Zimbabwe Gold (ZiG). The S.I introduced the new base currency tagged ZiG and renamed what was previously known as ZiG to the Gold Bank Digital Tokens ("GBDT").

Company Statements of Comprehensive Income

for the year ended 31 March 2024

	Notes	2024 US$'000	2023 Restated US$'000
Dividend and other income	**J**	**41 395**	**11 827**
Interest Income		—	67
Interest expense		—	(67)
Administrative expenses	K	**(672)**	(394)
Monetary loss		**(674)**	(351)
Profit before tax		**40 049**	11 082
PROFIT FOR THE YEAR		**40 049**	11 082
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Foreign exchange impact of translating to presentation currency		**(5 880)**	(14 471)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**34 169**	(3 389)

Note: The prior year company statement of comprehensive income was previously reported in ZW$. This was restated by converting to the company's new presentation currency, US$. Refer to note 4.2.1 for details of the change in presentation currency.

Company Statement of Financial Position

At 31 March 2024

	Notes	2024 US$'000	2023 Restated US$'000	2022 Restated US$'000
ASSETS				
Non-Current Assets				
Interest in subsidiaries	A	**19 107**	16 029	25 960
Investments in associates	E	**707**	1 260	2 071
Trademarks	F	**2 845**	5 073	8 337
Other investments	G	**399**	7 023	165
		23 058	29 385	36 533
Current Assets				
Dividends and other receivables from subsidiaries	B	**—**	—	19 773
Trade and other receivables	C	**974**	484	93
		974	484	19 866
Total Assets		**24 032**	29 869	56 399
EQUITY AND LIABILITIES				
Capital and Reserves				
Share Capital	19.2	**994**	1 772	2 913
Share Premium		**6 800**	12 088	19 809
Share options reserve		**121**	1 919	2 100
Retained earnings		**6 998**	7 221	12 004
Total shareholders' equity		**14 913**	23 000	36 826
Current Liabilities				
Trade and other payables	D	**974**	484	93
Dividends Payable	24.4	**—**	—	19 480
Loans from Subsidiaries	I	**8 145**	6 385	—
		9 119	6 869	19 573
Total Equity and Liabilities		**24 032**	29 869	56 399

Note: The comparative statements of finanacial position (31 March 2023 and 31 March 2022) were previously reported in ZW$. These were restated by converting to the Group's new presentation currency, US$. Refer to note 4.2.1 for details of the change in presentation currency.

The financial statements were approved by the Board and authorised for issue on 15 May 2024.

M M Valela
Chief Executive Officer

A Makamure
Executive Director - Finance

Company Statement of Cashflow

for the year ended 31 March 2024

	Notes	2024 US$'000	2023 Restated US$'000
Cashflow from operating activities			
Profit before tax		**40 049**	11 229
Adjustments			
Dividends received	J	**(39 821)**	(11 426)
Interest Income		**—**	67
Interest expense		**—**	(67)
		228	(197)
Non-cash Items:-			
Fair value loss / (gain) on financial asset		**(192)**	(308)
Net Monetary loss		**674**	351
		710	(154)
Increase in trade and other receivables		**(626)**	(390)
Increase in trade and other payables		**626**	390
Cash generated from operations		**710**	(154)
Items shown separately			
Interest Income		**—**	67
Interest expense		**—**	(67)
Dividend received		**39 821**	11 426
Dividend Paid		**(39 282)**	(16 877)
Net cashflow from operating activities		**1 249**	(5 605)
Cashflow from investing activities			
Investments in Subsidiaries		**(6 643)**	(4 411)
Investments in Medical Investment Limited		**—**	(170)
Purchase of equity instruments**		**(52)**	(232)
Net cash from investing activities		**(6 695)**	(4 813)
Cashflow from financing activities			
Share buyback		**(3 505)**	—
Net cash utilised in financing activities		**(3 505)**	—
(Decrease) / increase in cash and cash equivalents before effects of currency translation		**(8 951)**	(10 418)
Effects of IAS 29 on cash and cash equivalents		**(26)**	119
Effects of currency translation on cash and cash equivalents		**8 977**	10 299
Cash and cash equivalents at beginning of the year		**—**	—
Cash and cash equivalents at end of the year		**—**	—

All cash payments are made through Delta Beverages (Private) Limited a wholly owned subsidiary.

** Purchase of equity instruments relates to purchase of additional shares in AFDIS (US$51 737)

Note: The prior year statement of cashflows was previously reported in ZW$. This was restated by converting to the Company's new presentation currency, US$. Refer to note 4.2.1 for details of the change in presentation currency.

Company Statements of Changes in Total Equity

for the year ended 31 March 2024

	Notes	Share Capital US$'000	Share Premium US$'000	Share Options Reserve US$'000	Retained Earnings Restated US$'000	Total Equity US$'000
At 1 April 2022 — Restated		2 913	19 809	2 100	12 004	**36 826**
Profit for the year		—	—	—	11 082	**11 082**
Other Comprehensive income for the year		(1 141)	(7 755)	(845)	(4 730)	**(14 471)**
Total Comprehensive Income for the year		(1 141)	(7 755)	(845)	6 352	**(3 389)**
Transactions with owners:						
Share options excercised		0.11	34	(34)	—	**0.11**
Forfeited shares adjustment		—	—	(38)	38	**—**
Share based payment recognition		—	—	736	—	**736**
Dividends Declared	24.4	—	—	—	(11 173)	**(11 173)**
At 1 April 2023 — Restated		1 772	12 088	1 919	7 221	**23 000**
Profit for the year		—	—	—	40 049	**40 049**
Other Comprehensive income for the year		(778)	(5 310)	(2 301)	2 509	**(5 880)**
Total Comprehensive Income for the year		(778)	(5 310)	(2 301)	42 558	**34 169**
Transactions with owners:						
Share options excercised		0.01	22	(22)	—	**0.01**
Forfeited shares adjustment		—	—	(6)	6	**—**
Share buyback		—	—	—	(3 505)	**(3 505)**
Share based payments recognition		—	—	531	—	**531**
Dividends Declared	24.4	—	—	—	(39 282)	**(39 282)**
At 31 March 2024		**994**	**6 800**	**121**	**6 998**	**14 913**

Note: The prior year statement of changes in equity was previously reported in ZW$. This was restated by converting to the Company's new presentation currency, US$. Refer to note 4.2.1 for details of the change in presentation currency.

Notes to the Company Financial Statements

for the year ended 31 March 2024

A.1 ACCOUNTING POLICY

Loans to subsidiaries previously measured at amortised cost have been reclassified to investments in subsidiaries in the current year.

A.2 INTEREST IN SUBSIDIARIES

Details of all subsidiaries are provided on Note 26.4 of the Consolidated Financial Statements. This includes interest in Delta Beverages (Private) Limited, National Breweries Plc, African Distillers Limited, United Bottlers (Private) Limited, Chibuku Breweries Limited, National Breweries and Delta Beverages Pty Limited South Africa recognised at cost.

	2024 US$'000	2023 Restated US$'000
Interest in subsidiaries		
Delta Beverages (Private) Limited	**7**	12
National Breweries Limited	**1 188**	2
United Bottlers (Private) Limited	**8 933**	2
Chibuku Breweries Limited	**11**	19
National Breweries Plc	**1 005**	1 793
Delta Beverages Pty Limited South Africa*	**—**	—
African Distillers Limited	**7 963**	14 201
	19 107	16 029

* DBSA is a wholly owned subsidiary of the Company recognised at a cost of ZW$ 1.00

B. DIVIDENDS AND OTHER RECEIVABLES FROM SUBSIDIARIES

Dividends and other receivables relates to dividends declared by the company that are settled through Delta Beverages (Private) Limited.

C. TRADE AND OTHER RECEIVABLES

Other receivables refers to unclaimed dividends from the share transfer secretaries.

	2024 US$'000	2023 Restated US$'000
Trade and other receivables		
At beginning of year	**484**	93
IAS 29 Impact	**77**	193
Foreign exchange impact of translating to presentation currency	**(213)**	198
Movement during the year	**626**	—
At end of year	**974**	484

Notes to the Company Financial Statements (continued)
for the year ended 31 March 2024

D. TRADE AND OTHER PAYABLES

These relate to outstanding dividends which have been declared but not collected by the shareholders from the share transfer secretaries.

	2024 US$'000	2023 Restated US$'000
Trade and other payables		
At beginning of year	**484**	93
IAS 29 Impact	**77**	193
Foreign exchange impact of translating to presentation currency	**(213)**	198
Movement during the year	**626**	—
At end of year	**974**	484

E. INVESTMENT IN ASSOCIATED COMPANIES

Associated companies relate to investments in Nampak Zimbabwe Limited. These are recognised at cost. Refer to **Note 14** of the Consolidated Group Financial Statements.

	2024 US$'000	2023 Restated US$'000
Investments in associates		
At beginning of year	**1 260**	2 071
Foreign exchange impact of translating to presentation currency	**(553)**	(811)
At end of year	**707**	1 260

F. TRADEMARKS

Trademarks include exclusive rights to manufacture and distribute certain brands within the geographical location of the markets in which we operate. These are considered to have indefinite useful lives and are not amortised. This is disclosed in **Note 4.11** of the consolidated Group Financial Statements.

	2024 US$'000	2023 Restated US$'000
Trademarks		
At beginning of year	**5 073**	8 337
Foreign exchange impact of translating to presentation currency	**(2 228)**	(3 264)
At end of year	**2 845**	5 073

G. OTHER INVESTMENTS

	2024 US$'000	2023 Restated US$'000
Medical Investments Limited shares**		
At beginning of year	**434**	1
Additions*	**—**	170
Fair value adjustment	**—**	264
Exchange (loss)/gain	**—**	—
Foreign exchange impact of translating to presentation currency	**(191)**	(1)
At end of year	**243**	434

* The Company exercised a rights issue in May 2022 and purchased 269 021 shares.

Notes to the Company Financial Statements (continued)
for the year ended 31 March 2024

G. OTHER INVESTMENTS (continued)

		2024 US$'000	2023 Restated US$'000
Old Mutual Shares*			
At beginning of year		**145**	164
Fair value adjustment		**192**	45
Foreign exchange impact of translating to presentation currency		**(181)**	(64)
At end of year		**156**	145
Loans to National Breweries			
At beginning of year		**2 034**	—
Additions		**—**	2 034
Reclassification to interest in subsidiaries		**(2 034)**	—
At end of year		**—**	**2 034**
Loans to United National Breweries South Africa			
At beginning of year		**4 410**	—
Additions		**—**	4 343
Reclassification to interest in subsidiaries		**(4 410)**	—
Interest receivable		**—**	67
At end of year		**—**	**4 410**
Categories of Financial Instruments			
Financial assets			
Amortised cost:			
Loans to Subsidiaries	G	**—**	6 444
Trade and other receivables	C	**974**	484
Fair value through profit / loss			
Old Mutual Investment	G	**156**	145
Medical Aid Investment	G	**243**	434
Financial Liabilities			
Amortised cost:			
Trade and other payables	D	**974**	484
Fair Value Hierarchy			
Assets measured at fair value through profit or loss are categorised in terms of the fair value hierarchy as follows:			
Level 1: Quoted Prices In An Active Market*		**156**	145
Level 2: Observable Inputs		**—**	—
Level 3: Unobservable Inputs**		**243**	434
Fair Value		**399**	579

* *Old Mutual Shares - The shares are listed on Johannesburg Stock Exchange.*
** *Medical Investments Limited shares are not publicly traded hence the price per share for the recent right issue was used to determine fair value.*

Notes to the Company Financial Statements (continued)

for the year ended 31 March 2024

H. FINANCIAL RISK MANAGEMENT

The company has the following risks which are managed as follows:

Treasury Risk Management
The Group Management Committee, consisting of senior executives of the Group, meets on a regular basis to analyse, amongst other matters, currency and interest rate exposures and re-evaluate treasury management strategies against revised economic forecasts. Compliance with Company policies and exposure limits is reviewed at quarterly Board meetings.

Liquidity Risk Management
All payables relate to dividends which have already been paid out to the transfer secretaries and the money is held by them on behalf of shareholders who are yet to claim their dividends. The dividends are payable on demand and the same balance has been recognised as a receivable as well.

Capital Risk Management
The Company manages its capital to ensure that it will be able to continue as going concerns while maximising the return to stakeholders. The capital structure of the Company consists of equity (comprising issued capital, reserves and retained earnings). The Company is not subject to any externally imposed capital requirements.

I. LOANS FROM SUBSIDIARIES

Loans from subsidiaries relate to obligations settled by Delta Beverages (Private) Limited net of management fees and share options. The loans do not have a fixed repayment dates and have nil interest.

	2024 US$'000	2023 Restated US$'000
Delta Beverages (Private) Limited	**(8 145)**	(6 385)

J. DIVIDEND AND OTHER INCOME

	2024 US$'000	2023 Restated US$'000
Dividend received		
Delta Beverages (Private) Limited	**39 282**	11 173
Afdis Limited	**499**	253
Old Mutual	**40**	—
Other Income		
Sundry Income	**902**	7
Management fees	**672**	394
Total Income	**41 395**	11 827

Dividend income from investments is recognised when the company rights to receive payments have been established and the amount of revenue can be reliably measured.

Other income refers to sundry income and management fees, these are recognised when obligations of the company are settled by the subsidiary, Delta Beverages (Private) Limited.

Notes to the Company Financial Statements (continued)

for the year ended 31 March 2024

K. ADMINISTRATIVE EXPENSES

	2024 US$'000	2023 Restated US$'000
Administrative expenses		
Directors Fees	**(199)**	(153)
Legal Fees - Statutory Reporting	**(396)**	(115)
Board Expenses	**(2)**	(10)
Stock Exchange Costs - Transfer Secretaries	**(75)**	(116)
Total Expenses	**(672)**	(394)

Administrative expenses relate to expenditure paid for by Delta Beverages (Private) Limited and charged to the Company as management fees.

L. NON DISCLOSURE OF THE CASHFLOW STATEMENT IN PRIOR YEAR

The financial statements at 31 March 2023 excluded the statement of cashflows as the Company does not have its own bank account. A retrospective restatement has been performed in the current year and there is no impact on the Company Statement of Profit or Loss and Other Comprehensive Income, the Company Statement of Financial Position and the Company Statement of Changes in Equity as a result. Refer to the Company Statement of Cashflows presented for the financial impact of the new disclosure.

Group Statistics

for the year ended 31 March 2024

	2024	2023 Restated
SHARE PERFORMANCE		
PER SHARE (US$ CENTS)		
Attributable earnings	**7.71**	4.84
Diluted earnings	**7.58**	4.78
Cash equivalent earnings	**11.04**	8.09
Dividends(US$)	**0.03**	0.03*
Cashflow	**9.42**	6.46
Net asset value	**17.27**	18.50
Closing market price (US$ cents)	**69.39**	83.06
ZSE industrial index	**116.10**	127.35
SHARE INFORMATION		
In issue (m's)	**1 314**	1 308
Market capitalisation (US$ 000's)	**911 735**	1 086 362
Trading volume (m's)	**0.1**	106.4
Trading percentage (%)	**0.01**	8.13
RATIOS AND RETURNS		
PROFITABILITY		
Return on equity (%)	**45.25**	26.36
Income after taxation to total capital employed (%)	**44.11**	23.13
Pretax return on total assets (%)	**25.88**	21.68
SOLVENCY		
Long term debt to total Shareholders' funds (%)	**2**	1
Interest cover (times)	**30**	14
Total liabilities to total Shareholders' funds (%)	**82**	68
LIQUIDITY		
Current assets to interest free liabilities & short-term borrowings	**1.22**	1.37
PRODUCTIVITY		
Turnover per employee (US$ 000's)	**55**	76
Turnover to payroll (times)	**5.69**	5.32
OTHER		
Number of shareholders	**8 564**	8 369

* US$0.01 was declared in November 2022 and US$0.02 was declared in May 2023.

Environmental, Social And Governance (ESG) And Sustainability Report 2023-2024

Our Ambition

Enable a sustainable and inclusive future for a **BRIGHTER** and **BETTER WORLD**

DELIVERING ON OUR SUSTAINABILITY PRIORITIES

Our Purpose

"We bring enjoyment and refreshment to our consumers by nurturing our brands and growing our business sustainably for the betterment of our employees and communities".

In 2023 we celebrated our company's rich, 125-year history, a journey with many significant achievements; of growing brilliant brands, providing for livelihoods, contributing to the development of not only our country but the region and indeed a demonstration of resilience and adaptation. This growth and sustenance reflects our core values and commitment to social and environmental responsibility.

Environmental, Social and Governance Report (continued)

Our Group is a multi-beverage business focusing on alcoholic and non-alcoholic beverages. We do business in a way that improves livelihoods and helps build communities.

We do this by delivering to our consumers refreshing and enjoyable high-quality products. In doing so, we create jobs, pay taxes, and build skills, demonstrating that business growth and sustainable development can be mutually reinforcing rather than conflict. The multiplier effect of our investments and business operations through the value chains is a catalyst for national development.

	2024 US$'000
Direct Taxes	34 262
Excise Taxes	55 377
Other Indirect Taxes	65 356
Total Taxes	**154 995**

Bottling and brewing our great beverages depend on a healthy natural environment and thriving communities. We depend on water and other natural ingredients to bottle and brew our beverages. We hope to create a **BETTER WORLD** for everyone, including the communities and ecosystems where we operate and where our colleagues and consumers live.

Our business strategy is centered around people – our customers and employees as we strive for sustainable solutions that build resilience into the business to respond to current and future challenges while we **MAKE A DIFFERENCE** to the environment we live in. To do that, we have developed ambitious goals to drive positive environmental impact and inclusive growth, because when our communities thrive, we also thrive. **Our initiatives align with the UN Sustainable Development Goals (SDGs) and support our commitment to build a company that lasts the next 100+ years and beyond.**

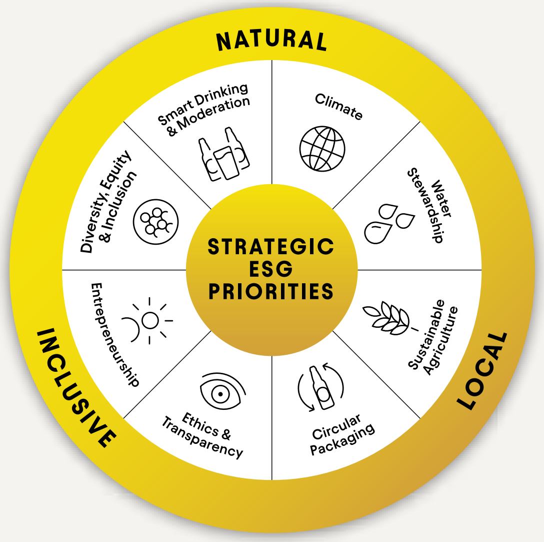
To us, a future with more cheers is shared prosperity for our communities, the planet, and our company. It is growth that is inclusive, value that is shared, and is worth celebrating **TOGETHER**. Sustainability is good business and is a foundational part of our company. We believe in our Brands and Our Future.

Our **Environmental, Social and Governance (ESG) initiatives** are critical to the delivery of our company strategy and purpose. We believe that a strong ESG agenda is vital for our future. We endeavour to build a resilient and agile value chain that will solidify our role as a trusted partner in our ongoing efforts to identify and capture new sources of business value.

To enable a sustainable, equitable future for all, we have developed goals and ambitious programs that build environmental resilience, reduce the harmful consumption of alcohol, and promote inclusive growth and sustainable livelihoods across our varied activities.

We believe that the future of business and the planet is inclusive. We must do our part to tackle shared global and local environmental and social challenges. Our commitment to improving the communities we are part of remains unwavering; we collaborate with governments, value chain partners and other stakeholders. We look ahead to the coming year and beyond with a renewed vision and focus to create a future with more cheers through greater shared prosperity.

Our strategic ESG priorities



We have grouped the United Nations Sustainable Development Goals (UN-SDGs) into eight strategic priorities that help us embed ESG into the fabric of our organisation. We believe these priorities are where we can deliver the greatest shared value for local communities and the planet. These priorities are organised across three cross-cutting themes that succinctly capture our quest for shared prosperity.

Environmental, Social and Governance Report (continued)

Smart Drinking & Moderation

- Influencing behaviour change with social norms through the power of our brands and their marketing.
- Expanding consumer access to low alcohol beer alternatives.
- Amplifying our Smart Drinking messages through digital and technology.
- Advocacy efforts to reduce harmful consumption: promoting differentiation.

Water Stewardship

- Tailored solutions are needed to address the complex water challenges in our local environment.
- Innovation can help unlock higher water efficiency and improved water security.
- Partnerships and multi-stakeholder collaboration are critical for scaling impact.

Climate

- Working toward a shared long-term ambition pushes us forward.
- Short-term goals to reduce energy consumption.
- Collaborating with others to reduce carbon emissions.

Sustainable Agriculture

- Farmers are at the centre of sustainable agriculture.
- Building resilience with regenerative practices is critical to the future of farming and nature.
- Technology is a key enabler of sustainable agriculture.

Circular Packaging

- Innovation is key in developing circular packaging.
- Investing in local recycling systems is a critical enabler to scale up circular packaging.
- Brands can build awareness and engage consumers to think about their own packaging choices and recycling habits.

Entrepreneurship

- The digital transformation of small- and medium-sized businesses extends the impact of our efforts.
- Empowering women entrepreneurs is good for communities and for business.
- Capacity building and market linkages help sustain growth.

Ethics & Transparency

- Ethical behaviour is the foundation for building a company that lasts.
- Ethics is key to building trust with customers.
- Respecting human rights is fundamental to creating healthy, thriving communities.
- Prioritising health and safety is critical for creating shared prosperity with our colleagues.

Diversity & Inclusion

- We strive to be an inclusive workplace with equal opportunity for all.
- We use the power of our brands to inspire change.

Beverages are inclusive, natural and local

Inclusive

Our value chain cuts across many sectors; from the small-scale and commercial farmers to thousands of small retailers, colleagues and consumers.

We strive to improve livelihoods and increase access to opportunity throughout these spheres. Our inclusivity extends to our product offerings for a more diverse consumer base covering soft drinks, water, ready-to-drink meal replacements such as Maheu and Supersip, the Traditional African Beer offerings, and the full range of lager beer, ciders and spirits.

Natural

Our products are made from simple ingredients based on nature, so we have to use nature-based solutions to develop resilience where needed most, to address challenges such as water stress, climate change and bio-diversity loss.

Environmental, Social and Governance Report (continued)

Our Route to Market

Our value chain begins with the best ingredients we can grow and continues through our breweries and manufacturing plants, then on to customers via our distributors before arriving to deliver more cheers to consumers on more occasions.

Farmers	Breweries & Manufacturers	Distributors	Customers	Consumers
Our farmers are responsible for providing the simple ingredients for our products. That is why we invest in research, crop advisory services and technology. We work through our mutual collaboration to continuously improve not only the high-quality products, but also the sustainability behind the way we grow crops, support farmers and create better communities.	Our 11 Chibuku breweries and 2 lager beer breweries, soft drinks plants, maize, barley and sorghum farms, Sorghum and barley malting facilities constantly review all aspects of our process to improve the quality of products, use sustainable materials where practical, create smarter packaging and look for ways to improve our farms, support our farmers and build stronger communities along the way.	The beverages sector provided ~50,000 jobs among distributors, retailers and hospitality, their supply chains and in the consumer economy in 2023. Our distributors ensure our products move safely and efficiently from our breweries to our customers. We are always looking for better ways to promote safety for our people – and for everyone on the road. We connect with customers digitally to provide them with an elevated shopping experience, while sales representatives, delivery drivers and customer service agents benefit from digital tools that allow them to provide better service their customers and unlock growth.	We partner with dedicated retailers, bar owners and wholesalers to responsibly bring our beverages to our consumers, while supporting our customers' business growth. We are equipping our customers with the digital and financial tools they need to grow their businesses. We are pursuing extraordinary execution of our brands in both the on- and off-premise.	We brew beer for our consumers to enjoy. We always search for new ways to meet life's moments and create more occasions – with more cheers. We aim to connect with our consumers by offering meaningful brand experiences while promoting moderation and responsible consumption of alcohol. We are cognisant of the concerns about excessive sugar intake through our beverages hence the focus on healthy lifestyle.

Local

We believe in the future of local economies and invest in their well-being and resilience to be the primary source of our raw materials. Beverages are a formidable engine for economic growth, sustaining a significant number of formal and informal jobs in the countries we operate in. As we invest in the business, we contribute to the social and economic development of local communities. In addition, beverages are a driving force for promoting social norms centered on responsibility and moderation.

Through the Smart Drinking initiatives, we endeavour to promote the adaptation of social norms that reduce the abuse of alcohol. All our labels carry responsibility messages depicted by icons such as: no to drunk driving, no underage drinking and no drinking by pregnant women. Our efforts earned us the Business Council on Sustainability Development Zimbabwe - Sustainability Development Oriented Organisation Award in 2023 and Marketers Association of Zimbabwe ESG Company of the Year Award 2023.

Environmental, Social and Governance Report (continued)

Leading in Smart Drinking & Moderation

Beer is part of celebrating life throughout the world and a major engine of economic activity, creating and sustaining numerous jobs, businesses, and social activities.

We are guided by our Responsible Marketing and Consumer Communication Codes in our efforts to ensure that products containing alcohol are consumed responsibly. We recognise that harmful drinking impacts our people, our communities and therefore our business. It is therefore imperative that we work collaboratively and as guided by the World Health Organisation to reduce harmful consumption.

Data from the World Health Organisation (WHO) shows that the harmful consumption of alcohol has decreased globally over the last decade. We are leading the way, using the core strengths of our business, and investing behind evidence-based initiatives to promote what we call "Smart Drinking."

Our Smart Drinking Goals

Smart Drinking focuses on four key areas, each with established goals: social norms marketing, responsible marketing, product portfolio and labeling.

We want every experience with beer to be positive and are committed to reducing the harmful use of alcohol. We support the World Health Organisation (WHO) target of reducing the harmful use of alcohol by at least 10% in every country by 2025, and the United Nations Sustainable Development Goals (UN SDG) ambition to strengthen the prevention of harmful use of alcohol globally.

We are using our Smart Drinking Goals as benchmarks to shift social norms and behaviours around harmful alcohol use while improving our business practices. We recognise that partnerships are essential to achieving our goals and are taking a multi-stakeholder approach. We have been collaborating with public health experts to help reduce the harmful use of alcohol.

Environmental, Social and Governance Report (continued)

Social Norms

By shaping social norms through "social norms marketing" a specific technique to engage with consumers to improve behaviours in society, it is possible to reduce harmful consumption.

Ambition
Availing requisite financial resources towards dedicated social marketing campaigns and related programs.

Progress
The allocation of financial resources towards social norms campaigns is a priority. We have invested more than 500 000 USD since 2018.

In 2022, we upscaled the social norms marketing. Our Smart Drinking Commercial Communications Code continues to guide our commercial teams on how to sell and market our beers in a responsible way by not appealing to underage consumers, not depicting irresponsible alcohol consumption, and by putting safeguards in place in our digital communication platforms.

Responsible Marketing

Ambition
Discernibly reduce the harmful use of alcohol through implementation of the best practices in our markets.

Progress
We have identified three interventions that can be most impactful and are evidence- based: Road Safety, Responsible Beverage Service (RBS) trainings formerly known as Retailer Development Program, Screenings, and Briefing Intervention (SBI).

Working in partnership with local experts, and governments; we are supporting the Traffic Safety Council of Zimbabwe [TSCZ] programs in Zimbabwe using the evidence-based techniques.

Product Portfolio

As consumers seek to make better, more responsible choices, it is important for them to have lower- alcohol alternatives that give them the flexibility to pace or taper off their drinking over the course of a social occasion.

Offering drinks with reduced added sugar, with more nutrition and wellness benefits.

Ambition
Ensure No- or Lower-Alcohol Beer (NABLAB) products represent at least 70% of Delta's beer volume by the end of 2030.

Progress
In 2024, 54% of our beer volume was less than 3.8% Alcohol By Volume (ABV). The products at 4.8% ABV or below represent 66% of our portfolio driven by the traditional beer offerings. We continue to reformulate the lower ABV brands to increase their marketing appeal.

Labelling

Ambition
To ensure consistency in placement of Guidance Labels on all our beer products and to increase alcohol health literacy.

Providing clear nutrition information on packaging and in communications.

Progress
We have updated our label designs on 100% of our primary product packaging.

Today, our labels share clear, actionable information on how consumers can reduce harmful drinking.

Environmental, Social and Governance Report (continued)

Highlights, Examples and Developments During the Year

Leading Social Norms Marketing to influence positive behavior.

Research indicates that it is possible to improve individual patterns of consumption by reminding consumers that moderation and control are group norms. Social norms marketing is a combination of evidence-based techniques proven to promote safer behaviors by connecting social norms with the communications of brands people know and trust. When trusted brands reinforce positive behaviors, they make a difference by fostering positive connections with consumers.

With our iconic brand portfolio, we have an opportunity to improve consumption patterns by promoting social norms that produce positive outcomes. Golden Pilsener and Zambezi brands led the local communication.

Smart Drinking Social Norms Marketing Competition

In 2023, we continued to run with our Smart Drinking Social Norms Marketing Campaign, called "Golden Rules" and "Morning After" which aims to leverage the power of brand-led campaigns focused on promoting Smart Drinking. The Golden Pilsener campaign also emphasised pairing food with beer.

Here are some examples of social norms marketing in action:

Environmental, Social and Governance Report (continued)

Delta Corporation Limited in partnership with The Boost Fellowship held a Leadership Bootcamp in Harare from the 14th-17th of April 2024 which was attended by 106 Enactus Zimbabwe student leaders from 13 different universities in Zimbabwe.

The main goal of the leadership boot camp was to launch the Smart Drinking and Moderation Innovation Challenge initiative which is going to run from April 2024 to December 2026 under the theme "Above the Influence". The initiative is part of our endeavour to raise awareness about the risk and consequences of alcohol, drug and substance abuse among young people in Zimbabwe. According to a report by the World Health Organisation, approximately 12 % of adolescents aged between 10-19 years in Zimbabwe engage in heavy episodic drinking and abuse different illegal substances which is detrimental to their health and well-being.

We had successful interactions at various schools with our "Pledge 18" campaign in partnership with ZIMPACT as we sought to promote Smart Drinking behaviors and provide simple, straightforward and actionable advice. This included:

- **#OneAndOne**, recommending that people alternate drinks interspaced with glasses of water;
- **#At100WithZero**, suggesting that consumers include low-alcohol beers and non-alcoholic beverages in their events; and
- **#LessABVMoreFun**, advocating for lower-alcohol beverage consumption.
- **#AgeUpBeforeYouDrinkUp**, advocating for NO to underage drinking.

Promoting moderation during drinking occasions

We helped promote moderation through our "Chill Zone" campaigns at the Castle Tankard, Castle National Braai Day and ZITF events.

The campaigns, done in partnership with ZIMPACT, included the displaying of the Smart Drinking messages throughout the events and recommending interspacing beer with water or non-alcoholic beverages.

#DontDrive&Drink Campaign

We continue with our partnership with the Traffic Safety Council of Zimbabwe in a Road Safety initiative, called #DontDrive&Drink.

This included car stickers and keyholder advertisements with a Smart Drinking message: "Stay Alive" and Cheers to Designated Drivers".

Environmental, Social and Governance Report (continued)

Responsible Beverage Service (RBS)

RBS formerly known as the Retail Development Program [RDP] is a training program for community point-of-sale (POS) professionals, such as barkeepers and servers, focused on promoting positive consumer behaviors.

We are working to make RBS training accessible, easier to scale and more impactful by taking it online and connecting it to our commercial platforms. In F24, 315 POS Professionals in Zimbabwe completed the training through our in-house training.

Road Safety

We actively support the UN goal to reduce road traffic fatalities by 50% by 2030. We have maintained our partnership with TSCZ to improve road safety.

Product Portfolio: No-and low-alcohol beer (NABLAB) products and Sugar Reduction

Our diversified beer portfolio provides consumers the choice of switching from high-alcohol products to lower-alcohol beverages, such as beer over the course of a social occasion. Our NABLAB goal established a threshold for low-alcohol beer of 3.8% ABV. In F24, 60% of our beer volume met this threshold. We will need the support of the authorities to reconfigure the excise duty regimes in order for the consumer to access these low ABV brands at competitive prices.

The products at 4.8% ABV or below, represent the larger portion of our portfolio, driven by the traditional beer offerings.

We are committed to offering people with more drink choices across a range of categories in a variety of packages, ensuring that we develop and deliver great tasting beverages for all occasions and lifestyles.

Environmental, Social and Governance Report (continued)

Labeling: Leading voluntary guidance labeling initiative

Our labels and secondary packaging are key touchpoints with consumers that we use for actionable advice to positively influence consumer behavior. Clear information on nutrition, ingredients and alcohol content is carried on packaging and in our communication and advertising, beyond what is prescribed in legislation.

Health-related concerns may reduce demand for some of our products.

There is growing concern among consumers, public health professionals and government agencies about the health problems associated with obesity arising from the consumption of sweetened beverages. Whilst authorities have responded by imposing a surtax on added sugar in beverages, the Company continues to work collaboratively with The Coca-Cola Company, and other stakeholders to address the levels of sugar intake through our products. We anticipate additional governmental regulations concerning the advertising, marketing, labeling, packaging, or sale of our sweetened beverages; and negative publicity resulting from actual or threatened actions by activists and lobby groups which may reduce demand for, or increase the cost of, our sweetened beverages. We are careful to use alternative sweeteners that have been approved by various food regulators and are in line with WHO guidelines.

Addressing evolving consumer product and shopping preferences.

Consumer product preferences have evolved and continue to evolve as a result of, among other things, health, wellness and nutrition considerations. These include concerns regarding

- caloric intake associated with sweetened beverages and certain beers, and the perceived undesirability of artificial ingredients;
- the origin of ingredients, raw materials, or substances in our products or packaging, including due to the results of third-party studies (whether or not scientifically valid);
- shifting consumer demographics;
- changes in consumer tastes and needs coupled with a rapid expansion of beverage options and delivery methods;
- changes in consumer lifestyles;
- the product manufacturing process;
- and recyclability of, and amount of recycled content contained in our packaging containers and other materials;
- concerns about the health and welfare of animals where our dairy comes from;
- and competitive product and pricing pressures.

We are uprating our marketing and promotion of our low and no-calorie portfolio of soft drinks. During F24, we expanded the Zero Sugar range to cover Coke, Fanta, Sprite, and Stoney Ginger Beer in both cans and PET.

Less Sugar, More Choices.

As a total beverage company, The Coca-Cola Company is committed to offering more drink choices across categories, and in a variety of packages. Ever-evolving consumer tastes and preferences help steer our business strategy and shape the lineup of beverages we bring to the market.

We are reducing added sugar while providing more drinks with nutrition benefits; optimising our mix of products; offering more small packaging choices; and providing consumers with clear nutrition information.

Nutritional Beverages.

We are offering a portfolio of drinks with nutrition and hydration benefits, including juices, water, and other non-sparkling beverages.

Our sustainability goals and ambitions

To drive action toward our commitment to a future with more cheers. We are focused on achieving goals and ambitions where we believe we can make a meaningful contribution.

Our sustainability goals aim to deliver a measurable positive impact on the environment and our communities. We summarise these goals into key focus areas of Smart Agriculture, Water Stewardship, Climate Action, and Circular Packaging.

Our Strategic ESG Priorities

Sustainable Agriculture

100% of our direct farmers will be skilled, connected, and financially empowered.

Water Stewardship

We commit to using the water resource sparingly.

Circular Packaging

100% of products should be in packaging that is Returnable or made from a majority of recycled content.

Climate Action

We work with other stakeholders to reduce carbon emissions along the value chain.

Our ability to achieve our sustainability goals and targets is subject to risks, many of which are outside of our control, and our reputation and brands could be harmed if we fail to meet such goals. Our reputation and indeed our ability to remain in business could suffer if we are unable to meet our sustainability goals or evolving stakeholder expectations and industry standards, or if we are perceived to have not responded appropriately to the growing concern for sustainability issues.

Environmental, Social and Governance Report (continued)

Climate

Climate change and legal or regulatory responses thereto may have a long-term adverse impact on our business and the results of operations.

Climate change poses risks to our business and our stakeholders. We rely on crops and water as our key ingredients, we require raw materials for our packaging and we need energy and fuel to brew, transport and cool our beverages. The environmental and social climate-related impacts in our value chain also affect the local communities and people where we live and work.

We are working collaboratively with suppliers to build capabilities and share best practices.

Zimbabwe relies to a large extent on electricity that comes from renewable sources such as the Kariba hydropower station and the many solar energy projects implemented in recent years. We are working to reduce our carbon emissions across our value chain in line with emerging science.

There are significant changes in weather patterns around the globe and an increase in the frequency and severity of natural disasters which impact the availability or increase the cost of key agricultural commodities, such as sugarcane, cereals and citrus, which are important ingredients for our products, and affect the food security of our communities.

If we and our value chain partners fail to achieve or improperly report on our progress toward achieving our carbon footprint reduction goals and targets, the resulting negative publicity could adversely affect consumer preference for our beverage products.

Our ambition

Our ambition is to work closely with government, non-governmental organisations, and environmental agencies to ensure we reduce our carbon emissions along the value chain.

Our approach

Our approach is based on two key pillars: embedding sustainability into our business strategy and striving to follow leading climate science.

Every year, we work across functions to identify and implement initiatives that deliver both financial and environmental gains. That is why we engage the wider industry by partnering with suppliers, retailers and startups with breakthrough climate solutions.

- Our circular packaging strategy helps reduce greenhouse gas emissions through light-weighting, recycling and reuse of materials.
- We work with agricultural suppliers to improve energy efficiency, water conservation and crop yields, and introduce regenerative agriculture practices to enrich soil health while increasing carbon capture. We also believe that implementing nature-based solutions can improve watershed health and help tackle climate change.
- Our production and manufacturing operations are being optimised for energy efficiency and reducing emissions.
- In distribution, the focus is on increased fuel efficiency; the light-weighting of trailers, and the reduction of payloads through the light-weighting of glass and other containers. We are poised to venture into electric and hybrid vehicles. We already use battery-powered forklifts within our factories.
- We continue to reduce the population of HFC refrigerators and replace them with newer HFC-free and energy-efficient units.

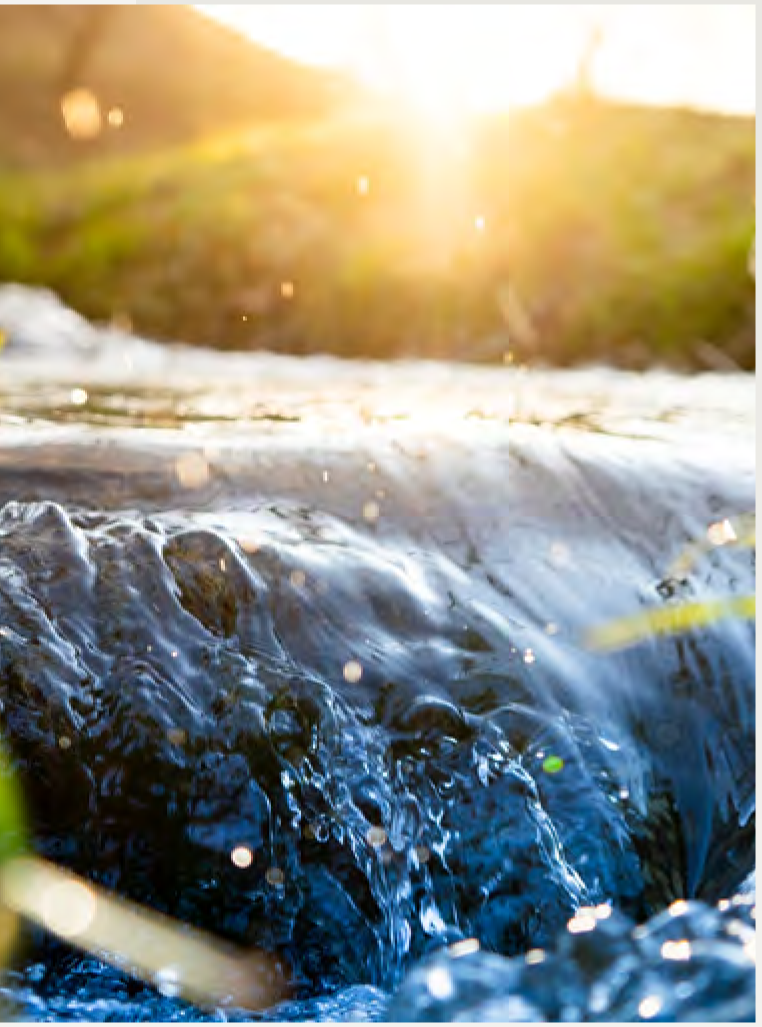
Adverse weather conditions could reduce the demand for our products.

The sales of our products are influenced to some extent by weather conditions in the markets in which we operate. Unusually cold or rainy weather during the summer months may have a temporary effect on the demand for our products and contribute to lower sales, which could harm our results of operations for such periods.

Environmental, Social and Governance Report (continued)

Water Stewardship

We aim to brew our beers and bottle our soft drinks at the highest level of water efficiency, and we continually challenge ourselves to do even more.



We are big consumers of water in our breweries and bottling plants, and we commit to using the water resource sparingly. We have set ambitious water efficiency targets across our business.

Water is essential to life, a key ingredient in our products, and is critical for the health and well-being of communities around the world. The growing scarcity of freshwater resources is not just an important issue for our company but also for the people, economies, and environmental ecosystems where we operate.

Water quality and availability are critical to brewing and bottling our brands. Without water, there are no beverages. We must also be responsible stewards of water supplies for the communities where we operate. High-quality beverages depend on clean water and quality crops, both of which are heavily dependent on healthy, natural environments. We therefore continue with our efforts to drive water efficiencies in our integrated operations.

Our strategy

We are focused on playing our part in finding solutions to the growing water challenges across our communities and throughout our supply chain:

- By driving water use efficiency, responsible discharge, and effluent reuse within our operations.
- By investing in shared water security and the health of watersheds. We listen carefully to major water conservation organisations and combine their knowledge with our scale and expertise to help ensure a reliable, clean supply of water, not only for ourselves but also for local communities. To guide our water conservation efforts, we actively engage with local experts on watersheds, water systems and sustainable agriculture. These experts help us develop and implement strategies and measure the economic, environmental, and social impacts of our efforts;
- In local communities by promoting and supporting water access and disaster relief efforts. We are committed to being a part of the solution to the growing water challenges in areas where we operate.
- Every day, our teams are working to increase our water efficiency internally and partnering with local authorities, other water users, and like-minded organisations to achieve measurable improvements in water quality and availability in our communities;
- By promoting water security and conservation, better utilisation in the farming and processing of our key brewing materials.
- By contributing to the broader water landscape through innovation, policy engagement and thought leadership.

Environmental, Social and Governance Report (continued)

Developing local solutions to build resilience

Water and climate change are inextricably linked. We feel their impacts through more frequent and intense extreme weather events such as floods, droughts, heatwaves and wildfires. Sustainable water management is central to building the resilience of societies and ecosystems and ensuring the continuity of our supply chain. It is also critical to the prosperity of the communities we serve and the ecosystems in which we operate.

Water security is local and complex, and there is no single solution. As the water demand continues to increase around the world, and as water becomes scarcer and the quality of available water deteriorates, Delta may incur higher costs or face capacity constraints and the possibility of reputational damage, which could adversely affect our profitability. Each of our sites will have its own specific set of local water issues to address and help reach our Water Stewardship Goals.

Water scarcity and poor quality could negatively impact the Delta system's costs and capacity.

Environmental, Social and Governance Report (continued)

Sustainable Agriculture

Our beverages and some of our packaging materials are made from agricultural ingredients which we source from many kinds of suppliers, ranging from smallholder farmers, local communities, to large and multinational suppliers.

These supply chains depend on thriving communities and healthy ecosystems which require continuous improvements in farming methods and technologies, to build resilience through crop management, improved varieties, and risk mitigation tools.

Improvements in agriculture can help reduce greenhouse gas emissions, protect watersheds, and improve biodiversity. Beyond these environmental aspects, we know the impacts of climate change on agriculture are closely linked with the social and economic challenges faced by farmers.

In Zimbabwe, we work directly with over 11 000 commercial and smallholder farmers under our contract schemes who produce over 100% of our barley and sorghum grain requirements and over 50% of the business requirements for maize. Sugar and citrus are largely sourced directly and indirectly from local farmers.

Both Natbrew Zambia and UNB South Africa are investing in similar contract farming arrangements for both maize and sorghum.

Environmental, Social and Governance Report (continued)

Our strategy

Our Smart Agriculture Goal is that 100% of our direct farmers will be skilled, connected and financially empowered by 2030. We take a farmer-centric approach to supporting sustainable agriculture. We use our direct and local connections with farmers, secured through our agronomists and researchers and the various partners providing seed, and inputs on the ground. The interventions are aimed at providing access to improved crop varieties, training, insights and timely information for better decision-making and appropriate financial tools.

We pride ourselves that our direct involvement in barley and sorghum farming for five decades has ensured local sourcing of these key brewing materials and has become the primary model around which the agricultural policies in Zimbabwe are being remodelled. The program aims to develop new farmers, with a focus on improving farm productivity through research, technology, and hands-on support. Our contracted farmers have achieved above-average output and profitability which demonstrates broader agricultural resilience and more sustainable food systems.

We are developing similar models for other agricultural materials such as juicing fruits and vineyards. Schweppes Zimbabwe is currently working collaboratively with communities at Shashe in Beitbridge District on a communal orange plantation. A more extensive 5 000-hectare orange plantation is being promoted in the Beitbridge area under the Sunrise Project which, subject to funding availability, aims to be the primary source of fruit for the BB Juice plant.

Our ambition

100% of our direct farmers will be skilled, connected and financially empowered by 2030.

Our approach

In the current year, 100% of our direct farmers met our criteria for skilled; 90% for connected and 95% for financially empowered. A contracting split of 90:10 (in terms of tonnage) between the communal and commercial sectors was achieved in the 2023 sorghum contract period. In barley production, 45 commercial farmers were contracted.

We partner with staff from the Department of Research and Specialist Services in the Ministry of Agriculture. We take the lead in the development of new crop varieties suited to local conditions and work with farmers to improve their agricultural practices and operations. We have a longstanding partnership with the Agricultural Research Trust at their farm in Harare for tailormade breeding of barley varieties in association with leading seed houses and other agribusiness companies.

We believe technology has enormous potential to positively transform the future of farming. We are investing in key enablers and lasting programs that will help improve their yields, profitability, and stewardship of natural resources.

Supporting climate resilience and biodiversity

We are working in our agricultural supply chains to address these integrated issues, using a collaborative systems approach to help improve soil health and farmer productivity, protect, and restore water resources and biodiversity and mitigate the impacts of climate change for more resilient communities.

Increased demand for food products, decreased agricultural productivity and increased regulation of ingredient sourcing due diligence and other factors have in the past, and may in the future, limit the availability and/or increase the cost of such agricultural commodities and could impact the food security of our communities.

If we are unable to implement programs focused on environmental sustainability, our ability to source raw materials and the affordability of our products and ultimately our business could be negatively impacted.

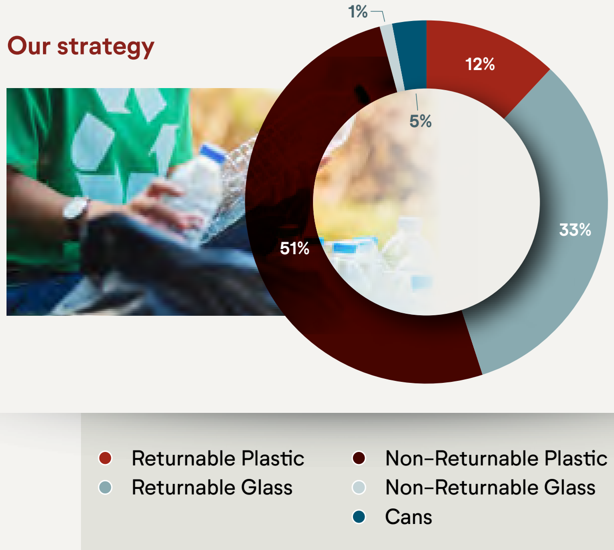
Environmental, Social and Governance Report (continued)

Circular Packaging

We deliver our beverages in a variety of packaging formats, from glass and PET bottles to aluminium cans, refillable plastic bottles, vinyl drinking cups etc.

Both primary and secondary packaging create complex waste streams that pose challenges of polluting the environment and resultant impacts on ecosystems. We consciously work with others and authorities to increase the use of circular packaging, optimally utilise finite resources and provide our business with long-term packaging supply security and help eliminate waste.

Our strategy



We have taken deliberate measures to maintain returnable packaging as the core of our offerings; the investment in and support of the returnable 300ml glass pack in soft drinks, the rejuvenation of the 1.5l and 2l Scud pack in traditional beer and maintaining over 70% of the lager beer volume in the returnable pint and quart packs. Our approach is based on four principles:

1. **Reduce** the amount of packaging material through light-weighting and **reduce** the use of virgin materials.
2. Increase the availability and use of **recycled content**.
3. Promote the **recovery and reuse** of packaging. The increase in refillable packaging reduces the waste arising from single-use packaging waste.
4. **Rethink** our packaging and distribution models.

These strategies require that we collaborate with our partners upstream and downstream of our operations. We therefore work with and support our packaging material supply partners, consumers and recyclers through education, research, joint investments, and collaborate with regulators in formulating policies.

Environmental, Social and Governance Report (continued)

Our ambition

We will continue investing in returnable packs and support recycling initiatives of our PET, non-returnable bottles, and cans.

Our approach

In the current year, 45% of our products were in returnable packaging (Kegs and Returnable Glass and plastics) or made from a majority of recyclable and recycled content. Glass, aluminium and PET and HDPE plastic are all recyclable materials and play a crucial role in a circular economy and therefore a key pillar of our efforts to reduce carbon footprints. The change to aluminium cans and light weighted PET or PET with recycled content requires less energy to produce and transport, thereby further lowering the carbon footprint.

In F24, our total volume in returnable packaging increased by nearly 3% compared to the previous year, despite the regional shortages of glass and aluminium cans.

Reusing our packaging to champion the growth of circular economies.

Returnable packaging is the best example of zero-waste packaging. Most of our bottles can be used up to 15 times, reducing carbon emissions by nearly five times when compared to one-way bottles. Driving the returnable packaging remains our primary focus.

REDUCE

We are doing our best to reduce the amount of material we put into the market and our carbon footprint. We are investing in packaging technologies that will allow further light-weighting of PET bottles. We are encouraged by the leading players in the beverage industry to make bold commitments to reduce the amount of virgin material in PET bottles. In the same vein, we are collaborating with The Coca-Cola Company and its associates to evaluate the feasibility of introducing refillable PET. We already have the processes and networks that allow the collection of used PET bottles for their return to recycling facilities such as Petreco Zimbabwe.

RECYCLE

We are partnering with waste management organisations in the country, including the Zimbabwe Sunshine Project, an organisation that sets up waste collection points in local communities and has collected more than 4,103 tonnes of post-consumer packaging waste during the year, contributing to general sanitation. We have educated consumers to shift recycling attitudes through the Make A Difference (MAD) and the Manja Pamodzi Campaigns in Zimbabwe and Zambia.

RETHINK

We continue to explore the use of alternative materials, technologies and designs for materials that will reduce pollution from used packaging.

Environmental, Social and Governance Report (continued)

Circular Packaging (continued)

Collaborating in Waste Management

The Group believes in the use of returnable glass bottles as a trusted and effective way to reduce the environmental impact of our packaging materials as they are much more resource-efficient than one-way packages such as cans and PET. We seek to minimise the amount of waste we send to landfill from our breweries and bottling plants through recycling initiatives, including using waste as fuel in our operations.

Reducing post-consumer packaging waste is an industry-wide challenge. We have partnered with local stakeholders to develop recovery and recycling solutions. The growth of the contribution of sorghum beer and soft drinks packaged in PET has increased the need for sustainable solutions to reduce litter from used primary packages such as PET and cans. We are working collaboratively with the environmental agency (EMA), local authorities and other environmental groups to intensify the education of consumers on the segregation of litter, placement of litter in bins and general consciousness of a cleaner environment.

Environmental, Social and Governance Report (continued)

The consumer waste cages that have been installed at major shopping centres are being used to accumulate used cans and PET. The used cans are crushed and pressed into tin cake for export. The changeover from steel to aluminium cans is largely complete, which creates secondary usage of the used cans. The PetrecoZim PET recycling factory in Adbernnie, Harare, is fully functional and can absorb all material that is recovered and delivered to it. This has now created income-generating opportunities for waste collectors. We continued with the Make A Difference (MAD) and Manja Pamodzi campaigns which enlist the support of community groups in taking care of the hygiene and cleanliness of the localities, discouraging littering, particularly by motorists and the segregation of waste in the home. We are encouraging our employees to volunteer in the clean-up campaigns.

Building Global Linkages

The Company borrows and learns from our global partners AB InBev and The Coca-Cola Company, some key insights in the development of a holistic plan for the entire packaging cycle: from how packaging is designed and made, to how it's recycled and repurposed.

If we do not or we improperly report on our progress or are perceived not to act responsibly to address plastic materials recoverability and recycling concerns and associated waste management issues, the resulting negative publicity could adversely affect consumer preference for our products.

Environmental, Social and Governance Report (continued)

Ethics & Transparency

We are committed to promoting the highest standards of ethical behaviour and transparency.

This guides everything that we do as an organisation and serves as our foundation in creating a future with more cheers. These endeavours are supported by robust governance structures and programs on anti-corruption, ethical conduct, and human rights.

Ethical behaviour is a cornerstone of our Company.

Together with our policies, our Code of Business Conduct (COBC) contains ethical principles that address key risk areas, including anti-bribery and corruption, digital ethics, human rights, and anti-discrimination. The COBC and supporting policies are designed to guide and support our colleagues and business partners to adhere to the highest standards of business integrity and ethics. This policy prohibits both active and passive bribery and other corrupt payments in both the public and commercial sectors. It supplements the general provisions set out in the Company's Code of Business Conduct/Ethics Policy and is designed to help colleagues comply with the US Foreign Corrupt Practices Act, the UK Bribery Act, other applicable laws against bribery and corruption as well as various government conflict of interest and public disclosure laws binding on us as part of the AB InBev family.

Environmental, Social and Governance Report (continued)

Our Compliance Channel gives colleagues direct access to the Ethics & Compliance team to ask questions, access our confidential compliance helpline, seek guidance, access internal policies, or request approvals related to certain compliance matters.

The Compliance Channel, led by our Corporate Affairs and Legal teams, works to relay any issues, arising both internally or externally, to the relevant departments or escalate them as necessary.

Ethical behaviour is everybody's business

We conduct risk-based training that covers key Ethics & Compliance areas. In F24, we launched online training focused on conflicts of interest, digital ethics principles and harassment bystander intervention and the roll out of the sexual harassment policies across the business. Over 810 associates attended formal training during the year.

We continue to amplify the importance of ethical practices to empower our colleagues to report ethics and compliance matters and strengthen investigation mechanisms consistently and transparently.

We also borrow from AB InBev's "Compete with Confidence program which focuses on appropriate market conduct for sales employees.

Fraud and corruption risk management

We continue to encourage both internal and external stakeholders to utilise the Tipoff Anonymous platform for reporting all suspected infringements relating to ethics and fraud or corruption.

Focusing on digital ethics

We continued to revise our digital ethics and data privacy strategies with a focus on the proper use of social media for both business and private purposes. The company uses various platforms to communicate and share information both internally and externally. There are complex challenges arising from cyber security, compliance with data protection laws, requiring that we improve our policies on confidentiality, proper use of electronic media and general digital ethics.

Respecting Human Rights Across Our Value Chain

We seek to foster business practices that support and respect human rights and align with the UN Global Compact principles as set out in our Human Rights Policy. This policy integrates with Good Manufacturing Practices and Responsible Sourcing policies which guide our engagements with suppliers and service providers.

Of particular focus is the avoidance of forced labour or child labour in farming operations, the payment of fair wages, the provision of appropriate protective equipment and adherence to safety protocols throughout the value chain.

We complement the various initiatives on human rights by embedding the following complementary policies:

- Responsible Marketing and Communications Code.
- Diversity and Inclusion Policy.
- Anti-Harassment and Anti-Discrimination Policy.
- Health and Safety Policy; and
- Whistle-blower Policy.

We share our policies with colleagues through internal communication channels and online training, and we communicate the relevant policies to our business partners during the contracting process by including them in contract clauses.

Respect for human rights is everyone's responsibility and priority.

Environmental, Social and Governance Report (continued)

Entrepreneurship & Economic Empowerment

We work with entrepreneurs across our value chain from seed to sip and beyond, including farmers, waste collectors and recyclers, suppliers, and retailers.

Our activities enable the economic empowerment of a diverse network of customers, suppliers, and communities across our value chain. As we produce and market our beverages, we work not only with suppliers of ingredients but we are a catalyst for economic activities such as engineering and construction, transportation, facilities management, banking and financial services, ICT and marketing and other diverse services. Through meaningful engagement with these entrepreneurs and other key partners, we catalyse resources and opportunities to develop localised solutions. These entrepreneurs are often the backbone of their communities, and their success is tied to supporting their families and growing the local economy. In addition, the Company and its employees provide a market for these diverse services, who in turn are our consumers and customers.

INCLUSIVE GROWTH: Supporting Small Businesses and Communities to grow and thrive

Small businesses and entrepreneurs play a critical role in economic development and are an important source of income and livelihood in local communities. Across our distribution chain, we engage every day a multitude of retail customers who play a critical role in our business as an important point of connection with our consumers.

These same small businesses and entrepreneurs play a critical role in economic development and are an important source of income and livelihood in their local communities. To help support these communities, we are working to provide support to retailers, farmers, suppliers, and recycling collectors across our value chain through multiple initiatives.

We are therefore concerned about the recent policy changes that have made it difficult to access these small traders who may not meet the required tax compliance requirements.

Since 2018, we evolved our retailer development program to holistically focus on business skills, financial inclusion, and infrastructure development. The Retailer Development Programme is designed to equip our retailers, particularly the small-sized outlets, with basic business management skills to help improve their businesses and incomes. A total of 3,117 retailers have been trained since 2018 covering key modules such as financial management, product handling, understanding beer business and responsible retailing and environmental awareness.

Empowering women in business uplifts communities

Women's economic empowerment is a transformative way to strengthen communities, grow economies and promote sustainable development.

In our soft drinks, operations, the women empowerment program has helped uplift thousands of women entrepreneurs across the country. Since 2018, more than 4,000 women business owners have been provided access to vending trolleys. We are engaging both the local authorities and central government to enhance the policy frameworks on informal traders and provide spaces and suitable amenities for these vendors to work from.

These efforts complement our longstanding contract schemes for cereals are which are skewed in favour of small holder farmers thereby supporting over 11 000 households.

Environmental, Social and Governance Report (continued)

GROWING WITH OUR COMMUNITIES: Investment in Education and Training

Our investment in education includes the school bursaries program which supports A-Level up to university scholars and has so far benefited over 2 100 students. In the current year, we had a total of 100 students. The beneficiaries are selected with the help of the Ministry of Primary and Secondary Education. Our bursary scheme program is also complimented by our Delta Technical Institute (DTI) which develops artisans for the Group and other partner organisations.

Over 1 900 artisans have graduated from the institute over the years, most of whom are absorbed in various jobs within the organisation. On the other hand, Mandel Training Centre focuses on imparting managerial skills to trainees through its extended programs like the Graduate Development Program and Supervisory and Management Development Programs.

A key pillar of our direct support to communities is the Delta Schools Infrastructure Program whose aim is to work collaboratively with the chosen community to construct learning facilities at one or two primary schools a year. This initiative includes the construction of model classroom blocks, supply of furniture and other amenities. Communities are encouraged to participate by contributing their labour to mold bricks and supply water during construction to instill a sense of ownership which is important for maintaining the facilities. The F24 projects were for Mudzengi Primary School in the Midlands Province and Sanya Primary School in Mashonaland Central Province which will be handed over in July 2024.

Environmental, Social and Governance Report (continued)

Diversity, Equity & Inclusion

Our company must be an inclusive and diverse workplace where everyone feels they belong regardless of their personal characteristics or social identities.

Our greatest strength is our people, and we support the opportunity for every individual to excel. We work to continue fostering an inclusive workplace so that everyone can succeed in our business.

We are advancing initiatives for a future that is Inclusive, Empowered and Equitable across our business and throughout our value chain, positively impacting our people, suppliers, customers, consumers, and communities. This was further enhanced by the launch of our culture change programme with the key message "Our People, Our Culture, Our Future".

We believe that a diverse, equitable and inclusive workplace that mirrors the market we serve is critical to the Company's continued growth and success. We take a comprehensive view of diversity, equity and inclusion across different races, ethnicities, tribes, religions, socioeconomic backgrounds, generations, abilities, and expressions of gender and sexual identity.

An empowered future – Nurturing women's potential: Coca-Cola Women's Linc Zimbabwe Chapter

We run targeted programs to empower women with the skills and resources they need to reach their full potential.

As of 31 March 2024, women occupied 33% of managerial positions. One way we are helping to amplify diverse perspectives is by empowering women in the workplace. We are working to diversify our talent pool through our Graduate Trainee (GT) Program. In F24, our GT class was made up of 50% females and 50% males.

Our Coca-Cola Women's Leadership Committee, composed of senior executives, focuses on accelerating the development of women into roles of increasing responsibility and influence.

Commemorating International Women's Day at Delta Head Office on February 23, 2024.

Environmental, Social and Governance Report (continued)

Our efforts to build a better world go beyond environmental sustainability. Our success as a business is closely linked to the talents of a diverse workforce, the products and services of small suppliers, the thousands of shops, bars, and restaurants that serve our products and a diverse consumer base around the world.

We believe that at its core, inclusive growth is about fairness, decency, and long-term sustainability. Our approach to diversity and inclusion, colleague engagement, human rights, smart drinking, and workplace safety all highlight our role in helping to build communities that are fairer and stronger.

This year we again celebrated international women's day and the women in the workplace with a memorable event hosted as a picnic event at the Company's gardens, with moving speeches delivered by the respected human rights lawyer Beatrice Mtetwa and also by the Dr Mavis Sibanda, Secretary for Women Affairs.

Our ambition

Continue fostering an inclusive workplace so that underrepresented groups are not only represented but can succeed in our business.

Our approach

Our company must be an inclusive and diverse workplace where everyone feels they belong no matter their personal characteristics or social identities, such as race and ethnicity, nationality, gender identity, age, abilities, socioeconomic status, or religion. Our greatest strength is our people, they are the ones committed to achieving our goals.

- We strive to be an inclusive workplace with equal opportunity. Everyone at Delta should feel comfortable, confident, and respected to bring their authentic selves to work every day and to grow at the pace of their talent.
- We aim to make our company as diverse as the communities we serve, enabling us to create solutions with our brands and services to best meet their needs.
- We dream bigger and better when we are together. We promote the diversity of teams and different perspectives that bring innovative ideas to deliver and transform our business.
- Everyone at our company has the responsibility to champion an equitable workplace and root out discrimination of any kind.

To deliver on our firm and unwavering commitment to meritocracy, an equitable, diverse, and inclusive culture is essential. Our D&I strategy focuses on bringing people together for a better world through our people, workplace, marketplace, value chain and communities because a diverse company is critical to connecting with consumers and driving business performance and innovation. We continue our focus on creating greater diversity and providing all colleagues with a fair and equal chance to succeed. We believe in equal pay for equal work.

Environmental, Social and Governance Report (continued)

Our People – Well-being

Our ambition

To nurture our workplaces to support the well-being of our colleagues and enable them to thrive.

Our approach

Employee well-being is critical to our business and is a key component of our overall benefits strategy as it has a significant impact on talent attraction and retention, engagement, and cultural adaptability. We aim to foster an environment in which colleagues can be proactive in their well-being and develop mindsets and behaviours to support them in navigating challenging times. We also work to enable professional communities within our company to collaboratively support each other's health and well-being. We seek to contribute to an improved perception of value through enhanced engagement and connectivity to the company. Finally, we use a multi-pronged communications strategy to raise awareness and understanding of company-provided well-being programs.

Environmental, Social and Governance Report (continued)

Our People — Workplace Safety

Our ambition

Embedding a culture of safety throughout our value chain.

We continued with our risk-based injuries and fatality prevention program and offered the NSSA OSHEMAC training program to improve safety leadership, coaching and overall safety culture. This program has been identified as one of our key pillars for creating safety ownership at every level of the organisation and driving the company's safety culture.

Our Driver Training School in Ruwa continues to run robust training programs and refresher courses for all Heavy Motor Vehicle drivers and forklift operators. Road Safety Training was a key module in the training conducted by the Sales Academy and the Distribution Academy programs conducted in partnership with Mandel Training Centre.

Our approach

The health and safety of our colleagues is always our top priority. We work vigorously to achieve high standards of health and safety in our offices, breweries, bottling plants, facilities and throughout our value chain. This year a top priority was on colleague safety and well-being throughout the pandemic. We have implemented precautionary measures to ensure that working environments meet or exceed guidelines from the World Health Organisation and local governments. We evaluated best practices and created protocols around personal protective equipment, testing, social distancing, temperature checks and cleaning requirements, then cascaded the approach across our business units.

We are committed to a safe workplace

Ensuring the safety of our employees and communities is critical to our business. We continue to build strong safety leaders throughout the organisation and work towards an injury-free workplace by leading safety initiatives.

Detailed safety specifications are in place to ensure safety in all equipment and processes, with an increased focus on higher-risk operations that include work at height, ammonia, dust, steam, and hazardous energy. We continue to closely monitor these types of operations and ensure compliance to protect our employees and contractors.

We will continue our focus on preventing fatalities and serious injuries on the roads through improved road safety training programs going forward.

The Group continued a sustained wellness program for employees through sporting activities. These are run in partnership with the health service providers.

Group Structure

Delta Corporation Limited

- 100% Delta Beverages (Private) Limited
  - 100% Beverages Manufacturing & Distribution
  - 100% Kwekwe Maltings
  - 49% Food & Industrial Processors (Pvt) Ltd
  - 49% Schweppes Holdings Africa Limited
- 70% Natbrew Plc (Zambia)
- 100% Newshelf 1167 (Pty) Limited t/a UNB (RSA)
- 50.4% African Distillers Limited
- 21.4% Nampak Zimbabwe Limited

Delta Corporation Limited, its subsidiary and associated companies are registered in Zimbabwe except for Natbrew Plc which is incorporated in Zambia and United National Breweries entities incorporated in South Africa.

Portfolio of Businesses

ACTIVITIES

Beverages Manufacturing and Distribution

Lager Beer Business
Brewing Lager Beer, 2 Breweries
Castle Lager, Castle Lite, Golden Pilsener, Lion Lager, Carling Black Label, Zambezi Lager, Bohlinger's Lager, Eagle Lager, Sable Lager.
Imported Brands: Flying Fish, Stella Artois, Budweiser and Corona.

Traditional Beer Business
Brewing Sorghum Beer, 9 Breweries
Chibuku, Chibuku Super and Thabani.

Sparkling Beverages Business
Bottling Carbonated Sparkling Beverages, 4 Bottling Plants
Coca-Cola, Coca-Cola Light, Coke Zero, Fanta, Sparletta, Sprite, Sprite Zero, Schweppes, Burn, Powerplay, Monster, Novida.

Transport and Distribution Business
Provision and maintenance of primary and secondary distribution vehicles & the distribution of beverage products 23 Heavy Vehicle Workshops, 23 Delta Beverage Centres & 2 Customer Collection Depots.

Alternative Beverages
ADES Maheu & Super Sip, Super Sip Yoghurt, 1 factory.

Agro Industrial

Kwekwe Maltings
Barley and Sorghum malting, 2 Malting Plants.

Subsidiaries and Associates

Schweppes Holdings Zimbabwe Limited
Bottling of Non-carbonated cordials, 2 Plants
Mazoe, Calypso, Ripe & Ready, Fruitade, Still Water (Schweppes & BonAqua), Minute Maid, Fuze Tea.

African Distillers Limited
Wine & spirit producer, 1 Distillery
6 Depots plus imported wines & ciders.

National Breweries Plc — Zambia
5 Traditional Beer Breweries (3 Operational), 5 Distribution Depots
Chibuku, Chibuku Super, ShakeShake.

United National Breweries Pty Limited — RSA
15 Traditional Beer Breweries (3 Operational), 1 Malting Plant, 21 Distribution Depots
Chibuku, Chibuku Super, Leopard, Ijuba, Tlokwe, Zebra, Jo'burg, Ukhamba, ShakeShake, Ukhozi Amahewu, Chibuku Mtombo Mmela.

Nampak Zimbabwe Limited
Comprises Hunyani - Paper Packaging; Carnaud Metal Box – crown corks, tin cans and plastics packaging and **MegaPak** – manufacture of PET, injection and blow moulded plastic products.

Food And Industrial Processors (Pvt) Ltd
Wholesale distributor of starches and glucose.

Mandel Training Centre (Pvt) Ltd
Training and leadership development
1 Training & Conference Centre

Petrecozim (Pvt) Ltd
Recycling of PET plastics
1 Factory

Directorate And Management

Board of Directors

Chairman

S Moyo	LLB; ~

Executive Directors

M M Valela – Chief Executive Officer	B Tech (Accounts); CA(Z)
A Makamure – Finance Director	B Acc, FCA(Z) LLB, FCIArb

Non-Executive Directors

E Fundira	Bsc Econ~
Dr C C Jinya	BA Econ (Hons), DBS (Honoris Causa) *
B N Makhura	BSc, MBA, MDP, MSc ~
Dr A M P Marufu	BSc Compt Sci & Physics, MSc, MBA, PHD
B Mbanga	B Compt, MBA, FCCA*
T Moyo	B Acc(Hons); FCA (Z); CA(SA)*
J Mushosho	B Acc; CA(Z)/(SA), FICSA, MBA ~
R T Rivett-Carnac	BA, BCompt, CA(SA)*

* Member of the Audit Committee   ~ Member of the Remuneration Committee

Group Management Committee

M M Valela	B Tech (Accounts); CA(Z)	Chief Executive Officer
A Makamure	B Acc (Hons); FCA(Z); LLB; FCIArb	Finance Director
T Rinomhota	BSc Eng	Operations Director – Beverages
Dr M G Nyandoroh	BSc (Hons); M.Sc; Phd	Operations Director – Beverages
F Musinga	LLB	Group Legal Counsel & Co. Sec
T Mafunga	BCompt (Hons); CA(Z)	Group Treasurer
D Mange	BSc; MBL	Director – Information Technology
I Muzorewa	BBS Marketing & Mgmt	Marketing Director
K P Munda	BSc, MSc, MBA	Human Resources Director
R E Mbelengwa	B Acc (Hons); CA(Z)	Supply Chain Director
L Nkunzane	BSc (Bio & Biochem); Dip Master Brewer	General Manager – Lager Beer
M Pemhiwa	BSc Psych; MBA	General Manager – Sorghum Beer
T J Chipangura	HND (Marketing), Pst Grad Dip Mgmt, MBA	General Manager – Sparkling
J Gweru	BSc Econ, MCIL	General Manager – Transport
S M Muchenje	BBS (Hons); MPhil	Managing Director – African Distillers Limited
K Mapingire	BBS (Marketing), Dip (IMM), MBA	Managing Director – NB
G Reade	Dip Leadership & Strategy (GIBS)	Managing Director – UNB

Board of Directors

Sternford Moyo
LLB
Chairman of The Board of Directors

R

Sternford Moyo joined the Board in August 2021 and was appointed as Chairman of board and Company. He is a member of the Remuneration and Nominations Committees.

He holds an LLB from the University of Zimbabwe. Sternford is a Senior Partner of one of Zimbabwe's oldest legal practices, Scanlen & Holderness. He was recently the President of the International Bar Association. He sits on Boards of PPC Zimbabwe, Padenga Holdings, Alpha Media and Joydrill Investments. He was former Chairman of Stanbic Bank Zimbabwe and Zimbabwe Revenue Authority.

Matlhogonolo Mothibedi Valela
B Tech (Accounts), CA (Z)
Chief Executive Officer

Matlhogonolo Valela was appointed as Group Chief Executive Officer on 1 July 2021. He had been Executive Director – Finance since June 2011 and assumed the role of Chief Operating Officer on 1 April 2021. Mr Valela joined the Group in December 1996 as an accountant at the then National Breweries division. He occupied various roles of increasing seniority in operational finance and accounting, becoming the Group Treasurer in 2003. Matts sits on the boards of the Company's subsidiary companies and associates; African Distillers, Nampak Zimbabwe, National Breweries Plc Zambia, United National Breweries (RSA) and Schweppes Holdings Africa.

Todd Moyo
B Acc (Hons); FCA (Z); CA (SA)

A

Todd Moyo joined the board in April 2016 and is Chairman of the Audit Committee since January 2020. He sits on a number of boards and is currently non-executive chairman of PPC Zimbabwe. Todd participates in several charitable trusts and committees in the education, medical services and civic arenas. He actively participates in the activities of professional associations such as the Institute of Chartered Accountants of Zimbabwe and industry bodies such as the Confederation of Zimbabwe Industries.

Emma Fundira
BSc Econ (Hons)

R

Mrs Emma Fundira joined the Board in January 2019 and currently chairs the Remuneration and Nominations Committees. Mrs Fundira is the Managing Director and co-founder of Finesse Advisory Services, a financial consultancy which provides corporate financing and asset management solutions. She had a career in merchant banking with the country's leading financial institutions. Emma holds a BSc Economics (honours) from the University of Zimbabwe where she has also lectured in economics. Mrs Fundira chairs the Cimas Medical Aid Society board and is a non-executive director of the Reserve Bank of Zimbabwe, Boost Fellowship and a Trustee of African Women's Entrepreneurship Program. She has recently served on the boards of First Capital Bank Zimbabwe (formerly Barclays Bank and Nampak Zimbabwe. She has served on the boards of leading private schools.

Benedict Mbanga
BCompt, MBA, FCCA

A

Benedict Mbanga joined the board in August 2022 and is a member of the Audit Committee.

He is the Co-Founder and Managing Director of Mangwana Capital (Zimbabwe & Mauritius), an entity that is registered with the Securities Exchange Commission as an Investment Advisor, providing various corporate finance services such as business valuations, mergers and acquisitions, due diligence, and capital raising.

Mr Mbanga served articles and became a partner with Deloitte and Touche (Zimbabwe) audit assurance and financial advisory. He left practice in 2018 having occupied senior positions in the broader Deloitte Africa franchise, and the Zimbabwe and Central Africa business units.

He serves as a director on various Boards of Mangwana Capital's investee companies domiciled in the UK, Zambia and Zimbabwe.

Dr Charity Chiratidzo Jinya
BA Econ (Hons); DBS (Hons Causa), Fellow Institute of Bankers

A

Dr Charity Chiratidzo Jinya joined the board in April 2016 and was appointed to the audit committee in April 2020. She retired from Nedbank where she was the Managing Director of Nedbank Zimbabwe Bank in 2020. Dr Jinya has previously served as the President of the Bankers Association of Zimbabwe. She sits on the boards of Old Mutual Investment Group (Zimbabwe) and Bindura Nickel Corporation as well as the Monetary Policy Committee of the Reserve Bank of Zimbabwe. Dr Jinya had a distinguished career in banking, having also served as managing director and executive director of leading listed banks in Zimbabwe and Uganda. She was crowned as the Director of the Year 2015 awarded by the Institute of Directors, Zimbabwe. She is involved with various charities in the education and church sectors and youth mentorship programmes.

Legend

R Member of the Remuneration Committee
A Member of the Audit Committee

Board of Directors (continued)

Alex Makamure
B Acc (Hons); FCA (Z); LLB; FCIArb
Executive Director Finance

Alex Makamure was appointed as the Executive Director – Finance with effect from 1 April 2021. He was the Company Secretary and Group Treasurer from April 2011 and had functional responsibility for Corporate Affairs and Supply Chain and other Group Services such as tax administration and executive compensation. Mr Makamure joined the Group in 1998 as Finance Manager at Chibuku Breweries Division becoming Divisional Finance Director in 2002. He served as the General Manager Finance for the combined beverages business from 2003 until his appointment as Company Secretary in January 2006.

Mr Makamure sits on the boards of Schweppes Holding Africa Limited, African Distillers Limited and United National Breweries (RSA) as a company representative. Alex is a board member at Medical Investments Limited (Avenues Clinic).

Dr Alex Masiya Passmore Marufu
BSc, MSc, MBA, PhD

Dr Marufu was appointed to the Board in August 2021. He is a highly experienced technology executive with over 30 years' experience in managing technology projects and businesses. He is SAP Certified with vast network, Technology Business Development, Electronic payment Systems and Sales experience. He has managed projects worth hundreds of millions of US Dollars in many countries from South Africa to Nigeria. Currently he is the regional General Manager of a listed Records Management business. He has served on numerous boards of technology companies and is a member of the CBZ board of directors.

Bridget Ngwakwana Makhura
BSc, MBA, MDP & MSc

R

Ms Bridget Makhura joined the Board in May 2024 as a representative of AB InBev, where she is the Vice President of People at South African Breweries. Bridget holds a Master of Business Administration qualification and completed the Management Development Programme from the Gordon Institute of Business Science and a Master of Science in Chemistry, obtained from the University of Witwatersrand. Bridget has over 16 years' experience across various industries in research, logistics and consultancy. This includes over 8 years' experience at The South African Breweries. Bridget is a member of the Remuneration and Nominations committees.

Richard Rivett-Carnac
BCom BBS CA (SA)

A

Richard Rivett-Carnac was appointed to the Board in November 2020 as a representative of AB InBev He is currently the CEO of South African Breweries. Previously he was the Vice President Finance for AB InBev Africa Zone. Mr Rivett-Carnac (Boris) is a Chartered Accountant and was the director responsible for mergers and acquisitions and treasury at the Africa Zone until his elevation to the VP Finance role in September 2020. He has spearheaded the company in its divestiture from the bottling and sorghum beer entities. He has previously worked for SABMiller in both South Africa and the United Kingdom on mergers and acquisitions, public flotations, and various due diligence processes. He has also worked for an investment bank and as portfolio analyst.

Mr Rivett-Carnac is a member of the Audit Committee.

Jonas Mushosho
B Compt; B Acc; FCIS; CA (Z)/(SA)

Jonas Mushosho joined the board in August 2020 as a nominee of the Old Mutual Group. He retired from Old Mutual in December 2019 where he was the Managing Director of Old Mutual -Rest of Africa and Chief Executive Officer of Old Mutual Zimbabwe. Jonas worked in various leadership roles at Old Mutual since 1990. He also occupied senior roles in the Department of Taxes (now ZIMRA) where he has subsequently served as a non-executive director. Mr Mushosho has extensive international business experience having led business portfolios in diverse markets on the African continent, particularly in the financial services sector. He is passionate about coaching, nurturing, developing and mentoring business talent.

Mr Mushosho is a member of the Zimbabwe Open University Council.

Group Management Committee

The profiles of the Chief Executive and Finance Director are included under Board of Directors

Tichafa Rinomhota
BSc Eng
Operations Director — Lager Beer, Sorghum Beer & Sparkling Beverages Businesses

Tichafa Rinomhota was appointed Operations Director responsible for the overall business on 1 April 2024 having been in charge of the Lager Beer and Sparkling Beverages businesses since February 2023. He has served in the position of General Manager – Lager Beer Business from April 2021 having been appointed as the General Manager – Sorghum Beer in April 2017. Mr Rinomhota was the Group Technical Director from 2011 to 2017. He joined the group at the then National Breweries Division in 1999 as Engineering Manager and rose through the ranks to become the General Manager – Technical for the Lager Business in 2007. Previously he worked for several mining and construction companies. Mr Rinomhota attended the Cambridge Accelerated Leadership Programme in 2022.

Dr Munyaradzi Godfrey Nyandoroh
BSc (Hons) (UZ); MSc (UZ); PHD (KENT)
Operations Director — Sorghum Beer Business

Dr Munyaradzi Nyandoroh was appointed the Operations Director – Sorghum Beer, overseeing the Sorghum Beer operations in Zimbabwe, Zambia and South Africa in April 2021. He was the General Manager – Lager Beer Business since April 2014. He joined the Group in 1986, working in the technical department of the then Chibuku Breweries Division. He left the organisation in 1992 to pursue further studies and re-joined in 1996 as Technical Director for Chibuku Breweries. He was appointed General Manager for the Agricultural Services department in 2002, and as General Manager – Beverages Operations for the Southern Region and thereafter the Northern Region. Dr Nyandoroh retired from the Group on 31 March 2024.

Faith Nzilani Musinga
LLB, GIBS Leadership Development
Group Legal & Company Secretary

Faith Musinga joined Delta as Group Company Secretary on 01 February 2022. She was recently with PPC Zimbabwe Limited as the Head of Legal and Compliance incorporating Company Secretarial role from 2014 to 2021. She previously worked at Ariston Holdings Limited, PG Industries Zimbabwe and as a Magistrate with the Judicial Services Commission.

Tumai Mafunga
BCompt (Hons), CA (Z)
Group Treasurer

Tumai Mafunga joined the Company as Group Treasurer in July 2021. He was with Deloitte and Touche Africa for 21 years and was a partner for 12 years. During his career at Deloitte, he was Head of Audit and Assurance Services Zimbabwe and part of Africa Management Committee and Head Telecommunications, Media and Technology Central Africa among other senior positions. He is a past president of the Institute of Chartered Accountants of Zimbabwe.

Davison Mange
BSc (UZ); MBL (UNISA); Msc (BE. Econ)
Director — Information Technology

Dave Mange was appointed to Director Information Technology in 2011. He joined the Group's IT Internship programme in 1990. Mr Mange held various management positions before his appointment as General Manager Information Technology in 2007.

Irimayi Muzorewa
BBS (Marketing & Management), EMBA
Marketing Director

Irimayi Muzorewa was appointed Marketing Director for Delta Beverages in June 2021. Mr Muzorewa joined Delta in 2011 as a Channel Marketing Executive. He has previously worked at Unilever Zimbabwe, Nelspot Brands, British American Tobacco and other fast-moving consumer goods entities in sales and marketing.

Group Management Committee (continued)

Kennedy Pomerayi Munda
BSc Psychology (Hons) (UZ),
Dip Personnel Management (IPMZ),
MSc Strategy (CUT), MBA (NUST)
Human Resources Director

Kenny Munda was appointed Human Resources Director in April 2021. He re-joined the Group in 2012, as HR Executive for Lager Beer, a position he held until March 2021. He had been with OK Zimbabwe from 1998 – 2003 before and after its demerger with Delta. He moved from OK to Delta Beverages as Human Resources Manager in 2003 and left in 2005 to work for DHL International as HR Manager. Mr Munda has recently attended the Cambridge Accelerated Leadership Programme.

Roselyn Edith Mbelengwa
B Acc (Hons) CA (Z)
Supply Chain Director

Roselyn Mbelengwa was appointed as Supply Chain Director in April 2021, becoming a member of the Group Management Committee. Mrs Mbelengwa joined Delta in 2004 as a Finance Executive at Head Office. She moved in the same role to Delta Transport in 2017. She was appointed as Head of Procurement in 2018. Roselyn had previously worked in finance in other service and manufacturing enterprises.

Lucky Zibusisio Nkunzane
BSc (BIO & Biochem) (Hons) (UZ), Dip Master Brewer
General Manager – Lager Beer Business

Lucky Nkunzane was appointed General Manager – Lager Beer in February 2023. He joined the Group in 1993 as a trainee brewer at the National Breweries Division and promoted to brewing manager in 1998 covering both Belmont and Southerton breweries. He was appointed the Plant Manager – Belmont Brewery in 2009 and moved to Southerton Brewery in 2017. He became the Lager Beer Technical Executive with responsibility for Kwekwe Maltings in 2018.

Marshall Pemhiwa
BSc (Hons) Psych; HR Dip; Dip OCC. Psych; MBA
General Manager – Sorghum Beer Zimbabwe

Marshall Pemhiwa assumed the position of General Manager – Sorghum Beer Zimbabwe in April 2021 having previously occupied the position of Human Resources Director since April 2011. Marshall joined the Group in March 1998 as a Graduate Trainee Psychologist & Human Resources. He held various management positions in the field of human resources and industrial relations, assuming the position of HR Executive – Beverage Operations in 2009. He is a past president of the Institute of People Management and is involved in committees at Dominican Convent School Harare.

Tichaona Joseph Chipangura
HND (Marketing), Post Graduate Dip Management, MBA
General Manager – Sparkling Beverages

Tichaona Chipangura was appointed General Manager – Sparkling Beverages in April 2021. Mr Chipangura was the National Sales Executive for Sparkling Beverages from 2015 to March 2021. He was the Sales and Distribution Executive for Lagers from 2010 to 2014. Tichaona was seconded on SABMiller foreign immersion programme to Tanzania Breweries in 2009. Mr Chipangura commenced his career at Delta in 1993 as a Research Officer at United Bottlers (SBs), in 1997 and grew through the ranks to Distribution Centre Manager and then Regional Sales & Distribution Executive (Southern Region) in 2005. He has recently attended the Cambridge Accelerated Leadership Programme.

Johnphas Gweru
BSc Econ (UZ), MCIL (Transport Logistics) UK
General Manager – Delta Transport

Jonphas Gweru was appointed the General Manager – Delta Transport in March 2020 and became a member of the General Management Committee in February 2023. He joined the Group in 2001 as a Distribution Manager at United Bottlers. Johnpas has served in various managerial positions in sales and distribution, freighting and logistics and operations management. He previously worked for a passenger transport company.

Group Management Committee (continued)

Stanley Machinda Muchenje
BBS (Hons); IMM (SA), MPHIL Marketing
Managing Director – African Distillers Limited

Stanley Muchenje was appointed as the Managing Director of Afdis in April 2021. He moved to Afdis from Delta Beverages in March 2021 having joined the Group at National Breweries (Lagers) as a sales representative in 1997. Stan has held various senior positions in Sales, Distribution and Marketing at Delta Beverages. He spent two years on secondment to SABMiller from 2012 to 2015 during which period he had the opportunity to manage beer brands in various markets across Africa.

Kenneth Mapingire
BBS (Marketing), Dip (IMM), MBA
Managing Director – Natbrew

Kenneth Mapingire was appointed Managing Director of National Breweries Plc-Zambia in July 2022. He re-joined Delta in 2013 having previously been with Group from 1997 to 2003 in the former Chibuku Breweries Division. Kenny has served in various managerial and executive positions in sales and distribution, channel marketing and operations management largely within the Sorghum Beer business. He has previously worked in various capacities in the fast-moving consumer goods sectors in Zimbabwe and Malawi.

Gary Reade
Diploma In Leadership & Strategy (GIBS)
Managing Director – United National Breweries (UNB) (SA)

Gary Reade was appointed Managing Director of UNB in February 2023. Gary joined UNB SA in August of 2006, serving in various roles of increasing responsibility in commercial and brewery management. He was appointed the UNB Sales & Distribution Director in 2016 and assuming the role of Acting Managing Director of UNB in May of 2022.

Notice to Members

Notice is hereby given that the 77th Annual General Meeting of Members of Delta Corporation Limited will be held at the Registered Office of the Company at Northridge Close, Borrowdale on Friday 26 July 2024 at 1230 hours for the following purposes tabulated below. Shareholders will be asked to connect and attend the meeting virtually via the link: https://escrowagm.com/eagmZim/Login.aspx

Ordinary Business

1. **Statutory Financial Statements**
   To receive and adopt the Financial Statements for the year ended 31 March 2024 together with the Report of Directors and Auditors thereon.

2. **To appoint Directors**
   Ms L Swartz retired from the Board on 31 December 2023 and does not offer herself for re-election.

   Dr C C Jinya and Mr R Rivett-Carnac retire by rotation. Ms B Makhura was appointed to the Board on 01 May 2024 and retires at the end of her interim appointment on 26 July 2024. All being eligible, will offer themselves for re-election. The election of directors will be by individual motions.

3. **Directors Fees**
   To approve the directors' fees for the financial year ended 31 March 2024.
   (NOTE: The consolidated directors' emoluments are included in the notes to the financial statements and in the Report of the Remuneration Committee).

4. **Independent Auditors**
   To re-appoint auditors and approve the auditor's remuneration for the past year. Members will be asked to re-appoint Messrs Ernst & Young Chartered Accountants to serve their fourth year and approve their remuneration for the past financial year.

Special Business

5. **Increase the authorised share capital of the Company**
   That, in terms of section 96 of the Companies and Other Business Entities Act Cap 24:31, the authorised share capital of the Company be increased from ZW$14 000 000 comprising of 1 400 000 000 ordinary shares of a nominal value of ZW$0.01 (one cent) each, to ZW$20 000 000 comprising of 2 000 000 000 ordinary shares of a nominal value ZW$$0.01 (one cent) each. The authorised share as increased will be redenominated to US$20 000 000 divided into 2 000 000 000 ordinary shares of a nominal value of US$0.01 each as per resolution 7.

6. **To place unissued shares under the control of Directors**
   That, the balance of the authorised but unissued ordinary shares of the Company, be placed under the control of the Directors for an indefinite period, to be issued in compliance with the terms of the Memorandum and Articles of the Company and the Zimbabwe Stock Exchange listing requirements, provided that no issue will be made which would effectively transfer the control of the Company without the prior approval of the Shareholders in a general meeting.

7. **Re-denomination of share Capital**
   That the authorised capital of the Company be re-denominated from 2 000 000 ordinary shares of ZW$0.01 (ZW one cent) each to 2 000 000 000 ordinary shares of US$0.01 (USD one cent) each.

8. **Share Buy Back**
   Shareholders will be asked to consider and if deemed fit, to resolve with or without amendments, that the Company authorises in advance, in terms of Section 128 of the Companies and Other Business Entities Act (Chapter 24:31) the purchase by the Company of its own shares upon such terms and conditions and in such amounts as the Directors of the Company may from time to time determine and such authority hereby specifies that:

Notice to Members (continued)

Special Business (continued)

8. Share Buy Back (continued)

a. the authority shall expire on the date of the Company's next Annual General Meeting;
b. acquisitions shall be of ordinary shares which, in aggregate in any one financial year, shall not exceed 10% (ten percent) of the Company's issued ordinary share capital.
c. the maximum and minimum prices, respectively, at which such ordinary shares may be acquired will be not more than 5% (five percent) above and 5% (five percent) below the weighted average of the market price at which such ordinary shares are traded on the Zimbabwe Stock Exchange, as determined over the 5 (five) business days immediately preceding the date of purchase of such ordinary shares by the Company;
d. a press announcement will be published as soon as the Company has acquired ordinary shares constituting, on a cumulative basis in the period between Annual General Meetings, 3% (three percent) of the number of ordinary shares in issue prior to the acquisition.

It will be recorded that, in terms of Companies and Other Business Entities Act and the regulations of the Zimbabwe Stock Exchange, it is the intention of the Directors of the Company to utilise this authority at a future date provided the cash resources of the Company are in excess of its requirements and the transaction is considered to be in the best interests of shareholders generally. In considering cash resource availability the Directors will take account of, inter alia, the long-term cash need of the Company, and will ensure the Company will remain solvent after the re-purchase.

By the order of The Board

F Musinga
Company Secretary

Sable House
Northridge Close
Borrowdale
Harare
Zimbabwe
25 June 2024

Note:

(a) In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24:31), members are entitled to appoint one or more proxies to act in the alternative, to attend, vote and speak in their place at the meeting. A proxy needs to be a member of the Company.
(b) In terms of section 171 (8) of the Companies and Other Business Entities Act (Chapter 24:31), a director or officer of a company may not act as a proxy for a member. Accordingly, members should not appoint a director or officer of the Company.
c) In terms of Article 80 of the Company's Articles of Association, instruments of the proxy must be lodged at the registered office of the Company at least forty-eight hours before the time appointed for holding the meeting.

Please Note: An electronic version of the Delta Corporation Annual Report and Proxy form can be found on our website **https://www.delta.co.zw/investors-corner/annual-results/**

Shareholders Analysis

Size of Shareholding	Number of Holders	%	Issued Shares	%
1 - 5 000	**6 623**	77,34	**5 627 848**	0,42
5 001 - 10 000	**528**	6,17	**3 997 196**	0,30
10 001 - 25 000	**485**	5,66	**7 679 574**	0,58
25 001 - 50 000	**250**	2,92	**8 801 478**	0,66
50 001 - 100 000	**215**	2,51	**15 358 063**	1,16
100 001 - 500 000	**312**	3,64	**71 476 358**	5,40
Above 500 000	**151**	1,76	**1 211 771 998**	91,47
	8 564	100,0	1 324 712 515	100,0
Category				
Local Companies	**873**	10,19	**169 875 106**	12,82
Foreign Companies	**17**	0,20	**534 396 041**	40,34
Pension Funds	**417**	4,87	**185 654 021**	14,01
Nominees Local	**162**	1,89	**53 634 269**	4,05
Nominees Foreign	**40**	0,47	**143 682 621**	10,85
Insurance Companies & Banks	**44**	0,51	**157 936 410**	11,92
Resident Individuals	**6 310**	73,68	**62 001 655**	4,68
Non-Resident - Individuals	**263**	3,07	**2 991 179**	0,23
Investments & Trusts	**246**	2,87	**7 202 319**	0,54
Fund Managers	**28**	0,33	**1 120 062**	0,08
Deceased Estates	**121**	1,41	**934 310**	0,07
Other Organisations	**43**	0,50	**5 284 522**	0,40
	8 564	100,00	1 324 712 515	100,00

Shareholder	2024	%	2023	%
AB InBev Zimbabwe (NNR)	**311 264 215**	23,50	**311 264 215**	23,69
Stanbic Nominees (Pvt) Ltd NNR	**217 188 078**	16,40	**240 958 911**	18,34
Rainier Inc,	**193 137 519**	14,58	**193 137 519**	14,70
Old Mutual Life Assurance Co,	**151 798 799**	11,46	**152 996 207**	11,65
National Social Security Authority (NPS)	**26 120 477**	1,97	**26 120 477**	1,99
Browning Investments NV	**22 178 835**	1,67	**22 178 835**	1,69
Standard Chartered Nominees - NNR	**20 301 947**	1,53	**25 792 523**	1,96
Amaval Investments (Pvt) Ltd	**19 877 110**	1,50	**17 344 050**	1,32
National Social Security Authority (WCIF)	**18 247 090**	1,38	**18 247 090**	1,39
Delta Employee Participation Trust Co (Pvt) Ltd	**14 233 211**	1,07	**14 233 211**	1,08
Other	**330 365 234**	24,94	**291 423 147**	22,18
Total	1 324 712 515	100,00	1 313 696 185	100,00

Shareholders Analysis (continued)

Major Shareholders	2024	%	2023	%
Old Mutual	**157 701 508**	11,90	**159 460 970**	12,14
ABInBev Entities	**526 580 569**	39,75	**526 580 569**	40,08
Total	**684 282 077**	51,65	**686 041 539**	52,22
Resident and Non-Resident Shareholders				
Resident	**635 646 271**	47,98	**603 641 488**	45,90
Non-Resident	**689 066 244**	52,02	**710 054 697**	54,10
	1 324 712 515	100,00	**1 313 696 185**	100,00

Share Price Information

Mid Range Price (ZW$) at:		
30 June, 2023	ZW$3 100.00	
30 September, 2023	ZW$2 250.00	
31 December, 2023	ZW$3 511.00	
31 March, 2024	ZW$16 652.00	
Price Range	**Date**	**Price**
Highest	28 March, 2024	ZW$17 919.90
Lowest	26 April, 2023	ZW$780.00

Calendar

77th Annual General Meeting	26 July 2024
Financial Year End	31 March 2024
Interim Reports:	**Anticipated Dates:**
6 months to 30 September 2024	November 2024
6 months to 31 March 2025 and	
Final dividend declaration	May 2025
Dividend Payment Date – final	June 2025
Annual Report Published	July 2025

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CASTLE
CARLING
Black Label
BEER
ZAMBEZI
GOLDEN
PILSENER
Chibuku
Super
Coca-Cola
FANTA
Schweppes